

**ORIGINAL**Decision No. 70098

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SOUTHERN CALIFORNIA GAS COMPANY for  
an order of the Commission authorizing  
it to carry out an agreement with  
SIGNAL OIL AND GAS COMPANY for the  
sale of interruptible natural gas.

Application No. 47947  
(Filed October 1, 1965)

O P I N I O N

By the above-entitled application, and subsequently filed amendment, Southern California Gas Company (Southern) seeks an order of this Commission for all necessary permission and authority to carry out, in accordance with its terms, an agreement dated September 30, 1965, with Signal Oil and Gas Company (Signal) covering the sale of interruptible natural gas at a Signal petroleum refinery located in Bakersfield, California.

Signal is presently taking gas service under Southern's Schedule No. G-53 for gas used under its boilers and in its petroleum oil stills and heaters at the above-mentioned refinery. Gas requirements for the production of hydrogen are presently being met in part by Pacific Lighting Gas Supply Company on an exchange basis and in part from its own gas production.

Signal desires to take service under Schedule No. G-53A both for gas used in its boilers, petroleum oil stills, and heaters, and for gas used as a raw material in the production of hydrogen. Southern alleges that Signal's requirements will increase from approximately 3,000,000 cubic feet per day on Schedule No. G-53 to 9,500,000 cubic feet per day on Schedule No. G-53A. Signal desires to transfer to Schedule No. G-53A as of November 1, 1965.

The agreement is to become effective upon authorization by the Commission and remain in force for an initial term of three years from the date of initial service to Signal and will continue in force and effect thereafter in accordance with the conditions set forth in the selected rate schedule. The agreement contains a provision that it shall, at all times, be subject to change or modification by this Commission in the exercise of its jurisdiction.

Applicant alleges that its request for authorization to carry out the agreement is made pursuant to Section 532 of the Public Utilities Code and Section X, Paragraph A, of the Commission's General Order No. 96-A. As service to be rendered deviates from Special Condition 2 of Schedule No. 53A for gas used in the production of hydrogen, Signal will not be required to provide standby fuel equipment and qualified attendance in the event of interruptible gas curtailment. By amendment filed October 15, 1965, Southern states that the afore-mentioned standby requirements of Special Condition No. 2 shall be applicable to gas used for purposes other than in the production of hydrogen.

Southern further alleges that there is no suitable substitute for the interruptible gas used as a raw material and that maintenance of standby fuel facilities would serve no useful purpose. By letter dated September 30, 1965, presented as Exhibit "B" of the application, Signal states that in case of a curtailment of interruptible gas no damage to the equipment will occur and no employees will be laid off as a direct result of the interruption.

Southern refers to other instances, both in its service area and in Pacific Gas and Electric Company's service area, where authorization has been granted by this Commission for gas service

as a raw material or in a reactor, and where the maintenance of standby fuel facilities would serve no useful purpose.<sup>1/</sup>

We find that the agreement dated September 30, 1965 for supply of interruptible gas by Southern California Gas Company to Signal Oil and Gas Company is not adverse to the public interest. The agreement should be authorized in accordance with the ensuing order.

A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Southern California Gas Company may carry out the terms and conditions of the agreement dated September 30, 1965, with Signal Oil and Gas Company (Exhibit A attached to the application herein) and may deviate from Special Condition No. 2 of its Schedule No. G-53A, Optional Limited Interruptible Natural Gas Service, with respect only to gas used in the production of hydrogen, to the extent required by and in accordance with the terms and conditions of said agreement.

2. Applicant shall file with this Commission, within thirty days after the effective date of this order, four certified copies of the letter agreement dated September 30, 1965, as executed.

3. Applicant shall notify this Commission of the date of termination of said agreement within thirty days from and after said date of termination.

1/ Hercules Powder Company, California Ammonia Company, Bethlehem Pacific Coast Steel Corporation, Valley Nitrogen Producers, Inc., Union Carbide Corporation, Continental Carbon Company, United Carbon Company, Inc., Reserve Oil and Gas Company, Decisions Nos. 50396, 57466, 57376, 58321, 62013, 62076, 62851 and 68894.

4. Applicant shall file with this Commission, in compliance with G. O. 96-A, a revised summary list of contracts and deviations to include the contract herein authorized. Such list shall become effective upon five days' notice to the Commission and the public as hereinabove provided.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 21st day of DECEMBER, 1965.

Frederick B. Hallock  
President  
George J. Hoover  
Commissioners  
William W. Bennett