

ORIGINAL

Decision No. 70513

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC GAS AND ELECTRIC COMPANY and)
SOUTHWEST GAS CORPORATION for)
authorization, among other things,)
to carry out an agreement dated)
October 11, 1965, amending an)
existing gas agreement dated)
July 8, 1957.)

Application No. 48259
(Filed February 16, 1966)

(Gas)

O P I N I O N

Pacific Gas and Electric Company (Pacific) and Southwest Gas Corporation (Southwest) by the above-entitled joint application request an order of the Commission authorizing them to carry out the terms and conditions of an agreement, dated October 11, 1965, amending an existing agreement covering the sale of natural gas by Pacific to Southwest.

The Commission, by Decision No. 55552, dated September 10, 1957, in Application No. 39277, authorized Pacific and Southwest to carry out the terms and conditions of an agreement dated July 8, 1957, which is the existing agreement being amended.

Southwest was authorized to extend its natural gas system into the Big Bear Lake Area in San Bernardino County by Decision No. 68008. Applicants aver that by reason of such extension Southwest needs an increase of its source of natural gas supply for present and future requirements of the area involved. Pacific estimates that the cost of facilities incidental to providing the additional capacity and pressures requested by Southwest is \$20,986. Southwest's consumption of gas was 2,965,799 Mcf for

the 12-month period ending December, 1965, for which it was billed in the amount of \$1,358,661.78. It is estimated that in 1966 when Southwest anticipates taking the additional capacity, its consumption of gas will be approximately 3,300,000 Mcf per year for which Pacific will receive an annual revenue of approximately \$1,510,000. Service to Southwest is furnished under Schedule No. G-62 which requires a contract to be on file with the Commission. The new service conditions necessitate the amendment of the approved contract.

The amendments to the existing agreement included in the agreement dated October 11, 1965, provide that:

1. The 10-year initial term is extended for three years or until September 30, 1970 and thereafter from year to year, and requires 36 months' rather than 12 months' prior written notice of termination.
2. Pressures are increased at existing and new taps.
3. Rates of flow and deliveries at specified taps in the Victorville and Barstow areas are revised.
4. The map designated Exhibit B of the existing agreement, which shows the area Pacific will not oppose being served by Southwest, has been amended to include Township 3 North, Range 1 West and a portion of Township 3 North, Range 1 East, San Bernardino Base and Meridian, as authorized by the Commission in Decision No. 68008, dated October 13, 1964, in Application No. 46780.

The above-entitled application having been considered, the Commission concludes that the application should be granted. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Applicants are authorized to carry out the terms and conditions of the amendatory agreement, dated October 11, 1965, set forth as Exhibit F attached to the application.

2. Pacific Gas and Electric Company shall file with the Commission, in conformity with General Order No. 96-A, within thirty days after the effective date of this order, four certified copies of the agreement as executed, together with a statement of the date on which said agreement is deemed to have become effective.

3. Applicants shall notify this Commission of the date of termination of the agreement within thirty days after the date of termination.

4. Pacific Gas and Electric Company shall file with this Commission, within thirty days after the effective date of this order, and in conformity with General Order No. 96-A, a revised list of contracts and deviations, including the agreement herein authorized, to become effective upon five days' notice to the Commission.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 5th day of APRIL, 1966.

Frederick B. Hillhoff
President
George H. Thayer
Augustus

William B. Beards
Commissioners