

Decision No. 78342

ORIGINAL

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  
authority, among other things, to  
carry out an agreement dated  
November 6, 1970, for the sale by  
the former to the latter of natural  
gas.

Application No. 52381  
(Filed December 30, 1970)

(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 November 6, 1970, superseding an existing amended agreement covering the sale of natural gas by Pacific to Southwest.

The Commission, by Decision No. 70513, dated April 5, 1966, in Application No. 48259, authorized Pacific and Southwest to carry out the terms and conditions of an agreement amending an earlier agreement authorized by Decision No. 55552, dated September 10, 1957, in Application No. 39277.

The consumption of gas by Southwest has increased from nearly 3 million Mcf during 1965 to approximately 4 million Mcf in 1970. Applicants state that this increased demand requires Southwest to obtain an assured adequate supply. Pacific further states that it is able to provide such a supply to Southwest without jeopardizing the present and future needs of Pacific's customers through the terms of the agreement.

The significant provisions of the new agreement are as follows:

1. The initial term of the agreement is ten years from and after the date it is authorized by the Commission, and thereafter from year to year unless terminated at the end of the initial term or afterwards by 24 months' written notice by either party.
2. Pacific agrees to deliver to Southwest and Southwest agrees to buy from Pacific, all of the gas required by Southwest's public utility business for use by Southwest and resale by it directly to its domestic, commercial, and industrial customers for use within Southwest's service area.
3. Points of delivery are established and provision made for establishing additional delivery points.
4. Southwest may provide interruptible gas service to individual installations without maximum limit on their requirements, subject to curtailment by Pacific. Pacific is not obligated, however, to deliver gas to Southwest for resale to any Large Interruptible Customer for use on premises of that customer located in Southwest's service area but which Pacific serves or is committed to serve at the time of the agreement.
5. When a new Large Interruptible Customer located within Southwest's service area applies for service, the customer shall be served by whichever company then has the lower estimated total rates and charges for service to that customer, except that applicants may agree that Southwest might so serve.

6. Southwest agrees to pay Pacific for all gas so delivered in accordance with the rates and conditions set forth in Pacific's applicable rate schedules as they are from time to time established by Pacific and filed with and authorized by the Commission. The schedule presently applicable is Pacific's Schedule G-62, a copy of which is attached to the agreement.

It is estimated that for the annual consumption of 4 million Mcf by Southwest, Pacific will receive an annual revenue of approximately \$2 million.

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

O R D E R

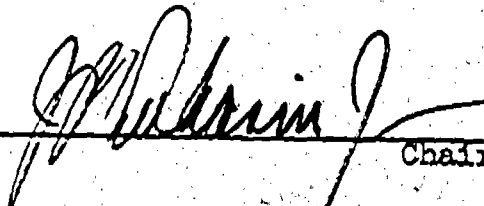
IT IS ORDERED that:

1. Applicants are authorized to carry out the terms and conditions of the agreement, dated November 6, 1970, set forth as Exhibit A, 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.

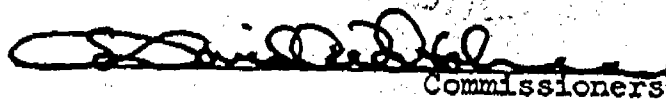
4. Pacific Gas and Electric Company shall file with this Commission, within thirty days after the effective date of this order, and in conformity with General Order No. 96-A, a revised list of contracts and deviations, including the agreement herein authorized, to become effective upon five days' notice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

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

Dated at San Francisco, California, this 22nd day of FEBRUARY, 1971.

  
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Chairman

  
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Commissioner

  
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Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

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