

Decision No. 85827

KB

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND)	
ELECTRIC COMPANY for authority)	
to revise its gas service tariff)	Application No. 55468
to offset the effect of increases)	(Filed January 30, 1975)
in the price of gas from CALIFORNIA))	
SOURCES.)	
(Gas))	

ORDER TO SHOW CAUSE

WHEREAS, during hearings in the above-captioned proceeding in which Pacific Gas and Electric Company requested authority to increase its rates for public utility natural gas service by over \$40 million in order to offset price increases for natural gas produced in California and sold to Pacific Gas and Electric Company, the Commission raised the question of what is the cost of producing the California natural gas sold to Pacific Gas and Electric Company by California gas producers, and also the question was raised whether the price of California produced natural gas presently under contract for sale to Pacific Gas and Electric Company should be directly regulated by the Public Utilities Commission; and

WHEREAS, in Decision No. 84616 dated June 17, 1975 in the above-captioned proceeding, the Commission has directed the Legal Division to prepare an Order To Show Cause, to be served on all producers of California gas who are under contract to supply such gas to Pacific Gas and Electric Company, as to why they should not be regulated by this Commission as public utilities; and

WHEREAS, the persons and corporations named in the attached Appendix "A", John Doe I through CCC and Doe Corporations I through CCC produce, transmit, deliver or furnish natural gas produced in California under contract to Pacific Gas and Electric Company; and

WHEREAS, each of the foregoing persons appears to own, control, operate or manage real estate, fixtures; or personal property to facilitate the production, transmission, delivery, or furnishing of natural gas for light, heat, or power, which gas is not produced on or distributed by the producer thereof through private property alone solely for his own use or the use of his tenants but is produced, transmitted delivered or furnished to or for Pacific Gas and Electric Company, and therefore each such person is or may be a public utility gas corporation; and

WHEREAS, each of the foregoing persons appears to have dedicated some or all of his real estate, fixtures, and personal property used to facilitate the production, transmission, delivery or furnishing of natural gas for light, heat, or power for public use; and;

WHEREAS, the Commission wishes to determine whether a one-tier, two-tier, or other pricing system is most advantageous to the public interest;

NOW THEREFORE, IT IS ORDERED that:

1. The persons whose names appear on the attached Appendix "A" of this Order, John Doe I through CCC and Doe Corporations I through CCC, are ordered to appear before Commissioner Ross and/or Examiner Cline at a time and place to be set; at which time said respondents shall show cause why they should not be regulated as public utilities, and ordered to file with the Commission within 30 days in such form as the Commission may designate, and print and keep open to public inspection, schedules showing all rates, tolls, rentals, charges, and classifications collected or enforced, or to be collected or enforced, together with all the rules, contracts, privileges, and facilities which in any manner affect or relate to rates, tolls, rentals, classifications or service; and to participate at that time in the setting of a date where a full hearing may be held as to why they should not be ordered to cease and desist from operating gas plants until and unless they shall file schedules as described hereinabove.

2. Pacific Gas and Electric Company and the California Gas Producers Association are ordered to appear at the hearings scheduled in this proceeding.

3. The Executive Director is directed to cause a copy of this order to be served on the respondents, and each of them, listed on Appendix "A" attached hereto, and also on Pacific Gas and Electric Company and the California Gas Producers Association.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 18th day of MAY, 1976.

I abstain
William S. Lyons Jr.

I abstain
Vernon L. Sturgeon

[Signature]
President

[Signature]

[Signature]
Robert Bateman
Commissioners

A P P E N D I X "A"

Amarillo Oil Company
Amerada Hess Corporation
American Pacific International, Inc.
Anacapa Oil Corporation
Andover Oil Company
Arcady Oil Company
Argosy Oil Company
Armstrong Petroleum Corporation
Atkinson, T.A.
Atlantic Oil Company
Atlantic Richfield Company
Bender, E.A.
Burmah Oil and Gas Company
Buttes Resources Company
A. A. Cameron Trusts
Capitol Oil Corporation
Casex Company
C. F. Braun and Company
Cinta Oil Company
Cities Service Oil Company
Colorado Oil and Gas Corporation
Continental Oil Company
Cop-Ex Mining Corporation Limited
Crestmont Oil and Gas Company
Dalco Oil Company
Devon Corporation
Dewitt, John N. and
Graham, Paul J.
Doheny, P. A., Operator

Evans, Kenneth R.
Exxon Company U.S.A.
Ferguson and Bosworth
Francis Oil and Gas Inc.
Garrison, Lowell E.
G.E.C. Oil and Gas Company Inc.
G.E.C. Oil and Gas Operations
General Crude Oil Company
General Exploration Company
Getty Oil Company
Golden Eagle Refining Company Inc.
Great Basins Petroleum Co.
Green, Ed.
Gulf Oil Corporation
Hibbert, R. E.
Hom Oil Company
Hopkins, A. A., Jr.,
Hunnicut and Camp Drilling Co.
Hunter - Scanlin
Kadane, G. E. and Sons
Kline, Mortimer A
Ladd Petroleum Corporation
Lawbar Petroleum, Inc.
Lomita Operating Company
Love Oil Company, Inc.
M and T Inc.
McBurney, R. W., Estate of
McCulloch Oil Corporation

McCulloch Oil Corporation of California
McCulloch Oil Management Company of
California Inc.

McFarland Energy Inc.

McKenzie and Associates

Merriam, Jack S., Family Trusts

Mobil Oil Corporation

Montara Petroleum Company

Morton and Dolley

Natural Gas Corporation of
California

Nahama and Weagant, Inc.

The Newhall Land and Farming Co.

Northeast Maine Prairie Mound
Gas Field Joint Venture

Oil Leases

Oxy Petroleum Inc.

Partnership Properties Co.

Payne, W. S. , Jr.

Pickrell, Daniel J.

Pioneer Kettleman Company

Rembold, Albert A.

Reserve Oil and Gas Company

Reynolds and Carver,

Reynolds, Sargent M.

Rheem California Land Company

Roney, Estate of Jesse

Sage Oil Company, Inc.

Santa Fe Minerals, Inc.

Scott, G. R.

Seaboard Oil & Gas Company

Shell Oil Company

Shoshone Oil Corporation

Smith, Estate of V.R.

Spectrum Oil and Gas 723

Standard Oil Company
of California

Sun Oil Company

The Superior Oil Company

Supreme Oil and Gas Corporation

The Termo Company

Terra Resources, Inc

Texaco Inc.

Tracy Drilling Corporation

Tri-Valley Oil and Gas Co.

Union Oil Company of California

Venada National