

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Copy for:

RESOLUTION NO. G-2259

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Orig. and Copy  
\_\_\_\_\_to Executive Director

R E S O L U T I O N

UTILITIES DIVISION  
BRANCH/SECTION: Gas

DATE: December 19, 1978

\_\_\_\_\_Director  
\_\_\_\_\_Numerical File  
\_\_\_\_\_Alphabetical File  
\_\_\_\_\_Accounting Officer

SUBJECT: Order Authorizing Gas Sales Agreement Between Pacific Gas and Electric Company and Southern California Gas Company

WHEREAS: PACIFIC GAS AND ELECTRIC COMPANY (PG&E), by Advice Letter No. 1019-G filed December 18, 1978, requests authority to carry out the terms of an agreement with Southern California Gas Company (SoCal) whereby PG&E will sell up to 54,750 million cubic feet of natural gas annually to SoCal for a period of three years under the following conditions:

1. The agreement is for the period from date of CPUC approval through December, 1981.
2. PG&E shall make gas available to SoCal in the amount of 27,375 million cubic feet during each calendar year, or an average of 75 million cubic feet per day, if such gas is in excess of PG&E's P1 and P2A requirements. SoCal is obligated to take or pay for this gas with make-up provisions during the immediately following two calendar years.
3. PG&E may also make available and SoCal may also purchase an additional 27,375 million cubic feet of gas during each calendar year, or an additional 75 million cubic feet per day, if such sale will not impair PG&E's operational procedures.
4. SoCal is not required to take any portion of the above volumes if to do so would require it to reduce its receipts from either El Paso or Transwestern.
5. If, as a result of this agreement, the FERC takes any action to reduce PG&E's or SoCal's entitlements from El Paso, the agreement may be terminated.
6. The price shall be \$2.29 per decatherm which shall be increased or decreased by the average increase or decrease in rates to PG&E's Gas Department customers authorized by this Commission on or after December 8, 1978, resulting from adjustments due to PG&E's Gas Cost Adjustment Clause, and

WHEREAS: Any revisions to the procedures for crediting revenues under the Supply Adjustment Mechanism (SAM) can be more appropriately considered at a later date, and

WHEREAS: We find the authorization of the proposed sale is reasonable. A public hearing is not necessary; therefore, good cause appearing,

IT IS ORDERED that:

1. Authority be granted for Pacific Gas and Electric Co. and Southern California Gas Co. to carry out the terms of the agreement.
2. PG&E's request for a revision to the procedure for crediting revenues under the Supply Adjustment Mechanism will be considered at a later date.
3. The effective date of this Resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 19th day of December, 1978, the following Commissioners voting favorably thereon:

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Executive Director