

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

Orig. and Copy

\_\_\_\_\_to Executive Director

\_\_\_\_\_Director

\_\_\_\_\_Numerical File

\_\_\_\_\_Alphabetical File

\_\_\_\_\_Accounting Officer

RESOLUTION NO. G-2314

UTILITIES DIVISION

BRANCH/SECTION: Gas

DATE: October 23, 1979

R E S O L U T I O N

**SUBJECT:** Extension of Priority 2A (temporary) Status of Hyland Laboratories, Inc., Los Angeles, California, until April 1, 1980.

**WHEREAS:** HYLAND LABORATORIES, INC., of Los Angeles, by letter of October 1, 1979, requests that a six-month extension be granted to continue its Priority 2A status until April 1, 1980.

1. Hyland Laboratories was classified as a Priority 2A (temporary) user by Southern California Gas Company under the provisions of Decision No. 85189. Pursuant to Decision No. 90794, certain industrial customers, including Hyland Laboratories, Inc., were transferred to Priority 3, effective October 1, 1979. Under the latter priority, Hyland Laboratories would be served under Rate Schedule No. G-50 and would be required to install standby fuel facilities.

2. Decision No. 85189, allows customers unable to convert to standby fuels within the allowed period to apply to the Commission for an extension of time.

**WHEREAS:** Hyland Laboratories has contracted with an established supplier of liquefied propane gas, but because of the lead time involved, and the need to obtain necessary permit approvals, its back-up fuel supply will not be available until April 1980, and

**WHEREAS:** Hyland Laboratories is the producer of vital life-sustaining blood coagulation products, and any curtailment of gas service could cause closure of its facilities, with resultant detrimental effects on public health, therefore, good cause appearing,

**IT IS ORDERED that:**

Southern California Gas Company shall extend the Priority 2A status of Hyland Laboratories, Inc., of Los Angeles, California, until April 1, 1980. 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 23rd day of October, 1979, the following Commissioners voting favorably thereon:

JOHN E. BRYSON

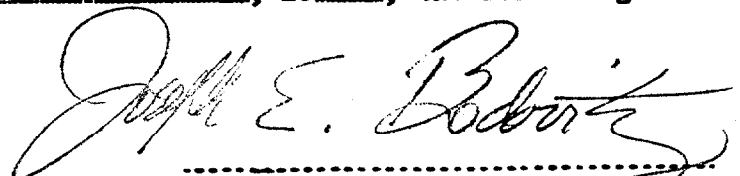
President

RICHARD D. GRAVELLE

CLAIRE T. DEDRICK

LEONARD M. GRIMES, JR.

FORM U-14-A

  
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Executive Director

# Memorandum

Date : October 23, 1979  
Conference

RETURN TO GAS BRANCH

To : THE COMMISSION

From : Public Utilities Commission — San Francisco -- G. L. Way, Chief Gas Engineer *GLW*

Phone: 7-3310

File No.: C.9642

Subject: Hyland Laboratories, Inc., Request for Six Months Extension of Priority 2A Classification (Resolution No. G-2314)

ISSUE: Extension of Hyland Laboratories' Priority 2A status in Southern California Gas Company's system to April 1, 1980.

FACTS: Hyland's Los Angeles facility is engaged in the fractionation of human blood plasma for medical purposes. It is the largest blood fractionation facility in the world, as well as being the leading producer of important life-sustaining coagulation products. Hyland Laboratories has been classified as a Priority 2A (temporary) user by Southern California Gas Company under the provisions of Decisions Nos. 85189 and 86357. Priority 2A (temporary) industrial customers were scheduled to transfer to Priority 3 on October 1, 1979. Hyland Laboratories has requested extension of its Priority 2A status because of the unavailability of fuel standby facilities until April 1, 1980.

DISCUSSION: Hyland Laboratories has contracted with an established supplier to provide liquefied propane gas and on site storage capacity, but because of the lead time required for construction of facilities and obtaining the necessary permit approvals, its back-up fuel supply cannot be available until April 1, 1980. A Priority 3 classification could result in curtailment of natural gas service to Hyland in the event of a cold winter. Without a standby facility, curtailment of service could cause closure of this customer's laboratory, and, in view of the critical nature of the business, severe hardship to Hyland customers, could result, along with probable detrimental effects on public health.

CONCLUSIONS AND RECOMMENDATIONS: Decision No. 85189, which established end-use curtailment procedures, allows customers unable to convert to standby fuels within the allowed period to apply to the Commission for an extension of time. The staff concludes that the applicant's request for a six-month extension of its Priority 2A status is justified, and in the public interest. Commission approval is recommended. The required Resolution is attached.

IRF:LO

Attachment

October 25, 1979

Southern California Gas Company  
Box 2249 Terminal Annex  
Los Angeles, CA 90051

Attention: Mr. Jonel C. Hill  
Vice President

Gentlemen:

The Commission has received and filed a letter from the Hyland Division of Travenol Laboratories, Inc., (Hyland) dated October 1, 1979, requesting authority to extend until April 1, 1980 their Priority 2A classification.

You are hereby notified that the Commission on October 23, 1979, by Resolution No. G-2314, a conformed copy attached herewith, granted authority under Section 490 of the Public Utilities Code for you to deviate from the provisions of Decision No. 90794 by allowing Hyland to remain as Priority 2A (temporary) until April 1, 1980.

Enclosed herewith is one copy of the Hyland letter dated October 1, 1979, showing hereon the date of filing and that the authorization was granted under Resolution No. G-2314 of the Public Utilities Commission of the State of California.

Very truly yours,

Greville L. Way  
Chief Gas Engineer

RGP:LO

*M*

Enclosures

cc: Mr. Raymond T. Murphy  
Environmental Counsel  
Hyland  
4501 Colorado Boulevard  
Los Angeles, CA 90039

bcc: Mr. Martin White, Gas Branch, SF  
LA Office

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. G-2314

UTILITIES DIVISION

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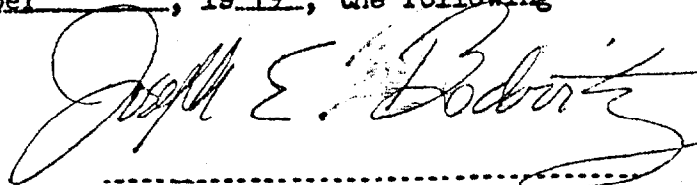
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JOHN E. BRYSON, President  
RICHARD D. GRAVELLE, CLAIRE T. DEDRICK,  
LEONARD M. GRIMES, JR., Commissioners



Executive Director



HYLAND

DIVISION TRAVENOL LABORATORIES, INC.

Law Department  
Writer's Phone:  
(312) 948-4952

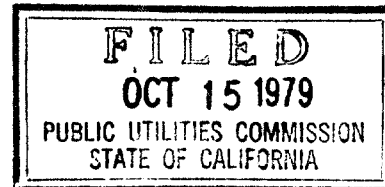
4501 Colorado Boulevard  
Los Angeles, California 90039  
(213) 240-5600

October 1, 1979

Mr. Joseph E. Bodovitz  
Executive Director  
California Public Utilities Commission  
455 Golden Gate Avenue  
San Francisco, California 92116

Attn: Mr. Donald L. King

Re: Request for 6 month 2A Priority Extension



G 2314

Dear Mr. Bodovitz:

I am writing to you on behalf of the Hyland Division of Travenol Laboratories, Inc., located at 4501 Colorado Boulevard, Los Angeles, California. This facility is served by Southern California Gas Company and currently is classified as a Priority 2A customer. Natural gas is used as a boiler fuel and also for space heating, hot water heating, and process heating. As we understand it, Hyland's boiler fuel supply is presently scheduled to be reduced to Priority 3 as of October 1, 1979 pursuant to Commission order.

Hyland's Los Angeles facility is engaged solely in the fractionation of human blood plasma for medical purposes. It is the largest blood fractionation facility in the world. Hyland receives blood plasma from the American National Red Cross and from donor centers throughout the country and separates the plasma (through a variety of physical and chemical procedures) into its various component parts. Medical science has discovered that many patients require only certain blood components and that in many cases it is best to supply the patient with only those components actually required. In this way, a single unit of blood can be used to meet the needs of more than one patient. Hyland's customers include the Red Cross, hospitals, physicians and numerous health care facilities.

While space does not permit a complete explanation of Hyland's products, two are worth mention. First, Hyland is the developer and world's largest producer of coagulation Factor VIII which is used in treating classical hemophilia, a condition that afflicts approximately one out of every 10,000 males in this country. Historically, the demand for coagulation Factor VIII has outstripped the supply. Hyland also manufactures other important life-sustaining coagulation products. Second, Hyland is one of the world's leading suppliers of albumin which is used in critical surgery and treatment of hemorrhagic shock victims. In this application, albumin is used as an effective substitute for whole blood which is in ever-short supply.

OCT 15 1979

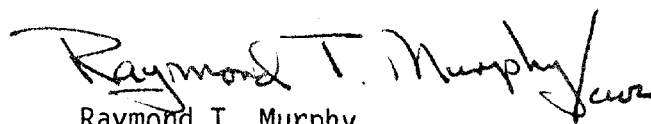
October 1, 1979

Recognizing that substantial probability of curtailment exists with regard to its boiler fuel, Hyland has contracted with Petrolane, an established supplier, to provide on-site storage capacity for a 21 day supply of liquefied propane gas. A copy of the Petrolane proposal, confirmation of Hyland's contract with Petrolane, and Petrolane's acceptance are attached. Propane was selected, over fuel oil (in spite of its higher cost) because propane creates less air pollution, is more readily available and can be installed and adapted to the Hyland facility in less time. Unfortunately, due to the lead time involved and the need to obtain the necessary permit approvals, we do not believe that this back-up supply will be available for approximately six months.

In view of the critical nature of the business, the length of time necessary to obtain an assured alternate source of boiler fuel and the severe hardship to our customers which would result from the closure of its facilities, Hyland respectfully requests that a special extension be granted to continue its Priority 2A status until April 1, 1980.

I trust that the foregoing explanation is sufficient for your purposes. If I can be of any further assistance in this regard, please do not hesitate to call me at (312) 948-4952.

Sincerely,

  
Raymond T. Murphy  
Environmental Counsel

RTM:jk

cc: W. Wong, Southern Cal. Gas  
D. Castaldi, President, Hyland  
C. Brooks, Vice President, Hyland

Att: Petrolane Proposal  
Petrolane Acceptance of Contract  
Hyland Contract confirmation