

* PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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R E S O L U T I O N

RESOLUTION NO. G-2388
UTILITIES DIVISION
BRANCH/SECTION: Gas
DATE: December 2, 1980

Return to Gas Branch

SUBJECT: Southern California Gas Company. Order Authorizing Acceptance of a Special Contract Under Conditions Deviating from Filed Tariffs.

WHEREAS: SOUTHERN CALIFORNIA GAS COMPANY (SoCal), by Advice Letter No. 1234, filed November 10, 1980, has requested authority to carry out the terms and conditions of a special contract with Simcal Chemical Company (Simcal), covering billing and security arrangements for supply of natural gas service under conditions deviating from filed tariffs and resulting in the following:

1. Simcal, previously known as Valley Nitrogen Producers, Inc., has agreed to the terms of this special contract with regards to payment and termination provisions for sale of natural gas to the customer's facilities in El Centro, Imperial County.
2. The agreement deviates from filed tariffs in that billing will be on a weekly basis with payment due no later than noon on Friday of the week in which the bill is received.
3. The agreement further deviates from filed tariffs in that SoCal may terminate service without notice to the customer in the event that payment in full is not received by the time specified above.
4. Simcal shall further provide, as security for payment of natural gas bills, a bank letter of credit, in the amount of \$1.1 million, with SoCal reserving the right to require additional security as may appear necessary from time to time in the judgement of the utility.
5. Based on recent experience with this customer, SoCal alleges it to be in the best interest of all of its customers to have Simcal agree to the above terms.
6. The magnitude of the bills of this one customer alone (based on peak day demands in excess of a quarter of a million therms) and the potential impact on other customers of any default in payment appears to warrant these special provisions.
7. Although the term of these special provisions are not specified, SoCal will request Commission approval to terminate this special contract whenever it is felt that application of regular tariff provisions will not jeopardize the interest of the other customers.
8. SoCal requests that this special contract be authorized as soon as possible in order that the advantages of this mutually agreeable contract may become effective as soon as possible, and

RETURN TO GAS BRANCH

WHEREAS: We find that this filing will not increase any rate or charge, cause the withdrawal of service except as herein provided for non-payment, nor conflict with other schedules or rules; therefore, good cause appearing,

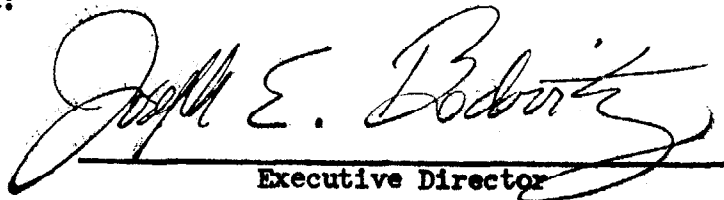
IT IS ORDERED that:

1. Authority is granted under Section X.A. of General Order No. 96-A and under Sections 491 and 701 of the Public Utilities Code for Southern California Gas Company to place the above provisions of the special contract with Simcal Chemical Company into effect as of this date.

2. The above advice letter and special contract shall be marked to show that they were approved for filing by Resolution No. G-2388 of the Public Utilities Commission of the State of California. 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 _____ December 2, 1980, the following Commissioners voting favorably thereon:

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


Executive Director