

Decision No. 32489

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
PACIFIC GAS AND ELECTRIC COMPANY, a
corporation, for an order of the
Railroad Commission authorizing appli-
cant to furnish to its customers sup-
plied from the Sacramento-Roseville
transmission line north of the City
of Sacramento, natural gas having an
average monthly heating value varying
within the limits of 1000 - 1100 Btu.
per cubic foot; and file and make
effective a revised gas Rule and Regu-
lation No. 2 and certain proposed
amended and new gas rate schedules
referred to herein.

Application No. 22981

R. W. DuVal, for Applicant.

RAY L. RILEY, COMMISSIONER:

O P I N I O N

In this application Pacific Gas and Electric Company, Applicant, requests permission to discontinue supplying its customers in the North Sacramento-Roseville area natural gas from Kettleman Hills and other Southern California gas fields, and in lieu thereof to supply natural gas from the Rio Vista gas field; also, to file and make effective a revision of its Rule and Regulation No. 2, dealing with the character of service, to withdraw certain gas rate schedules, and to file new and revised gas rate schedules appropriately reflecting the difference in heat content between the two kinds of gases.

A public hearing on this application was held before Commissioner Riley in the City of Roseville on October 6, 1939, where evidence was presented and the matter submitted for decision.

The area in which the proposed change will be made comprises the cities of Roseville and North Sacramento and

unincorporated territory adjacent to each and to the gas transmission main north of Sacramento which supplies these cities.

Applicant is at present supplying this area with gas drawn from Kettleman Hills field and other fields having an average monthly heating value of 1100-1200 B.t.u. per cubic foot (dry basis). The gas it proposes to supply is drawn from the Rio Vista field and has an average monthly heating value of approximately 1040 B.t.u. per cubic foot.

The purpose of this changeover is to utilize to the fullest extent available supplies of natural gas from sources nearer the distribution areas, and, to correspondingly reduce the demands exerted upon Applicant's transmission lines from Kettleman Hills to the Bay Area. The record shows that there now exists an adequate supply of natural gas in the Rio Vista field, as well as adequate transmission facilities, to accomplish this change without the necessity of added capital expenditure. The entire procedure, therefore, is one calculated to increase the delivery capacity of Applicant's transmission system as a whole and at the same time bring about a more uniform utilization of the State's natural resources. Applicant has stated it does not contemplate an early return to the use of Kettleman Hills gas in this area.

The record further shows that approximately 3800 customers will be affected by the changeover, and that while past experience indicates that most customer appliances will operate satisfactorily on Rio Vista gas, it is to be expected that a considerable number of minor adjustments will be necessary. Such adjustments as may be necessary to insure proper utilization of the lower heat content gas will be made by applicant and at its own expense.

The Commission is of the opinion that the proposed changeover is in the best interest of both Applicant and its customers and that the application should be granted.

In Exhibit "A" attached to the application there is submitted a proposed revision of a portion of Applicant's Rule and Regulation No. 2, Character of Gas Service, modified to properly define the character of gas to be supplied in the North Sacramento-Roseville area.

Applicant also requests permission to withdraw and cancel Schedule GH-4(a), Revised Sheet C.R.C. No. 658-G, to withdraw, modify and refile the following gas rate schedules, namely:

<u>Schedule</u>	<u>Revised Sheets</u> <u>C. R. C. No.</u>
G-6	726-G
G-7	747-G
GH-11	662-G
GS-4	666-G
GS-9	670-G

and to file and make effective proposed new gas rate schedules G-6A and G-7A, as set forth in Exhibit "B" attached to this application.

The proposed changes in Applicant's tariffs are made necessary by the difference in heating value of the two gases in question. General Service Schedules G-6 and G-7 are modified to exclude the North Sacramento-Roseville area from service thereunder; the proposed new schedules, G-6A and G-7A, applying in that area in lieu thereof. Commercial Building Heating Service Schedule, GH-11, is modified to include service to the North Sacramento-Roseville area. The withdrawal of GH-4(a) completes this change.

Surplus Natural Gas Schedule GS-4 has been modified to exclude the City of Roseville from service thereunder and Surplus Natural Gas Schedule GS-9 has been modified to include service to the North Sacramento-Roseville area thereunder.

Applicant through its application and evidence presented at the hearing indicated that the revisions made in the new rates herein submitted were such as to result, for all practical purposes,

in the same charges for like quantities of heat units supplied its customers.

Such an adjustment and lowering in rate per cubic foot is proper. An analysis of the evidence of record indicates that a reduction of the present rates by approximately ten per cent will bring this condition about. It is not possible to arrive at rates which will give identical billings in all cases for equivalent usages of the two gases. Applicant's proposed rates, as submitted, approach this objective but the following Order will provide for slight revisions in the proposed Schedules G-6A and G-7A in order to minimize certain increases in customer billings that would occur to the medium and average user of gas service. After this adjustment has been made in the two schedules, while the general effect is a very slight overall reduction, there still remain minor increases in these two tariffs as well as in certain of the others that appear necessary from a practical solution and are found justified.

No one appeared to oppose or protest the granting of the application.

ORDER

Good Cause Appearing, it is hereby ordered that the Pacific Gas and Electric Company be and it is hereby authorized to substitute in that portion of its Sacramento Division, known as the North Sacramento-Roseville area, gas from the Rio Vista field having a heating content of not less than 1000 B.t.u. per cubic foot for gas from the Kettleman Hills and other fields presently being served.

The authorization hereby granted is subject to the following conditions and not otherwise:

- (1) That the Pacific Gas and Electric Company shall withdraw and cancel Page 1 of its Rule and Regulation No. 2 as now filed (Revised Sheet C.R.C. No. 752-G) and shall file and make effective in lieu thereof a revision of Page 1 of said Rule and Regulation No. 2 as set forth in Exhibit "A" of the application.
- (2) That the Pacific Gas and Electric Company shall withdraw and cancel the following list of filed schedules of natural gas rates and charges, namely:

<u>Schedule</u>	<u>Revised Sheet C. R. C. No.</u>
G-6	726-G
G-7	747-G
GH-4(a)	658-G
GH-11	662-G
GS-4	666-G
GS-9	670-G

and shall file and make effective in lieu thereof the new gas rate Schedules G-6A and G-7A as set forth in Exhibit "A" of this Order and the revised gas rate Schedules G-6, G-7, GH-11, GS-4 and GS-9 as set forth in Exhibit "B" of the application; said filing to be made within not less than fifteen (15) days prior to the effective date thereof.

- (3) That the Pacific Gas and Electric Company shall apply the rates set forth in the above authorized gas rate schedules to all billings based upon monthly meter readings in said North Sacramento-Roseville area taken fifteen (15) days after the date of the actual changeover and to bills based upon all subsequent meter readings.

Except as herein otherwise provided, the effective date of this Order is the date hereof.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 24th day of

October, 1939.

Paul W. Walker
Paul W. Walker
Paul W. Walker
Paul W. Walker
Paul W. Walker
 Justus J. Casner
 Commissioners

EXHIBIT "A"

SCHEDULE G-6A
GENERAL SERVICE
NATURAL GAS

Character of Service:

This schedule is applicable to natural gas, supplied to domestic and general service customers, of a heating value of 1000 to 1100 B.t.u. per cubic foot, as specified and under conditions provided for in Rules and Regulations filed with the Railroad Commission of the State of California.

Territory:

This schedule is applicable in the City of North Sacramento and contiguous suburbs supplied from the local distribution system.

Rate:

First	200 cubic feet or less per meter per month:	
	Incorporated territory	\$0.90
	Unincorporated territory	1.10
Next	2,300 cubic feet per meter per month	8.3¢ per 100 cu. ft.
Next	7,500 cubic feet per meter per month	6.0¢ per 100 cu. ft.
Next	10,000 cubic feet per meter per month	4.5¢ per 100 cu. ft.
Next	20,000 cubic feet per meter per month	4.0¢ per 100 cu. ft.
All over	40,000 cubic feet per meter per month	3.5¢ per 100 cu. ft.

Special Conditions:

The above rates of 4.0¢ and 3.5¢ are subject to increase or decrease, respectively, of 1 mill for each 6¢ that the market price of fuel oil as regularly quoted by the Standard Oil Company of California f.o.b. its Richmond refinery is above or below \$0.95 per barrel, change of gas rates to be to the nearest mill and to become effective on all regular meter readings taken on and after the 30th day following any change in such price of oil; provided, however, that in no event will the above 4.0¢ and 3.5¢ rates be reduced more than 1 mill.

SCHEDULE G-7A

GENERAL SERVICE

NATURAL GAS

Character of Service:

This schedule is applicable to natural gas, supplied to domestic and general service customers, of a heating value of 1000 to 1100 B.t.u. per cubic foot, as specified and under conditions provided for in Rules and Regulations filed with the Railroad Commission of the State of California.

Territory:

This schedule is applicable in the City of Roseville and contiguous suburbs supplied from the local distribution system, also all customers supplied from the Sacramento-Roseville transmission line north of North Sacramento.

Rate:

First	200 cubic feet or less per meter per month:	
	Incorporated territory	\$ 1.00
	Unincorporated territory	1.20
Next	2,300 cubic feet per meter per month	3.7¢ per 100 cu. ft.
Next	7,500 cubic feet per meter per month	6.1¢ per 100 cu. ft.
Next	10,000 cubic feet per meter per month	4.5¢ per 100 cu. ft.
Next	20,000 cubic feet per meter per month	4.0¢ per 100 cu. ft.
All over	40,000 cubic feet per meter per month	3.5¢ per 100 cu. ft.

Special Conditions:

The above rates of 4.0¢ and 3.5¢ are subject to increase or decrease, respectively, of 1 mill for each 6¢ that the market price of fuel oil as regularly quoted by the Standard Oil Company of California f.o.b. its Richmond refinery is above or below \$0.95 per barrel, change of gas rates to be to the nearest mill and to become effective on all regular meter readings taken on and after the 30th day following any change in such price of oil; provided, however, that in no event will the above 4.0¢ and 3.5¢ rates be reduced more than 1 mill.