

Decision No. 40464

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY, a
 corporation, for an order authorizing
 applicant to file and make effective
 a gas rule and regulation, to be des-
 ignated Emergency Gas Rule and Regu-
 lation No. 2-A, in words and figures
 as written in the form therefor shown
 in Exhibit "A" hereof.

ORIGINALApplication No. 25139
(First Supplemental)SECOND SUPPLEMENTAL ORDER

In this first supplemental application Pacific Gas and Electric Company requests the extension of an Emergency Rule and Regulation A-4 entitled "Limitation Upon Surplus Natural Gas Service" which would otherwise expire at the end of this month.

The original rule placing certain limitations upon the availability of surplus natural gas service to applicant's customers was filed and made effective September 25, 1942 in accordance with Decision No. 35707 (44 CRC 347). Minor modifications of the wording of the original rule were made in November 1943 because of the filing of applicant's interruptible "GI" schedules, and again in March 1945 the provisions were modified to meet the requirements of certain customers who had been engaged in the production of essential war commodities. In September 1945 the presently effective rule was filed to liberalize the interpretation of specific provisions and to incorporate the termination clause to read as follows:

"This emergency rule and regulation shall terminate six (6) months after the date of the cessation of hostilities in World War II as determined by proclamation of the President or by concurrent resolution of the Congress, unless extended by action of said Railroad Commission."

In accordance with this clause, said Emergency Rule and Regulation A-4 will terminate on June 30, 1947 unless extended by action of this Commission.

In its application, applicant sets forth many reasons why it is desirable, at this time, to continue the provisions of its Emergency Rule and Regulation A-4. These include such matters as the conservation of its natural gas reserves, which have been heavily drawn upon during the war period; the questionable desirability of permitting a shifting of customers from currently higher-priced firm and interruptible gas tariffs to those of lower rate classifications under the presently-closed surplus schedules; and, the encouragement of the shifting of customer loads, now served on other fuels, to the lower surplus schedules if reopened.

The Commission has now under way a very comprehensive investigation (Case No. 4591), under its own motion, dealing with practically all phases of natural gas operations, from the viewpoints of adequacy of gas reserves, availability, customer utilization, as well as the more technical phases dealing with rate level and rules and regulations governing the service. Hearings are now being conducted in this matter. As a matter of fact, at the June 25 hearing, this very subject of the extension of Emergency Rule and Regulation A-4 of applicant was discussed. Consumer representatives expressed their willingness to permit the continuation of the rule in order that the Commission might have the advantage of the extensive evidence being presented in Case No. 4591 before making a final disposition concerning the availability of natural gas under tariffs subject to interruption of service. They agreed⁽¹⁾ that the termination date of Emergency Rule and Regulation A-4 might be extended to December 31, 1947, or to such lesser period, if an interim or final order in Case No. 4591 were to be issued covering this matter.

The Commission is of the opinion that the very serious problems involved in the application of such a rule must be further explored and that this may be most expeditiously accomplished through the very extensive evidence being introduced in Case No. 4591. Because of this situation, the Commission is of the opinion

(1) Manufacturers Association of California, represented by its counsel, Herman Phleger, was agreeable to such termination of Emergency Rule and Regulation A-4.

that a continuation of Rule and Regulation A-4 on a further emergency interim basis is warranted and the order will provide a termination date in accordance with the recommendations heretofore referred to.

Under the circumstances it is deemed unnecessary that a public hearing in this matter should be held and the Commission being advised in the premises and it being found that Emergency Rule and Regulation A-4 should be continued in effect and good cause appearing,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company is authorized to file, effective July 1, 1947, the rule and regulation designated as Emergency Rule and Regulation A-4 in accordance with that attached to the First Supplemental Application as Exhibit No. 1, except that said Emergency Rule and Regulation A-4, as filed, will provide for a termination date of December 31, 1947, or such prior date as the Commission may fix in any order issued in Case No. 4591.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 28th day of June, 1947.

Harold Kula
James J. Gorman
Charles H. Lowell
R. F. Drury
Kenneth Lott
Commissioners