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Decision No. 84573

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA GAS COMPANY for)
(a) a general increase in its gas) Application No. 53797
rates, and (b) for authority to) (Filed January 19, 1973)
include a purchased gas adjustment)
provision in its tariffs.)

OPINION AND ORDER
DENYING PETITION FOR STAY OF THE
EFFECTIVE DATE OF DECISION NO. 84512

San Diego Gas & Electric Company (SDG&E) has requested a stay of the effective date of Decision No. 84512 issued June 10, 1975. Decision No. 84512 is an Interim Opinion on Phase II of the application of Southern California Gas Company (SoCal) for rate relief in Application No. 53797. Phase II of this proceeding is concerned with the issue of discrimination in the levels of service by SoCal to its retail steam electric (G-58) customers (of which Southern California Edison Company (Edison) is the largest), and to SDG&E, its G-61 customer, for use in SDG&E's steam plants.

After extensive hearings and oral argument, the Commission determined in Decision No. 84512 that there is undue discrimination in the level of service to SoCal's customers for steam electric generation. To eliminate this unlawful situation, the Commission ordered that deliveries of natural gas by SoCal for use as fuel in steam electric generation boilers must be made on a parity basis. The effect of this order will be to reallocate certain quantities of natural gas which would have been delivered to SDG&E pursuant to its service agreement with SoCal and pursuant to Decision No. 80430 for use in its steam electric boilers, to Edison and other of SoCal's G-58 customers. This reallocation will require SDG&E to use additional quantities of fuel oil at a cost

higher than that of natural gas.

SDG&E requests that the Commission stay the effective date of Decision No. 84512 until such time as the Commission has acted upon a petition for rehearing and reconsideration which it states it will file and, if such petition for rehearing is denied, until such time as SDG&E files petitions for writs of mandate and review in the California Supreme Court and the Court has acted thereon. SDG&E states, as grounds for its petition for stay, that it and its customers will suffer irreparable financial and environmental injury unless the decision is stayed pending petition for rehearing and appeal.

We have found in Decision No. 84512 that the continuing rapid decline in the supply of natural gas will, in all probability, leave no gas for use in the steam electric boilers of SoCal's customers after October of 1975. We have determined in this proceeding that the remaining gas sold by SoCal for use as steam electric boiler fuel should be sold and delivered on a parity or percentage of requirements basis. We have made this determination in our Interim Opinion prior to the completion of all procedures required by the California Environmental Quality Act (CEQA)^{1/} because the issue would be moot if we were to wait until a final environmental impact report could be completed. Decision No. 84512 has effectively decided this issue except as to gas which could become available after 1975.

SDG&E has requested a stay of this decision pending rehearing and review by the Supreme Court. It is clear that those proceedings might not be completed within the remaining four (4) months of gas supply. SDG&E asks us to effectively reverse our action in Decision No. 84512 by granting its request for stay. This would be totally inconsistent with

^{1/} Public Resources Code, Sections 2100, et seq; Stats. 1970, C. 1433, p. 2780.

our determination there that undue discrimination exists and should be eliminated.

One further point requires discussion. In Decision No. 84512 we indicated that SDG&E could file a request for rate relief on its fuel adjustment clause to offset the increased fuel costs occasioned by the reallocation required therein. SDG&E seems concerned that such a filing will not be acted upon by the Commission. To the contrary, the permission granted by Decision No. 84512 necessarily includes the implication that the filing will be acted upon expeditiously. To alleviate any fear on the part of SDG&E we now expressly so indicate.

THEREFORE, IT IS ORDERED that the petition for stay of the effective date of Decision No. 84512 is hereby denied.

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

Dated at San Francisco, California, this 17th day of JUNE, 1975.

Vernon L. Sturgeon
President

William L. Lyons, Jr.

~~Edward R. Ross~~

Edward R. Ross

John R. Butler
Commissioners