

IT

Decision No. 85292

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC
COMPANY for authority to revise its gas
service tariff to offset the effect of
increases in the price of gas from
CALIFORNIA SOURCES.

(Gas)

) Application No. 55468
) (Order Granting Limited
) Rehearing filed
) July 29, 1975)

Application of PACIFIC GAS AND ELECTRIC
COMPANY for authority to revise its gas
service tariff to offset the effect of
increases in the price of gas from
EL PASO NATURAL GAS COMPANY.

(Gas)

) Application No. 55469
) (Order Granting Limited
) Rehearing filed
) July 29, 1975)

Application of PACIFIC GAS AND ELECTRIC
COMPANY for authority to revise its gas
service tariff to offset the effect of
increases in the price of gas from
PACIFIC GAS TRANSMISSION COMPANY.

(Gas)

) Application No. 55470
) (Order Reopening filed
) July 29, 1975; Order
) Granting Limited Rehearing
) filed September 10, 1975)

Application of PACIFIC GAS AND ELECTRIC
COMPANY for authority to revise its gas
service tariff to offset the effect of
increases in the price of gas from
PACIFIC GAS TRANSMISSION COMPANY.

(Gas)

) Application No. 55687
) (Order Granting Limited
) Rehearing and Further
) Hearing filed
) August 26, 1975)

SUPPLEMENTAL ORDER

By Decision No. 84616, dated July 1, 1975, the Legal
Division was directed to prepare an Order To Show Cause, to be
served on all producers of California gas who are under contract

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to supply such gas to Pacific Gas and Electric Company (PG&E), why they should not be regulated by this Commission as public utilities. At the same time, PG&E was prohibited from renegotiating any contract with any of its suppliers of California gas pending a decision in the Order To Show Cause.

The preparation of the Order To Show Cause has taken longer than originally anticipated, with the result that it is not reasonably possible that a decision in the Order to Show Cause will be reached by the time PG&E is contractually bound to renegotiate its contracts. It is possible that PG&E will be forced into arbitration by those contracts without the benefit of prior negotiations.

To avoid this, and at the same time limit the duration of the renegotiated contracts, the Commission has decided to allow the renegotiation of PG&E's contracts for California gas for the fiscal year 1976-77.

IT IS ORDERED that Decision No. 84616 be modified as follows:

Ordering paragraph 7, which reads,

"7. PG&E should not renegotiate any contract with any of its suppliers of California gas pending a decision in the Order to Show Cause ordered by paragraph 6 above."

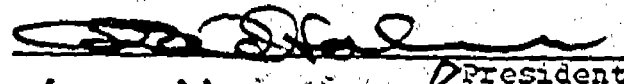
shall be changed to read:

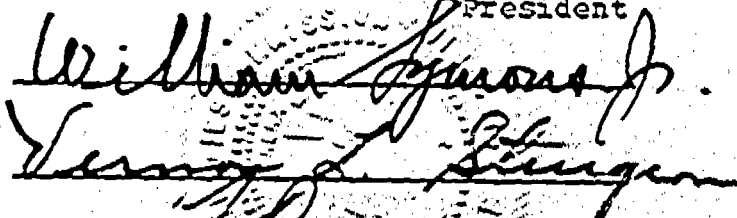
"7. PG&E should not, in the renegotiation of any contract with any of its suppliers of California gas, include any provision which would escalate the price to be paid for such gas after June 30, 1977, pending a decision in the Order To Show Cause ordered by paragraph 6 above."

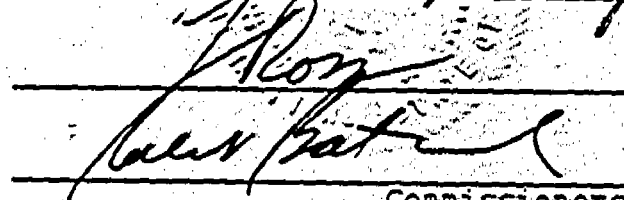
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The effective date of this order is the date hereof.

Dated at San Francisco, California, this 30th day
of DECEMBER, 1975.


President


Vernon L. Sturgeon


Commissioners