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Decision 84 03 093

MAR 21 1984

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND  
ELECTRIC COMPANY for Approval  
of Certain Standard Offers  
Pursuant to Decision 82-01-103 in  
Order Instituting Rulemaking  
No. 2.

Application 82-03-26  
(Filed March 8, 1982)

Application 82-03-37  
(Filed March 8, 1982)

Application 82-03-62  
(Filed March 16, 1982)

Application 82-03-67  
(Filed March 18, 1982)

Application 82-03-78  
(Filed March 22, 1982)

Application 82-04-21  
(Filed April 8, 1982)

OIR 2  
(Petition for Modification  
filed September 10, 1982)

And Related Matters.

(See Decisions 82-12-120 and 83-10-093 for appearances.)

ORDER TO SHOW CAUSE

TO: Pacific Gas and Electric Company

YOU ARE HEREBY ORDERED to appear before the Commission on Monday, April 9, 1984, at 10:00 a.m., at the Commission's Courtroom, 350 McAllister Street, San Francisco, California, then and there to show cause why Pacific Gas and Electric Company (PG&E) should not be found guilty of contempt of this Commission and punished accordingly for failing to comply with Ordering Paragraphs 2, 11, and 25 of Decision (D.) 82-01-103, dated January 21, 1982, and Ordering Paragraphs 8.f., 12.e., and 13 of D.83-10-093, dated October 19, 1983, and the discussion and findings in D.82-01-103 and D.83-10-093 related to those ordering paragraphs, and Rule 1 of the Commission's Rules of Practice and Procedure, which orders, decisions, and rule and your disobedience thereof are more fully described in D.84-03-092, issued this same date, and attached hereto. The letter dated February 15, 1984, and the petition for modification dated November 17, 1983, both of which are referenced in D.84-03-092, are appended to this order.

During the hearing, you shall also be required to demonstrate (1) whether and the extent to which utility customers comparable to qualifying facilities, as that term has been defined in this proceeding, have ever been required to pay for PG&E bulk and area transmission system improvements in the past; (2) the specific instances when this situation has occurred; and (3) the cost allocation which has been employed.

The Executive Director is directed to cause a certified copy of this order, attached to a copy of D.84-03-092, to be personally served upon Robert Ohlbach, as corporate officer for PG&E, at least five (5) days prior to the date of hearing.

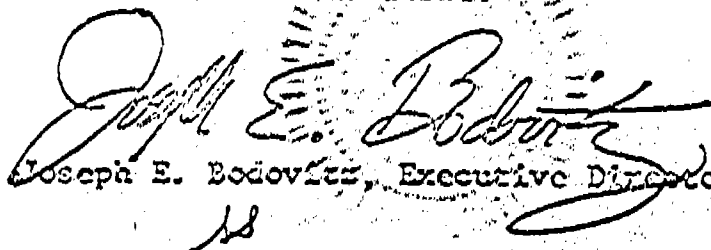
This order is effective today.

Dated March 21, 1984, at San Francisco, California.

LEONARD M. GRINES, JR.  
President

VICTOR CALVO  
PRISCILLA C. GREW  
DONALD VIAL  
WILLIAM T. BAGLEY  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

  
Joseph E. Bodovitz, Executive Director

# PACIFIC GAS AND ELECTRIC COMPANY

PG&E

77 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94106  
P.O. BOX 7442, SAN FRANCISCO, CALIFORNIA 94120

TELEPHONE (415) 781-4211  
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PETER W. HANSCHEN  
ATTORNEY

February 15, 1984

Honorable Sara Myers  
Administrative Law Judge  
Public Utilities Commission  
State of California  
350 McAllister Street  
San Francisco, CA 94102

Dear Judge Myers:

In response to your request to Mr. Joseph G. Meyer by telephone on February 8, 1984, enclosed is a copy of contract language PGandE included in certain power purchase agreements with Qualifying Facilities. Also enclosed is a list of power purchase agreements, by Standard Offer type and project size, which include the subject language.

Various sources of electric generation (geothermal, QF, Northern California hydro and Pacific Northwest imports) are available in Northern California. During certain hours of the year the level of generation available from these sources exceeds the transmission capacity in the northern part of PGandE's service area.

Transmission studies conducted by PGandE indicate the current and future existence of transmission capacity limitations in this region.\* Transmission limitations occur in both the bulk and area systems.

Bulk transmission capacity limitations occur on PGandE's 230 and 500 kV transmission system when levels of geothermal, QF, Northern California hydro and Pacific Northwest import generation exceed the transmission capacity available.

Area transmission limitations occur on PGandE's 230, 115, and 60 kV system when the level of generation from specific QF projects exceeds the transmission capacity of the local area in which those projects are located. In some cases the combined impact of two or more QF projects results in generation additions which exceed local area transmission capacity.

\*The regions where generation sources have been identified as exceeding transmission capacity are Humboldt, Shasta, De Sabla, Colage, Drum, Sacramento, and the northern part of Stockton Divisions.

Honorable Sara Myers

-2-

February 15, 1984

PGandE is currently evaluating the transmission capacity situation. The economics of various alternatives, which may include reinforcing PGandE's transmission system as well as pricing and operational solutions, are being studied. We believe that PGandE cannot decide unilaterally to commit transmission capacity to QFs without an evaluation by the Commission based on the Commission's statement, "Moreover, before committing transmission resources to QFs, [the Commission] would want to ascertain whether Northwest power would be displaced as a result." (Decision No. 82-12-068 on PGandE's 1984 TY General Rate Case p. 331) Likewise any pricing solution or allocation if reinforcement costs to QFs would be subject to Commission approval pursuant to its decision in OIR 2. As a result, PGandE's study will be subject to Commission review, and Commission approval will be sought before committing transmission resources to QFs.

Due to the uncertainty surrounding the possibility that the ultimate solution approved by the Commission may be reinforcements to the transmission system at the QFs' expense, PGandE developed language for inclusion in its power purchase or other agreements with QFs in the affected regions. This language is merely a formal reiteration of the QFs' existing obligations under PURPA and California Public Utilities Code § 2813 to bear the costs associated with interconnected operations, and recognition that by order or tariff, the Commission makes determinations respecting such costs. PGandE does not believe the language creates any additional obligation for the QF but only memorializes an existing one. In cases where the language is not included in the power purchase agreement itself, the QF has been advised in a letter or through the interconnection study process. However, PGandE believes inclusion of the language in a document executed by the QF presents better evidence of the fact that the QF has been advised of and is aware of this potential cost and can make financial decisions accordingly.

Sincerely,

*John D. McAllister*

cc: President Leonard M. Grimes, Jr.  
Public Utilities Commission  
State of California  
350 McAllister Street  
San Francisco, CA 94102

POWER PURCHASE AGREEMENT LANGUAGE

ON

TRANSMISSION CONSTRAINTS

Due to the location and the point of interconnection of the Facility to PGandE's system and the limited availability of transmission capacity on PGandE's existing system, Seller may incur interconnection costs associated with providing reinforcements and/or additions to PGandE's transmission system to accommodate Seller's power deliveries. Notwithstanding the execution of this Agreement or any provision herein, Seller's right to be paid for and deliver power to PGandE shall be contingent upon Seller's payment of all interconnection costs allocable to Seller in accordance with the applicable PGandE tariff or appropriate CPUC order. PGandE shall determine as soon as it is practicable those reinforcements and/or additions to its transmission system necessary to accept power deliveries from Seller and the estimated costs associated therewith.

POWER PURCHASE AGREEMENTS \*  
EXECUTED WITH TRANSMISSION CAPACITY LANGUAGE

TYPE OF STANDARD OFFER	PROJECT SIZE
SO #4	19 - 23 MW
SO #2	7.5 - 9 MW
SO #4	13.5 - 15 MW
SO #4	26 MW
SO #4	49 MW
SO #4	49 MW
SO #4	10.5 MW
SO #4	13.5 MW
SO #4	10.5 MW
SO #4	13.5 MW
SO #4	19.8 MW
SO #4	19.8 MW
<hr/>	
TOTAL	248.6 - 255.6 MW

\*Upon request, PGandE will provide the Commission further detailed information regarding these agreements on a confidential basis pursuant to P.U.C. §583.

February 15, 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

NOV 17 1983

Application of PACIFIC GAS AND  
ELECTRIC COMPANY for Approval of  
Certain Standard Offers Pursuant  
to Decision 82-01-103 in Order  
Instituting Rulemaking No. 2

Application No. 82-03-26

FILED  
PUBLIC UTILITIES COMMISSION

NOV 17 1983

SAN FRANCISCO OFFICE

NO \_\_\_\_\_

APPLICATION FOR REHEARING  
AND/OR  
PETITION FOR MODIFICATION

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Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY



BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

APPLICATION OF PACIFIC GAS AND )  
ELECTRIC COMPANY for Approval of ) Application  
Certain Standard Offers Pursuant )  
to Decision 82-01-103 in Order ) No. 82-03-26  
Instituting Rulemaking No. 2 )

APPLICATION FOR REHEARING  
AND/OR PETITION FOR MODIFICATION

Pursuant to Sections 1731 and 1732 of the Public  
Utilities Code and Rules 85 and 86.1 and 43 of the Rules of  
Practice and Procedure of the Public Utilities Commission of  
the State of California (Commission), Pacific Gas and  
Electric Company (PGandE) hereby applies to the Commission  
for rehearing and/or modification of Decision 83-10-093 (the  
Decision) regarding the following issues:

(1) The direction to include language in the standard  
offers for purchase of power from qualifying facilities  
(QFs) indicating that the actual rate of delivery of power  
into the utility system will be limited only if the physical  
limitations of the interconnection facility would otherwise  
be exceeded.

(2) The use of a request for interconnection and a  
contractually established construction date as the basis for  
establishing one QF's priority over another for the use of  
existing utility line capacity.

1 (3) The requirement that competitive bidding shall be  
2 permitted for above-ground and underground line extensions  
3 and interconnection facilities constructed at the QF's  
4 expense.

5  
6 INTRODUCTION

7 On January 21, 1982, as part of its Order Instituting  
8 Rulemaking 2 (OIR 2), the Commission issued Decision 82-01-103  
9 establishing terms and conditions for utility purchases of  
10 power from small power production and cogeneration facilities  
11 meeting the qualification requirements of the Federal Energy  
12 Regulatory Commission's rules implementing section 210 of  
13 the Public Utility Regulatory Policies Act of 1978. Following  
14 that decision, evidentiary hearings were conducted to  
15 evaluate the utilities' compliance with that order. Although  
16 the Decision narrowly limited the scope of the hearings to  
17 the issue of each utility's compliance with the requirements  
18 set forth therein, as a result of the prehearing conference  
19 and other written statements by parties to the proceeding,  
20 an ALJ ruling on May 19, 1982 expanded the scope of the  
21 proceeding to include consideration of provisions in the  
22 utilities' applications not specifically addressed in  
23 Decision 82-01-103. Prior to commencement of hearings, the  
24 Commission staff prepared a report on each utility's appli-  
25 cation identifying issues to be reviewed. Additionally,  
26

1 interested parties submitted written testimony identifying  
2 issues for review. Decision 83-10-093 is the second order  
3 following the evidentiary hearings conducted pursuant to  
4 Decision 82-01-103.

5 I

6 A CONTRACTUAL LIMITATION OF THE RATE OF  
7 A QF's POWER DELIVERIES BASED ONLY ON  
8 THE PHYSICAL LIMITATIONS OF THE INTER-  
9 CONNECTION FACILITIES IS IN CONFLICT  
10 WITH UTILITY ALLOCATION OF LINE CAPACITY  
11 AMONG SEVERAL QFs

12 Ordering Paragraph 8(f) states:

13 "A QF's actual rate of power deliveries  
14 into the utilities' system shall be  
15 limited only if the physical limitations  
16 of the interconnection facility will  
17 otherwise be exceeded."

18 When PGandE developed a contract provision establishing  
19 a maximum rate of delivery, its intent was to assure that  
20 the physical limitations of the interconnection facilities  
21 would not be exceeded. (Tr. 1344) However, when completing  
22 that provision of the contract, PGandE has routinely inserted  
23 a number of kilowatts based on the QF's anticipated maximum  
24 rate of deliveries to PGandE rather than the number of  
25 kilowatts the interconnection facilities would physically  
26 accommodate. Since interconnection facilities are installed  
in discrete sizes, in many cases the capability of the  
interconnection facilities will exceed the output level of  
the QF's facility.

1        During the hearings in 1982, PGandE did not oppose the  
2 Commission staff's recommendation that the contractual maximum  
3 rate of delivery be set at the size of the interconnection  
4 facility. However, in the interim, with increasing numbers  
5 of QFs, it is becoming apparent that such a provision can  
6 only hinder the interconnection of QF sources. The Commission  
7 recognized in the Decision, two or more QFs may seek to use  
8 the same utility line for interconnection of their facilities.  
9 (Mimeo p. 58). Adoption of the staff's recommendation which  
10 uses the physical limits of the interconnection facility,  
11 rather than the size of QF's facility, can only result in  
12 the negative impact on QF development. Line capacity may be  
13 tied up based only on the size of the interconnection facilities  
14 and may bear no relationship to the anticipated use of the  
15 line.

16        The Commission has recognized other forms of this same  
17 problem and has adopted an approach that attempts to  
18 foster QF development, rather than discourage it. Although  
19 not explicit in the Commission's discussion of the "first  
20 come, first served" approach for determining one QF's right  
21 over another to use an existing line, the encouragement of  
22 QF development in general, as well as protecting the interests  
23 of the ratepayers served by future utility use of the line,  
24 requires that the "first come" QF be allocated only that  
25 use of the utility's line necessary to accommodate the  
26 project output. After meeting the needs of that particular

1 QF, any spare line capacity should be available for future use  
2 by the utility or to accommodate future QFs.

3 Similarly, a provision which contractually establishes  
4 the right of a QF to deliver power up to the physical limitation  
5 of the interconnection facilities, rather than a right to  
6 deliver based upon the size of the QF's facility, ignores  
7 the allocation of existing line capacity aspect of the  
8 QF-utility transaction and thereby undermines the ability of  
9 the utility to use or allocate to another QF the use of any  
10 remaining line capacity.

11 The availability of existing utility line capacity is  
12 limited. As the number of QF projects increases, competition  
13 for line capacity will become a frequent occurrence. To promote  
14 QF development, the limit to the rate of delivery specified  
15 in the contract should be based solely on the size of the QF's  
16 facility and the anticipated actual rate of delivery. To do  
17 otherwise would allow a QF to tie-up, for the term of its  
18 contract, a block of line capacity in excess of its needs,  
19 and thereby preclude the utility from allocating any of the  
20 remaining capacity to another QF or for its own use.

21 Based on the foregoing, it is apparent that concept  
22 expressed in Ordering Paragraph 8(f) is contrary to the  
23 development of QF facilities. Line capacity should not be  
24 reserved based on arbitrary distinctions such as the size  
25 of the interconnection facility; rather it should be based  
26 on the amount of power the QF expects to deliver.

II

THE COMMISSION'S "FIRST COME, FIRST SERVED" APPROACH BASED ON THE FIRST REQUEST FOR INTERCONNECTION AND A CONSTRUCTION START-UP DATE IN THE POWER PURCHASE AGREEMENT IS INADEQUATE IN MANY SITUATIONS.

Since the hearings, PGandE has been confronted with various situations where more than one QF desired to interconnect with its system and existing line capacity would not accommodate all of the proposed projects. Although the Commission's "first come, first served" approach is workable in some situations, many other cases can only be handled through a more extensive procedure.

PGandE has almost completed the development of an interconnection priority procedure which will equitably

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1 treat competing QFs and promote QF development. PGandE  
2 believes that as long as its procedure is reasonable,  
3 consistent with the "first come, first served" approach  
4 adopted by the Commission, and consonant with the goal of  
5 promoting QF development, it is not prohibited by the  
6 Commission's order. However, a Commission statement to this  
7 effect would avoid potential disputes with QFs who may  
8 interpret the Commission's order as precluding utilities  
9 from implementing a more detailed procedure.

10 The procedure contemplated by PGandE would first of all  
11 add definition to the "request" for interconnection  
12 referenced in the Decision. It would establish a procedure  
13 to be followed by the first QF when a second QF requested  
14 the use of the same line. The first QF should not be able  
15 to tie-up line capacity indefinitely to the detriment of the  
16 second QF simply through some undefined "request procedure."

17 Some reasonable level of progress and commitment on the  
18 part of a QF should be required for it to continue to have a  
19 line capacity allocation. The inclusion of a construction  
20 start-up date in the power purchase agreement, as directed  
21 by the Commission, will not always provide an equitable  
22 mechanism for the timely reallocation of one QF's capacity  
23 to another QF or the utility use. Competition for line  
24 capacity often precedes the execution of a power purchase  
25 agreement. Many developers need to negotiate various  
26

1 contract provisions or prefer to wait until the last moment  
2 to sign a power purchase agreement, often in the hope of  
3 Commission authorization of a standard power purchase  
4 agreement that would provide it greater benefit. If, in  
5 order to reserve line capacity, the developer were required  
6 to sign a power purchase agreement at the time of the  
7 request for interconnection, this would decrease the  
8 developer's flexibility.

9 Even once a QF has executed a power purchase agreement,  
10 the construction start-up date alone may not be sufficient  
11 to assure that line capacity can be fairly and expeditiously  
12 allocated in a manner that will promote QF development. For  
13 instance, a developer could request interconnection and sign  
14 a power purchase agreement declaring a construction start-up  
15 date several years in the future. All other development that  
16 would have used the same facilities would be in limbo for years.  
17 Without milestones or requirements in addition to construction  
18 start-up, there is no means to determine if the developer with  
19 the interconnection priority will proceed with the project.  
20 Following the procedure set forth in Ordering Paragraph 12(c),  
21 PGandE would not be able to withdraw the priority and reallocate  
22 it to another until 30 days after the developer failed to meet its  
23 construction start-up date. Even if the developer "started  
24 construction" (a term subject to various interpretations) as sched-  
25 uled, without additional requirements the QF could tie-up the  
26



1 capacity indefinitely, even though the project was never  
2 completed or operational.

3 These are only a few examples of situations where  
4 priority based strictly and solely on Ordering Paragraph  
5 12(c) of Decision 83-10-093 could have an adverse impact on  
6 QF development. To avoid the possibility that some QFs will  
7 interpret the Decision as prohibiting the utilities from  
8 establishing a more detailed interconnection priority and  
9 line capacity reservation procedure, PGandE requests that  
10 Ordering Paragraph 12(c) be modified by the addition of the  
11 following:

12 "This paragraph shall not be construed  
13 as prohibiting the utilities from  
14 establishing a reasonable intercon-  
15 nection priority and line capacity  
16 reservation procedure which assures that  
17 available line capacity can be allocated  
18 in an equitable and timely manner.  
19 Among other things, such a procedure may  
20 include requirements that the QF's  
21 reservation of line capacity will be  
22 contingent upon payment for inter-  
23 connection studies, payment of special  
24 facilities advances and monthly costs of  
25 ownership, a project start-up date or  
26 other milestones which demonstrate the  
QF's commitment to, and progress toward,  
the completion and start of operation of  
its project."

III

THE COMMISSION'S ORDER REGARDING COMPETITIVE BIDDING FOR THE CONSTRUCTION OF LINE EXTENSIONS AND INTERCONNECTION FACILITIES SHOULD BE NOT APPLICABLE TO REINFORCEMENTS OR ADDITIONS TO THE UTILITY'S OWN SYSTEM.

The Decision requires that competitive bidding be permitted "for above-ground and underground line extensions and interconnection facilities constructed at the QF's expense." (Ordering Paragraph 16) Based on the discussion in the Decision, it is clear that the issue of competitive bidding and QF construction of line extensions and interconnection facilities arose from San Diego Gas and Electric's (SDG&E) Rule 2 provision that such facilities will be provided and installed by SDG&E at the QF's expense. (Ex. 40, App. B, Rule 2, §J(10)) In contrast, PGandE's Rule 21 relating to installation and cost of interconnection facilities provides that the QF can install its own interconnection facilities with the exception that "[w]here [PGandE] determines that additions to or reinforcements of its system are required to accommodate or maintain parallel operation of the [QF's] generation, such reinforcements or additions will be treated as special facilities. . . ." (Rule 21, §B(4)) ("Special facilities" are facilities installed, operated and maintained by PGandE, at the QF's expense, pursuant to a Special Facilities Agreement.) This provision of PGandE's tariff was not challenged by the Commission

1 staff in its report on PGandE's application (Ex. 35) or any  
2 interested party to the hearings. Therefore, PGandE seeks a  
3 clarification from the Commission regarding the status of  
4 its Rule 21 provisions regarding the construction of inter-  
5 connection facilities. PGandE believes that the Decision  
6 does not require a change to its interconnection tariff.  
7 However, the generalized language used in the order and  
8 PGandE's tariff and standard offer definition of the phrase  
9 "interconnection facilities" could lead to a misinterpreta-  
10 tion of the applicability of competitive bidding.

11 In PGandE's tariff and standard offers the phrase  
12 "interconnection facilities" includes reinforcements or  
13 additions to its system. However, in Decision 82-01-103,  
14 "interconnection" is defined as "[t]he physical system of  
15 electrical transmission between the QF and the utility."  
16 (Emphasis added. Glossary, p. 3) Additionally, Decision  
17 82-01-103 expressly gave the utility the right to own,  
18 operate and maintain the utility manual disconnect and  
19 feeder reclose blocking equipment. QFs were given the  
20 option of owning, operating and maintaining other inter-  
21 connection equipment or paying the utility to do so. (Mimeo  
22 p. 137) PGandE believes that, based on these provisions of  
23 Decision 82-01-103, the present decision must be interpreted  
24 as requiring competitive bidding only with regard to inter-  
25 connection equipment which constitutes the physical system  
26 of transmission between the QF and the utility, including

1 utility line extensions, but does not apply to other  
2 additions or reinforcements to the utility system itself.  
3 This is the only interpretation of Decision 83-10-093 that  
4 is consistent with Decision 82-01-103. It is also the only  
5 interpretation that represents a resolution to the narrow  
6 issue based on SDG&E's Rule 2, raised during the hearings.

7       Additionally, PGandE contends that an order requiring a  
8 utility to permit competitive bidding and QF ownership, operation  
9 and maintenance of reinforcements or additions to the utility's  
10 own system is not supported by the record in this proceeding.  
11 If such an approach had been advocated, PGandE, and undoubtedly  
12 the other utilities, would have addressed a myriad of issues  
13 during the hearings, e.g., safety, system reliability,  
14 coordination of maintenance, liability for failure of non-  
15 utility owned equipment, utility service obligations. These  
16 issues were not raised by PGandE because 1) the provisions  
17 of PGandE's Rule 21 relating to reinforcements and additions  
18 to our system were not challenged or raised as an issue by any  
19 party to the proceeding; 2) the issue arose only in the context  
20 of SDG&E's Rule 2, which did not allow the QF to construct the  
21 interconnection between the QF and SDG&E; and 3) "inter-  
22 connection" is defined in Decision 82-01-103 as the physical  
23 system of transmission between the QF and the utility.

24       Not only is a broad interpretation of the applicability of  
25 the competitive bidding procedure not supported by the record  
26 in this proceeding, the Commission's Decision 83-09-066, issued

1 September 27, 1983, reopened Case 10260 for further hearings  
2 with respect to competitive bidding of customer line extensions  
3 so the procedural and other requirements of SB 48 could be  
4 considered. Customer installation of line extensions presents  
5 the same issues as QF installation of those facilities. If  
6 QFs and customers are to be treated equally with regard to  
7 such matters, a determination of a QF's right to have competitive  
8 bidding on line extensions should not be made prior to a full  
9 review of the corresponding customer right.

10 Although PGandE believes that it is not the Commission's  
11 intent in Ordering Paragraph 16 to require a utility to follow  
12 a competitive bidding practice and allow QF ownership, operation  
13 and maintenance of reinforcements or additions to the utility's  
14 system, the present language of the order could be construed  
15 to require that result. Therefore, PGandE requests a clear  
16 statement to the effect that PGandE's Rule 21 provisions  
17 regarding system reinforcements and additions need not be  
18 altered and that the phrase interconnection facilities as  
19 used in that section of the order means "interconnection"  
20 as defined in the glossary of Decision 82-01-103, with the  
21 exception of the utility manual disconnect and feeder reclose  
22 blocking equipment which, in the same decision, the Commission  
23 expressly excluded from the interconnection equipment that  
24 the QF had the option to own.

25  
26

1 If the above is not an accurate reflection of the  
2 Commission's intent in Ordering Paragraph 16, PGandE  
3 requests a rehearing on the issue based on the fact that it  
4 had no notice of the broad scope of the inquiry during the  
5 hearings since its Rule 21 provisions on this issue were not  
6 called into question, and, therefore, has not had the  
7 opportunity to exercise its right pursuant to Public  
8 Utilities Code §1708 to be heard on this complex issue.

9 IV

10 CONCLUSION

11 For the foregoing reasons, Pacific Gas and Electric  
12 Company requests a rehearing and/or modification of the  
13 issues specified herein.

14 Dated: November 17, 1983

15 Respectfully submitted,

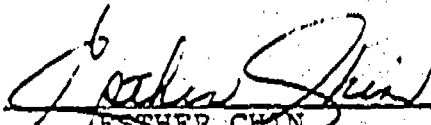
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17 CHARLES W. THISSELL  
18 JO ANN SHAFFER

19 By: Jo Ann Shaffer  
20 JO ANN SHAFFER  
21 Attorneys for  
22 PACIFIC GAS AND ELECTRIC COMPANY  
23  
24  
25  
26

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Application for Rehearing and/or Petition for Modification of Pacific Gas and Electric Company by mailing a copy thereof by first class mail properly addressed to the parties on the attached service list.

Dated at San Francisco, this 17th day of November, 1983.

  
ESTHER CHIN

APPEARANCES OF RECORD

APPLICATION No. 82-03-26

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ORDER TO SHOW CAUSE

TO: Pacific Gas and Electric Company

YOU ARE HEREBY ORDERED to appear before the Commission on Monday, April 9, 1984, at 10:00 a.m., at the Commission's Courtroom, 350 McAllister Street, San Francisco, California, then and there to show cause why Pacific Gas and Electric Company (PG&E) should not be found guilty of contempt of this Commission and punished accordingly for failing to comply with Ordering Paragraphs 2, 11, and 25 of Decision (D.) 82-01-103, dated January 21, 1982, and Ordering Paragraphs 8.f., 12.e., and 13 of D.83-10-093, dated October 19, 1983, and the discussion and findings in D.82-01-103 and D.83-10-093 related to those ordering paragraphs, and Rule 1 of the Commission's Rules of Practice and Procedure, which orders, decisions, and rule and your disobedience thereof are more fully described in D.\_\_\_\_\_, issued this same date, and attached hereto. The letter dated February 15, 1984, and the petition for modification dated November 17, 1983, both of which are referenced in D.\_\_\_\_\_, are appended to this order.

During the hearing, you shall also be required to demonstrate (1) whether and the extent to which utility customers comparable to qualifying facilities, as that term has been defined in this proceeding, have ever been required to pay for PG&E bulk and area transmission system improvements in the past; (2) the specific instances when this situation has occurred; and (3) the cost allocation which has been employed.

A.82-03-26 et al. ALJ/rr

The Executive Director is directed to cause a certified copy of this order, attached to a copy of D. 84-03-092, to be personally served upon Robert Ohlbach, as corporate officer for PG&E, at least five (5) days prior to the date of hearing.

This order is effective today.

Dated MAR 21 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President  
VICTOR CALVO  
PRISCILLA C. CREW  
DONALD VIAL  
WILLIAM T. BAGLEY  
Commissioners