

Decision 88 09 067 SEP 28 1988

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
own motion into the desirability of)
power purchases from cogenerators)
and small power producers located)
outside of the purchaser's service)
area or outside California and)
the terms and conditions of which)
should be applied to such purchases.)

O.I.I. 85-11-008

Filed November 6, 1985

ORIGINAL

ORDER DENYING REHEARING

SAN DIEGO GAS AND ELECTRIC COMPANY (SDG&E) has filed an application for rehearing of Decision (D.) 88-04-070, at the same time requesting a stay of that decision. We have considered all the allegations of error in the application and are of the opinion that good cause for rehearing has not been shown.

We understand SDG&E's concerns about line loss, payments which might exceed avoided cost, and possible displacement of economy energy over the Southwest Power Link (SWPL). However, D.88-04-070 provided for case-by-case review when a utility denies interconnection to a QF on grounds that any economic harm will result to the ratepayers from such interconnection. We are satisfied with our conclusion in that decision that such review is appropriate at this time and that a generic investigation of these issues should be deferred until the utilities have a near-term need for capacity.

In addition, we have reinstated Standard Offer 2 for SDG&E (up to a limit of 100 megawatts), and SDG&E has submitted a report on the results of its solicitation under this offer. The report is filed in the consolidated standard offer proceeding (Application 82-04-44 et al.) To the extent that the solicitation concretely raises any of the substantive issues of concern to SDG&E here, such issues can be dealt with in that proceeding in tandem with our consideration of the report.

Therefore,

IT IS ORDERED that:

1. Rehearing of D.88-04-070 is hereby denied.
2. The requested stay of D.88-04-070 is hereby denied.

This order is effective today.

Dated SEP 28 1988, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

Commissioner Frederick R. Duda
being necessarily absent, did not
participate.

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



Victor Weissor, Executive Director

JB