Decision 89 12 046 DEC 18 1989

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into procurement and system reliability issues deferred from D.86-12-010.	I.87-03-036 (Filed March 25, 1987)
And Related Matters.	R.88-08-018 (Filed August 10, 1988) (I&S) Case 89-05-016 (Filed May 10, 1989)

OPINION

This decision addresses minor modifications to the pilot storage banking program and issues related to accounting mechanisms employed by Southern California Gas Company (SoCalGas) in the operation of its storage banking program.

With regard to pilot storage banking programs, we require minor modifications to utility quarterly reports, permit the utilities to implement "as-available" service during 1990, and permit brokers and suppliers to participate in the program on their own behalf. We direct the utilities to refund, on a pro rata basis, reservation fees in cases where they cannot fulfill at least 50% of their storage banking service obligations during 1990. We also grant SoCalGas' petition to modify Decision (D.) 88-11-034 in which SoCalGas seeks to refund all reservation fees for storage banking services which it could not provide during the 1989 storage banking season.

This decision also addresses SoCalGas' accounting mechanisms and operating plan which were the subject of D.89-07-017. We direct SoCalGas to set aside storage capacity in spring 1990 to allow utility electric generation (UEG) customers to inject gas for 1990 summer and fall peak smog season requirements.

I. Storage Banking Program Rules

In D.89-09-047, we stated our intention to extend the pilot storage banking program for an additional year rather than adopt a more expansive permanent program for the 1990 storage injection season. That decision also stated that we would consider minor modifications to the pilot storage program following workshops and the filing of comments by interested parties.

The Commission Advisory and Compliance Division (CACD) held a workshop in this proceeding on October 4, 1989. On November 9, 1989, several parties filed comments which propose changes to the pilot storage banking program. Those parties filing comments are Southern California Gas Company (SoCalGas), Pacific Gas and Electric Company (PG&E), Meridian Oil Inc. and Meridian Oil Trading Inc. (Meridian), Cogenerators of Southern California (CSC), Division of Ratepayer Advocates (DRA), Oryx Energy Company (Oryx), Salmon Resources Ltd. and Mock Resources, Inc. (Salmon/Mock), Texaco, Inc. (Texaco), Southern California Edison Company (SCE), PSI, Inc. (PSI), San Diego Gas & Electric Company (SDG&E), and Canadian Producer Group (CPG).

The parties address several issues in their comments on the pilot storage banking program.

A. Utility Reports

The parties generally agreed that the utilities should continue to file quarterly reports, and that comments on the reports should be allowed within 20 days of the utility filing dates.

CSC urges the Commission to adopt additional reporting requirements in order that customers and potential customers may assess the program. CSC is particularly concerned with SoCalGas' curtailments and trimming "events." CSC recommends that SoCalGas should provide information regarding the duration and frequency of anticipated curtailments and trimmings. CSC also believes SoCalGas should make available, on a weekly basis, data concerning all sources of gas supplied to SoCalGas. Because SoCalGas already compiles this information on a daily basis, CSC states making it available on a weekly basis will not be unduly burdensome.

The utilities should continue to file quarterly reports, and parties should have 20 days to comment on those reports. As some parties suggest, the purpose of the reports and responsive comments is to provide factual information, not to argue policy. At CSC's suggestion, the utilities' quarterly reports should include information regarding the duration and frequency of anticipated curtailments and trimmings. Such information will make the storage banking program a more valuable service to potential customers.

B. <u>"As-Available" Banking Services</u>

The workshop explored the issue of whether as-available banking service should be implemented for the upcoming injection season. The as-available service is an optional feature of the permanent program adopted in D.88-11-034.

SoCalGas, PG&E, SCE, Salmon/Mock, and DRA state the utilities should have the discretion to provide as-available banking services in the second year of the pilot program. No party objected to permitting the utilities to offer as-available service.

The as-available option may promote a more flexible and efficient storage banking program. We will permit the utilities to offer an as-available service at their option.

C. <u>Reservation Fee Refunds</u>

SoCalGas filed, on November 3, 1989, a Petition for Modification of D.88-11-034 requesting authority to refund reservation fees from the 1989-1990 pilot program to the extent SoCalGas was unable to provide an amount of storage service equal to the amount awarded under accepted bids. SoCalGas makes this suggestion as a matter of fairness and because several circumstances arose during the 1989 injection season which could not have been anticipated by bidders. As a result of these unforeseen circumstances, SoCalGas injected gas during only one of the seven months of the program. Injection volumes of 5 billion cubic feet (Bcf) were far below the 16.7 Bcf level SoCalGas put up for bid pursuant to D.88-11-034.

SoCalGas also recommends that refunds be made available for the remainder of the pilot program in order to make the program attractive to potential participants. SoCalGas makes this recommendation only if the Commission continues to credit recorded (rather than forecasted) reservation charge revenues against the cost of service.

SoCalGas customers support SoCalGas' proposal. SCE states that customers do not have enough information to evaluate the potential for banking curtailment and should therefore receive refunds when system constraints preclude use of storage facilities. Meridian believes the utilities should offer at least 80% of a contracted customer's storage rights or else the fees should be refunded with interest. DRA supports a full refund this year and suggests a 50% performance standard for next year. Salmon/Mock, Oryx, Texaco, and CSC make similar comments.

PG&E and SDG&E believe the program should continue to be offered on a "best efforts" basis. Even if the Commission directs refunds for the 1989 injection season, as SoCalGas requests, it should reaffirm its policy that refunds are not available if curtailments arise during the storage banking season.

PG&E is correct that we designed the service to be offered on a "best efforts" basis. However, the Commission and the utilities envisioned that the SoCalGas pilot program would operate very differently from its operation during 1989. Significant uncertainty continues to exist and, as SCE points out, program participants do not have enough information to make reasonable judgments about program operation in 1990. We agree with SoCalGas that, absent some concession, the storage banking program will not be attractive to potential customers.

We will order SoCalGas to refund storage reservation fees to the extent that it was not able to provide service for which bids were accepted in 1989-1990. During the 1990-1991 storage injection season, SoCalGas should refund storage reservation fees in cases where they cannot meet 50% or better of their contract obligations. Refunds should be prorated according to contract performance levels. We will not require PG&E to make any refunds because the operation of its storage banking program has not been interrupted by major curtailments, and we do not expect that it will be in the future.

We reaffirm our view that the permanent program should be offered on a "best efforts" basis for both SoCalGas and PG&E. We anticipate that several existing market uncertainties, such as those arising from pipeline capacity constraints, will be mitigated in the next year or two. After that time, customers will be able better to assess the value and operation of utility storage banking services.

D. Increased Flexibility for Nominations

Workshop participants discussed whether existing rules provide enough operational flexibility.

PG&E states it has worked with customers to allow reasonable daily fluctuations in delivery for storage and that it met all of its preestablished scheduled volumes. It recommends no changes.

Customers on the SoCalGas system expressed concern about the lack of system flexibility. SCE believes the nomination policy should allow changes on 48-hour notice to the utility. SCE also requests that deposits for the noncore market not be permitted during periods that transportation gas is being trimmed. Meridian believes changes in nominations should be permitted on an accounting basis to provide more flexibility for storage customers and better use of the SoCalGas system.

SoCalGas states it does not have enough program experience to know whether it can readily provide increased flexibility, but will work toward that end as circumstances permit.

We will not require changes to nomination procedures at this time. We encourage SoCalGas, however, to explore ways to improve operational flexibility in order to make its program more attractive and its operation more efficient. Its first quarterly report filed during the 1990 injection season should address its efforts to improve operational flexibility. We also agree with SCE that noncore deposits should not be permitted during periods when transportation gas is being trimmed. PG&E and SoCalGas should amend their tariffs accordingly.

E. The Role of Brokers and Suppliers

Another substantive issue raised in the workshops is whether brokers and suppliers should be able to bid capacity for themselves. The current program requires that they may participate only on behalf of specific identified customers.

SoCalGas objects to permitting brokers to act on their own behalf in large part because the utilities do not have collection leverage over brokers as they do their own customers. Moreover, according to SoCalGas, there is an unresolved question as to how to classify the end-use priority of gas in case of service interruptions.

CSC objects to permitting brokers to participate in the program unless they do so on behalf of identified California customers. This condition, according to CSC, will assure that the storage banking program benefits California, rather than out-of-state, customers.

DRA, Meridian, SDG&E, SCE, Salmon/Mock, PSI, and Texaco agree that all customers, including suppliers and brokers, be permitted to bid in their own names in order to foster more competitive gas markets. DRA adds that if brokers are permitted to participate on their own behalf, they should be required to submit their reservation fees in advance or be subject to a penalty for nonpayment of those fees.

SCE and SDG&E believe brokers should have a lower priority of service unless they are acting as agents for identified customers because, unlike customers, brokers are not allocated the costs of the utility's storage and transmission facilities. SCE also believes that the complexity in establishing rules for broker participation suggests that broker participation be deferred until the permanent storage banking program is in place.

We agree with the parties who argue in favor of permitting brokers and suppliers to purchase storage banking services on their own. We believe their participation in the program will foster a more competitive gas marketplace and may potentially provide a valuable service to noncore customers.

As PSI points out, we may readily fashion adequate guidelines for the participation of brokers during this second year of program operation. SoCalGas' concern over collection leverage is unconvincing: SoCalGas has several options for addressing and preventing collections problems. To improve their collections capabilities, the utilities should either require payment in advance or impose a penalty for nonpayment as DRA suggests. On the subject of priorities, D.88-11-034 makes clear that brokers and suppliers are to be curtailed first when they are injecting gas on their own behalf. Finally, the utilities may apply the same certification process to brokers as is now used for customers in assuring that stored gas will be used by California customers.

Broker participation may potentially improve the operation of the program. No significant barrier to broker participation exists. Accordingly, the utilities should implement their second year pilot storage banking program so as to include the participation of brokers and suppliers who bid for service on their own behalf. This element of the program should be consistent with the guidelines adopted for the permanent program in D.88-11-034.

F. Bid Withdrawals

The workshop considered whether bid withdrawal rules should be changed. PG&E suggests a bid is binding so long as a contract is formed, the purpose of the contract is not frustrated, and the contract is not breached by the utility. If a bidder indicates its intention not to participate, the utility should be free to offer any available banking service volume in the as-available program. The original bidder would still be liable for the specified rate. CSC and SCE make similar comments.

This issue does not appear to have raised controversy. We agree with the parties that contracts are irrevocable and the utilities should be able to offer abandoned capacity as part of the as-available program.

G. Fees for Core-Elect Customers

The workshop explored the issue of whether core-elect customers should pay a reservation fee because those customers receive the benefit of firm storage capacity.

PG&E opposes such a fee at this time and argues this suggestion is more than a "fine-tuning" of the pilot program, therefore exceeding the scope of this portion of this proceeding. Similarly, SCE and DRA state the issue should be reviewed at the conclusion of the pilot program. SoCalGas adds that the core-elect issue should not be addressed at this time because such consideration may prejudice a proposal it made at the Commission's recent en banc hearing regarding SoCalGas' procurement program.

CSC supports the imposition of a fee for core-elect customers because those customers are receiving priority access to storage facilities but are not paying for that access. Without such a fee, noncore customers must either elect core service to obtain priority service or subsidize the storage services offered to other customer classes. Salmon/Mock makes similar comments, suggesting that an appropriate level of fee could be developed using the method adopted in D.88-11-034 for use in the permanent storage banking program.

In a gesture of cooperation, CPG proposes that the Commission adopt a core-elect fee during the second year of the pilot program in order to eliminate an unfair advantage. CPG proposes using the method adopted in D.88-11-034 and suggests that if the parties cannot agree to this method, the Commission should defer this issue because it would be "controversial."

The Commission has stated its intention to avoid controversial changes to the pilot program at this time. As most parties recognize in their comments, core-elect customers currently receive a premium service for which they are not now paying. We appreciate CPG's offer to work with the parties to develop an appropriate charge now. The parties' comments make clear, however, that the issue is highly controversial. For that reason, we will not implement a separate charge for core-elect customers at this time. We will impose the appropriate core-elect fee prior to the implementation of the permanent program.

H. Ratemaking Treatment of Storage Banking Revenues

The workshop explored the issue of whether forecasted revenues associated with storage reservation fees should be credited against the noncore revenue requirement thereby putting the utilities at risk for storage banking revenues. D.88-11-034 permitted the utilities to credit recorded revenues in a subsequent annual cost allocation proceeding during the pilot program.

CSC and SCE cite D.88-11-034, which intended that the utilities be placed at risk for storage revenues, consistent with treatment of revenues from other utility services. The Commission deferred such ratemaking treatment until some experience with the program had been gained. CSC argues that adequate experience has been gained and urges the Commission to require the utilities to begin using forecasted revenues as a credit against the noncore revenue requirement during this second pilot year. Salmon/Mock also believes revenues should be forecasted for the second year.

In contrast, DRA states this provision should be deferred for another year, since the Commission does not yet have a reasonable basis for forecasting revenues as it intended in D.88-11-034. SoCalGas strongly agrees with DRA's comments.

PG&E believes storage fee revenues are too volatile for the utilities to be at risk for them. It believes this imposition of risk serves no purpose.

We reaffirm our intention to use forecasted revenues when the permanent program is put into place. However, during the 1990-1991 storage injection season, as the pilot program remains in effect we will continue to permit the utilities to credit noncore accounts with recorded revenues. We do so primarily because experience with the operation of the program does not yet provide much guidance regarding anticipated revenues, especially in the case of SoCalGas.

II. SoCalGas Compliance Filing Pursuant to D.89-07-017

In D.89-07-017, we tentatively approved SoCalGas' operating plan which provided for injecting noncore gas into storage in spring in order to avoid UEG curtailments during peak summer and fall smog periods. Our decision expressed concerns with the effects of this plan on competition. To address those concerns we ordered SoCalGas to respond to several questions regarding storage curtailments and their effects on other customers and the existing program.

SoCalGas filed its comments on August 21, 1989. Several parties filed replies to those comments on September 5, 1989. Those parties include DRA, SCE, the California Industrial Group and California League of Food Processors (CIG), and Salmon/Mock. In addition, some parties provided additional comments following the storage banking workshop held in October.

A. Should SoCalGas' noncore storage gas be allocated separate carrying costs and storage rental charges?

SoCalGas' operating plan imposes higher carrying costs on the system. Accordingly, we consider whether SoCalGas' noncore storage gas should be allocated separate carrying costs and storage rental charges. Currently the carrying cost of storage inventory is allocated among customer classes on the same basis as demand related storage costs, which are based on peak season throughput in a cold year.

SoCalGas believes that the current allocation is fair and should not be changed. According to SoCalGas, the entire increase in costs associated with its operating plan should not be borne solely by noncore or UEG customers: All southern California residents benefit from SoCalGas' operating plan because it mitigates the severity of air pollution during the summer peak smog months. SCE makes similar comments, arguing that noncore customers are already allocated more than their share of storage costs.

DRA states that a separate charge would not be necessary if noncore customers are permitted to store their own gas in the spring. The Commission should require SoCalGas to set aside storage banking space prior to allocating space for its own noncore procurement gas. DRA states this option provides several benefits. It would improve the storage banking program by increasing reliability. It would reduce transportation of SoCalGas noncore procurement gas, increasing pipeline capacity for the season. It would also reduce a competitive advantage SoCalGas now has because of its ability to "create" demand for its own gas by curtailing noncore customers in the spring so it can store noncore gas.

DRA argues that if this option is not pursued, the Commission should impose separate charges. UEG customers benefit from the operating plan and should therefore pay the higher cost associated with it. DRA recommends that the market price for storage should be the banking fee and the carrying costs of storage inventory. Similarly, Salmon/Mock states SoCalGas' objection to a separate fee is inconsistent with Commission policy and unfair to storage banking customers who must pay for storage services. CIG shares the view that UEG customers should pay for the increased cost of the operating plan since they benefit from it.

We do not agree with SCE and SoCalGas that UEG customers who benefit from SoCalGas' operating plan should not pay the full cost of that portion of the plan which affects them. While it is correct that all southern California residents benefit from reduced pollutants, the cost of reducing the pollutants should be borne by those who would otherwise emit them into the air. We address internalizing these costs below.

B. Are there other options for mitigating summer/fall UEG curtailment which are less damaging to competition?

D.89-07-017 expressed concern that SoCalGas' operating plan may be harmful to competition because the plan, in effect, permitted SoCalGas to store noncore gas volumes.

In its comments, SoCalGas states that its operating program does not necessarily give SoCalGas a price advantage in providing noncore procurement service. SoCalGas' intention in shifting the timing of its storage volumes was to free pipeline capacity for P-5 volumes during peak smog periods, not to affect the noncore portfolio price.

DRA suggests several options for improving competition. It favors eliminating utility procurement operations. Otherwise, DRA believes that the noncore customers should have the option of storing their own gas for summertime needs, an option that SCE and CIG also recommend. Another option posed by DRA is to require SoCalGas to bid for storage space for its noncore procurement customers just as PG&E's Electric Department has to bid for storage space with PG&E.

Salmon/Mock suggests SoCalGas should use lower priority interruptible transportation rights to move noncore storage volumes. If it is required to use these lower priority rights, it would have to compete for low-priced supplies with other shippers on an equitable basis. Salmon/Mock also believes UEG customers should acquire storage banking rights and pay for those rights like any other customer.

SCE and SoCalGas' comments generally agreed that SoCalGas and its UEG customers should discuss the possibility of utilizing storage for their own accounts during 1990. SoCalGas states it will submit any related agreements to the Commission if those agreements deviate from existing Commission regulations or tariffs.

Whatever the purpose of SoCalGas' operating plan, the effect of the plan is to give SoCalGas a competitive advantage over other suppliers. For that reason, we will not allow SoCalGas to inject noncore volumes during spring for summer and fall UEG gas requirements. However, because we are concerned about air quality in southern California, we will permit UEGs to inject their own storage volumes for the 1990 season. Accordingly, SoCalGas should set aside some storage capacity for that purpose. For the next storage injection season, the rate for that storage banking service should be equal to the highest accepted bid in SoCalGas' 1990-1991 storage banking program plus carrying costs, unless other contractual agreements are authorized by the Commission. Longer term solutions to this problem, such as increased pipeline capacity or pipeline capacity allocation programs, are under consideration in other proceedings.

C. What are the effects on P-3 customers of this program and how may they be mitigated?

Several customers with a P-3 priority have expressed concern that SoCalGas' operating plan might affect their service.

SoCalGas responds that deliveries to P-3 customers were not subjected to significant curtailments in service as a result of its operating program. All classes of customers were denied access to storage banking during the March to May period. Noncore procurement rates fell slightly for June and July 1989 because spot prices were a little lower in March through May than in June and July when the volumes were withdrawn.

CIG responds that P-3 and P-4 customers were curtailed as a result of the operating plan increasing the uncertainty of the transportation program. CIG also argues that SoCalGas' comments were not responsive to the Commission's inquiry. It suggests SoCalGas be required to file a monthly report detailing all transportation nominations subject to trimming. The report should also explain the impact that the operating plan has had on injections by storage banking customers and whether the service these customers are receiving is comparable to the service described for the purpose of eliciting storage bids. Finally, SoCalGas should provide the volumes of noncore gas which were injected into storage during the spring and which are available for withdrawal to meet UEG requirements.

The information requested by CIG is reasonable. The information requested for the 1989 season would be most useful, however, in SoCalGas' pending reasonableness review, Application 89-06-020, where spring 1989 curtailments will be considered. Because we are not permitting SoCalGas to inject its own noncore gas in spring for summertime UEG needs during 1990, the information CIG requests is not needed for the 1990 period with the exception of a report detailing transportation nominations subject to trimming. At CIG's suggestion, we will require SoCalGas to file a monthly report detailing all transportation nominations subject to trimming or curtailment during 1990.

D. How does this program change affect policy established in D.89-04-080 and how should the two policies be reconciled?

D.89-04-080 in R.88-08-018 established rules under which the utilities may sell excess core supplies to the noncore portfolio. Some parties had expressed concern that SoCalGas' operating plan might conflict with those rules.

In its comments, SoCalGas states that under the rules established in D.89-04-080, it may have to (1) curtail summer/fall UEG transportation and sales service; (2) reduce summer/fall core purchases uneconomically; or (3) transfer long-term supplies to the noncore portfolio. To mitigate these circumstances, SoCalGas proposes that the Commission adopt (1) annual balancing of spot purchases and noncore procurement service or (2) less restrictive rules on transfer of long-term supplies to the noncore market.

DRA does not believe the policy established in D.89-04-080 presents any serious problems under SoCalGas' operating plan.

Salmon/Mock and CIG comment that this issue is already the subject of petitions for modification of D.89-04-080 which have been filed by several parties.

The rules established in D.89-04-080 do not present serious problems under SoCalGas' operating plan as amended by this decision. We have recently revisited those rules pursuant to petitions for modification filed by several parties to R.88-08-018, our ongoing procurement rulemaking proceeding. Accordingly, no further action is needed here.

Findings of Fact

1. CACD held a workshop in this proceeding on October 4, 1989 after which interested parties filed comments suggesting changes to the pilot storage banking program.

2. Information regarding anticipated curtailments and trimmings will make storage banking a more valuable service to potential customers.

3. An "as-available" storage banking service may increase the flexibility and efficiency of the utilities' storage banking programs.

4. SoCalGas' storage banking program during 1989 did not operate as the Commission had anticipated in D.88-11-034 because of unforeseen circumstances.

5. The pilot banking service was originally designed to be offered on a "best efforts" basis.

6. Providing refunds to SoCalGas' storage banking customers for nonperformance of at least 50% of contracted storage banking volumes would make the pilot storage banking program more attractive to potential program participants during the 1990 storage injection season.

7. Operational flexibility may enhance the value of the storage banking service to banking customers.

8. Permitting brokers and suppliers to participate in the storage banking program on their own behalf would contribute to a more competitive gas marketplace and may provide customers with a valuable service.

9. Core-elect customers receive a premium storage service.

10. The issue of whether core-elect customers should pay a separate charge for storage service is too controversial to be resolved at this time.

11. UEG customers are the primary beneficiaries of the changes to SoCalGas' operating plan approved in D.89-07-017.

12. SoCalGas' operating plan, approved by D.89-07-017, gives SoCalGas a competitive advantage over other suppliers.

Conclusions of Law

1. The utilities should continue to file quarterly reports regarding their storage banking programs. Those reports should include information regarding anticipated curtailments and trimmings.

2. Interested parties should be permitted to file, within 20 days, comments on the utilities' quarterly storage banking reports.

3. The utilities should have the option of implementing an "as-available" storage banking service during the 1990-1991 season.

4. SoCalGas should be ordered to refund reservation fees to customers to the extent it is unable to perform according to contractual agreements during the 1989-1990 storage injection season.

5. SoCalGas should be ordered to refund reservation fees, on a pro rata basis, to the extent it is unable to provide at least 50% of their contracted storage capacity volumes during the 1990-1991 storage injection season.

6. SoCalGas' petition to modify D.88-11-034 filed November 3, 1989 should be granted to the extent set forth in this decision.

7. The utilities should be ordered to permit the participation of brokers and suppliers who bid for storage banking services on their own behalf.

8. SoCalGas' quarterly reports for the 1990 storage injection season should include information regarding its efforts to improve operational flexibility during the 1990 storage injection season.

9. The utilities should not accept noncore deposits during periods of trimming or curtailments of transportation gas.

10. SoCalGas should not be permitted to inject noncore volumes during spring 1990 for summer and fall 1990 UEG gas

requirements. UEGs should be permitted to inject their own storage volumes for the 1990 season which would mitigate curtailments during the peak summer and fall smog periods.

11. SoCalGas should be required to set aside some storage capacity for the purpose of permitting UEGs to inject storage volumes during spring 1990 for summer and fall 1990 UEG gas requirements.

12. The rate for UEG storage during 1990 which is used for the purpose of reducing air pollution during the 1990 peak smog season should be the highest accepted bid in SoCalGas' 1990-1991 storage banking program plus carrying costs unless other contractual agreements are authorized by the Commission.

13. SoCalGas should be ordered to provide to CACD a monthly report detailing all transportation nominations subject to trimming or curtailment during 1990.

O R D E R

IT IS ORDERED that:

1. Within 10 days after the effective date of this order, Southern California Gas Company (SoCalGas) and Pacific Gas and Electric Company (PG&E) shall file amended tariffs incorporating the pilot storage banking program changes set forth in this decision.

2. SoCalGas and PG&E shall continue to file quarterly reports, as ordered in Decision (D.) 88-11-034. Those reports shall include information regarding anticipated curtailments and "trimmings" during the 1990-1991 storage banking season. SoCalGas' reports shall summarize its efforts to improve operational flexibility pursuant to this decision.

3. SoCalGas shall refund storage banking reservation fees to storage banking customers to the extent that SoCalGas was not able

to provide all of the storage banking service for which bids were accepted for the 1989-1990 storage banking season.

4. The petition of SoCalGas to modify D.88-11-034 is granted to the extent provided for in this decision.

5. Within 45 days of the date of this order, SoCalGas shall provide to the Commission Advisory and Compliance Division (CACD) and all parties to this proceeding information regarding the amount of capacity it intends to set aside for the purpose of permitting utility electric generation customers to inject gas in spring 1990 for summer and fall peak smog season requirements.

6. SoCalGas shall provide to CACD during 1990 monthly reports detailing transportation nominations subject to curtailments and trimmings.

This order is effective today.

Dated DEC 1 8 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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

Wesley Franklin

WESLEY FRANKLIN, Acting Executive Director

DG