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Decision 90-03-081 MARCH 28, 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking into natural gas procurement and system reliability issues.

R.88-08-018 (August 17, 1989)

Order Instituting Investigation into natural gas procurement and system reliability issues deferred from D.86-12-010.

I.87-03-036 (March 25, 1987)

## ORDER MODIFYING DECISION 89-11-060 AND DENYING REHEARING

A petition for rehearing of Decision (D.) 89-11-060 has been filed by Southern California Gas Company. We have reviewed the allegations contained in the petition and are of the opinion that rehearing should be denied but that the decision should be modified in several minor respects.

THEREFORE, IT IS HEREBY ORDERED:

D.89-11-060 is modified as follows:

The third sentence in the first full paragraph on page
is modified to state:

"In order to assure that core customers are not harmed by transfers to the noncore and thus address SoCal's concern, we will adopt TURN's suggestion to price transfers at the highest incremental cost of gas to the core portfolio for the month."

2) Finding of Fact No. 5 is modified to state:

"When transfers from the core portfolio to the noncore portfolio take place, noncore customers generally create the incremental demand and should therefore pay the highest incremental cost of gas to the core portfolio for the month.

## R.88-08-018, I.87-03-036

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3) Page 2 of Appendix A is modified as follows:

 a) The word "net" in the second line of the second paragraph under Marketing Excess Core Supplies is changed to read "highest";

b) The word "noncore" in the fourth line of the third paragraph under Marketing Excess Core Supplies is changed to read "core".

IT IS FURTHER ORDERED:

Rehearing of D.89-11-060, as modified herein, is

denied.

This order is effective today. Dated March 28, 1990 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

MAL, LEOCALLE Stector