

Mailed

MAR 12 1992

Decision 92-03-036 March 11, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Order Instituting Investigation on the Commission's own motion into the interstate natural gas pipeline supply and capacity available to California.

I.88-12-027 (Filed December 19, 1988)

Order Instituting Rulemaking into natural gas procurement and reliability issues.

R.88-08-018 (Filed August 10, 1988)

O P I N I O N

The Commission has consistently pursued natural gas policy that affords California consumers supply flexibility and the benefits inherent in a competitive marketplace. In the past, pipeline capacity has constrained supply options available to consumers. As a result of market decisions, construction is now underway on new interstate capacity into California, and other capacity additions are under consideration in a variety of forums. New interstate capacity, though, may not be the whole answer to optimizing California's natural gas infrastructure. As a means of furthering the supply alternatives available to northern California natural gas consumers, the Commission wishes to explore expanding the capacity of Pacific Gas and Electric Company's (PG&E's) Line 300, either alone or in conjunction with expansion in gas storage capabilities.

On February 28, 1992, a prehearing conference (PHC) was held before Administrative Law Judge Kim Malcolm to identify the issues that must be addressed in considering the expansion of Line 300 alone and in conjunction with expansion in storage capability, the relative merits of such system improvements, and estimates of time to acquire any necessary regulatory approvals to

I.88-12-027, R.88-08-018 COM/DWF/bar/jac

complete construction if expansion is deemed to serve the public convenience and necessity.

Further consideration of expanding Line 300, either alone or in conjunction with expansion in gas storage, is most appropriately addressed by reopening the Pipeline Capacity Investigation, Investigation (I.) 88-12-027, and consolidating it with the ongoing Capacity Brokering proceeding, Rulemaking (R.) 88-08-018.

ORDER

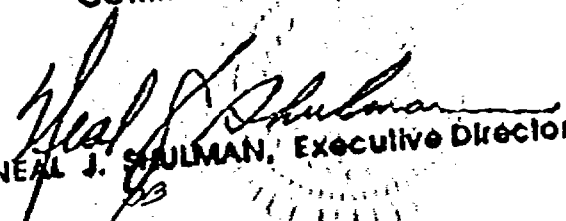
IT IS ORDERED that the Pipeline Capacity Investigation, Investigation (I.) 88-12-027, is reopened and consolidated with the Capacity Brokering proceeding, Rulemaking (R.) 88-08-018, for the purpose of considering expansion of Line 300 either alone or in conjunction with expansion in gas storage capabilities.

This order is effective today.

Dated March 11, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director