

**ORIGINAL**

Decision No. 86932

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's Own Motion into the Adequacy and Reliability of the Energy and Fuel Requirements and Supply of the Electric Public Utilities in the State of California.

Case No. 9581  
(Filed July 3, 1973)

Investigation on the Commission's own motion into the natural gas supply and requirements of gas public utilities in the State of California.

Case No. 9642  
(Filed December 18, 1973)

Investigation on the Commission's own motion into the establishing of priorities among the types of categories of customers of every electrical corporation and every gas corporation in the State of California and among the uses of electricity or gas by such customers.

Case No. 9884  
(Filed March 11, 1975)

INTERIM EMERGENCY ORDER

The cold weather emergency in the eastern United States has caused an extraordinary demand for natural gas to meet basic human needs. The natural gas shortage has resulted in layoffs of over one million workers; residential heating may be curtailed; human life and safety may be endangered.

The President of the United States has called for severe, voluntary conservation measures to meet this weather emergency and has proposed emergency legislation which would allow the transfer of natural gas to the most severely affected areas of the country. California has a responsibility to help the rest of the nation through emergency loans of natural gas<sup>1/</sup> during this time of extreme difficulty.

<sup>1/</sup> Priorities 1 and 2 natural gas customers per FPC Order 467, 467A, 467B, and 467C, Docket R469.

California is experiencing its cold period and in addition is suffering from a different kind of weather emergency--drought. Billions of dollars have been lost through agricultural damage and the reduced availability of hydroelectric power. At the same time, natural gas curtailments have forced 533 California hospitals, schools and factories to use expensive and polluting fuel oil to meet their energy needs.

California has led the nation in preparing for emergency gas shortages by requiring large users to have the capability to burn alternate fuels. California's voluntary contribution to relieve the immediate problems of the eastern United States should reinforce the case for cooperative action by gas distributors and pipelines to meet an area's emergency natural gas needs through Federal sanction.

We are today ordering California gas utilities to adopt stringent, mandatory conservation rules. These rules, designed for the duration of extreme emergency conditions, will restrict not merely wasteful uses of gas but some uses which are normally perfectly acceptable for every day needs.

We anticipate relaxing these restrictions as changed conditions permit. We must emphasize, however, that there is no likelihood that California or any other part of the country will have a truly adequate supply of natural gas for the foreseeable future. Constant with this, careful, and in some cases inconvenient, conservation restrictions will continue to be necessary. Shortages of natural gas for California industry and commerce have already, over the last few years, raised fuel bills by billions of dollars and severely aggravated air pollution in critical air basins. A realistic appraisal of future gas supply in California leads to these conclusions:

1. There may never be enough gas to permit luxury or even sustained, optional uses beyond the minimum needs of human comfort, industrial necessity, and acceptable air quality requirements.
2. Conservation investments - such as fully adequate home insulation - must be made by all Californians where residences will permit such insulation.
3. Federal rules are needed not merely to meet emergency situations, but to reflect the current needs and past sacrifices of various states and the demands of economic and environmental survival (through voluntary mutual assistance programs).

The Commission's Authority to Order Mandatory Curtailments

The power of the Commission to issue orders directing the mandatory curtailment of the delivery of electrical power for certain uses has been thoroughly explored. (See Decision No. 82305 in Case No. 9581.) The same argument holds for natural gas deliveries, therefore, we proceed to perform our duty in this regard with full confidence in our authority to undertake and enforce the actions ordered herein and such further curtailment orders as circumstances may require.

Voluntary Action

The Commission is well aware that the success of this order is to a large extent dependent upon the cooperation and voluntary action of both the California natural gas utilities and the consuming public. Only with such cooperation will this measure meet with success, the burden of those facing a grave need for additional gas supplies relieved, and the need of further and more restrictive mandatory curtailment procedures lessened. Commercial and industrial natural gas customers should expend additional efforts to conserve natural gas.

THE COMMISSION FINDS:

1. Developments of which the Commission has become aware in reviewing the natural gas shortage of the eastern and mid-western states makes it necessary to institute the mandatory actions ordered herein to prohibit or curtail certain end uses of natural gas pending further order in this case.

2. Limiting of the use of natural gas available to California users is required in order that the emergencies of the shortage of natural gas<sup>1/</sup> elsewhere in the United States may be partially alleviated.

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<sup>1/</sup> Priorities 1 and 2 natural gas customers per FPC Orders 467, 467A, 467B, and 467C, Docket No. R469.

3. The prohibitions and curtailment orders contained herein are reasonable and necessary in order to protect the public health, safety and welfare and minimize the hardship upon the people of this country during the present natural gas shortage, by extending available supplies required for human comfort and survival.

4. All users of natural gas, including those which are directly affected by the mandatory provisions set forth herein, are urged to devote full efforts to achieving a reduction in their normal usage of natural gas to the maximum extent possible.

IT IS ORDERED that:

1. Within five days after the effective date of this order, each respondent gas utility shall file appropriate tariffs incorporating the prohibitions, conservation and curtailment set forth in Appendix "A" hereof. Such filings shall be made in accordance with General Order No. 96-A and shall be effective as of the date of filing.

2. Violations of such prohibitions, conservation or curtailment provisions shall be handled as violations of effective tariffs.

3. For the period of time in which this emergency order is in effect, requests by customers of respondents for special relief from such prohibitions, conservation or curtailment provisions by reason of special hardship or impossibility of compliance shall be handled in the manner provided for formal complaints under the Commission's Rules of Practice and Procedure. Complaints to this order shall be made to the Commission clearly setting forth the reason therefor for further action by the Commission.

C. 9581, et al. FG

4. All respondent natural gas utilities are directed to inform all of their customers, whether or not such customers may be otherwise affected or covered by the prohibitions or curtailment provisions contained in Appendix "A", of the urgent necessity of their achieving a reasonable cutback of usage. Such information shall contain to the extent practicable specific recommendations as to the manner in which such reduction may be achieved for each class of customer.

5. The reporting requirements ordered in paragraph 2 of the first Interim Order in this case shall continue in effect pending further order of the Commission.

The Executive Director is hereby directed to cause this order to be served upon each respondent to this investigation and also upon the various governmental agencies, publicly owned natural gas utilities, major suppliers and other informed parties, and members of the California Legislature.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of FEBRUARY, 1977.

*Swill file concerning  
and dissenting opinion  
William L. Quous.*

Robert Batimich  
President  
James L. Stinger  
Richard W. Swell  
Commissioners

APPENDIX A  
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PROHIBITIONS, CONSERVATION AND CURTAILMENT PROVISIONS

(a) Advertising and Decorative Lighting

- (1) Natural gas shall not at any time be caused or permitted to be used for outdoor decorative lighting, torches, flares, or any similar form of gas lighting.
- (2) Natural gas shall not at any time be caused or permitted to be used for indoor decorative purposes, such as artificial fireplace logs, except in such cases as such use of natural gas is primarily for the purpose of space heating and human comfort.

(b) Comfort Heating and Cooling

- (1) During business hours, natural gas should not, at any time, be caused or permitted to be used in any commercial or industrial establishments to provide heat to raise the temperature therein above 65°F, except where other temperatures are specifically required by law, or for medical reasons.
- (2) Natural gas used by all hotel, motel, and similar guest accommodation establishments and restaurants should not be used to heat vacant guest rooms. The 65°F temperature in occupied rooms should be reduced to 55°F during sleeping hours, except where other temperatures are required by law.
- (3) Natural gas should not be caused or permitted to be used by residences, apartments and condominiums above 65°F during the active hours of the day and not above 55°F during the sleeping hours, except for medical reasons and where other temperatures are required by law.

(c) Outdoor Public Gatherings

Natural gas should not be caused or permitted to be used for recreational or cultural activities without a reasonable reduction of the normal or usual amount used by that customer for the same, or similar, activities.

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(d) Indoor Business Heating

- (1) Natural gas shall not be caused or permitted to be used for heating the interior of any business establishment during that period of time that said establishment is not carrying on the usual and customary activities of that business.
- (2) Notwithstanding the provisions of subsection (d) (1) hereof, a business establishment may provide sufficient heating at all times to provide a minimal level required to prevent pipe freezing or other damage.
- (3) Nothing in these subsections shall be construed to hinder or prohibit ordinary and customary maintenance and janitorial services at times other than those during which the business establishment is carrying on the usual and customary activities of that business.

(e) Swimming Pool Heating

Natural gas shall not be caused or permitted to be used for the purpose of swimming pool heating unless such heating is required for medical purposes.

(f) Commercial and Industrial Process

Every effort should be made to reduce natural gas usage.



C. 9581)  
C. 9642) D. 86932  
C. 9884)  
Order Re: Uses of Natural Gas

COMMISSIONER WILLIAM SYMONS, JR., Concurring in Part and  
Dissenting in Part

I concur that we urge our citizens to use maximum efforts to conserve natural gas. Further, we should encourage California utilities to accommodate, by loans of supplies of natural gas, our hard-pressed neighbors in their time of acute shortage.

Yet I cannot agree to go along with this order because of a lack of minimal time to review the proposed language. My office has been bypassed in its preparation. There was adequate time to apprise and consult each commissioner as to the actions to be proposed. Instead, a far-reaching order is sprung on me at the last minute as I sit on the bench in conference.

I feel it is imprudent to issue this order while we have yet to see the final form of pending Federal natural gas legislation. That bill is still subject to change, though the decision is expected quite soon.

Further, I am dubious about our ability to detect and enforce, as well as legal authority to order, such provisions as mandatory home thermostat settings of 65 degrees during the active hours of the day. To order what is beyond our power sets up the Commission for the flouting of its orders and invites the growth of scoff-law mentality among our citizenry. Under the procedure followed in presenting the proposed order there has been no time to thoroughly consider its ramifications. It is premature to sign this order in such a situation for I am not sure that we do not jeopardize or overlook the interests of California citizens by issuing this order in such a panic and in the face of important unknowns.

San Francisco, California  
February 1, 1977

  
WILLIAM SYMONS, JR.  
Commissioner