

ddb

Decision No. 87221

ORIGINAL

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)

(See Decisions Nos. 85189 and 86357 for appearances.)

SUPPLEMENTAL OPINION AND ORDER

On December 2, 1975 in D.85189 the Commission established an end-use priority system for the statewide allocation of natural gas. On September 1, 1976 D.86357 was issued which modified D.85189, placing all interruptible gas use with peak-day demands of less than 100 Mcf/d in Priority P-1 and existing interruptible boiler use with peak-day demands greater than 750 Mcf/d in Priority P-4.

On November 24, 1976 the United States Secretary of Defense (Secretary) filed a petition for clarification of D.85189 and D.86357.

The Secretary's petition alleges that:

1. The Commission failed to define the term "customer" in Appendix B.
2. Clarification of both D.85189 and D.86357 is needed to indicate where the use of gas is to be measured, i.e., at the meter point or at the point of use.
3. Without the clarification requested anomalies and inequities would exist where multiple points of use are present.

The Secretary's concern stems from the priority classification of the various California military installations taking service from the gas distribution utilities. To illustrate the asserted dilemma, the Secretary states that in the Presidio of San Francisco gas distribution system is owned by Pacific Gas and Electric Company (PG&E) and is classified as Priority P-1 but nevertheless serves 375 nonresidential buildings. Conversely at Fort Ord, the U.S. Army owns and operates the largest portion of the distribution system with some 1,600 plus buildings taking service through two meters, and this is classified as Priority P-2.

With regard to the definition of what constitutes a customer, the California utilities have generally considered that the total usage constituting one bill is determinative of the term "customer", whether the consumption be through a single meter or a combination of meters.

With respect to multiple uses, the Commission was required to establish priorities of use among the utility's customers, and base these priorities on which use provides the most important public benefit and serves the greatest public need. In adopting the end-use priority system, we recognized that some customers may be placed in a lower category priority where they would receive a lower level of service than they enjoyed under the old firm/interruptible, price/volume system, while others may be elevated.

D.85189 classified "All other firm use with peak-day demands less than 100 Mcf/d" as Priority P-1, and D.86357 added "All interruptible use with peak-day demands of 100 Mcf/d or less" to Priority P-1. This then involves the total priority class use, and not the use of individual pieces of equipment or points of use, as the Secretary suggests. D.86357 simply added another test to be applied to a given customer's load.

If a customer-owned gas distribution system receiving master-metered service from the utility supplies a number of individual premises, the end-use priority system should apply to each of the premises as if the utility were serving directly from the utility-owned distribution system provided that the use at each of the individual premises can be measured or realistically determined.

We would point out that the Defense Department's installations are not unique as regards many small boilers on one premise as alleged by the Secretary. On both the PG&E and the Southern California Gas Company system, there are customers receiving gas through one meter with small boilers on the premises.

Finally, it should be pointed out that the Presidio of San Francisco, cited by the Secretary as an example of a typical military installation, is really an extension of the PG&E system serving the city of San Francisco and should not be considered typical.

Findings

1. "Customer", as used in the end-use priority system adopted in D.85189 and amended by D.86357, means total consumption whether it be through a single meter or a combination of meters.

2. The end-use priority system, as adopted in D.85189 and D.86357, provides the criteria to determine a customer's priority classification.

3. Where a customer-owned gas distribution system is receiving master-metered service from the utility and supplies a number of individual premises, the end-use priority system should apply to each of the premises as if the utility were serving directly from the utility-owned distribution system, provided that the use at each individual premise can be measured or realistically determined.

The Commission concludes that with the discussion contained herein, further amendment of D.85189 and D.86357 is not required and that the petition should be denied.

IT IS ORDERED that the Petition for Clarification and Amendment filed by the United States Secretary of Defense is denied.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 19th day of APRIL, 1977.

\_\_\_\_\_  
President  
*William S. Gurnea, Jr.*  
\_\_\_\_\_  
*Thomas L. Steegen*  
\_\_\_\_\_  
*Richard D. Grouse*  
Commissioners

Commissioner Robert Batinevich, being necessarily absent, did not participate in the disposition of this proceeding.