

Decision No. 87794 AUG 30 1977

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)

ORDER EXTENDING TIME

In Decision No. 85189, dated December 2, 1975, the Commission ordered the establishment of an end-use priority system to replace the then effective firm/interruptible system. By that decision, customers classified as Priority 2A and considered capable of converting to an alternate fuel are scheduled to be transferred to an appropriate, lower priority by December 2, 1977.

Priority 2A (temporary) customers are those customers who, under the firm/interruptible system were firm, non-residential customers not subject to curtailment and, therefore, did not maintain alternate fuel facilities. Such customers include hospitals and educational institutions as well as customers in the industrial and commercial sectors.

On June 1, 1977, the Commission, on its own motion, opened an investigation (Case No. 10342) into the impact of the decline in natural gas available to California from traditional sources, and the need for and timing of deliveries from supplemental supply projects. One facet of this investigation focuses on the future impact of curtailment on Priority 3 and Priority 4 customers. It is apparent from the data received to date in Case No. 10342 that many Priority 2A (temporary) customers will not be equipped to use alternate fuel during periods of natural gas curtailment, despite the two-year period allowed by Decision No. 85189.

If the P2A (temporary) customers are transferred to a lower priority on December 2, 1977 they face probable curtailment on the Southern California Gas Company system, and possible curtailment on the Pacific Gas and Electric Company system, depending on the severity of the coming winter season. Curtailment of customers who have no installed alternate fuel facilities must be avoided. We will therefore extend the deadline for the transfer of P2A (temporary) customers to October 1, 1978. However, we will require the distribution utilities to submit proposed tariffs setting forth special rates to be applied to service provided to Priority 2A (temporary) customers. The special rates should not be less than the unit fuel costs that a Priority 2A (temporary) customers would have been exposed to if such customer had been transferred to the appropriate lower priority and curtailed accordingly.

O R D E R

IT IS ORDERED that:

1. The deadline of December 2, 1977 for the transfer of all Priority 2A (temporary) customers to a lower priority is extended to October 1, 1978.

2. Pacific Gas and Electric Company, Southern California Gas Company, and San Diego Gas & Electric Company shall serve a copy of this order on all customers classified as P2A (temporary).

3. Pacific Gas and Electric Company, Southern California Gas Company, and San Diego Gas & Electric Company shall file within 60 days after the date hereof proposed tariffs setting forth special rates for gas service to Priority 2A (temporary) customers.

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

Dated at San Francisco, California, this 30<sup>th</sup> day of AUGUST, 1977.

William Synovis President  
Verdon Stinger  
Richard D. Giville

Commissioners

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

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.