

Decision No. 90487 JUL 3 1979

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 priori-)
ties 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)

FURTHER INTERIM ORDER

On February 1, 1977, the Commission issued Decision No. 86932 whereby each respondent gas utility was ordered to file appropriate tariffs incorporating certain prohibitions, conservation, and curtailments. By Decision No. 82861, dated May 15, 1974, electric utilities had been ordered to do likewise.

Immediate action on the part of all business and residents of California in reducing their consumption of natural gas and electricity was needed in order to respond to the critical need for energy in high priority uses. Californians responded to this challenge and reduced their consumption of natural gas and electricity.

Recent events nationally and in California's energy supply situation again make necessary this further Commission action to emphasize the increased need for conservation in the use of natural gas and electricity by residential, commercial and industrial customers and to urge the gas and electric utilities to make extraordinary efforts to procure additional natural gas and electric supplies.

The recent temporary closing of the Rancho Seco nuclear power plant may tend to force more intensive use of California's fossil fuel fired generating plants. The further delay in commencement of service at the new Diablo Canyon and the new San Onofre nuclear generating plants could cause the fossil-fired load to be further enlarged. Though the regional average electric capacity margins should remain adequate on a statewide basis, maintaining these margins will fall heavily upon the oil and gas fired plants in California. There are no coal fired plants in California, although some coal fired electricity is imported from Nevada and Arizona. Secretary of Energy Schlesinger has urged operators of oil fueled power plants to switch to the use of natural gas as much as possible to alleviate the need for imported oil and to ease the middle distillate and gasoline short fall currently existing.

Under regulations promulgated pursuant to the Power Plant and Industrial Fuel Use Act of 1976 (FUA) which became effective May 8, 1979, Section 301(a)(2) and (3) prohibits existing electric powerplants from burning natural gas above certain levels unless they qualify for a specific exemption.

The Department of Energy's Economic Regulatory Administration (ERA) has issued a special rule (10 CFR 508, 44 FR 2123) establishing expedited procedures to allow electric utilities to use natural gas in place of middle distillates and residual fuel oil. The gas would be used in those facilities which cannot burn coal or other alternate fuels.

The ERA's new special rule will allow a temporary public interest exemption for use of natural gas in powerplants. Natural gas may displace residual fuel oil as well as middle distillates and the exemption will be granted for an initial period of up to two years.

As a result of these transient circumstances we hereby order California gas utilities to intensify their efforts to expand the implementation of all natural gas conservation programs and to enforce the provisions of Tariff Rule 23.1 for the Southern California Gas Company (SoCal) and Tariff Rule 14.1 for all other natural gas utilities (see Appendix A for the basic content of these rules). Our order in OII-43 similarly requires intensified electric conservation programs.

These actions should have the effect of making available, on an interim basis, larger amounts of gas for utility steam electric generation in California, in combination with reduced electric load and usage.

THE COMMISSION FINDS AND CONCLUDES:

FINDINGS

1. The developments summarized above make it necessary to emphasize the need to enforce natural gas conservation actions heretofore promulgated by this Commission and embodied in Gas Tariff Rules 23.1 and 14.1.

2. As a counterpart to Finding 1, herein, the gas utilities of California will need short-term supplies of natural gas, in addition to those resulting from residential, commercial and industrial conservation, in order to obtain adequate fossil fuel supplies made necessary by nuclear shut-downs.

CONCLUSIONS

1. The natural gas and usage changes prescribed herein are necessary in order to protect the public health, safety and welfare and to minimize the hardship upon the people of California resulting from electric generating capacity limitations recently experienced.

2. All residential, commercial and industrial users of electric energy and natural gas in California, except utility steam electric plants, should devote maximum feasible efforts to achieve a reduction in their normal usage of natural gas.

IT IS ORDERED that:

1. Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Gas Company and Southern California Edison Company shall continue to implement or place into effect all cost effective voluntary natural gas conservation measures previously ordered.

2. Reports of compliance with Ordering Paragraph 1 herein shall be incorporated in the gas utility and electric utility reports required by prior decision of this Commission in these consolidated proceedings.

3. Violations of Tariff Rule 14.1 and Rule 23.1 shall be handled in accordance with the procedures set forth in the respective rules.

4. Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Gas Company and Southwest Gas Corporation shall publish the text of their Rules 14.1 or 23.1 in the daily newspapers of the largest morning and evening circulation in their respective service areas, in two nonconsecutive weekday issues thereof in the month of July, 1979. Such text publication shall be preceded by a brief heading explaining the origin of and the need for such rule, together with a statement of the reason for its publication.

5. Requests by customers of Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas and Electric Company and Southwest Gas Corporation for special relief from prohibition, 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 resulting from this order shall be made to the Commission, clearly setting forth the reason therefor, for further action by the Commission.

The Executive Director is hereby directed to cause this order to be served upon Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Gas Company, Southwest Gas Corporation, publicly owned gas and electric utilities in California, the state Energy Resources Conservation and Development Commission, and all appearances in OII-43.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 3rd day of JULY, 1979.

John E. Coyne
President

[Signature]
[Signature]
[Signature]
Commissioners

APPENDIX A

Typical Natural Gas Rules Nos. 14.1 and 23.1
PROHIBITIONS, CONSERVATION AND CURTAILMENT PROVISIONS

A. General

This rule has been ordered effective by the Commission as an emergency measure pursuant to Decisions Nos. 86932, 87017, 89589 and supersedes and cancels all tariff and contract provisions inconsistent with its terms. It shall remain in force and effect until further order of the Commission.

B. Prohibited or Restricted Uses

1. Advertising and Decorative Lighting.

- a. 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.
- b. 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.

2. Comfort Heating and Cooling.

- a. During business hours, natural gas should not, at any time, be caused or permitted to be used in any commercial or industrial establishment to provide heat to raise the temperature therein above 68°F, except where other temperatures are specifically required by law, or for medical reasons.
- b. Natural gas used by all hotel, motel, and similar guest accommodation establishments and restaurants should not be used to heat vacant guest rooms. The 68°F temperature in occupied rooms should be reduced to 55°F during sleeping hours, except where other temperatures are required by law.
- c. Natural gas should not be caused or permitted to be used for heating by residences, apartments, and condominiums above 68°F during the active hours of the day and not above 55°F during the sleeping hours, except for medical reasons or where other temperatures are required by law.

d. Notwithstanding the provisions of paragraph a. hereof, any commercial or industrial buildings wherein the space heating and cooling control systems provide for a single temperature set point or where such buildings are equipped with systems which heat and cool simultaneously or depend upon electric lighting as part of the heating energy, the space conditioning systems shall be operated in a manner which minimizes total energy use.

3. 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.

4. Indoor Business Heating.

a. 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.

b. Notwithstanding the provisions of subsection 4.a. hereof, a business establishment may provide sufficient heating at all times to provide a minimal level required to prevent pipe freezing or other damage.

c. 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.

5. Swimming Pool Heating.

Natural gas should not be caused or permitted to be used for the purpose of swimming pool heating, except when the the pool temperature is maintained at the coolest temperature compatible with pool usage and one of the following conditions is met:

a. The pool is primarily used for educational swimming instruction, competitive swimming events, or training associated with such competitive events.

- b. The pool is primarily used for the maintenance or restoration of health pursuant to an organized or medically directed health oriented swimming program, including senior citizens or retirement community swimming programs.
- c. The pool is covered when not used for swimming.
- d. The primary source of heat is a solar heater with a standby natural gas heater.

6. Commercial and Industrial Process.

Every effort should be made to reduce natural gas usage.

C. Notification

The Utility shall notify the customer when it has learned of a prohibited use as defined in Section B and, unless the customer will discontinue such use, Section D shall apply.

D. Noncompliance

Rule No. 11(G) will be enforced with respect to this rule, and the Utility shall discontinue service to a customer for noncompliance with this rule if, after notice of at least 5 days, the customer has not initiated compliance with such notice. Service will be restored after the customer establishes compliance with the rule.

E. Appeals Procedure

Requests by customers of the Utility for special relief from the mandatory orders of prohibition or curtailment of certain end uses of gas by reason of special hardship or impossibility of compliance shall be made to the California Public Utilities Commission in the manner provided for formal complaints under the Commission's Rules of Practice and Procedure. During the period the request is pending before the Commission, the Utility shall not terminate service for noncompliance.

F. Liability of Utility

The Utility shall not, by taking action pursuant to this Rule, be liable for any loss, damage, or injury, established or alleged, which may result or be claimed to result therefrom.