

ORIGINAL

Decision No. 91116 DEC 18 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC COMPANY for authority to revise its gas rates and tariffs under the Gas Cost Adjustment Clause, to change gas rate design, and to modify the Gas Cost Balance Account to reflect carrying costs of gas in storage.

(Gas)

Application No. 58469
(Filed November 16, 1978)

Application of PACIFIC GAS AND ELECTRIC COMPANY for authority to revise its gas rates and tariffs under the Supply Adjustment Mechanism, to change gas rate design, and to consolidate the Supply Adjustment Mechanism with the Gas Cost Adjustment Clause.

(Gas)

Application No. 58470
(Filed November 16, 1978)

(For appearances see Decision No. 90935 dated October 23, 1979 in Applications Nos. 58892 and 59045.)

O P I N I O N

Decision No. 90424 dated June 19, 1979 in these proceedings authorized Pacific Gas and Electric Company (PG&E) to increase its gas and electric rates to offset increased energy costs.

Ordering Paragraph 3 of that decision directed PG&E to submit alternate fuel cost reports covering its service area and its interdepartmental operations to the Commission's Gas Branch

on a quarterly basis. Those reports, together with other information on fuel oil prices, are intended for use by the staff and other parties in Gas Adjustment Clause (GAC) proceedings to serve as a basis for determining the alternative fuel prices paid by PG&E's priorities 3, 4, and 5 (P-3, P-4, and P-5) gas customers that have the ability to burn both natural gas and fuel oil.

In its petition filed July 18, 1979 in the captioned proceedings, PG&E requests modification of Decision No. 90424 to provide that the above-described reports shall be submitted on a semiannual basis, coordinated with PG&E's semiannual GAC filing dates of January 1 and July 1 of each year.

Decision No. 90424 also requires PG&E to submit information on a quarterly basis on the relative fuel efficiencies used in PG&E's steam electric boilers. The decision states:

"The record in A-57978, Tr. 653 on July 20, 1978, shows that PGand E was to provide a study on its equivalent costs to burn #6 fuel oil and natural gas. As this study has not yet been provided, we shall require PGand E to include the study with its next SAM application and on a quarterly basis thereafter. The study shall also include the relative efficiencies between the fuels as it is burned to produce equivalent boiler heat. Any excess air (oxygen) burned with the fuel to control smoke stack emissions must be considered with respect to fuel efficiency. Each steam plant shall be stated separately." (Decision No. 90424, mimeo. p. 21.)

In its petition for modification PG&E requests that the report on the relative fuel efficiency between fuels used in PG&E's steam electric boilers should be submitted periodically, with a two-year cycle of tests by PG&E commencing in January 1980. This request was unopposed. The proposed reporting modifications will be adopted.

Original

9
12-18

A.58469,58470 ec *

PG&E's petition for modification was consolidated for hearing with Applications Nos. 58829 and 59045 in which PG&E seeks offset increases in gas rates. The consolidated matters were heard on various dates and submitted on November 9, 1979 upon receipt of concurrent briefs.

In support of its request involving presentation of fuel oil reports on a semiannual basis, PG&E presented testimony that the present requirement is burdensome on PG&E because of the effort required to conduct the surveys necessary to obtain the price information from its low priority customers. That survey is conducted by local representatives by telephone. The purpose is to determine which low priority customers have recently purchased fuel oil, the prices paid, and the sulphur content of the fuel oil purchased. The accumulated data is then analyzed and the composite results are prepared. The survey requires the cooperation of its customers. Assertedly, double the effort is required from PG&E to obtain the fuel price data on a quarterly basis than if the data were accumulated semiannually. The more frequent requests to its customers for data assertedly decrease the likelihood that customers will cooperate to furnish the needed information. Although the request is that all fuel oil price information be furnished on a semiannual basis, PG&E states in its brief that the timing modification need only apply to the customer survey; PG&E further states it is willing and able to file quarterly fuel cost reports on its own steam electric fuel prices and on the data set forth in Platt's Oilgram.^{1/}

^{1/} Platt's Oilgram data, as reported for the first trading day of each month, U.S. Tank Car Truck Transport Lots, Los Angeles and San Francisco. Prices are to jobbers and distributors, FOB refineries, pipeline terminals, and inland waterway barge terminals. No west coast prices are quoted for low sulphur (0.5 percent maximum) content fuel oil. Prices for low sulphur content fuel oil are estimated for the west coast based on east coast prices.

No opposition to the furnishing of customers' fuel oil price data on a semiannual basis was made at the hearing. The data in the survey of customer fuel oil prices is only meaningful in connection with the semiannual GAC filing. Therefore, the presentation of the customer survey data on a semiannual basis concurrent with, and as a part of, a GAC filing will be reasonable. Applicant's request will be granted. We will require that PG&E furnish the most current data available and that the survey data be weighed by the amounts of fuel purchased, in order to increase the usefulness of the data.

Because reporting requirements are changed effective January 1, 1980, the effective date of the order shall be the date hereof.

O R D E R

IT IS ORDERED that:

1. Ordering Paragraph 3 of Decision No. 90424 in this proceeding is amended to read as follows:

3. Pacific Gas and Electric Company shall submit to the Commission's Gas Branch quarterly reports of the alternate fuel cost of its interdepartmental operations beginning with January 1, 1980, and shall submit reports of its alternate fuel costs of its low priority customers concurrently with its semiannual Gas Adjustment Clause filings beginning with its July 1, 1980 filing. Such customer surveys shall show the number of customers purchasing fuel oil by type and sulphur content of the fuel oil, the range and average prices of most recent purchases made by each customer within the six-month period, the quantities purchased at such prices, and the weighted average purchase prices based on the quantities purchased.

2. Pacific Gas and Electric Company shall furnish reports concerning the relative efficiencies of burning fuel oil and natural gas in generating electric power concurrently with the completion of each two-year cycle of tests regularly conducted by it.

3. In all other respects Decision No. 90424 shall remain in full force and effect.

The effective date of this order is the date hereof.

Dated DEC 18 1979, at San Francisco, California.

John E. Burns
President

William L. Thompson

Charles W. Swoboda

Clarence J. Bedding

Samuel J. Quinn
Commissioners