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ORIGINAL

JAN 8 - 1980

Decision No. 91185

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHERN CALIFORNIA GAS COMPANY for )  
(a) A General Increase in Its Gas )  
Rates, and (b) For Authority to )  
Include a Purchased Gas Adjustment )  
Provision in Its Tariffs. )

Application No. 53797  
(Filed January 19, 1973)

ORDER TERMINATING PHASE II

Summary

This decision makes permanent the interim pro rata allocation procedure set forth in D.84512 dated June 10, 1975 in A.53797, as modified to base the allocation upon current Priority 5 requirements on Southern California Gas Company (SoCal) by San Diego Gas & Electric Company (SDG&E) and by its G-58 retail electric customers (including an allocation to the City of Long Beach Gas Department (Long Beach) to supply a portion of Southern California Edison Company's (Edison's) requirements).

History

At the time D.84512 was issued, SoCal could deliver electric generation under three priority designations, A, S-1, and S-2, which were designations under a price-volume priority system. Gas was also delivered to very large industrial customers of SoCal under the A priority.

In Interim D.85189 dated December 2, 1975 in C.9642, C.9581, and C.9884, this Commission adopted new priority designations in general conformity with Federal Power Commission end-use curtailment plans and in response to Sections 2771-2776

of the Public Utilities Code to protect users who have no technically or economically feasible alternatives to the use of natural gas. D.85189 established Priority 5 for boiler fuel for utility steam-electric generation plants and for utility gas turbines. D.86357 dated September 1, 1976 changed certain priority classifications set forth in D.85189, but did not change the P-5 classification for utility steam-electric generation plants and utility gas turbines. In a subsequent decision in these proceedings, D.90776 dated September 12, 1979, electric utility gas turbine use was reclassified from Priority 5 to Priority 3.

D.90883 dated October 10, 1979 (a clarification of D.90776) ordered SoCal to delete the higher priority electric utility gas turbine use requirements in calculating allocation percentages pursuant to the pro rata allocation formula established in D.84512. D.90883 states that the:

"D.84512 allocation of gas deliveries to wholesale and retail electric utility customers of Southern California Gas Company (SoCal) was designed to equalize deliveries, as a percentage of potential gas requirements on SoCal's system, for both steam electric and gas turbine generating plants. D.85410 dated February 3, 1976 in SoCal's A.55345 provided for essential deliveries of electric utility plant gas igniter requirements under a higher priority than for boiler fuel. These igniter requirements were no longer considered in the establishment of updated allocation percentages.

"Consistent with our action in D.85410, gas requirements provided under a higher priority should not be incorporated in the calculation of allocation percentages for SoCal's retail and wholesale electric customers for service provided under a Priority 5 classification."

On October 10, 1979 the assigned Administrative Law Judge (ALJ) in this proceeding sent the following letter to applicant and to the interested parties listed<sup>1/</sup> in Appendix A of D.84512:

"Consideration is being given to termination of this proceeding by issuance of a decision making Interim Decision No. 84512 final. Decision No. 84512 (a) modified Southern California Gas Company's Rule 23, (b) modified Southern California Gas Company's gas service agreement with San Diego Gas & Electric Company, and (c) provided for emergency deliveries to Southern California Gas Company's G-58 and G-61 customers. The decision would ratify subsequent changes authorized by the Commission, such as changes in priority designations (e.g., see Decision No. 90883). The decision would also terminate the monitoring provisions of Decision No. 84512.

"If you desire an alternate Commission action, please advise the Commission on what action you would recommend and of the reasons therefor on or before October 30, 1979. Any responses should be directed to my attention at the above address."

No response suggesting alternate Commission action has been received by the Commission. Phase II of this proceeding should be terminated on the basis set forth in the ALJ's October 10, 1979 letter. SoCal should continue to allocate P-5 gas on a pro rata basis for utility steam-electric generation.

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<sup>1/</sup> One of two letters sent to appearances for the City of Long Beach was returned due to the death of Mr. Roy A. Wehe. The other returned letters were remailed to new addresses. Due to the mailing delay, the ALJ granted a telephoned request for an extension of time to respond to his letter until November 12, 1979.

Findings of Fact

1. D.84512 adopted an interim procedure under which SoCal would allocate gas to SDG&E and to its retail electric customers (including an allocation to Long Beach to supply a portion of Edison's requirements on SoCal). Curtailments were based upon price-volume relationships.

2. The Commission has subsequently adopted end-use curtailment priorities. SoCal delivers pro rata allocations for steam-electric generating plants to SDG&E and to its retail electric generating customers based upon their respective P-5 requirements. These requirements are updated monthly.

3. None of the parties to the Phase II proceeding objected to ratification of this procedure on a permanent basis.

Conclusions of Law

The interim pro rata allocation procedure set forth in D.84512, as modified, to base allocations upon current P-5 requirements on SoCal by SDG&E and by its retail electric customers (including an allocation to Long Beach to supply a portion of Edison's requirements) should be made permanent based upon the procedure set forth in the ALJ's letter of October 10, 1979.

IT IS ORDERED that:

1. The interim pro rata allocation procedure set forth in D.84512, as modified, to base the allocation upon current P-5 requirements on Southern California Gas Company by San Diego Gas & Electric Company and by its retail electric customers (including an allocation to the City of Long Beach Gas Department to supply a portion of Southern California Edison Company's requirements) is made permanent.

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2. The monitoring procedures contained in Ordering Paragraphs 8 and 9 of D.84512 are rescinded.

3. The Phase II proceeding of A.53797 is terminated. The effective date of this order shall be thirty days after the date hereof.

Dated JAN 8 - 1988, at San Francisco, California.

John E. Bayne  
President  
William L. Stinson  
Richard D. Kwock  
Charles J. Friedrich  
Donald J. ...  
Commissioners