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ORIGINAL

Decision 93125 JUN 2 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for the Establishment of Tariff Schedule G-55A - Cogeneration Natural Gas Service and a Standard Form Contract to Be Used with Schedule No. G-55A and for Addition of a Definition of Cogeneration to Rule No. 1

Application No. 59459 (Filed February 19, 1980)

Application of Southern California Gas Company to establish a new rate schedule for cogeneration; to add definitions related to cogeneration to Rule No. 1; to revise Rule No. 23 to provide a special priority for cogeneration; and to provide an addendum for special gas service to the standard customer contract.

Application No. 59684 (Filed May 21, 1980)

In the Matter of the Application of San Diego Gas & Electric Company for Approval to Include Cogeneration Schedule G-CEG in Its Gas Department Tariffs.

Application No. 59690 (Filed May 21, 1980)

ORDER MODIFYING DECISION NO. 92792 AND DENYING REHEARING

An application for rehearing of Decision No. 92792 has been filed by the City of San Diego (San Diego). A petition for modification of that decision has been filed by Southern California Gas Company (SoCal). A response to San Diego's application has been filed by Kerr-McGee Chemical Company, asking that rehearing be denied but supporting SoCal's request for modification. Pacific Gas and Electric Company has filed a response to SoCal's petition, asking that it be denied.

We note that the City and County of San Francisco (San Francisco) has attempted to join in San Diego's application on the basis that, although not a party to these proceedings, it is "pecuniarily interested in the public utility affected (PG&E)" pursuant to Public Utilities Code Section 1731. San Francisco has not provided us with any explanation or description of what it believes constitutes such a pecuniary interest and therefore its attempt must be rejected.

We have considered each and every allegation of error in San Diego's application and the suggested modifications in SoCal's petition and are of the opinion that good cause for granting rehearing has not been shown. However, Decision No. 92972 should be modified by correcting certain findings of fact and adding some findings which are needed to show our determinations on all material issues. Therefore,

IT IS ORDERED that:

1. Decision No. 92792 is hereby modified as follows:
  - (a) Finding of Fact No. 3 shall read in full as follows:

"Because of protests to PG&E's compliance filing, Advice Letter No. 1065-6 was made into an application and set for public hearing."
  - (b) Finding of Fact 15(a) shall be added to read as follows:

"Providing such a rate for the quantities of gas stated in Finding of Fact No. 11 will not be an undue burden on other gas customers nor constitute any undue advantage or preference between cogenerating industrial or commercial customers and their non-cogenerating counterparts."
  - (c) Ordering Paragraph No. 4 shall be added as follows:

"The form of the tariffs to be filed shall substantially conform to Appendix A attached hereto."

2. Except as provided herein, rehearing and modification of Decision No. 92792 is denied.

The effective date of this order and of Decision No. 92792 as modified herein is today.

Dated ..... JUN 2 1981 ....., at San Francisco, California

*John E. Byrne*  
President

*Richard W. ...*  
*Victor Calvo*

\_\_\_\_\_  
Commissioner

Commissioner Priscilla C. Grew, being necessarily absent, did not participate in the disposition of this proceeding.

*I would grant  
rehearing.  
Richard W. ...  
June 2, 1981*

(MODEL TARIFF).....  
SCHEDULE NO. \_\_\_\_\_

COGENERATION NATURAL GAS SERVICE

APPLICABILITY

Applicable for natural gas service to cogeneration uses.

TERRITORY

The entire territory served.

RATES

Per Meter Per Month

Customer Charge .....	\$ .....	*
Commodity Charge, per therm .....	_____	*

\*or applicable rate for customer's other usage, whichever is less.

The number of therms to be billed shall be determined in accordance with the provisions of Rule No. \_\_\_\_\_.

SPECIAL CONDITIONS

1. Customers may receive service under this schedule (a) separately or (b) in combination with another rate schedule(s) through a single meter installation. Where service is rendered under (b), a separate monthly customer charge shall be applicable for service under each schedule.

2. This schedule is available for only the cogeneration portion of the customer's gas purchases, which will be the lesser of:

- a. Actual gas used by the cogenerator in the sequential production of electrical energy and heat, steam, or useful work; or

b. The amount of gas the local electric utility would require to generate and transmit an equivalent amount of electricity, based on the utility's average annual incremental heat rate and reasonable transmission losses.

3. As a condition precedent to service under this schedule, customer is required to specify (Form \_\_\_\_\_ or \_\_\_\_\_, as appropriate) fuel requirements under each priority rate schedule. A Cogeneration Contract Addendum (Form \_\_\_\_\_) will be required as a condition of service under this schedule in those cases where additional facilities are necessary to serve a customer who has requested service at higher than standard delivery pressure.

4. No customer shall be entitled to gas service hereunder, except those with end-use priority classification of P1 and P2, unless adequate standby equipment and alternate energy are provided and at all times ready for immediate operation in the event that the supply of gas hereunder shall be discontinued in whole or in part.

5. Customer will make available meters and associated measuring facilities required to measure the kilowatt-hours generated. The Utility shall have the right to read, inspect and/or test the measuring facilities during normal working hours. Additional gas, electric and/or steam metering facilities required to separately determine gas usage to which Schedule \_\_\_\_\_ is applicable from total gas usage will be installed, owned and operated by the Utility at its expense; however, the Utility may, at its sole discretion, utilize estimated data to determine such gas usage.

RULE NO. 1  
DEFINITIONS

(add following definition :)

Cogeneration: The sequential production of electrical energy and heat, steam or useful work from the same fuel source and meeting the efficiency standards set forth in Chapter 18 of the Code of Federal Regulations, Sections 292.205 (a) and (b) and subsequent revisions thereto.

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RULE NO. \_\_\_\_\_

SHORTAGE OF GAS SUPPLY,  
INTERRUPTION OF DELIVERY AND PRIORITY OF SERVICE  
(Continued)

SUPPLEMENT C

END-USE CURTAILMENT DEFINITIONS

(add following definition :)

Cogeneration: The sequential production of electrical energy and heat, steam or useful work from the same fuel source and meeting the efficiency standards set forth in Chapter 18 of the Code of Federal Regulations, Sections 292.205 (a) and (b) and subsequent revisions thereto.

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Insert following paragraph in priority "3" and "4" rate schedules under "RATES," just above "Alternative Fuel Cost" heading: --

Natural gas used in facilities capable of burning on a regular basis; or volumes used in a cogeneration facility which do not qualify for Schedule \_\_\_\_\_, and which displace

volumes used in equipment which is capable of burning, on a regular basis; fuel oil with a viscosity higher than 150 Saybolt Seconds Universal (SSU) at 100°F (commonly referred to as Grade No. 5 or 6 fuel oil), petroleum coke or coal as an alternate fuel will be billed under Schedule \_\_\_\_\_.

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Appropriate forms, contracts, etc. are to be developed and included in the utilities' tariff filing along with appropriate insertions in the model tariff.