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ALJ/ANG/wav

Decision 98-01-009 January 7, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for
Approval of Natural Gas Transportation Service
Agreement with USS-POSCO, Inc.

(U 39 G)

Application 95-02-008
(Filed February 8, 1995)

ORIGINAL

Application of Pacific Gas and Electric Company for
Approval of Natural Gas Transportation Service
Agreement with Gaylord Container Corporation.

(U 39 G)

Application 95-02-010
(Filed February 16, 1995)

O P I N I O N

Summary

Decision (D.) 95-06-022 and D.95-06-023 approved special rate contracts referred to in the above-captioned proceedings, but conditioned approval upon the shareholders rather than ratepayers assuming 100% of the risk of revenue shortfalls resulting from these contracts, unless Pacific Gas and Electric Company (PG&E) demonstrated that some different treatment of such shortfalls was appropriate. (60 CPUC2d, 337, 343.) Application (A.) 95-02-008 and A.95-02-010 were consolidated and held open for the purpose of determining the appropriate treatment of revenue shortfalls, if any, resulting from these special rate contracts.

D.97-08-055 approved as clarified a comprehensive settlement known as the Gas Accord, which considered issues addressed in several applications, including A.95-02-008 and A.95-02-010. PG&E's motion for adoption of the Gas Accord provides that PG&E will assume 100% shareholder responsibility for revenue shortfalls. We determined that there is no ambiguity that PG&E shareholders will bear 100% of the responsibility for revenue shortfalls from transmission rate discounts:

A.95-02-008, A.95-02-010 ALJ/ANG/wav

PG&E's shareholders shall bear all revenue shortfalls from future transmission rate discounts and there is a strong presumption that PG&E's shareholders should bear all revenue shortfalls from future distribution rate discounts, if any. (D.97-08-055, Conclusion of Law 7, mimeo. at p. 65.)

Because D.97-08-055 has disposed of the issues for which A.95-02-008 and A.95-02-010 were held open, these proceedings should now be closed.

Finding of Fact

D.97-08-055 has disposed of the revenue shortfall issues for which A.95-02-008 and A.95-02-010 were held open.

Conclusion of Law

The Commission should close A.95-02-008 and A.95-02-010.

O R D E R

IT IS ORDERED that Application (A.) 95-02-008 and A.95-02-010 are closed.

This order is effective today.

Dated January 7, 1998, at San Francisco, California.

P. GREGORY CONLON
President
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
Commissioners