

ALJ/CMW/tcg

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Decision 98-04-055 April 23, 1998

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Investigation On the Commission's Motion Into Implementing A Rate Design for Unbundled Gas Utility Services Consistent with Policies Adopted In Decision 86-03-057.

I.86-06-005  
(Petition for Modification  
filed September 6, 1994)

**ORIGINAL**

Order Instituting an Investigation by Rulemaking into Proposed Refinements for the New Regulatory Framework for Gas Utilities.

R.86-06-006  
(Filed June 5, 1986)

**OPINION**

**Summary**

This decision disposes of two pending petitions for modification and closes Investigation (I.) 86-06-005 and Rulemaking (R.) 86-06-006.

**Petition for Modification of Decision (D.) 87-03-044, D.87-05-046, and D.86-12-009**

On September 6, 1994, Southern California Gas Company (SoCalGas) petitioned the Commission seeking modification of D.87-03-044, D.87-05-046, and D.86-12-009, as modified through D.87-03-044 and D.87-05-046. SoCalGas sought a procedure through which information contained in short-term natural gas contracts, submitted to the Commission staff pursuant to procedures developed in the above-referenced decisions, could be deemed confidential.

Subsequent to SoCalGas filing its petition, Section 489.1 of the Public Utilities (PU) Code became law. The section applies to contracts executed by gas corporations and allows the Commission to exempt these contracts from the disclosure requirements imposed by PU Code § 489. The Commission engaged

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in a rulemaking proceeding, R.97-04-010, to adopt rules to comply with § 489.1; final rules were adopted in D.97-06-110, issued June 25, 1997.

The specific relief sought by SoCalGas in its petition has been addressed in another proceeding, R.97-04-010. Therefore, the petition is moot and should be dismissed.

#### **Petition for Modification of D.93-09-082**

On December 3, 1993, SoCalGas filed a petition to modify D.93-09-082, a decision that removed the alternate fuel requirement for existing noncore customers and found that until the Commission could consider a revised definition in a ratemaking setting, eligibility for new noncore customers would be based on minimum size requirements recommended by each utility. In its petition, SoCalGas requests authority to grandfather as noncore customers seventy customers who submitted applications for noncore status under the old eligibility criteria after D.93-09-082 was issued on September 17, 1993 but prior to the September 29, 1993 effective date of SoCalGas' tariffs implementing D.93-09-082. It also requests clarification as to whether residential customers using in excess of 20,800 therms of gas per active month could qualify for noncore status.

No party protested the petition. In the petition, SoCalGas states that most of the 70 customers are agricultural water pumping customers presently using propane, diesel fuel or electricity for their water pumping energy requirements and, therefore, all existing SoCalGas customers would benefit from the increased margin contribution produced by the new customers.

While SoCalGas demonstrates specific cause for requesting authority to grandfather these 70 customers, its petition does not present any reason why clarification of noncore eligibility for residential customers should be dealt with

by petition rather than by the procedures proscribed by the Commission in D.93-09-082.

Therefore, we should grant, in part, SoCalGas' petition by modifying D.93-09-082 to provide that the SoCalGas customers who applied for noncore customer status under the Economic Practicality option on or before September 29, 1993 and who had made a financial commitment to obtain noncore status on or before September 17, 1993 shall be granted noncore status and grandfathered under D.93-09-082.

### **Findings of Fact**

1. The specific relief sought by Southern California Gas Company (SoCalGas) in its September 6, 1994 Petition for Modification of D.87-03-044, D.87-05-046, and D.86-12-009, As Modified Through D.87-03-044 and D.87-05-046 has been addressed through the rules adopted in D.97-06-110 in the rulemaking proceeding, R.97-04-010.

2. In its December 3, 1993 Petition for Modification of D.93-09-092, Southern California Gas Company demonstrates good cause for requesting modification of D.93-09-082 to allow it to grandfather as noncore customers approximately seventy customers who submitted applications for noncore status under the old eligibility criteria after D.93-09-082 was issued on September 17, 1993 but prior to the September 29, 1993 effective date of its tariffs implementing D.93-09-082. It does not demonstrate good cause to modify D.93-09-082 to address the eligibility of residential customers for noncore status.

### **Conclusions of Law**

1. SoCalGas' September 6, 1994 Petition for Modification of D.87-03-044, D.87-05-046, and D.86-12-009, as Modified Through D.87-03-044 and D.87-05-046 is moot and should be dismissed.

2. SoCalGas' December 3, 1993 Petition for Modification of D.93-09-082 should be granted, in part, and otherwise denied.

**O R D E R**

**IT IS ORDERED that:**

1. The Petition of Southern California Gas Company (U-904-G) to Modify Decision (D.) 87-03-044, D.87-05-046, and D.86-12-009, As Modified Through D.87-03-044 and D.87-05-046 is dismissed.

2. The Petition of Southern California Gas Company (U-904-G) for Modification of D.93-09-082 is granted, in part, to provide that those customers who submitted an application to Southern California Gas Company for noncore status under the Economic Practicality option on or before September 29, 1993 and who made a financial commitment to obtain noncore status on or before September 17, 1993 shall be granted noncore status and grandfathered under the provisions of D.93-09-082.

3. Investigation 86-06-005 and Rulemaking 86-06-006 are closed.

Dated April 23, 1998, at Sacramento, California.

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