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MAIL DATE

5/8/98

Decision 98-05-023

May 7, 1998

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Suncor Energy Inc., Application for
Rehearing of Commission Resolution
G-3288.

A.97-12-035
(Filed December 12, 1997)

ORDER DENYING REHEARING OF RESOLUTION G-3288

Suncor Energy Inc. (Suncor) has filed an application for rehearing of Commission Resolution G-3288.

Suncor is a producer and marketer of oil, natural gas and petroleum products in Calgary, Alberta, Canada. Suncor uses the capacity on Pacific Gas Transmission's interstate pipeline to transport and sell gas to customers located in Pacific Gas and Electric Company's (PG&E) service territory. It asserts that in Resolution G-3288 the Commission has erroneously expanded the scope of a directive known as the commensurate discount rule, which was expressed in D.97-08-055 as follows:

"In view of all of these comments, we therefore find good cause for amending the Gas Accord and imposing the following discounting rule on PG&E when it implements the Gas Accord. Whenever PG&E offers any shipper (e.g., a marketer, aggregator, or end-user) a discount on its Malin to on-system path (Line 400/401), PG&E is required to contemporaneously offer a commensurate discount (i.e., penny for penny) to all shippers for similar services on its Topock to on-system path (Line 300) and its California Gas Production Path." (D.97-08-055, mimeo p. 44)

Suncor maintains that the resolution incorrectly states that the penny for penny discount applies up to the quantity specified in PG&E's discounted contract for all prospective shippers. (Resolution G-3288 page 6). Suncor argues that the Commission adopted language provides an improper advantage to shippers that use the Topock to on-system path or the California Gas Production path.

Suncor desires to restrict the discount to a specific quantity per each path and not per individual shipper. The Resolution states that if PG&E offers a discount of up to 30 MMcf/d all shippers are entitled to the same quantity for the same term even if the aggregate demand under all of these new discounted contracts exceeded 30 MMcf/d. We declared: "the 30 MMcf/d limit for discount can apply only to an individual shipper." (Resolution G-3288, p. 6)

In our Decision 97-08-055 we also specifically stated that the discount applies to "all shippers". Suncor ignores the plain meaning of our language.

No legal error having been shown,

THEREFORE, IT IS ORDERED that:

1. Rehearing of Resolution G-3288 is hereby denied.

This order is effective today.

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

RICHARD A. BILAS

President

P. GREGORY CONLON

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners

Commissioner Jessie J. Knight, Jr.,
being necessarily absent, did not participate.