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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION
ENERGY BRANCH

RESOLUTION G-2669
April 2, 1986

RESOLUTION

SOUTHERN CALIFORNIA GAS COMPANY (SoCal)
ORDER AUTHORIZING A NEW TARIFF SCHEDULE
NO. GN-SNR, FOR CONTRACT RATE NATURAL
GAS SERVICE

BACKGROUND

By Advice Letter No. 1611, filed March 6, 1986, and pursuant to Section 491 of the Public Utilities Code, SoCal requests authorization to place into effect a new tariff Schedule No. GN-SNR for contract rate natural gas service for non-residential customers. This contract service is based on an average gas usage of 20,000 therms or more per month, cumulative over the six-month term of the contract.

DISCUSSION

SoCal proposes to make service under Schedule GN-SNR available to non-residential customers whose equipment is capable of burning, on a full-time basis, (No. 6) fuel oil with a minimum viscosity of 32.6 Saybolt Seconds Universal (SSU) at 100° F and a maximum of 22° A.P.I. gravity at 60° F, petroleum coke or coal as an alternate fuel. A Contract and Affidavit of Alternative Fuel Costs are required to obtain service under this schedule. The affidavit will be attached to the contract and filed with the California Public Utilities Commission.

The commodity charge will be subject to semi-annual negotiation based upon the customer's specific alternate fuel costs and the otherwise applicable rate schedule. In no case will the negotiated rate be less than the rate for EOR customers under Schedule No. GN-7. The minimum charge shall be the monthly customer charge plus the negotiated charge for 20,000 therms. The minimum charge is subject to adjustment in the event that interruption or curtailment of supply causes purchases to fall below monthly contractual quantities. Whenever curtailment becomes necessary, it shall be done in reverse order to contract commodity prices to the extent practicable. The customer with the highest commodity charge shall be entitled to 100 percent of the contract quantity as long as service is provided to any other customer on this schedule.

Where additional facilities other than standard metering and pressure regulating equipment are required, the additional costs, including any applicable ownership costs, will be borne by the customer.

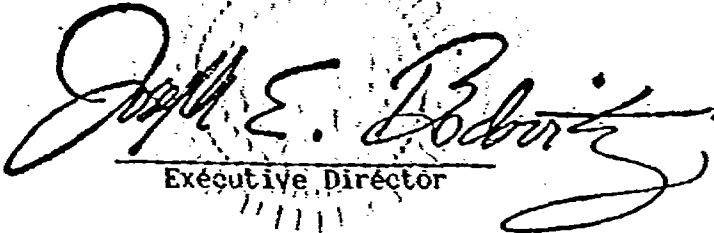
FINDINGS

1. Recent precipitous declines in oil prices upon which alternate fuels are based have increased the potential for large numbers of non-residential customers to quit natural gas use and switch to fuel oil operations.
2. Authorization of Schedule GN-SNR will help SoCal to avoid the loss of market that would occur absent approval of this schedule. Should these customers discontinue use of natural gas, the fixed costs associated with the resulting revenue losses would probably fall on higher priority customers.
3. Special Condition 3 as it pertains to confidential treatment will not be made a part of Rate Schedule GN-SNR. These contracts will be available for public inspection upon request.

THEREFORE, BE IT RESOLVED THAT:

1. Confidential treatment will be deleted from Special Condition 3.
2. Priority for curtailment under this schedule may be negotiated between the customer and the utility up to that of the otherwise applicable schedule the customer may elect to take service under.
3. Under the provisions of Public Utilities Code Sections 451 and 491, SoCal is authorized to place into service Rate Schedule GN-SNR (Special Negotiated Rate), Contract Rate Natural Gas Service, effective April 2, 1986.
4. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission on April 2, 1986. The following Commissioners approved it.


Executive Director

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C GREW
FREDERICK R DUDA
Commissioners