

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION AND COMPLIANCE DIVISION  
Energy BranchRESOLUTION G-2693  
August 18, 1986

## RESOLUTION

PACIFIC GAS AND ELECTRIC COMPANY (PG&E) ORDER AUTHORIZING REVISIONS TO THE SHORT-TERM AND LONG-TERM GAS TRANSPORTATION TARIFF RATES AND ASSOCIATED SERVICE AGREEMENTS FOR CLARIFICATION AND EASE OF IMPLEMENTATION.

By Advice Letter No. 1369-G, filed July 21, 1986, and pursuant to Sections 454, 490 and 532 of the Public Utilities Code, PG&E proposes to modify its short-term and long-term gas transportation tariff rates, as set forth on Cal. P.U.C. Sheets Nos. 12098-G, inclusive through 12109-G, inclusive, and the associated service agreements in order to make them easier to use and to understand.

BACKGROUND:

The proposed modifications comply with the changes suggested in the Commission's Summary Report from the Workshop on Transportation of Customer-Owned Natural Gas, held on April 9 and 10, 1986. These modifications also comply with many of the proposed rules in OIR 86-06-006, as well as responding to a number of issues raised by parties protesting portions of PG&E's existing tariffs and service agreements.

PG&E supports the Commission-directed transportation program and recognizes that rate design for transportation and sales service is currently being examined in several proceedings before the Commission which may cause substantial changes in the program by the end of the year. PG&E has submitted the proposed modifications to currently make transportation service more responsive to customer needs.

SUMMARY:

The specific modifications proposed include the following:

1. Eliminating Schedule GC-1 and its service agreement.
2. Consolidating all existing service agreements into a single agreement with blanks provided in the front of the agreement for customer-specific information.
3. Reducing the minimum contract term for short-term transportation to one month and the minimum contract term for long-term transportation to three years.
4. Eliminating the 80% ratchet and replacing it with language permitting PG&E to reasonably restrict service to customers who request capacity in excess of their historical need.
5. Reducing notice for schedule maintenance to 10 days.
6. Eliminating PG&E's option to curtail customers when they take more gas than they have delivered for transport.
7. Making points of receipt subject to the same operational constraint as California production.
8. Providing a make-up period of two years for using service paid for under take-or-pay obligations (one year after a service agreement has expired).
9. Applying Rule 11 for termination of service.
10. Applies ratable curtailment within specific priorities for both supply and capacity shortages.
11. Reduces 50% take-or-pay requirements in proportion to reductions in contract quantities.
12. Provides for application of transported gas toward satisfaction of minimum-volume requirements for sales service.

In addition to the proposed changes noted above, PG&E has retitled the schedules, changed all references to contracts from "contracts" to "service agreements", and changed the word denoting measurement in therms from "volumes" to "quantities".

#### DISCUSSION:

Each of the above noted proposed revisions is made as a result of discussions that took place at the Workshop on Transportation of Customer-Owned Natural Gas or from comments submitted by various participants of that workshop. The net result of these revisions is a clarified set of transportation tariffs that is more acceptable to all parties involved.

This resolution is consistent with the provisions of Commission Decision No. 86-03-057 which discusses competition from alternative fuels and the unbundling of gas rates in response to the increased options available to gas users in today's fuel markets.

Public notification of this filing has been made by mailing copies of the advice letter to other utilities, governmental agencies, and to all parties of record in OII 84-04-079 and OIR 86-06-006. Such notification is made in accordance with the provisions of Section III (G) of General Order No. 96-A. The Commission Staff has received no protests in this matter.

#### FINDINGS:

1. The proposed revisions are minor in nature and will result in more comprehensible and acceptable tariff rate schedules for gas transportation customers.
2. Such modifications are just and reasonable.
3. At any time prior to PG&E's General Rate Case Decision, the Commission may re-examine the appropriateness of the Gas Transportation Rates or any portion thereof.
4. These revisions to the tariff schedules will not increase any rate or charge, cause the withdrawal of any service other than the cancellation of Rate Schedule No. GC-1, nor conflict with other schedules or rules. Therefore, approval should be granted to become effective on regular statutory notice, which is no less than the 40th calendar day after the date of filing.
5. In all other respects not noted above, Gas Transportation Rate Schedules Nos. GC-2 through GC-5, inclusive, and related contracts, remain in full force and effect.

THEREFORE:

1. Pacific Gas and Electric Company is authorized under Sections 454, 490 and 532 of the Public Utilities Code to place Advice Letter No. 1369-G and accompanying tariff sheets into effect on or after August 30, 1986, which constitutes regular statutory notice.
2. The Commission shall be kept informed of all negotiated contracts with Gas Transportation Rate Customers and shall be notified of the margin contribution from each contract. This information shall be sent to the Executive Director with a copy to the Chief of the Fuels Branch.
3. Approval of this filing will, in no way, abridge the Commission's right to re-examine the rate schedules at any time to determine the appropriateness of any portion of these schedules.
4. Advice Letter No. 1369-G and accompanying tariff sheets shall be marked to show that they were approved for filing by Commission Resolution No. G-2693.
5. This Resolution is effective today, August 18, 1986.

I certify that this Resolution was adopted by the Public Utilities Commission on August 18, 1986. The following Commissioners approved it:



Executive Director

DONALD VIAL  
 President  
 VICTOR CALVO  
 PRISCILLA C. GREW  
 FREDERICK R. DUDA  
 STANLEY W. HULETT  
 Commissioners