

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION AND COMPLIANCE DIVISION
Energy BranchRESOLUTION G-2698
September 17, 1986

RESOLUTION

PACIFIC GAS AND ELECTRIC COMPANY (PG&E) ORDER AUTHORIZING APPROVAL OF AN AGREEMENT FOR SHORT-TERM TRANSPORTATION SERVICE OVER PG&E FACILITIES FOR PACIFIC INTERSTATE TRANSMISSION COMPANY (PITCO).

SUMMARY

By Advice Letter No. 1375-G filed August 21, 1986, Pacific Gas and Electric Company (PG&E) has submitted an agreement between PG&E and Pacific Interstate Transmission Company (PITCO) for the transportation of gas owned by PITCO. Commission approval of this agreement is being sought because PITCO will have title to the gas being transported. PG&E requests this authorization on less than statutory notice under Public Utilities Code Section 491 to allow this reduced cost gas to become available to PITCO as soon as possible.

The transport rate charged to PITCO will be equal to 2.428 cents/therm plus 4.4% additional fuel (in kind) to cover fuel and line losses, which is identical to that which PG&E has proposed in the Interutility Exchange Agreement. The PITCO agreement shall continue through the period ending October 31, 1986.

DISCUSSION:

PITCO is a subsidiary of Pacific Lighting Corporation, the holding company (parent) which owns Southern California Gas Company (SoCal). PITCO has natural gas, that it owns, in Canada to transport to Malin, Oregon, which is a point of interconnection for the Pacific Gas Transmission Company (PGT) pipeline to PG&E's gas transmission system.

PITCO desires to have PG&E transport this gas from Malin, Oregon to SoCal's point of interconnection with PG&E at valve 0.24 on PG&E's gas transmission line 300 B, in Kern County, California.

PGT has received conditional approval, under Federal Energy Regulatory Commission Docket RP-86-148, subject only to future cost of service rate design adjustments, to transport this gas on behalf of PITCO from Canada to Malin, Oregon.

The agreement is an accommodation to PITCO and SoCal for the benefit of SoCal's ratepayers. It is an alternate means of obtaining gas which SoCal would secure through PITCO in any event. In addition, it will benefit PG&E and its ratepayers because this gas will be transported through PG&E's system through existing facilities with available capacity, yielding additional contributions to PG&E's fixed costs. PG&E's subsidiary company, Pacific Gas Transmission Company, has taken the steps necessary to obtain required approvals from the Federal Energy Regulatory Commission.

PG&E will be required to report the volumes of gas transported and the contribution to PG&E's fixed costs. This report shall be sent to the Executive Director of the Commission with a copy to William Stalder, Chief of the Fuels Branch.

This filing is in accordance with Section VI of General Order No. 96-A and Section 532 of the Public Utilities Code.

PROTESTS

Public notification of this filing has been made to other utilities and to all interested parties who requested such notification, and no protests have been received.

FINDINGS

This advice letter filing is a just and reasonable Inter-utility Exchange Agreement.

2. Authorization on less than statutory notice is appropriate to permit PITCO to utilize this lower cost natural gas as soon as possible.

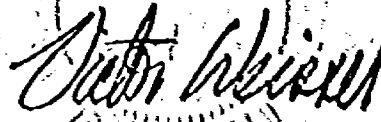
THEREFORE:

1. Pacific Gas and Electric Company is authorized under Sections 491 and 532 and of the Public Utilities Code to enter into a short term transportation agreement with PITCO until October 31, 1986.

2. Pacific Gas and Electric Company will file a report with this Commission stating the volumes of gas transported and the contribution to margin gained from this agreement.

3. This advice Letter and tariff sheets shall be marked to show that they were accepted for filing by Commission Resolution No. G-2698. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 17, 1986. The following Commissioners approved it:



Executive Director

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