

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

E-1

EVALUATION & COMPLIANCE DIVISION  
Energy Branch

RESOLUTION G-2702  
November 14, 1986

RESOLUTION

PACIFIC GAS AND ELECTRIC COMPANY (PG&E), REQUEST FOR  
AUTHORITY TO UP-DATE PG&E'S SERVICE AREA MAP FOR SAN  
BERNARDINO COUNTY

By Advice Letter No. 1380-G, filed October 3, 1986, PG&E requests authority to update its San Bernardino County Service Area Map; there is no change in the service territory. The service area map was developed on the basis of past Commission decisions which outlined PG&E's certificates of Public convenience and necessity in San Bernardino County.

In addition, PG&E requests a clarification concerning Decision 49101, issued September 15, 1953. Ordering Paragraph 6 of D. 49101 states, "Before rendering service to any new customer within the certificated area in San Bernardino County, (PG&E) shall first submit the name, location and proposed gas load of such customer to this Commission." PG&E believes that this language requires only that PG&E notify the Commission, not that PG&E obtain Commission authorization.

PG&E also claims that filing such information would violate customer confidentiality by making customer-specific information part of the public record. Thus PG&E requests that the Commission clarify the reporting requirements for new customers in D. 49101 to determine if compliance with Ordering Paragraph 6 requires further Commission approval.

BACKGROUND

The clarification is sought as a result of series of events described as follows:

- (a) On April 18, 1986, in compliance with Decision 49101, PG&E submitted by letter to the Commission, its notification of intent to serve two new customers in its certificated area in San Bernardino County. One customer, LUZ Engineering, (LUZ) has asked PG&E to serve two of its plants whose combined estimated annual gas use is 3,110,000 therms. The other customer is All American Pipeline (AAP) requesting gas service at two plant locations with loads ranging from approximately 8,000 to 40,000 therms per day.

(b) On August 6, 1986, Southwest Gas Corporation (Southwest) submitted to the Commission a letter opposing PG&E's proposal to serve the new customers. Southwest contended that PG&E's proposed action would prejudice then-current discussions between Southwest and PG&E regarding Southwest's right to serve these customers. Therefore, Southwest requested the Commission to hold any further action in abeyance, pending possible resolution of the disagreement between PG&E and Southwest.

(c) On September 9, 1986, PG&E replied to the Commission that it believed that Southwest's August 6, 1986, protest was without merit, but that informal discussions between the utilities would continue, in an effort to resolve the concerns of Southwest.

(d) On September 19, 1986, Mr. George Amaroli, Chief of the Energy Branch of the Evaluation & Compliance Division of the Commission in a letter to PG&E advised the utility that, "It is our Legal Division's opinion that Ordering Paragraph No. 6 of Decision No. 49101 requires the Commission to take some discretionary action on your April 18, 1986 proposal, before you can serve those two customers. To achieve Commission action, we recommend that you file an advice letter requesting permission to serve those two customers."

(e) Accordingly, PG&E filed Advice Letter 1380-G, as described above.

### DISCUSSION

Southwest and PG&E have gas franchises granted by the County of San Bernardino covering the entire county. Southwest and PG&E also have been granted various certificates of public convenience and necessity by the Commission in said county, for the most part by reference to townships. For the past several months, Southwest and PG&E have continued with discussions and correspondence in an effort to come to some agreement regarding their adjacent customers involved.

The Staff of the Evaluation & Compliance Division has been kept aware and appraised of the discussions, but has made no attempt to intervene or persuade either party as to a course of action.

On October 16, 1986, Southwest filed an application for a Certificate of Public Convenience and Necessity, (A 86-10-042) to extend and modify the boundaries of its San Bernardino County service area. Southwest alleges that it has been 22 years since it last requested Commission certification to extend this service area.

Additionally, on October 17, 1986, Southwest submitted a letter of protest to Advice Letter 1380-G. The letter notes that some of the area which PG&E seeks to "update" into its certificated area by this Advice Letter overlaps on territory which Southwest asserts is, or should be within its certificated service area.

Southwest further states that it was the failure of any agreement with PG&E which led to Southwest's application to extend its certificated territory in the Victorville area.

Southwest protests the PG&E filing and requests that no resolution of the issues raised by the Advice Letter be considered until the related matters set forth in Southwest's application are also considered and resolved.

However, Southwest specifically requests that pending resolution of the disputes between Southwest and PG&E as to authorization to serve in the areas at issue, the Commission take no action to impede construction or other activity by either party to provide natural gas service to customers in the disputed areas.

By telephone conference call on October 30, 1986, PG&E, Southwest, and the Chief of CPUC Energy Branch agreed to allow PG&E to provide two services to one of the new customers, LUZ Engineering on a temporary basis commencing on or after November 1, 1986. The Parties further agreed to provide to the Commission a letter confirming the agreement, including the stipulation that service to this customer by PG&E will be without any vested interest of any kind to PG&E and will be subject to further consideration or change by the Commission in A 86-10-042.

No other protests to Advice Letter 1380-G have been received by the Commission.

In accordance with General Order 96-A PG&E has provided a copy of this Advice Letter to other utilities and interested parties.

#### FINDINGS

1. PG&E has filed Advice Letter 1380-G in accordance with the request of the Commission Staff and pursuant to Decision No. 49101.
2. PG&E and Southwest have legitimate concerns regarding adjacent service area boundaries in San Bernardino County, which should be resolved by this Commission.
3. PG&E and Southwest agree that neither of the utilities or the Commission should take any action at this time which would preclude the prompt service of gas to the customers concerned in Advice Letter 1380-G, and in PG&E's notification letter of April 18, 1986.

4. This request to serve two customers will not increase any rate or charge, cause the withdrawal of service nor conflict with other schedules or rules, of PG&E.

5. The request by PG&E to up-date its Service Area Map for San Bernardino County should properly be addressed in Application 86-10-042 to allow for consideration of Southwest's concerns.

6. The request by PG&E for clarification of the Commission's intent in Decision 49101 should be addressed to the Commission by Formal Application with due notice to all Parties concerned.

**THEREFORE:**

1. Pacific Gas & Electric Company is authorized to temporarily serve two new customers, LUZ Engineering and All American Pipeline at their plant locations in San Bernardino County, pending the further determination of who should ultimately serve these customers on a permanent basis.

2. Pacific Gas & Electric Company's request to up-date its San Bernardino County Service Area map is denied without prejudice.

3. Pacific Gas & Electric Company is hereby made a co-respondent in Application 86-10-042, to determine the relationship of PG&E'S and Southwest Gas Company's adjoining service areas in San Bernardino County.

4. Approval of a portion of Pacific Gas and Electric Company's Advice Letter 1380-G to temporarily serve two new customers locations, shall in no way be viewed to pre-judge or limit the Commission's findings in Application 86-10-042.

5. Pacific Gas & Electric Company is hereby placed on notice that its authority for temporary service to LUZ engineering and All American Pipeline may be terminated by further order of this Commission at any time.

6. This Resolution shall be served on all Parties in Application 86-10-042.