

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION  
Energy BranchRESOLUTION G-2708  
December 17, 1986

## RESOLUTION

SOUTHERN CALIFORNIA GAS COMPANY (SOCAL GAS), ORDER  
AUTHORIZING EXTENSION OF THE EFFECTIVENESS OF RATE SCHEDULE  
GST-2 (ENHANCED OIL RECOVERY) SHORT-TERM TRANSPORTATION OF  
CUSTOMER OWNED NATURAL GAS.

By Advice Letter No. 1665, Filed November 7, 1986, Southern California Gas Company (SoCal Gas) requests Commission authorization to extend the effectiveness of Rate Schedule GST-2, (Enhanced Oil Recovery) Short-Term Transportation of Customer Owned Natural Gas. The facts are as follows:

BACKGROUND

1. Rate Schedule GST-2 was authorized for service by Resolution No. G-2685, dated July 2, 1986. Ordering Paragraph 2 of that resolution states, "Advice Letter No. 1638-G is approved for a six month term until December 31, 1986. The Commission reserves the right to examine this Schedule at anytime to determine the appropriateness of this transport service rate for EOR."
2. By this advice letter, SoCal Gas requests the Commission to authorize a continuation of Rate Schedule GST-2 for an unlimited period of time. It has proven to be an effective and viable tool for utilizing SoCal Gas' pipeline capacity while contributing positively to SoCal Gas' margin and helping to reduce fixed cost expenses to its higher priority customers.
3. Schedule GST-2 is the only short-term transportation schedule currently available for service to the highly competitive enhanced oil recovery market and SoCal Gas requests that the schedule continue in effect until such time it no longer serves a useful purpose.
4. There are currently two customers taking service under Schedule GST-2 with total gas transportation of approximately 76,000 therms per day with requests for service pending to increase transportation quantities by approximately 15,000 therms per day. In addition, SoCal Gas states that there are other customers presently negotiating for service under the schedule.

## DISCUSSION

1. The GST-2 schedule was found previously to be consistent with the Commission's intent to provide natural gas transportation to the EOR market. The schedule as authorized on an interim basis, has proven to be workable and beneficial to SoCal Gas and its customers.
2. The Public Staff Division has reviewed this Advice Letter filing and finds no objection to granting a limited time extension, subject to any possible modifications of the rate schedule due to future decisions in the Commission's Decision in OII 86-06-005.
3. This filing will not increase any rate or charge, cause the withdrawal of service nor conflict with any rule or schedule. SoCal Gas requests that this filing become effective for service January 1, 1987, which is on more than statutory notice.
4. The Commission staff has received no protest to this Advice Letter.
5. Public notification of this filing has been made by supplying copies of the filing to other utilities, governmental agencies, and to all interested parties who requested such notification.

## FINDINGS

1. SoCal Gas has been successful in providing natural gas transportation services to the EOR market through the use of Schedule GST-2.
2. We find it reasonable to grant an extension of time to allow Schedule GST-2 to remain in effect until May 31, 1987, unless otherwise rescinded or modified by Commission Decision in OII 86-06-005 or in R.86-06-006.

## THEREFORE:

1. Southern California Gas Company is authorized to continue to provide short-term transportation service for Enhanced Oil Recovery customers under its tariff Schedule No. GST-2, until May 31, 1987 unless earlier cancelled or otherwise modified by further order of this Commission.
2. The Commission reserves the right to examine, modify, or cancel this Schedule at any time to determine the appropriateness of this transport service rate for EOR.
3. All contracts presently existing or later entered into with SoCal Gas under Schedule GST-2 shall be subject to modification or cancellation by further Commission Decision in OII 86-06-005 or R.86-06-006.

4. All contracts under Schedule GST-2 shall expire no later than May 31, 1987.

5. The Commission shall be kept informed of all contracts with EOR customers and notified of the margin contribution secured from each contract. This information shall be sent to the Chief of the Fuels Branch of the Public Staff Division.

6. This advice letter shall be marked to show that it was accepted for filing by Commission Resolution G-2708. This Resolution is effective today.

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



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Executive Director

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