

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION AND COMPLIANCE DIVISION
ENERGY BRANCHRESOLUTION G-2746
September 23, 1987R E S O L U T I O N

PACIFIC GAS AND ELECTRIC COMPANY (PG&E). REQUEST FOR AUTHORIZATION TO PROVIDE GAS SERVICE IN SAN BERNARDINO COUNTY. (Advice Letter No. 1423-G, Filed August 7, 1987).

SUMMARY

1. By Advice Letter No. 1423-G, filed August 7, 1987, PG&E notified the Commission of its intent to provide natural gas service in its certificated area of San Bernardino County, to two additional facilities at LUZ Engineering (LUZ). LUZ is located in an area of San Bernardino County currently under dispute between PG&E and Southwest Gas Corporation (Southwest) as to which utility should serve natural gas in said area. PG&E was previously authorized to temporarily provide LUZ with gas service on November 14, 1986 by Resolution G-2702.
2. PG&E is hereby authorized to temporarily serve the two additional facilities of LUZ with natural gas under the same conditions as set forth in Resolution G-2702.

BACKGROUND

3. On September 15, 1953, the Commission issued Decision 49101 granting PG&E a certificate of public convenience and necessity to construct, operate and maintain facilities for enlargement of capacity of its Topock to Milpitas gas transmission pipeline and to exercise its gas franchise granted by the Board of Supervisors of San Bernardino County. PG&E is allowed to provide natural gas service for ten miles on each side of its pipeline where it runs through San Bernardino County, except in areas where said pipeline runs within the service territory of Southwest. Ordering Paragraph 6 of D.49101 states, "Before rendering service to any new customer within the certified area in San Bernardino County, (PG&E) shall first submit the name, location and proposed gas load of such customer to this Commission".

4. On April 18, 1986, PG&E submitted by letter to the Commission, its notification of intent to serve two new customers, LUZ and All American Pipeline (AAP), in its certificated area of San Bernardino County. PG&E's proposal to serve these two new customers was opposed by Southwest which contended that P E's service to these two customers would prejudice then-current discussions between Southwest and PG&E regarding Southwest's rights to serve these customers.

5. On September 19, 1987, the Energy Branch of the Evaluation and Compliance Division requested PG&E to file an Advice Letter and seek Commission approval to serve these two customers. Accordingly, PG&E filed Advice Letter No. 1380-G on October 3, 1986.

6. Subsequently, Southwest filed Application 86-10-042 for a Certificate of Public Convenience and Necessity to extend and modify the boundaries of its San Bernardino County Service area and filed a protest to PG&E's Advice Letter No. 1380-G on October 16 and 17, 1986, respectively. In its protest, Southwest noted that some of the area which PG&E proposed to update into its certificated area overlaps on the territory which Southwest, in A.86-10-042, asserts is, or should be, within its certificated service area. It is expected that the Commission, in said application, will determine the relationship of PG&E's and Southwest's adjoining service areas in San Bernardino County.

7. By Resolution G-2702, PG&E was authorized to temporarily serve LUZ and AAP pending a final decision in A.86-10-042 as to who should serve these customers on a permanent basis, and under the condition that that Resolution would not prejudice the Commission's findings or final decision to A.86-10-042. In addition, PG&E was made a co-respondent in A.86-10-042.

8. By Advice Letter No. 1423-G, PG&E now seeks Commission approval to provide gas service to two additional facilities at LUZ.

PROTESTS

9. No protests were received regarding this Advice Letter No. 1432-G. Southwest was provided with a copy of the advice letter.

DISCUSSION

10. PG&E and Southwest each have gas franchises granted by the County of San Bernardino covering the entire county. Each company has also been granted various certificates of public convenience and necessity by this Commission in said county,

for the most part by reference to townships. Currently, testimony is being taken in A.86-10-042 to determine the relationship of PG&E's and Southwest's adjoining service areas in San Bernardino County.

11. The Evaluation and Compliance (E&C) Division recommends that Advice Letter No. 1423-G be approved to temporarily allow PG&E to provide LUZ with gas because PG&E is currently serving this customer with gas, and Southwest did not protest the filing. In addition, both PG&E and Southwest agree that neither utility should take action which would preclude the prompt service of gas to customers in the disputed areas. Approval of this advice letter should be under the same conditions as set forth in Resolution G-2702.

11. In Advice Letter 1423-G, PG&E states that it does not believe Commission authorization is necessary for this filing, but is required only to notify the Commission of intent. The E&C Division does not agree with PG&E's position because of the current dispute between PG&E and Southwest being considered in A. 86-10-042.

12. The E&C Division recommends that any new gas service within the disputed area of San Bernardino County be approved by Commission Resolution until a final decision to A.86-10-042 is issued. This is consistent with Ordering Paragraph 6 of D.40101, requiring submission of the name, location, and proposed gas load of any new customer within PG&E's certificated area in San Bernardino County.

FINDINGS

1. PG&E has filed Advice Letter 1423-G consistent with the requirements of Resolution G-2702, dated November 14, 1986.
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 customers in the disputed areas.
4. PG&E is currently serving LUZ with Natural gas service.
5. This request to serve additional facilities to this customer will not increase any rate or charge, cause withdrawal of service nor conflict with other schedules or rules of PG&E, therefore;

IT IS ORDERED that:

1. Pacific Gas and Electric is temporarily authorized to serve two additional facilities of LUZ Engineering in San Bernardino County, pending further determination in Application 86-10-042 as to who should ultimately serve this customer.
2. Approval of Pacific Gas and Electric Company's Advice Letter 1423-G shall in no way pre-judge or limit the Commission's findings in Application 86-12-042.
3. Pacific Gas and Electric Company's authority to serve LUZ Engineering on a temporary basis is continued and may be terminated by further order of this Commission.
4. This Resolution shall be served on all Parties in Application 86-12-042,
5. Pacific Gas and Electric Company shall notify the Commission of its intent to serve any new gas customer within the disputed certificated area of San Bernardino County being considered in Application 86-10-042 by advice letter, and Commission approval by Resolution shall be required for temporary service until a final decision is issued for said application.
6. This Advice Letter shall be marked to show that it was approved for filing by Commission Resolution No. G-2746. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 23, 1987. The following Commissioners approved it:

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



Executive Director