

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
ENERGY BRANCH

RESOLUTION G-2766
December 9, 1987

R E S O L U T I O N

SOUTHERN CALIFORNIA GAS COMPANY (SOCAL GAS). ORDER AUTHORIZING AN EXTENSION OF THE EXPIRATION DATE OF RATE SCHEDULES GST-1 AND GST-2 (ENHANCED OIL RECOVERY) FOR TRANSPORTATION OF CUSTOMER OWNED NATURAL GAS.

(Advice Letter 1747, Filed November 6, 1987).

SUMMARY

1. By Advice Letter 1747, filed November 6, 1987, SoCal Gas requests Commission authorization to extend the effective date of Rate Schedules GST-1 and GST-2, Short Term Transportation of Customer-Owned Natural Gas. Extension of these rate schedules will ensure an orderly transition of customers to the new restructured rates expected in the implementation decision to Order Instituting Investigation (OII) 86-06-005 and Order Instituting Rulemaking (OIR) 86-06-006 ("implementation decision").

2. By this Resolution, we are authorizing SoCal Gas to extend the expiration date of GST-1 and GST-2 until the effective date of the new tariff schedules resulting from the implementation decision.

BACKGROUND

3. Schedule GST-1 is applicable to transportation of customer-owned natural gas under the terms of an executed transportation service agreement. Schedule GST-2 is applicable to transportation of customer-owned natural gas for use in enhanced oil recovery (EOR) facilities under the terms of an executed gas transportation agreement.

4. The Commission is currently considering major revisions to and restructuring of gas rate design in OII 86-06-005 and OIR 86-06-006. At this time, a final implementation decision is expected by April 30, 1988.

5. Schedule GST-2 was authorized by Commission Resolution G-2685, dated July 2, 1986 to be effective until December 31, 1986. The expiration date of this rate schedule has been extended three times. The current expiration date of this schedule is December 31, 1987.

6. Although GST-1 originally had no specific expiration date, SoCal Gas requested, by Advice Letter 1692, treatment for this schedule similar to that of GST-2 in order to achieve consistent treatment for all short-term transportation contracts. This request was authorized by Resolution G-2724.

7. By this filing, SoCal Gas now requests an extension of the expiration date of these rate schedules until the effective date of the implementation decision.

PROTESTS

8. No protests were received regarding Advice Letter 1747.

COMMENTS

9. The Division of Ratepayers Advocates (DRA) filed comments recommending specific ordering language to this Resolution. Ordering Paragraphs 1 and 2 are consistent with DRA's recommendations.

DISCUSSION

10. SoCal Gas believes that continuation of these schedules will assure its customers of a smooth transition from the existing short-term transportation service to any new schedules authorized by the pending implementation decision. Should short-term transportation expire December 31, 1987, all requests for this service would require individual advice letters for approval. This action would unnecessarily burden the Commission, delay service to customers and prevent revenues from flowing through to the benefit of SoCal Gas' ratepayers.

11. SoCal Gas requests that any contract entered into before the expiration of Schedule GST-1 or GST-2 be honored provided it complies with the implementation decision. SoCal Gas proposes to honor existing contracts until: (1) their normal expiration date, or (2) the date of service under a new rate schedule and service agreement. Special Condition 16 has been added to these schedules to state the proposed suspension.

12. The Commission Advisory and Compliance Division (CACD) has reviewed this advice letter filing and does not object to

granting a time extension, subject to any modifications by future Commission decisions in OII 86-06-005 and/or OIR 86-06-006.

13. This filing will not increase any rate or charge, cause withdrawal of service nor conflict with any other rule or schedule. SoCal Gas requests that this filing become effective on or before January 1, 1988 which is greater than statutory notice.

14. Public notification 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. We find that extension of Schedules GST-1 and GST-2 is just and reasonable; therefore,

IT IS ORDERED that:

1. Southern California Gas Company is hereby authorized to extend service under Schedules GST-1 and GST-2 to expire at 11:59 p.m. on the day before the effective date of the rates filed pursuant to the implementation decision to OII 86-06-005 and/or OIR 86-06-006.
2. Any existing contracts in effect under the short-term tariff provisions are to expire either upon their normal expiration date or on the effective date of rates filed pursuant to the implementation decision in the OII or OIR whichever is sooner.
3. Southern California Gas Company shall submit by advice letter, on or before 5-days after the effective date of this Resolution, revised tariff sheets reflecting the revised expiration of Schedules GST-1 and GST-2 as directed by this Resolution. Such advice letter and accompanying tariff sheets shall be marked to show that they were authorized by this Resolution, and shall become effective 3-days after filing.
4. The Commission shall be kept informed of all contracts entered into with EOR customers and the margin contribution secured from each contract. This information shall be sent to the Chief of the Energy Branch, Commission Advisory and Compliance Division.

5. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 9, 1987. The following Commissioners approved it:

STANLEY W. HULETT
President

DONALD VIAL

FREDERICK R. DUDA

JOHN B. OHANIAN

Commissioners

Commissioner G. Mitchell Wilk,
being temporarily absent, did
not participate.



Executive Director