

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-2812
SEPTEMBER 28, 1988

R E S O L U T I O N

RESOLUTION G-2812; SOUTHERN CALIFORNIA GAS COMPANY (SOCAL) SUBMITTING FOR COMMISSION APPROVAL AN INTERIM AGREEMENT, BY LETTER, BETWEEN SOCAL AND PACIFIC GAS AND ELECTRIC COMPANY (PG&E) TO PROVIDE GAS SERVICE TO SOUTHWEST GAS COMPANY; BY ADVICE LETTER 1803, FILED JULY 20, 1988.

SUMMARY

1. Southern California Gas Company (SoCal) filed Advice Letter 1803 on July 20, 1988 requesting Commission approval of an Interim Agreement, by letter, between SoCal and PG&E to provide gas service to Southwest Gas Company (Southwest).
2. SoCal and PG&E acknowledge that their General Service Mutual Assistance Agreement is no longer in force, but realizing that there was need to serve a third party, they have agreed to provide service to Southwest.

BACKGROUND

1. By this agreement SoCal and PG&E recognize that the General Service Mutual Assistance Agreement, as amended, dated April 13, 1979, is no longer in force. It provided that either party could terminate the agreement upon ninety (90) days written notice. PG&E exercised that right by letter dated February 5, 1988. Consequently, the agreement was officially terminated, effective May 5, 1988.
2. However, realizing that there was still need to serve a third party, Southwest, at the interconnections known as the "Victorville Tap" and the "Apple Valley Tap", PG&E requested that SoCal continue to provide gas exchange and delivery to Southwest on a temporary basis. Therefore, SoCal has submitted the agreement as Advice Letter 1803.

DISCUSSION

1. Under the terms of the Interim Agreement, SoCal will provide gas deliveries at the specified exchange points. PG&E will redeliver an equivalent quantity of decatherms each month to SoCal at Kern River and shall pay SoCal an exchange fee of 10¢ for each decatherm delivered by SoCal.
2. The Interim Agreement shall remain in force on a monthly basis. Either party may terminate the agreement upon fourteen (14) days notice. Further, PG&E agrees that all gas exchanged shall be consumed in the State of California.
3. This agreement is contingent upon the approval of the Commission. Upon Commission approval, the agreement will be listed in the List of Contracts and Deviations, pursuant to General Order No. 96-A, Section C.3.
4. The Commission Advisory and Compliance Division (CACD) has reviewed the terms and conditions of the Interim Agreement and finds that they provide for a continuance of gas and gas service to Southwest and its customers.
5. CACD notes that SoCal and PG&E have attempted to renegotiate a new General Service Mutual Assistance Agreement for emergency service between SoCal and PG&E, but, to date, have had no success.
6. This filing will not increase any rate or charge, conflict with any rule or schedule, nor cause the withdrawal of service.
7. No protests to Advice Letter 1803 have been received.

FINDINGS

1. The General Service Mutual Assistance Agreement between PG&E and SoCal is no longer in force. It expired May 5, 1988.
2. A letter outlining an Interim Agreement between PG&E and SoCal to continue to provide gas and gas service to Southwest Gas is necessary to insure that Southwest customers receive service, despite the lack of a formal agreement between PG&E and SoCal.
3. PG&E and SoCal should continue to renegotiate a General Service Mutual Assistance Agreement, therefore,

IT IS ORDERED, that:

1. An Interim Agreement between Southern California Gas Company and Pacific Gas and Electric company to provide gas and gas service to Southwest Gas is approved, effective as of the agreement date, June 8, 1988.
2. Southern California Gas Company and Pacific Gas and Electric Company shall renegotiate a General Service Mutual Assistance Agreement within sixty (60) days of this resolution.
3. If an agreement cannot be made within sixty days of this resolution, both companies shall advise the Executive Director and CACD. The Commission reserves the right to compel SoCal and PG&E to convene negotiations under the direction of the Commission.
4. Advice Letter 1803 and the accompanying agreement shall be marked to show that they were approved by Commission Resolution 2812.
5. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting of September 28, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



Executive Director