

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION G-2827  
SEPTEMBER 28, 1988

R E S O L U T I O N

RESOLUTION G-2827; SOUTHERN CALIFORNIA GAS COMPANY (SOCAL) REQUESTING TO SUSPEND SCHEDULE GLT (ENHANCED OIL RECOVERY) LONG TERM TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS, AND TO CLOSE IT TO NEW SERVICE. EXISTING CONTRACTS UNDER SCHEDULE GLT WILL REMAIN IN EFFECT. BY ADVICE LETTER 1794, FILED JULY 20, 1988.

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SUMMARY

1. Southern California Gas Company (SoCal) filed Advice Letter 1794 on June 8, 1988 requesting the suspension of Schedule GLT, (Enhanced Oil Recovery) Long-Term Transportation of Customer-Owned Natural Gas, and its closure to new service. Existing contracts under Schedule GLT will remain in effect.
2. New Enhanced Oil Recovery (EOR) customers seeking long-term transportation service may apply for either standard tariff service or negotiated agreements under the new rate Schedules GN-40 or GT-40.
3. This filing adds Special Condition 14 to Schedule GLT, providing for the suspension of Schedule GLT and its closure to new service as of July 26, 1988.

DISCUSSION

1. Negotiations for EOR contracts under Schedule GLT were occurring between SoCal and customers during the gas implementation. New EOR schedules for procurement and transportation (GN-40 and GT-40), emerging from the gas implementation, had not yet been approved by the Commission. Consequently, EOR contract advice letters submitted to the Commission for approval subsequent to the gas implementation date of May 1, 1988, were signed under Schedule GLT and not under Schedules GN-40 and GT-40.

2. Comments were received from the Division of Ratepayer Advocates (DRA), pointing out that the submitted SoCal EOR Advice Letter Nos. 1793, 1800, 1806, 1809 and 1810, had been negotiated under the wrong schedule, since Schedules GN-40 and GT-40 were in effect.

3. SoCal responded:

"With the May 1, 1988 implementation of new tariffs pursuant to Decision 87-12-039, long-term transportation service to EOR customers, both negotiated and default service, became available under Schedule GT-40. This new rate schedule allows for new EOR contracts to be negotiated under the same principles that were in effect for contracts under Schedule GLT. However, it would serve no purpose, and in fact may create confusion, to have the same service available to EOR customers under two different rate schedules, GLT and GT-40. SoCal therefore proposed to suspend Schedule GLT to new service as of July 25, 1988. Schedule GLT will remain in effect for long-term EOR contracts that were signed prior to that time -- these contracts will not be affected in any way. But new contracts will be negotiated and filed under Schedule GT-40.

4. The Commission Advisory and Compliance Division (CACD) also received a request from SoCal to delay action on Advice Letter 1794 until the Commission had acted upon Advice Letters 1793, 1800, 1806, 1809 and 1810, for EOR customers which had negotiated contracts under Schedule GLT.

5. SoCal assures CACD that there are no more outstanding EOR customers, beyond the filed, sequential Advice Letter 1810, which have negotiated contracts under Schedule GLT.

#### FINDINGS

1. Southern California Gas Company should suspend use of Schedule GLT, (Enhanced Oil Recovery) Long-Term Transportation of Customer Owned Natural Gas for new EOR customers.

2. Special Condition 14 of Schedule GLT, closing the schedule to new service, is reasonable.

3. Contracts negotiated under Schedule GLT have been authorized, but no additional contracts are anticipated.

4. Southern California Gas Company should negotiate new EOR contracts under Schedules GN-40 and GT-40, therefore;

IT IS ORDERED, that:

1. Southern California Gas Company is authorized to add Special Condition 14 to Schedule GLT.
2. Advice Letter 1794 and the accompanying tariff sheets shall be marked to show that they were approved by Commission Resolution G-2827.
3. 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

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Executive Director