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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-2882
July 6, 1989

R E S O L U T I O N

RESOLUTION G-2882. PACIFIC GAS AND ELECTRIC COMPANY (PG&E); ORDER AUTHORIZING TRANSFER OF STONE CONTAINER CORPORATION (STONE), ACCOUNT FROM CORE TO NONCORE GAS SERVICE SCHEDULES.

BY ADVICE LETTER NO. 1530-G FILED MARCH 16, 1989.

SUMMARY

1. PG&E requests authority to transfer Stone from core to noncore service. This large customer has the technical capability and economic incentive to install and use alternate fuel systems as required for noncore service.
2. PG&E's request is granted.

BACKGROUND

1. The transfer of customers from core to noncore status was addressed in Decision (D.) 88-03-085. Customers whose usage is greater than 20,800 therms per month are considered large core customers and may transfer to noncore status without installing alternate fuel burning equipment if; a) The customer is willing to accept a lower priority of service. b) The Commission grants an exception to standby requirement upon successful showing that the customer "... has the clear technological capability to use alternate fuel and where the cost to do so and then use alternate fuel would be less than the cost of core service." (D.88-03-085, pg.15, and Ordering Paragraph No. 6).

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DISCUSSION

1. Stone has the capability to install a propane gas/air mix system as an alternate fuel system for natural gas in its San Jose facility. The Commission Advisory and Compliance Division (CACD) inspected the facility on May 23, 1989.
2. CACD believes that Stone has the physical and technological capability to install alternate fuel burning facilities and has plans to do so if this request is denied. CACD has independently evaluated the cost of such facilities. CACD believes that sufficient economic incentive exists for this customer to install and use an alternate fuel, and would do so, if denied noncore status.
3. Stone was a core customer before its reassignment agreement with PG&E, so it will not be subject to the noncore to core portfolio switching ban if they should choose to purchase gas from the core portfolio at this time.
4. The accounting consequences of utilities being converted from core to noncore gas service status have been considered in Resolution G-2796, dated August 24, 1988. Fixed cost revenue contributions should be recorded in the fixed cost account that corresponds to the customer's classification during the most recent cost allocation decision.
5. Furthermore, Resolution G-2796 called for the establishment of a memorandum account to record the difference between core and noncore fixed cost revenue contributions for customers who transfer between core and noncore during the interval between the cost allocation proceedings. The disposition of this account will be decided in PG&E's next Annual Cost Allocation Proceeding (ACAP).

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PROTESTS

1. Public notification of this Advice Letter was done by PG&E mailing copies to other utilities and governmental agencies and to all interested parties who requested such notification.
2. No protests have been received.

FINDINGS

1. Stone meets the conditions required by D.87-03-085 to transfer from core to noncore service under Advice Letter 1530-G.
2. The accounting procedures dealing with customer conversion from core to noncore status, specified in Commission Resolution G-2796, dated August 24, 1988, should be adopted.
3. This filing will not increase any other existing rate or charge, conflict with other schedules or rules, or cause the withdrawal of service.
4. PG&E's request by Advice Letter 1530-G, to reassign Stone Container Corporation from core to noncore status is reasonable.

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THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to provide noncore gas service to Stone Container Corporation.
2. This customer shall not be subject to a portfolio switching ban at this time.
3. Fixed cost revenue contributions shall be recorded in the fixed cost account that corresponds to the customer's classification during the most recent cost allocation decision, as set forth in Resolution G-2796, Ordering Paragraph 2.
4. Pacific Gas and Electric Company shall include the difference between core and noncore fixed cost revenue contributions for this customer, in its memorandum account, as required by Resolution G-2796, Ordering Paragraph 3.
5. Pacific Gas and Electric Company shall remind all customers requesting noncore service that they are interruptable.
6. Advice Letter 1530-G and accompanying agreements shall be marked to show that they were approved by this Resolution G-2882.
7. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 6, 1989. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners



Executive Director