

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION G-2893  
September 27, 1989

**R E S O L U T I O N**

RESOLUTION G-2893. PACIFIC GAS AND ELECTRIC COMPANY IS AUTHORIZED TO TRANSFER MISSION FOODS CORPORATION FROM CORE TO NONCORE GAS SERVICE.

BY ADVICE LETTER 1544-G, FILED ON JUNE 14, 1989.

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**SUMMARY**

1. Pacific Gas and Electric Company (PG&E) requests authority to transfer Mission Foods Corporation from core to noncore gas transportation service. Mission Foods has the technical capability and economic incentive to install and use an alternate fuel system as required for noncore service.
2. This Resolution grants the request.

**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 under the following circumstances: a) The customer must be willing to accept a lower priority of service, and, b) The Commission grants an exception 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. 5).

**NOTIFICATION**

1. Public notification of this Advice Letter was made by publication in the Commission calendar and by PG&E mailing copies to other utilities, governmental agencies and to all interested parties who requested notification.

**PROTESTS**

1. No protests to this Advice Letter have been received.

**DISCUSSION**

1. Mission Foods is a food processing facility in Richmond, California. The Commission Advisory and Compliance Division (CACD) conducted a field investigation of the customer's facilities and determined that it has the technical and economic capability to install facilities capable of using alternative fuel on a sustained basis. CACD believes that this customer would switch to an alternative fuel if this request is denied.

2. Mission Foods was a core gas purchasing customer before entering into this reassignment agreement with PG&E. Therefore, it will not be subject to the noncore to core portfolio switching ban if it should choose to purchase gas from the core portfolio at this time. This Advice Letter requests a change in the transportation status, not the purchase of gas.

3. The accounting consequences of utilities' customers being converted from core to noncore gas service status have been considered in Resolution G-2796, dated August 24, 1988. As a result, fixed cost revenue contributions are recorded in the fixed cost account that corresponds to the customer's classification during the most recent cost allocation decision.

4. Further accounting consequences considered in Resolution G-2796 called for the establishment of a memorandum account for fixed cost revenue contributions. This is for any customer who transfers between core and noncore during the interval between cost allocation proceedings. The disposition of this account will be decided in PG&E's next Annual Cost Allocation Proceeding.

FINDINGS

1. Mission Foods meets the conditions required by D.87-03-085 to transfer from core to noncore gas transportation service.
2. Mission Foods was a core customer prior to its reassignment agreement, and will not be subject to the noncore to core portfolio switching ban.
3. The accounting consequences of utility customers' conversion from core to noncore were considered by Commission Resolution G-2796, dated August 24, 1988.
4. This filing will not increase any existing rate or charge, conflict with other schedules or rules, or cause the withdrawal of service.
5. PG&E's request, by Advice Letter 1544-G, to reassign Mission Foods Corporation from core to noncore status is reasonable.

September 27, 1989

THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to provide noncore gas transportation service to Mission Foods Corporation as requested in Advice Letter 1544-G.

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 discussed in Resolution G-2796.

4. Pacific Gas and Electric Company shall remind all customers requesting noncore gas transportation service that they are interruptable.

5. Advice letter 1544-G and its accompanying agreement shall be marked to show that they were approved by Resolution G-2893.

6. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 27, 1989. The following Commissioners approved it:

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

*Wesley Franklin*

Acting Executive Director