

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION G-2979  
February 20, 1992

R E S O L U T I O N

RESOLUTION G-2979. PACIFIC GAS AND ELECTRIC COMPANY  
(PG&E) REQUEST TO TRANSFER THIRTY-FOUR CUSTOMER ACCOUNTS  
FROM CORE TO NONCORE AS SERVICE SCHEDULES;

BY ADVICE LETTER 1662 G, FILED ON SEPTEMBER 6, 1991

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SUMMARY

1. Pacific Gas and Electric (PG&E) requests authority to transfer thirty four customers from core to noncore service (Priority P2B). PG&E has submitted thirty four signed agreements completed by PG&E and these thirty four customers. PG&E alleges that all the agreements have been executed effective August 1, 1991, as provided by Resolution G-2948.
2. The Commission Advisory and Compliance Division (CACD) has reviewed these agreements. This Resolution conditionally approves Advice Letter 1662-G. Of the thirty four agreements twenty are approved and fourteen are rejected for various reasons which are discussed later in this Resolution.

BACKGROUND

1. The transfer of customers from core to noncore status was addressed in D.87-12-039 (pp. 43-45 mimeo) and clarified by D.88-03-085 (pp. 13-16 mimeo). Large core customers with usage greater than 20,800 therms per month may transfer to noncore status without installing standby alternative fuel burning equipment provided the following two conditions are met: (1) the customer is willing to accept a lower priority of service (2) the Commission grants an exception to the standby requirement upon a successful showing that the customer "... has the clear technological capability to use alternative fuel and where the cost to do so and then use alternative fuel would be less than the cost of core service" (D. 88-03-085, pg.16 and Ordering Paragraph 6). Exceptions are considered on a case by case basis subject to an annual requalification.
2. Resolution G-2948 mandates many of the practices the gas utilities must use in implementing the new structure of gas procurement. In particular, Resolution G-2948 stated that the

deadline to reclassify customers currently classified as P2A to noncore is August 1, 1991.

#### PROTESTS

1. In accordance with General Order 96-A, PG&E has mailed copies of these advice letters and related tariff sheets to other utilities and interested parties shown on the service list.
2. No protests have been received by CACD.

#### DISCUSSION

1. PG&E submitted Advice Letter 1662-G to seek approval of the reclassification of 34 core customers to noncore customers (priority 2B) for a one year period.
2. CACD has reviewed the 34 applicant contracts independently and believes that these applicants have the physical and technical ability to install alternative fuel burning facilities. After evaluating the cost of such facilities CACD believes that sufficient economic incentive exists for 20 of the applicants to install and use alternative fuel should they not be offered noncore status. Twelve of the applicants do not have an economic incentive to install and use an alternative fuel.
3. Estimating errors of the cost of the alternative fuel have been considered by CACD. Those twelve applicants who are being rejected clearly do not have an economic incentive to install and use an alternative fuel.
4. Two of the applicants appear to have the physical and technical capability to install alternative fuel burning facilities and a sufficient economic incentive to install and use alternative fuel, but their signed agreement with PG&E was dated after the August 1, 1991 deadline. Therefore, they can not be offered the option of noncore service in accordance with Resolution G-2948 because the Resolution states that applications of P2A customers desiring to be reclassified as noncore after August 1, 1991 should be denied until this issue is addressed under OII 86-06-005. The Commission has yet to address this issue.
5. For those twenty customers who meet the requirements to move to noncore status, PG&E should take steps to ensure that its estimated amortization period for the proposed alternative fuel systems is consistent with the length of time these customers are expected to remain on the PG&E system.
6. These filings will not increase any existing rate or charge, conflict with other schedules or rules, or cause the withdrawal of service.

FINDINGS

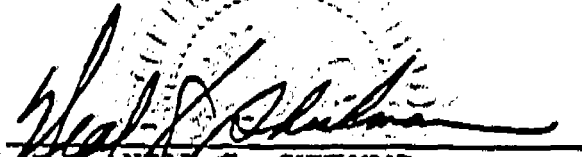
1. Twenty of the applicants seeking to transfer from core to noncore service under Advice Letter 1662-G have met the conditions required by D. 87-12-039 (pp. 43-45) as modified by D. 88-03-085 (pp. 13-16, and Ordering Paragraphs 6 & 7). These twenty applicants are listed in Attachment A.
2. Twelve of the applicants for transferring from core to noncore service under Advice Letter 1662-G did not meet the conditions required by D. 87-12-039 as modified by D. 88-03-085. These twelve applicants are listed in Attachment A.
3. Two of the applicants seeking to transfer from core to noncore service under Advice Letter 1662-G missed the August 1, 1991 deadline per Resolution G-2948, dated May 22, 1991. These two applicants are listed in Attachment A.
4. PG&E should take measures to ensure that the twenty customers who meet the requirements to move to noncore status remain on the PG&E system for the same length of time as PG&E's estimated amortization period for the proposed alternative fuel system.

THEREFORE, IT IS ORDERED that:

1. PG&E is authorized to provide noncore gas service to the twenty applicants who met the conditions of D. 87-12-039 as modified by D.88-03-085. These twenty applicants are listed in Attachment A.
2. PG&E is not authorized to provide noncore gas service to the fourteen applicants who did not meet the conditions of D.87-12-039 as modified by D.88-03-085. These fourteen applicants are listed in Attachment A.
3. PG&E shall remind all customers newly assigned to noncore service that their service is now interruptible.
4. Advice Letter 1662-G and the approved agreements shall be marked to show that they were approved by this Commission Resolution G-2979.
5. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 20, 1992. The following Commissioners approved it:

DANIEL Wm. FESSLER  
President  
JOHN B. OHANIAN  
NORMAN D. SHUMWAY  
Commissioners

  
NEAL J. SHULMAN  
Executive Director

Commissioner Patricia M. Eckert  
being necessarily absent, did not  
participate.

Attachment A

List of Customers Approved for Reclassification And Disapproved for  
Reclassification

Customers that passed the economic test and are approved to transfer  
to noncore status:

<u>Customer</u>	<u>Account Number</u>
Air Products and Chemicals, Inc.	ZPS SB 92151
Ca. Prune Packing Company	BHP 99 69751
Gallo Glass Company	ZXJ N3 63821
Howard Dryer Company	JHP N1 13201
J G Brattan Company	JFJ N4 26151
Myers Container Corporation	XJT 46 42806
New United Motor Manufacturing	BJJ N1 16272
Pinole Point Steel	YJT SB 92091
San Francisco Bread Company (SF)	FRG 50 26301
San Francisco Bread Company (Oakland)	BJO SB 91221
Spaich Farms/Ca Prune Packing Company	BHP 26 69751
Sunshine Biscuits, Inc.	VJL SB 92021
Sunsweet Dryers (Colusa)	XPX N1 19781
Sunsweet Dryers (Madera)	OTN N1 85001
Sunsweet Dryers (Live Oak)	MHP N2 12501
Sunsweet Dryers (Marysville)	VHP N1 40001
Sunsweet Dryers (Gridley)	NFD M1 62601
Sunsweet Dryers (Corning)	BFN N1 00501
Sunsweet Dryers (Orland)	GFJ 26 05031
Sunsweet Dryers (Red Bluff)	XFN N2 10001

Customers that did not pass the economic test and are not approved to  
transfer to noncore status:

<u>Customer</u>	<u>Account Number</u>
Gangi Bros. Packing Company	ZXN SB 92141
Jaswant Bains Dryer	MHP 76 19415
Leprino Food Company	JXV 36 01003
Lockheed Missiles & Space Company	HVV SB 92021/92011
Mariani Packing Company	VHP N1 20001
Mayfair Packing Company Dehy. #14	VHP N2 10001
Mayfair Packing Company Site #2	YHP N4 05004
Mayfair Packing Company, Red Bluff	XFN N1 10001
Plaza Farms	LFJ N4 12191
San Francisco Bread Co. (San Jose)	MVP 45 30353
Spaich Farms	BHP 26 22504
Richard Wilbur Ranch	BHP N2 12191

Customers that missed August 1, 1991 deadline and are not approved to transfer to noncore status:

<u>Customer</u>	<u>Account Number</u>
Foster Farms Dairy	ZXV SB 92311
Foster Farms Turkey Products	4XX N3 18702

End of Attachment