

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION G-3210

JUNE 11, 1997

RESOLUTION

RESOLUTION G-3210. SOUTHERN CALIFORNIA GAS COMPANY REQUESTS AUTHORIZATION TO DEVIATE FROM SPECIAL CONDITION NO. 29 OF SCHEDULE NO. GT-F AS IT APPLIES TO THE FIRM NONCORE INTRASTATE TRANSMISSION SERVICE PROVIDED TO CALIFORNIA STATE UNIVERSITY AT NORTHRIDGE. APPROVED.

BY ADVICE LETTER 2569 FILED ON MARCH 10, 1997.

SUMMARY

1. By Advice Letter 2569, Southern California Gas Company (SoCalGas) requests authorization to deviate from Special Condition No. 29 of Schedule No. GT-F in order to allow California State University at Northridge (CSUN) to be billed at the rates applicable to high pressure distribution service, even though the customer is now served from SoCalGas' medium pressure distribution system. SoCalGas also requests that the Commission approve a refund of the additional charges that CSUN has been incurring since June 1, 1996.
2. No protests have been received by the Energy Division for this Advice Letter filing.
3. This Resolution approves Advice Letter 2569 as filed.

BACKGROUND

1. CSUN is a commercial customer of SoCalGas and receives service under Schedule No. GT-F. Under the provisions of this schedule, transportation charges applicable to commercial and industrial customers are based on the amount of the customer's usage and the type of distribution-related facilities from which SoCalGas serves the customer.
2. Prior to April, 1996, CSUN was receiving service from a distribution line that was classified as high pressure, meaning that it was rated at a maximum allowable operating pressure (MAOP) of greater than 60 pounds per square inch (psig). CSUN's annual gas usage is between 250,000 and 1,000,000 therms. Therefore, SoCalGas had been billing CSUN at the transmission charges applicable to high pressure distribution and 250,000 to 1,000,000 therms of usage.

3. In May, 1996, the regulator station on the high pressure distribution line serving CSUN developed a leak. CSUN is the only customer downstream from the leaking station.
4. The leaking regulator station was housed in a vault, leading SoCalGas to conclude that its immediate repair would be too difficult, time-consuming, and potentially unsafe given the welding needed to make repairs. Instead, SoCalGas elected to connect CSUN to another nearby distribution line.
5. This nearby distribution line is rated at an MAOP that is less than 60 psig. Under Special Condition No. 29, this line is defined as medium pressure.
6. As a result of the change in CSUN's distribution level, SoCalGas began billing CSUN at the transmission charge applicable to medium pressure service. The difference between the medium and high pressure distribution rates has resulted in CSUN's monthly bill increasing by approximately \$2,500. This additional charge has been paid by the university since the rate change was implemented on June 1, 1996.

NOTICE

1. Advice Letter 2569 was served on other utilities, government agencies, and to all interested parties who requested such notification, in accordance with the requirements of General Order 96-A.

PROTESTS

1. No protests were received by the Energy Division for this Advice Letter.

DISCUSSION

1. The Energy Division has reviewed Advice Letter 2569, and been in contact with representatives of CSUN and SoCalGas. The Energy Division has also been in contact with the California Department of General Services regarding this Advice Letter.
2. SoCalGas believes that the circumstances imposed upon CSUN suggest that CSUN should be billed at the high pressure rate, even though it is connected to the medium pressure distribution line. The current medium pressure distribution rate applicable to CSUN is 8.586 cents per therm. The corresponding high pressure distribution rate is 4.435 cents per therm. Therefore, the service line change has resulted in an increase in cost to CSUN of 4.151 cents per therm. SoCalGas seeks Commission approval for a deviation from Special Condition No. 29 in order to allow CSUN to be billed at the lower rate. We find SoCalGas' proposed deviation

reasonable in this instance; it would correct a billing inequity that was imposed upon CSUN through no fault of its own. CSUN did not choose to have its service switched to a medium pressure line; the switch was the result of an operational decision SoCalGas made when it elected to delay repairs on the leaking regulator station. This proposal makes CSUN financially indifferent to the repair decisions made by SoCalGas.

3. SoCalGas also believes that the resulting additional charges that CSUN has been paying since June 1, 1996 should be refunded to the University; SoCalGas seeks Commission approval for such a refund. We find that SoCalGas' refund proposal is reasonable in this instance. CSUN should not be economically harmed by decisions made by SoCalGas concerning the repair of SoCalGas' regulator station. Since CSUN was adversely impacted financially, the total amount of the excess charges should be refunded to the University.

FINDINGS

1. By Advice Letter 2569, SoCalGas requests authorization to deviate from Special Condition No. 29 of Schedule No. GT-F. SoCalGas also requests the Commission's approval to refund to CSUN the additional charges that had been imposed.
2. No protests to Advice Letter 2569 were received by the Energy Division.
3. SoCalGas, CSUN, and the California Department of General Services have all verbally supported the proposed deviation and refund requested in Advice Letter 2569.
4. In May, 1996, the regulator station on the high pressure distribution line that serves CSUN began leaking.
5. CSUN was the only customer downstream from the leak; hence, it was the only customer impacted by it.
6. SoCalGas has elected to postpone repairing the leak, having concluded that an immediate repair would be too difficult, time-consuming, and potentially unsafe. As a consequence of this decision, CSUN has been switched to a nearby medium pressure distribution line.
7. The transmission charge for medium pressure service is higher than the charge for high pressure service. As a result, CSUN's monthly bill has increased by approximately \$2,500. CSUN has been paying this increased amount since the rate change was implemented on June 1, 1996.
8. The tariff schedule deviation and refund proposed in Advice Letter 2569 for CSUN should be authorized.

June 11, 1997

THEREFORE, IT IS ORDERED that:

1. Southern California Gas Company is authorized to deviate from Special Condition No. 29 of Schedule GT-F in order to allow California State University at Northridge to be billed at the rates applicable to high pressure distribution service, as requested in Advice Letter 2569.
2. Southern California Gas Company is also authorized to refund to California State University at Northridge the excess charges that have been imposed since June 1, 1996, as requested in Advice Letter 2569.
3. Advice Letter 2569 shall be marked to show that it was approved by Commission Resolution G-3210.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 11, 1997. The following Commissioners approved it:

Wesley Franklin

WESLEY FRANKLIN

Executive Director

P. Gregory Conlon, President

Jessie J. Knight, Jr.

Henry M. Duque

Josiah L. Neeper

Richard A. Bilas

Commissioners