

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ENERGY DIVISION**

**RESOLUTION G-3276  
December 16, 1999**

**RESOLUTION**

**Resolution G-3276. Pacific Gas and Electric Company (PG&E) requests authority to revise *Gas Schedule G-EG – Gas Transportation Service to Electric Generation*, to include additional third-party Customers.**

**The request is granted.**

**By Advice Letter 2159-G filed on June 16, 1999 which replaces Advice Letter 2158-G.**

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**SUMMARY**

**On July 16, 1999, Pacific Gas and Electric Company (PG&E) filed Advice Letter 2159-G. This Advice Letter revises *Gas Schedule G-EG – Gas Transportation Service to Electric Generation*, to include new independent electric generators owned by private parties.**

**This Resolution approves Advice Letter 2159-G.**

**No protests were filed on Advice Letter 2159-G. On July 6, 1999, Calpine Corporation filed a letter supporting PG&E's proposed revisions to Schedule G-EG.**

**BACKGROUND**

**Under Electric Industry restructuring, the investor owned utilities were ordered to divest their generation facilities. As a result of this divestiture and the reregulation of the generation portion of the electricity market, PG&E is now serving natural gas loads of new transmission level independent power generators and merchant power plants. The requested change will allow for equitable rate treatment for these similarly situated independently owned power plants.**

**Schedule G-EG currently provides for service to PG&E-owned gas-fired electric generation plants, gas-fired electric generation plants formerly owned by PG&E**

which have been divested, and existing or new gas-fired electric generation facilities owned by municipalities, irrigation districts, joint power authorities or other state or local governmental entities that would otherwise be served under Schedule G-NT.

G-EG is not currently applicable to gas loads serving new independent electric generators owned by private parties. AL 2159-G provides for the applicability of the G-EG rate to be expanded to include "merchant power plants and independent power production facilities that would otherwise qualify for Transmission rates under Schedule G-NT."

#### NOTICE

Advice Letter 2159-G 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. Public notice of this filing has been made by publication in the Commission's calendar.

#### PROTESTS

No protests were filed.

#### DISCUSSION

This Resolution approves Advice Letter 2159-G.

Advice Letter 2159-G seeks to revise Schedule G-EG to include "merchant power plants and independent power production facilities that would otherwise qualify for Transmission rates under Schedule G-NT."<sup>1</sup> With this revision in place, these facilities would then be eligible for a Transportation Charge of \$0.01932 per therm under Schedule G-EG as opposed to \$0.02392 per therm under Schedule G-NT.

The revised Schedule G-EG also includes language from Schedule G-NT under "Negotiated Rate Guidelines." The new provision allows PG&E to enter into negotiated rate agreements with parties based on differences in circumstances and conditions of the customer without preference or discrimination to the Customer or any third party. This provision does not impact any existing G-EG customers because none of them have elected to negotiate rates. This

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<sup>1</sup> Advice Letter 2159-G, June 16, 1999, Schedule G-EG, Sheet Number 19422-G.

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language makes the revised G-EG consistent with other transportation rate schedules.

A Natural Gas Service Agreement (NGSA) will now be required to take service under Schedule G-EG. Previous to divestiture under electric industry restructuring, this schedule applied to PG&E's own utility electric generation (UEG) thus a NGSA was not required. Schedule G-EG now applies to third party electric generators making a service agreement necessary, as it is under Schedule G-NT.

#### COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

#### FINDINGS

1. Pacific Gas and Electric Company (PG&E) filed Advice Letter 2159-G on June 16, 1999, requesting approval of revised tariff sheets for Schedule G-EG—Gas Transportation Service to Electric Generation.
2. The revised Schedule G-EG expands the applicability of this rate to include new transmission-level independent power generators and merchant power plants coming online as a result of electric industry restructuring.
3. The revised Schedule G-EG will allow for more equitable rate treatment for similarly situated independently owned generators taking transmission level natural gas service.
4. PG&E's proposed revisions should be approved.

THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company Advice Letter 2159-G is approved. The revisions to Gas Schedule G-EG – Gas Transportation to Electric Generation shall be effective December 16, 1999.
2. This Resolution is effective today.

December 16, 1999

I certify that the foregoing Resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the state of California held on December 16, 1999; the following Commissioners voting favorably thereon:

*Wesley Franklin*

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WESLEY M. FRANKLIN  
Executive Director

RICHARD A. BILAS  
President  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
JOEL Z. HYATT  
CARL W. WOOD  
Commissioners