PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

Orig. and Copy to Executive Director **RESOLUTION NO.** G-2228

RESOLUTIONUTILITIES DIVISIONRESOLUTIONBRANCH/SECTION: GasDATE:June 27, 1978

Director

SUBJECT: Request to Provide Natural Gas Service in Excess of 50 Mcfd

WHEREAS: SAN DIEGO GAS AND ELECTRIC COMPANY, by Advice Letter 413-G, filed May 26, 1978, has requested Commission approval under the provisions of Decision No. 85189, to supply natural gas in excess of 50 Mcfd to Applied Energy, Inc. (Applicant), a wholly owned subsidiary of San Diego Gas and Electric Company, in San Diego, San Diego County under the following circumstances:

1. Applicant requests natural gas service to a proposed 20 megawatt, gas turbine, cogeneration project which will supply Kelco, a Division of Merck, in San Diego with 125,000 pounds of steam per hour.

2. Applicant's average daily requirement will be 6912 Mcf, which, in turn, will reduce Kelco's steam plant average daily requirement from 3600 Mcf to practically zero, and

WHEREAS: We find that cogeneration is an efficient use of natural gas, and that gas turbine cogeneration use should be classified in Priority 3 under the end-use criteria adopted in Decision No. 85189 pending our review of the gas priorities; therefore, good cause appearing,

IT IS ORDERED that:

1. Authority be granted under Section 701 of the Public Utilities Code and under the provisions of Decision No. 85189 for San Diego Gas and Electric Company to supply the requested service to Applied Energy, Inc. under end-use Priority 3 of Decision No. 85189 effective this date.

2. The above advice letter and application are to be marked to show that they were accepted for filing by Resolution of the Public Utilities Commission of the State of California No. G-2228. The effective date of this resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the <u>27th</u> day of <u>June</u>, <u>1978</u>, the following Commissioners voting favorably thereon:

FORM U-14-A

Executive Director