

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3000
JULY 1, 1992

R E S O L U T I O N

RESOLUTION G-3000. PACIFIC GAS AND ELECTRIC COMPANY
REQUESTS APPROVAL OF A CONTRACT WITH UNITED STATES BORAX
AND CHEMICAL CORPORATION.

BY ADVICE LETTER 1689-G. FILED ON APRIL 3, 1992.

SUMMARY

1. Pacific Gas and Electric Company (PG&E) requests authorization to enter into a special facilities contract for **Interruptible Gas Standby Service** with United States Borax and Chemical Corporation (U.S. Borax) using PG&E's existing facilities. U.S. Borax is taking natural gas service from Mojave Gas Pipeline (Mojave), a Federal Energy Regulatory Commission (FERC) interstate pipeline.
2. The contract is for U.S. Borax to pay to PG&E the estimated cost of maintaining existing pipeline facilities in place, ready to provide natural gas service to U.S. Borax. The pipeline facilities were previously used by PG&E to provide service to U.S. Borax, before U.S. Borax became a customer of Mojave.
2. This Resolution grants the request.

BACKGROUND

1. Prior to the construction of Mojave's pipeline, PG&E was the source for natural gas service to U.S. Borax. U.S. Borax is now obtaining natural gas service from Mojave Gas Pipeline, a FERC jurisdictional natural gas pipeline. PG&E's facilities, formerly used to provide service to U.S. Borax, are not now being fully utilized.
2. PG&E does not have a tariff on file for the interruptible standby sale of natural gas.

NOTICE:

1. Public notice of this filing has been made by publication in the Commission's calendar on April 8, 1992, and by mailing copies to interested parties, adjacent utilities, and government agencies.

PROTESTS

1. No protests to this Advice Letter were received by the Commission Advisory and Compliance Division (CACD).

DISCUSSION

1. PG&E has installed facilities which are not being fully used. These facilities were formerly used to provide service to a facility of U.S. Borax. U.S. Borax that now takes service from Mojave, a FERC regulated pipeline. This special facility contract is for PG&E to provide interruptible standby service.

2. The facilities, with minor exception, are partially in use by PG&E to provide service to others in the area who are not customers of Mojave. The exception is those facilities used in making the service connection from PG&E's system to U.S. Borax's service connection.

3. The contract requires U.S. Borax to pay to PG&E \$4,611.29 per month until terminated. The contract may be terminated by either party by thirty (30) days notice to the other party. U.S. Borax will be required to pay for any rearrangement or modifications to the system.

4. Any sales of natural gas by PG&E to U.S. Borax shall be at the applicable rates as contained in PG&E's tariffs filed with the Commission, Tariff schedules "G-PN Procurement of Gas from the Noncore-Supply Portfolio" and "G-WRT Wholesale/Resale Transportation Service".

5. To track the revenues derived from this Special facilities Contract the utility should enter them on its books as "other revenue."

FINDINGS

1. When U.S. Borax became a customer of Mojave, leaving the PG&E system, certain PG&E distribution facilities of PG&E were not fully utilized, but are still being used to serve other customers in the general area.

2. Because the facilities are still in use to serve other customers they cannot be abandoned.

3. The monthly payments by U.S. Borax to PG&E, with the additional revenue from any sales to U.S. Borax is to the benefit of the other ratepayers because it reduces the amount of revenue required to be paid by them.

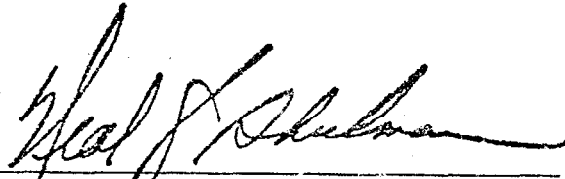
July 1, 1992

4. PG&E does not have a tariff on file with the Commission for the sale of natural gas on an interruptible standby basis.
5. CACD recommends approving this Advice Letter.

THEREFORE, IT IS ORDERED that:

1. Advice Letter 1689-G shall be marked to show that it was approved by Commission Resolution G-3000.
2. All revenues received by Pacific Gas and Electric Company arising from this special facilities contract shall be entered on the books of account as "Other Revenue".
3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 1, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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