

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3049
March 24, 1993

R E S O L U T I O N

RESOLUTION G-3049. PACIFIC GAS AND ELECTRIC COMPANY SUBMITS PROPOSED TARIFFS AND A SERVICE AGREEMENT TO MODIFY ITS AS-AVAILABLE CUSTOMER IDENTIFIED GAS PROGRAM TO FACILITATE PARTIAL IMPLEMENTATION OF CAPACITY BROKERING CONSISTENT WITH THE PROVISIONS IN DECISIONS 92-07-025 AND 91-11-025.

BY PACIFIC GAS AND ELECTRIC COMPANY ADVICE LETTER 1720-G-B, FILED ON MARCH 4, 1993.

SUMMARY

1. By Advice Letter 1720-G-B, Pacific Gas and Electric Company (PG&E) seeks expedited approval of its request to modify its as-available service offered under the Customer-Identified Gas (CIG) program to ensure the program's operation during the interim period from April 1, 1993 to July 31, 1993.
2. This Resolution grants provisional authority to PG&E to modify its CIG program.

BACKGROUND

1. On March 4, 1993, PG&E filed Advice Letter 1720-G-B requesting expedited approval on or before March 10, 1993, which is less than the standard 40-day notice period.
2. PG&E requests approval to modify its Schedule G-CIG, Procurement Service for Customer-Identified Gas and Form No. 79-773, Request for As-Available Customer-Identified Gas Service, to provide as-available service under the CIG program prior to PG&E's implementation of a Capacity Brokering program on the El Paso Natural Gas Company (El Paso) pipeline.
3. Currently, PG&E customers may request as-available CIG service prior to each month for a one-month period. However, PG&E notes that such monthly arrangements may be prohibited following FERC approval of El Paso's capacity release program. Under the capacity release program, new buy-sell transactions are terminated, thereby terminating PG&E's as-available service

under the CIG program because such service is provided on a monthly basis.

4. In Advice Letter 1720-G-B, PG&E requests a revision to its CIG program which would allow PG&E's noncore customers to continue to procure PG&E unused excess firm interstate pipeline capacity during the interim period from April 1, 1993, when FERC is expected to approve El Paso's capacity release program to July 31, 1993, after which PG&E's Capacity Brokering program will be implemented on the El Paso pipeline.

5. PG&E states that based on historical volumes, the as-available CIG program has saved PG&E's customers approximately \$3 million per month. Approval of PG&E's proposed revision would avoid a substantial increase in the delivered cost of gas for PG&E customers currently participating in the as-available CIG program.

6. PG&E notes that many of its noncore customers have indicated a strong desire to continue the as-available CIG program during the interim period from April 1, 1993 to July 31, 1993.

7. PG&E also states that customers participating in the as-available CIG program benefit from PG&E's firm interstate transportation rights on the El Paso pipeline because they pay \$0.33/decatherm less than El Paso's interruptible transportation rate.

8. PG&E also requests approval of its proposed revision to Form 79-773 which would allow customers to specify separate volumes for each month during the interim period.

9. The California Industrial Group, California Manufacturers Association, and the California League of Food Processors (collectively referred to as CIG) and the Commission's Division of Ratepayer Advocates (DRA) filed letters on March 10, 1993 which support Advice Letter 1720-G-B and recommend that the Commission adopt the proposed revisions.

NOTICE

1. Public notice of this advice letter was made in accordance with General Order 96-A whereby PG&E has mailed copies of this advice letter and the related tariff sheets to utilities and interested parties and to all parties of record in Rulemaking (R.) 88-08-018 and R.90-02-008. Notice was also made by publication to the Commission's daily calendar.

PROTESTS

1. No protests to Advice Letter 1720-G-B have been filed. However, it should be noted that the protest period expires on March 24, 1993.

DISCUSSION

1. The Commission Advisory and Compliance Division (CACD) has reviewed Advice Letter 1720-G-B for compliance to Commission decisions and resolutions.

2. Upon receiving Advice Letter 1720-G-B, CACD informed PG&E that it could not present a proposed resolution before or on March 10, 1993 as requested.

3. CACD notes that the Advice Letter 1720-G-B was filed on March 4, 1993, in turn, the protest period to this advice letter will terminate 20 days after the filing which would be March 24, 1993.

4. In consideration of the stated benefits provided under PG&E's as-available CIG service and the letters of support submitted by DRA and CIG, CACD believes PG&E's request to modify Schedule G-CIG to provide as-available CIG service for a four-month interim period is reasonable.

5. Furthermore, CACD believes it is reasonable for PG&E to modify its Form 79-773 which would allow customers to specify separate volumes for each month during the interim period.

6. Ordinarily, CACD would not offer its recommendation on an advice letter before expiration of the protest period; however, because of the necessity for a smooth transition from the current Procurement program for natural gas to the Capacity Brokering program, CACD believes that provisional authority is warranted. CACD recommends that PG&E be granted provisional authority to provide as-available CIG service from April 1, 1993 to July 31, 1993. Should protests be filed before the expiration of the protest period, the Commission could revisit Advice Letter 1720-G-B.

FINDINGS

1. On March 4, 1993, PG&E filed Advice Letter 1720-G-B requesting expedited approval on or before March 10, 1993, which is less than the standard 40-day notice period.

2. Currently, PG&E customers may request as-available CIG service prior to each month for a one-month period.

3. In Advice Letter 1720-G-B, PG&E requests a revision to its CIG program which would allow PG&E's noncore customers to

continue to procure PG&E unused excess firm interstate pipeline capacity during the interim period from April 1, 1993, when FERC is expected to approve El Paso's capacity release program to July 31, 1993, after which PG&E's Capacity Brokering program will be implemented on the El Paso pipeline.

4. PG&E states that based on historical volumes, the as-available CIG program has saved PG&E's customers approximately \$3 million per month.

5. PG&E notes that many of its noncore customers have indicated a strong desire to continue the as-available CIG program during the interim period from April 1, 1993 to July 31, 1993.

6. PG&E states that customers participating in the as-available CIG program benefit from PG&E's firm interstate transportation rights on the El Paso pipeline because they pay \$0.33/decatherm less than El Paso's interruptible transportation rate.

7. PG&E requests approval of its proposed revision to Form 79-773 which would allow customers to specify separate volumes for each month during the interim period.

8. The California Industrial Group, California Manufacturers Association, and the California League of Food Processors (collectively referred to as CIG) and the Commission's Division of Ratepayer Advocates (DRA) filed letters on March 10, 1993 which support Advice Letter 1720-G-B and recommend that the Commission adopt the proposed revisions.

9. In consideration of the stated benefits provided under PG&E's as-available CIG service and the letters of support submitted by DRA and CIG, PG&E's request to modify Schedule G-CIG to provide as-available CIG service for a four-month interim period is reasonable.

10. It is reasonable for PG&E to modify its Form 79-773 which would allow customers to specify separate volumes for each month during the interim period.

11. Ordinarily, CACD would not offer a recommendation on an advice letter before expiration of the protest period; however, because of the necessity for a smooth transition from the current Procurement program for natural gas to the Capacity Brokering program, CACD believes that provisional authority is warranted.

12. PG&E should be granted provisional authority to provide as-available CIG service from April 1, 1993 to July 31, 1993.

13. Should protests be filed before the expiration of the protest period, the Commission could revisit Advice Letter 1720-G-B.


March 24, 1993

THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company is granted provisional authority to provide as-available customer-identified gas service to its noncore customers from April 1, 1993 to July 31, 1993.
2. Pacific Gas and Electric Company shall modify its Form 79-773 which would allow customers to specify separate volumes for each month during the interim period.
3. If necessary, protests to Advice Letter 1720-G-B will be reviewed in a subsequent Commission resolution.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 24, 1993. The following Commissioners approved it:



Executive Director

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
P. GREGORY CONLON
Commissioners