

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION

RESOLUTION G-3141
November 22, 1994

R E S O L U T I O N

RESOLUTION G-3141. SOUTHERN CALIFORNIA GAS COMPANY (SOCALGAS) REQUESTS APPROVAL OF TARIFF SHEETS REQUIRING NONCORE CUSTOMERS TO HAVE ELECTRONIC METER-READING EQUIPMENT INSTALLED AT CUSTOMER EXPENSE AS A CONDITION OF SERVICE.

BY ADVICE LETTER 2334-G, FILED ON JULY 20, 1994.

SUMMARY

1. SoCalGas initiated the filing of Advice Letter 2334-G to revise Special Condition 17 of both Schedule No. G-CS, Core Subscription Natural Gas Service; and Schedule No. GT-F, Firm Intrastate Transmission Service; and Special Condition 9 of Schedule No. GT-I, Interruptible Intrastate Transmission Service. SoCalGas believes electronic meters are required to verify noncore customers compliance with curtailment orders and overnomination provisions.

2. The Commission in Resolution No. G-2948, adopted May 22, 1991, concluded on page 69 that,

"The Commission should require the utilities to allow customers meeting the criteria for the alternate fuel program to install an electronic meter at their own cost to participate in the program."

This refers to core customers choosing to transfer to noncore status. The Commission has not directed the utilities to require EMR devices as a condition of service to existing noncore customers. Further, for the noncore customers without EMR devices already installed this poses an equity issue. The expense of the currently installed EMR devices was borne by all noncore customers. This advice letter seeks to require individual noncore customers to install at their own expense EMR devices. Previously this expense would have been shared by all noncore customers.

3. SoCalGas received funding for limited EMR installations in its 1990 GRC decision D.90-01-016. SoCalGas did not request funds for the installation of EMR devices for noncore customers in its latest GRC application A.92-11-017.

4. This advice letter was not protested.
5. This resolution denies SoCalGas' request since the Commission has not ordered existing noncore customers to have EMR devices installed as a requirement of service and SoCalGas did not request funding for the installation of EMR devices for noncore customers in its latest GRC application A.92-11-017. Additionally, the advice letter raises the issue of equity among noncore customers and the installation of EMR devices. There is insufficient record in this advice letter filing to require existing customers to pay the installation costs of EMR devices as a condition of noncore service.

BACKGROUND

1. In Resolution No. G-2948, adopted May 22, 1991, the Commission determined that core customers electing noncore status must pay for the installation of an electronic meter as the price of entry. This allows the utility to verify that the customer curtailed when they were requested to do so. The Commission reiterated its position in Resolution G-2959, adopted July 24, 1991, at page 7 stating "...In addition, all of these customers must install an electronic meter to verify that they curtailed when they were requested to do so." This requirement for core customers electing noncore service was reaffirmed in D.91-09-085.
2. In D.93-09-082, dated September 17, 1993, the Commission removed alternate fuel capability as a factor in determining the level of a customer's service. This meant industrial and commercial customers with sufficient gas consumption could elect noncore service. Along with this new ability came increased penalties for noncore customers who fail to comply with utility notices to curtail gas service.
3. The advice letter presents a discussion of the need for EMR devices to enforce curtailment and overnomination tariff provisions. SoCalGas further states that the recent 1994 test year GRC decision, D.93-12-043, denies base rate funding for future EMR installations. SoCalGas has previously installed EMR devices at noncore customer locations without requiring the customer to pay the cost of installation. SoCalGas has stated that the installation expenses were recovered through rates established in its prior GRC decision D.90-01-016.

NOTICE

1. Public notice of AL 2334-G was recorded in the Commission's calendar on July 28, 1994, and by mailing copies of the filing to adjacent utilities and interested parties.

PROTESTS

1. The Commission Advisory and Compliance Division (CACD) received no protests to AL 2334-G.

DISCUSSION

1. While the Commission has ordered core customers electing noncore service to pay for the installation of EMR as a condition of service it has not ordered existing noncore customers to pay for the installation of EMR devices.

2. To date the Commission has been clear and consistent in requiring core customers electing noncore service to pay for the installation of an electronic meter as the price of entry to noncore service. This was clearly stated in Resolution No. G-2948 and Resolution No. G-2959. However, the Commission has not in any of the aforementioned resolutions required existing noncore customers to pay for the installation of electronic metering devices as a condition of receiving noncore service. There is a difference between core customers electing noncore service and the requirement for EMR devices installed at their cost and applying the same requirement to existing noncore customers.

3. Requiring noncore customers to pay for the installation of EMR units at this time presents a problem of customer equity. Many of the customers without EMR have paid a portion of the cost of previous EMR installations at other noncore customer locations through the rates adopted in D.90-01-016. It is reasonable for noncore customers without EMR devices to expect that the cost of EMR devices would be borne by noncore customers as a group.

4. SoCalGas' arguments are not persuasive as presented in AL 2334-G. The Commission has not ordered existing noncore customers to install EMR devices at their expense. SoCalGas has stated the need for EMR devices in enforcement of curtailment and overnomination tariff provisions. As such, it would be consistent for SoCalGas to have requested funding for such installations in their test year 1994 GRC application, A.92-11-017. The EMR devices would appear to be comparable in nature to other operationally required equipment. Funding for other metering activities is provided in the GRC process. Also a memorandum account was established to collect the curtailment penalties from customers. This revenue is to be applied to offset the expense of the installation of EMR devices.

5. The changes sought by SoCalGas will affect approximately 660 noncore meters that do not currently have EMR devices. This is roughly 30% of noncore meters.

FINDINGS

1. SoCalGas filed Advice Letter No. 2334-G on July 20, 1994 requesting revisions to Special Condition 17 of both Schedule No. G-CS, Core Subscription Natural Gas Service; and Schedule No. GT-F, Firm Intrastate Transmission Service; and Special Condition 9 of Schedule No. GT-I, Interruptible Intrastate Transmission Service. The revision would require "All customers served under this schedule must have electronic meter-reading equipment installed by the Utility at the Customer's expense as a condition of noncore service."
2. Resolution No. 2948 requires core customers electing noncore service to install an EMR device at their cost as the price of entry. Resolution No. 2959 and D.91-09-085 reaffirm this requirement.
3. SoCalGas received funding for EMR installations in its 1990 GRC D.90-01-016.
4. SoCalGas did not request funding for noncore EMR installations in its 1994 GRC A.92-11-017.
5. Advice Letter No. 2334-G would require existing noncore customers to pay installation costs of EMR devices that similar noncore customers were provided through funding in D.90-01-016. Therefore, CACD recommends denial of SoCalGas' request.
6. No protests to the advice letter filing have been received.

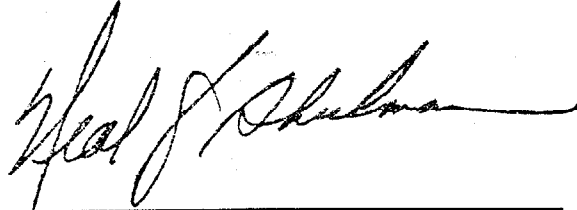
November 22, 1994

THEREFORE, IT IS ORDERED that:

1. SoCalGas' Advice Letter No. 2334-G is rejected.
2. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 22, 1994.

The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
Commissioners