

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on March 16, 2004

COMMISSIONERS PRESENT:

William M. Flynn, Chairman
Thomas J. Dunleavy
James D. Bennett
Leonard A. Weiss
Neal N. Galvin

CASE 00-G-0996 – In the Matter of Establishment of Criteria for Interruptible Gas Service.

ORDER RELATING TO PETITION OF
ST. LAWRENCE GAS COMPANY, INC.
FOR CLARIFICATION AND EXEMPTION

(Issued and Effective March 18, 2004)

BY THE COMMISSION:

On November 4, 2003, we issued an order in this proceeding setting forth additional requirements for local distribution companies (LDCs) that serve interruptible gas sales and transportation service customers.¹ A Petition for Clarification and Exemption was filed on December 1, 2003, by St. Lawrence Gas Company, Inc. (SLG).

BACKGROUND

In our November 4, 2003 order ("order"), we required that LDCs provide prior notice to oil associations, the New York State Energy Research and Development

¹ Case 00-G-0996, In the Matter of Establishment of Criteria for Interruptible Gas Service, Order Concerning Interruptible Gas Sales and Transportation Service (issued November 4, 2003).

Authority (NYSERDA), and the Commission of the occurrence and expected duration of any interruptions of gas service, as well as operational flow orders (OFOs) and system alerts (SAs)², both upstream and downstream of the citygate. We also required the LDCs to alert their interruptible customers of the potential need to replenish oil storage inventories whenever accumulated gas service interruptions during the winter exceed a total of 5 days prior to February 15th.

A petition for clarification and exemption from our order was filed by SLG on December 1, 2003.

DISCUSSION

SLG's filed petition requested an exemption from our order in its entirety. However, the company subsequently informed our staff that, with one exception, it is complying with the conditions contained in the order.

SLG requests an exemption from the requirement that LDCs must alert interruptible customers of the potential need to replenish oil storage inventories whenever accumulated gas service interruptions during the winter exceed a total of 5 days prior to February 15th. In a prior order in this proceeding³, we exempted SLG from our requirement that interruptible customers must have provable storage capacity and alternate fuel on hand to withstand interruptions of gas service for a designated number of days at the beginning of the winter.⁴ Since SLG's interruptible customers are not required to hold a specific level of oil storage inventory, it is unnecessary for the company to

² OFOs are issued by a pipeline or LDC in difficult operational circumstances to protect the integrity of its gas system. SAs are announcements of actual or pending events that, if unchecked, may result in an OFO.

³ Case 00-G-0996, In the Matter of Criteria for Interruptible Gas Service, Errata Notice (issued April 4, 2001).

⁴ Case 00-G-0996, In the Matter of Criteria for Interruptible Gas Service, Order Directing Utilities to File Revised Interruptible Gas Service Tariffs (issued August 24, 2000).

remind customers to monitor an oil inventory that is not required. Thus, we grant SLG's request for an exemption from this requirement.

The Commission orders:

1. The petition of St. Lawrence Gas Company, Inc. for clarification and exemption is granted to the extent discussed above.

2. This proceeding is continued.

By the Commission,

(SIGNED)

JACLYN A. BRILLING
Secretary