

ORIGINALDecision No. 54946

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN COUNTIES GAS COMPANY)
OF CALIFORNIA for a general in-) Application No. 33699
crease in gas rates under Section)
454 of the Public Utilities Code.)

ORDER AUTHORIZING REFUNDS

On December 2, 1952, this Commission issued Decision No. 47991 herein, authorizing the Southern Counties Gas Company of California to increase its gas rates in order to offset increased rates for out-of-state gas purchased from El Paso Natural Gas Company. The decision provided for possible refunds by Southern Counties to its customers with such refunds to be determined by the formula contained in Exhibit 2-A in this proceeding, except that the cost of refunding would not be deducted in determining the amount of refund. The increased rates of El Paso Natural Gas Company became effective January 1, 1953. On July 20, 1956, the Federal Power Commission issued its order in Docket No. G-2018, approving the settlement of that proceeding and El Paso subsequently made a refund to Southern Counties in accordance with that order.

On February 28, 1957, the Federal Power Commission issued its order in Docket No. G-2016, approving the settlement of that rate proceeding by refund of \$112,948, to San Diego Gas & Electric Company by Southern Counties and terminating that proceeding.

Nature of Evidence

In accordance with paragraphs 3 and 4 of the Commission's Decision No. 47991, Southern Counties has submitted plans for making refunds to its customers. Copies of these plans have been

available to all parties in this proceeding and the Commission has had the benefit of comments by these parties on these plans. Southern Counties has submitted four plans for making refunds to its retail customers for the consideration of the Commission. Two of these plans are based on the use of the refund method for the entire period from January 1, 1953, to April 14, 1955. This matter was discussed in Decision No. 54077 in Application No. 33700, and we are of the opinion that the plans under this method are not reasonable.

The other two plans which have been submitted to the Commission are predicated on the application of the El Paso refund only to the year 1953. The first of these latter two plans of refund is based upon the refund formula approved by the Commission and the second plan gives effect to San Diego Gas & Electric Company's sales and refund.

Under the first plan, the average refund to individual general service customers is between 10 and 11 cents and the total amount of the refund to retail customers is \$92,422 and is distributed to classes of customers as follows:

General Service	\$63,040
Gas Engine	1,319
Firm Industrial	3,688
Interruptible Industrial	20,259
Steam-Electric Plants	4,116
Total	<u>\$92,422</u>

The second refund plan provides for a total refund of \$79,832 including an average refund of approximately nine cents to individual general service customers.

Refund Plan

In order to simplify and expedite the refunding method, the Company has proposed to modify its original refund plan as

set forth in Exhibit 2-A by making a uniform refund to existing general service customers by a uniform credit to all bills for one month. Refunds to all other retail customers will be individually calculated and based on prorated consumption for the refund period. Refunds will be credited to current active accounts and will be made by check to inactive accounts.

Findings and Conclusions

The amount of \$92,422 to be refunded under the proposed plan and the proposed distribution by classes, as set forth above, appear reasonable. In view of the relatively small refund per general service customer, applicant's proposal to make a uniform refund to such currently active customers appears reasonable. Since we have awaited Federal Power Commission decision on the San Diego matter, it is not possible to commence refunds with the November, 1956, billing cycle. The Commission finds and concludes that the proposed refund plan as modified should be authorized and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that:

1. Southern Counties Gas Company of California shall make refunds in the amount of \$92,422 to its customers beginning on June 3, 1957, by a uniform credit to bills of general service customers during one month; refunds to other customers shall be individually calculated and credited to active accounts or paid by check to inactive customers. The amount of refund shall be set forth by appropriate notice on each customer's bill,
2. Southern Counties Gas Company of California shall keep records of the distribution of the refunds to its customers, and not later than October 1, 1957, shall submit to the Commission a summary by classes of service of the refunds made to its customers.

3. Southern Counties Gas Company of California shall submit to the Commission quarterly reports of summaries of the distribution of refunds and shall submit a final summary not later than July 1, 1958, which will set forth any balance resulting from undelivered or uncashed checks and the cost of making the refunds.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 7th day of MAY, 1957.

[Signature]
President
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Commissioners