

65498

ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC GAS AND ELECTRIC COMPANY for)
 an order of the Commission author-)
 izing applicant to increase its)
 present rates and charges for natural)
 gas service in the manner and to the)
 extent herein set forth.)

Application No. 36635

ORDER ON REFUNDS

By the above-entitled application filed on January 14, 1955, Pacific Gas and Electric Company (PG&E) sought authorization to increase gas rates to produce additional annual gross revenues of \$8,827,000 to offset increases in cost of out-of-state gas purchased from El Paso Natural Gas Company (El Paso). On April 19, 1955, this Commission issued its Decision No. 51360 in the above-entitled application authorizing PG&E to increase its gas rates to produce the requested \$8,827,000 of additional annual gross revenues based on estimated 1955 sales. While PG&E sought to obtain the entire amount from its firm service classes of customers, the Commission authorized increases in both the firm and interruptible service classifications as set forth in the tabulation following:

<u>Class of Service</u>	<u>Authorized Increase Based on Year 1955 Estimated Sales</u>
Firm Service	
General Service	\$5,440,000
Resale	111,500
Firm Industrial and Gas Engine	488,300
Company Use, Construction	3,400
Interdepartmental, Other	1,400
Subtotal Firm Service	<u>6,044,600</u>
Interruptible Service	2,782,400
Total	<u>\$8,827,000</u>

The rates authorized by said Decision No. 51360 were placed into effect generally on May 10, 1955 although there were some rates made effective later than that date. Said rates were placed into effect subject to possible refund depending upon action by the Federal Power Commission (FPC) in Docket G-4769 applying to purchases by PG&E from El Paso during the period April 15, 1955 to December 31, 1957.

Pursuant to orders of the FPC in Docket No. G-4769 El Paso by letter dated May 17, 1963, forwarded a refund check to PG&E in the total amount of \$15,040,735.38 including principal of \$10,784,548.03 and interest thereon computed through May 17, 1963 of \$4,256,187.30. In tendering its refund check El Paso advised PG&E as follows:

"El Paso Natural Gas Company is contesting the validity of the Commission's (FPC) order above referred to and the matter is now pending in the United States Court of Appeals for the Fifth Circuit. El Paso expects to continue to avail itself of all rights and remedies available to it and all are reserved."

On May 21, 1963 by Decision No. 65421 this Commission directed that none of the refund amount received from El Paso by PG&E shall be disbursed to any customer until a refund plan satisfactory to this Commission has been approved by it or until further order of this Commission and that such amounts shall accrue interest from the date of their receipt by PG&E at the rate of six percent per annum until refunded to customers.

The Commission has considered the disposition to be made of the \$15,040,735.38 refund check received by PG&E from El Paso and finds that the entire amount, namely \$15,040,735.38 plus accrued interest at the rate of six percent per annum from May 20, 1963 to the date of refund to customers, should be refunded to customers.

Accordingly, PG&E will be required by the order herein to submit a refund plan satisfactory to this Commission to accomplish such a refund to customers. The Commission recognizes that by reason of pending reviews by the United States Court of Appeals for the Fifth Circuit, the FPC orders directing the El Paso refund have not become final and there is a possibility that the company may be required to return to El Paso a portion or all of such refund, with interest thereon. It is reasonable to expect, however, that substantial further refunds may be made by El Paso to the company in the cases now pending before the FPC with respect to periods subsequent to 1957. To avoid loss to the company in the event it is required to return any portion of the present refund to El Paso the company will be permitted to recoup the repayment out of any such subsequent refunds by El Paso, but only upon further order of this Commission. Should there not be available any such subsequent refunds in sufficient amount the Commission may permit the company to surcharge its rates for an appropriate period for the purpose of such recoupment.

Good cause appearing,

IT IS ORDERED that within fifteen days after receipt of this order Pacific Gas and Electric Company shall file with this Commission a refund plan satisfactory with this Commission designed to refund to customers the entire amount of \$15,040,735.38 plus accrued interest at the rate of six percent per annum from May 20, 1963 to the date of refund to customers and upon further order of this Commission finding such refund plans to be satisfactory to make refunds in accordance with such plans.

The Secretary is directed to cause a certified copy of this order to be served forthwith upon Pacific Gas and Electric Company and to cause a copy to be mailed to each appearance of record.

The effective date of this order shall be ten days after the date of such service.

Dated at San Francisco, California, this 28th day of May, 1963.

George J. Hoover
President

Frederick B. Hallock

William W. Bennett

Commissioners

Commissioner Evorett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.