

| <u>Class of Service</u> | <u>Amount of Refund*</u> |
|-------------------------|------------------------------|
| General | \$10,671,197 |
| Gas Engine | 603 |
| Resale | 243,067 |
| Firm Industrial | 951,919 |
| Interruptible | 3,201,805 |
| Steam Electric | 89,994 |
| Steam Heat | 45,672 |
| Interdepartment, Other | 10,268 |
| Total | \$15,214,525* |

*Includes interest to July 30, 1963.

Generally, the plan filed by Pacific Gas and Electric Company provides for refunds by check to each firm industrial, gas engine, resale, interruptible and large general service customer considering his usage in the offset rate period, May 10, 1955 to December 31, 1957.^{1/} Such plan further provides that each small general service customer of record on meter reading dates in May 1963 will receive a refund in the form of a credit on his bill based upon his usage during the period February through May 1963.

The plan as filed provides that in each case where a former general service customer, who will receive no refund under the refund plan, inquires regarding a refund, and in each case where a present customer contends that the refund he received under the refund plan is not appropriate, the utility will investigate and make a refund or a refund adjustment wherever appropriate.

The plan as filed also provides:

"Any difference between the amount allocated for refund to customers and the actual amount refunded will be carried over and adjusted through a subsequent refund after applying such difference, including checks uncashed at the end of one year, toward defraying the cost of making refunds."

The Commission has considered the refund plan filed by Pacific Gas and Electric Company on June 13, 1963 and finds that:

1/ This period varies somewhat for interruptible service.

1. Any difference between the amount allocated for refund to customers and the actual amount refunded, including checks returned or uncashed at the end of six months, should be placed in a suspense account for disposition by supplemental order of this Commission.

2. The refund plan filed by Pacific Gas and Electric Company on June 13, 1963, modified to conform with Finding 1 above as set forth in Appendix A hereof, is fair, reasonable, and in the public interest.

3. Pacific Gas and Electric Company should give notice in newspapers of general circulation in its service area of the general provisions of the refund plan hereinafter set forth as Appendix A.

4. The Commission should retain continuing jurisdiction in the matter and require appropriate reports to be filed.

5. Pacific Gas and Electric Company should be directed to make refunds to customers in accordance with the refund plan attached hereto as Appendix A.

6. The amount refunded to the electric department should be placed in a suspense account for disposition upon supplemental order of the Commission.

The Commission recognizes that the Federal Power Commission orders directing the El Paso refund have not become final by reason of pending court reviews and that 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. To avoid loss to the company in the event that 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, or, if such subsequent refunds are not available in sufficient amount, by a surcharge of its rates for an appropriate period for the purpose of such recoupment, but only upon further order of this Commission.

Good cause appearing,

IT IS ORDERED that:

1. Within ninety days after the effective date of this order, Pacific Gas and Electric Company shall refund to customers \$15,040,735.38 plus accrued interest at the rate of six percent per annum from May 20, 1963 to the date refunds begin in accordance with the refund plan attached hereto as Appendix A and made a part hereof.

2. Pacific Gas and Electric Company shall give notice in newspapers of wide general circulation to domestic, commercial and other establishments in its service area of:

- (a) The general provisions of the refund plan hereinafter set forth as Appendix A, within fifteen days after the effective date of this order.
- (b) The notice hereinafter set forth as Appendix B, five and twenty days, respectively, after making initial refunds to customers as directed herein.

3. Within thirty days after making initial refunds to customers as directed herein, Pacific Gas and Electric Company shall file a preliminary written report with this Commission setting forth the total amount refunded to customers segregated by principal classes of service.

4. Within sixty days after making initial refunds to customers as directed herein, and every thirty days thereafter for seven additional months, Pacific Gas and Electric Company shall file written reports with this Commission setting forth separately the

amount refunded to customers including refunds and refunded adjustments made as a result of customer inquiries, the amount of returned checks and, when applicable, the amount of uncashed checks outstanding six months after the month of their issuance. Such reports shall show such amounts segregated by the principal classes of service.

5. The amount refunded to the electric department of Pacific Gas and Electric Company shall be placed in a suspense account for disposition upon supplemental order of this Commission.

6. Pacific Gas and Electric Company shall inform each recipient of a refund either by transmittal letter or by notation on the bill or check reflecting the refund that:

"This refund is pursuant to an order of the California Public Utilities Commission."

7. The Commission retains continuing jurisdiction in the matter.

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 twenty days after the date hereof.

Dated at San Francisco, California, this 20th day of JUNE 1, 1963.

George T. Grover
President
Frederick B. Holoboff
Everett C. [unclear]

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

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PACIFIC GAS AND ELECTRIC COMPANY
REVISED PLAN FOR REFUND TO GAS SERVICE CUSTOMERS
RELATED TO COST OF GAS PURCHASED FROM
EL PASO NATURAL GAS COMPANY

1. Purpose.

The purpose of this plan is to refund to customers of Pacific Gas and Electric Company's Gas Department the refund from El Paso Natural Gas Company pertaining to gas purchased by Pacific Gas and Electric Company during the period April 15, 1955 to December 31, 1957.

2. Definitions.

Offset Period. The period beginning May 10, 1955 and ending December 31, 1957 (at which time contingent offset charges were superseded by rates authorized by Decision 55998), is referred to herein as the offset period.

Current record period. The period beginning with Serial 1 meter readings of the February 1963 billing period and ending with Serial 21 meter readings of the May 1963 billing period.

Refund Month. Month in which the refunds are generally credited to customers' bills.

Large general service customer. Any general service customer who used 400 Mcf (4,000 Ccf) or more during the current record period, or who during said period had a monthly minimum charge in excess of the commodity charge for the first 200 cubic feet.

Small general service customer. Any general service customer during the current record period other than a large general service customer.

3. Total amount to be refunded for the offset period.

The total refund will be equal to the refund received from El Paso Natural Gas by P. G. and E. on May 20, 1963 plus interest thereon to the date refunds are to begin.

4. Allocation of refund.

- a. In determining the allocation of refunds to customers, all sales shall be converted to a nominal 1100 Btu/cu.ft. base. Quantities sold under schedules based on nominal Btu content other than 1100 Btu/cu. ft. will be reduced or increased by the appropriate percentage for the effective schedule in accordance with the Company's Rule 2(c) Sheet No. 3907-G in effect during the offset period. Refunds to individual customers will be determined in accordance with Section 4.d.
- b. The increases in offset charges for base rates at 1100 Btu authorized by Decision 51360 effective May 10, 1955 for firm service and, by Decision 51360 effective May 25, 1955 and Decision 55614 effective October 15, 1957, for interruptible service, are as follows:

Group 1 - 3.56c per Mcf

All firm service and Rate (b) of Schedule G-64,
May 10, 1955 to December 31, 1957 (inclusive)
Interruptible: 0 - 10,000 Mcf all schedules except
G-55 and G-56.
10,001 - 20,000 Mcf of Schedules
G-91 and G-92
May 25, 1955 to October 14, 1957 (inclusive)

Interruptible Service: May 25, 1955 to October 14,
1957 (inclusive)

Group 2 - 3.20c per Mcf

20,001 - 40,000 Mcf of Schedules G-91 and G-92

Group 3 - 3.00c per Mcf

10,001 - 20,000 Mcf of Schedules G-50 and G-50.1

Group 4 - 2.20c per Mcf

40,001 and over Mcf of Schedules G-91 and G-92

Group 5 - 2.00c per Mcf

20,001 - 40,000 Mcf of Schedules G-50 and G-50.1

Group 6 - 1.60c per Mcf

40,001 and over Mcf of Schedules G-50 and G-50.1

Interruptible: October 15, 1957 to December 31,
1957 (inclusive)

Group 7 - 1.55c per Mcf

All interruptible service on Schedules G-50, G-50.1,
G-52, G-53, G-54, G-55, G-91, G-92 and G-93.

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- c. In determining the allocation of refunds due to the above-mentioned groups the basic objective is to refund first to the group which has received the largest offset increase. (Group 1 - 3.56¢ per Mcf). When the refund to this group has reduced the net offset increase to the level of the next highest group (Group 2 - 3.20¢ per Mcf) then the latter group will share in the refund. This process will be continued to the extent that the total amount to be refunded permits. Accordingly, the unrefunded offset charges will be equalized for all groups receiving a refund, and groups receiving no refund will have paid an offset charge less than the equalized amount.

To attain this objective the following calculations shall be made:

The total amount to be refunded, T, shall first be divided by the Mcf in the offset period subject to offset charge sold to Group 1. If the result is greater than .36¢ then a refund of .36¢ per Mcf shall be allocated to Group 1 and the balance of T remaining shall be considered for refund to Groups 1 and 2. For this purpose the balance of T will be divided by the Mcf subject to offset charge sold to Groups 1 and 2.

If the result is .20¢ per Mcf or less a refund of the resulting amount per Mcf shall be made to Group 2 and the same amount per Mcf shall be added to the .36¢ per Mcf allocated to Group 1 for refund. If the result of the division last mentioned exceeds .20¢ per Mcf then a refund of .20¢ per Mcf shall be allocated to Group 1 (in addition to the .36¢ first allocated) and to Group 2. The then

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remaining balance of T shall then be considered for refund to Groups 1, 2, and 3, up to a maximum of .80¢ per Mcf by a calculation similar to that just described for Groups 1 and 2. To the extent that the total amount to be refunded permits, Groups 4, 5, 6, and 7 shall be successively included by a continuation of the process until T is exhausted.

d. Refunds to customers will be allocated as follows:

- (1) To each firm industrial, gas engine, and resale customer, and to each "large general service customer" the refund will be equal to the Mcf used by that customer in the offset period times the appropriate refund rate per Mcf for Group 1, provided that no refund will be made which would result in reducing any amount billed below the applicable monthly or annual minimum charge and provided further that in the event of a change of customer at any location the refund will be made to the customer or customers of record in the offset period.
- (2) To each interruptible customer, the refund will be equal to the Mcf in each group used by that customer during the offset period times the appropriate refund rate per Mcf for the Mcf in each of the refund groups, provided that no refund will be made which would result in reducing any amount billed below the applicable monthly or annual minimum charge, and provided further that in the event of a change of customer at any location the refund will be made to the customer or customers of record in the offset period.
- (3) For each "small general service customer" of record on his regular meter reading date in the last month of the

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"current record period" the volume of gas used during the "current record period" will be determined. For each such customer having had service for less than the full "current record period", the volume of gas used will be adjusted to the basis of the full "current record period".

The rate of refund in cents per Mcf will be determined by dividing the dollars of refund allocated to general service customers by the total adjusted Mcf of sales to such customers for the "current record period". The refund to each such eligible "small general service customer" will be equal to the Mcf for that customer (adjusted if appropriate) for the "current record period" times the applicable calculated rate of refund per Mcf.

5. Credit and payment of refunds.

Refunds will be made as soon as practicable after approval of this refund plan by the CPUC. Refunds to "small general service customers" will be shown as a credit on the customer's bill and designated "Gas Refund Credit" in line with the amount of refund shown on the bill. Refunds to firm industrial, gas engine, resale, interruptible and "large general service customers" will be made by check. An insert advising the customer regarding the refund will be enclosed in the envelope containing the bill or check.

6. Adjustment of refunds upon customer inquiry.

In each case where a former general service customer, who will receive no refund under this refund plan, inquires regarding a refund, and in each case where a present customer contends that the refund he received under this plan is not appropriate, the Company

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plans to investigate and make a refund or a refund adjustment wherever appropriate. However, it is the Company's intent not to make a refund to a former customer who has received or will receive a full refund for the same class of service from another California gas utility as a result of transferring to that utility's system.

7. Cost of making refund.

The plan proposed herein is designed to keep costs of refunding as low as possible by using simplified methods where the refund to individual small general service customers is so small that the loss in accuracy will mean minor departures from the results which would be achieved by more elaborate methods involving disproportionate expense in calculating the refunds and in locating customers. Any difference between the amount allocated for refund to customers and the actual amount refunded including checks uncashed at the end of six months will be placed in a suspense account for disposition by supplemental order of the California Public Utilities Commission.

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CALCULATION OF TOTAL REFUND TO CUSTOMERS
APPLICATION 36635

| | <u>Interest Rates</u> | <u>Amount</u> |
|--------------------------------|---------------------------|-----------------|
| Refund from El Paso, - 5-20-63 | | 15,040,735.38 |
| Interest, 5-20-63 to 5-21-63 | .177419% | 26,685.12 |
| 5-31 to 6-30 | .500000 | 75,203.68 |
| 6-30 to 7-30 | .483871 | 72,777.76 |
| | <hr/> | <hr/> |
| Total Interest | 1.161290% | 174,666.56 |
| Total Refund | | \$15,215,401.94 |

PACIFIC GAS AND ELECTRIC COMPANY
DISTRIBUTION OF REFUND OF \$15,215,402
BY CLASS OF SERVICE
INTEREST CALCULATED TO JULY 30, 1963

| Class of Service | Group | Ref in Group @ 1100 BTU | Offset Collection A-36635 | Refund Rate 1100 BTU | Refund | |
|-------------------|-------|-------------------------------|---------------------------------|----------------------------|---------------------|---------------------|
| | | | | | Amount of Refund | Total of Classes |
| General Service | 1 | 414,898,807 | \$14,703,996 | 2.5724 | \$10,671,197 | \$10,671,197 |
| Gas Engine | 1 | 23,453 | 822 | 2.572 | 603 | 603 |
| Resale | 1 | 9,450,538 | 338,971 | 2.572 | 243,067 | 243,067 |
| Firm Industrial | 1 | 37,010,851 | 1,322,544 | 2.572 | 951,919 | 951,919 |
| Interruptible | 1 | 96,061,807 | | 2.572 | 2,170,787 | |
| | 2 | 2,090,398 | | 2.212 | 46,240 | |
| | 3 | 17,877,101 | | 2.012 | 359,687 | |
| | 4 | 2,364,869 | | 1.212 | 28,662 | |
| | 5 | 11,387,519 | | 1.012 | 115,242 | |
| | 6 | 6,587,231 | | .612 | 40,314 | |
| | 7 | 25,066,334 | | .562 | 140,873 | |
| | | 161,438,259 | 4,811,288 | | 3,201,805 | 3,201,805 |
| Steam Electric | 7 | 16,013,082 | 241,654 | .562 | 89,994 | 89,994 |
| Steam Heat | 1 | 889,244 | | 2.572 | 22,871 | |
| | 3 | 775,998 | | 2.012 | 15,613 | |
| | 5 | 583,491 | | 1.012 | 5,905 | |
| | 6 | 1,623 | | .612 | 10 | |
| | 7 | 226,430 | | .562 | 1,273 | |
| | | | 2,476,786 | 68,772 | | \$ 45,672 |
| Interdept., Other | 1 | 399,216 | 14,494 | 2.572 | 10,268 | 10,268 |
| Total, All Groups | | 641,710,992 | \$21,502,542 | 2.3714 | | \$15,214,525 |

APPENDIX B

PACIFIC GAS AND ELECTRIC COMPANY

PUBLIC NOTICE ON GAS REFUNDS
(NOT LESS THAN 3" X 5" IN SIZE)

"Natural Gas Rate Refunds

Pursuant to order of California Public Utilities Commission, Pacific Gas and Electric Company is making refunds of moneys received from El Paso Natural Gas Company pursuant to order of Federal Power Commission. Refunds to large customers will be by crediting bill or by check for gas used during the period of April 15, 1955 to December 31, 1957. Small general service customers (residential and commercial) will receive credits on bills rendered during (month), 1963 for a pro rata of the refund for the period April 15, 1955 to December 31, 1957, allocated to such customers in proportion to their own usage from February through May, 1963. In the event a small general service customer during the period April 15, 1955 to December 31, 1957 is no longer using gas and/or did not receive a credit on current bills or contends the refund received is not appropriate, inquiry may be made to the company at its local office."

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