

**ORIGINAL**

68560

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 authorizing  
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

In the matter of the application of  
PACIFIC GAS AND ELECTRIC COMPANY for  
authority, among other things, to  
remove the \$2.00 ceiling from the fuel  
oil escalator clause in certain of its  
interruptible gas rate tariff  
schedules.

Application No. 38668

In the matter of the application of  
PACIFIC GAS AND ELECTRIC COMPANY, a  
corporation, for an order granting,  
among other things, authority to in-  
crease certain of its rates and charges  
for natural gas to offset an increase in  
the cost of gas purchased from the El  
Paso Natural Gas Company.

Application No. 40926

(Gas)

In the matter of the application of  
PACIFIC GAS AND ELECTRIC COMPANY for  
authority, among other things, to  
increase its rates and charges for gas  
service.

Application No. 42225

(Gas)

OPINION AND ORDER

Pacific Gas and Electric Company filed its supplemental application herein requesting the Commission to issue its ex parte order authorizing Pacific Gas and Electric Company to:

1. Make the rate reductions proposed in its First Supplemental Application herein estimated to reduce annual revenues by \$4,152,000

based on 1964 estimated volumes of gas, effective for meter readings taken on and after December 30, 1963.

2. Delete all contingent offset charge provisions from its tariffs.

3. Cancel the schedules for natural gas service that are applicable in the service area of former Coast Counties Gas and Electric Company and respectively transfer the rate areas and territory thereof to those Pacific Gas and Electric Company schedules which are identical in rate level except for the minimum charge in excess of the commodity charge for the first 200 cubic feet per month in general service schedules.

4. Revise the minimum charge provisions of the general service and firm industrial schedules and thereby respectively standardize the minimum charge provisions for these two groups of schedules.

5. Revise the gas tariff sheets included in the Index of Rate Areas in order to (1) eliminate references to former Coast Counties Gas and Electric Company schedules, (2) transfer to Schedule No. G-6 references to certain rural rate areas, and (3) show the appropriate schedule for rate areas transferred from former Coast Counties Gas and Electric Company schedules.

6. Revise Rule No. 2 in order to (1) eliminate reference to Coast Counties Gas and Electric Company, and (2) change statements regarding pressure supplied in various other areas.

Under the terms of a Stipulation and Agreement approved by the Federal Power Commission in Dockets G-4769, G-12948, G-17929 and RP60-3, El Paso Natural Gas Company (El Paso), among other things, reduced the demand component of its rates to its California customers by 46.8 cents per month per Mcf of daily contract volume, effective as of November 1, 1963, which will result in a reduction in the cost to Pacific Gas and Electric Company of gas purchased from El Paso. To pass on this cost reduction to its customers, Pacific Gas and Electric Company proposes to reduce its base rates by the amount of 0.640 cents per Mcf.

The following tabulation summarizes applicant's estimate of the effect of its proposed rate reductions on its estimated 1964 revenues segregated by class of service.

To customers other than steam electric plants	\$2,686,000
To steam electric plants	1,355,000
To reduction of operational adjustments made in interruptible rates (pursuant to par. 1(b) in Dec. 51360)	111,000
Total	<u>4,152,000</u>

With the settlement of the El Paso rate cases in Federal Power Commission Dockets G-4769, G-12948, G-17929 and RP60-3 and upon making effective the rate reductions proposed by this Supplemental Application, Pacific Gas and Electric Company states that the contingent offset charge clauses in its tariffs will be of no further use and requests authority to delete such clauses from its tariffs.

Pacific Gas and Electric Company further states that the proposed transfer of customers in service area of former Coast Counties Gas and Electric Company will result in uniform and consistent application of minimum charges to all Pacific Gas and Electric Company's general service customers as well as to firm industrial and interruptible customers and increase charges to 47 general service customers by \$2,251 annually.

With respect to the proposed revision of minimum charge format this change will allegedly be of particular benefit when a rate area is transferred from one heat content level to another.

Upon consideration we find that:

1. Applicant's proposed reductions in base rates are reasonable.
2. Applicant's request to delete all present offset charge provisions in its tariffs coincident with the making effective of the rate reductions hereinafter set forth is reasonable.
3. Applicant's request to revise the minimum-charge format for the general service and firm industrial schedules is reasonable.
4. Applicant's request to delete the former Coast Counties Gas and Electric Company's rate schedules is reasonable; however those existing customers that would experience an increase from such deletion should be served without increase on a deviation basis.
5. Applicant should be required to include in its tariffs as part of its Preliminary Statement an appropriate statement with respect to contingent refunds and rate reductions set forth in Articles IV and V of the El Paso Settlement Agreement.

IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized and directed to file with this Commission on the date hereof or within twenty days thereafter and in conformity with General Order No. 96-A revised tariff schedules to (1) reflect the changes set forth in Exhibit D attached to the First Supplemental Application and (2) include as part of the Preliminary Statement of its gas tariffs the statement set forth in Appendix A attached hereto and made a part hereof, and, upon not less than five days' notice to this Commission and the public to make such reduced rates and revisions in tariffs effective for meter readings taken on and after December 30, 1963.

2. Such existing customers as would receive increases from cancellation of the former Coast Counties Gas and Electric Company's tariffs shall be served without increase on a deviation basis.

3. Pacific Gas and Electric Company shall make an appropriate tariff filing to pass on to customers the reduction to its electric and steam heat departments at the earliest practicable date. To the extent that this reduction lags the reduction in gas rates the refund to the electric and steam heat customers shall be increased by the effect of this lag.

The Secretary of the Commission 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 the date hereof for filing the revised schedule of rates and shall be twenty days after the date hereof in all other respects.

Dated at San Francisco, California, this 9<sup>th</sup> day of DECEMBER, 1963.

William W. Bennett  
President

Everett W. Rogers

George H. Traver

~~Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.~~

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

APPENDIX A

PACIFIC GAS AND ELECTRIC COMPANY  
GAS DEPARTMENT  
CONTINGENT REFUNDS AND RATE REDUCTIONS  
ADDITION TO PRELIMINARY STATEMENT

The settlement agreement dated as of November 1, 1963, which disposed of the then pending El Paso Natural Gas Company Rate Proceedings, provided in Articles IV and V for contingent refunds and rate reductions. The company will refund to its customers any refund received from El Paso pursuant to Article IV of the settlement agreement applicable to gas received and delivered to its customers prior to the first date on which a rate increase sought by El Paso becomes effective on or after November 1, 1965. Likewise, the company will reduce its rates to reflect the effect on the company of any rate reduction made effective by El Paso pursuant to Article V of the settlement agreement prior to the earlier of (1) January 1, 1969, or (2) the first date on which a rate increase sought by El Paso becomes effective on or after November 1, 1965. The matter of such rate reductions relating to Article V after January 1, 1969, will be subject to review between the company and the Commission.