

ORIGINAL

Decision No. 66757

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHWEST GAS CORPORATION for )  
authority to increase its present )  
rates and charges for natural gas )  
service by such amounts as may be )  
necessary to offset proposed )  
increases in the cost of gas. )

Application No. 39621  
(First Supplemental  
Filed January 29, 1964)

In the Matter of the Application of )  
SOUTHWEST GAS CORPORATION for a )  
general increase in gas rates under )  
Section 454 of the Public Utilities )  
Code. )

Application No. 40743  
(Second Supplemental  
Filed January 29, 1964)

In the Matter of the Application of )  
SOUTHWEST GAS CORPORATION for an )  
increase in natural gas rates. )

Application No. 42755  
(First Supplemental  
Filed January 29, 1964)

OPINION AND ORDER

Southwest Gas Corporation by its supplemental application herein seeks authority to pass on to its customers rate reductions approximating \$15,460, based on usage for the twelve months ended November 30, 1963, flowing to it through Pacific Gas and Electric Company from settlement of El Paso Natural Gas Company rate proceedings.

Applicant proposes a uniform reduction in rates of seven-tenths of a cent per thousand cubic feet of gas. Its proposed rates are attached to the supplemental application as Exhibit B. Based on gas sales for the twelve months ended November 30, 1963,

applicant estimates that its proposed rate reductions will result in the following annual reduction in customer charges:

<u>Class of Customers</u>	<u>Reduction</u>
Residential and Small Commercial	\$ 8,668
Large Commercial	2,055
Interruptible	448
Gas Engines	399
Military	<u>3,892</u>
Total	\$15,462

The rate reduction from Pacific Gas and Electric Company to Southwest Gas Corporation became effective on December 1, 1963 but the rate reduction of Southwest to its customers will not become effective until several months later. Southwest proposes to refund to its customers the resulting difference in charges from December 1, 1963 until its new rates become effective, together with interest at the rate of 4 percent per annum under a refund plan to be submitted for Commission approval.

Applicant also requests authority to remove the contingent offset charge provisions from its present tariff schedules and to add to the preliminary statements applicable to its California tariff schedules Section 5, Contingent Refunds and Rate Reductions, set forth in Exhibit C attached to its supplemental application.

Upon consideration we find that:

1. Applicant's proposed reductions in 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 attached to its supplemental application as Exhibit B is reasonable.

3. Applicant's proposed addition to the preliminary statements of its California tariff schedules set forth in Exhibit C attached to its supplemental application is reasonable.

4. The reduction in the cost of gas to applicant for the period December 1, 1963 to the date the reductions in rates herein authorized and ordered become effective should be placed in a suspense account subject to refund to customers with interest at the rate of 4 percent per annum until disposition thereof under a refund plan to be filed by Southwest and approved by this Commission.

IT IS ORDERED that:

1. Southwest Gas Corporation is authorized and directed to file with this Commission, within five days after the effective date of this order and in conformity with General Order No. 96-A, revised schedules of rates to (a) reflect the schedules of rates set forth in Exhibit B attached to the supplemental application herein, (b) include as part of the preliminary statements of its California tariff schedules the statement set forth in Exhibit C attached to the supplemental application herein, and (c) delete and cancel all present contingent offset charge provisions from its tariffs and, upon not less than five days' notice to the Commission and to the public, to make such reduced rates and revisions in tariff schedules effective for meter readings taken on and after March 1, 1964.

2. Southwest Gas Corporation shall account for the amount of the reduction in its cost of gas, for the period December 1, 1963 to the date the reductions in rates herein authorized and ordered

become effective, in a suspense account subject to refund to customers with interest at the rate of 4 percent per annum until disposition thereof under a refund plan to be filed by Southwest Gas Corporation and approved by this Commission. Said amount with accrued interest shall be reported by applicant monthly in writing to the Commission until disposition thereof.

The Secretary of the Commission is directed to cause a certified copy of this order to be served forthwith upon Southwest Gas Corporation 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 4th day of February, 1964.

William W. Burnett  
President

Robert W. Regan

George F. Trover

Frederick B. Haliloff  
Commissioners

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