

Decision No. 66883**ORIGINAL**

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
 (Second Supplemental)

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
 (Third Supplemental)

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

Application No. 42755
 (Second Supplemental)

ORDER DIRECTING SOUTHWEST GAS CORPORATION
 TO MAKE REFUNDS TO ITS CALIFORNIA
 CUSTOMERS IN ACCORDANCE WITH REFUND PLAN

Pursuant to Decision No. 66506 dated December 18, 1963 in the above-entitled matters, Southwest Gas Corporation (Southwest) has notified this Commission of the receipt (on February 3, 1964) of a gas refund of \$208,577.07 from Pacific Gas and Electric Company (Pacific) arising out of the settlement of the El Paso Natural Gas Company rate cases and Commission orders relating thereto. In addition, pursuant to said Decision No. 66506, Southwest has filed with this Commission a refund plan designed to refund to its California customers: (1) the full amount received (\$208,577.07) plus interest at the rate of four percent per annum

from February 3, 1964 to the date of refund to customers;^{1/} (2) the undisbursed balance of refunds heretofore received by Southwest from Pacific amounting to \$443.00; and (3) certain additional monies in the amount of \$7,170.00 arising out of the fact that Southwest will not until March 1, 1964 pass along to its ratepayers the reduction in rates to it which Pacific made effective on December 1, 1963. Thus, the total amount to be refunded by Southwest to its California customers at this time is \$216,792.63.

The refund plan as filed by Southwest is similar to that heretofore authorized by Decision No. 66232, dated October 29, 1963. Under the plan as filed, customers are segregated into two types for refund purposes, Type 1 and Type 2. A Type 1 customer includes (1) any customer or former customer of Southwest who received and paid for gas from Southwest during the period January 1, 1958 through November 30, 1962 under any filed Southwest rate schedule except Rate Schedule No. G-1, and (2) any customer or former customer of Southwest who received and paid for gas from Southwest during the period January 1, 1958 through November 30, 1962 under Rate Schedule No. G-1 to whom a monthly minimum charge in excess of \$3.50 was applicable. The plan provides for refunding by check to a Type 1 customer considering his usage during the period January 1, 1958 through November 30, 1962. It is estimated that \$91,729 will be refunded to Type 1 customers.

^{1/} Such interest is estimated in the amount of \$602.56.

A Type 2 customer is defined as any person, not qualifying as a Type 1 customer, who is an active general natural gas service customer of Southwest, purchasing gas on Southwest's Schedule No. G-1 during the period in which Southwest disburses the monies as the account in question is billed. Refund to a Type 2 customer, under the plan, would be made in the form of a credit on his bill based upon his usage billed during the month of February 1964. It is estimated that \$125,064 will be refunded to Type 2 customers.

The Commission finds:

1. The refund plan filed by Southwest Gas Corporation on February 25, 1964 is fair, reasonable and in the public interest.

2. Southwest Gas Corporation should be directed to make refunds to its customers in California in accordance with the refund plan attached hereto as Appendix A.

3. Southwest Gas Corporation should give notice in newspapers of general circulation in its service area in California of the general provisions of the refund plan hereinafter set forth as Appendix A.

4. Southwest Gas Corporation should be relieved from filing certain reports showing the increase in revenues realized from offset gas rates and the increase in cost of gas purchases as specified in the following decisions:

<u>Ordering Paragraph</u>	<u>Decision No.</u>	<u>Date</u>	<u>Application No.</u>
2.e.	56061	Jan. 14, 1958	39621
2.e.	59032	Sept. 22, 1959	40743
2.e.	61253	Dec. 28, 1960	42755

IT IS ORDERED that:

1. Within ninety days after the effective date of this order, Southwest Gas Corporation shall refund to its customers in California not less than \$216,792.63 in accordance with the refund plan attached hereto as Appendix A and made a part hereof.

2. Southwest Gas Corporation shall give notice in newspapers of wide general circulation to domestic, commercial and other establishments in its California service area of the general provisions of the refund plan hereinafter set forth as Appendix A, within fifteen days after the effective date of this order.

3. Within sixty days after making initial refunds to customers as directed herein, and every sixty days thereafter for eight additional months, Southwest Gas Corporation shall file written reports with this Commission setting forth separately the amount refunded to customers, 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 principal classes of service.

4. Southwest Gas Corporation 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."

5. Southwest Gas Corporation henceforth is relieved from filing the reports specified in ordering paragraph 2.e. of

Decision No. 56061, ordering paragraph 2.e. of Decision No. 59032 and ordering paragraph 2.e. of Decision No. 61253.

The Secretary of the Commission is directed to cause a certified copy of this order to be served forthwith upon Southwest Gas Corporation.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 25th day of February, 1964.

William L. Bennett
President

W. L. Mitchell

Everett W. Page

George H. Hoover

Friedrich B. Holhoff
Commissioners

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SOUTHWEST GAS CORPORATION

PLAN FOR DISBURSEMENT TO CALIFORNIA
GAS SERVICE CUSTOMERS OF MONIES FLOWING
FROM FEDERAL POWER COMMISSION ORDERS
IN DOCKET NOS. G-12948, G-17929 & RP 60-3

1. Purpose

The purpose of this plan is to disburse to California customers of Southwest Gas Corporation ("Southwest" herein) (i) the monies refunded to Southwest by Pacific Gas and Electric Company originating with El Paso Natural Gas Company and pertaining to gas purchased during the period from January 1, 1958 to November 30, 1962, and (ii) certain additional monies arising out of the fact that Southwest did not pass along to its rate payers the reduction in rates to it which became effective December 1, 1963 until March 1, 1964.

2. Definitions

Source Period

The period from January 1, 1958 through November 30, 1962, inclusive.

Current Record Period

The month of February, 1964.

Disbursement Period

The period during which Southwest disburses the monies.

Type 1 Customer

Type 1 Customers include (i) any customer or former customer of Southwest who received and paid for gas from Southwest during the source period under any filed Southwest rate schedule except Rate Schedule No. G-1, and (ii) any customer or former customer of Southwest who received and paid for gas from Southwest during the source period under Rate Schedule No. G-1 to whom a monthly minimum charge in excess of \$3.50 was applicable.

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Type 2 Customer

Any person, not qualifying as a Type 1 Customer, who happens to be an active general natural gas service customer of Southwest, purchasing gas on Southwest's Rate Schedule No. G-1 at such time during the disbursement period as the account in question is billed.

Commission

The California Public Utilities Commission.

3. Eligibility

All Type 1 and Type 2 Customers of Southwest are eligible to receive disbursements, to the extent provided in this plan.

4. Total Amount to be Disbursed

The total amount which Southwest will disburse will be equal to the refund received from Pacific Gas and Electric Company plus interest thereon at the rate of 4% per annum to the date disbursement is to begin.

5. Disbursement Formula

Disbursements will be made to all Type 1 Customers in direct proportion to the amount of gas purchased and paid for by them during the Source Period. Monies will be allocated to purchases made by Type 1 Customers at the rate of 2.522¢ per Mcf. The remainder of the monies will be allocated to the Type 2 Customers as a group.

6. Disbursements to Type 1 Customers

Southwest will compute the total amount per Mcf allocable to gas purchased by Type 1 Customers during the Source Period and will disburse to each Type 1 Customer, on the basis of his usage during the Source Period, his pro rata portion of the total sum allocated to Type 1 Customers, less the amount of any delinquent account of any such Type 1 Customer to Southwest. Southwest, as promptly as possible after the approval of this plan by the Commission, will make a check to each Type 1 Customer and mail it to him forthwith together with a suitable explanatory note.

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7. Disbursements to Type 2 Customers

Disbursements to all Type 2 Customers will be made in the form of credits applied to March, 1964 billings, based on usage billed during the Current Record Period to all Type 2 Customers billed on Southwest's Rate Schedule No. G-1. The amount credited will be shown separately on the customer's bill and designated "Gas Refund Credit".

8. Cost of Disbursement

The plan proposed herein is designed to keep costs of disbursing this refund to Southwest's customers as low as possible by using simplified methods where the disbursement 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 disbursement and in locating customers. Any difference between the amount allocated for disbursement to customers and the actual amount disbursed, including checks uncashed at the end of six months, will be placed in a suspense account for disposition by supplemental order of the Commission.