

ORIGINAL

Decision No. 58634

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY for a general increase in gas rates under Section 454 of the Public Utilities Code.

Application No. 34975

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY for a general increase in gas rates under Section 454 of the Public Utilities Code.

Application No. 38787

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY for an increase in gas rates under Section 454 of the Public Utilities Code to offset the rate increase granted to applicant's supplier Pacific Lighting Gas Supply Company, by Decision No. 57598.

Application No. 40647

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY for an increase in gas rates to offset the rate increase proposed by applicant's supplier, El Paso Natural Gas Company, in Docket No. G-17929 before the Federal Power Commission.

Application No. 40957

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY for a general increase in gas rates.

Application No. 41860

ORDER DIRECTING REFUNDS

Southern California Gas Company (Southern) has filed a plan to refund \$657,829 to its gas customers, allocated to classes of service as follows:

<u>Class of Service</u>	<u>Amount of Refund</u>
Firm Natural Gas--300 Mcf and Under	\$277,738
Firm Natural Gas--Over 300 Mcf	34,216
Gas Engine	4,798
Regular Interruptible	119,474
Steam-Electric and Cement	189,753
Resale	31,850
Total	<u>657,829</u>

The \$657,829 total amount refundable reflects a refund of \$471,746 as of December 31, 1964 from Pacific Lighting Gas Supply Company and the unrefunded portion of three prior refunds in the amount of \$186,083 as of December 31, 1964, directed by Decisions Nos. 65609 and 66500 and Resolution No. G-1231. The \$657,829 amount resulted from a refund and rate reduction by Transwestern Pipeline Company to Pacific Lighting Gas Supply Company identified with the outlawing of the Texas dedicated reserves tax.

Southern proposes that refunds to the "300 Mcf and under" group of firm natural gas customers be made to active customers only as a uniform credit to April 1965 bills. For other customer groups, Southern proposes to make refunds to active customers as a credit to their April 1965 bills and to make refunds to former customers (exclusive of the "300 Mcf and under" group of firm natural gas service customers) by check sent to the last known address.

Upon consideration, the Commission finds:

(1) The refund plan as proposed by Southern is reasonable and in the public interest.

(2) The special records and reports requirements of Decisions Nos. 65609 and 66500 and Resolution No. G-1231 have accomplished their intended purposes, are not required for the future and should be discontinued.

The Commission concludes that an order should be issued directing refunds as hereinafter provided.

IT IS ORDERED as follows:

1. Within ninety days after the effective date of this order, Southern California Gas Company shall refund not less than \$657,829 to its customers in accordance with the refund plan proposed by Southern and attached hereto as Appendix A.

2. Within twenty days after completing refunds as provided in 1. above, Southern California Gas Company shall file a written report with the Commission setting forth the total amount refunded pursuant to this order segregated by major classes of service.

3. Southern California Gas Company is relieved henceforth from the special records and reporting requirements of Decisions Nos. 65609 and 66500 and Resolution No. G-1231.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 24th day of FEBRUARY, 1965.

Frederick R. Holbrook
President.

John S. McMillin

George L. Crover

W. J. ...

William ...
Commissioners.

APPENDIX A
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Southern California Gas Company received a refund from Pacific Lighting Gas Supply Company in the amount of \$471,746.29 as of December 31, 1964. This refund resulted from a refund by Transwestern Pipeline Company to Pacific Lighting Gas Supply Company and a rate reduction by Transwestern as of November 1, 1964, both identified with the outlawing of the Texas dedicated reserves tax.

As of December 31, 1964, Southern California Gas Company was holding \$186,082.46, representing the unrefunded portions of three prior refunds, as follows:

July-August 1963 Refund (Dec. 65609)	\$140,690.56
January 1964 Refund (Dec. 66500)	37,928.87
June 1964 Refund (Res. G-1231)	<u>7,463.03</u>
Total	\$186,082.46

The \$471,746.29 refund from Pacific Lighting Gas Supply Company is applicable to the period September 1961 through December 1964. The unrefunded balance from prior refunds is identified with various periods subsequent to April 1955, but is not assignable to any particular group of customers.

It is proposed that the total refundable amount of \$657,829 be allocated to classes of service in proportion to total Mcf sales during the period September 1, 1961 through December 31, 1964. It is also proposed that the amount thus allocated to firm natural gas service be further allocated to the "300 Mcf per month and under" and the "over 300 Mcf per month" customer groups in the same proportions that the amount of the Company's January 1964 refund allocated to firm natural gas service customers was apportioned to these two groups. The foregoing allocations result in assigning the following amounts of refund to the several customer groups.

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<u>Customer Group</u>	<u>Allocation Percentage</u>	<u>Amount of Refund</u>
Firm Natural Gas—300 Mcf and Under	42.2204%	\$277,738
Firm Natural Gas—Over 300 Mcf	5.2014	34,216
Gas Engine	0.7293	4,798
Regular Interruptible	18.1618	119,474
Steam-Electric and Cement	28.8454	189,753
Resale	<u>4.8417</u>	<u>31,850</u>
Total	100.0000%	\$657,829

There are approximately 1,880,000 customers in the "300 Mcf and under" group, so the \$277,738 allocated to that group represents less than 15 cents per customer. In view of the small size of this refund and the cost that would be involved in attempting to make a proportional refund to these many customers, it is proposed to make the refund to active customers only as a uniform credit to April 1965 bills, in the amount of 15 cents per customer.

To determine the refunds to individual customers in other groups, it is proposed to apply the appropriate refund factor listed below to the refund the customer received in January 1964 pursuant to Decision No. 66500. The factors represent, for each customer group, the ratio of the amount currently refundable to the amount of January 1964 refund.

<u>Customer Group</u>	<u>Refund Factor</u>
Firm Natural Gas (Over 300 Mcf)	1.823%
Gas Engine	1.715%
Regular Interruptible	1.905%
Steam-Electric and Cement	2.159%

It is proposed to make the refunds to active customers as a credit to their April 1965 bills and to make the refunds to former customers (exclusive of the "300 Mcf and under" group of firm natural gas service customers) by check sent to the last known address.

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When the refund is credited to the customer's bill, the total amount of the refund will be shown on the bill. Both present customers who receive a refund credit and former customers who receive a refund check will also receive a bill insert which will contain the following statement:

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

The Company's January 1964 refund covered periods extending from January 1, 1958 through October 31, 1963. It is recognized that approximately \$165,000 of the current refund received from Pacific Lighting Gas Supply Company relates to the period November 1, 1963 through December 31, 1964, and that under the proposed plan a large firm natural gas, gas engine, or regular interruptible customer who did not take service prior to November 1, 1963 from either Southern California Gas Company or Southern Counties Gas Company would not receive a refund. If any such new customer inquires about a refund, the Company will calculate a refund for such customer by applying to his total Mcf consumption during the 14-month period November 1963 through December 1964 the factor obtained by dividing \$165,000 by the Company's total Mcf sales during that period. That factor is .03 cents per Mcf. Because the total of such refunds is expected to be very small, no portion of the \$657,829 has been reserved for them.