

Decision No. 68635

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Application No. 35742

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

Application No. 38211

In the Matter of the Application of SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA for an increase in gas rates under Section 454 of the Public Utilities Code to offset the higher price to be paid to its supplier, El Paso Natural Gas Company.

Application No. 40958

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

Application No. 41859

ORDER DIRECTING REFUNDS

Southern Counties Gas Company of California (Southern Counties) has filed a plan to refund \$301,165 to its gas customers, allocated to classes of service as follows:

<u>Class of Service</u>	<u>Amount of Refund</u>
General Service - 300 Mcf and Under	\$ 98,687
General Service - Over 300 Mcf	6,299
Gas Engine	1,205
Firm Industrial	7,830
Regular Interruptible	29,364
Steam Plants	89,958
Wholesale	<u>67,822</u>
Total	301,165

The \$301,165 total amount refundable reflects a refund of \$310,052 as of December 31, 1964 from Pacific Lighting Gas Supply Company less a net over-refund as of December 31, 1964, of \$8,887 from three prior refunds directed by Decisions Nos. 65610 and 66501 and Resolution No. G-1232. The \$310,052 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 Counties proposes that refunds to the "300 Mcf and under" group of general service customers be made to active customers only as a uniform credit to April, 1965 bills. For other customer groups, Southern Counties 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" general service customers) by check mailed to the last known address.

Upon consideration, the Commission finds:

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

(2) The special records and reports requirements of Decisions Nos. 65610 and 66501 and Resolution No. G-1232 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 Counties Gas Company of California shall refund not less than \$301,165 to its customers in accordance with the refund plan proposed by Southern Counties and attached hereto as Appendix A.

2. Within twenty days after completing refunds as provided in 1 above, Southern Counties Gas Company of California 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 Counties Gas Company of California is relieved henceforth from the special records and reporting requirements of Decisions Nos. 65610 and 66501 and Resolution No. G-1232.

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 B. Hallock
President
John E. Mitchell
George T. Driver
Negotiator
William A. DeWitt
Commissioners

APPENDIX A
Page 1 of 4

REFUND PLAN

Southern Counties Gas Company received a refund from Pacific Lighting Gas Supply Company in the amount of \$310,052 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 Counties Gas Company had over-refunded \$8,887 which represents the net for three prior refunds after reduction of undeliverable and uncashed refund checks as shown by the following:

	Refund Over (Under)	Undelivered or Uncashed Checks	Net Over (Under) Refund
July-August 1963 (Dec. 65610)	(\$15,074)	\$14,035	(\$29,109)
January 1964 (Dec. 66501)	41,285	13,685	27,600
June 1964 (Res. G-1232)	<u>10,879</u>	<u>483</u>	<u>10,396</u>
Total	<u>\$37,090</u>	<u>\$28,203</u>	<u>\$ 8,887</u>

The \$310,052 refund from Pacific Lighting Gas Supply Company is applicable to the period September 1961 through December 1964. The net over-refunded amount involves all three previous refunds, but is not assignable to any particular group of customers.

It is proposed that the net amount refundable, \$301,165, be allocated to the various classes of service in proportion to the total Mcf sales during the period September 1, 1961 through December 31, 1964. It is also proposed that the amount allocated to General Service be further allocated to the "300 Mcf per month and under" and the "over 300 Mcf per month" customer groups in the same proportion as used in the January 1964 refund.

APPENDIX A
Page 2 of 4

The above method results in the following allocations by class of service:

<u>Class of Service</u>	<u>Allocation Percentage</u>	<u>Amount of Refund</u>	
General Service	34.86%	\$104,986	(1)
Gas Engine	.40%	1,205	
Firm Industrial	2.60%	7,830	
Regular Interruptible	9.75%	29,364	
Steam Plants	29.87%	89,958	
Wholesale	<u>22.52%</u>	<u>67,822</u>	
Total	100.00%	\$301,165	

(1) The total General Service, \$104,986, is further allocated based on the ratios used for the January 1964 refund pool as follows:

300 Mcf and under	94.0%	\$ 98,687
Over 300 Mcf	<u>6.0%</u>	<u>6,299</u>
Total	100.0%	\$104,986

Refund to General Service Customers -- 300 Mcf and Under

There are approximately 970,000 accounts in this class of service, so the \$98,687 allocated to this group represents a refund of approximately 10 cents per customer. In view of the small amount of this refund and the cost involved in attempting to make a proportional refund to this class of service, we propose to make the refund to active customers as a uniform reduction to April bills in the amount of 10 cents per customer.

Customers will receive a notice with their bill which will indicate the amount of the refund and include the following statement:

THIS REFUND IS PURSUANT TO AN ORDER OF THE
CALIFORNIA PUBLIC UTILITIES COMMISSION.

APPENDIX A
Page 3 of 4

Refunds to Other Classes of Service -- Active and Inactive

It is proposed that the amount to be refunded to these customers be in direct proportion to the amount each received in the January 1964 refund.

The refund factors to be applied to the amounts refunded in January 1964 are as follows:

<u>Class of Service</u>	<u>Refund Factor</u>
General Service--Over 300 Mcf	1.528%
Gas Engine	1.204%
Firm Industrial	1.612%
Regular Interruptible	1.396%
Steam Electric	2.720%
Wholesale	1.461%

Refunds to active customers will be applied as credits to monthly bills and will be shown as a separate item on the bill. Refunds to closed accounts will be made by check mailed to the last known address.

The following statement will be shown on the face of the bills mailed to active customers and in the advice section of checks mailed to inactive customers:

THIS REFUND IS PURSUANT TO AN ORDER OF
THE CALIFORNIA PUBLIC UTILITIES COMMISSION.

The above statement is identical to the one used for these classes of service for the three previous refunds.

The January 1964 refund covered the period extending from January 1, 1958 through October 31, 1963. It is recognized that approximately \$108,518 of the current refund received from Pacific Lighting Gas Supply Company relates to the period November 1963 through December 1964; also that, under the proposed plan, a large General Service, Gas Engine, Firm Industrial, or Regular Interruptible customer who did not take service prior to November 1963

APPENDIX A
Page 4 of 4

would not receive a refund. It is our intention that, if any such customer inquires about a refund, we will calculate one for him by applying to his total Mcf consumption for the period November 1963 through December 1964 the factor obtained by dividing \$108,518 by the Company's total Mcf sales during that period. The factor is .03 cents per Mcf.

The total of such refunds would be very small and, therefore, we do not propose that any portion of the total amount to be refunded be reserved for these customers.