

ORIGINAL

Decision No. 76066

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PACIFIC LIGHTING SERVICE COMPANY for)
authority to include in its tariff)
for resale natural gas service a)
limited rate adjustment provision)
for purchased gas cost based on)
Federal Power Commission Dockets)
Nos. RP69-20 and RP69-27.)

Application No. 51053
(Filed May 5, 1969)

(Appearances are listed in Appendix C)

O P I N I O N

Consolidation

By Application No. 51053 and Applications Nos. 51054 and 51055, filed concurrently, Pacific Lighting Service Company (PLSC) and its affiliates, Southern Counties Gas Company of California (SoCounties) and Southern California Gas Company (SoCal) seek limited term authority under which certain tariff provisions will enable them to file changes in their gas rates to offset changes in their costs of purchased gas. Such offsets could reach \$15,954,000 in terms of additional annual revenue requirements of the distributing companies, SoCal and SoCounties, based on test year 1969, and stem from Federal Power Commission (FPC) actions in Dockets Nos. RP69-20 and RP69-27. These applications have been consolidated for purposes of hearing and companion decisions.

Five days of public hearing were held in Los Angeles before Commissioner Morrissey and/or Examiner Main during the period of June 19, 1969, through July 1, 1969. Oral argument was presented on July 7, 1969, and these matters were submitted for decision on that date with provision for certain supplemental information to be received on or before July 21, 1969; that information has been included in the record herein.

Applicant's Request

By the above entitled application Pacific Lighting Service Company requests (1) authority to incorporate in its tariffs under which it sells gas to its affiliates, SoCal and SoCounties, a limited rate adjustment provision for purchased gas cost based on FPC Docket Nos. RP69-20 and RP69-27 and (2) approval of its method of calculating and distributing possible refunds to its affiliates, which could result upon final determination of just and reasonable rates under said dockets.

The limited rate adjustment provision, if authorized, would constitute authority within applicant's tariffs to file changes in its gas rates upon changes within prescribed limits in El Paso's and Transwestern's rates. Such changes in the cost of out-of-state gas also affect applicant's cost of California-source gas purchased under the so-called border-price formula. By this "tracking" of changes in purchased gas costs, applicant's rates for gas service could be increased to yield up to \$5,705,000 per year of additional revenues based on test year 1969. Refunds, if any emanate from these dockets, are to be made by applicant in proportion to the increases in rates made to its customers, SoCal and SoCounties.

Docket Nos. RP69-20 and RP69-27

By its orders issued in Docket No. RP69-20 on March 20, 1969, and in Docket Nos. RP69-6 and RP69-20 on June 3, 1969, the FPC authorized El Paso Natural Gas Company (El Paso) to increase its rates so as to track certain producer increases. Under this authority El Paso may adjust its rates through the period ending December 31, 1969, to reflect changes in the rates of its producer-suppliers located in the Permian supply area up to an aggregate increase of 1.46¢ per Mcf and of its producer-suppliers located in the San Juan supply area up to an aggregate increase of 0.26¢ per Mcf thus yielding a total potential increase in El Paso rates of 1.72¢ per Mcf.

Similar authority was granted to Transwestern Pipeline Company (Transwestern) by FPC Order of May 9, 1969, in Docket No. RP69-27. Accordingly, Transwestern may adjust its rates through the period ending December 31, 1969, to reflect changes in the rates of its producer-suppliers in certain supply areas up to an aggregate increase of 1.45¢ per Mcf.

The rate changes filed by El Paso and Transwestern, pursuant to these FPC Orders, shall not be in increments smaller than 0.1¢ per Mcf, and are subject to refund to the extent they exceed the level of just and reasonable rates finally determined by the FPC. The increases so filed may be placed in effect upon 30 days' notice.

Applicant purchases gas from Transwestern, and SoCal and SoCounties purchase gas from El Paso. The increased cost of Transwestern gas, and the increased cost of gas purchased by

SoCal and SoCounties from El Paso, will also increase the price which applicant will be required to pay for the bulk of its California-source gas. Transwestern and El Paso may increase their rates by up to 1.45¢ per Mcf and 1.72¢ per Mcf as stated and the attendant increase in cost of California-source gas is up to 0.935¢ per Mcf based on test year 1969.

The June 3, 1969 order as it applies to Docket No. RP69-6 (a general rate increase proceeding under which the increased rates filed by El Paso became effective, subject to refund, on March 7, 1969) has the effect of adjusting El Paso's March 7, 1969 rate levels downward by \$0.079 (equivalent to 0.26¢ per Mcf at 100% load factor) per Mcf of demand to its California customers. This downward adjustment in El Paso rates flows through into applicant's gas rates pursuant to applicant's tariff provisions covering contingent offset charges.

The record herein demonstrates that California interests continue to be capably advocated in proceedings before the Federal Power Commission by the Commission's staff, representing the People of the State of California and this Commission, and that the applicant and its affiliates have actively cooperated therein in accordance with the directions of this Commission. California's goals have been, and continue to be, to obtain adequate supplies of out-of-state gas at the lowest reasonable rates.

Applicant's Position

Applicant's basic position is that its present level of earnings is not sufficient to absorb such higher costs as may result from El Paso RP69-20 and Transwestern RP69-27 filings and that its rates should be increased to offset such higher costs as

they occur. Thus, the so-called "tracking" aspects of these FPC rate proceeding dockets, which subject applicant to frequent changes in its cost of purchased gas on short notice, call for procedures before this Commission under which adjustments to applicant's rates would be processed expeditiously. It is toward this end that applicant proposes its adoption of "tracking": a limited rate adjustment provision for purchased gas costs based on FPC Docket Nos. RP69-20 and RP69-27 to be included within its tariff schedules.

Applicant points out that the Commission has recently reviewed revenues, expenses, rate base and rate of return of applicant, SoCal and SoCounties, collectively designated the Pacific Lighting Utility System. In Decisions Nos. 75428 and 75429 dated March 18, 1969 in Applications Nos. 50714 and 50713, the Commission made the following finding:

"...Similarly, we find the operational results, after adjustment for the Transwestern Supply, of the Pacific Lighting Utility System for test year 1969 will not yield at proposed rates a rate of return in excess of 6.90 percent on a depreciated rate base of \$821,312,000. We also find that after further downward adjustment for the expected wage increase that the Pacific Lighting Utility System rate of return at proposed rates will not exceed 6.70 percent."

However, in contrast to the rates proposed in Applications Nos. 50713 and 50714 the changes in rates requested by Pacific Lighting Service Company, then the Pacific Lighting Service and Supply Company, in Application No. 50715 were not authorized. In Decision No. 75802 dated June 17, 1969 the Commission found that delay of the Transwestern 110 M²cf/d supply increment sought under

FPC Docket No. CP68-181 rendered applicant's proposed changes in demand charges under its Schedule No. G-62 premature and that the level of its present rates, in view of offsetting effects of its proposed changes in its commodity rates under said schedule, did not require change.

The relief applicant seeks herein is intended to protect its present earnings position. If such relief is authorized, the Pacific Lighting Utility System rate of return will be what it would have been if the system's cost of purchased gas remained fixed at the level set forth in the recent showings in Applications Nos. 50713, 50714 and 50715.

Revenue Requirements

In Table I, which follows, revenues required to offset increases in cost of purchased gas are developed. The average rate increase required per Mcf of sales to offset gas cost increases is also developed and the impact on rates of return of not offsetting gas cost increases is shown.

TABLE 1
Development of Revenues Required to Offset
Increases in Cost of Purchased Gas
Test Year 1969

Supplier or Item	Gas Purchases M ² cf	Part A - Effect of Filed and Effective El Paso and Transwestern Rate Increases					Part B - Effect of Maximum Potential (Remaining) El Paso and Transwestern Rate Increases				
		¢/Mcf	PLSC	SoCal	SoCounties	System	¢/Mcf	PLSC	SoCal	SoCounties	System
El Paso	580,724	0.870 M\$		M\$ 2,927	M\$ 2,125	M\$ 5,052	0.850	M\$	M\$ 2,860	M\$ 2,076	M\$ 4,936
Transwestern	272,735	0.780	2,127			2,127	0.670	1,828			1,828
California Sources	186,429	0.483	900			900	0.453	844			844
Total Cost of Gas Increase	1,039,888	0.777	3,027	2,927	2,125	8,079	0.732	2,672	2,860	2,076	7,608
PLSC Increase to SoCal & SoCounties ^a (3,030)				1,755	1,275	-		(2,675)	1,550	1,125	
Total SoCal & SoCounties Gas Cost Incr. -				4,682	3,400	8,082		-	4,410	3,201	7,611
<u>Total Offset Rev. Required</u>				<u>4,760</u>	<u>3,456</u>	<u>8,216</u>			<u>4,484</u>	<u>3,254</u>	<u>7,738</u>
Total Sales - M ² cf				590,934	429,183	1,020,117			590,934	429,183	1,020,117
Avg. Rate Increase Req. per Mcf of Sales				0.805¢	0.805¢	0.805¢			0.758¢	0.758¢	0.758¢
Rate Base				M\$101,122	M\$451,963	M\$268,227			M\$101,122	M\$451,963	M\$268,227
Reduction in Return Due to Gas Cost Increases				1,329	1,285	933			1,173	1,255	911
Reduction in Rate of Return Due to Gas Cost Increases ^b				1.31%	0.28%	0.35%			1.16%	0.28%	0.34%
Reduction in Rate of Return if PLSC Gas Cost Increases Flowed Thru to SoCal & SoCounties				-	0.45%	0.56%			-	0.43%	0.52%

^a Includes allowance for franchise fees
^b Includes allowance for franchise fees and uncollectibles

The foundation underlying Table I is the summary of earnings of Pacific Lighting Utility System, SoCal and SoCounties for test year 1969 as set forth in Decisions Nos. 75428 and 75429 dated March 18, 1969 in Applications Nos. 50714 and 50713.

Actual Increases

From Part A of Table I, it may be seen that the filed and effective Transwestern rate increases cause an increase of \$2,127,000 in cost of gas from this source and together with the filed and effective El Paso rate increases cause an increase of \$900,000 in the cost of California-source gas. After allowance for franchise fees, \$3,030,000 in additional gross revenues, \$1,755,000 from SoCal and \$1,275,000 from SoCounties, is required to offset the effect of such Transwestern and El Paso rate increases.

Respecting the gas purchases from California sources, applicant and its affiliates are to continue on notice that our action herein and in Decisions Nos. 75428 and 75429 should not be construed as a finding of reasonableness for rate fixing purposes of the pricing provisions contained in PLSC's California-source gas purchase contracts except for the test year.

Prospective Increases

El Paso and Transwestern can continue to increase their rates until December 31, 1969 so as to track producer increases as provided for in the FPC Orders referred to above. Part B of Table I herein reflects the maximum effect of the increases which may still occur, that is, El Paso's rates may increase by an additional 0.85¢/Mcf, Transwesterns by 0.67¢/Mcf, California-

source gas by a computed 0.453¢/Mcf, and applicant's revenue requirement may increase by \$2,675,000.

Any such additional "tracking" increases by El Paso and Transwestern are to be in steps of one-tenth of a cent per Mcf or larger. Each one-tenth of a cent increase in El Paso's rates increases applicant's revenue requirements, through its effect on price of California-source gas, by \$72,086; each one-tenth of a cent increase in Transwestern's rates increases applicant's revenue requirements by \$307,991. Since the El Paso and Transwestern increases can occur frequently and on short notice until December 31, 1969, expeditious relief should be available to applicant while still maintaining adequate regulatory control.

After careful consideration of applicant's proposal for a limited rate adjustment provision within its tariffs and of the objections raised, we have decided to adopt the procedure which follows. It recognizes that provisional rate increases to offset the effect of actual additional El Paso and Transwestern increases are justified on the basis of test year 1969; that the increases may occur late in 1969; and that test year 1970 should be used, even though an upturn in applicant's earning position on a rate fixing basis is not considered likely, to determine whether such provisional rate increases, if any materialize, should continue.

Procedure for Provisional Rate Increases

Prefaced by appropriate findings our Order herein will provide authority for applicant's accomplishing, by filings under an advice letter procedure, provisional rate increases to offset

the effect of additional increases by El Paso and Transwestern filed on or before December 31, 1969, in accordance with the FPC Orders of March 20, May 9 and June 3, 1969.

The advice letter procedure to be made available to applicant for this purpose must conform to the following requirements:

1. Compliance with General Order No. 96-A except Section VI, Procedure in Filing Increased Rates.
2. Advice letter filings not to be made more frequently than at 15-day intervals.
3. Notice period for each advice letter filing not to be less than 15 days. (If any filing is technically defective, a new filing should be made and be subject to a new notice period of not less than 15 days.)
4. Advice letter filings to be served on all appearances in this proceeding except applicant, its affiliates and the Commission staff.

Revised rates made effective under this advice letter procedure must conform to the following requirements:

1. Adjustments in applicant's rates limited to those occasioned by rate changes, up to a net increase of 0.85 cents per Mcf, filed by El Paso Natural Gas Company on or before December 31, 1969, based on FPC Docket No. RP69-20, or by rate changes, up to a net increase of 0.67 cents per Mcf, filed by Transwestern Pipeline Company on or before December 31, 1969; based on FPC Docket No. RP69-27.
2. Such adjustments to be consistent with Part B of Table I herein and Exhibit 21 in Application No. 51053.
3. Revised rates resulting from such adjustments to become effective for service on and after the date the change in El Paso's or Transwestern's rate becomes effective or 15 days after filing, whichever is later.
4. Revised rates are to be considered provisional rates to the extent of such adjustments and are subject to further order of this Commission.

If applicant elects to exercise the authority to place in effect provisional rate increases by this procedure, the following additional requirements must be met:

1. On or before October 1, 1969, applicant is to file with this Commission a report on its results of operation for the year 1970 estimated and to serve said report on all appearances in this proceeding other than applicant and its affiliates.
2. If provisional rate increases are placed in effect as provided for: (a) the staff is to carry out its review of the estimated results of applicant's operation for the year 1970, so as to file the results of its review in appropriate form with the Commission and to serve them upon all other appearances in this proceeding on or before December 31, 1969; (b) a further order is to be issued by the Commission concerning applicant's rates to the extent they include provisional increases. Upon timely request by any of the appearances in this proceeding, or without such request if it sees the need, the Commission will hold public hearings to test provisional rate increases under estimated year 1970 operational results.

Contingent Offset Charges

The rates to be authorized by our order herein reflect as contingent offset charges the increases related to FPC Docket Nos. RP69-20 and RP69-27 which yield the \$3,030,000 of additional revenues shown in Part A of Table I herein and the increases related to FPC Docket No. RP69-6 remaining after the reduction of \$0.079 per Mcf of demand previously noted. Such reduction, as shown in Appendix B to this decision, amounts to \$194,000.

The necessary modifications of the special conditions covering contingent offset charges and related refunds in Applicant's present rate schedules are set forth in Appendix A to this decision.

Findings

1. Applicant's present gas rates were in issue in Application No. 50715. After consideration of applicant's operational results for test year 1969 and a delay in receipt of the 110 M²cf/d supply increment from Transwestern until about November 1, 1969 as well as other evidence presented at public hearings held earlier this year, the Commission found in Decision No. 75802 dated June 17, 1969, that changes were not then needed in applicant's rate levels.

2. On March 20, May 9, and June 3, 1969, the Federal Power Commission issued orders in Docket No. RP69-20, Docket No. RP69-27 and Docket Nos. RP69-6 and RP69-20 which made applicant and its affiliates subject to frequent increases in the rates they pay for gas supplied by El Paso Natural Gas Company and Transwestern Pipeline Company. The increases may be made on short notice and are subject to refund to the extent the resulting rates exceed the just and reasonable rates finally determined by the FPC.

3. Thus far, rate increases as shown below have been filed under FPC Docket Nos. RP69-20 and RP69-27.

<u>Rate Increase</u> ¢/Mcf	<u>Date Filed</u>	<u>Date Effective</u>
RP69-20 --- El Paso		
0.10	3-31-69	5-1-69
0.17	6-5-69	7-6-69
0.40	6-13-69	7-14-69
0.20	6-24-69	7-25-69
RP69-27 --- Transwestern		
0.14	5-21-69	6-21-69
0.11	6-5-69	7-6-69
0.53	6-19-69	7-20-69

4. a. Applicant is in need of additional revenues to offset the effect of increases in its cost of purchased gas as a result of the rate increases in Finding 3.

b. Summaries of earnings of SoCal, SoCounties and Pacific Lighting Utility System for test year 1969, are set forth in Decisions Nos. 75428 and 75429. After certain specified downward adjustments rates of return ranged from 6.76 to 6.96 percent for SoCal, from 6.66 to 6.86 percent for SoCounties and from 6.70 to 6.90 percent for Pacific Lighting Utility System. Such rates of return for SoCal and SoCounties were found to lie within the zone of reasonableness.

c. The summaries of earnings, as set forth in said decisions, provide an appropriate basis from which to determine the extent of additional revenue required by applicant consistent with the aforesaid rates of return of the Pacific Lighting Utility System, which also quite clearly lie within the zone of reasonableness.

d. As shown herein in Part A of Table I, Development of Revenues Required to Offset Increases in the Cost of Purchased Gas, \$3,030,000 of additional revenue offsets the effect of the increase in applicant's cost of purchased gas.

e. Pursuant to applicant's tariff provisions covering contingent offset charges related to FPC Docket No. RP69-6, the effect of the reduction of \$0.079 per Mcf of demand in El Paso's rates flows through into applicant's gas rates. The resulting reductions represent \$194,000 of applicant's annual gross revenues based on test year 1969 as set forth in Appendix B to this decision.

f. Applicant is thus entitled to a net increase in its rates so as to yield additional gross revenues of \$2,836,000. Such an increase would maintain test year earning levels, is justified and represents a 1.7 percent increase in gross revenues.

5.a. If El Paso and Transwestern continue to increase their rates until December 31, 1969 as provided for in the above referred to FPC Orders, applicant will need additional revenues to offset the effect of the resulting increases in its cost of purchased gas.

b. The summaries of earnings of SoCal, SoCounties and Pacific Lighting Utility System for test year 1969, as set forth in Decisions Nos. 75428 and 75429, provides an appropriate basis from which to determine the extent of additional revenues required by applicant on a provisional basis.

c. As shown herein in Part B of Table I, El Paso's rates may increase by an additional 0.85¢/Mcf, Transwestern's by 0.67¢/Mcf, California-source gas by a computed 0.453¢/Mcf, and applicant's revenues may increase by \$2,675,000.

d. To make expeditious relief available to applicant while still maintaining adequate regulatory control, authority is warranted for applicant's accomplishing, by filings under the advice letter procedure set forth in this decision, provisional rate increases to offset the effect of additional increases by El Paso and Transwestern filed on or before December 31, 1969 in accordance with the FPC Orders of March 20, 1969 in Docket No. RP69-20, May 9, 1969 in Docket No. RP69-27 and June 3, 1969 in Docket Nos. RP69-6 and RP69-20.

6. A limited rate adjustment tariff provision for purchased gas cost based on FPC Docket Nos. RP69-20 and RP69-27, as sought by applicant, is not necessary in view of our actions herein.

7. The modifications to applicant's present tariff provisions covering contingent offset charges and related refunds, as specified in Appendix A to this decision, are proper, fair and reasonable.

8. The increases in rates and charges authorized herein are justified, the rates and charges authorized herein are reasonable, and the present rates and charges insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.

Conclusion

Based on the foregoing findings, the Commission concludes that the authority sought to incorporate the limited rate adjustment provision for purchased gas cost in tariff schedules should not be granted; however, substantive relief should be granted to the extent and under the conditions set forth in the order which follows.

O R D E R

IT IS ORDERED that:

1. Pacific Lighting Service Company is authorized to file with this Commission on or after the effective date of this order revised tariff schedules with changes in rates, charges and conditions as set forth in Appendix A attached hereto. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be five days after the effective date of this order or one day after the date of filing, whichever is later. The revised schedules shall apply only to service rendered on and after the effective date thereof.
2. In the event applicant places such rate increases in effect,
 - a. Applicant's plan for determining refunds shall be consistent with the pertinent tariff provision authorized herein, shall be submitted to this Commission prior to making any refunds, and specific Commission approval shall be obtained of the plan at that time.

- b. If rates are ordered reduced under Federal Power Commission Docket No. RP69-20 or Docket No. RP69-27, applicant shall file its proposed plan, for rate reductions consistent with the pertinent tariff provision authorized herein, for final determination and authorization by this Commission.
- c. Applicant shall file a report by May 1, 1970 for the first full 12-month period that offset charges related to FPC Docket No. RP69-6 are in effect for its affiliates, Southern California Gas Company and Southern Counties Gas Company of California, comparing its increased purchased gas costs with increased revenues resulting from the authorized offset charges related to FPC Docket Nos. RP69-6, RP69-20 and RP69-27. If appropriate, applicant may file revised offset charges subject to Commission approval, based on the relationships of volumes of gas purchases from El Paso, Transwestern and affected California-sources to the total volume of gas sales.

3. Applicant is also authorized to file with this Commission such revised tariff schedules with changes in rates, charges and conditions as result through applicant's following the procedure for provisional rate increases set forth in the Opinion portion of this decision. Revised rate schedules filed pursuant to this authority shall become effective as provided for within the procedure and shall remain in effect on a provisional basis until further order of the Commission.

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

Dated at San Francisco, California, this 26th day of AUGUST, 1969.

William J. Lyons
President
James P. Morrissey
William J. Morrissey
James P. Morrissey
Commissioners

APPENDIX A

The presently effective tariffs are changed as set forth below:

RETAIL NATURAL GAS SERVICE SCHEDULE NO. G-62

1. RATESRegularly Available Gas Supplies

Monthly aggregate demand charge of \$3,398,699 segregated between Buyers in proportion to an equal weighting of the following three factors, based on each Buyer's aggregate volumetric purchases of gas from all sources (see Special Condition 9):

1. Winter season firm peak day requirements based on 36°F average temperature
2. Winter season (calendar year months of January, February, March, April and December)
3. Calendar year total

Commodity charge per Mcf of monthly delivery (see Special Conditions 3, 4 and 7):

All Transwestern CDQ gas	22.54¢
All other regular commodity gas	31.41¢

Transwestern LX-21¢ Gas

Commodity charge per Mcf of monthly delivery (see Special Conditions 3, 4 and 7) 22.54¢

SPECIAL CONDITIONS2. Contingent Offset Charges Related to F.P.C. Dockets Nos. RP69-6, RP69-20 and RP69-27

The commodity rates include offset charges as shown below, related to increases in the cost of gas purchased from Transwestern Pipeline Company as a result of F.P.C. Docket No. RP69-27, and in the cost of California gas related to the foregoing increases and related to increases in the cost of gas purchased by Southern California Gas Company and Southern Counties Gas Company of California from El Paso Natural Gas Company as a result of F.P.C. Dockets Nos. RP69-6 and RP69-20.

<u>Gas Source</u>	<u>Offset Charge</u>	<u>F.P.C. Docket</u>
Transwestern gas	0.78¢/Mcf	RP69-27
All other regular	1.23¢/Mcf	RP69-6
commodity gas	0.41¢/Mcf	RP69-20 & 27

To the extent that the F.P.C. in the above dockets orders reduction in the rates for El Paso or Transwestern gas with a resulting effect on the cost of gas from Transwestern or from California sources, the offsets will be reduced related to the reduction in cost of gas from these sources.

3. Refunds of Contingent Offset Charges Related to F.P.C. Docket No. RP69-27

Refunds received from Transwestern Pipeline Company related to F.P.C. Docket No. RP69-27 will be passed on to Southern California Gas Company and Southern Counties Gas Company of California in proportion to the corresponding amounts of offset charges paid.

APPENDIX B

Pacific Lighting Service Company

GROSS REDUCTION IN OFFSET CHARGES
 APPLICABLE TO "ALL OTHER REGULAR COMMODITY GAS"
 IN SCHEDULE NO. G-62, RELATED TO EL PASO DEMAND
 REDUCTION OF \$0.079/MCF/MONTH IN RP69-6

Test Year 1969 Basis

<u>Related California Gas Cost Effect</u>	<u>M²cf</u>	<u>c/Mcf</u>	<u>M\$</u>
Long Term			
Annual	19,222	0.18	34
Monthly	129,788	0.11	143
Other	<u>37,419</u>	<u>0.05</u>	<u>17</u>
Gross California	186,429	0.10	194
All Other Regular Commodity Gas (87.89% ^{1/} of Gross California Gas Cost Effect)	173,526	0.10	170

^{1/} Based on Table 19-A, Exhibit 4, Appl. No. 50715
 Direct gas cost increases (Line IIIa) M\$ 2,626
 All other regular commodity (Line IIIf)
 M\$2,570 less M\$262 per footnote M\$ 2,308

All other regular commodity in percent of
 direct gas cost increases 87.89%

Note: Offset charge of 1.33¢ in Special Condition 10
 of Schedule No. G-62 = M\$2,308 ÷ 173,526 M²cf

APPENDIX C

LIST OF APPEARANCES

FOR APPLICANT

K. R. Edsall and P. Dennis Keenan.

FOR INTERESTED PARTIES

Roger Arnebergh, City Attorney, by Charles E. Mattson, Deputy City Attorney; Roger Arnebergh, City Attorney, by Alfred H. Driscoll, Assistant City Attorney; Robert W. Russell and Manuel Kroman, for Department of Public Utilities and Transportation, City of Los Angeles; Chickering & Gregory by Sherman Chickering, C. Hayden Ames and Donald J. Richardson, Jr., for San Diego Gas & Electric Company; Stanley Jewell, for San Diego Gas & Electric Company; Rollin E. Woodbury, Harry W. Sturges, Jr., and William E. Marx, by Rollin E. Woodbury, for Southern California Edison Company; Brobeck, Phleger & Harrison, by Robert N. Lowry, for California Manufacturers Association; William R. Pippin, Deputy City Attorney, and K. L. Parker, Principal Mechanical Engineer, for City of Glendale; Leonard L. Bendinger, General Manager, Long Beach Department of Gas & Water, for City of Long Beach; Edward C. Wright, Long Beach Department of Gas and Water, for City of Long Beach; Harold A. Lingle, Deputy City Attorney, for City of Long Beach; Koy Wehe, Consultant, for City of Long Beach; Louis Possner, Bureau of Franchises and Public Utilities, City of Long Beach; John O. Russell, for Los Angeles Department of Water and Power; Henry F. Lippitt, for California Gas Producers Association; William L. Knecht, for California Farm Bureau Federation; Lynn McArthur, Department of Public Services, for City of Burbank; H. Gary Jeffries, Office of City Attorney, for City of Pasadena; and John T. Healy, Department of Water and Power, City of Pasadena.

FOR THE COMMISSION STAFF

Vincent Mackenzie, Counsel, and Melvin E. Mezek.