

ORIGINAL

Decision No. 76964

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 SOUTHWEST GAS CORPORATION
 for Authority to Increase Natural
 Gas Rates in San Bernardino County,
 California.

Application No. 50861
 (Filed February 6, 1969)
 (Amended March 28, 1969)
 (Amended January 30, 1970).

OPINION AND ORDER

Southwest Gas Corporation, by its second amendment in this matter (Phase II) seeks authority to offset the recently increased cost of gas amounting to \$46,106 authorized by Decision No. 76655, dated January 6, 1970, in Phase II of Application No. 50779 of Pacific Gas and Electric Company. Rate increases amounting to \$46,059, based on estimated earnings operations for the fiscal year ended September 30, 1969, are requested for Southwest's Barstow, Victorville, and Big Bear Lake Southern California Districts.

By Decision No. 75785, dated June 10, 1969, in the first amendment in this matter, Southwest was authorized an increase in rates amounting to \$32,714 to offset the increased cost of gas authorized by Decision No. 75460, dated March 18, 1969, in Phase I of Pacific Gas and Electric's Application No. 50779 (supra).

A second engineering report, dated February 9, 1970, on a Commission staff investigation of the application, as additionally amended, has been filed. It is received as Exhibit No. 2. Said exhibit shows that the rate of return for the Southern California Districts, which would result if the second amended application were granted, of 5.27 percent for the fiscal year ending September 30, 1969, is and would be well below the 7 percent authorized for this company in 1959, the most recent general rate proceeding. Further, Exhibit No. 2 states that (1) the staff had indicated in its report on Phase I of this application (Exhibit No. 1) that it would make an independent study of the company's 1969 operations in Phase II; (2) however, the necessity for making such a study does not now seem warranted in view of the fact that Phase II of this application will be limited to offsetting the increased cost of gas due to Decision No. 76655 in Pacific Gas and Electric's Phase II; (3) a completely independent analysis will be made by the staff under Southwest's Application No. 51529 for general rate relief;^{1/} (4) it is recommended that the rate structure sought by the company for Phase II of this application be granted; and (5) the staff is satisfied that the earnings statement shown on page 1 of Exhibit E, attached to the second amended application, is a reasonable summary of operating results for the

^{1/} Original hearings held at Big Bear Lake, Victorville, and Barstow, January 6, 7 and 8, 1970, respectively; adjourned hearings are set for 9:30 A.M., Tuesday, May 12 (also Wednesday, May 13, and Thursday, May 14), 1970, before Examiner Warner at Victorville.

fiscal year ended September 30, 1969, and that the increase requested will provide earnings in this range for the future.

The staff recommended that the application be granted, and that the order be made effective immediately.

The Commission finds that the increases in rates requested in the second amended application are just and reasonable and that present rates, insofar as they differ from the rates authorized hereinafter, are unjust and unreasonable, and that public hearing is not necessary.

The Commission concludes that the second amended application (Phase II) in this matter should be granted and that the effective date of the order which follows should be its date.

IT IS ORDERED that:

1. Southwest Gas Corporation 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 four days after the date of filing. The revised schedules shall apply only to service rendered on or after the effective date hereof.

2.a. In the event applicant places the authorized rate increases in effect, applicant's plan for determining refunds shall be consistent with the pertinent tariff provisions authorized herein; shall be submitted to the Commission prior to making

any refunds; and specific Commission approval shall be obtained of the plan at that time.

b. If rates of Pacific Gas and Electric Company to applicant are ordered reduced, applicant shall promptly file its proposed plan for rate reductions consistent with the pertinent tariff provisions authorized herein, for final determination and authorization by this Commission.

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

Dated at San Francisco, California,
this 17th day of MARCH, 1970.

William J. ...
President

August

William J. ...

John ...

Thomas L. ...
Commissioners

APPENDIX A
Page 1 of 2

		Per Meter Per Month			
		Schedule No. G-1		Schedule No. G-2	
		Rate A	Rate H	Rate A	Rate H
First	2 therms or less				
	October-May, Inclusive	\$ 2.755	\$ 3.705	\$ 3.005	\$ 4.055
	June-September, Inclusive	2.755	.455	3.005	.505
Next	30 therms, per therm	.10268	.12328	.11598	.13928
Next	72 therms, per therm	.09318	.10388	.10518	.11728
Next	414 therms, per therm	.08548	.09118	.09648	.10288
Next	518 therms, per therm	.08168	.08348	.09218	.09428
Next	2,073 therms, per therm	.07568	.07848	.08538	.08858
Next	7,256 therms, per therm	.06868	.07418	.07748	.08368
Next	41,464 therms, per therm	.06168	.06418	.06958	.07238
Over	51,829 therms, per therm				
	November-April, Inclusive	.05698	.05928	.06428	.06688
	May-October, Inclusive	.04798	.04988	.05378	.05588

		Schedule No. G-45	Schedule No. G-46
First	1,037 therms, per therm	\$ 0.06858	\$ 0.07788
Next	3,110 therms, per therm	.06378	.07238
Over	4,147 therms, per therm	.05898	.06698

		Schedule No. G-50	Schedule No. G-51
First	10,930 therms, per therm	\$ 0.05063	\$ 0.05733
Next	98,370 therms, per therm	.04883	.05533
Next	109,300 therms, per therm	.04703	.05323
Next	327,900 therms, per therm	.04423	.05003
Over	546,500 therms, per therm	.04283	.04843

		Per Lamp Per Month
		Schedule No. G-15
	1.99 cu. ft./hr. or less	\$ 1.17
	2.00-2.49 cu. ft./hr.	1.44
	2.50-2.99 cu. ft./hr.	1.55
	3.00-3.99 cu. ft./hr.	1.81
	4.00-4.99 cu. ft./hr.	1.97
	5.00-7.49 cu. ft./hr.	2.61

APPENDIX A
Page 2 of 2

The Preliminary Statements in the Tariff Schedules shall include the following provision:

OFFSET CHARGE AND RELATED REFUNDS
AND REDUCTIONS IN SAN BERNARDINO COUNTY

The initial two blocks of Schedules Nos. G-1 and G-2 include an offset charge of 0.5¢. The six blocks of Schedule No. G-15 include offset charges, respectively, of 2¢, 4¢, 5¢, 6¢, 7¢ and 11¢. The remaining blocks of Schedules Nos. G-1 and G-2, and all blocks of Schedules Nos. G-45 and G-46, include an offset charge of 0.218¢ per therm. In addition, all blocks of Schedules Nos. G-50 and G-51 include an offset charge of 0.113¢ per therm. The foregoing changes were authorized by D-75785 and D-_____*

The company will refund to its customers any refund received from Pacific pursuant to an order of the Commission.

If the cost of gas from Pacific is reduced, the company will reduce its offset charges by an amount equal to any such rate reduction.

* Insert number of decision herein.