

ORIGINAL

Decision No. 79515

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA GAS COMPANY for)
Authority: (a) to Increase Its Gas)
Rates to Offset Higher Costs)
Occasioned by an Increase in the)
Rates of the Suppliers of Out-of-)
State Gas to the Pacific Lighting)
Utility System, (b) to Continue the)
Advice Letter Procedure for Tracking)
Increases in Purchased Gas Cost)
Based on Federal Power Commission)
Dockets Nos. RP70-11 and RP70-19,)
and (c) for a General Increase in)
Its Gas Rates.)

Application No. 51567
(Filed December 19, 1969)

In the Matter of the Application of)
SOUTHERN COUNTIES GAS COMPANY OF)
CALIFORNIA for Authority: (a) to)
Increase Its Gas Rates to Offset)
Higher Costs Occasioned by an)
Increase in the Rates of Suppliers)
of Out-of-State Gas to the Pacific)
Lighting Utility System (b) to)
Continue the Advice Letter Procedure)
for Tracking Increases in Purchased)
Gas Cost Based on Federal Power)
Commission Dockets Nos. RP70-11 and)
RP70-19, and (c) for a General)
Increase in Its Gas Rates.)

Application No. 51568
(Filed December 19, 1969)

ORDER MODIFYING ORDER
IN DECISION NO. 78469

In its petition filed October 29, 1971, and its amend-
ment thereto filed November 19, 1971, for modification of Decision
No. 78469 dated March 23, 1971, in the above-captioned matters,

Southern California Gas Company (SoCal) seeks removal of the ceiling on the amount, and an extension of the time limitation on its authorization to offset tracking gas cost increases by El Paso Natural Gas Company in Federal Power Commission (FPC) Docket No. RP71-13 and by Transwestern Pipeline Company (Transwestern) in FPC Docket No. RP70-19.

In its reply filed November 8, 1971, to the petition, San Diego Gas & Electric Company (SDG&E) recognizes that SoCal may require interim tracking authority until the Commission's eventual decision in SoCal's pending rate increase Application No. 52696. However, SDG&E requests that any authorization to extend tracking into 1972 through decisions in the above-captioned applications be made subject to the following provision:

"If the record as developed in Application No. 52696 warrants an order which would modify the spread of tracking increases authorized by this decision and order, the Commission can be responsive to such a development by issuing further order and decision modifying the future allocation of revenues associated with tracking increases as between the customer classes."

Under the Advice Letter Procedure for tracking increases established in Decisions Nos. 77100 and 77101, and modified by Decision No. 78469, SoCal may make effective revised tariff schedules only on or after tracking increases in its suppliers rates are placed in effect. Thus, the Advice Letter Procedure permits the flow-through of the effect of actual tracking increases by El Paso and Transwestern, not prospective increases by these suppliers.

Petitioner's requested modification of Decision No. 78469 is consistent with an FPC order of July 30, 1971, in Docket No. FP71-13 and with Transwestern's pending request in Docket No. FP70-19. In effect, the requested modification matches or closely parallels either existing authorizations or authorizations expected to be granted shortly by the FPC in Dockets Nos. RP71-13 and RP70-19.

The Commission finds that the requested modification is reasonable and concludes that it should be granted.

To the extent the tracking rate increases herein authorized actually materialize, they will not increase petitioner's level of earnings but will merely offset increases in cost of purchased gas. Such rate increases are, in our opinion, consistent with the purposes of the Economic Stabilization Act of 1970, as amended. Petitioner is expected to comply with the requirements of the Price Commission's regulations relating to the stabilization of prices and rents after November 13, 1971.

IT IS ORDERED that:

1. The order in Decision No. 78469 is modified to extend the time period to the effective date of the pertinent decision and order to be issued in Application No. 52696, or until December 31, 1972, whichever occurs first, for petitioner's using the Advice Letter Procedure to file revised tariff schedules with such changes in rates, charges, and conditions as become necessary to reflect increases in the cost of purchased gas attributable to tracking rate increase filings made by El Paso in FPC Docket No. RP71-13 and by Transwestern in FPC Docket No. RP70-19.

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2. The order in Decision No. 78469 is further modified to delete the existing ceiling on the total amount of tracking increases, i.e., the total cents per Mcf limitations, within the Advice Letter Procedure with respect to FPC Dockets Nos. RP71-13 and RP70-19.

3. In all other respects, Decision No. 78469 shall remain in full force and effect.

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

Dated at San Francisco, California,
this 21st day of 11 DECEMBER, 1971.

[Signature]
Chairman
[Signature]
[Signature]
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Commissioners