

sjg/vo

Decision No. 79856

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHWEST GAS
CORPORATION For Authority To
Revise Its Tariff For Natural
Gas Service To Offset Increases
In Expense Caused By Increases
In The Price Of Natural Gas
From Pacific Gas and Electric
Company.

(Gas)

Application No. 52428
(Petition filed February 14, 1972
for Modification of
Decision No. 78498)

ORDER GRANTING PETITION FOR
MODIFICATION OF DECISION NO. 78498

By Decision No. 78498 in Application No. 52428, dated March 30, 1971, the Commission, among other things, authorized Southwest Gas Corporation, hereinafter Petitioner, to continue use of the advice letter procedure in order to file revised tariff schedules with such changes in rates, charges and conditions as may become necessary to reflect increases in the cost of purchased gas attributable to tracking rate increase filings made by Pacific Gas and Electric Company, provided that such authority to track shall not extend beyond December 31, 1971, and shall terminate at any time prior thereto if the tracking increases total more than .009 cents per therm.

Pursuant thereto, and in accordance with the advice letter procedure prescribed in Ordering Paragraphs 2.b., 2.c., 3.a. and 3.b. of Decision No. 78498, Petitioner filed Advice Letter No. 85 with the Commission reflecting the effect of a tracking filing made by PG&E.

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On November 23, 1971, the Commission issued Decision No. 79383 wherein it modified the terms of the tracking authorization established for PG&E in Decision No. 78468. Therein the Commission ordered that

"Paragraph 3.c(a) of Decision No. 78468, pertaining to adjustments in PG&E's rates occasioned by rate changes filed by El Paso Natural Gas Company on or before December 31, 1972, (sic) is modified to provide that the time for such adjustments is extended through December 31, 1972 and to delete the existing limitations on tracking increases authority."

Petitioner alleges that through either misdirection in the mails or inadvertence it did not become aware of either Decision No. 79383 or PG&E's filing which occasioned the issuance of same until February 9, 1972. As a consequence thereof, Petitioner has not acted until now to request a modification of its previously authorized tracking authority.

Petitioner asks the Commission to modify its order in Decision No. 78498 to extend Petitioner's authority to file tracking increases to offset the effect of PG&E Schedule G-62 rate increase filings from the present expiration date of December 31, 1971 to an expiration date of December 31, 1972, and eliminate the cents per therm increase limitation therein prescribed in order that Petitioner not be required to absorb the impact of such increases in excess thereof as might be filed by PG&E under its modified tracking authority. Petitioner alleges that unless it is able to adjust its rates expeditiously to reflect increases in its cost of service occasioned by such PG&E tracking filings, the rate of return of its Southern California Division will be adversely affected.

The Petitioner requests that the Commission issue an order, without hearing, modifying Decision No. 78498 by (1) extending the time for filing of revised tariff schedules reflecting tracking increases to offset the effect of Pacific Gas & Electric Company Schedule G-62 rate increase filings through December 31, 1972 and (2) eliminating the cents per therm increase limitation upon such filings by Petitioner.

The Commission finds that the requested modifications are reasonable and concludes that the petition should be granted. No protests have been filed. A public hearing is not necessary.

The increases in rates herein authorized will not increase applicant's level of earnings but will merely offset increases in cost of purchased gas. Such increases are, in our opinion, consistent with the purposes of the Economic Stabilization Act of 1970, as amended. Applicant 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. Paragraph 2(a) of Decision No. 78498, pertaining to adjustments in Southwest Gas Corporation's rates occasioned by rate changes filed by Pacific Gas and Electric Company on or before December 31, 1971, is modified to provide that the time for such adjustments is extended through December 31, 1972, and to delete the existing limitation on tracking increase authority.

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2. In all other respects, Decision No. 78498 remains in full force and effect.

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

Dated at San Francisco, California, this 28th day of MARCH, 1972.

Chairman

William L. Stanger
Thomas L. Stanger

Commissioners

I dissent

William L. Stanger

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.