

Decision No. 80875**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHWEST GAS COR-)
 PORATION, 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 El Paso)
 Natural Gas Company.)
 (Gas))

Application No. 52920
 Petition for Modification
 of Decision No. 79467
 (Filed September 5, 1972)

ORDER GRANTING PETITION FOR
MODIFICATION OF DECISION NO. 79467

By Decision No. 79467, dated December 14, 1971, in Application No. 52920, the Commission, among other things, authorized petitioner to use 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 El Paso Natural Gas Company (El Paso) provided that such authority to track should not extend beyond December 31, 1972.

In Decision No. 79467, petitioner's request for tracking authorization was occasioned by El Paso Docket No. RP71-137. El Paso's tracking authority under Docket No. RP71-137 has been superseded by Federal Power Commission order issued July 31, 1972 in Docket No. RP72-154. Under this docket El Paso has authority to institute a purchased gas adjustment clause.

On June 30, 1972 El Paso filed Docket No. RP72-151 with the Federal Power Commission seeking rate increases of .078 cents per therm. These increases have been stayed by Federal Power Commission order issued July 31, 1972, but will go into effect on January 1, 1973.

Petitioner alleges that, commencing early in 1973, it can anticipate continual revisions in its rates under El Paso's

authority in Docket No. RP72-154, and that based on volumes purchased for the 12 months ended July 31, 1972, the rate increases under Docket No. RP72-151 will cost petitioner \$4,108 annually.

Petitioner further alleges that unless it is able to adjust its rates expeditiously to reflect increases in its cost of service occasioned by such El Paso filings, petitioner's rate of return in its Placer County service area will be adversely affected; that such adjustments in rates would not increase petitioner's level of earnings, but merely offset increases in the cost of purchased gas.

Petitioner requests that the Commission modify its Order in Decision No. 79467 to extend petitioner's authority to file tracking increases to offset the effect of rate increase filings made by El Paso from the present expiration date of December 31, 1972 to an expiration date of December 31, 1973.

The Commission finds that the request is reasonable and concludes that it should be granted. A public hearing is not necessary.

Since the Commission issued Decision No. 79467, it has authorized in Decision No. 80340 issued August 1, 1972, rates in the Northstar gas service area in Placer County, the tracking authority sought in the instant petition should also apply to this area.

The increased revenue should be recovered from customer classes on the basis authorized in Decision No. 79467.

The increases in rates herein authorized will not increase petitioner's level of earnings but will merely offset increases in the cost of gas.

IT IS ORDERED that:

1. Southwest Gas Corporation is authorized to use 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 El Paso Natural Gas Company and Docket No. RP72-151 provided that such authority to track shall not extend beyond December 31, 1973.

2. If rates to El Paso Natural Gas Company are ordered reduced as a result of reductions under Federal Power Commission Docket Nos. RP71-137, RP72-151, and RP72-154, Southwest Gas Corporation shall file a proposed plan for rate reductions consistent with the pertinent tariff provisions authorized herein for final determination and authorization by this Commission.

3. In all other respects, Decision No. 79467 remains in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 19th day
of DECEMBER, 1972.

Vernon L. Sturges
President
William J. Guerin
J. H. Sullivan
John W. ...
...
Commissioners