

ORIGINAL

Decision No. 82107

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. 52428
(Filed September 18, 1973)

Fifth Petition for Modification
of Decision No. 78498

ORDER GRANTING FIFTH PETITION FOR
MODIFICATION OF DECISION NO. 78498

By Decision No. 78498, dated March 30, 1971, in Application No. 52428, the Commission, among other things, authorized applicant, hereinafter petitioner, to continue the use of 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 should not extend beyond December 31, 1971, and should terminate at any time prior thereto if the tracking increases totaled more than .009 cents per therm.

On November 23, 1971, the Commission issued Decision No. 79383 wherein it modified the terms of the tracking authorization established for Pacific Gas and Electric Company in Decision No. 78468 by, among other things, extending the tracking authorization through December 31, 1972, and deleted the then existing limitations on Pacific Gas and Electric Company's authority to track El Paso Natural Gas Company's rate changes.

By Decision No. 79856, dated March 28, 1972, the Commission modified paragraph 2.a. of Decision No. 78498 to provide that the time for adjustments in applicant's rates occasioned by Pacific Gas and Electric Company tracking rate changes were extended through December 31, 1972 and the .009 cents per therm limitation on tracking increase authority was eliminated.

On December 5, 1972, the Commission issued Decision No. 80793 wherein it modified the terms of the tracking authorization established for petitioner in Decision No. 78498 by, among other things, authorizing petitioner to use the advice letter procedure to offset any increased cost of gas purchased from Pacific Gas and Electric Company, which cost to petitioner arose directly out of any decision by the Commission issued pursuant to Application No. 53552, then pending before the Commission. The Commission further authorized, by Decision No. 80793, to again modify paragraph 2.a. of Decision No. 78498, as modified by Decision No. 79856, to extend the time for tracking rate authorization through December 31, 1973.

On December 12, 1972, the Commission issued Decision No. 80799 wherein it expanded the scope of the tracking authorization established for petitioner in Decision No. 78498 by, among other things, authorizing petitioner to use the advice letter procedure to offset any increased cost of gas purchased from Pacific Gas and Electric Company, which cost to petitioner might arise directly out of any decision by the Commission issued pursuant to Application No. 53118, then pending before the Commission.

On October 24, 1973, the Commission issued Decision No. 82028 wherein it expanded the scope of the tracking authorization established for petitioner in Decision No. 78498, by, among other things, authorizing petitioner to use the advice letter procedure to offset any increased cost of gas purchased from Pacific Gas and Electric Company, which cost to petitioner might arise directly out of any decision by the Commission issued pursuant to Application No. 53866. The Commission further authorized, by Decision No. 82028, to again modify paragraph 2.a. of Decision No. 78498, as modified by Decisions Nos. 79856 and 80793, to extend the tracking rate authorization through December 31, 1974.

In a fifth petition for modification of Decision No. 78498, filed September 18, 1973, petitioner alleges that on June 26, 1973, Pacific Gas and Electric Company filed Application No. 54127 with the Commission wherein Pacific Gas and Electric Company requested

rate increases to petitioner and its other consumers by an additional .151 cents per therm on November 2, 1973.

Petitioner further alleges that the annual cost to petitioner resulting from such an increase, if made, would be \$74,055 based on petitioner's test year 1973 volumes in Application No. 53727.

Petitioner states that on December 5, 1972, petitioner filed Application No. 53727 with the Commission and that as of June 29, 1972, in an Amendment No. 2 to Application No. 53727, petitioner requested that it be allowed to recover in its rates any and all increases granted to Pacific Gas and Electric Company pursuant to Application No. 54127. Petitioner alleges that, as of the date of filing of the fifth petition for modification of Decision No. 78498, no order has been issued in Application No. 53727.

By reason of the foregoing, as an alternative to the tracking relief of increases sought in the June 29 Amendment No. 2 to Application No. 53727 petitioner requests the Commission to further modify its order in Decision No. 78498 to provide that petitioner may track through filings made under an advice letter procedure, any cost of gas increases in Pacific Gas and Electric Company's Rate Schedule G-62 resulting from Commission action granting to Pacific Gas and Electric Company all or part of the rate relief sought by Pacific Gas and Electric Company in its Application No. 54127.

Petitioner also alleges that if the Commission authorizes this request, the resulting tracking rate increases will not increase petitioner's level of earnings, but will merely offset the effect of increases in cost of purchased gas authorized by the Commission. In the event the Commission authorizes this request, the increased revenue would be recovered from customer classes on the basis authorized in Decisions Nos. 78498, 79856, 80799, and 80793. The rate increase made under the authority sought herein would be subject to future reduction and refund in accordance with the terms and conditions set forth in the Commission's order in Decision No. 78498.

Therefore, petitioner requests that the Commission issue an order, without hearing, to (1) further modify Decision No. 78498 by authorizing petitioner to file, under advice letter procedure, rate increases designed to offset the economic cost to petitioner of any increase which it may experience in its cost of gas by reason of rate increases authorized by the CPUC for the sale of gas by Pacific Gas and Electric Company to petitioner under Pacific Gas and Electric Company's rate schedule G-62, or any superseding rate schedule, arising out of any decision of the Commission in Application No. 54127; and/or (2) grant to petitioner such further or different relief as the Commission may find to be proper in the premises.

The Commission finds that the request for item (1) above is reasonable and concludes that it should be granted. Any increases placed in effect pursuant to the authorization granted by this decision should be spread on a uniform cents per therm basis consistent with the tracking authority authorized by Decisions Nos. 78498, 79856, 80799, 80793 and 82028 and would be subject to future reduction and refund in accordance with the terms and conditions set forth in the Commission's order in Decision No. 78498. A public hearing is not necessary.

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

IT IS ORDERED that:

1. Southwest Gas Corporation may file, on or after the effective date of this decision, under advice letter procedure, rate increases designed to offset the economic cost to petitioner of any increased cost of gas purchased by petitioner from Pacific Gas and Electric Company under Pacific Gas and Electric Company's rate schedule G-62, or any superseding rate schedule, which cost to Southwest Gas Corporation arises directly out of any decision of this Commission issued pursuant to Application No. 54127.

2. In all other respects, Decision No. 78498, as modified by Decisions Nos. 79856, 80799, 80793 and 82028, remains in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 13th
day of NOVEMBER, 1973.

Vernon L. Sturgeon
President
William J. Symons, Jr.
Harold W. Martin
[Signature]
[Signature]
Commissioners