

Decision No. 82124

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the 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 El Paso Natural Gas  
Company.

Application No. 52920

Second Petition for Modification  
of Decision No. 79467

(Filed on September 18, 1973)

ORDER GRANTING SECOND 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 El Paso's tracking authority under Docket No. RP71-137 has been superseded by Federal Power Commission (FPC) order issued July 31, 1972 in Docket No. RP72-154.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 FPC seeking rate increases of .078 cents per therm. These increases went into effect on January 1, 1973.

On December 19, 1972, the Commission issued Decision No. 80875 wherein it modified the terms of the tracking authorization established for petitioner in Decision No. 79467 by, among other things, authorizing petitioner to use the advice letter procedure to offset any increased cost of gas attributable to (1) tracking rate increase filings made by El Paso and (2) increases under Docket No. RP72-151. This authority applicable to petitioner's entire Placer County service area, including Northstar, was granted through December 31, 1973.

In a second petition for modification of Decision No. 79467 filed September 18, 1973, petitioner alleges that RP73-99 filed with the FPC by petitioner will increase the cost of gas to applicant's Placer County service area by .338 cents per therm, effective October 26, 1973, petitioner further alleges that such an increase would result in increased annual gas costs to petitioner of \$21,577 based on test year volumes in Application No. 53747.

Petitioner also alleges that on May 25, 1973, El Paso filed Docket No. RP73-109 with the FPC seeking to raise its rates to petitioner by .071 cents per therm and that this increase will become effective November 25, 1973. Petitioner further alleges that such an increase will result in an additional increased annual cost to petitioner of \$4,528, based on the test year volumes in Application No. 53747.

Petitioner states that on December 13, 1972, petitioner filed Application No. 53747 with the Commission and that on June 29, 1973 in an amendment to Application No. 53747, petitioner requested that it recover in its rates any and all increases authorized by the FPC pursuant to Docket No. RP73-109. On July 3, 1973 in its Second Amendment to Application No. 53747, petitioner requested that it recover in its rates any and all increases authorized by the FPC pursuant to Docket No. RP73-99. Petitioner alleges that, as of September 18, 1973, the date of filing of this Second Petition for modification of Decision No. 79467, as an alternate means for this necessary rate relief no order has been issued in Application No. 53747.

By reason of the foregoing, by this alternative to the tracking relief of FPC increases sought in Application No. 53747, petitioner requests the Commission to further modify its Orders in Decisions Nos. 79467 and 80875 to provide that petitioner, may track through filings made under an advice letter procedure, any cost of gas increases resulting from FPC action in Dockets Nos. RP73-99 and RP73-109.

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 effects of increases in cost of purchased gas authorized by the Commission. In the event the Commission authorizes this request, the utility states that (1) increased revenue would be recovered from customer classes on the basis of Decisions Nos. 79467 and 80875; and (2) 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 Commission's Orders in Decisions Nos. 79467 and 80875.

Therefore, petitioner requests that the Commission issue an appropriate order, without hearing, to: (1) As an alternative to the First and Second Amendments in Application No. 53747, further modify Decisions Nos. 79467 and 80875; by authorizing petitioner to file, under the advice letter procedure, rate increases designed to offset the economic cost to petitioner of any increase which petitioner may experience in its cost of gas by reason of an FPC authorized increase in the rates applicable to sales of gas to petitioner arising out of any decision of the FPC in Dockets Nos. RP73-99 and RP73-109; (2) Extend petitioner's tracking authority to December 31, 1974; and (3) Grant to petitioner such further or different relief as the Commission may find to be proper in the premises.

The Commission finds that the requests for items (1) and (2) above are reasonable and concludes that they 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. 79467 and 80875 and would be subject to future reduction and refund in accordance with the terms and conditions set forth in the Commission's Order in Decisions Nos. 79467 and 80875. A public hearing is not necessary.

The increases in rates herein authorized will not increase petitioner's level of earnings but will merely offset increases 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 changes designed to offset the economic cost to it of any cost adjustments attributable to FPC authorized revisions in the rates applicable to sales of gas to petitioner arising out of any decision of the FPC in Dockets Nos. RP73-99 and RP73-109.

2. Southwest Gas Corporation's tracking authority in this matter is hereby extended to and including December 31, 1974.

3. In all other respects, Decision No. 79467, as modified by Decision No. 80875, remains in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 13<sup>th</sup> day of NOVEMBER, 1973.

Simon L. Spitzer  
President  
William J. Quinn  
John J. Quinn  
John J. Quinn  
John J. Quinn  
Commissioners