

ORIGINAL

Decision No. 82526

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SAN DIEGO GAS & ELECTRIC COMPANY for  
authority, among other things, (a) to  
increase its rates and charges for gas  
service; (b) to include in its tariffs  
a Purchased Gas Adjustment Clause or  
an expanded Advice Letter procedure  
for reflecting in its rates effects  
of changes in purchased gas costs;  
and (c) to modify certain of its  
tariff schedules.

Application No. 52801

Petition for Modification  
of Order Contained in  
Decision No. 80432  
(Filed December 19, 1973)

O P I N I O N

By this petition San Diego Gas & Electric Company (San Diego) requests modification of Decision No. 80432 for authorization to (1) offset and track the effect of any decision of this Commission granting Southern California Gas Company (SoCal) authority for a general increase in gas rates in Application No. 53797, and (2) offset and track through December 31, 1974 or until a decision is issued in Application No. 53946, the effects of any decision of this Commission granting SoCal authority for tracking rate changes or rate revisions by virtue of the purchased gas adjustment provision (PGA) requested by SoCal in Application No. 53797.

Decision No. 80432 dated August 29, 1972 authorized San Diego to continue use of the advice letter procedure to offset changes in the cost of purchased gas attributable to tracking filings made by SoCal through December 31, 1973.

On January 19, 1973, SoCal filed Application No. 53797 for a general increase in gas rates and for a Purchased Gas Adjustment clause to offset changes in its purchased gas costs. Phase I of that proceeding, in which these issues were examined has been submitted.

On April 10, 1973, San Diego filed Application No. 53946 for a general rate increase as well as for authority to offset changes in purchased gas costs from SoCal by the incorporation of a Purchased Gas Adjustment provision in its tariffs or an expanded Advice Letter Procedure.

On December 7, 1973, SoCal filed a petition for modification to extend its authorization for tracking supplier gas cost adjustments beyond December 31, 1973. Decision No. 82395 dated January 29, 1974 authorized SoCal to track such supplier increases through the effective date of an order in Application No. 53797 deciding the inclusion of a Purchased Gas Provision in its tariffs. Refunds to its customers are required of refunds received from its suppliers and of revenues in excess of amounts required to realize the authorized rate of return.

#### Findings

1. Applicant has previously been authorized to track changes in its cost of gas attributable to tracking filings made by SoCal. This authority expired on December 31, 1973.

2. In Decision No. 82395, authorization of SoCal to track supplier gas cost changes was extended beyond December 31, 1973.

3. Due to the relative status of the general rate increase proceedings SoCal may be authorized to increase its rates to San Diego in Application No. 53797 prior to the time that San Diego would be authorized to increase its rates to offset this additional gas cost in Application No. 53946.

4. The results of operations studies prepared by applicant in Application No. 53946 indicate that the rate of return at present rates is below that authorized in Decision No. 80432. To the extent that the rate of return on a temperature adjusted basis exceeds that last found reasonable the tracking increases authorized herein should be reduced to adjust the rate of return to the authorized level and appropriate refunds made to the customers.

5. A public hearing is not necessary.

Conclusions of Law

Based on the foregoing findings the Commission concludes that:

1. Applicant should be granted the authority sought in its petition for modification of Decision No. 80432, to the extent and under the conditions set forth in the order which follows, providing that the tracking changes will not result in a rate of return in excess of that previously found reasonable.

2. Applicant should file recorded and temperature adjusted results of operation reports to enable this Commission to ascertain that any tracking change authorized herein will not result in an excessive rate or return nor in an increase in net revenues.

O R D E R

IT IS ORDERED that:

1. San Diego Gas & Electric Company is authorized to continue use of the advice letter procedure to file revised tariff schedules to reflect changes in the cost of purchased gas attributable to tracking filings made by Southern California Gas Company through and including the effective date of an order in Application No. 53946 deciding whether or not a Purchased Gas Adjustment provision should be included in applicant's tariff schedules. Gas tracking filings made by Southern California Gas Company through the use of its Purchased Gas Adjustment provision, if authorized before similar authority is extended to applicant, would likewise be appropriate pending disposition of this issue in Application No. 53946.

2. In the event that general rate relief is authorized in Application No. 53797 prior to a decision in Application No. 53946, San Diego Gas & Electric Company is authorized to file with this Commission revised tariff schedules to offset and track changes in its cost of gas attributable to the general rate relief granted to Southern California Gas Company in Application No. 53797. Such filings will conform with the provisions of General Order No. 96-A.


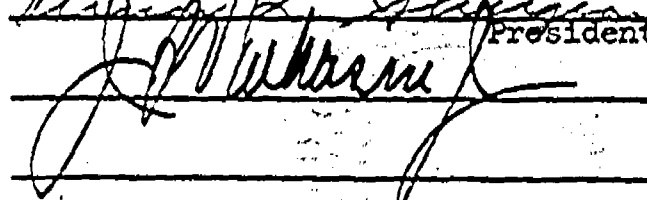
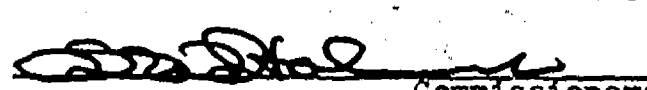
The revised schedules shall become effective on not less than fifteen days' notice to the Commission and to the public.

3. San Diego Gas & Electric Company shall pass on to its customers by the Advice Letter procedure any reduced rates, and refund to its customers any refunds from Southern California Gas Company.

4. San Diego Gas & Electric Company shall file recorded and temperature adjusted results of operation reports. To the extent that the rate of return for the temperature adjusted results of operation report exceeds the authorized rate of return, refunds of gross revenue in excess of amounts required to realize the authorized rate of return shall be made.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 5th  
day of MARCH, 1974.

  
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President  
  
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Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.