

Decision No. 82728

ORIGINAL

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
Sixth Petition for Modification
of Decision No. 78498
(Filed February 25, 1974)

O P I N I O N

By this petition Southwest Gas Corporation (Southwest) requests modification of Decision No. 78498 for authorization to track, through filings made under an advice letter procedure, any cost of gas increase in Pacific Gas and Electric Company (PG&E) Rate Schedule G-62 resulting from Commission action granting to PG&E all or part of the rate relief sought by PG&E in its Applications Nos. 54280, 54616, 54617, and 54618.

By Decision No. 78498, dated March 30, 1971, in Application No. 52428, the Commission, among other things, authorized Southwest to continue the use of advice letter procedure to file revised tariff schedules to reflect increases in the cost of purchased gas attributable to tracking rate increase filings made by PG&E, 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 0.009 cents per therm.

Pursuant to the filing by Southwest of five petitions for modification of Decision No. 78498, the Commission has issued a series of orders providing for (1) extension of the tracking authority through December 31, 1974; (2) deletion of the 0.009 cents per therm limitation; and (3) authority for Southwest to offset any increases granted to PG&E in Applications Nos. 53118, 53552, 53866, and 54127.

On August 30, 1973, PG&E filed Application No. 54280 with the Commission seeking to raise its rates to Southwest and its other consumers by an additional 0.81 cents per therm. Southwest alleges that its annual cost resulting from such an increase would be \$403,405 a year based on purchase volumes for the year 1973.

On January 31, 1974, PG&E filed Applications Nos. 54616, 54617, and 54618 seeking to raise its rates to Southwest and its other consumers by an additional 0.042, 0.354, and 1.427 cents per therm, respectively. If such increases are granted, Southwest alleges that it will face increased costs of \$20,917, \$176,303, and \$710,690, respectively, based upon purchased volumes for 1973.

Findings

1. Southwest has previously been authorized to track changes in its cost of gas attributable to rate increase filings made by PG&E.
2. The resulting tracking rate increases will not increase Southwest's level of earnings, but will merely offset the effect of increases in cost of purchased gas authorized by the Commission.
3. A public hearing is not necessary.

Conclusion of Law

Based on the foregoing findings, the Commission concludes that Southwest should be granted the authority sought in its petition for modification of Decision No. 78498, to the extent and under the conditions set forth in the order which follows.

O R D E R

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 of any increased cost of gas purchased by Southwest from Pacific Gas and Electric Company under PGandE's Rate Schedule G-62, or any superseding rate schedule, which cost to Southwest arises directly out of any decision of this Commission issued pursuant to Applications Nos. 54280, 54616, 54617, and 54618.

2. In all other respects, Decision No. 78498, as modified by Decisions Nos. 79856, 80799, 80793, 82028, and 82107, remains in full force and effect.

The effective date of the order is the date hereof.

Dated at San Francisco, California, this 16th
day of APRIL, 1974.

William J. Sturgeon, Jr. President
[Signature]
[Signature]
[Signature] Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.