

Decision No. 82778

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

Third and Fourth Petitions for
Modification of Decision No. 79467

(Filed on September 28, 1973 and
February 25, 1974)

O P I N I O N

By Decision No. 79467, dated December 14, 1971, in Application No. 52920, the Commission, among other things, authorized Southwest Gas Corporation to use the advice letter procedure to file revised tariff schedules to reflect increases in the cost of purchased gas resulted from tracking rate increase filings made by El Paso Natural Gas Company (El Paso) provided that such authority to track not extend beyond December 31, 1972.

On December 19, 1972, the Commission issued Decision No. 80875 authorizing petitioner to use the advice letter procedure through December 31, 1973, to offset any increased cost of gas attributable to (1) tracking filings made by El Paso, and (2) increases under El Paso Docket No. RP72-151. This authority was extended to petitioner's entire Placer County service area, including Northstar.

On November 13, 1973, the Commission issued Decision No. 82124 in response to a second petition for modification of Decision No. 79467, which authorized the use of advice letter procedure through December 31, 1974 to offset any increased cost of gas resulted from (1) tracking filings made by El Paso, and (2) increases under El Paso Dockets Nos. RP73-99 and RP73-109.

In a third petition for modification of Decision No. 79467, filed September 28, 1973, petitioner alleges that on September 24, 1973, El Paso filed Docket No. RP74-23 (indicated as Docket No. RP 74-43) with the FPC seeking to raise its rates to petitioner by 0.067 cents per therm.

In a fourth petition filed February 25, 1974, petitioner alleges that on December 27, 1973, Docket No. RP74-51 was filed by El Paso with the FPC seeking to raise the petitioner's rates by 0.400 cents per therm, effective June 30, 1974. Petitioner further alleges that such an increase would result in increased annual gas costs of \$28,019 a year based on estimated volumes of 7,611,984 therms for 12 months ending June 30, 1974.

Petitioner requests the Commission to further modify its orders in Decisions Nos. 79467, 80875, and 82124 to provide that petitioner may track under the advice letter procedure any cost of gas changes resulting from FPC actions in Dockets Nos. RP74-23 and RP74-51.

Petitioner also indicates that (1) increase revenue would be recovered from customer classes on the basis of Decisions Nos. 79467 and 80875, and (2) the rate increase filings 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.

On December 13, 1972, petitioner filed Application No. 53747 for a general gas rate increase in its Placer County District.

Findings

1. Petitioner has previously been authorized to track changes in its cost of purchased gas attributable to rate increase filings made by El Paso Natural Gas Company.

2. The increases in rates herein authorized are reasonable and will not increase petitioner's level of earnings but will merely offset changes in the cost of purchased gas.

3. The results of operations studies prepared by petitioner and the staff indicate that the rate of return at present rates is less than that last found reasonable.

4. A public hearing is not necessary.

Conclusion of Law

Based on the foregoing findings, the Commission concludes that petitioner should be granted the authority sought in its petitions for modification of Decision No. 79467 to the extent 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 changes designed to offset the 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. RP74-23 (indicated as RP74-43) and RP74-51. ✓

2. In all other respects, Decision No. 79467, as modified by Decisions Nos. 80875 and 82124, remains in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 23rd day of APRIL, 1974.

Vernon L. Steigman
President
William J. Sullivan
John J. Sullivan
Donald J. Sullivan
Commissioners