

**ORIGINAL**Decision No. 83754

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of Southwest Gas Corporation for  
the Authority to Increase Natural  
Gas Rates in San Bernardino County,  
California.

Application No. 52428  
(Seventh Petition for  
Modification of Decision  
No. 78498, Filed October 9,  
1974)

O P I N I O N

Southwest Gas Corporation (Southwest) requests by this petition the modification of Decision No. 78498 to track, through filings made under the advice letter Procedure, any cost of gas increases in Pacific Gas and Electric Company's (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 Application No. 55228 and to extend tracking authority through December 31, 1975.

The Commission, in Decision No. 78498, dated March 30, 1971, in Application No. 52428, among other things, authorized Southwest to continue the use of the 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 would not extend beyond December 31, 1971, and would 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 six 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, 54127, 54280, 54616, 54617, and 54618.

On October 3, 1974, PG&E filed Application No. 55228 with the Commission seeking to raise its rates to Southwest and other

customers by an additional 1.806 cents per therm. Southwest alleges that if such an increase is made effective its gas cost will increase by \$854,125 a year based on purchased volumes for the 12 months ended July 31, 1974.

Southwest has not obtained authority to adjust its rates occasioned by tracking rate changes filed by PG&E beyond December 31, 1974. Such authority to adjust rates occasioned by tracking rate changes filed by PG&E until December 31, 1974, was granted to Southwest by Decision No. 82028 issued October 24, 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. Southwest's tracking authority expires on December 31, 1974.
3. 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.
4. 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 an advice letter procedure, rate increases designed to offset the economic cost to Southwest of any increased cost of gas purchased by Southwest from Pacific Gas and Electric Company under Rate G-62, or any superseding rate schedule, which cost to Southwest arises directly out of any decision of this Commission issued pursuant to Application No. 55228.
2. The tracking authority is extended through December 31, 1975.
3. In all other respects, Decision No. 78498, as modified by Decisions Nos. 79856, 80799, 80793, 82028, 82107, and 82728, remains in full force and effect.

The effective date of the order is the date hereof.

Dated at San Francisco, California, this 26<sup>th</sup> day  
of NOVEMBER, 1974.

Vernon L. Stearns  
President  
William J. ...  
...  
Robert E. ...  
Commissioners