

ORIGINAL

Decision No. 84413

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
(Eighth Petition for
Modification of
Decision No. 78498, filed
February 20, 1975)

INTERIM OPINION

By this petition, Southwest Gas Corporation (petitioner) requests a 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 Applications Nos. 55468, 55469, and 55470.

In Decision No. 78498 dated March 30, 1971 (Application No. 52428), the Commission, among other things, authorized petitioner 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.

In Decision No. 79856 dated March 28, 1972, the Commission modified paragraph 2.a. of Decision No. 78498 to provide that the time for adjustments in petitioner's rates occasioned by PG&E tracking rate changes was extended through December 31, 1972, and the 0.009 cents per therm limitation on tracking increase authority was eliminated.

In Decision No. 80793 dated December 5, 1972, the Commission modified the terms of the tracking authorization established for petitioner in Decision No. 78498 by, among other things, authorizing petitioner to use the advice letter procedure to offset any increased

cost of gas purchased from PG&E, which cost to petitioner arose directly out of any decision by the Commission issued pursuant to Application No. 53552, then pending before the Commission. The Commission further authorized, by Decision No. 80793, to again modify paragraph 2.a. of Decision No. 78498, as modified by Decision No. 79856, to extend the time for tracking rate authorization through December 31, 1973.

In Decision No. 80799 dated December 12, 1972, the Commission expanded the scope of the tracking authorization established for petitioner in Decision No. 78498 by, among other things, authorizing petitioner to use the advice letter procedure to offset any increase cost of gas purchased from PG&E, which cost to petitioner might arise directly out of any decision by the Commission issued pursuant to Application No. 53118, then pending before the Commission.

In Decision No. 82028 dated October 24, 1973, the Commission expanded the scope of the tracking authorization established for petitioner in Decision No. 78498, by, among other things, authorizing petitioner to use the advice letter procedure to offset any increased cost of gas purchased from PG&E, which cost to petitioner might arise directly out of any decision by the Commission issued pursuant to Application No. 53866. The Commission further authorized, by Decision No. 82028 another modification of paragraph 2.a. of Decision No. 78498, as modified by Decisions Nos. 79856 and 80793, to extend the tracking rate authorization through December 31, 1974.

In Decision No. 82107 dated November 13, 1973, the Commission expanded the scope of the tracking authorization established for petitioner in Decision No. 78498 by, among other things, authorizing petitioner to use the advice letter procedure to offset any increased cost of gas purchased from PG&E, which cost to petitioner might arise directly out of any decision by the Commission issued pursuant to Application No. 54127.

A. 52428 ltc

In Decision No. 82728 dated April 16, 1974, the Commission expanded the scope of the tracking authorization established for petitioner in Decision No. 78498 by, among other things, authorizing petitioner to use the advice letter procedure to offset any increased cost of gas purchased from PG&E, which cost to petitioner might arise directly out of any decision by the Commission issued pursuant to Applications Nos. 54280, 54616, 54617, and 54618.

In Decision No. 83754 dated November 26, 1974, the Commission expanded the scope of the tracking authorization established for petitioner in Decision No. 78498 by, among other things, authorizing petitioner to use the advice letter procedure to offset any increased cost of gas purchased from PG&E, which cost to petitioner might arise directly out of any decision by the Commission issued pursuant to Application No. 55228. The Commission further authorized, by Decision No. 83754, another modification of paragraph 2.a. of Decision No. 78498, as modified by Decisions Nos. 79856, 80793, and 82028, to extend the time for tracking rate authorization through December 31, 1975.

Petitioner 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 PG&E's 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. 55468, 55469, and 55470 filed on January 30, 1975 seeking to raise its rates to petitioner and other customers by an additional 0.483, 0.272, and 0.061 cents per therm, respectively, a total of 0.8160 cents per therm. Petitioner alleges that if such an increase is made effective its gas cost will increase by \$386,000 a year based on purchased volumes for the 12 months ended December 31, 1974.

Findings

1. Petitioner has previously been authorized to track changes in its cost of gas attributable to rate increase filings made by PG&E.
2. Petitioner's tracking authority expires on December 31, 1975.
3. The tracking authority should include gas cost changes to PG&E resulting from Commission action on Applications Nos. 55468, 55469, and 55470.
4. The resulting tracking rate increases will not increase petitioner's level of earnings, but will merely offset the effect of increases in cost of purchased gas authorized by the Commission.
5. A public hearing is not necessary.

Conclusions of Law

1. Based on the foregoing findings, the Commission concludes that petitioner 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.
2. The Tax Reduction Act of 1975 has made changes in the applicability of the investment credit to utilities under our jurisdiction. Because of our uncertainty about the effects of those changes we will make our order in this proceeding an interim order subject to refund. This will permit us to act promptly, if the utility elects to flow through the benefits of the investment credit to the ratepayers, to offset, by reduced rates, the investment credit, and to refund that portion of the credit accruing since the effective date of this order.

INTERIM ORDER

IT IS ORDERED that:

1. Paragraph 2.a. of Decision No. 78498, as modified by Decisions Nos. 79856, 80793, 82028, and 83754, pertaining to adjustments to petitioner's rates occasioned by rate changes filed by PG&E is modified to include tracking filings resulting from gas cost increases to PG&E authorized by the Commission in Applications Nos. 55468, 55469, and 55470.

2. Southwest shall file a revised Preliminary Statement to include a provision for a refund because of changes in the investment credit. Such filing shall be made within fifteen days after the effective date of this order and comply with General Order No. 96-A. The effective date of the revised tariff sheets shall be five days after the date of filing.

3. In all other respects, Decision No. 78498 remains in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 18th
day of MAY, 1975.

Leslie L. Sturgeon
President
William J. ...
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L. M. ...
...
Commissioners