

ORIGINAL

Decision No. 84726

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Advice Letter No. 916)
of SOUTHERN CALIFORNIA GAS COMPANY to)
Increase Revenues to Offset Higher Gas)
Costs Resulting from Increases in the)
Price of Natural Gas Purchased from)
El Paso Natural Gas Company and)
California Producers.)

Application No. 55676
(Filed April 23, 1975;
amended May 16, 1975)

ORDER GRANTING LIMITED
REHEARING OF DECISION NO. 84569

On June 26, 1975 California Manufacturers Association (CMA) and the Secretary of Defense on behalf of the consumer interests of all executive agencies of the United States (Secretary of Defense) filed separate petitions for rehearing of Decision No. 84569, issued June 17, 1975. On June 27, 1975 Southern California Gas Company (SoCal) also filed a petition for rehearing of Decision No. 84569. The Commission, after considering each and every allegation of said petitions, is of the opinion that good cause for limited rehearing of Decision No. 84569 has been shown.

The Commission considers that rehearing of Decision No. 84569 should be granted for the limited purpose of determining whether the purchased gas adjustment (PGA) increase authorized to SoCal in Decision No. 84569 should be applied on a basis other than a uniform cents-per-therm basis to all classes of service. The Commission does not believe that interested parties were given adequate notice of the Commission's intention to consider the issue of rate design in Application No. 55676 or that there was sufficient evidence of record to support the language, findings, conclusions and ordering paragraphs of Decision No. 84569 which provided that 90 days after the effective date of Decision No. 84569 the PGA increased authorized therein should be applied to non-residential schedules only.

D.

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On June 26, 1975 by "Notice of Further Hearing" and by "Examiner's Ruling", Application No. 55676 and Application No. 55677 were consolidated for purposes of further hearings as to the issue of rate design. Hearings in these consolidated proceedings commenced on July 21, 1975. The limited rehearing of Decision No. 84569 granted by this decision should take place as part of these consolidated hearings.

By Decision No. 84700, dated July 22, 1975, the Commission declared that the rate increase granted in Decision No. 84569 be made subject to refund as follows: All sums collected by SoCal pursuant to the Interim Order in Decision No. 84569 and collected subsequent to the date of Decision No. 84700 would be subject to refund in whole or in part should the Commission determine that SoCal had a reduced revenue requirement resulting from its investment tax credit election under the Tax Reduction Act of 1975. Our decision herein does not in any way alter or amend Decision No. 84700.

In Decision No. 84700 the Commission also ordered further hearings to be held to determine the rate impact, if any, resulting from SoCal's election under the Tax Reduction Act of 1975. These hearings shall be held separately from the limited rehearing ordered herein.

IT IS ORDERED that:

1. Rehearing of Decision No. 84569 is hereby granted for the sole purpose of further consideration as to the issue of rate design.
2. Said rehearing shall be part of the consolidated hearings being held in Application No. 55676 and Application No. 55677.

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3. Until further order of the Commission Southern California Gas Company shall continue to collect rates to offset the increased cost of gas purchased from its suppliers of not more than 0.335 cents-per-therm or equivalent in all classes of service pursuant to the tariff schedules filed by Southern California Gas Company on June 17, 1975.

4. In accordance with Ordering Paragraph 1(d) of Decision No. 84569, the entire rate increase is subject to refund and or reduction in the event the Federal Power Commission finally grants an increase to El Paso Natural Gas Company of less than 5.48 cents-per-Mcf.

5. In accordance with Ordering Paragraph 2 of Decision No. 84700, dated July 22, 1975, in Application No. 55676 the rate increase granted in Decision No. 84569 shall be made subject to refund as follows: All sums collected by Southern California Gas Company pursuant to the Interim Order in Decision No. 84569 and collected subsequent to the date of this order shall be subject to refund in whole or in part should the Commission determine that Southern California Gas Company has a reduced revenue requirement resulting from its investment tax credit election under the Tax Reduction Act of 1975.

6. The further hearings ordered in Decision No. 84700 for the purpose of determining the rate impact, if any, resulting from Southern California Gas Company's election under the Tax Reduction Act of 1975 shall be held separately from the hearings on rate design described, supra, in Ordering Paragraphs 1 and 2.

7. In accordance with Ordering Paragraph 3 of Decision No. 84569, Ordering Paragraph 3 of Decision No. 84291, dated April 2, 1975, shall apply to this offset proceeding and all future offset proceedings, on both an individual and cumulative basis.

A. 55676

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The effective date of this order is the date hereof.

Dated at San Francisco, California, this

29th day of JULY, 1975.

President

William Symons D.

Vernon L. Stanger

Leonard Ross

Robert L. Smith

Commissioners

Commissioner D. W. Holmes, being
necessarily absent, did not participate
in the disposition of this proceeding.