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Decision No. 84852

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC
COMPANY for authority to revise its gas
service tariff to offset the effect of
increases in the price of gas from
PACIFIC GAS TRANSMISSION COMPANY.

{Gas}

Application No. 55687
(Filed May 13, 1975)

ORDER GRANTING LIMITED
REHEARING OF DECISION NO. 84721

On August 4, 1975, the Secretary of Defense, on behalf of the consumer interests of all executive agencies of the United States, filed a petition for rehearing of Decision No. 84721. On August 7, 1975, separate petitions for rehearing were filed by the California Manufacturers Association, by Sylvia M. Siegel, on behalf of TURN, the Consumer Federation of California and the Residential Consumers of San Francisco, and by Kerr-McGee Chemical Corporation. On August 8, 1975, the City and County of San Francisco filed a petition for rehearing, and on August 11, 1975, General Motors Corporation filed a petition for rehearing. On August 21, 1975, the City of Palo Alto filed a petition for modification of Decision No. 84721 which the Commission will treat as a petition for rehearing. The Commission, after considering each and every allegation of said petitions, is of the opinion that good cause for limited rehearing of Decision No. 84721 has been shown.

Rehearing of Decision No. 84721 should be granted for the limited purpose of determining whether the increase of \$164,049,000 authorized to Pacific Gas and Electric Company (PG&E) in Decision No. 84721 should be apportioned to PG&E's customers on the basis prescribed by the schedules attached as Appendix A to Decision No. 84721.

In Decision No. 84721 the Commission also authorized PG&E to increase rates to its customers by an additional \$82,026,000 effective November 1, 1975. However, the Commission stated that it would consider the apportionment of that increase following further hearings in Application No. 55687. The Commission indicated its intention to change the general service rate blocks in PG&E's rate schedules; it proposed the establishment of a new block at a level of reasonable residential consumption (perhaps 75 therms); and it proposed spreading the November 1, 1975 increase across the remainder of PG&E's schedules. The Commission also stated its intention to retain this "two-tier" rate structure in subsequent offset proceedings at least until it has had an opportunity to consider fully some different rate structures being explored in other proceedings. The Commission now reaffirms these goals and further hearings will be held in Application No. 55687 with respect to the above-described rate design issues. As part of these hearings, the Commission will also consider the continued applicability of the rate schedules in Appendix A of Decision No. 84721 to the increases to be granted PG&E on November 1, 1975 and to increases granted in subsequent offset proceedings.

By Decision No. 84728, dated July 29, 1975, the Commission ordered that limited rehearing as to rate design be held in the consolidated gas offset proceedings involving PG&E, namely, Application Nos. 55468, 55469 and 55470. The Commission considers it in the best interest of all parties involved in these consolidated proceedings as well as in Application No. 55687 that Application Nos. 55468, 55469, 55470 and 55687 be consolidated for limited rehearing as to rate design.

IT IS ORDERED that:

1. Rehearing of Decision No. 84721 is hereby granted for the sole purpose of further consideration as to the issue of rate design.
2. Said rehearing shall consider the continued applicability of the rate schedules set forth in Appendix A of Decision No. 84721 to increases granted Pacific Gas and Electric Company in offset proceedings.

3. Said rehearing shall be consolidated with the further hearings referred to in Decision No. 84721 with respect to possible changes in the general service blocks of Pacific Gas and Electric Company's rate schedules.

4. Said limited rehearing in Application No. 55687 shall be consolidated with the limited rehearing granted in Application Nos. 55468 and 55469 and with the further hearing in Application No. 55470.

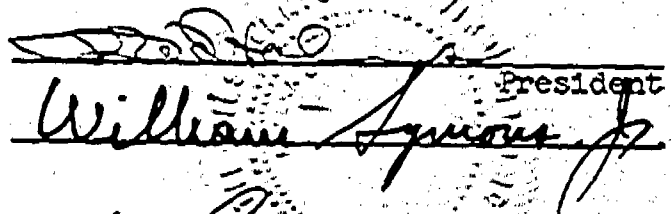
5. The hearings in the consolidated proceedings in Application Nos. 55468, 55469, 55470 and 55687 will commence before Examiner Cline on Thursday, September 4, 1975, at 10:00 a.m., in the Commission Courtroom, State Building, 350 McAllister Street, San Francisco, California.

6. Until further order of the Commission, Pacific Gas and Electric Company shall continue the collection of rates under the rate schedules filed in accordance with the Ordering Paragraph of Decision No. 84721.

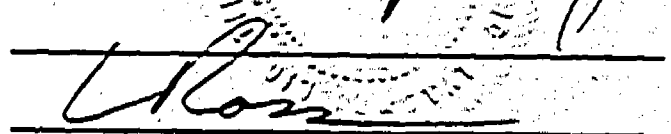
7. The Commission will consider the apportionment of the \$82,026,000 increase in rates to become effective on November 1, 1975 following further hearings in this matter.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 16th day of AUGUST, 1975.



President



Commissioners

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

Commissioner Robert Katsanovich, being necessarily absent, did not participate in the disposition of this proceeding.