

ltc

ORIGINAL

Decision No: 84983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Advice Letter No. 946 )  
of SOUTHERN CALIFORNIA GAS COMPANY to )  
Increase Revenues to Offset Higher Gas )  
Costs Resulting from Changes in the )  
Price of Natural Gas Purchased from El )  
Paso Natural Gas Company, Transwestern )  
Pipeline Company and California )  
Producers. }

Application No. 55900

SUPPLEMENTAL OPINION

By Decision No. 84976, entered October 7, 1975, the Commission ordered Southern California Gas Company (SoCal) to file revised tariff schedules providing for a decrease in rates of 0.071 cents per therm, or equivalent, to all rate schedules. The rate reductions ordered are predicated upon announced changes in rates of SoCal's suppliers. The rate reduction considered a 5.31 cents per Mcf decrease in El Paso Natural Gas Company's (El Paso) commodity rates, an increase of 2.25 cents per Mcf in the commodity rates of Transwestern Pipeline Company (Transwestern), an increase approximating 12.29 cents per Mcf, reduced by 4.85 cents per Mcf, in Transwestern's basic rate, and reductions in the California producer's prices equivalent to the net reduction caused by the aforementioned changes in the rates of El Paso and Transwestern in the average price paid by SoCal for out-of-state gas received at the California border.

SoCal has filed the revised tariff schedules in compliance with the Commission's order and they are scheduled to take effect today. We are informed that the Federal Power Commission (FPC) has accepted El Paso's change in rate and has also accepted the filing by Transwestern calling for an increase of 2.25 cents per Mcf. FPC has not, however, accepted or rejected Transwestern's filing with respect to the increase in basic rate of 12.29 cents or the requested reduction of that increase in the amount of 4.85 cents per Mcf. Action by the FPC other than acceptance and approval of Transwestern's proposal could result in a net cost of purchased gas by SoCal substantially different from that considered in Decision No. 84976. A rejection of Transwestern's filing en toto would reduce the costs considered in Decision No. 84976 and would warrant a further decrease in SoCal's rates. Acceptance by the FPC of Transwestern's proposed 12.29 cents per Mcf increase and a rejection of the proposed modification would result in substantial increases in SoCal's costs and would warrant a rate increase.

In its Advice Letter No. 946, and in its subsequent amended application herein, SoCal stated that it could not foresee what action the FPC would take with respect to the filings by its suppliers or the motion by Transwestern to modify its basic increase. SoCal urged the Commission to take action with respect to its rates considering the filings made by the suppliers and it agreed, as may be appropriate, to file revised rates or make provision for refund of any overcharges resulting therefrom.

Because the reduction in SoCal's purchased cost of gas considered in Decision No. 84976 may not occur, and in consideration of SoCal's consent to provisions for refund which will protect the ratepayers if the FPC accepts Transwestern's filings to be effective retroactively, it is just and reasonable to maintain the status quo until the FPC has acted with respect to the Transwestern filings. Accordingly, the tariff schedules filed today by SoCal in compliance with Decision No. 84976 should be suspended. SoCal should be directed to file an advice letter with the Commission without delay if and when the FPC accepts Transwestern's filing and proposed modification notifying the Commission of the FPC's action and should request that the suspension be vacated. It should also be directed to make refunds which will reflect the decreases in purchased gas costs resulting from the aforesaid filings by El Paso and Transwestern.

In the event that the Transwestern filing is rejected or modified by the FPC, SoCal should be authorized to file revised tariff schedules with the Commission, to become effective on one day's notice, which will reflect the net change in its purchased gas cost resulting from the aforementioned filings by El Paso and Transwestern; and in connection therewith, if the filed rates are lower than the rates currently in effect, it should be required to refund the difference in such rates for gas served from the effective dates of the filings accepted by the FPC to the effective date of the revised tariff schedules.

SoCal has today filed a petition for stay of the effective date of Decision No. 84976. The order herein will provide in substance the relief sought by SoCal in that petition.

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. The operation and effectiveness of the revised tariff schedules filed by Southern California Gas Company this date in compliance with the Commission's order in Decision No. 84976 are suspended.

2. If and when the Federal Power Commission accepts the filing by Transwestern Pipeline Company of a proposed increase in its basic price for natural gas, together with its proposed modification thereof, Southern California Gas Company shall immediately by advice letter filing notify the Commission of such action, and it shall request that the suspension ordered in paragraph 1 be vacated. The suspended rates shall become effective one day after the date of such filing.

3. If and when the Federal Power Commission rejects or modifies the rate changes proposed in the aforementioned filing and modification by Transwestern Pipeline Company, Southern California Gas Company shall file revised tariff schedules with the Commission, to become effective on one day's notice, which will reflect the net change in costs to Southern California Gas Company resulting from the rate changes accepted or approved by the Federal Power Commission in connection with the filings by El Paso Natural Gas Company and Transwestern Pipeline Company proposed to have become effective October 1, 1975.

4. Following the filings by Southern California Gas Company provided for in paragraphs 2 or 3, above, it shall refund to the ratepayers any excess of the current rates over the rates provided for in said filings for gas sold during the period between the effective date of the changes in rates by El Paso Natural Gas Company and Transwestern Pipeline Company, and the effective date of the rates established pursuant to paragraphs 2 or 3.

5. Except as provided herein the petition for stay is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 4th  
day of OCTOBER, 1975.

William Synovius Jr. President  
Vernon J. Sturgeon  
Don  
Paul H. Bell Commissioners