

ORIGINAL

Decision No. 85113

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Advice Letter
No. 945 of SOUTHERN CALIFORNIA
GAS COMPANY to Adjust Its Rates
to Reflect Costs Pertaining to
the Northern Alaska Funding
Agreement (NAFA).

Application No. 55899
(Filed September 3, 1975;
amended September 10, 1975)

(Appearances are listed in Appendix A.)

O P I N I O N

Duly noticed public hearing was held in this matter on September 17 and 18, 1975 before Examiner Thompson at Los Angeles and was submitted September 25, 1975 upon the receipt of late-filed Exhibit 4.^{1/}

By this application Southern California Gas Company (SoCal) requests authority to increase its gas rates to offset costs incurred pursuant to the Northern Alaska Funding Adjustment (NAFA) and file tariff schedules authorized by the Commission in Decision No. 84729 dated August 1, 1975 in Application No. 55599. SoCal estimates that in order to offset NAFA costs a rate increase of \$29,838,000 on an annual basis is required.

In Decision No. 84729, the Commission authorized SoCal to adjust its rates as necessary to reflect its participation in a funding agreement to secure certain rights to Alaskan natural gas as provided for by an agreement between SoCal's affiliate Pacific Lighting Gas Development Company (PLGD) and the Atlantic Richfield Company (ARCO). The order in that decision required SoCal to file

^{1/} This application and Application No. 55900 of SoCal were scheduled for hearing September 17, 1975. The presiding officer received opening statements in both applications on a consolidated record but evidence in each proceeding was taken on separate records.

with the Commission, on or before August 31, 1975, proposed tariff schedules, to become effective October 1, 1975, containing the aforementioned rate adjustments. In compliance therewith, SoCal filed revised tariff schedules on August 29, 1975 (Advice Letter No. 945). In its transmittal SoCal informed the Commission that because arrangements were not final on the amount of the loan draw down by ARCO, the payment of the various fees, the applicable interest rates, and SoCal's revenue requirement with respect to NAFA could only be estimated. The rate increases provided for in the tariff filings are based on those estimates. On September 3, 1975 the Commission converted SoCal's Advice Letter No. 945 to the instant application and set the matter for hearing. On September 10, 1975 SoCal filed its amendment to the application to conform to the Commission's Rules of Procedure.

A description of NAFA is set forth in Decision No. 84729. It contemplates that SoCal's customers will pay the interest charges and other carrying costs on a \$420 million loan to be made to ARCO from various lending institutions. Draw downs on the loan will be made in stages. The amount of servicing costs depends upon final financing arrangements and current interest rates. In general terms, the basic agreement contemplates that within ten days after ARCO presents its initial production payment demand, SoCal shall enter into a production payment agreement with ARCO.^{2/} The actual production payment is to be tendered to ARCO on a date of the fifteenth of the month more than thirty days after the execution of the agreement. For example, if the agreement is signed October 31, the initial production payment would be due on or before December 15.

^{2/} ARCO's negotiations are with affiliates of SoCal; however, for purposes herein we treat the matter as if SoCal is dealing directly with ARCO rather than through its affiliates.

According to SoCal, the initial production payment demand has not been tendered by ARCO because it understands that SoCal cannot enter into an agreement until Decision No. 84729 becomes final. Petitions for rehearing in that matter had been filed.^{3/} This uncertainty with respect to the timing is the cause of the instant proceeding. Decision No. 84729 granted the authority to SoCal to make increases in rates which are necessary to implement NAFA. At the time of that decision it was believed that ARCO would have presented its demand for initial production payment and SoCal would have entered into an agreement with respect thereto at a time when actual payment would have been due on or before November 15, 1975; accordingly, SoCal was directed to make its tariff filings to become effective October 1. Although in a technical and literal sense by this amended application SoCal seeks authority to increase its rates by 0.406 cents per therm effective October 1, 1975, what it is actually seeking is authority to increase rates effective on the first day of the month preceding the month it must present the initial production payment to ARCO by an amount equal to its costs connected therewith. At the hearing it made that very clear.

At the hearing SoCal assumed that an agreement between it and ARCO would be entered into on or before October 31, which would make the first production payment due December 15.

^{3/} Petitions for Rehearing denied September 30, 1975 by Decision No. 84956. A petition for review of Decision No. 84729 was filed in the Supreme Court on October 30, 1975.

The precise amount of the initial production payment has not been determined by ARCO. In making its estimates of its probable costs SoCal necessarily had to make certain assumptions based upon current information. In estimating interest and carrying costs that will comprise the initial production payments SoCal assumed that ARCO would draw \$60 million each quarter year on its \$420 million loan commitment. It estimated that the initial interest rate will be $8\frac{1}{2}$ percent. Based upon those assumptions it estimated that the initial production payments, covering a period of six months, will amount to \$6,944,000. SoCal estimated that its revenue requirement necessary to offset that payment and make provision for additional uncollectible costs, franchise requirements, state income tax, and federal income tax is 2.1485 times the payment, or \$14,919,000. On an annual basis the revenue requirement would be twice that amount equal to \$29,838,000.

SoCal estimates that the average heating value of gas that will be sold during the year ending October 1, 1976 will be 1,053 Btu per cubic foot. It estimates that it will sell 700,990 million cubic feet of gas during that period which, after applying the estimated average heating value and altitude adjustments, amounts to 7,357,545,000 therms. The estimated revenue requirement divided by the indicated number of therms provides an average increase in rates of 0.406 cent per therm.

The Commission staff did not take exception to the estimated annual revenue requirement because the loan draw down by ARCO and the carrying costs related thereto have not been determined or established. It did not take exception to the estimate of cubic feet of gas that will be sold or to the altitude adjustment. It did, however, dispute the reasonableness of SoCal's estimate for the heating value of gas to be sold. Staff points out that Decision No. 84729 orders that filings for adjustment of the NAFA surcharge shall

be made semiannually, on October 1 and April 1 of each year. It argues that inasmuch as further adjustment must be made as of April 1, 1976, it is more suitable to establish the average heating value of gas to be sold during the six months the rate adjustments under consideration will be in effect. The average heating value of gas depends in large part upon the proportion (mix) of gas SoCal receives from its various suppliers and sources. Deliveries of out-of-state gas supplies are gradually being curtailed, which has an effect on the mix. Furthermore, during the winter months SoCal takes larger quantities of gas from California producers, which also has an effect upon the mix. Because of those factors the staff estimates that the weighted average heating value of gas to be sold during the period October 1, 1975 to April 1, 1976 will be 1,056 Btu per cubic foot.

If the initial production payment is based upon interest costs and carrying costs amounting to \$6,944,000 for the first six months, which would result in a revenue requirement of \$14,919,000 for that period, based upon an average heating value of gas to be sold during that period of 1,056 Btu per cubic foot the average increase in rates required would be 0.404 cent per therm. From the customer's point of view the difference of 0.002 cent per therm is insignificant; however, considering annual sales by SoCal of 7,378.5 million therms the gross revenue to SoCal involved is on the order of \$147,570, which does have some significance.

We are of the opinion that the staff's approach is the proper one because adjustments are to be made semiannually.

Much of the argument in this proceeding concerned the manner in which the burden of the NAFA costs should be spread among the various classes of customers. Similar arguments were made in the proceeding that led to Decision No. 84729 (mimeo. page 24 of that decision). The Commission in that decision made no findings or

conclusions regarding rate spread; it directed SoCal to file proposed tariff schedules that will permit it to recover its costs, but it did not provide any direction concerning apportionment of the burden of the rate increases among the various classes of customers. In the instant proceeding SoCal recommends apportioning the increases uniformly to all classes of customers. Staff recommends apportioning the increases uniformly except that rates for the first 75 therms for firm general service customers should not be increased. Southern California Edison Company and California Manufacturers Association opposed any form of rate spread for this proposal which would penalize their clients, as they would be entitled to minimal, if any, deliveries when the ARCO gas begins to flow to California. Other recommendations were made, including that the Commission rescind the authority granted to SoCal in Decision No. 84729.

In recent decisions of the Commission, more particularly Decisions Nos. 84902 and 84721 involving rates of Pacific Gas and Electric Company, the Commission has expressed its views concerning reasonable rate structures for natural gas service. We do not intend to reiterate all that has been stated in those prior decisions. In brief, what was concluded there is that an inverted two-tier rate structure that will give effect to the concepts of conservation, lifeline service, and the element of value of the service in ratemaking is necessary to the welfare of the people of California. If we follow that course in this case the increases involved would be applied to the services having the lower rates until the rates for all gas over 75 therms were uniform.

We take official notice of Section 739 of the Public Utilities Code, to become effective January 1, 1976, enacted subsequent to the hearings in this proceeding. (The Miller-Warren Energy Lifeline Act, Statutes 1975, Chapter 1010.) That section requires the Commission to designate a lifeline volume of gas

which is necessary to supply the minimum energy needs of the average residential user for space and water heating, lighting, cooking, and food refrigerating. It states that in making such designations the Commission shall take into account differentials in energy needs between utility customers whose residential energy needs are supplied by electricity and gas, as well as differentials in energy needs caused by geographic differences, by differences in severity of climate, and by season. On October 7, 1975 the Commission issued its Order of Investigation (Case No. 9988) for the purpose of obtaining the data from which it may comply with that requirement.

Section 739 also provides for the establishment of a rate for the lifeline volume which shall be maintained at the January 1, 1976 level until the average system rate in cents per therm is increased 25 percent or more over the January 1, 1976 level.

With respect to those arguments that the Commission should rescind the authority granted in Decision No. 84729, that decision has now become final and we see no reason to modify it. Certain findings and conclusions in that decision do have a bearing upon a suitable spread of the burden of the NAFA costs. We quote a portion of that decision:

"We are accepting the proposal for one reason only: necessity. We see no alternative means for assuring an adequate supply of natural gas for California. Under any other circumstances, we would readily reject a plan so ill-defined and unfair. ARCO has informed SoCal and the Commission that, in the event this plan is rejected, ARCO will sign a similar agreement with an interstate pipeline company, and California will lose all or a large fraction of the gas supply. We have substantial reason to believe this to be the case. The Prudhoe Bay gas producers are attempting to circumvent FPC regulation by, in effect, offering the gas to the highest bidder in

an auction in which the sellers are few and the buyers are desperate. While we hope that the FPC will reject such transactions, and that it will abolish its prepayment program, we have no basis for predicting future FPC action. Thus we are faced with a choice between accepting a proposal which we regard as unconscionable, or rejecting it and placing our faith in some as yet unborn scheme of federal allocation to assure California's gas supply."

We recognize the mandate of the legislature set forth in Section 739 as well as the fact that adjustments with respect to NAFA may be anticipated on April 1, 1976, and every six months thereafter for four years. Simply stated, while the Commission could now assign a portion of the NAFA burden to what may be later established as the lifeline quantity of gas, it may not do so after January 1, 1976 until such time as the average system rate in cents per therm is increased 25 percent or more over the January 1, 1976 level. As the Commission has not yet established a lifeline quantity for residential customers served by ScCal, it would seem desirable that one be designated on an interim basis to avoid future complications in this regard. In Decision No. 84902 dated September 16, 1975 in Application No. 54280 involving the

rates of Pacific Gas and Electric Company for natural gas service, the Commission, in effect, designated a lifeline quantity of gas for the general service customers of that company at 75 therms per month. That same amount is the best practical estimate available for an average lifeline quantity of gas for all residential customers of SoCal. Keeping in mind that proceedings have been initiated whereby the Commission may establish by January 1, 1976 more definitive lifeline quantities under the criteria specified in Section 739, and that the rate adjustments being considered here are contemplated to become effective on or about November 1, refund complexities that may result from lifeline quantities different from 75 therms would appear to be insignificant.^{4/}

Implementation of the lifeline concept with respect to the rates maintained by SoCal for wholesale service to San Diego Gas & Electric Company and to the city of Long Beach necessitates that those rates be increased by the average increase in cents per therm necessary for SoCal's additional revenue requirement. We recognize that the proportion of residential users to other users in San Diego and Long Beach may be different from that of the area served directly by SoCal; however, that method of apportionment does give some recognition to the lifeline concept.

The arguments of Southern California Edison and of California Manufacturers Association that the interruptible customers should not bear any portion of the NAFA increases is not well taken. It is not at all certain that service to all interruptible customers will

^{4/} If, for example, the designated lifeline quantity of gas for a residential customer at a particular geographical location within the service area of SoCal is established at 85 therms effective January 1, 1976, the difference in quantities is 10 therms per month, or a maximum deviation for the two months of 20 therms. The increase in rates being considered here is about 0.4 cents per therm which would provide a maximum overcharge in this case of 8 cents.

have been discontinued when SoCal receives gas from northern Alaska. There certainly is the possibility that such may be the case; but even so, that is not adequate reason to exempt those customers from sharing in the current costs of SoCal which have been found to be reasonable and necessary to augment its supply so as to continue to provide adequate natural gas service. As long as an interruptible customer is provided natural gas at a cost that is less than its cost of using alternate fuels, the rate for such natural gas service will not exceed the value of the service and is within the zone of reasonableness. To the extent that the rate to be paid by that interruptible customer does not exceed the rate paid by other customers similarly situated, that rate will not be unduly discriminatory. It must be kept in mind that present interruptible customers are receiving a benefit of lower fuel prices not enjoyed by many other businesses having large energy requirements. Because the supply of natural gas is insufficient to meet the demands in California, on December 10, 1974 the Commission entered its Decision No. 83819 in Case No. 9642 ordering that after January 1, 1975 gas utilities may not provide new nonresidential customers with a demand exceeding 200 Mcf per day, or install additional facilities to provide additional service to nonresidential customers whose level of demand is in excess of 200 Mcf per day, without prior approval by the Commission. The potential customers whose applications for gas service were denied by reason of Decision No. 83819 would prefer interruptible natural gas service at any price that would provide them with a fuel cost savings. The traffic will bear substantially higher rates for interruptible natural gas service, and such will continue to be the case so long as the customer's cost of using natural gas does not exceed its cost of using alternate fuels.

Findings

1. Pursuant to Decision No. 84729 dated August 1, 1975 in Application No. 55599 SoCal was authorized to adjust its rates as necessary to reflect its participation in a funding agreement to secure certain rights to Alaskan natural gas as provided for by an agreement between PLGD and ARCO.

2. SoCal reasonably anticipates that its initial production payment to be made pursuant to that agreement (NAFA) will be due and payable on December 15, 1975, although the precise date and the amount of the payment have not yet been established.

3. SoCal requests authority to increase its rates on less than thirty days' notice and to become effective the first day of the month preceding the month in which the NAFA payment is to be made, by an amount which will provide additional revenues sufficient to offset the NAFA payments and increases in costs of franchise requirements, uncollectibles, and income taxes resulting from the additional gross revenues.

4. SoCal estimates that the production payments for the first six months will total \$6,944,000. It estimates that its revenue requirement necessary to offset the payments and make provision for additional franchise requirements, uncollectible costs, and income taxes is 2.1485 times the amount of the payments, or a total of \$14,919,000.

5. SoCal estimates that the average heating value of gas that will be sold during the year ending October 1, 1976 will be 1,053 Btu per cubic foot. It estimates that it will sell 700,990 million cubic feet of gas during that period which, after applying the estimated average heating value and altitude adjustments, amounts to 7,357,545,000 therms. The estimated annual therms sold divided into twice the estimated six months revenue requirement amounts to an average offset of 0.406 cent per therm.

6. The staff estimated that the heating value of gas that will be sold during the six months ending April 1, 1976 will average 1,056 Btu per cubic foot. Using that value, the estimated annual therms sold divided into twice SoCal's estimated six months revenue requirement amounts to an average offset of 0.404 cent per therm.

7. Decision No. 84729 requires that adjustments in SoCal's rates resulting from NAFA shall be reviewed and considered for periods of six months commencing October 1 and April 1 of each year.

8. NAFA, which contains provisions for refunds, was authorized by the Commission in Decision No. 84729 upon findings and conclusions that present FPC regulatory policies in favor of prepayment agreements similar to the type involved here compel it in order to assure California's gas supply. The decision also directs SoCal to place revenues allowed for possible state and federal income tax liability into separate accounts and to litigate with the Internal Revenue Service with respect to the application of federal income tax to those revenues.

9. California's dependence on natural gas and the potential availability of Alaskan gas by reason of SoCal's purchase from ARCO make it imperative that the Commission approve NAFA as set forth in this order, to do otherwise would not be in the public interest.

10. The Miller-Warren Energy Lifeline Act (Statutes 1975, Chapter 1010) adding Section 739 to the Public Utilities Code was enacted subsequent to the hearings in this application. On October 7, 1975 the Commission instituted an investigation (Case No. 9988) to determine lifeline quantities of gas for residential users pursuant to the mandate of that Act. Until a determination is made in that proceeding, a reasonable estimate of the monthly lifeline quantities of gas for the monthly lifeline volume of gas which is necessary to supply the minimum energy needs of the average residential user within SoCal's service area is 75 therms.

11. Even though the supply of gas required to meet demands of the interruptible class of customer is diminishing rapidly, and it is possible that volume service to that class of customer will have ceased at such time as northern Alaskan gas is received by SoCal, rates for interruptible gas service that do not exceed the rates for firm service, other than lifeline service, and do not exceed the customer's cost of using alternate fuels, will not be unjust, unreasonable, or unduly discriminatory.

12. 1,056 Btu per cubic foot is a reasonable estimate of the average heating value of natural gas that will be sold by SoCal during the six month period October 1, 1975 to April 1, 1976. A reasonable estimate of the amount of gas that will be sold by SoCal during the year ending October 1, 1976 is 700,990 million cubic feet. Using the 1,056 Btu average heating value, with appropriate adjustments for altitude, a reasonable estimate of the therms which will be sold by SoCal during the year ending October 1, 1976 is 7,378,507,000.

13. Increases in rates by SoCal which will provide it with additional revenues equivalent to 2.1485 times the production payments it is required to meet pursuant to the NAFA agreement are justified. We estimate the revenue to be approximately \$29,838,000 annually.

14. Rates reflecting the following adjustments in SoCal's present rates are, and for the future will be, just and reasonable rates for natural gas service provided by SoCal:

- (a) Rates for the first 75 therms for general natural gas service; no increase.
- (b) Rates for wholesale natural gas service; increase by cents per therm obtained by dividing amount of additional revenues computed in accordance with Finding No. 13, and extrapolating them to a twelve month basis, by 7,378,507,000 therms.

- (c) All other rates; increase by cents per therm computed as follows: subtract from the additional revenues computed in accordance with Finding No. 13 the additional revenues that will be provided from wholesale rates resulting from (b) above, subtract from 7,378,507,000 therms the number of therms that will be sold at lifeline rates (subparagraph (a) above) and that will be sold at wholesale rates (subparagraph (b) above), divide the remainder revenues by the remainder therms to obtain the increase in cents per therm.

Conclusions

1. SoCal should be authorized to establish the increased rates computed in accordance with Finding No. 14 herein, to become effective not earlier than the first of the month preceding the month in which SoCal is required to make its initial production payment pursuant to the NAFA agreement.
2. Revised tariff pages shall be filed with the Commission not less than two days prior to the effective date of the increased rates.
3. The authority should be conditioned upon any refunds arising from the NAFA agreement, and reduction in NAFA costs, including income taxes, being refunded to the ratepayers.

O R D E R

IT IS ORDERED that:

1. Southern California Gas Company is authorized to establish increased rates computed in accordance with Finding No. 14, to become effective not earlier than the first of the month preceding the month in which it is required to make its initial production payment pursuant to the NAFA agreement, provided, however, that the increased rates shall not become effective earlier than two days after the filing with the Commission of revised tariff pages containing such increased rates.

2. The authority to increase rates is subject to the express condition that any refunds payable under the NAFA agreements and any reductions in Southern California Gas Company's costs related to NAFA, including income taxes, will be refunded to the ratepayers.

The effective date of this order is the date hereof.

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

*I will file a
dissenting opinion concerning rate
structure
Leonard Root.*

[Signature]
President
William Symons, Jr.
[Signature]
Commissioners

*I will file a concerning opinion
William Symons, Jr.*

*I will file a
dissenting opinion concerning rate structure
Robert Bateman*

APPENDIX A

LIST OF APPEARANCES

Applicant: William M. Pfeiffer, Jeffrey A. Meith, and Priscilla M. Martin, Attorneys at Law, for Southern California Gas Company.

Protestants: Hyman Finkel and Edward B. Novikoff, for Seniors for Political Action and CAUSE; Herman Mulman, Attorney at Law, and Burt Wilson, for CAUSE; Robert J. Henry, for V.F.W. and other old-age pensioners; Tim Brick, Attorney at Law, for Peoples Action Union; and Charles J. Salinas for himself.

Interested Parties: Leonard L. Snaider, Attorney at Law, for Burt Pines, City Attorney, City of Los Angeles; Chickering & Gregory, by Sherman Chickering, Donald J. Richardson, Jr., and David Lawson, Attorneys at Law, Gordon Pearce, Attorney at Law, and John H. Wov, for San Diego Gas & Electric Company; John W. Witt, City Attorney, by William S. Shaffran, Deputy City Attorney, for City of San Diego; George R. Gilmour, Attorney at Law, for TURN; Brobeck, Phleger & Harrison, by Gordon E. Davis and Thomas G. Wood, Attorneys at Law, for California Manufacturers Association; Rollin E. Woodbury, Robert J. Cahall, William E. Marx, and H. Robert Barnes, Attorneys at Law, for Southern California Edison Company; Leonard Putnam, City Attorney, by William E. Emich, Deputy City Attorney, Edward C. Wright, and Roy A. Wehe, for City of Long Beach; Robert W. Russell and Manuel Kroman, for Department of Public Utilities & Transportation, City of Los Angeles; Richard M. Glick, for Los Angeles Department of Water and Power; and Henry F. Lippitt 2d, Attorney at Law, for California Gas Producers Association.

Commission Staff: Walter H. Kessenick, Attorney at Law, and Edmund Texeira.

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COMMISSIONER WILLIAM SYMONS, JR., CONCURRING

I concur in Findings 1 through 9 and 11 through 13 as to the revenue increases needed pursuant to the funding agreement to secure certain rights to Alaskan natural gas for Southern California.

But settling the burden of raising this revenue on only a portion of the customers is unwise. The rationale given is further implementation of "lifeline". "Lifeline" rates were initiated in anticipation of a specific statutory amendment in the PG&E General Rate case, Decision No. 84902 (September 16, 1975).

However, a serious complication has entered the picture since that time -- we discovered that the Lifeline Act was enacted in an unexpected, amended form. Today's decision takes notice that effective January 1, 1976, Section 739 has been added to the Public Utilities Code by the Miller-Warren Energy Lifeline Act, statutes 1975, Chapter 1010 (Lifeline Act). Yet it should take more care to examine the specific language of that law. As enacted Section 739(b) provides:

"(b) The Commission shall require that every electrical and gas corporation file a schedule of rates and charges providing a lifeline rate. The lifeline rate shall be not greater than the rates in effect on January 1, 1976. The Commission shall authorize no increase in the lifeline rate until the average system rate in cents per kilowatt-hour or cents per therm has increased 25% or more over the January 1, 1976 level."

We signed Decision No. 84902 believing that the last two sentences of paragraph (b) of Section 739 read as it had prior to September 2, 1975, to wit

"The Commission shall authorize no increase in the lifeline rate until such time as the rates for all customers of electrical or gas service, whichever is applicable, exceed the lifeline rate by 25 percent or more. Thereafter, in establishing electrical and gas rates, the Commission shall maintain a lifeline rate differential of at least 25 percent."

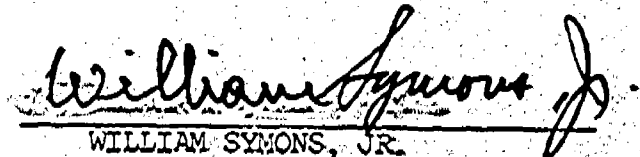
The effect of the language change is considerable. Under the original language, the Commission was mandated to establish a 25% differential between "lifeline" rates and "non-lifeline" rates. Time was unspecified, but the Commission set about the task immediately in the cases before it, e.g., PG&E A.54280. However, after reviewing the new language amended into Section 739, it is apparent that the sooner-the-better approach is not for the best.

Under the changed language, no account will be taken of any amount of differential the Commission variously creates in the multiple utility systems of California prior to the end of the year. The new law freezes rates for "lifeline" quantities at the January 1, 1976 level. In those systems where the Commission has gone the furthest to create a "lifeline" differential by the end of 1975, the subsidy of "lifeline" users by the rest of the users existing at that time will be ignored, and an entirely additional amount of "lifeline" subsidy will be generated in these systems. The new differentials will be achieved by the mechanistic criteria of the new law. This "double-dip" subsidy was not intended by the Legislature. In order to avoid its occurrence, creation of further "lifeline" differentials should be postponed six weeks until the new year begins. A uniform

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increase of 0.404 cents per therm would be more reasonable, not only to avoid an overly large and unintended subsidy, but also because the "lifeline" quantity for each locality is unknown. As of October 7, 1975, the Commission is proceeding on its Order of Investigation (Case No. 9988) for the purpose of obtaining the data from which it may make a determination of "lifeline" quantities.

San Francisco, California
November 18, 1975


WILLIAM SYMONS, JR.
Commissioner