

Decision No. 86360

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas
and Electric Company for authority,
among other things, to increase its
rates and charges for electric
service. (Electric)

Application No. 55509
(Filed February 25, 1975;
amended October 16, 1975)

Application of Pacific Gas
and Electric Company for authority,
among other things, to increase its
rates and charges for gas
service. (Gas)

Application No. 55510
(Filed February 25, 1975;
amended October 16, 1975)

SUPPLEMENTAL ORDER

Decision No. 86281 dated August 24, 1976 in Applications Nos. 55509 and 55510 does not contain the discussion of income taxes proposed by the assigned Commissioner and presiding Examiner. It appears that the elimination of the proposed language could be interpreted to indicate that the Commission is not concerned with the reasonableness of allowances to be included in rates for the purpose of paying income taxes. The parties to these proceedings are hereby advised that the Commission finds that the reasonableness of the allowance for income taxes has not been established. We conclude that further showings on this issue should be required in the second phase of these proceedings, and that refunds should be made to customers if appropriate.

IT IS ORDERED that the issue of the reasonableness of the allowance for income taxes shall be considered further in the second phase of these proceedings and that rates authorized in Decision No. 86281 are subject to reduction, and refunds may be ordered, if the allowance for income taxes adopted in Decision No. 86281 should be found in these proceedings to be excessive.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 1st
day of SEPTEMBER, 1976.

I abstain
William Sproule, Jr.
Commissioner

[Signature]
President

[Signature]
Commissioner

[Signature]
Commissioners

Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.