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**ORIGINAL**Decision 84 10 040

OCT 3 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of SOUTHERN CALIFORNIA GAS COMPANY )  
and PACIFIC LIGHTING GAS SUPPLY )  
COMPANY to Increase Revenue Under )  
the Consolidated Adjustment )  
Mechanism to Offset Changed Gas )  
Costs Resulting From Increases in )  
the Price of Natural Gas Purchased )  
from EL PASO NATURAL GAS COMPANY, )  
TRANSWESTERN PIPELINE COMPANY, )  
PACIFIC INTERSTATE TRANSMISSION )  
COMPANY, and California sources; )  
and to Adjust Revenues to Recover )  
the Undercollection in the CAM )  
Balancing Account. )

Application 82-09-12  
(Filed September 8, 1982)

ORDER GRANTING LIMITED REHEARING  
OF DECISION (D.) 84-07-069

On August 9, 1984 an Application For Rehearing of D.84-07-069 was filed by Toward Utility Rate Normalization (TURN). We have carefully considered each and every allegation of error in TURN's filing and are of the opinion that good cause to grant a rehearing has been shown.

Upon reconsideration we conclude that the evidentiary record in this proceeding does not support Southern California Gas Company's (SoCal's) suggestion that there was a theoretical shortfall of 413 MMcf per day in SoCal's primary supplies for the 1981/82 winter, based in a cold year scenario. Specifically, it is not clear that the figure of 110 Bcf shown on the graph, Figure 1-6 in Exhibit No. 29, represents SoCal's cold year forecast for 1982, as SoCal stated in its reply brief. As we noted in D.84-07-069, the gas balance prepared by SoCal as a part of its Application No. 60867 appears to verify the 110 Bcf figure but

that material is not a part of this record nor of the record in A.60867 and thus may not be relied upon for this purpose.

It also appears this material could clarify the propriety of SoCal's using the January 1982 storage withdrawal figure in Exhibit 29 for a cold year forecast in developing a theoretical shortfall.

Therefore, although we are not compelled to do so as a matter of law and the burden of showing the reasonableness of its gas costs for the review period remains with SoCal, we believe the equitable action to take at this point is to give SoCal an opportunity to offer additional evidence, subject to cross-examination, relating to the shortfall in question. This could include the gas balance referred to above, sponsored by a percipient witness.

Therefore, good cause appearing,  
IT IS ORDERED that:

1. Rehearing of D.84-07-069 is granted. Such rehearing to be held at such time and place and before such Commissioner or Administrative Law Judge as shall hereafter be determined.
2. Said rehearing shall be limited to the receipt of evidence and argument on the issue of whether there was a theoretical shortfall of 413 MMcf per day in SoCal's primary supplies for the 1981/82 winter, based on a cold year scenario.
3. Except as granted herein, rehearing of D.84-07-069 is denied.

This order is effective today.

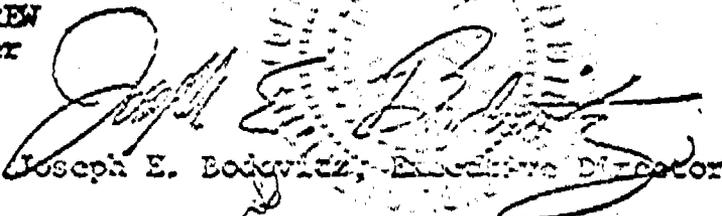
Dated OCT 3 1984, at San Francisco, California.

I dissent. I stand by my dissent in D.84-07-069. I would not go to rehearing, but would order the disallowance of \$3,641,000 from the CAM balancing account for the period October 1, 1981 through June 30, 1982 and conclude this matter.

PRISCILLA C. GREW  
Commissioner

VICTOR CALVO  
DONALD VIAL  
WILLIAM T. BAGLEY

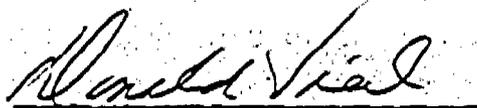
I CERTIFY THAT THIS DECISION WAS APPROVED BY THE ABOVE COMMISSIONERS TODAY.

  
Joseph E. Bodovitz, Executive Director

A.82-09-12  
D.84-10-040

DONALD VIAL, Commissioner, Concurring:

Consistent with my earlier position, I would prefer to disallow the \$3,641,000 in question; however, lacking sufficient support for that position at this time, I will support the order granting limited rehearing in order to cure the obvious defects of D.84-07-069, from which Commissioner Grew and I dissented.

  
Donald Vial, Commissioner

October 3, 1984  
San Francisco, California