

Decision 84 12 029

DEC 5 1984

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS	)	
AND ELECTRIC COMPANY for	)	Application 84-04-028
authority to adjust its	)	(Filed April 6, 1984;
electric rates effective	)	amended May 16, 1984)
August 1, 1984.	)	
	)	
(Electric)	)	
	)	

ORDER MODIFYING DECISION (D.) 84-08-118  
AND DENYING REHEARING THEREOF

An Application For Rehearing of D.84-08-118 has been filed by Pacific Gas and Electric Co. (PG&E). Toward Utility Rate Normalization (TURN) has filed a Petition for Modification. We have carefully considered each and every allegation of error and request for modification in these documents and are of the opinion that good cause for granting rehearing has not been shown. However D.84-08-118 should be modified to clarify our intentions as to the allocation of the fuel sale losses between PG&E's shareholders and its ratepayers. In D.84-08-118 we concluded that the "hold-sell" formula adopted in D.83-08-057 needed to be further refined and was not appropriate as a method of making the allocation in this proceeding. We also concluded that the staff's recommendation of a 91-9% split be followed. By this order we shall further explain our reason for doing so.

Also, we will make one clarification to our discussion of ERAM issues. In D.83-08-048, we directed that AER revenues be excluded from ERAM, and we have since affirmed that holding in PG&E's most recent general rate case in D.84-08-124. Because the latter decision is relevant to our treatment of base revenues here, we will include an express reference to that decision in our discussion of ERAM issues in the present case. Finally, upon further consideration we have decided not to order that workshops be held to develop a better hold-sell formula. No other issues need be discussed. Therefore, good cause appearing,

IT IS ORDERED that,

1. D.84-08-118 is modified as follows:
  - (a) On page 26, mimeo., after the first sentence of the last paragraph, the following language is inserted:

"It is consistent with the 91¢-9¢ ECAC/AER ratio we adopted in D.84-08-048 as an appropriate allocation between PG&E's ratepayers and shareholders of the risk that actual energy expenses will vary from estimated expenses. (See Finding of Fact No. 21 and Ordering Paragraph No. 2 of D.84-08-048)."

- (b) In the third paragraph of mimeo. page 32 the second through fifth sentences are deleted and the following language is inserted in their place:

"We have now ruled on PG&E's application for rehearing. (D.84-08-124.) Accordingly, our disposition of base revenues herein is consistent with the adjustments ordered in D.84-05-100 and D.84-05-101, as modified by D.84-08-124."

2. Ordering Paragraph No. 3 is deleted and Ordering Paragraph No. 4 is renumbered as No. 3.
3. Except as provided above, Rehearing and Modification of D.84-08-118 is denied.

This order is effective today.

Dated DEC 5 1984, at San Francisco, California.

I dissent.

WILLIAM T. BAGLEY  
Commissioner

I abstain.

FREDERICK R. DUDA  
Commissioner

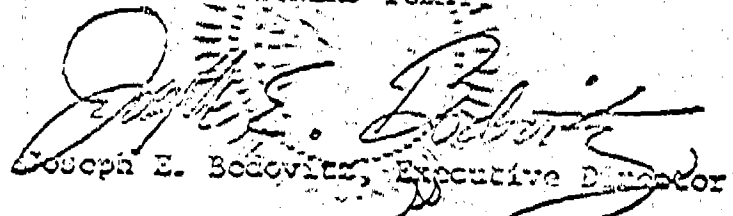
DONALD VIAL

President

VICTOR CALVO

PRISCILLA C. GREW  
Commissioners

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

  
Joseph E. Bodovitz, Executive Director