

Decision 90 05 040 MAY 4 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Southern California Gas Company for
authority to revise its rates
effective October 1, 1989, in its
Annual Cost Allocation Proceeding.

Application 89-04-021
(Filed April 12, 1989)

And Related Matter.

Application 89-05-006
(Filed May 4, 1989)

OPINION ON PETITION FOR
MODIFICATION OF DECISION 90-01-015

On March 13, 1990, Southern California Gas Company (SoCal) filed a petition for modification of Decision (D.) 90-01-015 seeking relief from that decision's requirement that SoCal prepare a brokerage fee cost study for consideration in SoCal's 1990 Annual Cost Allocation Proceeding (ACAP).

SoCal's petition states that the Commission has, since the issuance of D.90-01-015, proposed a rule in R.90-02-008 which would require SoCal to cease from offering noncore gas procurement services. If the Commission adopts the rule, according to SoCal, the brokerage fee cost study will be unnecessary because the utility would no longer provide a brokerage service.

Salmon Resources Ltd. and Mock Resources, Inc. (Salmon/Mock) agree with SoCal that R.90-02-008 may obviate the need for the study. Salmon/Mock suggest that the interim fee, adopted in D.90-01-015, be retained through the 1990 ACAP period. Salmon/Mock also suggests that if the Commission's rulemaking is not implemented by the end of 1990, SoCal should be prepared to present a cost study in its 1991 ACAP.

SoCal's request is reasonable in light of our proposed rule in R.90-02-008. As Salmon/Mock suggests, SoCal should, however, be prepared to present a brokerage fee cost study in its 1991 ACAP if the Commission has not ordered SoCal to eliminate its noncore procurement operations by the end of 1990.

Although SoCal's request is reasonable, we find that it is unnecessarily late. SoCal filed the petition more than two months after the issuance of D.90-01-015 and two days before it filed its 1990 ACAP application. In the future, we will not consider such petitions unless they are filed in time to provide a reasonable period for review. We urge SoCal to file its petitions in a more timely fashion in the future.

Findings of Fact

1. R.90-02-008 proposes a rule which would eliminate the gas utilities' noncore procurement operations.
2. D.90-01-015 ordered SoCal to present a brokerage fee cost study in its 1990 ACAP.
3. The elimination of SoCal's noncore procurement operations would obviate the need for a brokerage fee cost study because SoCal would no longer provide brokerage services.

Conclusion of Law

D.90-01-015 should be modified to eliminate the requirement that SoCal present a brokerage fee cost study in its 1990 ACAP. D.90-01-015 should be modified to require SoCal to present a brokerage fee cost study in its 1991 cost study if the Commission has not ordered SoCal to eliminate its noncore procurement operations by December 31, 1990.

O R D E R

IT IS ORDERED that Ordering Paragraph 4 of D.90-01-015 is modified as follows:

"SoCal shall prepare a new cost study of brokerage related costs, consistent with the

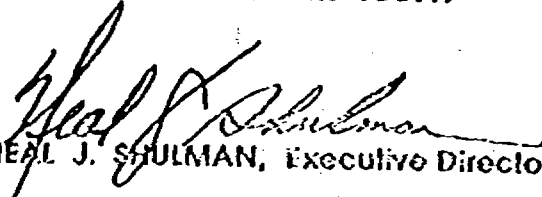
guidelines contained in D.89-09-094, for consideration in SoCal's 1991 ACAP unless the Commission has, by December 31, 1990, ordered SoCal to eliminate its noncore gas procurement operations."

This order is effective today.

Dated MAY 4 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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


NEAL J. SHULMAN, Executive Director

JS