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Decision 91-03-054 March 22, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA GAS COMPANY)
(U-902-G) for authority to revise its)
rates effective October 1, 1990, in)
its Annual Cost Allocation Proceeding.)

ORIGINAL

Application 90-03-018
(Filed March 15, 1990)

In the Matter of the Application of)
SAN DIEGO GAS & ELECTRIC COMPANY)
(U-902-G) for authority to revise its)
rates effective October 1, 1990, in)
its Annual Cost Allocation Proceeding.)

Application 90-03-049
(Filed March 29, 1990)

O P I N I O N

On November 28, 1990, San Diego Gas & Electric Company (SDG&E) filed with the Commission changes in tariff schedules applicable to its Gas Department to be effective December 1, 1990 (Advice Letter 734-G). The purpose of the filing was to revise certain SDG&E core and noncore gas rate schedules pursuant to Ordering Paragraphs 2 and 3 of Decision (D.) 90-11-023 dated November 9, 1990 in SDG&E's Annual Cost Allocation Proceeding, Application (A.) 90-03-049.

On or about January 15, 1991, the Commission staff became aware of a mistake in the application of the Low Income Rate Assistance (LIRA) surcharge in Tariff Schedule GTNC filed by SDG&E in Advice Letter 734-G, which caused an overcollection of rates. At the same time the Commission staff also became aware of a mistake in SDG&E's Advice Letter 730-G-A, filed December 21, 1990, effective January 1, 1991, in which the LIRA surcharge was added to an industrial class rate which already included the surcharge. SDG&E was notified of the errors and the overcollection. SDG&E agreed to correct the errors, and has done so in Advice Letter 741-G effective February 1, 1991. SDG&E has also agreed to refund

to its customers the overcollection resulting from the errors, and it desires to submit a refund plan. This decision orders SDG&E to make the refund, which is estimated to be approximately \$230,000 plus interest.

The tariff errors occurred as a result of an error in the computer model used to calculate the rates adopted by D.90-11-023. That model added the LIRA surcharge to the demand charges of Schedule GTNC, as well as to the volumetric rates. The LIRA surcharge should have been applied only to the volumetric rates. When the LIRA surcharge was adopted, we held that "LIRA surcharges for the gas utilities should be assessed on transported volumes of gas on a cents-per-therm basis." (Re, Compliance with Senate Bill 987, et cet., (1989) 32 CPUC 2d 406,418 (D.89-09-044 in I.88-07-009), 105 PUR 4th 449.) We have followed that LIRA rule in all subsequent gas utility rate cases.

We have already received requests for refunds from some of the customers who were overcharged. The industrial customer class is small, about two dozen customers, and each should receive a refund of the overcharge it paid, with interest. There is no need for SDG&E to file a refund plan. Compliance with our order is sufficient.

The Division of Ratepayer Advocates' (DRA) petitions for modification of D.90-12-122, which modified the Southern California Gas Company (SoCalGas) core rates established in D.90-11-023. In D.90-12-122, we found that DRA had verified certain balancing accounts. DRA points out that it did not verify the accounts, but will in SoCalGas' next Annual Cost Allocation Proceeding and wants the finding modified. We grant the petition.

Findings of Fact

1. On November 9, 1990 in D.90-11-023, this Commission authorized a change in rates for SDG&E which, among other things, allowed SDG&E to impose a LIRA surcharge on volumetric rates for its customers.

2. On or about November 28, 1990 and December 21, 1990, SDG&E filed tariffs which imposed almost three times the LIRA surcharge for certain industrial class customers.

3. SDG&E has overcollected the LIRA surcharge from certain industrial class customers by approximately \$115,000 per month starting December 1, 1990.

4. Finding of Fact 1 in D.90-12-122 is modified to read as follows: The recorded balancing account balances as presented by SoCalGas as of September 30, 1990, which are to be verified by the DRA in SoCalGas' next cost allocation proceeding, are adopted, except for the core EOR account.

Conclusion of Law

The Commission concludes that SDG&E should forthwith refund to each industrial class customer the amount of LIRA surcharge collected in error from the customer since December 1, 1990.

O R D E R

IT IS ORDERED that:

1. San Diego Gas and Electric Company (SDG&E) shall forthwith refund to each industrial class customer all LIRA surcharges collected in error from the customer since December 1, 1990, with interest at the legal rate from the date of collection until date of refund.

2. SDG&E shall report to Commission Advisory and Compliance Division within 90 days of the effective date of this order the amount of the refund made to each customer.

3. SDG&E shall forthwith serve a copy of this decision on each of its industrial class customers.

4. Finding of Fact 1 in D.90-12-122 is modified to read as follows: The recorded balancing account balances as presented by

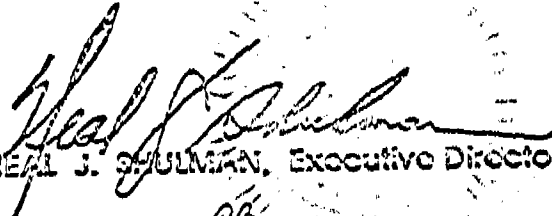
SoCalGas as of September 30, 1990, which are to be verified by the DRA in SoCalGas' next cost allocation proceeding, are adopted, except for the core EOR account.

This order is effective today.

Dated March 22, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL WM. FESSLER
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director
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