

ORIGINAL

Decision 82 09 109 September 22, 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN CALIFORNIA GAS)
COMPANY to Increase Revenues)
Under the Consolidated Adjustment)
Mechanism to Offset Changed Gas)
Cost Resulting from Increases)
in the Price of Natural Gas)
Purchased from EL PASO NATURAL)
GAS COMPANY, TRANSWESTERN PIPE-)
LINE COMPANY and PACIFIC INTER-)
STATE TRANSMISSION COMPANY; to)
Adjust Revenues to Reflect)
Greater Than Anticipated)
Collection of Revenues Due to)
Increases in Natural Gas Supplies;)
to Adjust Revenues to Reflect)
Undercollection of Franchise)
Fees, Uncollectible Expense and)
California Taxes on Income; to)
Adjust Revenues to Reflect)
Increased Carrying Costs on the)
Value of Natural Gas Stored)
Underground; and to Revise)
Section H of the Preliminary)
Statement of its Tariffs.)

Application 60339
(Filed March 9, 1981)

ORDER GRANTING LIMITED REHEARING
OF DECISION NO. 82-04-113

A petition for rehearing of Decision (D.) No. 82-04-113 has been filed by Toward Utility Rate Normalization (TURN). Also, a petition for rehearing and motions for a limited stay and a reopening of the record have been filed by Southern California Gas Company (SoCal).

By D.82-07-041, issued and effective on July 7, 1982, we stayed D.82-04-113 until further order of this Commission.

We have carefully considered each and every allegation in said petitions and motions. We are of the opinion that good cause has been shown for granting rehearing, limited to the extent,

A. 60339 - L/JTQ: avm/js*

if any, to which SoCal's purchases of gas from Pacific Interstate-Northwest (NW) met the alternate fuel cost test, as measured by spot market low sulfur fuel oil prices, during the period of October 28, 1980 through December 4, 1980, as set forth in D.82-04-113. In reconsidering this issue we must necessarily review our determination of the alternate fuel prices applicable during autumn 1980; therefore, we must also reconsider whether all or a portion of SoCal's purchases of gas from Pacific Gas and Electric Company (PG&E) met the above-described alternate fuel test during the period October 4, 1980 through December 4, 1980. If any of either the NW or PG&E purchases are found to have met the alternate fuel price test, further consideration should be given as to the reasonable foreseeability at the time of purchase that such purchases would make it necessary for SoCal to turn away lower priced gas available at a later date.

In granting limited rehearing, we are not departing from using an alternate fuel cost test, measured by spot market low sulfur fuel oil prices, in reviewing the reasonableness of SoCal's purchases during the period at issue. Nor do we repudiate our conclusion in D.82-04-113 that SoCal failed to meet its burden of proving the reasonableness of its NW purchases, thus justifying disallowance of the resultant excess purchased gas costs. Rather, out of concern that SoCal be given every reasonable opportunity to make its case under the alternate fuel price test, we invite SoCal, the staff, and interested parties to submit further evidence to guide us in applying the above alternate fuel cost test, as measured by spot market low sulfur fuel oil prices, for determining the reasonableness of SoCal's discretionary gas purchases in autumn 1980. To

A. 60339 - L/JTQ: avm/jjs*

assure consistency of our ultimate decision in this proceeding with D.82-04-114 in A.59929, we also invite submission of evidence as to the foreseeability, at the time of SoCal's autumn 1980 purchases of PG&E and NW gas, that such purchases would make it necessary for SoCal to turn away lower priced gas available at a later date. Therefore,

IT IS ORDERED that,

1. Rehearing of D.82-04-113 is granted, limited to receiving evidence on the matters described above.
2. Such limited rehearing shall be heard at such time and place and before such Commissioner or Administrative Law Judge as shall hereafter be determined.
3. The Executive Director shall serve notice of such hearing upon the parties in accordance with the Commission's Rules of Practice and Procedure.
4. The existing stay of D.82-04-113 is terminated as of the effective date of this order, with the exception of Findings of Fact 22, 23, 24, 26 and 27, Conclusions of Law 6 and 7, and Ordering Paragraph 6, which remain stayed until further order of the Commission.
5. Except as granted by this order, rehearing of D.82-04-113 is denied.

This order is effective today.

Dated SEP 22 1982, at San Francisco, California.

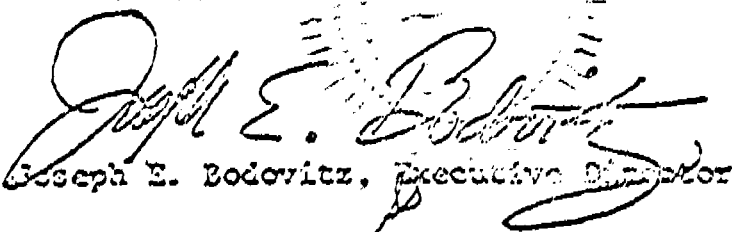
We dissent. We would have denied rehearing.

/s/ RICHARD D. GRAVELLE
PRISCILLA C. GREW
Commissioners

JOHN E. BRYSON
President
LEONARD M. GRIMES, JR.
VICTOR CALVO
Commissioners

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

3


Joseph E. Bodovitz, Executive Director



ADDRESS ALL COMMUNICATIONS
TO THE COMMISSION
CALIFORNIA STATE BUILDING
SAN FRANCISCO, CALIFORNIA 94102
TELEPHONE: (415) 557.

Public Utilities Commission
STATE OF CALIFORNIA

FILE NO.

September 27, 1982

Decision 82-09-109

TO: ALL PARTIES TO APPLICATION 60339

At Conference on September 22, 1982, the Commission granted limited rehearing of Decision 82-04-113 and directed the staff to make certain changes in the draft decision. While those changes were in process, an incorrect form of the decision was inadvertently mailed to all parties. The correct order granting limited rehearing of Decision 82-04-113, consisting of three pages, is attached and should be relied upon during the rehearing process. The previous order, consisting of two pages, should be discarded.

A handwritten signature in cursive script that reads "Mary Carlos".

MARY CARLOS
Chief Administrative Law Judge

Decision 82 09 109

SEP 22 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN CALIFORNIA GAS)
COMPANY to Increase Revenues)
Under the Consolidated Adjustment)
Mechanism to Offset Changed Gas)
Cost Resulting from Increases)
in the Price of Natural Gas)
Purchased from EL PASO NATURAL)
GAS COMPANY, TRANSWESTERN PIPE-)
LINE COMPANY and PACIFIC INTER-)
STATE TRANSMISSION COMPANY; to)
Adjust Revenues to Reflect)
Greater Than Anticipated)
Collection of Revenues Due to)
Increases in Natural Gas Supplies;)
to Adjust Revenues to Reflect)
Undercollection of Franchise)
Fees, Uncollectible Expense and)
California Taxes on Income; to)
Adjust Revenues to Reflect)
Increased Carrying Costs on the)
Value of Natural Gas Stored)
Underground; and to Revise)
Section H of the Preliminary)
Statement of its Tariffs.)

Application 60339
(Filed March 9, 1981)

ORDER GRANTING LIMITED REHEARING
OF DECISION NO. 82-04-113

A petition for rehearing of Decision (D.) No. 82-04-113 has been filed by Toward Utility Rate Normalization (TURN). Also, a petition for rehearing and motions for a limited stay and a reopening of the record have been filed by Southern California Gas Company (SoCal).

By D.82-07-041, issued and effective on July 7, 1982, we stayed D.82-04-113 until further order of this Commission.

We have carefully considered each and every allegation in said petitions and motions. We are of the opinion that good cause has been shown for granting rehearing, limited to one of the

A. 60339 - L/JTQ:avm *

issues raised by SoCal, namely, the extent, if any, to which SoCal's purchases of gas from Pacific Interstate-Northwest met the Spot Market Test during the period of October 28, 1980 through December 4, 1980, therefore,

IT IS ORDERED that rehearing of D.82-04-113 is granted, limited to receiving evidence on the matter described above.

Such limited rehearing shall be heard at such time and place and before such Commissioner or Administrative Law Judge as shall hereafter be determined.

The Executive Director shall serve notice of such hearing upon the parties in accordance with the Commission's Rules of Practice and Procedure.

IT IS FURTHER ORDERED that the existing stay of D.82-04-113 is terminated as of the effective date of this order, with the exception of Findings of Fact No. 21 through 27, Conclusion of Law No. 6, and Ordering Paragraph No. 6, which remain stayed until further order of the Commission.

This order is effective today.

Dated SEP 22 1982, at San Francisco, California.

We dissent. We would have denied rehearing.

/s/ RICHARD D. GRAVELLE
PRISCILLA C. GREW
Commissioners

JOHN E. BRYSON
President
LEONARD M. GRIMES, JR.
VICTOR CALVO
Commissioners