

L/md:rg

Decision S2 11 340 NOV 3 - 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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| In the Matter of the Application) | |
| of SAN DIEGO GAS & ELECTRIC) | Application 59788 |
| COMPANY for authority to increase) | (Filed July 2, 1980; |
| its rates and charges for electric)) | amended December 22, 1980 |
| and gas service (NOI 21)) | and February 23, 1981.) |
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ORDER REOPENING PROCEEDING

San Diego Gas & Electric Company (SDG&E) filed a petition on April 2, 1982, requesting modification of Decision (D.) 93892 dated December 30, 1981. SDG&E alleged that the decision contains certain mechanical computational errors which understated its 1983 attrition allowance by approximately \$12.5 million. On October 20, 1982, the Commission issued Decision No. 82-10-051 which granted reopening of the general rate case proceeding for the limited purpose of receiving testimony regarding correction of the computational errors. At that time, the Commission reserved judgment on the request of the City of San Diego, made in its Opposition to the Petition for Modification (filed April 6, 1982) that the escalation factors which will affect the 1983 attrition allowance computation be reviewed as well as the alleged computational errors.

On November 1, 1982, hearings were held in the reopened proceeding, and evidence was taken on the computational errors. The case on that limited issue was submitted that same day. The City of San Diego filed a Petition for Rehearing of D.82-10-051 on

the grounds that the reopening should have been for the wider purpose of examining the entire basis of the attrition allowance.

Having considered the merits of reopening the proceeding to examine the escalation factors which will be the basis for implementing the attrition allowance, we take note of the fact that inflation for both labor and non-labor expenses has not been as high as was predicted at the time of the issuance of D.93892.

The Attrition Rate Adjustment (ARA) mechanism does not provide for any adjustment of SDG&E's 1982 adopted results of operations before the use of indexes to achieve the 1983 attrition allowance. However, we believe it appropriate at this time to reopen Application (A.) 59788 for the limited purpose of taking evidence on the actual labor and non-labor expense index changes which have occurred in 1982 and the impact of such recorded index changes on the calculation of the 1983 attrition allowance for labor and non-labor expenses. We do not by this decision intend to revise SDG&E's 1982 rates, nor reopen the question of what indexes are to be used for calculating the attrition allowance, nor what the actual levels of expense activity were for 1982.

Once this information has been received in the record, the Commission will proceed to grant an attrition allowance based upon the full record and SDG&E's advice letter filing.

As this limited reopening will provide a forum for the issues raised by the City of San Diego with respect to labor and non-labor escalation for 1982, the City's petition for rehearing is now moot, and the Commission therefore will dismiss same. The Administrative Law Judge Division will set a date for the reopened public hearings as soon as possible, in order that the additional information sought therein will be available to the Commission prior to the end of 1982. In order that this reopening may take place in a timely fashion, this matter has been decided without having been noticed on the agenda for today's conference. All parties to the original and reopened proceedings are to be given notice of the reopened proceeding.

1. IT IS ORDERED that Application 59788 is reopened for the limited purpose set forth above.

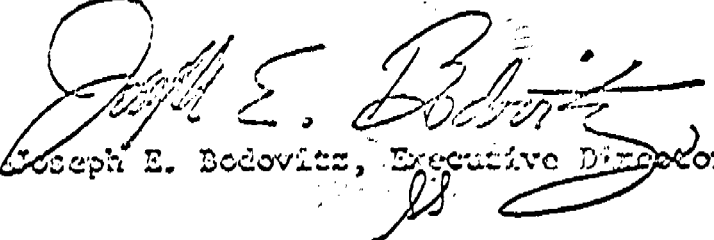
2. The Application for Rehearing of Decision No. 82-10-051 filed by the City of San Diego is hereby dismissed.

This order is effective today.

Dated NOV 3 - 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

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


Joseph E. Bodovitz, Executive Director