

L/WHK:rg

Decision 83 02 064 FEB 16 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 SOUTHERN CALIFORNIA GAS COMPANY and )  
 PACIFIC LIGHTING GAS SUPPLY COMPANY )  
 to Increase Revenues Under the )  
 Consolidated Adjustment Mechanism to )  
 Offset Changed Gas Costs Resulting )  
 From Increases in the Price of Natural )  
 Gas Purchased from EL PASO NATURAL GAS )  
 COMPANY, TRANSWESTERN PIPELINE COMPANY, )  
 PACIFIC INTERSTATE TRANSMISSION )  
 COMPANY, and California sources; and )  
 to Adjust Revenues to Recover the )  
 Undercollection in the CAM Balancing )  
 Account. )

Application 82-09-12  
(Filed September 8, 1982)

In the Matter of the Application of )  
 SAN DIEGO GAS & ELECTRIC COMPANY For )  
 Authority to Increase its Gas Rates )  
 and Charges Pursuant to its Filed )  
 Consolidated Adjustment Mechanism. )

Application 82-09-21  
(Filed September 15, 1982)

ORDER MODIFYING DECISION  
(D.) 82-12-047 AND  
DENYING REHEARING

Applications for rehearing of D.82-12-047 have been filed by Southern California Edison Company (Edison) and, jointly, by General Motors Corporation and Union Carbide Corporation. A response to Edison's application has been filed by Southern California Gas Company. We have carefully considered each and every allegation of error in these applications and are of the opinion that good cause for granting rehearing has not been shown. However D.82-12-047 should be

modified to provide findings of fact on all material issues and to make the language of that decision conform to our original intentions.

Therefore, good cause appearing,  
IT IS ORDERED that,

1. D.82-12-047 is hereby modified as follows:

(a) Findings of Fact Nos. 8 and 9 are added to read as follows:

8. For all the reasons discussed in the Rate Design section of this decision, it is reasonable to spread the adopted revenue requirement among SoCal's customers in accordance with the guidelines and the method set forth on page 19, mimeo.

9. While there is a potential for GN-1, GN-2 and GN-3 customers to switch to propane if their gas rates materially exceed the price of propane, such fuel switching has not yet occurred and there is no persuasive evidence in this record that significant amounts will occur under the rates adopted here.

(b) On page 13, mimeo., the last sentence in the second full paragraph is deleted in full and the following additional discussion is added as a third paragraph on that page.:

"Finally, we note that no further evidence was adduced in Phase II as to the existence of market forces which could cause fuel switching to propane by SoCal's GN-1 and GN-2 customers. The discussion and findings in D.82-10-040 on this issue appear to be equally appropriate for the term we expect the rates here adopted will be in effect. In this regard, the evidence we do have indicates that few, if any, of these customers have propane tanks in place that will do more than provide an emergency, short-term supply (RT, page 240). Moreover, the market for propane in SoCal's service area is now '...very thin...' (RT, page 241). There is no evidence that propane is readily

available in quantities and at a price which could support a conclusion that rates adopted today will cause significant fuel switching to propane. We shall consider all of the above in setting rates."

(c) The first full paragraph on page 15, mimeo., is deleted and replaced with the following language:

"Codd's proposal would require us to adjust the rates paid by SoCal's other customers to offset the automatic decrease in GN-5 rates without any review, hearing or even the notice required by Section 454(a) of the Public Utilities Code. It is unworkable and will not be adopted."

2. Rehearing of D.82-12-047 as modified herein is denied. This order is effective today.

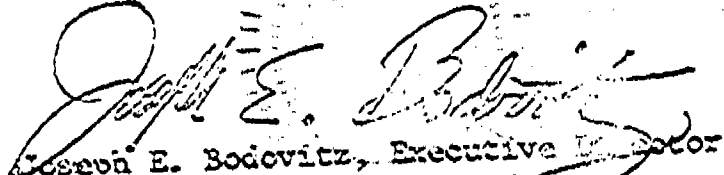
Dated FEB 16 1983 at San Francisco, California.

LEONARD M. GRIMES, JR.  
President  
VICTOR CALVO  
DONALD VIAL  
Commissioners

I abstain.

PRISCILLA C. GREW, Commissioner

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

  
Joseph E. Bodovitz, Executive Director