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MAR 2 1983

Decision 83 03 024

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint)
 Application of SOUTHERN CALIFORNIA)
 GAS COMPANY and PACIFIC LIGHTING)
 GAS SUPPLY COMPANY for authority)
 to increase rates charged for gas)
 service based on test year 1982;)
 to include an attrition allowance)
 for 1984; to include in rates a)
 reward for conservation)
 achievements; and to include in)
 rate base held for future use the)
 expenditures associated with a)
 major gas supply project.)

Application 61081
 (Filed November 30, 1981)

ORDER MODIFYING DECISION (D.) 82-12-054
 AND DENYING REHEARING

An application for rehearing of D.82-12-054 has been filed by Southern California Edison Company (Edison). A response thereto has been filed by Southern California Gas Co. (SoCal). We have carefully considered each and every allegation of error in Edison's application and are of the opinion that good cause for granting rehearing has not been shown.

However, upon further review of the record in this proceeding, we are of the opinion that SoCal's cogeneration program should be maintained for 1983, at least to the extent that carryover funds are available from SoCal's 1982 conservation budget to fund contracts and agreements already made. Therefore, this order modifies D.82-12-054 to permit SoCal to file an advice letter to that effect and also to request such additional funds as it believes are needed to continue the program in 1984 as a part of its attrition advice letter for rates to be effective on or after January 1, 1984.

Therefore, good cause appearing,
IT IS ORDERED,

1. D.82-12-054 is modified as follows:

- (a) On page 44, the discussion under the heading "Cogeneration Program" is deleted and replaced with the following language:

"SoCal proposed spending \$2,384,200 in 1983 on cogeneration, including \$2,718,000 for incentives.

The record indicates that since 1979, when SoCal began incurring expenditures for this program, 12 contracts for feasibility studies have been signed and cogeneration facilities have been constructed.

We are of the opinion that SoCal's program should be continued for 1983, to the extent that carryover funds from SoCal's 1982 conservation budget are available to fund contracts and agreements already entered into. Accordingly SoCal should file an advice letter requesting authority to do so. For 1984, SoCal may include, as part of its attrition advice letter, a request for further funding to carry on this program to the extent required to fund contracts and agreements already entered into at the time of its advice letter filing.

- (b) Finding of Fact 18 on page 103 is modified to read as follows:

"The cogeneration program merits continuation in 1983 to the extent that carryover funds from SoCal's 1982 conservation budget are available for that purpose."

- (c) Ordering paragraph 2 on page 107 is modified to insert the following language between the words "attrition" and "consistent" on line three thereof:

"and for funding its 1984 cogeneration program"

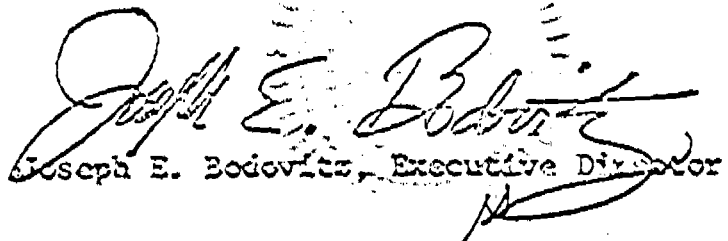
2. Rehearing of D.82-12-054 as modified herein is denied.
This order is effective today.

Dated MAR 2 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovitz, Executive Director

Therefore, good cause appearing,
IT IS ORDERED,

1. D.82-12-054 is modified as follows:

- (a) On page 44, the discussion under the heading "Cogeneration Program" is deleted and replaced with the following language:

"SoCal proposed spending \$3,384,200 in 1983 on cogeneration, including \$2,718,000 for incentives.

The record indicates that since 1979, when SoCal began incurring expenditures for this program, 12 contracts for feasibility studies have been signed and cogeneration facilities have been constructed.

We are of the opinion that SoCal's program should be continued for 1983, to the extent that carryover funds from SoCal's 1982 conservation budget are available to fund contracts and agreements already entered into. Accordingly SoCal should file an advice letter requesting authority to do so.

advice letter, a request for For 1984, SoCal may include a request for *attrition* further funding to carry on this program *to the extent* ~~as a part of its attrition advice letter.~~

- (b) Finding of Fact 18 on page 103 is modified to read as follows:

"The cogeneration program merits continuation in 1983 to the extent that carryover funds from SoCal's 1982 conservation budget are available for that purpose."

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