

Decision 83 13 015 OCT 5 - 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of Southwest Gas Corporation to
modify Decision 82-11-061 as to
the Appliance Conservation Program

Application 83-05-62
(Filed May 31, 1983)

O P I N I O N

By Decision (D.) 82-11-061 dated November 17, 1982 in Application (A.) 82-07-05 Southwest Gas Corporation (Southwest) was authorized to increase its rates for the sale of natural gas in San Bernardino County. The decision, inter alia, eliminated the Water Heater Conversion Incentive Program from Southwest's 1983-1984 Conservation Programs Plan. The program was designed to promote conservation of electric power through the use of high efficiency gas water heaters instead of electric water heaters.

By this application Southwest requests that the above-described program be reinstated. Southwest notes that by D.82-12-063, dated December 15, 1982 the Commission authorized CP National Corporation (CPN) to implement an appliance program in its Lake Tahoe service area virtually identical to the one denied Southwest. The utility also points out that the Commission's Energy Conservation Branch (ECB) approved and supported the appliance conservation programs proposed by Southwest and CPN.

Southwest asserts that a program to assist approximately 800 residential customers can be implemented with the conservation funding authorized by D.82-11-061; that modification of the decision would not result in any need for increased rates.

ECB by memorandum dated June 21, 1983 served on the applicant and placed in the formal file indicates its support of Southwest's request. ECB believes the program will enable customers to achieve savings in energy costs, and also contribute to Southern California Edison's (SCE) load management efforts since SCE is the supplier of electricity to Southwest's service area in San Bernardino County. ECB estimates that if 250 customers participate in the program, 1,550,000 kWh of electricity may be saved annually; or based upon a 10-year life for water heaters, 15,500,000 kWh life cycle savings could be realized.

ECB further notes that the Appliance Conversion Program (\$19,800) rather than the Water Heater Conversion Program (\$97,000) was in fact removed from Southwest's budget, and therefore the utility has \$77,200 remaining in its conservation budget to operate the proposed program.

Findings of Fact

1. D.82-11-061 authorized a conservation program for Southwest during 1983-1984.
2. While the decision purported to deny Southwest's Water Heater Conversion Program, it inadvertently removed the Appliance Conversion Program funds from the budget instead.
3. The Commission authorized CPN to implement a Water Heater Conversion Program in its Lake Tahoe service area quite similar to the one denied Southwest.
4. ECB supports Southwest's request to modify D.82-11-061.
5. The program requested by Southwest will be cost effective and will benefit those customers choosing to avail themselves of the opportunity to convert their water heaters from electric to gas-operated units.

Conclusion of Law

1. The application should be granted.
2. A public hearing is not necessary.
3. Since there is indication of immediate cost savings, this order should be effective today.

O R D E R

IT IS ORDERED that Decision 82-11-061 is modified by authorizing Southwest Gas Corporation to include in its 1983-1984 budget funds for the Water Heater Conservation Program proposed in A.82-07-05.

This order is effective today.

Dated OCT 5 1983, at San Francisco, California.

VICTOR CALVO
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

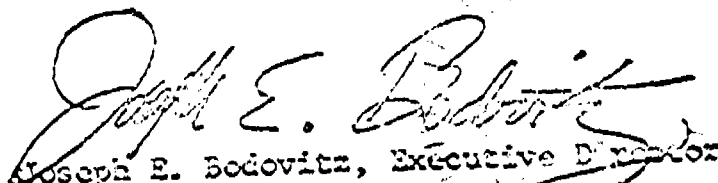
I dissent.

LEONARD M. GRIMES, Commissioner

I dissent.

PRISCILLA C. GRAY, Commissioner

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


Joseph E. Bodovitz, Executive Director

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