

Decision No. 86571**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Advice Letter No. 987 of SOUTHERN CALIFORNIA GAS COMPANY to Increase Revenues to Offset Higher Gas Costs Resulting from Increases in the Price of Natural Gas Purchased from TRANSWESTERN PIPELINE COMPANY and CALIFORNIA PRODUCERS; to increase Revenues to Offset Higher Gas Cost Resulting from Increases in the Price of Natural Gas Purchased from EL PASO NATURAL GAS COMPANY and CALIFORNIA PRODUCERS and to Modify its Purchased Gas Adjustment Procedure.

Application No. 56540  
(Filed June 9, 1976)

ORDER EXTENDING TIME

By Decision No. 86425, dated September 21, 1976, the California Public Utilities Commission (Commission) authorized Southern California Gas Company (SoCal) to maintain its presently effective tariff rates to October 26, 1976 to offset gas cost increases by its out-of-state suppliers, effective August 1, 1976.

A further extension of SoCal's current authority is now required because, on October 21, 1976, the Federal Power Commission (FPC) modified Opinion No. 770 in order to clarify the factors required to permit producers to increase their rates pursuant to a portion of that opinion. In addition, the FPC has ordered that pending any necessary changes to the producer filings made to date, the effective date of the pipeline company PGA's, tracking the Opinion No. 770, the increases are deferred until December 1, 1976; with revised PGA filings to be made on or before November 10, 1976.<sup>1/</sup>

<sup>1/</sup> El Paso has informed SoCal that it will seek to make both its regular semiannual PGA, and its special Opinion No. 770 PGA, effective at the same time, on December 1, 1976.

SoCal on October 25, 1976, petitioned the Commission for extension of the authority granted under Decisions Nos. 86048 and 86425 in order to permit its currently effective purchased gas adjustment (PGA) to remain in effect until December 1, 1976.

SoCal's current PGA, approved in Decision No. 86048, was originally limited to the period up to October 1, 1976. However, an extension of that period was requested by SoCal on August 31, 1976 in order to permit SoCal to track, with one filing, the following supplier adjustments:

(1) El Paso Natural Gas Company's (El Paso) PGA, proposed to be effective October 27, 1976, which reflected both its regular semiannual PGA and its special PGA filing to track the effect of Opinion No. 770;

(2) Transwestern Pipeline Company's (Transwestern) regular semiannual PGA effective as of October 1, 1976, and its special Opinion No. 770 adjustment, proposed to be effective October 27, 1976;

(3) Pacific Interstate Transmission Company's (Pac-Interstate) regular semiannual PGA, effective as of October 1, 1976, and its special Opinion No. 770 PGA, proposed to be effective on October 27, 1976.

The interests of SoCal's customers are protected since SoCal's present PGA procedure provides for any over- or under-collections to be accounted for in a balancing account, as authorized by this Commission in Decisions Nos. 86048, 86425 and now set forth in SoCal's filed Rule 2(n), and El Paso has agreed to credit its customers with the full benefit of deferring any rate reduction from October 1, 1976 to December 1, 1976.

Because of the foregoing, no hearing on this request is necessary. However, SoCal must present its request for rate relief in timely fashion to offset the supplier increases planned for December 1, 1976. Such filing will not be expected before November 10, 1976, the date by which the suppliers themselves must submit their proposals to the FPC for an effective date of December 1, 1976.

Findings

1. The FPC has modified Opinion No. 770, SoCal's three out-of-state suppliers are authorized to increase rates on December 1, 1976, to reflect producer increases filed by November 10, 1976.
2. The estimated impact from the Transwestern and Pacific Interstate October 1 PGA filing is minor and in SoCal balancing account.
3. SoCal should be relieved of the added administrative burden of an extra PGA filing since the time interval before another PGA may be effective is short.
4. SoCal's PGA provides for the accounting of over- and under-collections reflecting prior recorded periods.
5. The deferral of SoCal's previously expected PGA rate change from October 27, 1976 to December 1, 1976 is reasonable.
6. For the reasons set forth above, a public hearing on this request for a time extension is not necessary.
7. SoCal's present rates are not authorized to extend beyond October 27, 1976; therefore, this order should be effective as of the date it is signed.

The Commission concludes that the request for time extension of the existing PGA should be granted to the extent set forth in the ensuing order.

O R D E R




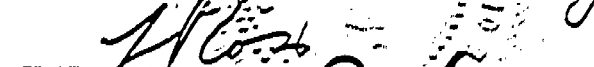

IT IS ORDERED that:

1. The PGA presently contained in SoCal's tariff schedules, and filed pursuant to Ordering Paragraph 4 of Decision No. 86048, be extended beyond October 26, 1976 to December 1, 1976.

2. Any over- or under-collections resulting from the extension authorized by Ordering Paragraph 1 herein shall be recorded in SoCal's PGA balancing account and accounted for as prescribed in its Rule 2(n).

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 20<sup>th</sup> day of OCTOBER, 1976.

  
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President  
  
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Commissioners