

ORIGINAL

Decision No. 86841

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SOUTHWEST GAS CORPORATION for
authority to revise its Tariff for
Natural Gas Service to Offset
Increases in Expense Caused by
Increases in the Price of Natural
Gas From Northwest Pipeline
Corporation through December 31, 1977

Application No. 52920
Seventh Petition for
Modification of
Decision No. 79467
(Filed on November 10, 1976)

O P I N I O N

The petitioner, Southwest Gas Corporation (Southwest), purchases gas from the Northwest Pipeline Corporation (Northwest). Southwest uses this gas to supply retail sales in its Placer County service area, including Northstar, and for resale elsewhere. The Federal Power Commission (FPC) has granted a purchased gas adjustment clause to Southwest for the gas purchased from Northwest for resale.

Currently, the Commission has authorized Southwest to use the advice letter procedure to offset increases in the cost of gas resulting from tracking rate increases authorized its supplier by the FPC. This authority expires on December 31, 1976.

The Commission has authorized the use of the advice letter procedure for Southwest to track increases in the cost of purchased gas from its suppliers annually since 1971 by Decisions Nos. 79467, 80875, 82124, 82778, 83567, and 85576.

The petitioner now requests further renewal of authority to use the advice letter procedure for tracking increases due to tracking rate increase filings made by Northwest.

These tracking increases, if authorized, are not to increase the petitioner's level of earnings, but will be used to offset the increased cost of purchased gas to the petitioner. The increased revenue would be recovered on the basis authorized in Decisions Nos. 79467, 80875, 82124, 82778, 83567, and 85576, and would be subject to reduction and refund in accordance with the Commission orders in these decisions.

Findings

1. Petitioner has previously been authorized to track changes in its cost of purchased gas attributable to rate increase filings made by Northwest Pipeline Corporation.
2. The authority to offset price changes by Northwest Pipeline Corporation based on tracking increases granted by the FPC, as specified in Decision No. 79467, should be extended.
3. A public hearing is not necessary.

Conclusion of Law

1. Based on the foregoing findings, the Commission concludes that the petitioner should be granted the authority sought in its petition for modification of Decision No. 79467 to the extent set forth in the order which follows.
2. The Commission concludes that the effective date of this order should be the date on which it is signed because there is a need to continue the tracking authority previously granted to the petitioner.

O R D E R

IT IS ORDERED that:

1. Southwest Gas Corporation's authorization to use the advice letter procedure to revise tariff schedules to reflect changes in the cost of purchased gas attributable to tracking rate change filings made by Northwest Pipeline Corporation is extended until further decision of the Commission. ✓

2. In all other respects, Decision No. 79467, as modified by Decisions Nos. 80875, 82124, 82778, 83567, and 85576, remains in full force and effect.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 14th day
of JANUARY, 1977.

Robert Balmer
President
William Simon Jr.
Leonard Ross
Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.