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Decision No. 87369 OCT 12 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND  
ELECTRIC COMPANY for authority,  
among other things, to increase  
its rates and charges for water  
service provided by the Tuolumne  
Water System.

(Water)

Application No. 54199  
(Filed July 23, 1973)

ORDER DENYING PETITION FOR MODIFICATION  
OF DECISION NO. 87468

On July 11, 1977 applicant Pacific Gas and Electric Company (PG&E) filed a "Petition for Rehearing" of Decision No. 87468. PG&E requested that it be allowed to implement the second step of the two-step rate increase on October 31, 1977; the effect would be to accelerate the implementation of significantly higher water rates.

Upon review of PG&E's pleading we find that it does not allege legal error, and accordingly is not properly a petition for rehearing. Rather, it is a petition for modification of Decision No. 87468.

We issued Decision No. 87468 fully aware of the two-step increase. The public served by PG&E's Tuolumne Water System by now probably understands that rates will be increased in steps. And the public may be relying on the two-step increase in projecting water costs. We should not modify the rate design adopted in Decision No. 87468 without providing an opportunity for the public and interested parties to be heard (Section 1708 of the Public Utilities Code).

We are of the opinion that Decision No. 87468 should not be modified. PG&E's position is understandable. It would like to accelerate the implementation of higher rates. But that alone is not a basis for us now to proceed to modify Decision No. 87468. That decision was interim and we allowed PG&E the opportunity to update its results of operations showing in conjunction with the further hearings on service territory issues.

IT IS ORDERED that the relief requested by the Pacific Gas and Electric Company's petition for modification of Decision No. 87468 is denied.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 12<sup>th</sup>  
day of OCTOBER, 1977.

Robert Bateman  
President  
William S. Jones Jr.  
Yvonne L. Sturgeon  
Richard D. Howell  
Clair J. D. ...  
Commissioners