

Decision No. 89049 JUN 27 1978

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of Advice Letter )  
No. 1092 of SOUTHERN CALIFORNIA )  
GAS COMPANY to increase revenues )  
to offset changed gas costs under )  
its approved PGA procedures )  
resulting from adjustments in the )  
price of natural gas purchased )  
from TRANSWESTERN PIPELINE COMPANY, )  
EL PASO NATURAL GAS COMPANY, and )  
PACIFIC INTERSTATE TRANSMISSION )  
COMPANY. )

Application No. 57573  
(Filed September 13, 1977)

ORDER MODIFYING DECISION No. 88751  
AND DENYING REHEARING

Petitions for rehearing and/or reconsideration of Decision No. 88751 having been filed by California Manufacturers Association, Tehachapi-Cummings Water District and Southern California Gas Company, the Commission having considered each allegation contained in said petitions and being of the opinion that Decision No. 88751 should be modified but that good cause for rehearing or reconsideration of Decision No. 88751 has not been made to appear;

IT IS THEREFORE ORDERED that ordering Paragraph 2 of Decision No. 88751 be modified to read in full as follows:

2. Southern California Gas Company is authorized to record in its gas balancing account its increased purchased gas costs in the amount of \$18,515,000 and the refunds received from its suppliers of natural gas, including the approximately \$75.6 million which is presently recorded on its books as refunds received from its suppliers, plus accrued interest, and the similar amount of \$6.3 million of refunds and interest recorded on the books of its affiliate, Pacific Lighting Service Company.

IT IS FURTHER ORDERED that ordering Paragraph 3 be added to read in full as follows:

3. Southern California Gas Company shall file with the staff within thirty days a plan of supplementary record keeping which will provide revenue and sales distribution data and records supplementing the balancing account which will provide information relating to deviations from expected sales volumes and revenues.

IT IS FURTHER ORDERED that Findings 11 and 12 be modified to read in full as follows:

11. SoCal's proposal to restructure gas rates to reflect end-use priorities is reasonable, but should not be considered in this proceeding inasmuch as no rate increase will be authorized.

12. SoCal's proposal to offer its multiple priority customers the choice of repiping their plants or entering into contracts providing for the allocation of gas consumption to end-use priorities based on their connected load and curtailment experience does not contain sufficient data on the revenue effect thereof to authorize such a service at this time.

IT IS FURTHER ORDERED that rehearing of Decision No. 88751 as modified herein is hereby denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 27th day of JUNE, 1978.

*I will file dissent.  
William Symons Jr.*

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President  
  
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*Vernon L. Sturgeon*  
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*Robert D. Beach*  
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*Robert J. Schick*  
Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.

*On the merits of the case I would grant re-hearing. I concur for the express purpose of expediting the appeal process should any party desire to avail themselves of it. — Vernon L. Sturgeon*

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So Cal Purchased Gas Rate Increase Application;  
Refund Distribution by Means of Diversion to  
Gas Balancing Account.

COMMISSIONER WILLIAM SYMONS, JR., Dissenting

Clearly we should grant rehearing and correct the injustices which petitioners bring to our attention.

By means of Decision No. 88751, the Commission majority in effect hijacks \$82 million in accumulated refunds that were bound for California gas consumers who overpaid for out-of-state gas supplies through the years 1972 to 1976. The majority uses the instant Application No. 57573 -- an offset case involving annual gas cost increases of \$21 million -- as the vehicle to effect this diversion. Because of the immense amount of money diverted, D. 88751 achieves the temporary expedient of delaying a current rate increase and a needed correction of the malfunctioning rate redesign until a more politic time.

Such juggling is not amusing when laws are ignored and consumers before this Commsision are hurt.

This decision repeats the roughshod treatment of gas customers ordered in Decision No. 88261 (December 20, 1977) wherein \$52 million in the gas refund account held by Pacific Gas and Electric Company were diverted. That case is under appeal to the California Supreme Court in SF 23823. I agree with Commissioner Sturgeon that the appeal process should be expedited so that this case can be considered along with SF 23823. This case presents the fundamental issue even more clearly. Unlike the PG&E decision, the Commission brief will not be able to obfuscate the central issue by arguing that the refund tariff

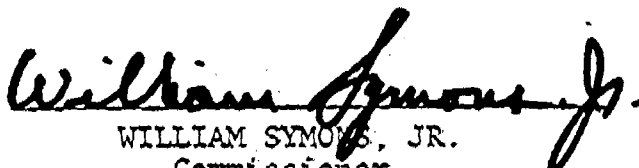
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was "superseded". As So Cal correctly states on page 3 in its petition for reconsideration of Decision No. 88751:

"At present, SoCal may not lawfully dispose of its supplier refunds through its balancing account. SoCal's existing tariffs preclude such an action. SoCal's tariff now states:

'Refunds received from El Paso Natural Gas Company and Pacific Lighting Service Company as related to the F.P.C. dockets listed in subsection 'c' will be made to various customer classes in proportion to the contingent offset charge collected during the periods to which the refunds apply." 1/

San Francisco, California  
June 27, 1978

  
WILLIAM SYMONS, JR.  
Commissioner

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1/ SoCal Preliminary Statement, § E 4d., Revised Cal PUC Sheet No. 14280-G, filed November 4, 1975 effective November 5, 1975.