

Decision No. 92120 : AUG 19 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of SOUTHERN CALIFORNIA EDISON
COMPANY for authority to increase
rates charged by it for gas service
on Santa Catalina Island.

Application No. 58330
(Filed September 1, 1978)

ORDER MODIFYING DECISION NO. 92059

By Decision No. 92059, dated July 29, 1980 in Application No. 58330, Southern California Edison Company (Edison) was authorized to increase gas rates for its Santa Catalina Island (Catalina) retail customers as well as establishing a gas cost adjustment clause (GCAC) in its tariffs.

It has come to our attention that through inadvertence the initial Catalina gas cost adjustment billing factor (GCABF) of \$.4490 was made applicable across the board to all customers. The effect would thus increase lifeline rates when such was not our intention. Existing rates would therefore be excessive. However, Edison has not filed the revised tariffs and will not until this order is issued. Since we pointed out on page 13 of our decision that the average system rate in cents per therm had not increased more than 25 percent above the January 1, 1976 level, we were precluded under Public Utilities Code Section 739(c) from raising lifeline rates. Accordingly, Decision No. 92059 should be modified by revising the GCABF to reflect the correct billing factor to be applied to each class of service.

We find that modifications should be made in Decision No. 92059, as set forth in the order which follows.

IT IS ORDERED that:

1. Table IX on page 24 is modified as set forth on revised page 24 attached hereto.

2. Paragraph 3c on page 2 of 8 of Appendix A is changed to read as follows:

c. The Record Period Quantity of liquefied petroleum gas-air shall be the quantity utilized for generation of liquefied petroleum gas-air during the Record Period, in gallons.

3. Paragraph 8a on page 3 of 8 of Appendix A is changed to read as follows:

a. The GCABF applicable to lifeline service and other than lifeline service, expressed in dollars per therm sold, shall be the GCAC amount divided by Record Period therms, except that the GCABF for lifeline service shall not exceed \$.2934 per therm.

4. Paragraph 9 on page 4 of 8 of Appendix A is changed on the last line to read as follows:

_____, 19__ \$.2934 \$.4993 \$.4993

5. Sentence 2 of Conclusion 2 on page 27 is changed to read as follows:

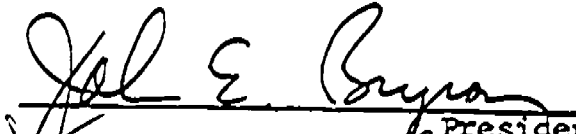
The adopted initial fuel cost adjustment billing factor of \$.2934/therm applicable to lifeline customers is calculated by dividing the 1979 fuel expense, increased by .9814 percent to reflect the effect of franchise fees and uncollectibles, by the 1979 gas sales. The billing factor of \$.4993, applicable to domestic service in excess of lifeline amounts and to other than domestic service, reflects the billing factor after taking into consideration the recently approved advice letter gas cost adjustment rate increase.

A.58330 ALJ/ec


6. In all other respects Decision No. 92059 shall remain in full force and effect.


The effective date of this order is the date hereof.

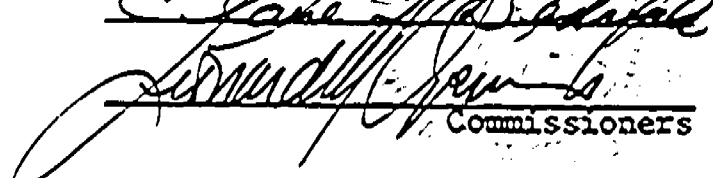
Dated AUG 19 1980, at San Francisco, California.



President






Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.

TABLE IX

		<u>GAS</u>
1979	Fuel Expense	\$390,845 ^{a/}
1979	Sales	879,121 Therms
1979	Fuel Expense	\$390,845
	Increased by .9814%)	
	to reflect effect)	
	of Franchise Fees)	3,836
	and Uncollectibles)	<u> </u>
	Amount to be recovered	\$394,681

a/ 915,800 gallons used in test year for generation of gas-air at \$.42678 per gallon from Advice Letter No. 57-6.

Catalina Gas Cost Adjustment Billing Factor

Lifeline

(214,835 Therms) (\$.2934) = \$63,033

Nonlifeline

Total Therms	879,121	Tot. Amt. to be Recovered	\$394,681
Less Lifeline	214,835	Less Lifeline	63,033
	<u> </u>		<u> </u>
Nonlifeline	664,286	Nonlifeline	\$331,648

\$331,648

664,286 Therms

=
\$.4993/Therm

PRELIMINARY STATEMENT
(Continued)

F. SANTA CATALINA ISLAND GAS COST ADJUSTMENT CLAUSE (GCAC)

1. Applicability. Bills rendered under rate schedules and certain special contracts applicable to service on Santa Catalina Island and contained or listed herein shall include amounts resulting from multiplying the terms of liquefied petroleum gas-air for which the bills are rendered by the appropriate Catalina Gas Cost Adjustment Billing Factors (GCABF), (1) to offset increases or decreases in the cost of liquefied petroleum utilized to generate liquefied petroleum gas-air, and (2) to extinguish the balance in the Gas Cost Adjustment Account. Such billing factors are shown in paragraph 9 following.

2. Revision Date. The Revision Date is September 1 of each year. The effective date of the revised billing factors shall be on such date or as soon thereafter as the Commission may authorize. The GCABF, in dollars per therm of liquefied petroleum gas-air sold, shall be applied to service rendered on and after the effective date and continuing thereafter until the next such factor becomes effective. Applications for revisions of the GCABF shall be filed with the California Public Utilities Commission at least 30 days before the Revision Date.

3. Record Period.

- a. For purposes of calculating the GCABF, the Record Period shall be the twelve-month period ending at the end of the third month prior to the month in which the Revision Date occurs.
- b. Record Period Sales shall be the terms of liquefied petroleum gas-air sold during the Record Period.
- c. The Record Period Quantity of liquefied petroleum gas-air shall be the quantity utilized for generation of liquefied petroleum gas-air during the Record Period, in gallons.

4. Current Price. The Current Price of liquefied petroleum shall be the average price, in cents per gallon, of such fuel in inventory on or before the filing date.

5. Current Cost. The Current Cost of liquefied petroleum shall be the respective Record Period Quantity of liquefied petroleum multiplied by its respective Current Price.

6. Gas Cost Adjustment Account. The Company shall maintain a Gas Cost Adjustment Account (Balancing Account) applicable to the GCAC. Entries to be made to this account at the end of each month will be determined from the following calculations:

PRELIMINARY STATEMENT
(Continued)

F. SANTA CATALINA ISLAND GAS COST ADJUSTMENT CLAUSE (GCAC) (Continued)

- a. Liquefied petroleum expense, all as recorded during the month;
- b. Less: refunds received by the Company from any of its liquefied petroleum suppliers;
- c. Plus: an appropriate adjustment to reflect expenses and revenues resulting from sales, purchases, or transfers of liquefied petroleum during the month; and
- d. Less: amount of revenue billed during the month under the GCABF reduced by 0.9814% to offset the effect of franchise fees and uncollectible expenses.

If the above calculation produces a positive amount (undercollection) such amount will be debited to the Balancing Account. If the calculation produces a negative amount (overcollection) such amount will be credited to the Balancing Account. Interest per month on the average of the beginning and ending balance in the Balancing Account, debit or credit, will accrue to the Balancing Account. (The interest rate adopted in D.91269 is applicable.)

7. Calculation of the GCAC Amount. The Gas Cost Adjustment Clause Amount shall be determined as follows:

- a. The Current Cost of liquefied petroleum calculated according to paragraph 5;
- b. Plus: the balance in the Gas Cost Adjustment Account at the end of the Record Period;
- c. The sum of "a" through "b" shall be increased by 0.9814% to offset the effect of franchise fees and uncollectible expenses; the result is the GCAC Amount to be recovered through the GCABF.

8. Calculation of the GCABF. The Gas Cost Adjustment Billing Factor shall be determined as follows:

- a. The GCABF applicable to lifeline service and other than lifeline service, expressed in dollars per therm sold, shall be the GCAC Amount divided by Record Period therms, except that the GCABF for lifeline service shall not exceed \$.2934 per therm.

PRELIMINARY STATEMENT
(Continued)

F. SANTA CATALINA ISLAND GAS COST ADJUSTMENT CLAUSE (GCAC) (Continued)

- b. When the GCABF exceeds \$.2934 per therm, the Gas Cost Adjustment Clause Amount calculated above shall be reduced by the amount to be recovered through the lifeline GCABF and the remainder shall be divided by the remaining Record Period sales to determine the GCABF applicable to other than lifeline service.
- c. The GCABF shall be rounded to the nearest .0001 dollars per therm.

9. Billing Factors. The adjustment amount to be added to or subtracted from each bill shall be the product of the therms for which the bill is rendered, multiplied by the effective GCABFs. The factors listed below have been, or are, in effect for the period indicated:

Gas Cost Adjustment Billing Factor \$/Therm

<u>Effective Date</u>	<u>Applicable to Domestic Service</u>		
	<u>Applicable to Lifeline Service</u>	<u>Applicable to Service in Excess of Lifeline Amounts</u>	<u>Applicable to Other Than Domestic Service</u>
_____, 19____	\$0.2934	\$0.4993	\$0.4993