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Decision No. 92869 APR 7 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Investigation on the Commission's own)
 motion into electric utility Energy)
 Cost Adjustment Clause (ECAC) tariff)
 and the changes, if any, that should)
 be made to its provisions and)
 procedures.)

OII No. 56
 (Filed August 14, 1979)

ORDER DENYING REHEARING OF
DECISION NO. 92496

A petition for clarification or rehearing of Decision No. 92496 has been filed by Toward Utility Rate Normalization (TURN) an interested party in this proceeding. In that petition TURN questions the method to be used for calculating the initial ECAC adjustment factor for carrying costs of fuel oil in storage. San Diego Gas and Electric Company (SDG&E) and Pacific Gas and Electric Company (PG&E) have filed responses asking that rehearing be denied.

We have carefully considered the questions and allegations contained in TURN's petition and are of the opinion that good cause for granting rehearing has not been shown. Further, we do not believe the language of Ordering Paragraph 3(d) is vague or ambiguous, as TURN suggests. It provides that a respondent utility may enter into its ECAC balancing account its losses or gains in fuel oil carrying costs relating back to its last general rate case decision.

However, we do not agree with TURN's further suggestion that to permit such recovery in prospective ECAC rate adjustments constitutes impermissible retroactive ratemaking.

Although, until now we have not permitted ECAC balancing account treatment of the carrying costs of fuel oil in inventory, that decision was never a final one. Indeed, when we set up the

ECAC procedures to replace the earlier fca tariffs we specified that "...All ECAs in the future shall be on an interim basis unless otherwise ordered...." (Ord. Para. 4 of Decision No. 85731, 79 CPUC 758, 775; affirmed, So. Calif. Edison Co. v. Public Util. Comm. 20 C 3d 813, appeal den.)

Furthermore, in a number of subsequent ECAC decisions, we pointed out that the balancing account balances of the utilities having ECAC tariffs would be subject to further review pending the conclusion of OII No. 56, thus further preserving our right to make adjustments of this kind (see, for example, Decision No. 91545 in San Diego Gas and Electric Company's Application No. 59409, Decision No. 91805 in Southern California Edison Company's Application No. 59499, Decision No's 91721 and 92249 as to Pacific Gas and Electric Company and Decision No. 92069 as to Sierra Pacific Power Company). Therefore,

IT IS HEREBY ORDERED that, rehearing of Decision No. 92496 is denied.

The effective date of this decision is the date hereof.

Dated APR 7 1981, at San Francisco, California.

John E. Canyon
President

Robert D. Gough

Edward W. Griffin

Victor Calvo

Commissioners

I abstain.

Pres. C. Green