

Decision 97-09-038 September 3, 1997

SEP 3 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to review the time schedules for the rate case plan and fuel offset proceedings.

R.87-11-012
(Filed November 13, 1987;
Petition for Modification
filed February 10, 1997)

ORIGINAL

OPINION

By petition for modification of Decision (D.) 89-01-040 filed on February 10, 1997, Southern California Gas Company (SoCalGas) sought relief from the requirement to file a cost of capital application for 1998. SoCalGas was otherwise required to file the application on May 8, 1997. SoCalGas noted that it had filed an application (Application (A.) 95-06-002) for authority to implement a performance-based ratemaking (PBR) program, and that its proposed "self- implementing" cost of capital mechanism would supersede a decision addressing its cost of capital application. SoCalGas expected that a proposed decision in the PBR proceeding would be issued on or before May 14, 1997.

The Assigned Commissioner in the captioned proceeding referred the request to the Commission's Executive Director pursuant to the authority of Ordering Paragraph 9 of D.89-01-040. By letter dated April 1, 1997, the Executive Director suspended the requirement that SoCalGas file the cost of capital application. The suspension was to be in effect until June 30, 1997. By letter dated June 27, 1997, the Executive Director extended the suspension until issuance of the Commission's decision in A.95-06-002.

By D.97-07-054, dated July 16, 1997, the Commission adopted a PBR system for SoCalGas which includes a triggering mechanism for changes to SoCalGas' cost of capital coupled with a "MICAM" mechanism for rate adjustments. (D.97-07-054, slip op. at 49.) As long as the PBR mechanism remains effective, there is no need for recurring cost of capital filings by SoCalGas.

In view of both the temporary suspension of the filing requirement by the Executive Director and D.97-07-054's adoption of a cost of capital triggering mechanism, the relief sought by SoCalGas in the petition for modification is moot. The petition will therefore be dismissed.

Findings of Fact

1. In view of SoCalGas' then-pending application to implement a PBR system, on April 1, 1997, the Executive Director temporarily suspended until June 30, 1997 the requirement that SoCalGas file a cost of capital application for 1998. On June 27, 1997, the Executive Director extended this suspension until the Commission's issuance of a decision on SoCalGas' PBR application.

2. D.97-07-054 approved a PBR system for SoCalGas which includes a triggering mechanism for changes in the cost of capital. Accordingly, during the term of SoCalGas' PBR mechanism, there is no need for recurring cost of capital filings by SoCalGas.

3. Based on the foregoing findings, SoCalGas' February 10, 1997 petition for modification of D.89-01-040 is moot.

Conclusion of Law

SoCalGas' petition should be dismissed.