

Decision 98-02-116 February 19, 1998

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN
CALIFORNIA GAS COMPANY
(U 904 G) Under the Catastrophic Event
Memorandum Account (CEMA)
for Recovery of Costs Related to the
Northridge Earthquake.

A.94-12-006
(Filed December 9, 1994)

ORDER DENYING REHEARING

Southern California Gas Company (SoCal) has filed an Application for Rehearing of D.97-06-064 which requires SoCal to refund to ratepayers through the existing Catastrophic Event Memorandum Account (CEMA) approximately \$6.9 million in insurance proceeds for claims filed for reimbursement of capital costs and restoration of earthquake damaged plant facilities.

SoCal points out in its Application for Rehearing that the decision in its Performance Based Ratemaking (PBR) Case, D.97-07-054, adopts a base margin requirement from which the same \$6.9 million is subtracted, as a reduction to plant thereby obligating SoCal effectively to refund the amount twice, once in the PBR case and once here in the CEMA case.

SoCal filed an Advice Letter to comply with D.97-06-064 in CEMA, pointing out the problem with the potential double refund and asking the Commission to act on this Application for Rehearing to address the problem. The Office of Ratepayer Advocates (ORA) protested the Advice Letter and asked the Commission to deny rehearing because no legal error has been shown and because SoCal can file a petition to

modify the PBR decision to address the problem. ORA points out that SoCal did not file an Application for Rehearing in the PBR case. We agree with ORA that the double refund problem should be corrected in the PBR case.

No legal error having been shown, in this CEMA matter rehearing should be denied.

THEREFORE, IT IS ORDERED THAT:

1. Rehearing of D.97-06-064 is hereby denied.
2. Application 95-06-002 is reopened for the limited purpose of considering appropriate corrective changes to the adopted base margin requirements to eliminate any double counting of the \$6.9 million in insurance proceeds.

This decision is effective today.

Dated February 19, 1998 at San Francisco, California.

RICHARD A. BILAS
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners