FURLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION Energy Branch

RESOLUTION 6-2675 May 7, 1986

RESOLUTION

SOUTHWEST GAS CORPORATION (SNG) ORDER AUTHORIZING NEW RATE SCHEDULE NO. GN-6, INTERNAL CONBUSTION EXGINE GAS SERVICE USED FOR WATER PUMPING

Ry Advice Letter No. 373-G, dated March 26, 1986, SNG requests authorization to establish a new rate schedule for internal combustion engine service classified in SNG's Rule 21 as Priority 2A. At present, SNG has 22 customers who are eligible for service under this new rate schedule and SNG has received numerous inquiries from potential customers as to the availability of a rate for water pumping that is competitive with electric rates.

SNG believes that a rate of \$0.54 per therm will attract new customers with a potential sales volume of 1,700,000 therms annually. The 22 existing customers use approximately 750,000 therms annually under Schedules GN-1, GN-2A and GN-2B at rates ranging from \$0.65869 to \$0.60092 per therm. Revenues from existing customers will decrease because many will be eligible for this new schedule at \$0.54092 per therm. However, the increased sales to new customers are expected to more than offset any reduction in revenues from existing customers for the benefit of the Mojave Division.

This filing has been reviewed by the Public Staff Division (PSD) and was found to be compatible with similar tariff schedules of other gas utilities.

This filing will not increase any rate or charge, conflict with any rule or schedule, nor cause the withdrawal of service.

Public notification of this filing has been made to other utilities, and to all interested parties who requested such notification. The Commission staff has not received any protests in this matter.

We find this advice letter filing to be just and reasonable and will result in a new tariff schedule which has been requested by potential customers. Resolution G-2675 Page 2

THEREFORE:

- 1. Southwest Gas Corporation is authorized under Sections 490 and 701 of the Public Utilities Code to place the new tariff Schedule No. GN-6, Internal Combustion Engine Gas Service, as filed by Advice Letter No. 373-0 into effect today.
- 2. This advice letter and tariff sheets shall be marked to show that they were accepted for filing by Commission Resolution No. G-2675. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 7, 1986. The following Commissioners approved itt

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Acting Executive Director

DONALD VIAL President VICTOR CALVO PRISCILLA C. GREW FREDERICK R. DUDA STANLEY W. HULETT Commissioners