

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION
Energy BranchRESOLUTION G-2682
June 25, 1986

RESOLUTION

SOUTHERN CALIFORNIA GAS COMPANY (SoCal Gas) ORDER APPROVING
THE STIPULATION AND AGREEMENT BETWEEN SoCal Gas, AND SAN
DIEGO GAS AND ELECTRIC COMPANY AND BETWEEN SoCal Gas AND THE
CITY OF LONG BEACH.

By Advice Letter No. 1629-G filed May 8, 1986, SoCal Gas has submitted a revised Agreement as to the wholesale capacity charge for San Diego Gas and Electric Company (SDG&E) and the City of Long Beach.

The Agreement among SoCal Gas, SDG&E and Long Beach as to the proposed revisions is the result of a proposal by SoCal Gas in A. 85-09-034, D 85-12-106 (November 1985 CAM) to update wholesale capacity charges to reflect more current data. The issue of the appropriate wholesale capacity charges for Long Beach and SDG&E was scheduled for hearings in SoCal Gas' November 1985 CAM. However, over the past several months discussions have taken place among SoCal Gas, Long Beach and SDG&E to seek consensus as to the appropriate revisions. After exchanges of data, an agreement was reached and is sought herein. SoCal Gas, Long Beach and SDG&E have agreed that the proposed revisions reflect a more accurate allocation of capacity costs under the existing cost allocation methodology. A copy of the Stipulation and Agreement among SoCal Gas, Long Beach, and SDG&E is attached.

The proposed revisions to the monthly capacity charges are shown in the attached copy of the Stipulation and Agreement. The revisions result from an update of the variables used in the cost allocation study from which the wholesale capacity charges are derived. Once these variables were updated for all parties to the Agreement, new monthly capacity charges were calculated.

The current and the resulting proposed capacity charges are as follows:

	<u>Current Monthly Capacity Charge</u>	<u>Proposed Monthly Capacity Charge</u>
Long Beach	\$637,083.	\$574,333.
SDG&E	\$2,157,583.	\$2,296,583.

SoCal Gas' Consolidated Adjustment Mechanism Application 86-03-058 filed March 28, 1986 proposes the wholesale pipeline demand charge component currently in the commodity rate be collected as a separate tariff charge. The capacity charge filed by this advice letter does not include a separate pipeline demand charge component. The revised wholesale capacity charges filed by this advice letter may be revised by further Commission order in subsequent proceedings.

This filing is in accordance with Section VI of General Order No. 96-A and Section 532 of the Public Utilities Code.

This filing is an adjustment to the capacity charges and will not 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 revised capacity charges as shown in the Stipulation and Agreement.

THEREFORE:

1. Southern California Gas Company is authorized under Sections 451 and 532 of the Public Utilities Code to place the new capacity charges into effect as filed by Advice Letter No. 1629-G.
2. This advice letter and tariff sheets shall be marked to show that they were accepted for filing by Commission Resolution No. G-2682. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 25, 1986. The following Commissioners approved it:


Executive Director

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