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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION

Resolution G-2773

Energy Branch

February 10, 1988

SAN DIEGO GAS & ELECTRIC (SDG&E),
ORDER AUTHORIZING A GAS REFUND PLAN.

SUMMARY

By letter, dated January 4, 1988, SDG&E has submitted a proposed refund plan, applicable to all gas service, in order to flow through to its gas customers a refund of approximately \$2.4 million plus interest. The refund was received from SDG&E's supplier, Southern California Gas Company (SoCalGas).

BACKGROUND

1. The proposed refund reflects funds received from SoCalGas in December, 1987, pursuant to the provisions of Commission Resolution G-2752, dated February 25, 1987 and includes interest at the variable rate provided in Decision 91269, through the first full month of the refund.

2. The total refundable amount, as shown in Attachment A to this resolution, is \$2,411,935. This includes \$2,387,402 received by SDG&E from SoCalGas, plus \$24,533 in accrued interest from December 23, 1987 through February 15, 1988. Any additional interest accrued to the date refunds are made will be included in the refund.

DISCUSSION

1. Each refund component as of January 31, 1988 (including prorated interest for the month of February, 1988), is set forth in Attachment A.

2. The total refund amount includes an approximate 0.2% contingency factor for refund adjustment. However, this contingency factor is not applicable to GN-5 customers due to the fact that there are no former GN-5 customers who might seek a refund.

3. This refund plan resembles the refund plan authorized by the Commission in Resolution G-2654, dated December 4, 1985, for refunds made by SDG&E in January, 1986.

4. Remaining at issue are the contingency refund balances from previous refund plans. These balances, including interest through November 30, 1987 are as follows:

<u>Date of Refund</u>	<u>Resolution No.</u>	<u>Amount</u>
May, 1982	G-2464	\$ 133,129.17
January, 1985	G-2615	660,975.41
January, 1986	G-2654	326,215.31
	Total	<u>\$1,120,319.89</u>

These balances have been excluded from this plan pending CPUC action related to Cory vs CPUC 33 C.3d 522 (1983), and the provisions of Resolution G-2654, dated December 4, 1985.

5. The average residential refund will be approximately \$1.29 for those customers using an average of 460 therms per year.

6. Uniform per therm refund factors will be developed separately for Single Family Residential Service, Multi-Family Residential Service, Other Retail Service, Large Industrial Service and Interdepartmental Sales categories.

7. Under this proposal, refunds to residential and other P-1 customers will be made only to those customers who are billed during the March, 1988 billing cycle and will be based on the actual therm sales during the twelve-month period ending January 31, 1988 or portion thereof.

8. The refund factor calculations will be based upon the total refundable amount divided by the sales during the twelve-month period ending January 31, 1988.

9. Refunds to other non-residential customers will be based upon a refund factor per therm times the therm sales billed to each customer during the full refund period (June 1977-July 1983). The amount refundable to each customer for the refund period will be calculated based upon a refund factor per therm times the recorded therm sales to that customer during the refund period.

10. Current Priority 2, 3 and 4 customers who were also customers during the refund period will receive their refunds as a credit to their March, 1988 bill. Former Priority 2, 3 and 4 customers will receive refunds by check sent to the customer's last address of record or applied to any unpaid billings. The CACD recommends that SDG&E be instructed to make reasonable efforts to locate those non-residential customers whose refunds are unclaimed.

11. The refund allocated to Interdepartmental Sales will be credited to the Schedule GN-5 billing for the Month of March, 1988.
12. It is not contemplated that former residential and other Priority 1 customers be sent refund checks to their last address of record. However, SDG&E will evaluate all requests from customers, through July 31, 1988, who either did not receive a refund or who contend that the refund was inadequate. Adjustments will be made when deemed appropriate.
13. Before and after actual refunds, SDG&E will publish notices in newspapers throughout its service territory about the refund. These notices will invite persons who believe that they are entitled to a refund but who did not actually get one, to contact the nearest utility office in order to have the situation reviewed.
14. Former customers who have received or who will receive a similar refund from another California gas utility, by having resided within two separate service territories during different portions of the same refund period (June 1977 through July 1983) will not be eligible for this refund. In order to exclude double payments, such customers are considered to be eligible for only one refund during the same refund period. However, any customer maintaining dual residency inside and outside of SDG&E's service territory and paying bills simultaneously to two or more gas utilities will be eligible for the SDG&E refund regardless of any action by the other utility.
15. If appropriate, refunds may be applied to uncollectible accounts related to closing bills during the twelve-month period ending January 31, 1988.
16. Each recipient of a payment or credit under this refund plan will receive a notice that includes the statement:

"This refund was ordered by the California
Public Utilities Commission."
17. Copies of this proposed refund plan have been sent by SDG&E to interested parties, other utilities and wholesale customers.

FINDINGS

1. The Commission Advisory & Compliance Division (CACD) and the Legal Division have reviewed the proposed refund plan and recommend approval except that the refund plan should take place during the March, 1988 billing cycle.

2. We find that the proposed refund plan is just and reasonable and in the best interest of SDG&E's customers.

3. We further find that CACD's recommendation concerning efforts to locate former non-residential customers should also be adopted.

THEREFORE

IT IS ORDERED THAT:

1. San Diego Gas & Electric is authorized under Section 453.5 of the Public Utilities Code to place the above refund plan, as modified, into effect and to implement it during the March, 1988 billing cycle.

2. San Diego Gas & Electric shall file with the Commission Advisory & Compliance Division revised workpapers showing the refunds to various classes of service (Attachment A) to include the additional interest accrued due to the implementation date being changed from February to March, 1988.

3. San Diego Gas & Electric shall make reasonable efforts to locate former non-residential customers in accordance with the provisions of Paragraph 10 of the Discussion above.

4. San Diego Gas & Electric shall keep records of the refunds and shall submit a report to the Chief of the Energy Branch of the Commission Advisory & Compliance Division of any amounts unrefunded by November 30, 1988. This report shall include the amount of unclaimed refunds and the methods and the results of the efforts made to locate former non-residential customers.

5. The above refund plan shall show that it was approved for filing and for implementation, as modified, by Commission Resolution G-2773. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on February 10, 1988. The following Commissioners approved it:


EXECUTIVE DIRECTOR

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
Commissioners

<u>Class of Service</u>	<u>Recorded Therm Sales, Jun 77-Jul 83¹</u>	<u>Refund Allocation Based on Sales</u>	<u>Estimated Interest Through 2-15-88</u>	<u>Total Refundable*</u>
Residential				
GR	1,518,974,102	\$ 720,900	\$ 7,408	\$ 728,308
GM	312,369,099	148,249	1,523	149,772
GS	29,898,094	14,190	146	14,336
GT	54,871,444	26,042	268	26,310
Non-Residential				
GN-1	608,334,959	288,714	2,967	291,681
GN-2	85,569,303	40,611	417	41,028
GN-3/36	208,976,914	99,180	1,019	100,199
GN-4/46	85,675,223	40,661	418	41,079
GCG	7,016,665	3,330	34	3,364
Spec. Cont.	156,846	74	1	75
GN-5	<u>2,118,536,500</u>	<u>1,005,451</u>	<u>10,332</u>	<u>1,015,783</u>
TOTAL	5,030,379,149	\$2,387,402	\$24,533	\$2,411,935*

Based on the refund factor of 00.281 cents per therm, (residential dollars + residential sales) the average residential refund is estimated to be approximately \$1.29 for those customers using an average of 460 therms over the twelve-month period.

*The total refund amount includes an approximate 0.2% contingency for refund adjustment. (Contingency factor not applicable to GN-5)

NOTE: ¹ Sales shown as recorded by SDG&E