

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-2937
December 19, 1990

R E S O L U T I O N

RESOLUTION G-2937. SOUTHERN CALIFORNIA GAS COMPANY REQUESTS A REVENUE REQUIREMENT INCREASE OF \$2,405,000 TO COMPENSATE FOR ADDITIONAL FEDERAL INCOME TAX RESULTING FROM D.89-11-058 CHANGING THE FLOW THROUGH OF 1990 CALIFORNIA CORPORATION FRANCHISE TAX.

BY ADVICE LETTER 1984, FILED ON OCTOBER 1, 1990.

SUMMARY

1. Southern California Gas Company (SoCalGas) requested an increase in its 1990 revenue requirement of \$2,405,000. This additional revenue requirement is to compensate SoCalGas for additional Federal Income Tax (FIT) paid in 1990 as a result of the flow through of 1990 California Corporation Franchise Tax (CCFT) as authorized in D.89-11-058 and for an adjustment in working cash allowance resulting from the additional FIT. This additional FIT was not included into the 1990 revenue requirement established in D.90-01-016. The authority for this increased 1990 revenue requirement was established in Decision (D.) 90-01-016, Ordering Paragraph 15.
2. This Resolution approves the Advice Letter as modified by SoCalGas in its letter of November 1, 1990.

BACKGROUND

1. Decision 90-01-016 Ordering Paragraph 15 states:

"The revenue requirement adopted in this decision does not reflect D.89-11-058 related to the change to flow-through for the CCFT (California Corporation Franchise Tax) deduction in estimating ratemaking federal income tax expense. Therefore, no later than October 1, 1990, SoCalGas shall file an advice letter to true-up test year 1990 ratemaking federal income tax expense. The resulting difference in revenue requirement shall be included in SoCalGas' 1991 attrition increase."

By this Advice Letter, SoCalGas requests an adjustment of \$2,405,000, effective on October 1, 1990 as authorized by the above paragraph.

NOTICE

1. Notice of the filing of this Advice Letter appeared in the Commission Calendar on October 4, 1990. SoCalGas also mailed copies of this advice letter to adjacent utilities, governmental agencies, and the parties in Application 88-12-047, its 1989 general rate case.

PROTESTS

1. One protest to this Advice Letter was received. The Division of Ratepayer Advocates objected to the inclusion of \$88,000 interest in the amount to be recovered by SoCalGas.

DISCUSSION

1. In its November 1, 1990 response to the protest SoCalGas stated that it is withdrawing its request for interest and will exclude the \$88,000 interest amount when filing its supplemental 1991 attrition advice letter.

2. The Commission Advisory and Compliance Division has reviewed this filing and finds it in conformance with the requirements of D.90-01-016.

FINDINGS

1. Advice Letter 1984, with the exception of the request for interest, conforms with Decision 90-01-016 Ordering Paragraph No. 15.

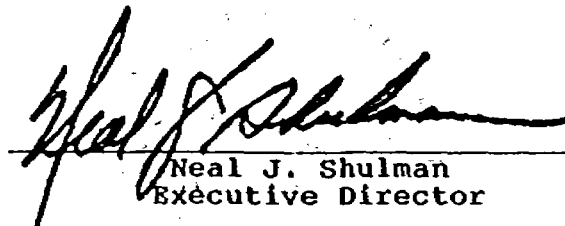
2. It is reasonable to approve Advice Letter 1984 as modified by SoCalGas' November 1, 1990 protest response.

THEREFORE, IT IS ORDERED that:

1. Southern California Gas Company's request in Advice Letter 1984 and its November 1, 1990 protest response letter for a test year 1990 revenue requirement increase of \$2,317,000 is approved.
2. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 19, 1990. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners


Neal J. Shulman
Executive Director