

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND  
COMPLIANCE DIVISION  
Energy Branch

RESOLUTION G-2977  
February 20, 1992

R E S O L U T I O N

RESOLUTION G-2977. SAN DIEGO GAS AND ELECTRIC COMPANY'S  
REQUEST FOR AUTHORIZATION TO REFUND TO ITS CUSTOMERS  
AMOUNTS RECEIVED FROM ITS SUPPLIERS OF NATURAL GAS.

BY ADVICE LETTER 777-G, FILED ON NOVEMBER 15, 1991.

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SUMMARY

1. San Diego Gas and Electric Company (SDG&E) requests authority to refund to its customers refunds (an estimated \$10,744,636 including interest) which it has received from its suppliers of natural gas; Southern California Gas Company (SoCalGas) and El Paso Natural Gas Company (El Paso).
2. SDG&E has detailed a refund plan for part of the refund money received from El Paso and all of the refund money received from SoCalGas. This refund plan is attached as Attachment A.
3. This Resolution approves the request.
4. SDG&E is required to file a refund plan for the remaining portion of the El Paso refund.
5. SDG&E can estimate the portion of the refund attributable to Utility Electric Generation (UEG) and credit it to the Energy Cost Adjustment Clause (ECAC) balancing account.

BACKGROUND

1. SDG&E received refunds from two sources; Southern California Gas Company and El Paso Natural Gas Company, two of SDG&E's natural gas suppliers. SoCalGas and El Paso refunded the money due to the settlement of pipeline general rate cases, refunds from pipelines and Federal tax relief. SDG&E received refunds from El Paso and SoCalGas that totaled \$13,604,030 and \$4,551,374, respectively.

### DISCUSSION

1. SDG&E proposes to apply the refund to its customers' bills as a bill credit beginning with Billing Cycle No. 1 in February 1992. This refund method is similar to the method authorized by the Commission in Resolution G-2773.
2. Refund amounts for the Residential Priority 1 (P1) customer class and the Non Residential Priority 1 (P1) customer class have been established and are detailed in Attachment A. SDG&E has determined that the typical refund for each residential customer will be a one time refund of \$8.54. SDG&E has indicated that \$751,316 will be refunded to noncore customers as part of the refund received from SoCalGas.
3. SDG&E has not submitted a plan to allocate the remaining refund amount that was received from El Paso. The allocation of the remaining El Paso refund to noncore customers remains to be determined.
4. SDG&E proposes to place refunds attributable to Utility Electric Generation (UEG) use into the Energy Cost Adjustment Clause (ECAC) balancing account subject to adjustment when SDG&E files its noncore refund proposal for the remaining money received from El Paso. SDG&E estimates the amount to be credited to the ECAC Balancing Account is \$7,138,235 which includes interest calculated through March 1992.
5. The Commission Advisory and Compliance Division (CACD) recommends approval of the crediting of the ECAC balancing account. CACD would like to emphasize that the \$7,138,235 going into the UEG ECAC balancing account is an estimated amount that is subject to change depending upon the acceptability of SDG&E's noncore refund proposal.

### NOTICE:

1. Public notice of this filing has been made by publication in the Commission's calendar on November 20, 1991, and by mailing copies of the filing to adjacent utilities and government entities.

### PROTESTS

1. No protests to this Advice Letter were received by the Commission Advisory and Compliance Division.

### FINDINGS

1. SDG&E has received refunds from its suppliers of natural gas which should be returned to its natural gas customers.
2. CACD finds that SDG&E's proposed refund plan as described in Attachment A of Advice letter 777 is just and reasonable.

3. The refunds to customer accounts should be made in March 1992.
4. SDG&E should file a refund plan for the portion of the El Paso refund to be credited to noncore customers.
5. It is appropriate for SDG&E to estimate and apply a portion of the refunds to its UEG ECAC balancing account.

THEREFORE, IT IS ORDERED that:

1. San Diego Gas and Electric Company is authorized to distribute refunds to customers as proposed in this Advice Letter. The refunds shall be distributed in March 1992.
2. San Diego Gas and Electric Company is authorized to place refunds attributable to Utility Electric Generation (UEG) use into the ECAC balancing account. This amount of \$7,138,235 is subject to adjustment when SDG&E files its refund plan for noncore gas customers.
3. San Diego Gas and Electric Company shall file a refund plan for its noncore gas customers with the Commission within sixty days.
4. San Diego Gas and Electric Company shall keep records of the refunds and shall submit a report to the Chief of the Energy Branch of the Commission Advisory and Compliance Division of any amounts unrefunded by November 30, 1992. This report shall include the amount of unclaimed refunds and the methods and the results of the efforts made to locate former customers.
5. Advice Letter 777-G as submitted by San Diego Gas and Electric Company shall be marked to show that it was approved for filing and for implementation, as modified, by Commission Resolution G-2977.
6. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 20, 1992. The following Commissioners approved it:

  
NEAL SCHULMAN  
Executive Director

DANIEL Wm. FESSLER  
President  
JOHN B. OHANIAN  
ORMAN D. SHUMWAY  
Commissioners

Commissioner Patricia M. Eckert  
being necessarily absent, did not  
participate.

San Diego Gas & Electric Company

PROPOSED PLAN FOR CUSTOMER REFUND

This plan provides for a method of returning to customers of San Diego Gas & Electric (SDG&E) refund amounts SDG&E has received from Southern California Gas Company (SoCal) and El Paso Natural Gas Company (El Paso). This proposed plan is very similar to the refund plan authorized by the Commission in Resolution No. G-2773, dated February 10, 1988 regarding refunds made by SDG&E in March, 1988.

All amounts to be refunded will reflect interest at the variable rate provided for in Decision No. 91269, through the first full month of the refund. The total refundable amount, including estimated interest, through February 15, 1992 is \$10,744,636. This includes \$4,551,374 SDG&E received from SoCal, pursuant to Resolution G-2944, dated April 24, 1991, plus interest, and the core portion (\$5,895,682) of \$13,604,030 received from El Paso on October 18, 1991, plus interest.

Under this plan, SDG&E proposes to make refunds to its customers in February 1992. This refund will be reflected as a bill credit for all applicable bills beginning with Billing Cycle No. 1 in February 1992.

Refundable Amounts

Each refund component as of January 31, 1992 (including prorated interest for the month of February 1992) is set forth in Table A.

Summary of Refund Amount

Received and Payable

(as of January 31, 1992)

This plan has been developed following the allocation to classes of service according to the same time periods used by SoCal and El Paso to compute their refund to SDG&E. These periods are:

1. 7/1/87 - 5/31/88
2. 7/1/88 - 11/30/89
3. 7/1/87 - 7/31/90
4. 7/1/88 - 8/31/91

TABLE A  
7/1/87 - 5/31/88

REFUND GROUP	THERMS USED	REFUND AMOUNT
RESIDENTIAL P1	315,073,389	397,302
NON RESIDENTIAL P1	93,460,177	117,852
INTERDEPARTMENTAL	503,889,060	635,395
OTHER	132,420,397	166,979
<b>TOTAL</b>	<b>1,044,843,023</b>	<b>\$1,317,528</b>

7/1/88 - 11/30/89

REFUND GROUP	THERMS USED	REFUND AMOUNT
RESIDENTIAL P1	436,174,298	\$ 256,649
NON RESIDENTIAL P1	136,824,915	\$ 80,509
INTERDEPARTMENTAL	592,257,130	\$ 348,489
OTHER	241,882,750	\$ 142,326
<b>TOTAL</b>	<b>1,407,139,093</b>	<b>\$ 827,973</b>

7/1/87 - 7/31/90

REFUND GROUP	THERMS USED	REFUND AMOUNT
RESIDENTIAL P1	1,040,461,291	\$ 835,585
NON RESIDENTIAL P1	317,470,254	\$ 254,957
INTERDEPARTMENTAL	1,341,911,020	\$1,077,677
OTHER	550,387,632	\$ 442,011
<b>TOTAL</b>	<b>3,250,230,197</b>	<b>\$2,610,230</b>

7/1/88 - 8/31/91

REFUND GROUP	THERMS USED	REFUND AMOUNT
RESIDENTIAL P1	1,050,662,166	\$4,435,833
NON RESIDENTIAL P1	332,911,196	\$1,405,530
CORE P2	34,946,479	\$ 147,542
<b>TOTAL CORE</b>	<b>1,418,519,841</b>	<b>\$5,988,905</b>

**TOTAL REFUNDABLE AMOUNT** **\$10,744,636**

### Determination of Amount Refundable to Individual Customers

Refund factors to be applied to individual customer's deliveries will be developed separately for Residential Service, Non-Residential Priority 1, Large Industrial Service (Priority 2, 3 and 4), and Interdepartmental Service categories. The refundable amount for residential and non-residential Priority 1, will be adjusted for a contingency fund of approximately 0.1% to provide for refund adjustments upon inquiry.

### Residential and Non-Residential Priority 1

Refunds to these classes of service will be made only to those customers who are being billed during the February 1992 billing period. These customers will have their refund calculated based on the actual therm sales during the twelve-month period ending January 1992 or portion thereof. The refund factor will be based upon the total refundable amount for the refund periods divided by the sales during the twelve-month period ending January 1992. SDG&E will reduce the refund amount for each eligible SDG&E employee by twenty-five (25) percent to adjust for the Employee Discount.

### Other Retail Service

Refunds to other non-residential customers will be made to all customers of record during the refund periods. The amount refundable to each customer for the refund periods will be calculated based upon a refund factor per therm times the recorded therm sales to that customer during each period. The refund factor for each period will be developed by dividing the total refundable amount by the total therms delivered for each refund period. Current Priority 2, 3 and 4 customers who were also customers during the refund period will receive their refunds as a credit to their February 1992 bill. Former Priority 2, 3 and 4 non-residential customers will receive refunds by check sent to the customer's last address of record or applied to any unpaid billings.

### Interdepartmental Service

The refund allocated to this class will be credited to the electric department as a credit for the month of February 1992.

### Refund Procedure

Refunds to eligible active customers will be made in the form of a credit to their February 1992 bills. SDG&E will consider and evaluate all inquiries from customers or former customers, through July 1992, who either did not receive a refund or who contend that the refund should have been greater, and will make a refund or refund adjustment where deemed appropriate.

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Appropriate refunds may be applied to uncollectible amounts related to closing bills during the 12 months ending January 1992.

SDG&E will publish, before the refund and afterward, notices in newspapers throughout its service territory stating that refund is to be made, and has been made, and that persons believing they are entitled to a refund but who have not received one may contact the nearest Company office and have their situation reviewed.

Each recipient of a credit or payment under this refund plan will receive a notice that includes this statement:

"This refund was ordered by the California Public Utilities Commission"