

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

U-8

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RESOLUTION NO. G-2327

RESOLUTION

UTILITIES DIVISION  
 BRANCH/SECTION: Gas  
 DATE: November 20, 1979

RETURN TO GAS BRANCH

SUBJECT: Lake County Utility Company. Order Authorizing Revision of  
 Tariff Structures for a Fuel Cost Rate Increase for LPG Util-  
 ity Company Resulting in Annual Revenue Increase of \$4,100 or  
 14.5%

WHEREAS: LAKE COUNTY UTILITY COMPANY (Lake Co.), by Advice Letter No. 23,  
 filed October 19, 1979, has requested authority under the fuel escalation clauses  
 of the utility's filed tariff schedules to increase its LPG tariff rates to off-  
 set a fuel cost increase as set forth on Cal. P.U.C. Sheets Nos. 83-G and 84-G,  
 under the following conditions:

1. Lifeline rates for residential usage was established at 600 cf per month in the summer and at 2,100 cf per month in the winter by Resolution No. G-2057 on March 29, 1977.
2. With no commercial and industrial customers and with current customer usage patterns such that the major portion of all sales fall within lifeline usage, there is no reasonable place left in which to spread this last rate increase.
3. In order to evenly spread the rate increase to all customers and to provide an even balance between revenue requirements and customer usage, the Commission staff has submitted a revised rate design which lowers lifeline quantities to 400 cf per month in the summer and 1,300 cf per month in the winter.
4. The proposed revised rates will produce an annual revenue increase of \$4,100, or 14.5%, which will offset the estimated increase in annual fuel costs of \$4,100 effective October 3, 1979, produced by an increase of 6.165 cents per gallon.
5. A comparison of the present and proposed rates for metered gas service is set below:

Present Rates:

Summer (Lifeline 600 cf/mo.)  
 First 200 cf, or less \$2.00  
 Next 300 cf, per 100 cf 1.250  
 Next 100 cf, per 100 cf 1.275  
 Over 600 cf, per 100 cf 1.300

Winter (Lifeline 2,100 cf/mo.)  
 First 200 cf, or less \$2.00  
 Next 400 cf, per 100 cf 1.250  
 Next 1,500 cf, per 100 cf 1.275  
 Over 2,100 cf, per 100 cf 1.300

Proposed Rates:

Summer (Lifeline 400 cf/mo.)  
 First 200 cf, or less \$2.50  
 Next 200 cf, per 100 cf 1.30  
 Next 400 cf, per 100 cf 1.53  
 Over 800 cf, per 100 cf 1.76

Winter (Lifeline 1,300 cf/mo.)  
 First 200 cf, or less \$2.50  
 Next 1,100 cf, per 100 cf 1.30  
 Next 1,300 cf, per 100 cf 1.53  
 Over 2,600 cf, per 100 cf 1.76

6. The following table shows typical bills at various usage levels at the present and proposed rates:

Monthly Usage	Present Rates	Proposed Rates	Percent Increase
<u>Summer</u>	(Lifeline 600 cf/mo.)	(Lifeline 400 cf/mo.)	
200 cf	\$2.00	\$2.50	25.0
400 cf	4.50	5.10	13.3
600 cf	7.03	8.16	16.1
800 cf	9.63	11.22	16.5
900 cf (Average)	10.93	12.98	18.8
1,000 cf	12.23	14.74	20.5
1,500 cf	18.73	22.39	19.5
2,000 cf	25.23	30.04	19.1
<u>Winter</u>	(Lifeline 2,100 cf/mo.)	(Lifeline 1,300 cf/mo.)	
200 cf	\$2.00	\$2.50	25.0
500 cf	5.75	6.40	11.3
1,000 cf	12.10	12.90	6.6
1,300 cf	15.93	16.80	5.5
1,500 cf	18.48	19.86	7.5
2,000 cf	24.85	27.51	10.7
2,100 cf	26.13	29.04	11.1
2,500 cf	31.33	35.16	12.2
2,600 cf (Average)	32.63	36.69	12.4
3,000 cf	37.83	43.73	15.6
4,000 cf	50.83	61.33	20.7
5,000 cf	63.83	78.93	23.7

WHEREAS: We find that these rate revisions are reasonable and the only practical solution to the existing problem caused by large lifeline allowances and small customer usage predominantly in lifeline; therefore, good cause appearing,

IT IS ORDERED that:

1. Authority is granted under Sections 454, 491 and 739 of the Public Utilities Code to instruct Lake County Utility Company to file substitute tariff sheets to reflect the revised rate design submitted by the Commission staff and such revised substitute sheets shall become effective upon receipt.

2. Lake Co. is further instructed to notify all customers of the new revised rates by means of a bill stuffer.

3. The above advice letter and revised substitute tariff sheets shall be marked to show that they were accepted for filing by Resolution No. G-2327 of the Public Utilities Commission of the State of California. The effective date of this resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 20th day of November, 19 79, the following Commissioners voting favorably thereon:

\_\_\_\_\_  
Executive Director