

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. G-2341

## R E S O L U T I O N

UTILITIES DIVISION  
 BRANCH/SECTION: Gas  
 DATE: March 18, 1980

SUBJECT: Southwest Gas Corporation. Order Authorizing PGA Rate Increase Resulting in Annual Revenue Increase of \$612,792 or 13.1%, and Other Rate Adjustments for a Total Annual Revenue Increase of \$806,420 or 17.6%

WHEREAS: SOUTHWEST GAS CORPORATION (SoWest), by Advice Letter No. 227, filed February 26, 1980, having requested authority to file revised tariff schedules, applicable to its Placer County Rate Area, in order to track increased cost of gas as set forth on Cal. P.U.C. Sheets Nos. 1863-G to 1869-G, inclusive, under the following conditions:

1. The proposed rate increase of 8.69 cents per therm for all rates, will result in an annual revenue increase of \$612,792, which will offset the increased cost of gas from the utility's supplier, Northwest Pipeline Corporation (NPC) in its filings in Docket Nos. RP72-154 and RP74-72, with the Federal Energy Regulatory Commission (FERC).
2. Also included in the proposed rate revision is a rate reduction of 0.95 cents per therm to eliminate the current Balancing Account Adjustment Factor and a rate increase of 3.12 cents to eliminate a negative surcharge in the Supply Adjustment Mechanism (SAM), both of which were placed in the utility's tariffs on September 25, 1979 by Commission Resolution No. G-2303.
3. The net effect of the total rate revisions will be a rate increase of 10.86 cents per therm for all rates, which will produce a total annual revenue increase of \$806,420 or 17.6%.
4. The rate design generally follows the basic criteria set forth in Commission Decision No. 91107, dated December 19, 1979, in PG&E Application No. 58546, with the exception that the basic price is tied to the alternative fuel rate in the area.
5. The alternative fuel in the Placer County Area is propane, with an average cost to a general service customer of 70.6 cents per therm, which approximates the reference price for Tier II.
6. For larger users, the cost of Tier III rates exceeds the cost of propane.

7. A comparison of the present and proposed rates for metered gas service is set below:

Residential Service - Schedule No. G-10	Present Rates	Proposed Rates	Increase	
			Amount	Percent
Summer Lifeline= 26 therms				
Winter Lifeline= 166 therms				
Customer Charge, per month	\$4.25	\$4.25	----	----
First- (Summer- 26) - Therms, per therm	0.5392	0.6478	0.1086	20.1%
Next- (Winter- 166) - Therms, per therm	0.6007	0.7093	0.1086	18.1
All Excess Therms, per therm	0.6508	0.7594	0.1086	16.7

General Service - Schedule No. G-12

Customer Charge, per month	\$4.25	\$4.25	----	----
All Usage, per therm	0.6007	0.7093	0.1086	18.1%

8. The following table shows typical bills at various levels of present and proposed rates:

Monthly Usage (in therms)	Present Rates	Proposed Rates	Percent Increase
<u>Residential - Summer</u>			
10	\$ 9.64	\$ 10.73	11.3%
26 (Lifeline)	18.81	21.09	12.1
40	27.22	31.02	14.0
50	33.23	38.12	14.7
70 (Average)	45.24	52.30	15.6
100	63.26	73.58	16.3
150	94.50	110.23	16.6
200	127.04	148.20	16.7
<u>Residential - Winter</u>			
25	\$ 17.73	\$ 20.45	15.3
50	31.21	36.64	17.4
75	44.69	52.84	18.2
100	58.17	69.03	18.7
150	85.13	101.42	19.1
166 (Lifeline)	93.76	111.78	19.2
200	114.18	135.90	19.0
250	144.22	171.37	18.8
300	174.25	206.83	18.7
400 (Average)	237.73	281.17	18.3
500	302.81	357.18	18.0
750	465.51	546.96	17.5
1,000	628.21	736.81	17.3

Monthly Usage (in therms)	Present Rates	Proposed Rates	Percent Increase
<u>Commercial Service</u>			
25	\$ 19.27	\$ 21.98	14.1%
50	34.29	39.72	15.8
100	64.32	75.18	16.9
150	94.36	110.65	17.3
200	124.39	146.11	17.5
300	184.46	217.04	17.7
400	244.53	287.97	17.8
500	304.60	358.90	17.8
750	454.78	536.23	17.9
1,000	604.95	713.55	18.0
1,500	905.30	1,068.20	18.0
2,000	1,205.65	1,422.85	18.3

9. Public notification of this rate increase has been made by the utility through the local news media.

10. In the event that the FERC rejects or amends NPC's filings or requires a different effective date, SoWest will file appropriate substitute tariff sheets to reflect approved rate levels, and

WHEREAS: This rate increase is found to be reasonable and necessary for the utility to track the rate increase of its supplier; therefore, good cause appearing,

IT IS ORDERED that:

1. Authority is granted under Sections 454, 491 and 701 of the Public Utilities Code and under the provisions of the utility's PGA procedure in its filed tariff Schedules for Southwest Gas Corporation to place the above tariff sheets and/or subsequent substitute tariff sheets into effect on April 1, 1980 or on any subsequent date that the FERC allows Northwest Pipeline Corporation to place its rate increases into effect.

2. The above advice letter and tariff sheets and/or any subsequent substitute tariff sheets shall be marked to show that they were issued under Resolution No. G-2341 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 18th day of March, 19 80, the following Commissioners voting favorably thereon:

JOHN E. BRYSON  
President  
VERNON L. STURGEON  
EDWARD D. GRAVELLE  
EDWARD M. GRIMES, JR.

Commissioner of the State of California  
in the disposition of this proceeding  
Executive Director

