

State of California

MEMORANDUM

To : THE COMMISSION

File No.: 402

Date: May 20, 1980
Conference

Subject: Southern California Edison Co.
Fuel-Cost Rate Increases for
LPG Utility Company
(Resolution No. G-2349)

From : Public Utilities Commission--San Francisco--G. L. Way
Chief Gas Engineer

RETURN TO GAS BRANCH

RECOMMENDATION: Advice Letters Nos. 55-G and 57-G, as submitted by Southern California Edison Company (SCE), should be authorized to become effective concurrently for a total fuel-cost rate increase of \$23,700 or 8.1%. Advice Letter No. 56-G, also submitted by SCE, should also be authorized for approval, thereby revising the utilities tariff rules applicable to its LPG operations to change the interest rates on its various accounts to conform with the published Prime Commercial rate of the Federal Reserve Board.

BACKGROUND: Southern California Edison Company, a major electric utility, operates a small liquefied petroleum gas system on Santa Catalina Island. Senate Bill 734, which became effective January 1, 1980, amended Section 221 of the Public Utilities Code to delete propane from the definition of "gas plant." Accordingly, all LPG utilities were notified that effective January 1, 1980, they were no longer under Commission jurisdiction.

The LPG which SCE sells to customers on Santa Catalina Island is 60% butane. The Legal Division concluded that the Commission should continue jurisdiction over this service. A decision draft is being prepared on the general rate case A.58330 in the matter. The advice letter filings in Resolution No. G-2349 also relates to the LPG Service.

The two rate increase filings are to cover the cost of increased fuel from the utility's supplier are similar in nature to other such requests made by LPG utilities in the past and approved by Commission Resolution.

The other filing is made pursuant to Decision No. 91269, dated January 29, 1980, in O.I.I. No. 56.

The Commission staff recommends that all three advice letters be made effective concurrently this date.

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. G-2349

RESOLUTION

UTILITIES DIVISION
 BRANCH/SECTION: Gas
 DATE: May 20, 1980

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SUBJECT: Southern California Edison Company. Order Authorizing Fuel Cost Rate Increases for a LPG Utility Company Resulting in an Annual Revenue Increase of \$23,700 or 8.1%; and Other Tariff Changes Pursuant to Prior Commission Orders.

WHEREAS: SOUTHERN CALIFORNIA EDISON COMPANY (SCE), by Advice Letters Nos. 55-G, 56-G and 57-G, filed February 13, 14 and 28, 1980, respectively, requests authority under Section 454 of the Public Utilities Code and under the Provisions of Decision No. 91269 to adjust its tariff schedules, as set forth on Cal. P.U.C. Sheets Nos. 258-G thru 271-G, inclusive, under the following conditions:

1. These advice letter filings pertain to LPG Service which is predominately butane and we should continue jurisdiction.
2. The proposed rate increases, as filed by Advice Letters Nos. 55-G and 57-G, are for a total of 6.0 cents per 100 c.f., which is the equivalent of 5.45 cents per therm, for all rates other than lifeline.
3. There is no increase to lifeline rates.
4. The annual revenue increase is \$23,700 or 8.1%, which will offset two increases in annual fuel costs, effective January 22, 1980 and February 21, 1980, produced by increases of 1.0 cent and 2.0 cents per gallon, respectively, from 39.678 to 42.678 cents per gallon.
5. A comparison of the present and combined proposed rates for metered gas service is set below:

Schedule G-80 Domestic Service	Present Rates	Proposed Rates	Increase	
			Amount	Percent
<u>Summer (Lifeline 2270 c.f.)</u>				
First 400 c.f. or less	\$1.50	\$1.50	-----	-----
Next 1,870 c.f. per 100 c.f.	0.505	0.505	-----	-----
Next 7,730 c.f. per 100 c.f.	0.845	0.905	\$0.06	7.1%
Next 15,000 c.f. per 100 c.f.	0.795	0.855	0.06	7.5
Next 25,000 c.f. per 100 c.f.	0.765	0.825	0.06	7.8
Over 50,000 c.f. per 100 c.f.	0.735	0.795	0.06	8.2
<u>Winter (Lifeline 5420 c.f.)</u>				
First 400 c.f. or less	\$1.00	\$1.00	-----	-----
Next 5,020 c.f. per 100 c.f.	0.395	0.395	-----	-----
Next 4,580 c.f. per 100 c.f.	0.735	0.795	\$0.06	8.2%
Next 15,000 c.f. per 100 c.f.	0.725	0.785	0.06	8.3
Next 25,000 c.f. per 100 c.f.	0.705	0.765	0.06	8.5
Over 50,000 c.f. per 100 c.f.	0.695	0.755	0.06	8.6

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Schedule G-82- Commercial Service	Present Rates	Proposed Rates	Increase	
			Amount	Percent
<u>Summer</u>				
First 400 c.f. or less	\$1.50	\$1.50	-----	-----
Next 9,600 c.f. per 100 c.f.	0.845	0.905	\$0.06	7.1%
Next 15,000 c.f. per 100 c.f.	0.795	0.855	0.06	7.5
Next 25,000 c.f. per 100 c.f.	0.765	0.825	0.06	7.8
Over 50,000 c.f. per 100 c.f.	0.735	0.755	0.06	8.2
<u>Winter</u>				
First 400 c.f. or less	\$1.00	\$1.00	-----	-----
Next 9,600 c.f. per 100 c.f.	0.735	0.795	\$0.06	8.2%
Next 15,000 c.f. per 100 c.f.	0.725	0.785	0.06	8.3
Next 25,000 c.f. per 100 c.f.	0.705	0.765	0.06	8.5
Over 50,000 c.f. per 100 c.f.	0.695	0.755	0.06	8.6

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

Monthly Usage		Present Rates	Proposed Rates	Increase	
c.f.	Therms			Amount	Percent
<u>Residential Summer</u>					
400 c.f.	4.4th	\$ 1.50	\$ 1.50	-----	-----
2,270 c.f.	25.0th (Lifeline)	10.94	10.94	-----	-----
3,050 c.f.	33.5th (Average)	14.15	14.39	\$0.24	1.7%
5,000 c.f.	55.0th	29.66	31.06	1.40	4.7
<u>Residential Winter</u>					
400 c.f.	4.4th	\$ 1.00	\$ 1.00	-----	-----
5,450 c.f.	60.0th (Lifeline)	20.83	20.83	-----	-----
6,670 c.f.	73.4th (Average)	29.80	30.53	\$0.73	2.5%
10,000 c.f.	110.0th	54.27	57.00	2.73	5.0
20,000 c.f.	220.0th	126.77	135.50	8.73	6.9
<u>Commercial Summer</u>					
400 c.f.	4.4th	\$ 1.50	\$ 1.50	-----	-----
5,000 c.f.	55.0th	40.37	43.13	\$ 2.76	6.8%
10,000 c.f.	110.0th	82.62	88.38	5.76	7.0
25,000 c.f.	275.0th	201.87	216.63	14.76	7.3
<u>Commercial Winter</u>					
400 c.f.	4.4th	\$ 1.00	\$ 1.00	-----	-----
10,000 c.f.	110.0th	71.56	77.32	\$ 5.76	8.0%
25,000 c.f.	275.0th	180.31	195.07	14.76	8.2
50,000 c.f.	550.0th	356.56	386.32	29.76	8.3

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7. The above indicated rate design will only be in effect until the Commission signs the decision draft in A.58330 at which time a two-step inverted rate design will be adopted.

8. The other tariff revision, as filed by Advice Letter No. 66-G is made pursuant to Decision No. 91269, dated January 29, 1980, in O.I.I. No. 56 to change the interest rates on its various accounts to conform with the published Prime Commercial rate of the Federal Reserve Board.

9. Public notification of all rate increases were made to the utilities customers through the local news media, and

WHEREAS: We find, upon recommendation of staff, that these filings are reasonable and in accordance with the fuel escalation clause formulae of the utility's filed tariff schedules and with Decision No. 91269; therefore, good cause appearing,

IT IS ORDERED that:

1. The California Public Utilities Commission shall continue to regulate Southern California Edison Company's gas operations on Santa Catalina Island in accordance with the provisions of Section 222 of the Public Utilities Code.

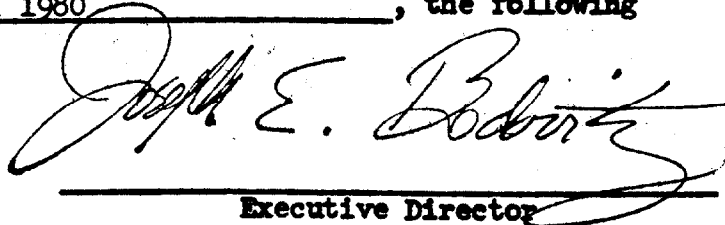
2. Authority is granted under Section 454 of the Public Utilities Code for Southern California Edison Company to place the tariff sheets filed with Advice Letters Nos. 55-G and 57-G into effect this date and to cancel all preceding tariff sheets applicable to these rates.

3. Authority is granted under Section 701 of the Public Utilities Code and under the provisions of Decision No. 91269, to place the tariff sheets filed with Advice Letter No. 56-G into effect this date.

4. All of the above advice letters and tariff sheets shall be marked to show that they were approved for filing by Resolution No. G-2329 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 May 20, 1980, the following Commissioners voting favorably thereon:

JOHN E. BRYSON
President
VERNON L. STURGEON
RICHARD D. GRAVELLE
CLAIRE T. DEDRICK
LEONARD M. GRIMES, JR.
Commissioners


Executive Director