

Copy for:

RESOLUTION NO. G-2376

Orig. and Copy

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

R E S O L U T I O N

UTILITIES DIVISION

BRANCH/SECTION: Gas

DATE: October 8, 1980

\_\_\_\_\_Director

\_\_\_\_\_Numerical File

\_\_\_\_\_Alphabetical File

\_\_\_\_\_Accounting Officer

RETURN TO GAS BRANCH

SUBJECT: Southern California Gas Company. Order Authorizing Rate Reduction.

WHEREAS: SOUTHERN CALIFORNIA GAS COMPANY (SoCal), by a revision to Application No. 59929, filed September 18, 1980, and Advice Letter No. 1229, Part E of revised Application No. 59929, has requested authority to reduce annual revenue requirements under the Consolidated Adjustment Mechanism (CAM) provisions of the utility's filed tariff. The estimated reduction of \$127,817,000 or 4.1% is based on the following conditions:

1. Decision No. 91969, in SoCal's Spring 1980 CAM Application No. 59508 authorized an annual revenue requirement of \$194,906,000 for amortization of the CAM balancing account; the current revenue requirement (August 31 balance) is \$115,095,000, a reduction of \$79,811,000.
2. The October 1, 1980, average cost of gas is 24.815¢/therm, 0.006¢/therm or \$0.5 million, lower than the average cost of gas of 24.821¢/therm contained in Decision No. 91969.
3. There is an overcollection in the SAM margin of \$48.0 million at present rates.
4. Rates, for the following uses or schedules, should be set on the conditions authorized in Decision No. 91969 on July 2, 1980:
  - a. Lifeline rate should approximate 75% of the system average rate;
  - b. Equate the GN-1 and GN-2 rates;
  - c. Wholesale changes equal to the system average percent reduction.
5. Alternate fuel oil prices are still unstable and would support a reduction in related rates.
6. Rates for residential nonlifeline and Schedules GN-1 through GN-5 should be reduced on a uniform cents per therm basis in order to maintain the present level of rates between rate schedules after giving consideration to oil prices.
7. The Commodity Rate to Ammonia Producers will be set at 26.871¢/therm in accordance with SB 1301.
8. The prudence of Canadian gas purchases, as specified in Decision No. 91969, remains to be addressed in formal hearings in Application No. 59929.

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

Residential Service - Schedule No. GR	Present Rates	Proposed Rates	Decrease	
			Amount	Percent
Lifeline Usage, per therm	\$0.25866	\$0.25126	\$0.00740	2.9%
Non-Lifeline- 1st Block, per therm	0.35181	0.33546	0.01635	4.7
" " - Tail Block, per therm	0.49822	0.48187	0.01635	3.3
<u>Non-Residential</u>				
Schedule GN-1	\$0.35513	\$0.33884	\$0.01629	4.6%
Schedule GN-2	0.35529	0.33884	0.01645	4.6
Schedule GN-32 & GN-42	0.38048	0.36413	0.01635	4.3
Schedule GN-36 & GN-46	0.35048	0.33413	0.01635	4.7
Schedule GN-5	0.35048	0.33413	0.01635	4.7
<u>Wholesale Natural Gas</u>				
Long Beach- Schedule G-60	\$0.28228	\$0.27086	\$0.01142	4.0%
San Diego Gas & Electric Company- Schedule G-61	0.30206	0.29083	0.01123	3.7

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

Monthly Usage (in therms)	Present Rates	Proposed Rates	Decrease	
			Amount	Percent
<u>Residential Summer</u>				
26 (Lifeline)	\$ 9.83	\$ 9.63	\$0.20	2.0%
52 (Average)	18.97	18.35	0.62	3.3
100	42.92	41.48	1.44	3.4
<u>Residential Winter</u>				
40	\$ 13.45	\$ 13.15	\$0.30	2.3%
81 (Lifeline)	24.05	23.45	0.60	2.5
112 (Average)	32.14	31.17	0.97	3.0
250	93.61	90.25	3.36	3.6

Whereas: We find this revenue reduction and resultant rate decreases to be reasonable; therefore, good cause appearing,

IT IS ORDERED that:

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1. Authority is granted under Section 491 of the Public Utilities Code for Southern California Gas Company to place tariff sheets into effect, to reflect this revenue reduction, on or after October 8, 1980.

2. The above tariff sheets shall be marked to show that they were approved for filing by Resolution No. G-2376 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 October 8, 1980, the following Commissioners voting favorably thereon:

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Executive Director