

# Memorandum

Date : December 16, 1980  
(Conference)

RETURN TO GAS BRANCH

To : THE COMMISSION

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

File No.: D. 88121

Subject: Annual GEDA Rate Adjustment - Pacific Gas and Electric Company  
(Resolution No. G-2397)

Recommendation: Approval of Pacific Gas and Electric Company's annual GEDA rate adjustment, as adjusted by the staff, is recommended. In order to avoid multiple rate revisions, however, the staff recommends that the authorization be conditioned to make rate revision effective coincident with the effective date of PG&E's interim rate revision requested in A-59902, and further conditioned to reduce the requested increase of 0.259¢ per therm to 0.231¢ per therm to reflect the deletion of costs of GEDA Projects Nos. 80-A and 80-B. The required resolution is attached.

Background: Decision No. 88121, dated November 22, 1977, established GEDA procedures under which Natural Gas Corporation (NGC), PG&E's gas exploration and development subsidiary would obtain a working interest in gas producing properties after obtaining Commission approval for specific projects, and specific expenditures, on a project-by-project basis. Decision No. 88121 also established procedures under which annual advice letter filings would be made to give rate effect to the current period cost-of-service resulting from expenditures in Commission approved projects, as adjusted for past period under- or over-collections.

Analysis: The utility's estimate of the revenue increase necessary to offset the costs associated with Commission approved GEDA project for 1981 are \$19,154,000. The GEDA rate increase required to cover such costs, including an allowance for franchise and uncollectibles, is 0.259¢ per therm. Resolutions Nos. G-2377 and G-2379 both dated October 22, 1979, deferred the recovery of costs associated with Projects Nos. 80-A and 80-B respectively pending a decision in OII No. 79. The staff's recommended rate increase which exclude costs associated with these two projects is 0.231¢ per therm and the corresponding increase by class of service is as follows:

<u>Class of Service</u>	<u>Sales in M Therms</u>	<u>Increase (Thousands of Dollars)</u>
Residential	2,260,810	\$ 5,196
Non-residential	2,056,410	4,750
Resale	86,340	199
Interruptibel	1,625,770	3,756
Steam Electric	<u>1,377,320</u>	<u>3,182</u>
Total	7,406,650	\$17,083

DLK:10

Attachment

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

U-1\*

Copy for:

RESOLUTION NO. G-2397

Orig. and Copy

to Executive Director

R E S O L U T I O N

REVENUE REQUIREMENTS DIVISION

BRANCH/SECTION: Gas

DATE: December 16, 1980

Director

Numerical File

Alphabetical File

Accounting Officer

**SUBJECT:** Order Authorizing Gas Exploration and Development Adjustment (GEDA)  
Rate Revision

**WHEREAS:** PACIFIC GAS AND ELECTRIC COMPANY, by Advice Letter No. 1118-G filed November 18, 1980, requests approval to increase its rates to recover GEDA costs for the period January 1, through December 31, 1981, as adjusted for past period under-collections as set forth on Cal. P.U.C. Sheets Nos. 10648-G to 10663-G, inclusive, under the following conditions:

1. This rate adjustment filing proposes to increase the rate level for Commission authorized projects from the presently effective 0.142¢ per therm to 0.401¢ per therm, an increase of 0.259¢ per therm.
2. The proposed increase includes the recovery of 1981 estimated costs associated with GEDA Projects Nos. 80-A and 80-B. Pursuant to Resolutions Nos. G-2377 and G-2379, dated October 22, 1980, the recovery of such costs is conditioned on Commission action in OII No. 79 which has not been determined.
3. The utility requests that the rate increase become effective January 1, 1981.
4. On August 19, 1980, the Commission issued an Order Instituting Investigation (OII 79) to consider whether GEDA programs should be continued or modified.
5. Recovery of the costs associated with GEDA Projects Nos. 80-A and 80-B is not presently appropriate.
6. Multiple rate revisions will be avoided if the effective date of this rate revision is coincident with the effective date of the rate revision pending Commission action in PG&E's Application No. 59902, and

**WHEREAS:** We find the utility's proposed increase, as adjusted to eliminate the costs associated with GEDA Projects Nos. 80-A and 80-B, is justified, and a public hearing is not necessary; therefore, good cause appearing,

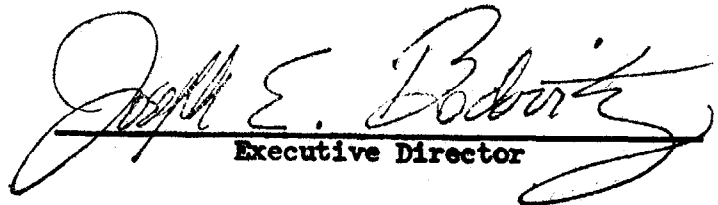
IT IS ORDERED that:

1. Authority be granted pursuant to the provisions of Decision No. 88121 to increase the presently effective GEDA rate level by 0.231¢ per therm and that the effective date of this rate revision shall be coincident with the effective date of the rate revision in Application No. 59902.
2. Pacific Gas and Electric Company be instructed to submit substitute tariff sheets for Advice Letter No. 1118-G following a Commission Decision in Application No. 59902, subject to whatever modifications or conditions may be ordered as a result of OII 79.

3. The above-mentioned substitute sheets be marked to show that they were issued under Resolution of the Public Utilities Commission of the State of California No. G-2397. 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 December 16, 1980, the following Commissioners voting favorably thereon:

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
CLAIRE T. DEDRICK  
Commissioners

  
Executive Director