

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3015
October 21, 1992

R E S O L U T I O N

RESOLUTION G-3015. SOUTHERN CALIFORNIA GAS COMPANY
PROPOSED REFUND PLAN FOR CUSTOMERS INCURRING STANDBY
PROCUREMENT CHARGES DUE TO GAS IMBALANCES DURING
OCTOBER, NOVEMBER, AND DECEMBER, 1991.

BY LETTER DATED AUGUST 13, 1992.

SUMMARY

1. Decision (D.) 92-07-018 directed Southern California Gas Company (SoCalGas) to provide noncore customers with relief from standby charges incurred during October, November, and December 1991. SoCalGas has submitted a proposed refund plan basing its calculation on numbers suggested in comments to a proceeding under R.90-02-008.
2. This resolution directs SoCalGas to disburse the refunds based on the highest cost of gas purchased for the core portfolio, as was ordered by D.92-07-018.

BACKGROUND

1. By letter dated August 13, 1992, SoCalGas submitted to the Commission Advisory and Compliance Division, Energy Branch (CACD) summaries of proposed refunds for Standby Procurement Charges due to Imbalances incurred by customers during the months of October, November, and December 1991.
2. In response to SoCalGas' Petition to Modify D.90-09-089, the Commission issued D.91-12-054 granting limited relief in consideration of the specific circumstances which prevailed during the time period. D.91-12-054 directed SoCalGas to establish an interest bearing memorandum account for standby service charges collected during the months of October, November, and December, 1991 and to propose methods to allow noncore customers to eliminate negative imbalances for the same period.
3. SoCalGas' proposed refund plan has been filed to comply with D. 92-07-018, Ordering Paragraph 1 which directs SoCalGas to refund to those customers the difference between the highest

cost of gas purchased for the core portfolio and 150% of the core weighted average cost of gas.

4. SoCalGas' proposed refund plan is calculated to refund amounts based on charges proposed in Joint Supplemental Comments filed May 13, 1992 by the Division of Ratepayer Advocates (DRA) and the Southern California Utility Power Pool and Imperial Irrigation District (SCUPP/IID). The plan also proposes to calculate the memorandum account interest at the time the refund is made, in accordance with SoCalGas' Preliminary Statement F.1., and added to the refund principal.

DISCUSSION

1. CACD has reviewed SoCalGas' proposed refund plan and D.92-07-018. SoCalGas has recalculated the refunds based on prices cited in DRA/SCUPP/IID's filed Supplemental Comments dated May 13, 1992, using the following rates, which include transportation charges:

October, 1991	\$0.253 per therm
November, 1991	\$0.234 per therm
December, 1991	\$0.259 per therm

2. DRA submitted reply comments to the proceeding on March 2, 1992, recommending that the Commission adopt that the customers "pay the highest cost of core gas during each of the three months in which standby charges were incurred". While D.92-07-018 adopts DRA's proposal, the decision does not adopt the specific charges identified in the Joint Supplemental Comments of DRA/SCUPP/IID. Ordering Paragraph 1 of D.92-07-018 requires that the refund be based on "the difference between the highest cost of gas purchased for the core portfolio and 150% of the core weighted average cost of gas...". In the interest of impartiality, CACD requested data from SoCalGas to establish the appropriate commodity prices to use for the calculation.

2. SoCalGas responded to the CACD data request on September 9, 1992. In its response, SoCalGas listed the actual contract commodity prices and quantities purchased at the California border for the core portfolio for each month, devoid of Minimum Purchase Obligation (MPO) costs, transition costs, demand charges, and any unusual adjustments recorded in a particular month, including previous month true-ups, Lost and Unaccounted For gas (LUAFF), Franchise Fees and Uncollectables (F&U), and brokerage fees.

3. Contrary to the rates proposed by DRA/SCUPP/IID and used by SoCalGas, CACD recommends that SoCalGas use "the highest cost of core gas during each of the three months in which standby charges were incurred" to comply with D.92-07-018. Based on the

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data submitted under confidentiality to CACD, these rates including transportation are:

October, 1991	\$0.32573 per therm
November, 1991	\$0.32654 per therm
December, 1991	\$0.32683 per therm

4. CACD recommends that SoCalGas recalculate the refunds based on the commodity and transportation rates identified in #3 above, and then add to the refund principal the memorandum account interest at the time the refund is made, in accordance with SoCalGas' Preliminary Statement.

FINDINGS

1. SoCalGas has recalculated the refunds based on prices cited in DRA/SCUPP/IID's filed Supplemental Comments dated May 13, 1992.

2. D.92-07-018 adopts DRA's proposal but the decision does not adopt the specific charges identified in the Joint Supplemental Comments of DRA/SCUPP/IID.

3. D.92-07-018 requires that the refund be based on "the difference between the highest cost of gas purchased for the core portfolio and 150% of the core weighted average cost of gas...".

4. The refund plan proposes to calculate the memorandum account interest at the time the refund is made, in accordance with SoCalGas' Preliminary Statement F.1., and added to the refund principal.

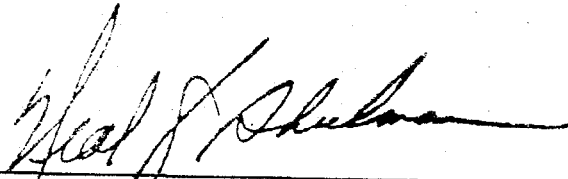
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THEREFORE, IT IS ORDERED that:

1. Southern California Gas Company shall use "the highest cost of core gas during each of the three months in which standby charges were incurred" to comply with D.92-07-018.
2. Southern California Gas Company shall recalculate the refunds due noncore customers based on the commodity and transportation rates identified under Discussion, #3 above, and then shall add to the refund principle the memorandum account interest at the time the refund is made, in accordance with SoCalGas' Preliminary Statement.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 21, 1992. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners