

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3027
JANUARY 22, 1993

R E S O L U T I O N

RESOLUTION G-3027. SOUTHWEST GAS CORPORATION REQUESTS COMMISSION APPROVAL OF A REFUND PLAN TO REFUND TO ITS CUSTOMERS FUNDS RECEIVED FROM A SUPPLIER OF ITS NATURAL GAS.

BY ADVICE LETTER 453-G, FILED ON SEPTEMBER 28, 1992.

SUMMARY

1. Southwest Gas Corporation (SoWest) requests authorization to return to its northern California service area customers \$45,669.50 plus interest in refunds received from its supplier of natural gas, Paiute Pipeline Company (Paiute).
2. This Resolution grants the request.

BACKGROUND

1. SoWest paid amounts as billed to its supplier of natural gas (Paiute), for its northern California service area customers. In compliance with Federal Energy Regulatory Commission (FERC) orders in Dockets RP88-227 and TA9-1-41, SoWest has received refunds for overpayments to Paiute for SoWest's northern California service area.

NOTICE:

1. Public notice of this filing has been made by publication in the Commission's calendar on October 1, 1992, and by mailing copies to adjacent utilities.

PROTESTS

1. No protests to this Advice Letter were received by the Commission Advisory and Compliance Division.

DISCUSSION

1. SoWest is proposing that the refund to its residential and small commercial accounts be done by crediting the amount of the refund to the Purchased Gas Cost Balancing Account (PGA), instead of refunds credited to the accounts of individual customers. This is proposed because the amount of the refund is so small, relative to the

administrative cost of allocating the refund to individual customer bills and crediting their monthly statements. The refund to these customers would be \$0.00594 per therm of natural gas.

2. All SoWest's northern California service area customers would receive the benefit of a refund by crediting the PGA account.

3. SoWest's proposal meets the refund requirements established by the California Supreme Court in California Manufacturers Association vs Public Utilities Commission (1979) 24 Cal 3rd 836, Cal Rptr 676, 598 Pac 2nd 836. These requirements are: (1) to the maximum extent possible refunds shall be returned to the customers who paid the funds now being refunded, and (2) for those customers to whom the amount of the refund is difficult to determine there may be a rate reduction to their class.

4. SoWest proposed to implement the refund plan on November 30, 1992.

FINDINGS

1. SoWest has received refunds from its suppliers which should be returned to its ratepayers.

2. The administrative cost of making small refunds to numerous customers would annul the benefit to most of these customers in receiving such a refund.

3. The refund plan should be implemented by February 15, 1993.

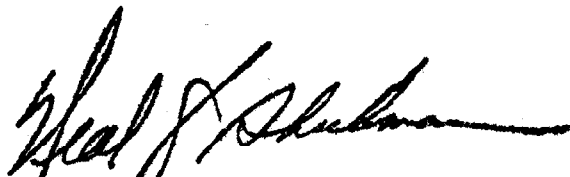
THEREFORE, IT IS ORDERED that:

1. Southwest Gas Corporation is authorized to make refunds to its customers as proposed in this Advice Letter. The refund plan shall be implemented by February 15, 1993.

2. Advice Letter 453-G shall be marked to show that it was approved by Commission Resolution G-3027.

3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 22, 1993. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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