

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3034
February 3, 1993

R E S O L U T I O N

RESOLUTION G-3034. SOUTHERN CALIFORNIA GAS COMPANY REQUESTS COMMISSION APPROVAL OF A PLAN TO REIMBURSE APPROXIMATELY \$5.1 MILLION TO NONCORE AND CORE AGGREGATION CUSTOMERS WITH REFUNDS RECEIVED FROM SUPPLIERS.

BY LETTER FILED NOVEMBER 13, 1992.

SUMMARY

1. By letter dated November 13, 1992, Southern California Gas Company (SoCalGas) submitted a proposed refund plan, applicable systemwide, to reimburse its customers refunds of approximately \$25.8 million (principal) received from El Paso Natural Gas Company (El Paso), Northwest Pipeline Company (NWP), Transwestern Pipeline Company (Transwestern), and Pacific Interstate Transmission Company (PITCO).
2. SoCalGas requested that the core's portion (\$20.7 million principal) be included in rates effective January 1, 1993. This request was authorized under Resolution G-3026.
3. SoCalGas further requested to refund the portions due noncore and core aggregation customers variously in 1993. The total amount to be refunded to noncore and core aggregation customers is \$5,122,056, before adjustments for interest and Franchise Fees and Uncollectibles (FF&U) are made. This resolution addresses the refunds due noncore and core aggregation customers and authorizes SoCalGas' request.

BACKGROUND

1. SoCalGas' proposal requested authorization to incorporate the core's allocable portion of interstate supplier refunds into the core rate changes due to attrition and the true-up of Biennial Cost Allocation (BCAP) balances to be made effective January 1, 1993. The Commission granted this request under Resolution G-3026 dated December 16, 1992. The core's final refund portion was \$21,137,181. This amount included interest calculated through December 31, 1992, retention of a 0.3% contingency holdback, and an adjustment for FF&U.

2. SoCalGas proposes that the remaining refund amounts be applied variously during 1993 for noncore and core aggregation customers. This balance is approximately \$5.1 million. Of this amount, \$2.9 million would be incorporated into the 1993 BCAP rates, \$1.4 million would be disbursed, and the remainder would be held over to the next refund plan.

NOTICE

1. Copies of the proposed refund plan were mailed to other utilities, UEG customers, wholesalers, the California Manufacturer's Association, and the Division of Ratepayer Advocates.

PROTESTS

1. The Division of Ratepayer Advocates (DRA) protested the original filing. These issues were addressed under Resolution G-3026 and are now considered moot. The protest is denied and no other protests were received.

DISCUSSION

1. The refunds received by SoCalGas from the pipeline companies, as listed in Table 1, were received by SoCalGas between October 1990 and June 1992, resulting from cases decided by the Federal Energy Regulatory Commission (FERC). All refunds received from interstate suppliers prior to September 1, 1992 and not previously refunded have been included under SoCalGas' plan.

2. SoCalGas proposes three methods to refund the \$5.1 million balance of the refund amounts due noncore and core aggregation customers. These balances appear below in Table 1.

3. SoCalGas first proposes to refund the \$2.9 million balance remaining under the El Paso Docket RP88-44-000 (See Item 1, Table 1) through an adjustment to revenue requirements in the 1993 Biennial Cost Allocation (BCAP) proceeding, which will be filed on or about March 15, 1993. This balance would be amortized consistent with the methodology authorized in the 1991 BCAP.

4. SoCalGas next proposes to directly disburse the \$1.4 million refund due noncore and core aggregation customers under the Transwestern Docket RP-89-48-000. (See Item 6, Table 1.)

5. Lastly, SoCalGas proposes to retain the \$0.8 million amount remaining under Item 3, Table 1, due to noncore customers and core aggregators for incorporation into SoCalGas' next refund plan. This refund is from a FERC settlement on "overrun" facilities, where it was found that Transwestern lacked the necessary authorization for the facilities. This refund is tied

to the volumetric charges on gas which flowed during the period from January 1, 1985 through December 31, 1989.

TABLE 1
SUMMARY OF REFUNDS RECEIVED SINCE 10/90

<u>PIPELINE</u>	<u>REFUND AMOUNTS</u>	<u>NET BALANCE</u>
1. El Paso, Docket RP-88-44-000 - Allocated by D.91-12-075 - Balance	\$11,976,211 (9,100,000)	<u>2,876,211</u>
2. PITCO, Docket RP-88-44-000 - Allocated by G-3026 to Core - Adjusted & Returned to PITCO for Pan Alberta - Balance	21,003,767 (15,597,322) (5,406,445)	<u>-0-</u>
3. Transwestern, Dkt.CP-73-106-000 Dkt.CP-87-134-000 - Allocated by G-3026 to Core - Balance	1,324,703 (493,664)	<u>831,039</u>
4. PITCO, Docket TM-91-8-37 Docket TM-92-2-37 - Allocated by G-3026 to Core - Balance	350,890 (350,890)	<u>-0-</u>
5. Transwestern, Dkt.RP-89-48-000 - Allocated by G-3026 to Core - Balance	3,438,385 (3,438,385)	<u>-0-</u>
6. Transwestern, Dkt.RP-89-48-000 - Adjustment for Production & Gathering Costs - Balance	1,729,090 (314,284)	<u>1,414,806</u>
TOTAL BALANCE		5,122,056

6. All amounts to be refunded will reflect interest at the variable three month commercial paper rate, compounded monthly, as provided in SoCalGas' Preliminary Statement and Rule 8. Refunds to core customers are adjusted to provide for an amount sufficient for refund adjustments upon inquiry. Based upon recent historical data, this contingency fund has been determined to be approximately 0.3% of the total refundable amount. Refunds to noncore and core aggregation customers are not subject to the contingency hold back. However, these refunds are subject to an additional adjustment for FF&U, which will be calculated at the time of disbursement.

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7. Refunds will be reflected on customer's bills or, in the case of a former customer, checks will be mailed to the customer's last address of record.

8. Before and after the actual refunds are made, SoCalGas will publish notices in newspapers throughout its service territory that a refund is to be, or has been made. Any customer which believes they are entitled to a refund but which did not receive one, should contact the nearest SoCalGas office for settlement of their claim. SoCalGas will review each claim and should make a refund where it is appropriate to do so. Both current and former customers in receipt of a refund should be notified that the refund is being made pursuant to an order of the Commission.

9. SoCalGas will consider and evaluate all inquiries from any customer or former customer through April 1993, who either did not receive a refund or who contends that the refund should have been greater, and will make a refund or refund adjustment as found appropriate. CACD recommends that SoCalGas should keep records of all refunds made and should submit a report of the disposition of such monies to the Commission by July 31, 1993.

10. CACD believes that SoCalGas' refund plan is in the best interests of noncore and core aggregation customers and recommends the Commission adopt the plan and require expeditious implementation.

FINDINGS

1. SoCalGas' refund plan contains customer refunds of approximately \$25.8 million (principal) received from El Paso Natural Gas Company, Northwest Pipeline Company, Tranwestern Pipeline Company, and Pacific Interstate Transmission Company.

2. The core's portion of the refund, \$20.7 million was authorized by the Commission under Resolution G-3026.

3. The noncore and core aggregation's portion of the refund is \$5,122,026. Of this balance, SoCalGas should incorporate \$2.9 million into the 1993 BCAP rates and should disburse \$1.4 million to noncore and core aggregation customers. SoCalGas should also retain the remaining \$0.8 million for incorporation into its next refund plan.

4. All amounts to be refunded to noncore and core aggregation customers should reflect interest at the variable three month commercial paper rate, compounded monthly, and should reflect an adjustment for FF&U.

5. SoCalGas should provide notice to customers throughout its service territory that a refund is to be or has been made pursuant to an order of the Commission, and should provide information regarding how customers may file a claim for a

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refund, should they believe they are entitled to one, but have not received one.

6. SoCalGas should consider and evaluate all inquiries from any customer or former customer through April 1993, who either did not receive a refund or who contends that the refund should have been greater.

7. SoCalGas should keep records of all refunds made and should submit a report of the disposition of such monies to CACD by July 31, 1993.

8. DRA's protest was addressed in Resolution G-3026 and is considered moot herein.

9. DRA's protest is denied.

THEREFORE, IT IS ORDERED that:

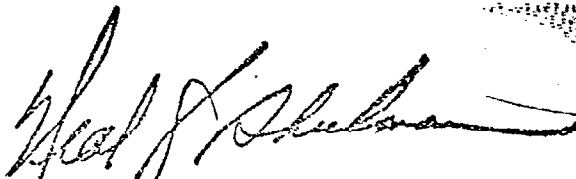
1. Southern California Gas Company is authorized under Public Utilities Code Section 453.5 to implement the above refund plan, as submitted, starting with the March 1993 billing cycle.

2. Southern California Gas Company shall make reasonable efforts to locate former customers due refunds and shall provide these customers with the appropriate refund.

3. Southern California Gas Company shall keep records of the refunds paid and shall submit a report to the Program Manager of the Energy Branch, Commission Advisory and Compliance Division, of any amounts not refunded by July 31, 1993. The report shall detail the amount of unclaimed refunds and the methods and results of the efforts made to locate former customers.

4. The above refund plan shall show that it was approved for filing and implementation by Commission Resolutions G-3026 and G-3034. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 3, 1993. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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