

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3082
SEPTEMBER 17, 1993

R E S O L U T I O N

RESOLUTION G-3082. SAN FRANCISCO THERMAL, LIMITED PARTNERSHIP (CIS ID No. U-908-H) IS AUTHORIZED TO INCREASE ITS FUEL COST ADJUSTMENT RATE COMPONENT, PURSUANT TO PRELIMINARY STATEMENT PART B, BY \$830,000, OR 10.25 PERCENT.

BY ADVICE LETTER 2, FILED ON JULY 15, 1993.

SUMMARY

1. San Francisco Thermal, Limited Partnership (SF Thermal) requests authority to increase its rates for steam service by 10.25 percent. The increase results from an increase in natural gas costs (from \$0.29128 to \$0.31694 per therm) and forecasted steam sales, and a decrease in the overcollection in the Fuel Cost Adjustment (FCA) Balancing Account.
2. This resolution grants SF Thermal's request

BACKGROUND

1. On June 3, 1993, by Decision No. 93-06-038, the Commission approved the sale by Pacific Gas and Electric (PG&E) and the purchase by SF Thermal of PG&E's property and rights to its district steam generation and distribution business located in the City and County of San Francisco.
2. The FCA requested in this advice letter is the same as that requested by PG&E's May 13, 1993, Advice Letter No. 102-H (withdrawn on July 21, 1993), except that the FCA is added to different base rates which were authorized in D. 93-06-038.
3. SF Thermal currently has about 200 steam service customers in portions of the City and County of San Francisco.

4. The last increase for steam service was approved by Commission Advice Letter 100-H dated May 19, 1992. Natural gas costs have increased from \$0.29128 to \$0.31694 per therm since AL 100-H was filed; the overcollection in the steam FCA Balancing account has decreased from \$756,961 to \$268,794, as of April 1993; the forecasted sales have increased from 657.7 million pounds to 682.3 million pounds because of the forecasted addition of large customers.

NOTICE:

Public notice of this filing was recorded in the Commission's calendar on July 20, 1993. In addition, SF Thermal notified its customers by letter mailed July 20, 1993.

PROTESTS

No protests were received for this advice letter.

DISCUSSION

1. The FCA factor should be increased from \$4.427 to \$5.643 per 1,000 pounds of steam, based on the forecast-period steam sales and fuel use for the 12 months beginning July 1, 1993, the gas fuel prices effective May 1, 1993, and the average cost of fuel oil in steam inventory on June 1, 1993.

2. The net effect of this rate revision is a \$830,000 increase in total annual revenue for the steam department from \$8,100,000 to \$8,930,000, or 10.25%.

3. The Commission Advisory and Compliance Division has reviewed this filing and finds that SF Thermal's request correctly reflects the higher fuel costs and the increased undercollection in the FCA balancing account.


FINDINGS

The requested rate increase for steam tariffs is just and reasonable because it allows the utility to recover increased fuel costs and reduces the outstanding undercollection in the Fuel Cost Adjustment balancing account.

THEREFORE, IT IS ORDERED that:

1. San Francisco Thermal, Limited Partnership, is authorized under the provisions of Section 454 of the Public Utilities Code to revise its steam tariff rates to reflect the increased Fuel Cost Adjustment component as filed by Advice Letter 2.
2. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 17, 1993.
The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

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