

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-3083
OCTOBER 06, 1993

R E S O L U T I O N

RESOLUTION G-3083. WASHINGTON WATER POWER COMPANY IS AUTHORIZED TO INCREASE ITS ANNUAL REVENUES APPLICABLE TO ITS SOUTH LAKE TAHOE NATURAL GAS OPERATIONS BY \$297,861 OR 3.23 PERCENT.

BY ADVICE LETTER C-12-G, FILED ON MAY 6, 1993.

SUMMARY

1. Washington Water Power Company (WP Co.) requests authority to increase its rates for natural gas service by \$297,861 or 3.23 percent, (1) \$20,557 or 0.22% increase in revenues because of an increase in gas costs of \$1,298,357, offset by a \$1,277,800 increase in over-collected purchased gas costs in the Purchased Gas Adjustment balancing account since the last energy rate filing by Advice Letter C-6-G, dated August 1, 1992, (2) \$409,616 or 4.44% decrease in revenues because of the suspension of the Supply Adjustment Mechanism (SAM) until January 1, 1995, in accordance with Decision No. 91-09-067, (3) \$709,489 or 7.70% increase in revenues to reflect the under-collection in the Conservation Financing Adjustment (CFA) balancing account as of February 28, 1993, and (4) \$21,655 or 0.23% decrease in revenues resulting from the decrease in the Low Income Ratepayer Assistance (LIRA) surcharge rates.

2. This resolution grants WP Co.'s request.

BACKGROUND

1. WP Co. currently serves about 14,000 customers on the South Shore of Lake Tahoe in El Dorado County.

2. A rate decrease for natural gas service was granted by the Commission, approved by Advice Letter C-6-G, in the amount of \$662,719 or 6.57%, on August 1, 1992.

NOTICE:

Public notice of this filing was given by publication in the Commission's calendar on May 11, 1993.

PROTESTS

No protests were received for this advice letter by CACD.

DISCUSSION

1. WP Co. has had increased costs in transporting natural gas by the Paiute Pipeline whose cost per year went up from \$819,659 to \$1,269,931, and Northwest Pipeline whose cost went up from \$609,421 to \$1,135,374. The commodity rate forecast of IGI Resources, Inc.'s spot prices for July 1993 to June 1994, also went up from \$0.18595 to \$0.20295 per therm. Although there was an overcollection in WP Co.'s Purchased Gas Adjustment balancing account, the increase in gas costs is offset by the over-collection increase.

2. The SAM has been suspended until January 1, 1995 by D. 91-09-067. Hence, the accumulated over-collection of SAM revenues in the balancing account should be amortized over the remaining eighteen months (July 1, 1993 to January 1, 1995).

3. WP Co. should be allowed to recover the under-collection in the CFA balancing account as of February 28, 1993, including a reasonable estimated level of 1993 expenditures for conservation programs. This approval should be reviewed in WP Co.'s next general rate case.

4. The Low Income Ratepayer Assistance surcharge will increase by approximately fifteen percent of annual revenues, or \$44,969. However, in order to bring the LIRA balancing account to zero as of February 28, 1993, a \$21,622 or 0.23% decrease over present LIRA revenues is required. Hence, the average LIRA rate decrease per therm is \$0.00131.

5. The net effect of this rate revision is a \$297,861 increase in total annual revenue for natural gas from \$9,216,061 to \$9,513,922, or 3.23%.

6. The Commission Advisory and Compliance Division has reviewed this filing and found that WP Co.'s request correctly reflects the higher gas costs, increase in the overcollection of the PGA balancing account, the undercollection in the CFA balancing account, the overcollection of the SAM balancing account (amortized over the remaining eighteen months, as of July 1, 1993) and the overcollection of the LIRA balancing account.

October 6, 1993

FINDINGS

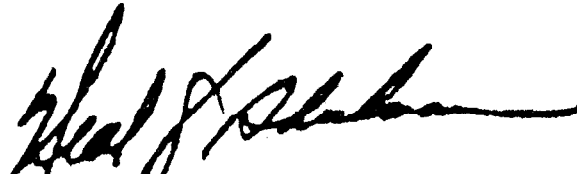
The requested rate increase for natural gas tariffs set forth in the Discussion is just and reasonable because it allows the utility to recover specified fuel cost increases, eliminates the outstanding overcollection in the Purchased Gas Adjustment, Low Income Ratepayer Assistance and Supply Adjustment Mechanism balancing accounts and the outstanding undercollection in the Conservation Financing Adjustment account.

THEREFORE, IT IS ORDERED that:

1. WP Co. Water Power Company, is authorized to revise its natural gas tariff rates to reflect the increase in annual revenues by \$297,861 or 3.23% as filed by Advice Letter C-12-G.
2. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 6, 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

Commissioner Jessie J. Knight, Jr.
present but not participating.