

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

San Francisco, California  
Date: March 21, 1974  
Resolution No. L-152

R E S O L U T I O N

SUBJECT: Order Authorizing Filing of Advice Letter No. 368-E,  
San Diego Gas & Electric Company.

WHEREAS:

1. SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E), by Advice Letter No. 368-E, filed March 1, 1974, seeks to increase its filed fuel cost adjustment billing factor from 0.331 to 0.744 cents per kilowatt hour to become effective April 1, 1974.
2. This filing complies with procedures authorized by Decision No. 81517, dated March 21, 1972.
3. The requested increase, totaling \$33,753,800 annually, or a 16.6 percent increase over present charges for the test period, is to cover increases in prices for residual oil, diesel oil, and natural gas used to generate electricity in its steam-electric plants. Advice No. 368-E indicates an increase in fuel oil costs from 109.74¢/M<sup>2</sup>Btu to 167.15¢/M<sup>2</sup>Btu; an increase in diesel oil costs from 149.17¢/M<sup>2</sup>Btu to 186.42¢/M<sup>2</sup>Btu; and an increase in natural gas costs from 51.16¢/M<sup>2</sup>Btu to 56.20¢/M<sup>2</sup>Btu.
4. The Commission's staff has thoroughly examined Advice No. 368-E and supporting information furnished by SDG&E and agrees that an increase is warranted, though slightly less than that requested. The staff recommends that an increase of \$33,018,200 should be accorded, rather than the \$33,753,800 sought by SDG&E. This difference is primarily based on a difference in opinion as to energy sources available.
5. One letter has been received by the Commission protesting the proposed increase. This letter objects to paying ever-increasing electric bills, even when consumption of electricity has been reduced in response to conservation admonitions from this Commission. What the author of this letter does not realize is the magnitude and frequency of the increased fuel costs faced by SDG&E. These costs have outstripped the financial ability of SDG&E to absorb a cost of fuel increase pending a decision in a general rate proceeding. It must be emphasized that allowing increased revenues in this amount will not increase the profit margin of the utility, but will merely offset the added expense for fuel incurred since January 1, 1974.

6. We find the increased fuel costs estimated by the staff to be the appropriate basis on which to increase the rates and charges of SDG&E. These increases will be passed on to customers on a uniform cents per kilowatt hour basis, which will result in a higher percentage increase to the larger users of electricity. The resulting percentages of increase are as follows:

Domestic	14.3%
General Service (Regular)	15.6%
General Service (Large)	23.4%
General Power	15.5%
Agricultural Power	16.5%
Street Lighting	8.5%

The rates produced are hereby found to be justified. A public hearing is not warranted.

IT IS ORDERED that SAN DIEGO GAS & ELECTRIC COMPANY is hereby authorized to increase its fuel cost adjustment billing factor from 0.331 cents per kilowatt hour to 0.735 cents per kilowatt hour and may place the resulting rates into effect on or after April 1, 1974, by appropriate tariff filings. To the extent that the increase sought by SAN DIEGO GAS & ELECTRIC COMPANY in Advice No. 368-E is not granted by this resolution, that request is denied.

This resolution is effective on the date hereof.

---

I hereby certify that the foregoing resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 26th day of March, 1974, the following Commissioners voting favorably thereon:

---

Secretary