

COUNCIL MEETING
APRIL 2, 1986

30

PUC APPLICATION .

CC-7 (f)

City Clerk Reinche presented a letter that had been received from PG&E requesting authority from the California Public Utilities Commission under its Gas Adjustment Clause to decrease its gas rates, effective April 1, 1986 by about 8.2 percent or by approximately \$256.5 million on an annualized basis.

PACIFIC GAS AND ELECTRIC COMPANY

PG&E +

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RECEIVED

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ALICE N. REIMCHE
CITY CLERK
CITY OF LODI
TELEPHONE (415) 543-7813

March 18, 1986

TO: THE STATE, COUNTY AND CITY OFFICIALS
AND INTERESTED PARTIES

PACIFIC GAS AND ELECTRIC COMPANY (PGandE) has filed Application No. 86-03-030 in which it requests authority from the CALIFORNIA PUBLIC UTILITIES COMMISSION (Commission), under its Gas Adjustment Clause (GAC) to decrease its gas rates, effective April 1, 1986, by about 8.2 percent or by approximately \$256.5 million on an annualized basis.

The GAC decrease PGandE currently proposes to place into effect on April 1, 1986 primarily reflects proposed lower natural gas prices attributable to the recent drop in world oil prices. The average delivered price of gas from El Paso Natural Gas Company, PGandE's supplier of gas from the Southwestern United States, is proposed to decrease to \$2.8549 per MMBtu. The average delivered price of PGandE's Canadian gas supply is proposed to decrease to \$2.5313 per MMBtu. The price of PGandE's California gas

supply is proposed to decrease to \$2.23 per MMBtu.

PGandE anticipates that the Commission will hold hearings on the proposed decrease later this year. Parties at the hearings may offer proposals to the Commission which differ from those requested by the Utility. After considering all proposals presented during the formal hearing process, the Commission will issue a Decision. The actual rates adopted by the Commission may significantly differ from those requested by the Utility, and may result in an increase or decrease in your individual rates.

If you wish to participate formally and need advice or if you wish copies of Public Staff Division's rate proposals, please write to the Public Advisor, California Public Utilities Commission at 350 McAllister Street, San Francisco, California 94102.

Authorization of PGandE's proposal only will enable PGandE to recover its gas costs under its GAC. It will not enable PGandE to earn a rate of return above the level which the Commission last found to be just and reasonable for PGandE's Gas Department.

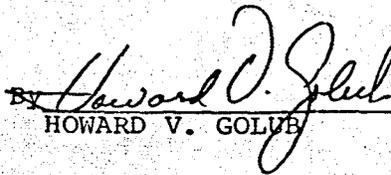
A copy of the Application and related exhibits may be examined at the office of the California Public Utilities Commission, State Building, 350 McAllister Street, San Francisco, California 94102; at Pacific Gas and Electric

Company, 77 Beale Street, Room 3181, or c/o Regional
Managers in PGandE's Regional headquarters in Fresno,
Oakland, Sacramento, San Francisco, San Jose and San Rafael.

This Notice is given in accordance with Rule 24 of
the Rules of Practice and Procedure of the California Public
Utilities Commission.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By 
HOWARD V. GOLUB