

CITY COUNCIL MEETING
JULY 15, 1987

PUC APPLICATIONS

CC-7(f)

City Clerk Reimche apprised the Council that a copy of PGandE application No. 87-04-040 had been received requesting that the California Public Utilities Commission approve an increase in total gas system revenues by approximately \$265.3 million (11.8)% on an annualized basis.

PACIFIC GAS AND ELECTRIC COMPANY

PG&E +

77 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94106
P. O. BOX 7442, SAN FRANCISCO, CALIFORNIA 94100

RECEIVED

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TELEPHONE (415) 399-1100
ALICE V. DE VINCENIS
CITY CLERK
CITY OF LOS ANGELES

PATRICK G. GOLDEN
ATTORNEY AT LAW

June 22, 1987

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

PACIFIC GAS AND ELECTRIC COMPANY (PGandE) has filed amended Application No. 87-04-040 in which it requests the CALIFORNIA PUBLIC UTILITIES COMMISSION (Commission or CPUC) to approve an increase in total gas system revenues by approximately \$265.3 million (11.8%) on an annualized basis. This amended application takes the place of gas rate requests previously filed on January 20, 1987 and April 20, 1987. PGandE is proposing that these rates become effective upon final Commission action in this proceeding. It is anticipated that the Commission will act upon this application before January 1, 1988.

PGandE is filing this Application in response to CPUC decisions directing that rates and services to larger commercial and industrial gas customers be separated into transportation and gas purchasing. These customers would be permitted to secure their own gas supply and pay PGandE a charge to transport the gas to their facility. This charge would, within limits set by the CPUC, be subject to

negotiation.

For residential and small commercial customers, PGandE will continue to offer the same type of gas service now provided.

The requested increase is needed to cover costs through June, 1987. In addition, PGandE has forecast a decline in the use of its gas system.

The amount of the requested increase also reflects a decline in the cost of gas to PGandE from Spring 1986 prices.

If the gas increase is approved, the typical residential customer using 35 therms per month in summer months and 100 therms per month during winter months will see a monthly gas bill increase of \$3.20, from \$14.42 to \$17.62 per summer month and \$8.96, from \$41.10 to \$50.06 per winter month.

Before acting on PGandE's Application, the Commission will hold public hearings on the proposals in August, 1987. 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 505 Van Ness Avenue, San Francisco, California 94102.

A copy of the amended Application and related exhibits may be examined at the office of the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, California 94102; at Pacific Gas and Electric Company, 77 Beale Street, Room 3121, San Francisco, California 94106; or c/o Regional Vice Presidents in PGandE's Regional headquarters in Fresno, Oakland, Sacramento, San Francisco, San Jose and Santa Rosa.

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

PACIFIC GAS & ELECTRIC COMPANY

By *Patrick Golden*
PATRICK G. GOLDEN

June 22, 1987