

CITY COUNCIL MEETING
OCTOBER 16, 1985

PUC APPLICATIONS

City Clerk Reimche presented a letter from Pacific Gas and Electric Company regarding Application No. 85-09-062 requesting authority from the California Public Utilities Commission, under its Gas Adjustment Clause to decrease its gas rates, effective January 1, 1986, by about 0.8 percent or by approximately \$30.2 million on an annualized basis.

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PACIFIC GAS AND ELECTRIC COMPANY

PG&E +

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ALICE M. REIMCHE
CITY CLERK
CITY OF LODI

October 1, 1985

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

PACIFIC GAS AND ELECTRIC COMPANY (PGandE) has filed Application No. 85-09-062 in which it requests authority from the CALIFORNIA PUBLIC UTILITIES COMMISSION (Commission), under its Gas Adjustment Clause (GAC) to decrease its gas rates, effective January 1, 1986, by about 0.8 percent or by approximately \$30.2 million on an annualized basis.

The GAC decrease PGandE currently proposes to place into effect on January 1, 1986 is primarily based upon estimated lower natural gas prices from California gas, Canadian gas and Southwestern United States gas suppliers. The price of gas from El Paso Natural Gas Company, PGandE's supplier of gas from the Southwestern United States, is estimated to decrease from \$3.5256 to \$3.3761 per Dth. The price of PGandE's Canadian gas supply has decreased approximately \$.1274 per Dth from \$3.2791 to \$3.1518 per Dth for purposes of this filing. And the price of PGandE's California gas supply is forecasted to decrease from \$3.00 per Dth to \$2.92 per Dth.

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 3107, or c/o Regional Managers in PGandE's Regional headquarters in Fresno,

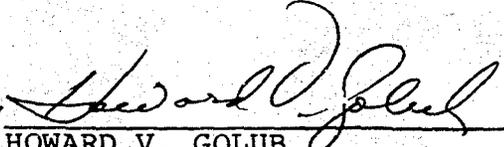
Oakland, Sacramento, San Francisco, San Jose and San Rafael.

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