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BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
COMMISSIONER-CHAIRMAN
JIM IRVIN
COMMISSIONER
WILLIAM A. MUNDELL
COMMISSIONER

AZ CORP COM
SEP 22 3 40 PM '99
DOCUMENT FILE

IN THE MATTER OF THE APPLICATION
OF CITIZENS UTILITIES COMPANY TO
AMORTIZE THE PURCHASED GAS
ADJUSTER BANK BALANCE

DOCKET NO. G-00000C-98-0568

**NOTICE OF FILING
MODIFIED FORM OF NEW TARIFF
FILED ON JULY 15 FOR
CLARIFICATION CONCERNING
CITIZENS UTILITIES COMPANY,
SANTA CRUZ GAS DIVISION, PGA
TARIFF**

Citizens Utilities Company hereby provides Notice of Filing a letter from Mr. Carl Dabelstein concerning the PGA tariff of Citizens Utilities Company, Santa Cruz Gas Division, in the above-referenced docket. This letter discusses the submission of the modified form of the tariff filed July 15, 1999. The revised tariff sheet is also attached.

RESPECTFULLY SUBMITTED on September 22, 1999.

Craig A Marks 
Craig A. Marks
Associate General Counsel
Citizens Utilities Company
2901 N. Central Avenue, Suite 1660
Phoenix, Arizona 85012

Arizona Corporation Commission
DOCKETED

SEP 22 1999

DOCKETED BY 

14000-4000-5414

1 Original and ten copies filed this
2 September 22, 1999, with:
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5
6 Copies of the foregoing mailed/delivered
7 this September 22, 1999, to:

8 Jerry Rudibaugh
9 Arizona Corporation Commission
10 1200 West Washington
11 Phoenix, Arizona 85007

12 Paul Bullis
13 Arizona Corporation Commission
14 1200 West Washington
15 Phoenix, Arizona 85007

16 Deborah R. Scott
17 Arizona Corporation Commission
18 1200 West Washington
19 Phoenix, Arizona 85007

20 Scott Wakefield
21 Residential Utility Consumer Office
22 2828 N. Central, Suite 1200
23 Phoenix, AZ 85004

24 By: Joann Zychlewicz
25 Joann Zychlewicz

26 G:\DEB~DOCS\PGA Matters\Notice of Filing Modified Form for July 15~2.doc

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28
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Citizens Utilities Company

Carl W. Dabelstein, CPA
Vice President, Regulatory Affairs
Public Service Sector

2901 N. Central Ave., Ste 1660
Phoenix, AZ 85012-2736
Direct Dial: (602) 532-4424
Fax: (602) 265-3415
Email: cdabelst@czn.com

September 21, 1999

Ms. Deborah Scott
Utilities Division Director
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Re: Docket No. G-00000C-98-0568

Dear Ms. Scott:

In response to Commission Decision Nos. 61225 (October 30, 1998) and 61701 (May 13, 1999), Citizens Utilities is implementing a new Purchased Gas Adjustment ("PGA") mechanism for its Santa Cruz Gas Division. In connection therewith, on July 28th of this year, new tariff sheets were submitted which contained the changes necessary to implement the new PGA. It has been brought to my attention that a minor change in the wording of one sentence in the basic tariff page is necessary to clarify the minimum bill provisions contained thereon.

Previously, the customer bills contained no separate line for the applicable PGA adjustment. Rather, the line items reported on the bill reflected the applicable PGA amount. For example, the first tier rate on the existing tariff, which covered the first 4.53 therms of consumption was \$6.60. This reflected a basic charge of \$7.02 and the effect of the PGA. Since the existing adjustment factor is a negative \$.0917 per therm, forty-two cents (4.53 therms times a negative .0917) was deducted from the \$7.02, thereby producing a net rate of \$6.60. The \$6.60 was also listed on the tariff sheet as the minimum monthly bill. Customers would be billed that amount irrespective of consumption up to the 4.53 therms.

One feature of implementing the new PGA mechanism for our Santa Cruz customers is that the portion of the customer bill relating to the PGA will now be shown as a separate line item. This was intended to be done in a revenue neutral manner. Using the above as an example, a customer using up to 4.53 therms would be billed two separate amounts--\$7.02 for his basic service and a negative \$0.42 as the applicable PGA amount. In the aggregate, the customer would still be billed at total of \$6.60 before applicable sales taxes and assessments.

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Ms. Deborah Scott
Page 2

As we proceed toward implementing the new billing format, it has come to my attention that the revised tariff submitted on July 28th states that the minimum bill shall be \$7.02. Technically, that is not correct. As indicated above, the minimum bill has been \$6.60 and will continue to be that amount until changed. Accordingly, it is necessary to add the phrase "(exclusive of Purchased Gas Adjustment)" under the rate description on the tariff page. A copy of the revised tariff is transmitted herewith. Please consider this our official notice of this de minimus change. I have already discussed this matter with Mr. Bob Gray of your Staff who stated he was in agreement with the wording change.

If you have any questions or require further information please call me at (602) 532-4424.

Sincerely,

Carl W. Dabelstein
Carl W. Dabelstein (93)

Attachment

cc Docket Control
Bob Gray

NATURAL GAS RATES

Citizens Utilities Company
Nogales, Arizona
Carl Dabelstein, V.P.

A.C.C. Schedule No. N-15
Cancelling A.C.C. Schedule No. N-14

GENERAL GAS SERVICE RATE

Availability

Available in all territory served by the Company in Santa Cruz County, Arizona.

Applicability

Applicable for general service of natural gas where service is for the exclusive use of the Customer.

Rate

		<u>Effective</u> <u>08/01/87</u>
First	4.53 Therms per month or less	\$7.02
Next	4.53 Therms per month; per therm	\$0.9267
Next	18.11 Therms per month; per therm	\$0.6827
Next	63.38 Therms per month; per therm	\$0.5794
Next	362.17 Therms per month; per therm	\$0.5328
All Over	452.72 Therms per month; per therm	\$0.5094

Rate Adjustment

The rates stated herein shall be subject to such adjustment as may be necessary to reflect any increase or decrease in cost to the Company of gas either generated or purchased above or below the base cost of \$0.38840 per therm, effective for service rendered on or after May 1, 1999.

Rate

	<u>Effective</u> <u>08/01/87</u>
Minimum bill per meter, per month (exclusive of Purchased Gas Adjustment)	\$7.02

Effective Date

These rates shall become effective for usage on and after August billings in accordance with Decision No. 55535, dated April 23, 1987.