

DEPARTMENT OF ENERGY

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D. C. 20426



IMMEDIATE RELEASE
January 15, 1979

NEWS RELEASE
FE-528

MAJOR ACTIONS AT FERC'S JANUARY 10-12 MEETING

The Federal Energy Regulatory Commission at its regular weekly meeting voted to take the following major actions. These actions are not official until the actual document (usually an order or notice) is issued, usually within a few days following the meeting. Under the FERC's rules, Commission decisions are subject to revision before issuance.

ELECTRIC

Alabama Power Company, of Birmingham, Alabama (Docket No. E-8851). The FERC voted to adopt an opinion which reduces a \$12 million annual wholesale electric rate increase collected by Alabama Power Company, subject to refund, from September 1974 until October 1976. In addition to setting a 13 percent rate of return on common equity to be allowed Alabama, the Commission decided a number of rate design and cost allocation issues. Alabama is to file revised rates within 60 days after the date the opinion is issued, at which time the amount it will have to refund to its customers, plus interest, can be computed.

Southern California Edison Company, of Rosemead, Calif. (Docket No. E-8570). The FERC adopted an opinion which reduces an \$8.1 million annual wholesale electric rate increase collected by Southern California Edison Company from August 1974 to February 1976. The Commission decided a number of rate issues and prescribed a 13 percent return on common equity. The utility is to file a revised cost of service within 75 days after the date the opinion is issued, at which time the amount it must refund to its customers, plus interest, can be computed.

(more)



7902270335

Ohio Edison Company, of Akron, Ohio (Docket No. ER77-530). The FERC approved a settlement agreement which reduces a \$7.9 million annual wholesale electric rate increase which Ohio Edison has charged 21 municipal customers, subject to refund, since January 1978. The settlement provides for a two-step increase. During the first stage, from January 1 to November 20, 1978, the rate increase is about \$4.5 million annually, and during the second step, from November 20, 1978 on, the rate increase is about \$5.7 million annually. Ohio Edison is to refund excess amounts collected, with nine percent interest.

MISCELLANEOUS

Incentive Rate of Return Plan for Alaskan Gas Pipeline (Docket No. RM78-12). The FERC confirmed a December 1 order which approved an incentive rate of return mechanism for all U.S. portions of the Alaskan Natural Gas Pipeline System except the Western Leg. The Commission, upon consideration of written and oral comments, voted to continue the inclusion of allowance for funds used during construction (AFUDC) in the incentive rate of return mechanism. The incentive rate of return concept, required by the President's decision which selected the applicant and route for the Alaskan Pipeline system, is intended to compensate the project investors with a rate of return commensurate with their success in holding down cost overruns and keeping to the project schedule.

NATURAL GAS

Florida Gas Transmission Company, of Winter Park, Fla. (Docket No. RP79-16). The FERC suspended for four months and 20 days an \$18.5 million annual wholesale rate increase proposed by Florida Gas Transmission Company. The increase will become effective June 2, subject to refund, pending final FERC decision. The FERC staff is to submit top sheets for settlement purposes by May 13, with a settlement conference to be held 10 days after that.

Tenneco LNG, Inc. (Docket No. CP76-16). The FERC rejected an application filed in July 1975 by Tenneco LNG, Inc., to build a liquefied natural
(more)

gas terminal at West Deptford, New Jersey. Tenneco has not filed for authority to import LNG into the proposed facility and its application to build the terminal is incomplete. Tenneco has not submitted the missing data, despite specific direction to do so by the Commission.

Northern Natural Gas Company, of Omaha, Nebraska (Docket No. RP71-107, PGA79-1). The FERC made effective, as of December 27, 1978, subject to refund, a wholesale natural gas rate increase proposed by Northern Natural Gas Company to reflect, among other things, an estimated \$153.6 million annually in increased purchased gas costs. The Commission set for hearing the issue of whether the cost of certain emergency gas purchases made by Northern should be included in the rates.

For purposes of this news release, major actions are defined as gas rate and certificate, electric rate and securities, and oil rate matters involving more than \$1 million, and also hydroelectric project preliminary permit and license actions.

Other matters considered newsworthy--for example, actions which involve policy matters or set precedents--may be included even though they do not meet these criteria. Major actions also include the scheduling of hearings and oral arguments, and rulemaking notices and orders.

The text of the documents adopted will be made available as they are issued by the Commission's Secretary.

An asterisk indicates that a separate detailed news release will accompany the FERC order when it is issued. News releases are written on items which have major impact or are of broad public interest.

-FERC-

For further information
call 275-4006 (Area Code 202)

DC-E