

ORIGINAL

Decision No. 82549

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application  
of BAY POINT LIGHT & POWER COMPANY,  
a California Corporation, for  
authority to adopt a Purchased  
Power Adjustment Clause to offset  
the increased or decreased cost of  
power resulting from PG&E's Fuel  
Cost Adjustment.

Application No. 54512  
(Filed December 17, 1973)

O P I N I O N

By this application Bay Point Light and Power Company (Bay Point) seeks authority to include in its electric tariffs a purchased power adjustment clause.

The applicant has requested authorization to implement a .024 cents per kilowatt-hour purchased power adjustment to offset Pacific Gas and Electric Company's (PG&E) fuel cost adjustment increase from the June 1, 1973 level of .064¢/kwhr to the December 1, 1973 level of .088¢/kwhr.

Bay Point purchases all its electric power under PG&E's resale schedule, Schedule R.

On April 28, 1973, in F.P.C. Docket No. E-7777, PG&E was authorized by the F.P.C. to put in effect an approximate 22% increase in its resale schedule and a fuel cost adjustment clause that would increase or decrease the cost of wholesale power monthly under Schedule R in accordance with changes in the cost of fuel used by the company's generating plants.

In Application No. 53930 filed March 28, 1973, Bay Point requested authority to offset the increased purchased power costs resulting from PG&E's rate increase with the FPC under Docket No. E-7777. Public Utilities Commission Decision No. 82117 dated November 13, 1973, authorized Bay Point to offset both the increase in the R-Schedule base rates and the .064 cents per kilowatt-hour fuel cost adjustment effective June 1, 1973.

PG&E has increased its Schedule R monthly fuel cost adjustment so that on December 1, 1973, it had increased to .088 cents per kilowatt-hour; January 1, 1974, to .108 cents per kilowatt-hour; and to .129 cents per kilowatt-hour on February 1, 1974. Bay Point, by this application, requests authority to implement a monthly purchased power clause to offset PG&E's increases in purchased power and to put in effect a .024 cents per kilowatt-hour adjustment to offset the December 1, 1973, increase.

The staff has conducted a review of Bay Point's request and anticipates that PG&E's monthly fuel cost adjustments will continue to increase the applicant's cost of purchased power. It is the staff's opinion that a purchased power adjustment clause should be included in Bay Point's filed electric tariffs to offset these monthly increases in PG&E's fuel cost adjustment above or below that in effect on June 1, 1973.

The staff has reviewed the utility's proposals that each Purchased Power Adjustment be filed with the Commission by advice letter which will include a copy of PG&E's bill showing the latest Fuel Cost Adjustment and that the applicant should request approval for the increase or decrease on or before the first day of the month preceding the billing month during which each adjustment per kilowatt-hour is intended to become effective. Bay Point also proposed that the adjustment per kilowatt-hour be applied to service rendered on or after the effective date and thereafter until the next such adjustment becomes effective. It is the staff's belief that these proposals are reasonable.

The staff recommends that the utility be ordered to file a results of operation report on the previous year's recorded and adjusted operation by March 15 of each year.

Since no objections to the application were received, the staff recommends that the purchased power adjustment clause prescribed in Appendix A be authorized by an ex parte order.

Findings

1. In Decision No. 82117 issued November 13, 1973, the Commission authorized Bay Point an increase in revenue to offset both the increase in base rates in PG&E's Schedule R, and 0.64¢/kwhr Fuel Cost Adjustment to the resale schedule.

2. A need exists to include a purchased power adjustment clause in the applicant's filed electric tariffs.

3. Bay Point's proposed purchased power adjustment clause, as modified by the staff, will be adopted because in an inflationary period with rapid increases in the cost of fuel and purchased power, an expedited method is required to permit a utility to recover these costs so that its ability to function is not impaired.

4. The adopted purchased power adjustment clause prescribed in Appendix A hereto will not occasion an abdication of regulatory responsibility; nor will it decrease the incentive of Bay Point to keep costs down; nor will it be inflationary as any price increases brought about by the use of purchased power merely reflect the effect of past inflation on the cost of purchased power.

5. Notice of the filing of this application was served and published in accordance with Rule 24 of the Commission's Rules of Practice and Procedure. No protests or other responses were received. A public hearing is not necessary.

The Commission concludes that the application should be granted to the extent set forth in the order as follows:

O R D E R

IT IS ORDERED that Bay Point Light and Power Company (Bay Point) is authorized to file with this Commission, on or after the effective date of this order, revised tariff schedules with changes in rates, charges, and conditions as set forth in Appendix A attached hereto. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be on not less than three days' notice to the Commission.

IT IS FURTHER ORDERED that Bay Point shall file a results of operation report on the previous year's recorded and adjusted operations by March 15 of each year.

The effective date of this order shall be ten days after the date hereof.

Dated at San Francisco, California, this 12<sup>th</sup>  
day of MARCH, 1974.

Harold L. Spencer  
President  
William H. Squire, Jr.  
John A. Moran  
Thomas Moran  
Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A  
Page 1 of 3

RATES - BAY POINT LIGHT AND POWER COMPANY

Applicant's electric rates, charges and conditions are changed to the level set forth in this appendix.

PRELIMINARY STATEMENT

The Preliminary Statement shall be modified by adding Paragraph (7) as follows:

(7) PURCHASED POWER ADJUSTMENT CLAUSE:

(a) The monthly charges for service otherwise applicable under each of the utility's rate schedules shall be increased or decreased by an adjustment amount in accordance with increases or decreases in the cost of purchased power resulting from PG&E's fuel cost adjustment above or below that in effect on June 1, 1973. PG&E's fuel cost adjustment is that billed to the utility by Pacific Gas and Electric Company in accordance with Resale Service Schedule R.

(b) The adjustment shall be computed by multiplying the change in PG&E's fuel cost adjustment above or below that in effect on June 1, 1973, by a factor of 1.0864.

The product so obtained rounded to the nearest hundredth of a mil (\$.00001) shall be the adjustment per kilowatt-hour.

(c) The 1.0864 factor is the ratio of purchased power to power sold in kilowatt-hours for the recorded year 1972.

(d) Each adjustment per kilowatt-hour shall be filed with the California Commission for approval on or before the first day of the month preceding the billing month during which such adjustment per kilowatt-hour is intended to become effective. The adjustment per kilowatt-hour shall be applied to service rendered on and after the effective date and thereafter until the next such adjustment becomes effective.

(e) The adjustment amount to be added or subtracted from each bill shall be the product of the total kilowatt-hours for which service is rendered, multiplied by the adjustment per kilowatt-hour of (7) (b) above, except that for purposes of applying the purchased power adjustment to Schedule IS, the monthly consumption per lamp rating contained in Special Condition (g) of Schedule IS will be used.

APPENDIX A  
Page 2 of 3

RATES - BAY POINT LIGHT AND POWER COMPANY

PRELIMINARY STATEMENT (Continued)

- (f) Any refund from PG&E shall be promptly refunded, together with any associated interest, to utility's customers. A refund plan shall be filed with the Commission when such portion of the refunds has accumulated to a total of \$400 or more. In the event such monies are not refunded within 30 days after receipt, the utility shall refund such monies with 7 percent interest.
- (g) Effective for service rendered on or after \_\_\_\_\_, the adjustment per kilowatt-hour is .0240 cents per kilowatt-hour.

SCHEDULE NOS. A-1, A-2, A-3, D-1, D-2, H-1, P-1, and P-2

Add the following statement to Special Conditions of each of the above schedules:

( ) Purchased Power Adjustment Clause: All service under this schedule, including service rendered under the minimum charge, will be subject to the Purchased Power Adjustment Clause described in the Preliminary Statement. The adjustment amount shall be the product of the total kilowatt-hours for which the bill is rendered times the adjustment amount per kilowatt-hour.

SCHEDULE LS

Add to Schedule LS Special Condition (g) as follows:

(g) Purchased Power Adjustment Clause: All service under this schedule, including service rendered under the minimum charge, will be subject to the Purchased Power Adjustment Clause described in the Preliminary Statement. The adjustment amount shall be the product of the total kilowatt-hours for which the bill is rendered times the adjustment amount per kilowatt-hour. For purposes of applying the Purchased Power Adjustment Clause, the following monthly consumptions shall be used:

APPENDIX A  
Page 3 of 3SCHEDULE LS (Continued)Lamp RatingConsumption per Lamp per MonthAll Night  
ServiceMidnight  
Service

## Incandescent Lamps:

1,000 lumens	30 kwhrs	15 kwhrs
2,500 lumens	64 kwhrs	32 kwhrs
4,000 lumens	100 kwhrs	50 kwhrs
6,000 lumens	138 kwhrs	69 kwhrs
10,000 lumens	212 kwhrs	106 kwhrs
15,000 lumens	294 kwhrs	147 kwhrs
25,000 lumens	478 kwhrs	239 kwhrs

## Mercury Vapor Lamps:

11,000 lumens	92 kwhrs	46 kwhrs
15,000 lumens	102 kwhrs	51 kwhrs
20,000 lumens	144 kwhrs	72 kwhrs