

ORIGINAL

Decision No. 82711

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
California-Pacific Utilities
Company, a California corporation,
for authority to increase its
rates for electric service in its
Lassen Division.

Application No. 53884
(Filed March 9, 1973)

Orrick, Herrington, Rowley & Sutcliffe, by
James F. Crafts, Jr., Attorney at Law,
for California-Pacific Utilities Company,
applicant.

Reverend James M. Proffitt, for Lassen
Ministerial Association, interested party.
Rufus G. Thayer, Attorney at Law, and Don
Houck, for the Commission staff.

O P I N I O N

By this application, California-Pacific Utilities Company,
a California corporation (applicant),^{1/} requests increases in electric
rates which are designed to increase annual revenues in the test year
1973 by approximately \$272,300 over the rates now in effect. Copies
of the application were served and notice of hearing was published,
posted, and mailed in accordance with this Commission's Rules of
Procedure.

^{1/} Applicant owns and operates public utility electric, gas, water
and telephone systems in various parts of California; electric,
gas, and telephone systems in Oregon; electric, gas, water, and
telephone systems in Nevada; and electric systems in Utah and
Arizona. Applicant is also engaged in the nonutility sale of
liquefied petroleum gas in Oregon. Applicant's principal place
of business is located at San Francisco, California.

Public hearing was held at Susanville on September 25, 26, and 27, 1973 before Examiner Gillanders. The matter was submitted on September 27, 1973, subject to receipt of late-filed Exhibits 1 and 12. Exhibits 1 and 12 were presented by applicant under cover of a letter dated October 15, 1973. On October 30, 1973 the staff filed a "Motion To Strike Attachment To Late-filed Exhibit No. 12".^{2/} In addition, both the staff and the examiner expressed doubt that late-filed Exhibit 1 was responsive to the order directing the preparation of the exhibit. Consequently, further hearing was held on November 14, 1973 and the matter was finally submitted.

Oral and written testimony on behalf of applicant was presented by seven witnesses. The Commission staff presentation was made by a rate of return expert, an accountant, and three engineers. Thirteen members of the public attended the hearing, of whom five testified regarding applicant's service and their views regarding the proposed increase. The record contains 317 pages of transcript and 12 exhibits.

Applicant's Position

According to applicant it is requesting rates to offset increased costs of power it purchases from Pacific Gas and Electric Company. In order to do this, applicant also seeks an order authorizing a higher rate of return than the 7.6 percent granted by the Commission in its last previous order (1970). Due to operating efficiencies and economies,^{3/} applicant's actual rate of return (9.33% for 1972 estimated and 8.72% for 1973 estimated) has risen

^{2/} As applicant had no objection to the motion, the motion was granted and the attachment was stricken from the record of the November 14, 1973 hearing.

^{3/} Derived by emulating the practices and procedures of Pacific Gas and Electric Company.

above the authorized level to a point which applicant considers to be more consistent with today's cost of capital. Applicant is satisfied with the rate of return it was earning in its Lassen Electric Division until PG&E's increase in cost of purchased power. In addition, applicant seeks authority to track future increases in the cost of purchased power under PG&E's fuel adjustment clause. Applicant wants \$257,000 annually to offset the increase in PG&E's R-1 schedule.

Staff's Position

The staff, while it doesn't want to penalize applicant for the benefits of efficient management, does believe that to use an offset proceeding as a means of increasing the rate of return substantially above that allowed in a former proceeding places an especially stringent burden of proof upon applicant to convince the Commission that an increase in the rate of return over that which was allowed in 1970 should be forthcoming. The staff has material differences of opinion as to how the tracking of increased charges related to fuel cost increases should be handled particularly with respect to any rate refunds that might be forthcoming to the rate-payers.

Accounting and Financial Data

The staff accounting witness testified that his examination included a review of accounting procedures as well as such tests of specific transactions, accounting entries, and such supporting work papers as he considered necessary. The examination essentially covered the period 1970 through March 1973. It was necessary to review and analyze certain transactions and accounting entries for the total company operations, and the reasonableness of its methods of allocating common expenses to the California operations.

According to the witness, applicant's book of accounts are generally maintained in accordance with the prescribed Uniform System of Accounts. However, his examination revealed the following exceptions:

- a. Interest during construction (IDC), or more currently referred to as allowance for funds (AFC), used during construction has been accumulated on constructions that are financed with funds obtained through contributions and advances. The cumulative periods, during which IDC is applied, were also excessive.
- b. Depreciation on transportation equipment and tools and shop equipment is charged to Account 403, Depreciation Expense, instead of to the clearing account. The witness testified that this is contrary to the prescribed System of Accounts which states that depreciation expense applicable to transportation equipment, and shop equipment and tools should be charged to the clearing accounts in order to obtain a proper distribution of expenses between construction and operations.
- c. California-Pacific Utilities Company does not make interdepartmental billings for utility services performed by one department for another department within the Company. At its Lassen Division, the electric department furnishes power to the telephone and water department operations. Applicant estimates for the year 1972 that the cost of purchased power to the electric department in providing the water department with power to operate five water pumps amounted to approximately \$4,184 and under the present electric department tariff, it would amount to \$7,700 in electric revenues. Applicant claims the value of the power received by the telephone department and water department except for the five pumps is offset by the value of telephone and water services received by the electric department.

Based on his review, the staff witness made the following recommendations:

- a. Applicant should review its accounting procedures for allowance for funds used during construction and correct the following:
 - (1) AFC should not be applied on those construction projects financed with funds obtained from contributions and advances.

- (2) AFC should be applied during the construction period and stopped when the construction projects are completed and placed in service.
- (3) Depreciation expense applicable to transportation equipment and tools and shop equipment should be charged to a clearing account.
- (4) Applicant be required to change its accounting policy regarding interdepartmental billings, i.e., each department should be charged for utility services based on authorized rates.

Summary of Earnings

A summary of applicant's operations presented by the staff accountant is:

California-Pacific Utilities Company

Comparative Statement of Return on Average Net Plant Investment As of December 31, 1972*

	<u>Total Company</u>	<u>Electric Department</u>	<u>Lassen Electric Division</u>
Electric Plant in Service	\$87,577,399	\$40,748,730	\$4,645,541
Reserve for Depreciation	(18,519,608)	(10,359,258)	(1,096,932)
Net Electric Plant	69,057,791	30,389,472	3,548,609
Material and Supplies	1,220,813	472,939	30,510
Advances	(770,784)	(348,656)	(56,442)
Contributions	(929,894)	(593,526)	(39,801)
Deferred Tax on Accelerated Depreciation	(246,401)	(103,308)	
Average Net Plant Investment	68,331,525	29,816,921	3,482,876
Net Operating Income	5,760,736	2,379,496	334,472
Return on Average Net Plant Investment	8.43%	7.98%	9.60%
	(Inverse Item)		

*Does not include increase in Pacific Gas and Electric Company's Schedule R-1 effective April 28, 1973.

A summary of operations as presented by applicant and staff is:

California-Pacific Utilities Company
Lassen Division, Electric Department

Comparison of Staff and Utility Summary of Earnings
1973 Estimated

Item	Staff	Utility	Utility Exceeds Staff: Amount	Ratio
<u>Present Rates</u>				
Operating Revenues	\$2,242,000	\$2,211,600	\$(30,400)	(1.4)%
<u>Operating Expenses</u>				
Purchased Power*	1,436,300	1,429,900	(6,400)	(.4)
Other Operation & Maintenance	204,200	203,500	(700)	(.3)
Administrative and General	115,200	114,000	(1,200)	(1.0)
Depreciation	124,600	124,700	100	.1
Taxes Other Than on Income	138,400	138,100	(300)	(.2)
Taxes on Income	(16,200)	500	16,700	103.1
Total Operating Expenses	2,002,500	2,010,700	8,200	.4
Net Revenues	239,500	200,900	(38,600)	(16.1)
Depreciated Rate Base	3,866,600	3,879,800	13,200	.3
Rate of Return	6.19%	5.18%	(1.01)%	-
<u>Proposed Rates</u>				
Operating Revenues	\$2,517,800	\$2,483,900	\$(33,900)	(1.3)%
<u>Operating Expenses</u>				
Purchased Power*	1,436,300	1,429,900	(6,400)	(.4)
Other Operation & Maintenance	205,400	204,800	(600)	(.3)
Administrative and General	115,200	114,000	(1,200)	(1.0)
Depreciation	124,600	124,700	100	.1
Taxes Other Than on Income	141,900	141,600	(300)	(.2)
Taxes on Income	126,600	127,500	900	.7
Total Operating Expenses	2,150,000	2,112,500	(7,500)	(.3)
Net Revenues	367,800	341,400	(26,400)	(7.2)
Depreciated Rate Base	3,866,600	3,879,800	13,200	.3
Rate of Return	9.51%	8.80%	(.71)%	-

(Inverse Item)

*Computed by applicant and staff using Pacific Gas and Electric Company's Schedule R-1, Resale Service, FPC Docket No. E 7777, effective April 28, 1973.

Rate of Return

After making his customary studies involved in rate of return determinations, it was the opinion of applicant's financial vice president that the rates proposed by applicant would result in a rate of return of 8.8 percent on the Lassen Division Electric Rate Base. It was also his opinion that a fair and reasonable rate of return for applicant at this time would be in the range of 9 percent to 9.25 percent on total rate base. He testified that although a fair rate of return would be in the 9 percent to 9.25 percent range applicant was only proposing rates that would produce 8.8 percent rate of return because it considered this matter only as an offset rate case ^{4/} in which applicant seeks only to increase revenues sufficiently to cover the 22 percent increase in the cost of purchased power that became effective April 28, 1973.

The Commission's rate of return expert prepared a study (Exhibit 10) consisting of text, 20 tables, and 3 charts. Based upon his study it was his judgment that a range for rate of return of 8.35 percent to 8.65 percent was applicable to the rate base to be determined for the Lassen Division Electric Department of California-Pacific Utilities Company. Within this rate of return range, according to the witness, the allowance for common equity is 11.05 percent to 11.90 percent. He recommended that an 8.35 percent rate of return would be sufficient to enable the company to attract capital and to take care of its ability to function properly. His recommended rate assumes that service is adequate.

^{4/} In fact, according to the witness this proceeding is more closely analogous to a rate decrease than a rate increase. Under such standards applicant claims it must be over-earning before it should be required to absorb additional expenses which are beyond its control.

Rate Design

A staff engineer recommended that any increase authorized in this proceeding be apportioned between groups of rate schedules in accordance with his recommended rate design at 100 percent of the requested revenue increase. Any revenue requirement above or below 100 percent of the requested revenue increase should, he testified, be spread between groups on an average cents per kwhr increase or decrease based on the consumption of that group.

The increase for each customer group resulting from the staff's recommendations is compared with the utility's proposed increase for that customer group in the following tabulation:

Comparison of Utility Proposed and
Staff Recommended* Increases to Customer Groups

Customer Group	Utility		Staff	
	Increase:	% of Increase:	Increase:	% of Increase:
Domestic	\$133,900	49.17%	\$144,298	52.96%
Commercial	73,900	27.14	37,096	13.61
Industrial	60,700	22.29	69,675	32.91
Street Lighting	3,800	1.40	1,418	.52
	<u>\$272,300</u>	<u>100.00%</u>	<u>\$272,487</u>	<u>100.00%</u>

*Any difference in revenue requirement from the staff recommended increase for each group should be spread within the rate schedules of that group on an average cents per kwhr increase or decrease to each energy block.

Purchased Power Adjustment Clause

The staff engineer's recommended Purchased Power Adjustment Clause is:

1. The monthly charges for service otherwise applicable under each of Utility's Lassen Division 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 _____, 1974. PG&E's fuel cost adjustment is that billed to the utility by PG&E in accordance with Resale Service Schedule R-1.

2. The adjustment per kilowatt-hour shall be computed by multiplying PG&E's fuel cost adjustment by a factor of 1.1323.

3. 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.

4. 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 2 above.

5. 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 \$2,000 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.

6. Effective for service rendered on or after _____, 1974, the adjustment per kilowatt-hour is _____ cents per kilowatt-hour. The purchase power adjustment amount for Schedules Nos. LS-154, LS-156, and OL-150 are as follows:

Type and Nominal
Rating of Lamp

Incandescent

1,000 Lumens
2,500 Lumens
4,000 Lumens
6,000 Lumens

Mercury Vapor

7,000 Lumens
11,000 Lumens
20,000 Lumens

Fluorescent Lamps

20,000 Lumens

Public Presentation

A witness testifying on behalf of the Lassen Ministerial Association requested that its churches be billed at the domestic rate rather than the commercial rate presently being applied.

A witness testifying on behalf of the Lassen Community College requested the Commission to give consideration to the fact that the college is a major user of electricity and is supported by public funds.

Two witnesses testified as to low voltage conditions and the problems caused by the low voltage in the Spaulding Tract at Eagle Lake. As a result of the testimony, late-filed Exhibit 1 was ordered prepared to show just what was occurring in the tract.

A witness living in Susanville testified that he had trouble with his television set due to what he thought was interference from the power lines getting into his cable TV line. Applicant was directed to check and determine if its equipment was causing the problem.

Discussion

By the end of the third day of hearing, the only differences remaining between applicant and staff were:^{5/}

1. Reasonable rate of return.
2. The proper treatment of depreciation expense applicable to transportation equipment, tools, and shop equipment.
3. The staff recommendation that applicant be required to obtain equipment necessary to perform load data studies.

The record shows that if we were to agree with applicant that this matter was but a simple offset proceeding, granting applicant's request for \$257,000 annually would provide applicant with an unreasonably high rate of return somewhere between 9.60 percent and 9.33 percent based on 1972 results.

We have perused both applicant's and staff's testimony and exhibits on rate of return and are of the opinion that the staff rate of return witness's recommendation that 8.35 percent rate of return applied to the Lassen Electric Division rate base would enable applicant to attract capital and function properly should be adopted. In adopting the 8.35 percent we are not unmindful of applicant's remarkable increase in its realized rate of return over the rate of return last authorized.

The staff accounting witness's reasons for recommending a change in applicant's treatment of depreciation expense applicable to transportation equipment tools and shop equipment are not persuasive. His interpretation of what a uniform system of accounts

^{5/} Applicant agreed to the other staff recommendations.

says is erroneous in that he misunderstood the intent of the particular accounting requirement. He apparently interprets "may" to mean "shall". If the staff wishes to pursue this issue, applicant has three more applications currently pending, and we suggest that the staff prepare testimony, to present in those applications, which will clearly and concisely present its viewpoint.^{6/}

The staff is adamant that applicant be required to obtain equipment necessary to perform load data studies. Applicant is equally adamant that the equipment required is very expensive and that such studies would produce no useful results. Applicant's arguments against cost of service studies are apparently based on its understanding that the Public Service Commission of the State of Nevada considers cost of service studies unnecessary. Applicant's estimates of costs to perform cost of service studies are at best unsupported. We suggest to applicant that they look to PG&E for guidance in the why and how of cost of service studies. The staff's recommendation is reasonable and will be adopted.

The fourth day of hearing was mainly devoted to applicant's explanation of the problems it faces in supplying service to the Eagle Lake area. The record shows that applicant is aware of the problem and is taking steps to remedy the low voltage condition. It has a plan to install regulators at selected locations and to install additional poles and equipment at the Spaulding Tract. In order to ensure that the low voltage problem is solved, we will require monthly reports of construction progress. Such reports will terminate when all the promised construction is completed.

6/ The effect on staff's results of operation by not adopting its recommendation is de minimis.

Applicant's testimony regarding its investigation of Mr. Dougherty's complaint re television interference (TVI) is not satisfactory. Apparently, applicant, for its California operations, has available to it test units used for TVI studies which are kept in other states. It has personnel available in California to operate such units when brought to California. We will order such equipment brought to California and used to check Mr. Dougherty's complaint as applicant did not think such tests were necessary when directed by the examiner to check the complaint.

We will not authorize the switch of classification requested by the Lassen Ministerial Association. While it is true that the Public Utilities Code (Section 523) provides that a common carrier may give free or reduced rate transportation to, among others, ministers of religions, and persons and property engaged or employed in educational work, we have never granted authority for filing such free or reduced rates to any public utility other than a common carrier. The record shows that at applicant's proposed rates the change from general service to residential service would save the churches approximately 50 percent. However, at the rates authorized by this decision the saving would amount to less than 25 percent.

We agree with applicant that it would be quite difficult (if not impossible) to construct a definition which would include this one type of institution to the exclusion of other charitable or eleemosynary institutions.

Findings

1. Applicant is in need of additional revenues, but the proposed rates set forth in the application are excessive.

2. The staff's estimates of operating revenues, expenses, including taxes and depreciation, the rate base, and the rate of return for the test year 1973 are reasonable.

3. A rate of return of 8.35 percent on the adopted rate base and return on common equity of 11.05 percent for the future is reasonable. Rates should be increased by approximately \$179,000.

4. The increases in rates and charges authorized herein are justified, the rates and charges authorized herein are reasonable, and the present rates and charges, insofar as they differ from those prescribed herein, are for the future unjust and unreasonable.

5. Allowance for funds used during construction (AFC) should not be applied on those construction projects financed with funds obtained from contributions and advances.

6. AFC should be applied during the construction period and stopped when the construction projects are completed and placed in service.

7. Applicant should be ordered to change its accounting policy regarding interdepartmental billings, i.e., each department should be charged for utility services based on authorized rates.

8. The increase authorized in this proceeding should be apportioned between groups of rate schedules in accordance with the staff recommended rate design at 100 percent of the requested revenue increase. The revenue requirement increase of \$179,000 should be spread between groups on an average cents per kwhr increase based on the consumption of that group.

9. Applicant should not delete the letter designations of the various rate schedules.

10. Rule No. 2 should be revised to provide for 208 volt service. Customers with single phase motors not exceeding $7\frac{1}{2}$ hp should be provided with 240 volt service.

11. Applicant should be authorized to file the staff's recommended Purchased Power Adjustment Clause.
12. Applicant should be ordered to file a results of operation report on the previous year's recorded and adjusted operations by March 15 of each year, and a report on the ensuing year's estimated operation by October 31 of each year.
13. Applicant should obtain the necessary equipment and train its personnel in the use of such equipment in order to obtain data required for cost of service studies.
14. Churches should not be considered residential customers.

Conclusion

The application should be granted to the extent set forth in the order which follows.

O R D E R

IT IS ORDERED that:

1. After the effective date of this order applicant is authorized to file the revised rate schedules attached to this order as Appendix A, and the Purchased Power Adjustment Clause attached to this order as Appendix B. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be five days after the date of filing. The revised schedules shall apply only to service rendered on and after the effective date of the revised schedules.
2. Applicant shall change its accounting policy regarding interdepartmental billing so that each department is charged for utility services it receives from other departments at tariff rates.
3. Allowance for funds (AFC) used during construction shall not be applied to construction projects financed with funds obtained from contributions and advances.

4. AFC shall only be applied during the construction period and stopped when the construction is completed and placed in service.

5. Applicant shall file a results of operation report on the previous year's recorded and adjusted operations by March 15 of each year.

6. Applicant shall file a results of operation report on the ensuing year's estimated operation by October 31 of each year.

7. Applicant shall obtain the necessary equipment and train its personnel in the use of such equipment in order that it can make the cost of service studies requested by the staff in future proceedings.

8. Applicant shall file monthly reports of the construction it testified it would do in order to improve voltage at the Spaulding Tract. When construction is completed, applicant shall take and file with this Commission copies of seven-day recording charts of the voltage at the service entrance of those persons who testified regarding low voltage.

9. Applicant shall make and file with this Commission a report of its investigation regarding TVI at the residence of Mr. Dougherty within thirty days after the effective date of this order.

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

Dated at San Francisco, California, this 9th day of APRIL, 1974.

Vernon L. Sturgeon
President
William J. Sturgeon
H. J. Sturgeon
John J. Sturgeon
Samuel J. Sturgeon
Commissioners

RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY

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

SCHEDULE NO. D-3

Revise title of Schedule from D-3 to D-110

RATES

	Per Meter Per Month
Service Charge:	\$0.88
Energy Charge (to be added to service charge)	
First 40 kwhr, per kwhr	4.112¢
Next 60 kwhr, per kwhr	3.112¢
Next 100 kwhr, per kwhr	2.312¢
Next 700 kwhr, per kwhr	1.511¢
Over 900 kwhr, per kwhr	1.411¢

PURCHASED POWER ADJUSTMENT

All service under this schedule will be subject to the Purchased Power Adjustment 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.

SPECIAL CONDITIONS

Delete Special Condition No. 2 and revise No. 1 as follows:

1. Single-phase motors of not more than $7\frac{1}{2}$ HP each may receive service under this schedule.

RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY

SCHEDULE NO. A-3

Revise title of Schedule from A-3 to A-120

RATES

Single-Phase Service:

Per Meter
Per Month

Service Charge:

\$0.95

Energy Charge (to be added to
service charge):

First	200 kwhr, per kwhr	4.322¢
Next	800 kwhr, per kwhr	4.122¢
Next	2,000 kwhr, per kwhr	3.122¢
Next	3,000 kwhr, per kwhr	2.222¢
Next	4,000 kwhr, per kwhr	2.022¢
Next	150 kwhr, per kw of billing demand, per kwhr	1.622¢
All excess,	per kwhr	1.122¢

Minimum Charge: \$0.95 per month

Polyphase Service:

Service Charge: The single-phase rate plus \$1.00 per meter per month.

Minimum Charge: \$1.90 per month, but not less than \$1.25 per month
per kw of billing demandPURCHASED POWER ADJUSTMENT

All service under this schedule, including service rendered under the minimum charge, will be subject to the Purchased Power Adjustment 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.

SPECIAL CONDITIONS

Revise as shown on page 3 of 17 of Exhibit D to Application No. 53884 except in Special Condition 2. 1.8¢ per kwhr shall be changed to 1.62¢ per kwhr.

RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY

SCHEDULE NO. C-3

Revise the title of Schedule from C-3 to C-128

RATES

Energy Charge:

First 150 kwhr, per kwhr
All Over 150 kwhr, per kwhrPer Meter
Per Month4.132¢
2.132¢PURCHASED POWER ADJUSTMENT

All service under this schedule, including service rendered under the minimum charge, will be subject to the Purchased Power Adjustment 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 NO. P-7

Revise title of Schedule from P-7 to P-130

RATES

Horsepower of Connected Load	Rate Per Kwhr for Monthly Consumption of			
	First 50 kwhr <u>per hp.</u>	Next 50 kwhr <u>per hp.</u>	Next 150 kwhr <u>per hp.</u>	All over 250 kwhr <u>per hp.</u>
2 - 9.9 hp.	4.832	2.532	1.532	1.232
10 - 24.9 hp.	4.332	2.432	1.432	1.232
25 hp. and over	3.832	2.332	1.332	1.132

PURCHASED POWER ADJUSTMENT

All service under this schedule, including service rendered under the minimum charge, will be subject to the Purchased Power Adjustment 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.

RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY

SCHEDULE NO. P-8

Revise title of Schedule from P-8 to P-140

RATES

Billing Demand Kw	Rate per Kwhr for Monthly Consumption per Kw of the billing demand			
	First 67 Kwhr per Kw	Next 67 Kwhr per Kw	Next 200 Kwhr per Kw	All Over 334 Kwhr per Kw
0 - 18	4.082	2.482	1.482	1.282
19 - 37	3.582	2.282	1.382	1.232
38 - 74	3.182	2.082	1.332	1.132
75 - 186	2.882	1.882	1.282	.982
187 - 1000	2.682	1.682	1.172	.942
1001 - 2000	2.582	1.572	1.072	.872
2001 - Over	2.482	1.482	.982	.772

PURCHASED POWER ADJUSTMENT

All service under this schedule, including service rendered under the minimum charge, will be subject to the purchase power adjustment 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.

RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY

SCHEDULE NO. LS-7

Revise title of Schedule from LS-7 to LS-154

RATESMounted on Wooden PolesRate Per Lamp Per MonthIncandescent Lamps

1,000 Lumens	\$1.54
2,500 Lumens	2.36
4,000 Lumens	2.90
6,000 Lumens	3.53

Mercury-Vapor Lamps

7,000 Lumens	4.58
11,000 Lumens	5.62
20,000 Lumens	6.69

Fluorescent Lamps

20,000 Lumens	8.19
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Mounted on Metal Poles

The rate for lamps mounted on wooden poles plus	\$2.00
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PURCHASED POWER ADJUSTMENT

All service under this schedule will be subject to the Purchase Power Adjustment as described in the Preliminary Statement.

RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY

SCHEDULE NO. LS-8

Revise title of Schedule from LS-8 to LS-156

RATES

	<u>Rate Per Lamp Per Month</u> <u>All Night Service</u>
Incandescent Lamps	
1,000 Lumens	\$0.94
2,500 Lumens	1.83
4,000 Lumens	2.68
Mercury Vapor Lamps	
7,000 Lumens	2.58

PURCHASED POWER ADJUSTMENT

All service under this schedule will be subject to the Purchase Power Adjustment as described in the Preliminary Statement.

SPECIAL CONDITIONS

Revise Special Condition No. 1 as follows:

1. This schedule is applicable to multiple street lighting systems. Current will be delivered at secondary voltage.

SCHEDULE NO. OL-1

Revise the Territory provision as follows:

TERRITORY

The community of Needles and Weaverville and adjacent territory, San Bernardino and Trinity Counties.

APPENDIX A
Page 7 of 8

RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY

ADD THE NEW SCHEDULE AS FOLLOWS:Schedule No. OL-150
Lassen DivisionOUTDOOR AREA LIGHTING SERVICEAPPLICABILITY

Applicable to all customers for outdoor area lighting service furnished from dusk to dawn with Utility-owned, vertically mounted Mercury-Vapor lamps in luminaires supplied from Utility's overhead circuits and mounted on Utility-owned wood poles. This schedule is not applicable to municipal or other public lighting authorities.

TERRITORY

The entire territory of the Lassen Division served by the utility. :

RATES

	<u>Per Lamp</u> <u>Per Month</u>
7,000 Lumen, Mercury-Vapor Lamp	\$4.20
20,000 Lumen, Mercury-Vapor Lamp	6.75

Additional Charge: An added charge of \$1.05 per month shall be made for each pole required in excess of the number of luminaires installed.

PURCHASED POWER ADJUSTMENT

All service under this schedule will be subject to the Purchase Power Adjustment as described in the Preliminary Statement.

RATES - CALIFORNIA-PACIFIC UTILITIES COMPANY

SCHEDULE NO. OL-150 (Continued)

SPECIAL CONDITIONS

1. This service will be in accordance with Utility specifications as to equipment, installation, maintenance and operation. Maintenance by the Utility includes lamp replacement on a scheduled basis. Individual lamps will be replaced on burn-out as soon as practicable after notification by the Customer, subject to the Utility's operating schedules. Credit for lamp outages will not be given.

2. After installation at an agreed location, the location of a Utility-owned luminaire may be changed at Customer's request and upon payment by the Customer of the costs of removal and reinstallation of the luminaire.

3. Service under this schedule will be furnished upon receipt of a contract signed by the Customer in which he agrees to take service for a period of not less than three years.

4. The Utility's dusk to dawn, all night service is based on a burning schedule of approximately 4,000 hours per year.

RULE NO. 2

Revise Section A.3., Energy normally will be supplied at the following voltages, as follows:

Lighting, 120, 120/240 volts
Power, 240, 480 volts
Combined Lighting and Power, 120/240 volts four-wire delta
connected or 120/208 volts four-wire wye connected,
whichever is available.
All voltages referred to are nominal.

Revise Section C.2. by inserting $7\frac{1}{2}$ h.p. for 5 h.p. for Lassen Division.

PRELIMINARY STATEMENT - CALIFORNIA-PACIFIC UTILITIES COMPANY

Applicant's preliminary statement is changed to the extent set forth in this appendix.

Add to paragraph D the following:

The Utility shall pass on to its Lassen Division customers by Advice Letter procedures any reduced purchase power rates, and refund to its customers with 7% interest any refunds, resulting from a reduction in Resale Service Schedule R-1 after _____, 1974 from Pacific Gas and Electric Company, pursuant to Order of the Federal Power Commission in Docket No. E-7777.

Add paragraph E as follows:

E. Lassen Division Purchased Power Adjustment

1. The monthly charges for service otherwise applicable under each of Utility's Lassen Division 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. 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-1.
2. The adjustment per kilowatt-hour shall be computed by multiplying PG&E's fuel cost adjustment by a factor of 1.1323.
3. 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.
4. 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 2 above.
5. 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 \$2,000 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.

PRELIMINARY STATEMENT - CALIFORNIA-PACIFIC UTILITIES COMPANY

E. Lassen Division Purchased Power Adjustment (Continued)

6. Effective for service rendered on or after _____, 1974, the adjustment per kilowatt-hour is _____ cents per kilowatt-hour. The purchase power adjustment amount for Schedules Nos. LS-154, LS-156 and OL-150 are as follows:

<u>Type and Nominal Rating of Lamp</u>	<u>Added Amount per Month</u>
Incandescent	
1,000 Lumens	
2,500 Lumens	
4,000 Lumens	
6,000 Lumens	
Mercury Vapor	
7,000 Lumens	
11,000 Lumens	
20,000 Lumens	
Fluorescent Lamps	
20,000 Lumens	