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Decision No. 84234

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC POWER & LIGHT COMPANY under Section 454 of the Public Utilities Code for Authority to Increase Rates For Electric Service.	Application No. 54651 (Filed February 13, 1974)

Gerard K. Drummond and Ivan L. Gold, Attorneys at Law, for applicant.
Joe Victorine, for Siskiyou County Granges; Albert A. Dietrich, Attorney at Law, for Montague Water Conservation District; and John Nantz, for himself, protestants.
Lionel B. Wilson, Attorney at Law, George Amaroli, and James Pretti, for the Commission staff.

OPINION

Proceeding

After due notice, public hearing in this matter was held at Yreka on October 8, 9, and 10, 1974. The matter was submitted on December 9, 1974, upon the receipt of late-filed exhibits and partial transcripts.

Applicant

The Pacific Power and Light Company provides public utility electric service to about 26,000 customers in Northern California near the border with Oregon. The service area in California includes the cities of Crescent City, Yreka, Weed, Mount Shasta, Dunsmuir, Tule Lake, and Alturas. As of December 31, 1972, applicant owned and operated 747 miles of transmission line in California, consisting of 500, 115, and 69 kv lines; 1,857 miles of overhead distribution line; 54 miles of underground distribution line; 35 miles of street lighting line; and 116 miles of signal and communication lines. Applicant has four hydroelectric plants in California, with total rated capacity of 67 megawatts. Its transmission system in California is interconnected with its own system and with systems of others in California, Oregon, Washington, Montana, and Wyoming.

Applicant serves a total of 525,000 customers in its service areas in the six western states. In addition to its electric business applicant renders public utility water service in Montana, Oregon, and Wyoming; telephone service in Montana; and steam heating service in Portland. Applicant is also engaged through affiliated or subsidiary companies in coal development, property and stock investment, and equipment leasing. As of December 31, 1973, applicant controlled three coal development companies, one property and stock investment company, one equipment leasing company, one telephone holding company, one communications supply and warehouse service company, and 23 telephone utility service companies. In addition to the foregoing, applicant jointly controls two coal development companies and a project "nonoperating" company organized to investigate, develop, and construct hydro projects in the Pacific Northwest.

The staff investigation disclosed that the only subsidiary of applicant engaged in utility business affecting California operations is Wyopac Services, Inc., which is engaged in the equipment leasing business. After review, the staff testified that California customers are not now being charged with any significant expenses of this operation. The record shows that applicant has not purchased to date any coal from its affiliates for the purpose of generating electricity. The staff committed itself to continue to review the relationships between applicant and its affiliates in any future rate proceeding before this Commission.

Rates

Applicant proposes rates which it estimates will increase by 20.1 percent the revenues which will result from residential sales and will increase by 27.5 percent the revenues derived from commercial and industrial sales. Proposed rate increases of public street and highway lighting would increase revenues by 8.9 percent.

Applicant's complete rate proposal and the details of the effects of the proposed rates are set forth in Exhibits Nos. 7 and 8.

In addition to the foregoing rates applicant proposes to increase the rates for large general service, commercial water heating service, service to utility employees, outdoor area lighting service, and airway and athletic field service.

Applicant's rate proposals are designed to increase the 1974 projected California revenues at present rates by the overall percentage increase requested by applicant in its current Oregon rate increase filing. By this means, it is proposed that the relative levels of the rates in California and in Oregon will be continued. The proposed rates were derived by increasing each rate block of each existing schedule by a generally uniform amount per kilowatt-hour.

The present and proposed rates for seasonal service for agricultural pumping services are compared in the following tabulation:

Agricultural Pumping Service

RATES	Per Meter Per Month Present	Per Meter Per Month Proposed
Demand Charge:		
First 25 kw of Billing Demand, per kw ...	$1.50	$1.50
Next 25 kw of Billing Demand, per kw ...	1.10	1.10
Excess Billing Demand, per kw	0.85	0.85
Energy Charge (to be added to the Demand Charge):		
First 1,500 kwhr, per kwhr	1.9¢	2.26¢
Next 5,500 kwhr, per kwhr	1.4	1.76
Next 7,000 kwhr, per kwhr	0.9	1.26
Next 16,000 kwhr, per kwhr	0.7	1.06
Over 30,000 kwhr, per kwhr	0.6	0.96

Present Minimum Charge Per Season:

Either (a) $6.75 per H.P. of connected load applicable only when the Billing Demand is determined by name plate rating or test, or

(b) $8.75 per kw of the highest Billing Demand established during the irrigation season.

Proposed Minimum Charge Per Season:

$11.00, plus $11.00 per kw of the highest Billing Demand established during the irrigation season; provided, however, that this season minimum shall be not less than $70.00 for the three-phase service to pumps installed, modified, or reconnected other than seasonally after the effective date hereof.

The present and proposed rates for electric service for residential purposes are compared in the following tabulation:

Residential Service

RATES	Per Meter Per Month Present	Per Meter Per Month Proposed
Energy Charge:		
First 60 kwhr, per kwhr	4.8¢	5.16¢
Next 90 kwhr, per kwhr	3.7	4.06
Next 150 kwhr, per kwhr	2.1	2.46
Over 300 kwhr, per kwhr	1.35	1.71
Minimum Charge:	$2.00	$2.50

The present and proposed rates for general service for all purposes except those for which specific schedules are provided are compared in the following tabulation:

General Service

RATES	Per Meter Per Month Present	Per Meter Per Month Proposed
Energy Charge:		
First 60 kwhr, per kwhr	4.8¢	5.16¢
Next 90 kwhr, per kwhr	4.2	4.56
Next 120 kwhr per kw of Billing Demand but not less than the next 2,400 kwhr ..	3.0	3.36
Next 2,450 kwhr, per kwhr	2.4	2.76
Next 5,000 kwhr, per kwhr	1.9	2.26
Next 10,000 kwhr, per kwhr	1.1	1.46
Excess kwhr, per kwhr	0.7	1.06

Present Minimum Charge:

$2.00 plus $1.40 for each kw of Billing Demand in excess of 20 kw, but not less than $8.00 for three-phase service.

Proposed Minimum Charge:

$2.50 plus $1.40 for each kw of Billing Demand in excess of 20 kw, but not less than $8.00 for three-phase service.

Results of Operation

After two days of public hearing, applicant and staff entered into a stipulation for this proceeding only that applicant would accept staff's estimates of resale revenue, expenses, and rate base and that staff would accept applicant's estimates of revenues other than resale. Exhibit No. 18 prepared jointly by applicant and staff sets forth the summaries of earnings under present and proposed rates which result from the stipulation. The stipulated summaries are compared in the following tabulation with that hereafter adopted:

Adopted, and Staff and Utility Stipulated
Summary of Earnings
(Year 1974 Estimated)

Item	Staff and Utility Present Rates	Staff and Utility Utility Proposed Rates	Adopted
	(Dollars in Thousands)		
Operating Revenues			
Sales Revenues	$10,331	$12,706	$11,878
Other Revenues	100	100	100
Total	10,431	12,806	11,978
Operating Expenses			
Production	1,923	1,923	1,923
Transmission	431	431	431
Distribution	689	689	689
Customer Accounts	365	370	368
Sales	51	51	51
Administrative & General	906	906	906
Subtotal	4,365	4,370	4,368
Depreciation - Book	1,544	1,544	1,544
Taxes Other Than Income	1,056	1,073	1,067
State Corporation Franchise Tax	(41)	171	97
Federal Income Tax	(204)	632	274
Total Operating Expenses	6,720	7,790	7,350
Net Operating Revenues	3,711	5,016	4,628
Rate Base	55,097	55,097	55,097
Rate of Return	6.74%	9.10%	8.40%

(Red Figure)

We shall adopt the foregoing estimates of revenues, expenses, and rate base as reasonable after applying the 8.4 percent rate of return hereafter found reasonable and considering the following comparison of the operating results initially presented by applicant and staff.

Estimated Summary of Earnings
(Year 1974 Estimated)

Item	Present Rates: Staff	Present Rates: Utility	Utility Proposed Rates: Staff	Utility Proposed Rates: Utility
	(Dollars in Thousands)			
Operating Revenues				
Sales Revenue	$10,444	$10,190	$12,842	$12,565
Other Revenues	100	100	100	100
Total	10,544	10,290	12,942	12,665
Operating Expenses				
Production	1,923	2,006	1,923	2,006
Transmission	431	589	431	589
Distribution	689	716	689	716
Customer Accounts	366	382	369	388
Sales	51	154	51	154
Administrative & Gen.	906	908	906	908
Subtotal	4,366	4,755	4,369	4,761
Depreciation - Book	1,544	1,579	1,544	1,579
Taxes Other Than Income	1,057	1,078	1,074	1,140
State Corporation Franchise Tax	(31)	-	184	66
Federal Income Tax	(156)	34	691	547
Total Operating Expenses	6,780	7,446	7,862	8,093
Net Operating Revenues	3,764	2,844	5,080	4,572
Rate Base	55,097	55,925	55,097	55,925
Rate of Return	6.83%	5.09%	9.22%	8.18%

(Red Figure)

Rate of Return

The only remaining ratemaking issue between applicant and staff is that of rate of return. Exhibits Nos. 6, 9, and 10 set forth applicant's testimony and exhibits while the reporter's transcript and Exhibit No. 15 set forth staff testimony and exhibits.

Applicant at the time of filing its application in early 1974 maintained that a reasonable rate of return would be in the range of 8.37 percent to 8.57 percent, which on its capital assumptions would provide an earning allowance on common equity ranging from 13.09 percent to 13.69 percent. At the hearing applicant increased its required range of earnings on common equity from 14.18 percent to 15.49 percent to reflect its view of current market conditions. The range in rate of return of 9.02 percent to 9.46 percent is now considered fair by applicant. Applicant is seeking rates which will produce not less than the revenues requested at a rate of return not exceeding 9.02 to 9.46 percent.

The staff recommends that a rate of return in the range of 8.10 percent to 8.40 percent be applied to the California jurisdictional rate base determined in this proceeding. Within this range the allowance for common equity is from 11.32 percent to 12.18 percent.

We have considered the views of the parties regarding estimates of capital structure and the cost of new security issues. We note that, while applicant was granted authority to issue additional debt subsequent to the hearing, no authority has been requested to issue the additional preferred stock that was projected. We conclude that the overall impact of this additional debt on rate of return is minimal. A reasonable rate of return for applicant is 8.40 percent, which will provide approximately 12.2 percent for common equity.

The Commission is acutely aware of its position between the anvil of customer need for relief from further increases in charges for energy and the hammer of inflation in the costs of oil, gas, wages, materials, and money. Customers must be assured of the continued availability of energy. With continued growth in population and energy demand, even with effective conservation, this utility must continue to plan and construct generating plants. Utility plant cannot be constructed without someone providing the funds. About 81 percent of applicant's plant in California is built with money obtained from investors who expect to be compensated for the use of their money by payments of interest or dividends.

Customers presently provide funds to build about 19 percent of the plant, without interest or dividends, through various mechanisms such as the inclusion of allowances for depreciation and amortization expenses in charges, customer advances for construction, and donations.[1/] Many of the increases in utility expenses are beyond the control of this Commission in setting utility rates. The price of such major expense items as oil, gas, and interstate purchased power are fixed by agencies entirely outside the jurisdiction and control of this Commission. However, in these times of inflationary stress and change it is imperative that innovative ideas be developed to deal with these problems.

We accept with reluctance the demands for ever-increasing allowances for returns on common equity justified largely by the need to meet competition in the financial market place for common stock investor funds, or justified by the criteria of bond raters that earnings before income taxes be two or more times bond interest. One source of utility construction funds at reasonable cost which

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1/ Applicant in 1974 also expects to raise capital to finance the acquisition of pollution control facilities through the guarantee of approximately $78,000,000 of pollution control revenue bonds to be issued by governmental bodies.

traditionally has not been considered are the customers, who actually have the greatest stake in efficient and low cost utility operation. Ultimately, it is the customers, through payment of their monthly energy bills, who pay for all utility plant used to serve them. It is conceivable that customers may be willing to fund the utility that serves them by surcharges on their monthly bills to be applied to the purchase of stock in the utility. By so doing, the customers would be initially providing construction funds which in any case they pay later in the form of depreciation expense allowances. By so doing, the cost of equity funds could be substantially reduced since allowances for a return on common equity in excess of 15 percent could no longer be claimed, smaller amounts of high cost debt and equity would be required, and conceivably, bond ratings could improve and reduce bond costs.

We shall expect applicant at the time of its next request for increased rates to report on a study of the legality, feasibility, and alternate conditions by which customers might assist in directly funding utility construction and in reducing the cost of money to the utility.

Public Presentation

About 60 members of the public were present during the initial day of hearing. Fifteen customers, representing themselves as individuals and their communities, testified in opposition to the proposed rate increase. The economic impact of inflation and increased electric rates on the local economy and individuals was presented by representatives of school districts, irrigation districts, retirement communities, and the Grange as well as by individuals. Comparisons were drawn with rates charged in Oregon and by the Pacific Gas and Electric Company.

The following tabulation compares residential sample bills for energy during the past ten years charged by applicant in Oregon and in California and by the Pacific Gas and Electric Company:

Residential Rate Comparisons
Monthly Bills

Year	Monthly Kwh	PG&E Rate & Eff. Date	PG&E Bill	PP&L Oregon Rate & Eff. Date	PP&L Oregon Bill	PP&L California Rate & Eff. Date	PP&L California Bill
1964	500	D-3	$10.61	10	$10.37	10	$10.86
	1000	3/64	17.01	3/63	15.69	11/60	16.86
1970	500	D-3	10.61	4	9.58	D-10	12.06
	1000	3/64	17.01	11/70	14.66	10/70	18.81
1974	500	D-3*	14.11	4	10.72	D-10	12.06
	1000	4/74	24.12	9/74	17.55	10/70	18.81
#	500					D-10	13.86
	1000					#	22.41

* Includes .473¢/Kwh Fuel Cost Adjustment.

Proposed.

Customers complained of their residential unit rates being higher than those charged large industries, and of their irrigation pumping unit rates being higher than those charged in Oregon and in the Tule Lake areas. A public witness testified that "the cost per kilowatt in the Klamath Basin in California to the Butte Valley Irrigation District averages .013 cents per kilowatt while in Oregon the cost per kilowatt is as low as .0035 cents per kilowatt and in Tule Lake the rate runs from .003 to .0075 cents per kilowatt." It appears that applicant provides service at the above rate in the Tule Lake area in compliance with a 50-year contract with the U.S. Bureau of Reclamation.

The staff stated in its recommendations on rate design that it could not find any reason why all customers should not share the burden of the proposed rate increases. The staff has imputed a revenue increase of 23.7 percent to customers served by special contracts for which applicant proposed no rate increase. This would remove any burden of the special contracts on customers not served under their terms. Applicant has agreed to attempt to renegotiate its contract with the U.S. Bureau of Reclamation. It appears that applicant should renegotiate all long-term special contracts with fixed charges to reflect current costs of service and to equitably share with other customers the increases in such costs, unless it can be demonstrated that unreasonable discrimination does not exist and that all customers benefit from these special contracts.

Rate Design

Exhibit No. 17 sets forth the staff recommended rate design. Applicant has agreed that rates in this proceeding should be spread in accordance with the staff recommendations.

The utility apportioned the revenue requirement to the various classes to produce rates that would be more comparable to rates in Oregon and adjacent utilities in California. The industrial class would receive a substantial increase to obtain this objective while the commercial class would receive a smaller than system average increase. The street lighting schedules were designed to make them consistent with the PP&L rates effective in Oregon and resulted also in a smaller than system average increase.

The staff agrees with the utility's proposed apportionment of revenues to customer classes. The staff's comparison of PG&E, Surprise Valley Electrification Corporation, and PP&L Oregon rates demonstrates that the proposed changes do make the proposed California rates more comparable to the adjacent utilities.

The utility proposes that the increase to each customer class be spread to the schedules in the class on a uniform cents per kilowatt basis. The staff's rate comparison study of adjacent utilities shows that a cents per kilowatt-hour increase to the energy charges produces rates that are very comparable to the rates of adjacent utilities.

The utility proposes no increase to special contracts, Schedules 40, 46, 47, and 49. The customers under these special contracts are USBR, National Park Service, and PT&T. As discussed heretofore, the staff stated that it can find no reason why these customers should not share equally with the other customers of the system in the utility's requested rate increase. Therefore, the staff imputed a revenue increase of 23.7 percent to these customers.

The staff imputed increase in revenues from the above special contracts offsets all but $4,000 of the decrease resulting from the staff's design of the agricultural Schedule PA-20. To obtain the utility's requested revenue increase the staff increased the revenue requirement from the Commercial A-32 schedule by $4,000 and spread this increase to the rates on a uniform cents per kilowatt-hour of 0.004 cents.

At an authorized revenue increase of less than 100 percent of the requested increase the staff recommends that the lighting schedules receive the utility's proposed increase and the remaining increase be apportioned on the same bases as at 100 percent of requested revenue increase.

The staff has reviewed the other proposed changes in the tariffs by the utility and has no objection to these changes.

The staff recommends that a load study and a cost of service study by classes be done by the utility in order to determine the costs more accurately as well as to learn of any changes that may encourage conservation of electricity.

The staff recommendations for rate design and future studies are reasonable.

Other Staff Recommendations

The utility should be encouraged to explore for geothermal source of energy with research directed towards the goal of using these resources.

For future rate proceedings the utility should be required to:

1. Discontinue charging an allowance for funds used during construction on customer advances.
2. Submit its test year estimate of operating expenses for future rate proceedings segregated by FPC Uniform System of Accounts similar to the current practice of other California electric utilities.
3. Submit studies to determine (a) the proper allocation of steam and electric plant and expenses for its Lincoln Steam Electric Plant, and (b) the proper allocation of plant and expenses to California of any future thermal plants built outside the three state system of California, Oregon, and Washington.

We find the above staff recommendations reasonable and of benefit in expediting future rate proceedings. We shall not direct applicant by order how to make its rate presentations. However, we expect applicant to do all that is reasonable to decrease regulatory lag.

Findings

1. The adopted estimates, previously discussed herein, of operating revenues, operating expenses, and rate base for the test year 1974 reasonably indicate the results of applicant's operations in the near future.

2. A rate of return of 8.4 percent on the adopted rate base and a return on common equity of 12.2 percent are reasonable.

3. Annual revenues will be increased $1,547,000 by the rates herein authorized.

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.

Conclusion

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

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ORDER

IT IS ORDERED that after the effective date of this order applicant is authorized to file the revised rate schedule attached to this order as Appendix A. 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.

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

Dated at San Francisco, California, this 25th day of MARCH, 1975.

Vernon L. Sturgeon
President

William Symons Jr.

Commissioners

I dissent
Leonard Ross Commissioner

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RATES - PACIFIC POWER & LIGHT COMPANY

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

SCHEDULE AW-31

TITLE

1. Add "NO NEW SERVICE" below the title COMMERCIAL WATER HEATING SERVICE as follows:

COMMERCIAL WATER HEATING SERVICE

NO NEW SERVICE

RATES

Energy Charge:

All kwhr, per kwhr . . . . 1.18¢

Minimum Monthly Charge:

$2.00, plus $1.40 for each kw in excess of 10 kw of total capacity of all heating units which may be operated at one time.

SPECIAL CONDITIONS

1. Add Special Condition 6 as follows:

6. Service will not be supplied except to customers receiving service hereunder on the effective date hereof and then only at the locations then occupied. Service will not be rendered hereunder in the event of any increase in customer's connected load after the effective date hereof. Whenever service hereunder is discontinued for any reason, it will not be reestablished under this schedule.

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SCHEDULE A-32

RATES

		Per Meter Per Month
Energy Charge:		
First	60 kwhr, per kwhr	4.98¢
Next	90 kwhr, per kwhr	4.37¢
Next	120 kwhr, per kw of Billing Demand but not less than the next 2,400 kwhr	3.17¢
Next	2,450 kwhr, per kwhr	2.57¢
Next	5,000 kwhr, per kwhr	2.07¢
Next	10,000 kwhr, per kwhr	1.27¢
Excess	kwhr, per kwhr	0.87¢

Minimum Charge:
$2.50 plus $1.40 for each kw of Billing Demand in excess of 20 kw, but not less than $8.00 for three-phase service.

SCHEDULE A-36

TITLE

1. Insert " - Optional" after LARGE GENERAL SERVICE as follows:

LARGE GENERAL SERVICE - Optional
100 KW AND OVER

RATES

The sum of the following Demand and Energy Charges:

		Per Meter Per Month
Demand Charge:		
First 100 kw of Billing Demand, or less		$180.00
Next each additional kw of Billing Demand		$ 1.25
Energy Charge:		
First	30 kwhr per kw of Billing Demand, but not less than the first 5,000 kwhr	2.19¢
Next	20,000 kwhr, per kwhr	1.78¢
Next	30,000 kwhr, per kwhr	1.08¢
Next	60,000 kwhr, per kwhr	0.88¢
Next	150,000 kwhr, per kwhr	0.73¢
Excess	kwhr, per kwhr	0.64¢

SCHEDULE A-36 (Continued)

RATES (Continued)

Minimum Charge: Monthly Minimum Charge shall be the Demand Charge for the current month, but not less than the amount derived from the application of the Demand Charges to the kw average of the three highest kw months of the 12-month period including and ending with the current billing month. A higher minimum may be required under contract to cover special conditions.

Reactive Power Charge: The maximum 15-minute integrated reactive demand in kilovolt-amperes occurring during the month in excess of 60% of the maximum measured 15-minute integrated demand in kilowatts occurring during the month will be billed, in addition to the above charges, at 45¢ per kva of such excess reactive demand.

SCHEDULE D-10

RATES

	Per Meter Per Month
Energy Charge:	
First 60 kwhr, per kwhr	5.04¢
Next 90 kwhr, per kwhr	3.94¢
Next 150 kwhr, per kwhr	2.34¢
Over 300 kwhr, per kwhr	1.58¢
Minimum Charge:	$2.50

SCHEDULE LS-57

NOMINAL LAMP RATING IN LUMENS	CLASS A OVERHEAD	CLASS B OVERHEAD	CLASS C OVERHEAD
	INCANDESCENT ON WOOD POLES		
600**	$ .50	$ 1.10	$ 1.30
1,000**	.60	1.20	1.80
2,500*	1.05	1.65	2.70
4,000*	1.65	2.50	3.55
6,000*	2.25	3.15	4.40
10,000*	3.45	4.35	6.35
	MERCURY VAPOR ON WOOD POLES		
7,000* vertical mtg.	$ 1.20	$ 1.75	$ 3.65
7,000 horizontal mtg.	1.20	1.75	4.20
16,000**	2.55	3.15	6.00
21,000 horizontal mtg.	2.55	3.15	6.35
55,000 horizontal mtg.	6.05	6.95	10.60
	FLUORESCENT ON WOOD POLES		
21,400	$ 2.50	$ 4.20	$ 9.95

NOMINAL LAMP RATING IN LUMENS	CLASS A	CLASS B		CLASS C	
	OVER-HEAD	OVER-HEAD	UNDER-GROUND	OVER-HEAD	UNDER-GROUND
	MERCURY VAPOR ON METAL POLES				
7,000* vertical mtg.	$ 1.20	$ 2.15	$ 2.15	$ 5.70	
7,000 horizontal mtg.	1.20	2.15	2.15	6.25	
16,000**	2.55	3.55	--	8.90	$10.50
21,000 horizontal mtg.	2.55	3.55	3.55	8.90	12.50
55,000 horizontal mtg.	6.05	7.35	7.35	13.10	18.60
	FLUORESCENT ON METAL POLES				
21,400	$ 2.50	$ 4.20	$ 3.70	$12.45	$14.45

** Closed to installations subsequent to April 27, 1961.
* Closed to installations subsequent to the effective date of this tariff.

SPECIAL CONDITIONS

1. Add Special Condition 5 as follows:

5. Utility may not be required to furnish service hereunder to other than municipal customers.

SCHEDULE OL-15

RATES

Nominal Lamp Rating	Per Luminaire Per Month
7,000 lumens	$ 4.80
21,000 lumens	8.05
55,000 lumens	14.70

SCHEDULE OL-42

RATES

	Per Meter Per Month
Energy Charge:	
All kwhr, per kwhr	3.36¢

Minimum Charge: $2.00 per meter per month for single-phase service and $8.00 per meter per month for three-phase service, but in no event will the annual billing be less than $1.00 per kilowatt and $1.00 per horsepower of connected load.

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SCHEDULE PA-20

RATES

	Per Meter Per Month
Demand Charge:	
First 25 kw of Billing Demand, per kw	$1.50
Next 25 kw of Billing Demand, per kw	1.10
Excess Billing Demand, per kw	0.85
Energy Charge (to be added to the Demand Charge):	
First 1,500 kwhr, per kwhr	2.10¢
Next 5,500 kwhr, per kwhr	1.60¢
Next 7,000 kwhr, per kwhr	1.10¢
Next 16,000 kwhr, per kwhr	0.91¢
Over 30,000 kwhr, per kwhr	0.81¢

Minimum Charge Per Season:

1. The first paragraph is changed to read as follows:

$10.00, plus $10.00 per kw of the highest Billing Demand established during the irrigation season; provided, however, that this season minimum shall be not less than $70.00 for the three-phase service to pumps installed, modified or reconnected other than seasonally after the effective date hereof.

SPECIAL CONDITIONS

1. Special Condition 3 is changed to read as follows:
2. Special Condition 7 is added as follows:

3. Billing Demand: The measured kw shown by or computed from the readings of Utility's demand meter, or by appropriate test, for the 15-minute period of customer's greatest use during the billing month, but not less than two kw, provided, however, that for motors not over 10 hp, the demand may, subject to confirmation by test, be determined from the nameplate hp rating and the following table:

2 HP or less	2 kw
From 2 through 3 HP	3 kw
From 3 through 5 HP	5 kw
From 5 through 7.5 HP	7 kw
From 7.5 through 10 HP	9 kw

7. No billing will be rendered until the accumulated measured kwh equal or exceed 50 kwh.

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SCHEDULE A-33

1. Add a new Schedule A-33 as follows:

TITLE

GENERAL SERVICE
PARTIAL REQUIREMENTS SERVICE

APPLICABILITY

To partial requirements, supplementary, or standby electric service furnished for loads having other energy sources, including on-site generation, at a single point of delivery at Utility's locally standard voltage. Not applicable to service for: resale, intermittent or highly fluctuating loads, or seasonal use. This schedule is not required where on-site generation is employed only for emergency supply during utility outage.

TERRITORY

Within the entire territory served in California by the Utility.

MONTHLY BILLING

The monthly billing shall be the sum of the Electric Service Charge, the Standby Charge and the Reactive Power Charges.

Electric Service Charge:
The Electric Service Charge shall be computed in accordance with the Demand, Energy and Minimum of Schedule A-36 of this tariff; provided, however, that the Billing Demand shall be as defined herein.

Standby Charge:
$1.25 per kw shall be applied to a specified fraction of the kw by which customer's Contract Capacity or Total Load Demand, as provided by contract, exceeds the Billing Demand.

The service contract shall specify customer's selection from stated alternatives of service provisions by which the magnitude of Utility's service and of the kw applicable to the standby charge is determined from (a) customer's Total Load Demand including any coincident power supplied by customer's on-site generation or, alternatively, by (b) a Contract Capacity expressed as a fixed total number of kw.

In the absence of a currently applicable service contract for qualifying service from preexisting facilities the $1.25 per kw shall be applied to 80% of the number by which the Billing Demand in kw is exceeded by the rated kva capacity of the service transformer or, where service is furnished directly from Utility's primary-voltage distribution system serving other customers, by the maximum kw of the record of service for the most recent three years.

SCHEDULE A-33 (Continued)

GENERAL SERVICE
PARTIAL REQUIREMENTS SERVICE

BILLING DEMAND

The measured kw shown by or computed from the readings of Utility's demand meter for the 15-minute period of greatest deliveries to customer during the billing month, determined to the nearest kw, but not less than the greater of:

(a) the average of the three greatest monthly measured kw demands established during the 12-month period which includes and ends with the billing month, or

(b) 100 kw.

TOTAL LOAD DEMAND (where specified in Contract)

The measured kw shown by or computed from Utility's demand totalizer meter of the 15-minute period of greatest coincident total of customer's power use from customer's generation and from power supplied by Utility. Said demand kw as used for billing shall not exceed the kva setting of any protective devices which limit the power available to customer from Utility.

The maximum 15-minute integrated reactive demand in kilovolt-amperes occurring during the month in excess of 60% of the maximum measured 15-minute integrated demand in kilowatts occurring during the month will be billed at 45¢ per kva of such reactive demand. In addition, all reactive kilovolt-ampere hours (kvarh) which are registered in excess of 60% of the registered monthly kilowatt-hours (kwh) will be billed at 0.06¢ per kvarh.

TERM OF CONTRACT

By written service contract for not less than five years.

RULES AND REGULATIONS

Service hereunder is subject to the General Rules and Regulations contained in the Utility's regularly filed and published tariff and to those prescribed by regulatory authorities having jurisdiction hereof.