

Decision No. 85294

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA EDISON COMPANY }
for authority to increase rates }
charged by it for electric service. }

Application No. 54946
(Filed June 7, 1974)

(Appearances are listed in Appendix A)

ORDER PARTIALLY GRANTING MOTION

Southern California Edison Company (Edison) seeks authorization to implement rates designed to increase revenues from its California jurisdictional electrical sales approximately \$339,000,000 (21 percent) at the estimated 1976 level of sales. Such revenues, if effective for the full year 1976, are intended to provide a rate of return of approximately 9.6 percent and a return on common equity of approximately 15 percent on California jurisdictional operations. Edison alleges that the requested increase will provide Edison the minimum amount necessary for it to maintain its financial integrity, to preserve its credit standing, and to attract, on a reasonable basis, the capital funds required to finance necessary plant additions.

As of October 30, 1975, 85 days of public hearing had been held on this matter. At that time the record included 97 exhibits and more than 7,000 pages of transcript. Further hearings were scheduled through December 12, 1975 (subsequently extended through January 9, 1976). The time required to complete the hearings and

brief the many complicated issues, coupled with the time normally required for this Commission to issue a decision on a matter as complex as this led Edison to conclude a decision would not be issued before the second quarter of 1976, if then, with the result that revenues produced during the year 1976 would necessarily fall short, on an average year basis, of those found to be required for the test year jurisdictional sales. Consequently, on November 4, 1975, Edison moved that this Commission grant, as an initial phase of this proceeding, a partial general rate increase, to be effective on or before January 1, 1976, in the amount shown by the record to be justified based on the Commission staff's estimates of revenues, expenses, and rate base as related to its recommended rate of return. Edison alleges that the requested partial rate relief is required at this time to help protect it from further erosion in earnings during the test period, will enhance its ability to raise capital upon reasonable terms, will reduce the risk of having its securities de-rated, and is consistent with the recognized need to take measures to expedite needed rate relief as set forth in concurring opinions in Decision No. 84902 dated September 16, 1975 on Pacific Gas & Electric Company's (PG&E) Applications Nos. 54279, 54280, and 54281.

The specific amount of the partial rate increase sought is \$95,400,000. This figure is based on the Commission staff estimated 1976 test year results of operation at present rates^{1/} and represents the amount required to raise the estimated rate of return

^{1/} Exhibit No. 97 - Table 2-A.

of 7.67 percent for California jurisdictional operations up to 8.9 percent, the top of the range of reasonableness of 8.6 to 8.9 percent^{2/} testified to by the Commission staff's financial examiner.

Edison further stated in its motion that it believes the partial general rate increase, if granted, should be apportioned to the various customer groups in proportion to the Commission staff's recommendations at the 50 percent of requested increase level as set forth in Exhibit 95. The adoption of Edison's proposal would result in the following apportionment of the requested partial general rate increase.^{3/}

| <u>Customer Group</u> | <u>Increase</u> | |
|--------------------------|-----------------|----------|
| | <u>\$M</u> | <u>%</u> |
| Domestic | 14,597 | 2.4 |
| Lighting and Small Power | 22,966 | 6.2 |
| Large Power | 32,737 | 9.6 |
| Very Large Power | 19,228 | 8.9 |
| Agricultural and Pumping | 3,296 | 5.2 |
| Street Lighting | 2,477 | 6.8 |
| Off Peak | 115 | 6.8 |
| Total | 95,416 | 5.9 |

Time was provided at the hearing on November 14, 1975 to permit appearances to make short statements setting forth their position as to the granting of the requested partial general rate increase. Several of these parties requested that both the amount of increase and the apportionment of any such increase to the various customer groups be the subject of either oral argument before the Commission en banc or of written briefs. Consequently, briefs, due

^{2/} Exhibit No. 45 - Table 27.

^{3/} Computed including 0.949 cents per kilowatt hour fuel adjustment billing factor.

December 8, 1975, were permitted on these two issues. Statements of positions and/or briefs were received from the Commission staff, Toward Utility Rate Normalization (TURN), the California Manufacturers Association (CMA), the Committee to Protect California Economy (Committee), the California Farm Bureau Federation (Farm Bureau), and the Consumer Interests of the Executive Agencies of the United States (Government).

Position of the Commission Staff

The Commission staff stated that it does not oppose the granting of the motion provided: the increase be limited to the return on equity of 12.25 percent set forth in Finding No. 3 in Decision No. 81919 dated September 25, 1973 on Edison's Application No. 53488 for a general rate increase; the design of rates be based on staff Exhibit 95; and Alternative No. 2 of the three staff recommended lifeline rates be adopted. It was stated that in arriving at this position, the staff considered the duration of these as yet unconcluded proceedings, the concern of the Commission and the Legislature with the problem of regulatory lag, and the current state of Edison's earnings as disclosed by the monthly 074 reports which indicate earnings less than Edison's last authorized return on both recorded and adjusted bases.

Position of TURN

TURN opposes the granting of the motion in its entirety on the basis that it is in effect a request for the interim rate relief and that financial emergency has not been proven. To the contrary, it is alleged by TURN, the record indicates that Edison is in far better financial condition than utilities such as San Diego Gas & Electric Company that have been granted interim relief. Part of Edison's favorable financial position, according to TURN, is due to it being the beneficiary of huge overcollections by the way of the fuel cost adjustment tariffs. ✓

TURN further stated its belief that a partial increase at this time would yield unjust and unreasonable rates.

Position of Government

Government takes the position that if the partial general rate increase requested is to be granted without considered resolution of the conflicting positions of the parties, then it must be relief as to which no party takes issue, since, only in this way may each party be accorded due process.

Government further states that while the Commission staff's low end of its recommended rate of return (\$72 million increase) may be without controversy the subject of rate design is not. Government alleges that Edison's statement that its proposal reflects increases proportional to the staff's 50 percent rate spread proposal is only true with regard to residential but not other schedules. Government alleges that, contrary to stated legislative intent, the Commission and its staff have implemented and recommended lifeline concepts prior to both the enactment and effective date of lifeline legislation. Government recommends that: (1) no relief be granted; (2) if relief is granted, increase all classes by uniform percentage; (3) if relief is granted and a lifeline concept is adopted for domestic schedules then the rates be restructured and increases for other classes be deferred until January 2, 1976 in order that the base for implementation of lifeline is not artificially increased.

Position of CMA

CMA takes the position that Edison's motion should be denied in the form requested. In support of this position CMA contends that, absent a claim of emergency need requiring expedited action in the broad public interest, partial relief should be granted

only if all responsible parties concede that the utility is entitled to an increase in rates, or all pertinent evidence on the subjects at issue in the partial increase has been received and tested so that the contested matters are ripe for decision. CMA contends that not only is the amount requested of \$95,400,000 at issue but that a substantial dispute exists regarding how such an increase should be imposed.

In addition, CMA points out that Edison has just recently distributed additional proposed testimony and exhibits which bear on the subject of rate design which have not yet been received in evidence. Further, CMA alleges, that even if all evidence were now complete, there has not been sufficient opportunity for the parties to prepare reasoned conclusions from that evidence and to present them to the Commission for consideration.

A major portion of CMA's brief is devoted to a discussion of staff's rate design, adopted by Edison for the purpose of its motion for partial relief as it relates to the provisions of the Miller - Warren Energy Lifeline Act (Public Utilities Code Section 739). It notes that the key provision of Section 739 is that rates for lifeline service may not be increased after January 1, 1976, until the average system rates have increased 25 percent or more over the January 1, 1976 level. CMA points out that any increase granted before that date would not work toward fulfillment of the 25 percent increase provision. In addition, the implementation of the proposed rate design would provide rate reductions for assumed lifeline volumes and less than system average increases for larger residential customers, which as a group already provide the lowest return to the utility. Such a rate design, CMA alleges, is so inherently unreasonable that it constitutes a violation of the due process and equal

protection clauses of the U. S. and State constitutions. On this basis CMA takes the position that any partial increase should be spread on a uniform percentage basis thus preserving the existing rate relationships pending full consideration of the evidence and argument.

Position of Farm Bureau

Farm Bureau indicated that although it does not oppose reasonable increases after a showing that such increases are needed, it believes that the immediate imposition of a lifeline rate would be premature. It further stated that if a rate structure is going to be adopted to subsidize certain members of the domestic class, then it is incumbent upon the Commission to recognize differences in basic necessitous use based upon geographic areas and the lack of natural gas, which the rates proposed in the motion do not do.

Position of Committee

Committee has taken the position that because of the implied reduced financing requirements resulting from a decline in sales growth, the amount of need for the partial rate increase is in question. Committee indicated that Edison's rebuttal witness has been cross-examined on projected sales growth and his testimony indicates a reduced future growth rate. Consequently, according to Committee, Edison's reduced financing requirements will not support the adoption at this time of the upper limit of the zone of reasonableness of the Commission staff's recommended rate of return.

Committee further alleges that the proposed allocation of the rate increase to the various customer groups is completely unsupported on the record. In fact, according to Committee, the record clearly supports a smaller increase to the larger power and very large power customer groups than to the system as a whole.

Position of Edison

Edison's basis for requesting the partial general rate increase is set forth in its motion. Consequently, Edison limited its statement of position and its brief to refuting adverse positions set forth by the various parties as follows:

1. There is no serious question of the lawful authority of this Commission to grant the motion because the record developed to date clearly sets forth an adequate basis for the partial general rate increase sought by the motion and thus satisfies the requirements of Public Utilities Code Section 454 that rate increases can be made effective on a showing before and a finding by the Commission that such an increase is justified.

2. Edison is not basing its request on a claim of "financial emergency", although its current and prospective earnings are substantially below the level of return (8.2 percent) authorized by the Commission as the minimum reasonable rate of return required.

3. There is no legal or equitable basis for not authorizing that portion of Edison's total rate increase request shown by the record not to be reasonably subject to dispute.

4. The revenue increase contemplated by the partial general rate increase requested could be achieved alterately to the staff's proposal by across-the-board percentage increases.

Need For Partial Increase

The ever increasing cost of goods and services, the current high level of the cost of money, the imposition of environmentally related regulatory requirements, and the substantial increase in the need for capital have combined to require frequent formal filings by all the utilities resulting in a backlog of formal proceedings unprecedented in this Commission's history. In addition,

participation in these proceedings by heretofore non-existent or relatively inactive consumer groups has rapidly accelerated. The unavoidable effect of the increase in both the number of formal filings and the number of participants at the hearings on these matters coupled with a flood of utility related legislative acts has been a substantial increase in the period between the filing of an application and the issuance of a decision on the matter. Such conditions exist throughout the country as well as in California. No correlation has ever been established between the extension of regulatory processing time and the numerous deratings of utility financial offerings but it is axiomatic that delays in providing required rate relief do nothing to mitigate the earnings attrition of a utility faced with possible derating of its securities. It is obvious that measures must be taken to counteract the deleterious effect of prolonged regulatory processing periods on both the investor and ratepayer. The granting of a partial general rate increase as requested by Edison in its motion is one such measure that could be effective.

It is more than 18 months since Edison filed this application. The record is quite clear that at present rates, Edison will not earn its last authorized rate of return during the test year 1976. The primary request for an increase of \$339 million is based on test year 1976. Obviously, delays beyond January 1, 1976 in effecting the increase ultimately determined as reasonable will reduce Edison's opportunities to earn the authorized increase during the test year. In addition, to prevent further attrition in Edison's earnings while providing time for full and deliberate consideration of the record after appropriate briefing, a partial rate increase appears justified at this time.

Amount of Partial Increase Presently Justified

Both the Commission staff and Edison have presented full showings on recommended rate of return for Edison for the test year 1976. Such presentations occupied many days of hearing and all parties of record were afforded ample opportunity to cross-examine the respective witnesses. Edison's financial vice president presented testimony and exhibits in support of Edison's requested rate of return of 9.6 percent to yield a return on equity of 15 percent. The Commission staff's financial examiner presented testimony and exhibits supporting a recommended range of rate of return of 8.6 percent to 8.9 percent to provide a return on equity of 11.99 percent to 12.77 percent. While it would appear that the record is presently complete concerning the revenue requirements of Edison's jurisdictional operations it would be premature to determine a rate of return without the benefit of full briefing and ample time to thoroughly consider the entire record.

It is noted, however, that the return on equity of 12.25 percent set forth in Decision No. 81919 is toward the lower edge of the staff's recommended zone of reasonableness. Under those circumstances, granting a portion of the requested increase so as to maintain the return on equity last found reasonable as recommended by the Commission staff would not be inequitable to either the ratepayer or the investor. Because of the increased imbedded cost of debt and change in financial structure which has occurred since the issuance of Decision No. 81919 a rate of return of 8.7 percent is presently required to provide a return on equity of 12.25 percent, as contrasted

to a rate of return of 8.2 percent authorized by Decision No. 81919. The financial structure adopted in Decision No. 81919 and the estimated 1976 test year financial structure as set forth in Exhibit 45 are set forth in the following tabulation:

| Item | Decision No. 81919 | | | Staff Exhibit 45 | | |
|-----------------------------------|--------------------|---------|-----------|------------------|---------|-----------|
| | Capital: | Cost | Weighted: | Capital: | Cost | Weighted: |
| | Ratio | Factor: | Costs | Ratio | Factor: | Costs |
| Long Term Debt | 49.75% | 5.65% | 2.81% | 48.22% | 6.35% | 3.16% |
| Preferred and Preference Stock | 13.48 | 6.45 | .87 | 13.11 | 6.87 | .91 |
| Common Stock Equity | 36.77 | 12.25 | 4.50 | 38.67 | 12.25 | 4.74 |
| Totals | 100.00% | - | 8.18% | 100.00% | - | 8.70% |

Only the Commission staff and Edison presented complete showings on revenues, expenses, rate base, and recommended rate of return. The comparative results of operations for California jurisdictional sales at present rates are set forth for the test year 1976 in Table 2-A of staff Exhibit 97. As shown therein the staff's estimated rate of return is 7.67 percent on a depreciated rate base of \$3,642,095,000 and Edison's estimated rate of return is 5.47 percent on a depreciated rate base of \$4,121,160,000. Edison's motion is based on the staff's estimate on the theory that such estimate reflects the most conservative estimate in the record. On this basis we will adopt the staff's estimate at this time for the express purpose of computing the additional revenue required for a partial increase to provide the above discussed 8.7 percent rate of return. Based on the staff's estimates, the additional revenue required to provide a rate of return of 8.7 percent is approximately \$80 million. The ensuing order will authorize rates designed to produce additional 1976 test year revenues of \$80 million. Our utilization of the staff's estimates for this stated purpose is not to be construed as our final findings on this matter.

Allocation of Increase to Customer Groups

The summaries of positions of the various parties indicate that the apportionment of any granted partial increase to the various customer groups would appear to be of greater concern to the parties than the actual amount of any increase to be granted. Testimony on the appropriate apportionment of rate increases has been entered into evidence by Edison, the Commission staff, TURN, Government, and Committee. As pointed out by some of the parties, all the exhibits and testimony on rate design and the allocation of revenue increases to the various customer groups have not yet been included in the record of this proceeding. It is obvious that the final decision on the appropriate apportionment of authorized rate increases can only be made after careful deliberation on the full and complete record of the proceeding, including appropriate briefs. Because the record is not yet completed or fully argued on the appropriate rate design for the apportionment of the authorized partial general increase, we are not in a position to logically apportion this increase to the various customer groups in accordance with one rate spread recommendation in preference to another. Consequently, with one exception, we will apportion the partial increase of \$80 million to the various customer groups on a uniform cents per kilowatt hour basis. The exception is the lifeline portion of the domestic, i.e., from 0 to 300 kilowatt hours a month.

We have noted that Assembly Bill 167 added Section 739 to the Public Utilities Code. This section provides that this Commission shall require every electrical and gas corporation to file a schedule of rates and charges providing a lifeline rate. The lifeline rate shall be not greater than the rates in effect on January 1, 1976. In Decision No. 84902 we took the first step in the establishment of such lifeline rates for PG&E by specifying a simplified rate structure consisting of a customer charge, a minimum lifeline block of from 300 to 500 kilowatt hours per month, depending on geographic location, and a tailblock. These rates provided for no increase at the upper end of the lifeline block and for generally increasing rates above that point so that at the 1,500 kilowatt hour per month consumption point, the increase for those users approximated the overall increase. The staff witness in this proceeding recommended three alternate domestic rate designs patterned after the authorized PG&E domestic rates. These three alternatives are conceptually similar and vary only in the placement of emphasis in the customer charge versus the energy blocks. The staff recommends the adoption of Alternative No. 2 which will be authorized in the ensuing order.^{4/} It will be noted that this rate design includes small increases to the very low user and, for this reason, unless

^{4/} Alternative No. 2 provides for a customer charge double the present customer charge in each rate zone.

these domestic rates are implemented before January 1, 1976, AB167 would preclude their establishment until such a time as the average rates have been increased 25 percent above their January 1, 1976 level.

In simplifying the domestic rate structure with this order, we have reduced the number of energy rate blocks for the first 300 kwh from three to one block and for energy sales above 300 kwh from two blocks to one block. The elimination of two rate blocks in the first 300 kwh of usage in conjunction with the authorized increase in customer charges while also maintaining the same bill for 300 kwh usage per month has resulted in bill reductions for those customers using between approximately 70 kwh and 300 kwh each month. Therefore, the domestic lifeline sales will receive an overall minor reduction in rates as indicated on the tabulation on page 15.

In passing we note that we have pending three matters which relate directly or indirectly to lifeline rates. Case No. 9804 is an investigation into the design of electric rate structures to conserve energy, Case No. 9836 is an investigation into electric utility fuel cost adjustment procedures, and Case No. 9988 is an investigation into the establishment of lifeline volumes of gas and quantities of electricity. Having once taken the first step in the establishment of lifeline rates as authorized in this decision, any rate changes resulting from those other

matters will not increase the lifeline rate charges and will, therefore, not conflict with ABl67. The increases for the various customer groups authorized by this decision on the initial phase of the proceeding are as follows:

| <u>Customer Group</u> | <u>Increase</u> | |
|--------------------------|-----------------|-------------|
| | <u>\$M</u> | <u>%</u> |
| Domestic Lifeline | (2,367) | (0.6) |
| Domestic Balance | 14,052 | 6.7 |
| Lighting and Small Power | 18,911 | 5.1 |
| Large Power | 24,649 | 7.2 |
| Very Large Power | 18,857 | 8.7 |
| Agricultural and Pumping | 4,082 | 6.4 |
| Street Lighting | 1,269 | 3.5 |
| Off Peak | <u>172</u> | <u>10.2</u> |
| Total | 79,625 | 4.9 |

() Denotes negative figure.

Findings

1. Southern California Edison Company's testimony and evidence in this proceeding reflects test year 1976 results in anticipation that any authorized increases would be in effect for all or substantially all of the test year.

2. Because of the probability that a decision in this matter will not be issued in time to provide the test year 1976 revenues found necessary for jurisdictional operations, a partial general increase in rates, to be construed as an initial phase in this proceeding, is reasonable and justified to arrest Edison's continuing

erosion of earnings and to materially improve its financial performance, to enhance its ability to raise additional capital required for financing its continuing construction programs, to provide better investor acceptance of Edison's securities, and to reduce the risk of derating of its securities.

3. The granting of a partial general increase to provide a rate of return of 8.7 percent on rate base is justified at this time and is consistent with the recognized need to take measures to expedite the authorization of needed rate relief.

4. The amount of increase, based on the staff showing at this time, to produce an 8.7 percent rate of return is \$80 million which will provide a return on equity of 12.25 percent.

5. Our adoption of the Commission staff results of operation and the authorization of rates designed to produce our last authorized return on equity is just and reasonable for the resolution of the initial phase of this matter but should not be considered as our final disposition of this matter.

6. The increases in rates and charges authorized herein are reasonable as an initial phase of this proceeding and the present rates and charges insofar as they differ from those prescribed herein are for the immediate future unjust and unreasonable.

7. The domestic rates authorized herein provide substantially no increase in the 0 to 300 kilowatt hour a month consumption blocks and should be considered as the first step in the establishment of lifeline rates for Edison as required by ABL67.

8. All rates other than lifeline shall be increased on a uniform cents per kilowatt hour basis. /

The Commission concludes that Southern California Edison Company's motion for a partial general rate increase should be granted to the extent set forth in the order which follows.

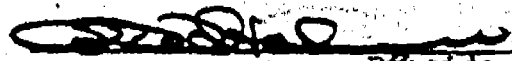
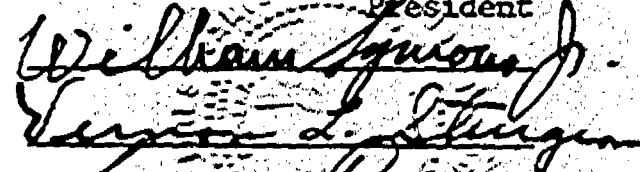
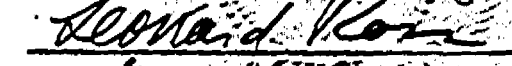

O R D E R

IT IS ORDERED that after the effective date of this order Southern California Edison Company is authorized to file revised rate schedules with rates increased from present levels by 0.200 cents per kilowatt hour for all rate schedules except for the first 300 kilowatt hours of domestic (lifeline) service. Rate schedules for domestic service shall be modified in accordance with Appendix B of this decision. Such filings shall comply with General Order No. 96-A.

The effective date of the revised schedules shall be December 31, 1975. The revised schedules shall apply only to service rendered on and after the effective date hereof.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 30th
day of DECEMBER, 1975.


President



Commissioners

APPENDIX A

LIST OF APPEARANCES

Applicant: Rollin E. Woodbury, Robert J. Cahall, William E. Marx, Dennis G. Monge by William E. Marx, Dennis G. Monge, and Richard K. Durant, Attorneys at Law, for Southern California Edison Company.

Protestants: George Gilmore, Attorney at Law, Dr. Eugene Coyle, and Sylvia M. Siegel, for Toward Utility Rate Normalization, Consumers Federation of California, Fight Inflation Together, Energy Reform Group, Citizens of San Bernardino, Upland, etc.; Robert D. Rudnick Attorney at Law, for POWER (People Outraged With Electric Rates).

Interested Parties: T. W. Anderson and A. W. Hooton, for General Portland, Inc., California Division; Best, Best & Krieger by Michael D. Harris, Arthur L. Littleworth, and Glen E. Stephens, Attorneys at Law, for Desert Water Agency, City of Palm Springs, Palm Springs Unified School District, Desert Hospital District, and Desert Hot Springs County Water Agency; Will H. Braunle, for Safeway Stores, Inc.; Brobeck, Phleger & Harrison, by Gorden E. Davis, Thomas G. Wood, Attorneys at Law, and Robert E. Burt, for California Manufacturers Association; Richard D. DeLuce, Attorney at Law, Edward Sherry, and Dr. Harris Nissel, for Air Products and Chemicals, Inc.; Frank J. Dorsey, Attorney at Law, and Daniel J. Reed for Consumer Interests of the Executive Agency of the United States; Enright, Elliot & Betz by Norman Elliott, Attorney at Law, for Monolith Portland Cement Co. and Committee to Protect California Economy; Paul P. Hendricks, for City of Vernon, William L. Knecht, and William H. Edwards, Attorneys at Law, for California Farm Bureau Federation; Arthur Kirgel, and Joe Westmoreland, for City of Riverside; W. C. Leist, and R. F. Smith, for Union Carbide Corp.; Overton, Lyman & Prince, by Donald H. Ford, Attorney at Law, for Southwestern Portland Cement Co.; William M. Pfeiffer, and David B. Follett, Attorneys at Law, for Southern California Gas Company; John R. Phillips, Attorney at Law, for Planning and Conservation League; Eurt Pines, City Attorney, by Frederick H. Kranz, Jr., Attorney at Law for Los Angeles Department of Water and Power; Louis Possner, for City of Long Beach; Kenneth M. Robinson, Attorney at Law, and George B. Scheer, for Kaiser Steel Corporation; Robert W. Russel by Kenneth E. Cude, for City of Los Angeles; R. M. Shillito, for California Retailers Association; James F. Sorensen, for Friant Water Users Association; John P. Terry, for Los Angeles Department of Water and Power; Robert P. Will, John M. Davenport, R. D. Twomey, and Gerald Winerman, Attorneys at Law, for Metropolitan Water District of Southern California; and M. Keate Worley, Attorney at Law, for Texaco, Inc.

Commission Staff: Timothy E. Treacy, Attorney at Law, Robert C. Moeck, and Kenneth K. Chew.

APPENDIX B

RATES- SOUTHERN CALIFORNIA EDISON COMPANY

SCHEDULES NOS. D-1, D-2, D-3, D-4, D-5 and D-6RATES

| | Charges Per Month | | | | | |
|---|-------------------|--------|--------|--------|--------|--------|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| Customer Charge: | \$2.00 | \$2.20 | \$2.40 | \$2.60 | \$2.80 | \$3.00 |
| Energy Charge (To be added to the Customer Charge): | | | | | | |
| First 300 kwhr, per kwhr | 3.07 | 3.13 | 3.20 | 3.27 | 3.35 | 3.47 |
| Excess Kwhr, per kwhr | 2.24 | 2.24 | 2.24 | 2.24 | 2.24 | 2.24 |

Minimum Charge: The monthly minimum charge shall be the monthly Customer Charge.