

JUL 11 1988

ALJ/SSM/pc

Decision SS 97-027 JUL 8 1988

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 86-12-047
(Filed December 26, 1986)

(Electric) (U 338 E))

Order Instituting Investigation into)
the rates, charges, and practices of)
the Southern California Edison)
Company.)

I.87-01-017
(Filed January 14, 1987)

(See Decision 87-12-066 for appearances.)

INTERIM OPINION

On December 22, 1987, the Commission issued Decision (D.) 87-12-066 authorizing the Southern California Edison Company (Edison) to file new electric rates effective January 1, 1988. The new rates were to be based on the revenue requirement, marginal cost, revenue allocation, and rate design adopted in the decision.

In determining the appropriate rate options for agricultural customers, the Commission in D.87-12-066 adopted the proposal of the Commission's Division of Ratepayer Advocates (DRA). This proposal included a distinction in demand levels between customers served under the PA-1 (less than 35 kW) and PA-2 (above 35 kW) agricultural schedules. A similar distinction based on capacity was applied to four optional schedules which were also to be offered agricultural and pumping accounts. (D.87-12-066, at pp. 362-364.)

Due to the distinction in demand levels between PA-1 and PA-2 adopted in D.87-12-066, the Commission concluded that Edison should be afforded a reasonable period of time to inform its agricultural and pumping customers of this distinction based on connected load and to install the required metering. For this reason, the Commission ordered that the tariff options be implemented "no later than June 1, 1988." (D.87-12-066, at pp. 362-363.)

On April 13, 1988, the Commission issued D.88-04-026 modifying D.87-12-066. In that order, the Commission, among other things, directed that a hearing be held on June 13, 1988, for the purpose of receiving testimony on certain agricultural and industrial rate design issues. Included in the issues to be considered at this hearing was the "possible removal of the mandatory provision, based on capacity, for assignment to Edison's agricultural schedules, PA-1 or PA-2." (D.88-04-026, at p. 26.) Additionally, Edison was directed to file changes to its PA-1 and PA-2 schedules suspending the mandatory assignment of Edison's agricultural customers on the basis of capacity.

During the hearing on June 13, Edison, DRA, and the California Farm Bureau Federation (Farm Bureau) entered a stipulation on certain issues including the removal of the mandatory transfer to Schedule PA-2 of agricultural and pumping accounts with demands above 35 kW. On this issue, the stipulation states as follows:

"We further agree that the mandatory assignment of customers to Schedules PA-1 and PA-2 based on capacity should be eliminated. Similarly, assignments of customers to Rate A and Rate B of Schedules TOU-PA, TOU-PA-3 and TOU-PA-4 based on capacity should be eliminated." (Ex. 253, at p. 1.)

On June 16, 1988, the attorney for Edison wrote a letter, with service on all parties, to the Administrative Law Judge (ALJ) assigned to this proceeding. In this letter, Edison explained that

prior to the April 13 suspension of the PA-1 and PA-2 mandatory assignment provision, approximately 500 large agricultural and pumping accounts had already been transferred from Schedule PA-1 to Schedule PA-2 because of demands in excess of 35 KW and the availability of a demand meter. The attorney further noted that as of June 5, 1988, these customers had begun to incur summer on-peak demand charges associated with the PA-2 schedule.

Given this circumstance, the letter states that Edison, DRA, the Farm Bureau, the California Citrus Mutual (Citrus Mutual), and the Association of California Water Agencies (ACWA), jointly request an interim order in this proceeding. The purpose of the order, to be issued at the earliest possible date, would be to eliminate the mandatory assignment provision based on capacity from the PA-1 and PA-2 schedules and related rate options. The parties also request that Edison be authorized "to conduct a review of existing Schedule PA-2 accounts, to determine the most appropriate rate schedule for those customers who were transferred to Schedule PA-2 as a result of the mandatory assignment provision." (Edison Letter of 6/17/88, at p. 2.)

To provide relief while summer rates are still in effect to those customers already transferred to Schedule PA-2, the letter also includes the waiver by these parties of the requirements of Public Utilities Code Section 311(d). This provision states that the Commission shall issue its decision no sooner than 30 days following filing and service of the proposed ALJ decision. Section 311(d) permits this "30-day" rule to be waived, but only upon the waiver of this rule by "all parties" to the proceeding.

To obtain such a waiver from all parties to this proceeding, and not just those active on the issue to be addressed by the interim order, an ALJ ruling was issued on June 24, 1988. This ruling advised the parties of their right to refuse to waive the "30-day" period between the ALJ proposed decision addressing the requested interim relief and the Commission decision. Any

party choosing not to waive the "30-day" period, however, was required to advise the ALJ of this position within seven days of the date of the ruling. The ALJ ruling further explained that the absence of such notification would be considered an effective waiver of the "30-day" rule.

As of the date of issuance of this decision, 14 days after the mailing of the ALJ ruling, the ALJ has not been notified by any party of their desire not to waive the "30-day" period. Under these circumstances, the provision is deemed to have been effectively waived by all parties.

With respect to the interim relief requested by Edison, DRA, the Farm Bureau, Citrus Mutual, and ACWA, we find that request to have merit. It has become apparent that the distinction between the PA-1 and PA-2 schedules based on demand may be administratively burdensome and costly to implement, and may limit the service options for agricultural customers intended by this Commission and the California Legislature. (See, D.87-12-066, at pp. 353-355, 359-364; Cal. Pub. Util. Code, Sec. 744.)

Based on the agreement of the parties to eliminate the mandatory assignment provision and the suspension of this provision in D.88-04-026, we find that it is inappropriate to maintain on Schedule PA-2 the 500 customers transferred to this schedule on the basis of demand prior to the suspension. It is therefore reasonable to continue the suspension of the mandatory assignment provision included in Schedules PA-1 and PA-2 and related agricultural service options pending the final resolution of all issues considered during the hearing on June 13. To the extent that certain agricultural customers have already been transferred to Schedule PA-2 based on a demand level in excess of 35 kW, it is reasonable for Edison to transfer these customers to the most appropriate existing rate schedule.

Findings of Fact

1. Following an ALJ ruling notifying all parties to this proceeding of their rights under Section 311(d) of the Public Utilities Code and prescribing the manner in which those parties could exercise those rights, the absence of notification by any party to this proceeding of a refusal to waive the requirements of Section 311(d) within seven days of the ruling is deemed to result in an effective waiver of the Section 311(d) "30-day" rule by "all parties" within respect to this order.

2. The distinction between Edison's PA-1 and PA-2 agricultural rate schedules based on demand may be administratively burdensome and costly to implement, and may limit the service options for agricultural customers intended by this Commission and the California Legislature.

3. Based on the agreement of Edison, DRA, and the Farm Bureau to eliminate the mandatory assignment provision included in Schedules PA-1 and PA-2 and related rate options and the suspension of this provision in D.88-04-026, it is inappropriate to maintain on Schedule PA-2 the 500 customers transferred to this schedule on the basis of demand prior to the suspension.

4. Based on the preceding finding, it is reasonable to continue the suspension of the mandatory assignment provision included in Schedules PA-1 and PA-2 and related agricultural service options pending the final resolution of all issues considered during the hearing in this proceeding held on June 13, 1988.

5. To the extent that certain agricultural customers have already been transferred to Schedule PA-2 based on a demand level in excess of 35 kW, it is reasonable for Edison to transfer these customers to the most appropriate existing schedule.

Conclusions of Law

1. Based on the waiver by all parties to this proceeding of the requirements of Section 311(d) relative to this order, the Commission decision addressing the interim relief requested by Edison, DRA, the Farm Bureau, Citrus Mutual, and ACWA may be issued sooner than 30 days after the ALJ's proposed decision.

2. The suspension of the mandatory assignment provision included in Edison's agricultural Schedules PA-1 and PA-2 and related agricultural options ordered in D.88-04-026 should be continued in effect pending the final resolution of all issues considered during the hearing in this proceeding on June 13, 1988.

3. Edison should be authorized to transfer the 500 agricultural and pumping accounts transferred to Schedule PA-2 based on a demand level in excess of 35 kW to the most appropriate existing schedule.

4. To ensure prompt rate relief for the 500 customers already transferred to Schedule PA-2 on the basis of demand, this decision should be made effective today.

INTERIM ORDER

IT IS ORDERED that:

1. The suspension of the mandatory assignment provision on the basis of demand included in Southern California Edison Company's (Edison) agricultural Schedules PA-1 and PA-2, first ordered in Decision (D.) 88-04-026, shall be continued in effect pending the final resolution of all issues considered during the hearing held in this proceeding on June 13, 1988, and shall extend to any similar provision contained in Schedules TOU-PA, TOU-PA-3, and TOU-PA-4. Within 20 days of the effective date of this order, Edison shall file, by advice letter, any changes to these tariffs necessary to implement this suspension.

2. Edison shall be authorized to conduct a review of existing Schedule PA-2 accounts to determine the most appropriate rate schedule for those customers who were transferred to Schedule PA-2 as a result of the mandatory assignment provision prior to its suspension on April 13, 1988, and to transfer those customers to that schedule.

3. The provisions of Section 311(d) with respect to this order are waived by consent of the parties..

This order is effective today.

Dated JUL 8 1988, at San Francisco, California.

STANLEY W. HULETT
President
DONALD VIAL
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners

Commissioner Frederick R. Duda,
being necessarily absent, did not
participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

Victor Weiss
Victor Weiss, Executive Director

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