

JUL 25 1988

Decision 88 07 066 JUL 22 1988

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 the Southern California Edison
 Company (U 338-E) for: (1) Authority
 to Increase Its Energy Cost
 Adjustment Billing Factors, Increase
 Its Annual Energy Rate, and Increase
 Its Electric Revenue Adjustment
 Billing Factor Effective June 1,
 1988; (2) Authority to Implement
 Modifications to its Energy Cost
 Adjustment Clause as More
 Specifically Set Forth in this
 Application; (3) Authority to Revise
 the Incremental Energy Rate, the
 Energy Reliability Index, and
 Avoided Cost Pricing; (4) Review
 of the Reasonableness of Edison's
 Operations During the Period from
 December 1, 1986, through
 November 30, 1987; and (5) Review
 of the Reasonableness of Edison
 Payments to Qualifying Facilities
 Under Nonstandard Contracts During
 the Period from December 1, 1984,
 through November 30, 1987.

ORIGINAL

Application 88-02-016
(Filed February 11, 1988)

OPINION MODIFYING DECISION 88-05-074

On May 25, 1988, the Commission issued Decision (D.) 88-05-074 in this proceeding. By that decision, Southern California Edison Company (Edison) was authorized to increase, on an interim basis, its Energy Cost Adjustment Clause (ECAC) revenue requirement by \$200 million. This change was to result in a 3.7% system average percentage increase over present rates to all customer classes, except streetlighting for which a 1.9% increase was authorized.

On June 14, 1988, Edison filed a petition for modification of D-88-05-074. In its petition, Edison notes that,

as part of the interim relief granted in D.88-05-074, the decision also provided for the temporary suspension of the Annual Energy Rate (AER) procedure. Edison states, however, that, despite this directive, the decision does not specifically address how ECAC rates should be adjusted to accomplish the temporary suspension.

Under these circumstances, Edison requests that findings of fact and an additional ordering paragraph be added to D.88-05-074 to clarify the changes needed in the ECAC rates to effect the temporary suspension of the AER. These findings would provide (1) that Edison's currently effective AER is 0.276 cents per kWh for all rate schedules, (2) that the temporary suspension of the AER procedure will result in an AER of 0.000 cents per kWh for all rate schedules, (3) that Edison's ECAC rates should be increased by 0.276 cents per kWh for all rate schedules concurrent with the AER reduction of 0.276 cents per kWh for all rate schedules, and (4) that this rate change will have no effect upon the total effective rate levels charged to Edison's ratepayers.

We find that Edison's requested modifications of D.88-05-074 provide greater specificity as to how the temporary AER suspension adopted in D.88-05-074 is to be implemented in rates and are consistent with the intent of D.88-05-074. Edison's proposed changes are therefore reasonable and should be adopted.

In addition to these changes, the Commission wishes also to correct a clerical error in D.88-05-074. At page 24 of D.88-05-074, the last line of the third paragraph reads that the interim rate order should "create no analogous results in the final rates." The word "analogous" should be changed to the word "anomalous."

Findings of Fact

1. Modification of D.88-05-074 is necessary to specify how the temporary suspension of the AER adopted in D.88-05-074 is to be implemented in rates.

2. Edison's proposed modifications of D.88-05-074 achieve the goal of specifying the manner in which the temporary suspension of Edison's AER is to be reflected in rates and are consistent with the intent of D.88-05-074.

3. Based on the preceding finding, Edison's proposed modifications of D.88-05-074 are reasonable and should be adopted.

4. It is necessary to modifying D.88-05-074 to correct a minor clerical error.

Conclusions of Law

1. D.88-05-074 should be modified consistent with the findings above.

2. This decision should be made effective today to ensure the proper and immediate implementation in rates of the temporary suspension of Edison's AER adopted in D.88-05-074.

ORDER

IT IS ORDERED that D.88-05-074 shall be modified as follows:

- a. The following findings shall be added to D.88-05-074:
 67. Edison's currently effective AER is 0.276 cents per kWh for all rate schedules.
 68. The temporary suspension of Edison's AER results in an AER of 0.000 cents per kWh for all rate schedules.
 69. Concurrent with the AER reduction of 0.276 cents per kWh for all rate schedules, it is reasonable to increase ECAC rates by 0.276¢ per kWh for all rate schedules.
 70. The rate change described in the preceding finding will have no effect upon the total effective rate

levels charged to Edison's ratepayers.


- b. The following ordering paragraph shall be added to D.88-05-074:
10. Edison is authorized to increase its otherwise applicable ECAC rates by 0.276 cents per kWh for all rate schedules and reduce its AER to 0.000 cents per kWh for all rate schedules during the period that the AER is temporarily suspended.
- c. In the last sentence of the third paragraph on page 24 of D.88-05-074, the phrase "create no analogous results" is corrected to read "create no anomalous results".

This order is effective today.

Dated JUL 22 1988, at San Francisco, California.

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

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


Victor Weissor, Executive Director