

ORIGINAL

Decision 89 05 061 MAY 26 1989

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.)
(U-338-E))

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

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 list of appearances.)

OPINION

Summary

This decision modifies Decision (D.) 87-12-066 to allow Southern California Edison Company (Edison) to expand the application of average rate limiters to customers on Edison's rate Schedule S.

Procedural History

Pacific Energen, Inc. (PEI) on behalf of itself, three Community College Districts, ten other school districts, California State University at Long Beach, and San Pasqual Power Products filed a petition for modification of D.87-12-066 on July 5, 1988. PEI's petition requests that Schedule S customers under Edison's TOU-8 rate schedule (i.e. cogenerators) be afforded the same opportunity to benefit from Edison's average rate limiter as other TOU-8 customers.

Edison's August 4, 1988 response to PEI's petition concurs with PEI's request and recommends that interruptible, subtransmission, and super off-peak customers also receive the benefits from rate limiters.

PEI's Petition

PEI asserts that the purpose of the average rate limiter, special condition 15 of Edison's TOU-8 rate schedule, was to protect customers from excessive cost increases during the Summer. To support its assertion PEI quotes Edison's position from D.87-12-066 as follows: "since the profiles of standby customers' loads, in the aggregate, are very similar to those of TOU-8 customers in the aggregate, they should be fully subject to all pricing terms and conditions of the TOU-8 schedule whenever these customers take service". However, PEI argues that D.87-12-066 excluded Schedule S customers (cogenerators and self-generators) from the benefits of rate limiters.

Finally, PEI states that it should receive the same treatment afforded other similar electric customers and not be penalized for committing substantial dollars toward energy conservation. The fact that cogenerators have been excluded from this opportunity seems to be an oversight that can easily be remedied by modifying D.87-12-066 to include Schedule S customers as qualifying for the average rate limiter.

Edison's Response

Edison is opposed to the use of rate limiters, but does recommend that, if rate limiters are included in rate design, they should be applied equitably. Edison agrees that the present exclusion of Schedule S customers from special condition 15 of TOU-8 is inequitable. Similarly, the exclusion of subtransmission voltage level, nonfirm (interruptible) and super off-peak (TOU-8-SOP) customers is also inequitable. Edison believes that if the exclusion is removed for Schedule S customers, it should also be removed for subtransmission voltage level (over 50 kV), Schedule TOU-8-SOP, and nonfirm (Schedules I-5 and I-6) customers.

Edison estimates that the annual impact of this expanded rate limiter application would be \$1.5 million for customers on Schedule S and \$2.0 million for customers on Schedules I-5, I-6,

and TOU-8-SOP. Finally, Edison recommends that the expansion of rate limiters should not be granted unless some provision is made for the eventual elimination of rate limiters after they have served their purpose (i.e., to mitigate the adverse impacts of increased demand charges due to the phasing-in of marginal costs).

Discussion

We agree with PEI and Edison that the exclusion of Schedule S customers from the benefit of average rate limiters is inequitable. However, Edison's request to extend average rate limiters to subtransmission voltage level, interruptible, and super off-peak customers will not be adopted. The applicability of rate limiters to these customers together with the future of rate limiters will be left as an issue to be addressed in Edison's next general rate proceeding.

Therefore, we will modify D.87-12-066 to allow special condition 15 in Edison's TOU-8 rate schedule to be applicable to Schedule S customers for the service rendered under TOU-8.

Findings of Fact

1. Special condition 15 in Edison's TOU-8 rate schedule specifically excludes customers which take service under Schedule S.

2. Edison estimates the annual impact from the expanded application of average rate limiters to Schedule S customers at \$1.5 million.

Conclusions of Law

1. The application of average rate limiters adopted by D.87-12-066 is not equitable for Edison's customers on Schedule S.

2. D.87-12-066 should be modified to expand the application of average rate limiters to Edison customers on Schedules S for service rendered under Edison's TOU-8 rate schedule.

3. Any revenue undercollections resulting from this expanded application of average rate limiters should be recovered through Edison's electric revenue adjustment mechanism account.

4. The revised tariff language, attached as Appendix A, which expands the application of average rate limiters to customers on Edison's Schedule S should be adopted.

ORDER

IT IS ORDERED that:

1. Decision 87-12-066 is modified to expand the application of average rate limiters to customers on Southern California Edison Company's (Edison's) Schedule S.

2. Edison is directed to file with this Commission, on or after the effective date of this order and not later than June 2, 1989, the revised tariff language shown in Appendix A.

3. The revised tariffs shall become effective on the date filed and shall comply with General Order 96-A. The revised tariffs shall apply to service rendered on or after their effective date.

This order is effective today.

Dated MAY 26 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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

[Handwritten Signature]
William Weisner, Executive Director

APPENDIX A
SOUTHERN CALIFORNIA EDISON COMPANY
AVERAGE RATE LIMITER

SPECIAL CONDITIONS

Schedule TOU-8

Special Condition 15 is amended to read:

15. Average rate limiter: For firm service customers with service metered and delivered at voltages 50 kv and below, the customer's total monthly bill under this schedule, excluding the Public Utilities Commission Reimbursement fee, customer charges, or minimum demand charges, shall be reduced if necessary, so that the average rate during a summer month does not exceed 12.575 cents per kWh.

Schedule S

Special Condition 7 is added to read:

7. Average rate limiter: The monthly bill under the customer's regular firm service schedule, excluding the Public Utilities Commission Reimbursement fee, customer charges, or minimum demand charges, shall be reduced if necessary, so that the average rate during a summer month does not exceed 12.575 cents per kWh for service metered and delivered at voltages 50 kv and below. This Special Condition does not apply to that portion of the customer's bill for service taken under Schedule S.

(END OF APPENDIX A)

ALJ/FSF/cac

Decision _____

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OPINION

Summary

This decision modifies Decision (D.) 87-12-066 to allow Southern California Edison Company (Edison) to expand the application of rate limiters to customers on Edison rate Schedules S, I-5, I-6, and TOU-8-SOP.

Procedural History

Pacific Energen, Inc. (PEI) on behalf of itself, three Community College Districts, ten other school districts, California State University at Long Beach, and San Pasqual Power Products filed a petition for modification of D.87-12-066 on July 5, 1988. PEI's petition requests that Schedule S customers under Edison's TOU-8 rate schedule (i.e. cogenerators) be afforded the same opportunity to benefit from Edison's average rate limiter as other TOU-8 customers.

Edison's August 4, 1988 response to PEI's petition concurs with PEI's request and recommends that interruptible, subtransmission, and super off-peak customers also receive the benefits from rate limiters.

and TOU-8-SOP. Finally, Edison recommends that the expansion of rate limiters should not be granted unless some provision is made for the eventual elimination of rate limiters after they have served their purpose (i.e., to mitigate the adverse impacts of increased demand charges due to the phasing-in of marginal costs).

Discussion

We agree with PEI and Edison that the exclusion of Schedule S customers from the benefit of rate limiters is inequitable. Also, Edison's consistency argument for subtransmission voltage level, interruptible, and super off-peak customers appears reasonable. However, the future of rate limiters will be left as an issue to be addressed in Edison's next general rate proceeding.

Therefore, we will modify D.87-12-066 to reflect the following:

1. Special condition 15 in Edison's TOU-8 rate schedule shall be applicable to Schedule S customers.
2. Rate limiters shall be applicable to interruptible, subtransmission voltage level, and super off-peak customers.

Findings of Fact

1. Special condition 15 in Edison's TOU-8 rate schedule specifically excludes customers which take service under Schedule S.

2. Special conditions 14 and 15 are restricted to firm service customers only and exclude interruptible service customers from the benefits of rate limiters.

3. Special condition 15 restricts the application of rate limiters to customers with service metered and delivered at voltages 50 kV and below, and eliminates customers served at subtransmission voltages (above 50 kV) from the benefits of rate limiters.

4. Edison's I-5, I-6, and TOU-8-SOP rate schedules do not contain special conditions which expand the application of rate limiters to customers served on these schedules.

5. Edison estimates the annual impact from the expanded application of rate limiters at \$3.5 million.

Conclusions of Law

1. The application of rate limiters adopted by D.87-12-066 is not equitable for Edison's customers on Schedules S, I-5, I-6, and TOU-8-SOP.

2. D.87-12-066 should be modified to expand the application of rate limiters to Edison customers on Schedules S, I-5, I-6, and TOU-8-SOP.

3. Any revenue undercollections resulting from this expanded application of rate limiters should be recovered through Edison's electric revenue adjustment mechanism account.

4. The revised rate schedules, attached as Appendix A, which expand the application of rate limiters to customers on Edison's S, I-5, I-6, and TOU-8-SOP rate schedules should be adopted.

ORDER

IT IS ORDERED that:

1. Decision 87-12-066 is modified to expand the application of rate limiters to customers on Edison Schedules S, I-5, I-6, and TOU-8-SOP.

2. Southern California Edison Company (Edison) is directed to file with this Commission, on or after the effective date of this order and not later than June 2, 1989, the revised rate schedules shown in Appendix A.

3. The revised tariff schedules shall become effective on the date filed and shall comply with General Order 96-A. The revised tariffs shall apply to service rendered on or after their effective date.

This order is effective today.

Dated _____, at San Francisco, California.

Appendix A to be provided later.

