

Mailed
APR - 8 1992

Decision 92-04-016 April 8, 1992

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN DIEGO GAS & ELECTRIC COMPANY)
(U-902M) for authority to increase)
its authorized level of base rate)
revenue under the Electric Revenue)
Adjustment Mechanism (ERAM) and)
Steam Revenue Adjustment Mechanism)
(SRAM), to adjust its authorized)
base cost amount in its Annual)
Cost Allocation Proceeding (ACAP),)
and to reflect these increases in)
rates effective January 1, 1992.)

Application 91-03-001
(Filed March 1, 1991)
(Petition for Modification
filed January 24, 1992)

O P I N I O N

On January 24, 1992, the "Petition for Modification of Decision 91-12-074 by San Diego Gas & Electric Company" (SDG&E) was filed. In its petition, SDG&E states that it has reviewed with the Commission's Advisory and Compliance Division (CACD) certain components of the electric base rate revenue requirement adopted in this proceeding which it believes to be in error. SDG&E and CACD concur that modifications to the electric base rate revenue requirement adopted in D.91-12-074 are required as follows:

| | |
|-----------------------------|----------------|
| Nuclear O&M Expenses | (\$4,329,000) |
| NRC Fees | 78,000 |
| <u>Net Operating Income</u> | <u>105,000</u> |
| Net Change: | (\$4,146,000) |

On January 31, 1992, the "UCAN Response to SDG&E's Petition for Modification of Decision 91-12-074" was received. Utility Consumers' Action Network (UCAN) commended SDG&E for discovering some apparent errors in the development of the decision's revenue requirement and supported the petition for modification. UCAN proposed that upon confirming the computational

error, the Commission should incorporate the adjustment in SDG&E's 1992 Energy Cost Adjustment Clause (ECAC) case (Application (A.) 91-09-059).

No party has opposed the petition.

Findings of Fact

1. The amounts adopted in D.91-12-074 for Nuclear Operation and Maintenance (O&M) expenses are higher than they should be due to an error in applying escalation factors.

2. The correct San Onofre Nuclear Generating Station (SONGS) O&M revenue requirement increase is \$5,940,000, including franchise fees and uncollectibles expense, instead of \$10,269,000 as shown in D.91-12-074.

3. The Cost Containment adjustment adopted for Southern California Edison Company (SCE) was erroneously applied to reduce the level of Nuclear Regulatory Commission (NRC) Fees and, thus, SDG&E's responsibility for NRC Fees due to its joint ownership of a nuclear plant with SCE.

4. The correct NRC Fees revenue requirement increase is \$149,000, including franchise fees and uncollectibles expense, instead of \$71,000 as shown in D.91-12-074.

5. D.91-12-074 adopted a lower number for Net Operating Income than it should due to an error in calculation.

6. The correct Net Operating Income is \$245,334,000 instead of \$245,229,000 as shown in D.91-12-074.

7. The foregoing corrections result in a \$4,146,000 net decrease to SDG&E's 1992 electric base rate revenue requirement.

8. The decrease in the 1992 electric base rate revenue requirement adopted as the result of SDG&E's modified attrition application shall be reflected in the ECAC rates adopted in the Commission's final decision in SDG&E's ECAC proceeding, A.91-09-059, and made effective May 1, 1992.

9. It is necessary to revise the Authorized Base Rate Revenue as soon as possible to prevent further overcharges to SDG&E's ratepayers.

10. This order should be effective today to protect SDG&E's ratepayers from further overcharges.

Conclusions of Law

1. SDG&E's petition for modification of D.91-12-074 should be granted.

2. It is reasonable to correct the computation errors in D.91-12-074 as suggested by SDG&E.

O R D E R

IT IS ORDERED that:

1. The "Petition for Modification of Decision 91-12-074," filed on January 24, 1992, by San Diego Gas & Electric Company (SDG&E), is granted.

2. The adopted San Onofre Nuclear Generating Station Operation and Maintenance revenue requirement increase shown on page 2.1 of Appendix A to Decision (D.) 91-12-074 shall be \$5,940,000, including franchise fees and uncollectibles expense, instead of \$10,269,000 as shown in the decision.

3. The adopted Nuclear Regulatory Commission Fees revenue requirement increase shown on page 2.1 of Appendix A to D.91-12-074 shall be \$149,000, including franchise fees and uncollectibles expense, instead of \$71,000 as shown in the decision.

4. The adopted Net Operating Income shown on line 17 of page 1.2 of Appendix A to D.91-12-074 shall be \$245,334,000 instead of \$245,229,000 as shown in the decision.

5. SDG&E shall, within 5 days of the effective date of this decision, revise its tariff to reflect the net reduction in Authorized Base Rate Revenue (ABRR) ordered in this decision. Subsequent debit entries to SDG&E's Electric Revenue Adjustment

Mechanism balancing account shall be prorated to reflect today's revision to the ABRR, such that ratepayers will benefit from the reduction as soon as possible.

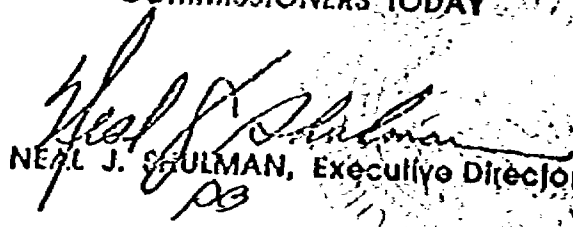
6. SDG&E shall reflect a reduction of \$4,146,000 in ABRR for its electric department when it files rates to implement the Commission's final decision in Application 91-09-059. Such reduction shall be effective May 1, 1992.

This order is effective today.

Dated April 8, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SULMAN, Executive Director