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Decision 92-04-062 April 22, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SAN DIEGO GAS & ELECTRIC COMPANY for)	
Authority to Decrease its Rates and)	Application 87-12-003
Charges for Electric, and to)	(Rate Design Window
Increase its Rates and Charges for)	Application Filed
Gas and Steam Service. (U 902-M))	November 25, 1991)

INTERIM OPINION

Summary

The Commission adopts the joint recommendation of the Division of Ratepayer Advocates (DRA) and San Diego Gas & Electric Company (SDG&E) with regard to all rate design issues in phase 1 of the utility's rate design window proceeding.

The proceeding remains open for hearings on phase 2 - mobile home park rate design issues.

Discussion

On November 25, 1991, SDG&E made its electric rate design window filing pursuant to the procedure established by the Commission in Decision (D.) 89-01-041. By that decision, the Commission established a "rate design window" proceeding for the parties to propose electric rate design issues in a forum outside of the Energy Cost Adjustment Clause (ECAC) offset proceeding and as a mechanism to resolve numerous tariff clean-up issues normally filed by advice letter.

In its rate design window filing, SDG&E proposes to:

1. Adjust the level of discount provided to mobile home park customers.
2. Add a minimum average rate applicable to all master-metered customers served by Schedule DT applicable to mobile home parks.

3. Add a new interruptible schedule (Schedule I-3).
4. Add a new semi-real-time pricing option (Schedule LR).
5. Make several tariff corrections and language changes to provide clarity.

SDG&E states that these proposals do not affect the revenue requirement or class allocations either currently adopted or filed in SDG&E's 1992 ECAC Application (A.) 91-09-059. SDG&E believes these proposals should be considered and adopted before the decision on SDG&E's Test Year 1993 General Rate Case (A.91-11-024) because:

1. They are rate proposals which promote equity and consistency in recovering costs through the various rate schedules.
2. They would have been considered in the current ECAC proceeding absent the rate design window proceeding, or are normal course of business tariff language changes and corrections that otherwise would be handled by advice letter filings.

Western Mobilehome Association (WMA) requests that the Commission direct the submetering mobile home park discount issue to the pending SDG&E general rate case (A.91-11-024) or, in the alternative, modify the hearing schedule and delay the hearing to allow WMA an opportunity to fully explore the basis for the SDG&E proposal and prepare its testimony.

The assigned administrative law judge (ALJ) ruled that WMA should have more time to review SDG&E's rate design proposals for mobile home parks, but these issues should remain in this proceeding. These proposals (items 1 and 2 above) will be considered separately in phase 2 of this proceeding. We affirm the ALJ's ruling.

An evidentiary hearing on phase 1 issues (items 3, 4, and 5 above) was held on February 5, 1992 in San Diego. At the

hearing, DRA and SDG&E offered into evidence Exhibit 402 - Joint Recommendation of the Division of Ratepayer Advocates and San Diego Gas & Electric Company Regarding the 1991 Electric Rate Design Window Filing of San Diego Gas & Electric Company (U 902-M). This exhibit was served on all appearances in SDG&E's general rate case proceeding. There are no objections to the joint recommendation. Exhibit 402 is received into evidence.

DRA and SDG&E reached agreement on their respective positions concerning phase 1 issues and jointly recommend that the Commission authorize SDG&E to:

1. Adopt a new interruptible schedule, Schedule I-3, based on the existing Schedule I-2 with the addition of Schedule A-E2's contact closure signal,
2. Close Schedule I-1 and I-2 to new customers,
3. Terminate Schedule I-1 and Schedule I-2 no later than May 1, 1997,
4. Adopt a new revised experimental general service rate schedule, Schedule LR, subject to review in SDG&E's next general rate case, and
5. Adopt additional minor tariff modifications as presented in Section V of SDG&E's rate design window filing, with the exception of the Schedule D-SMF space discount. The Schedule D-SMF space discount is to be equal to that provided to the Schedule DT customers, which will be decided in phase 2 of this proceeding.

The proposed schedules which implement these recommendations are attached as Appendix A to the joint recommendation.

SDG&E created new Schedule I-3 to replace Schedules I-1 and I-2 because of the mismatch between cost, performance, and benefits under the existing interruptible schedules. DRA agrees in

principle with SDG&E's proposed I-3 tariff noting that this schedule is generally consistent with DRA's proposals in the Pacific Gas and Electric Company Test Year 1993 General Rate Case. DRA also expressed support in principle for SDG&E's recommendation to close Schedules I-1 and I-2 to new customers with the understanding that the Commission not give existing Schedule I-1 and I-2 customers any guarantee that the terms of their agreements with SDG&E will be preserved until the contracts expire. DRA noted that review of SDG&E's interruptible tariffs in its pending general rate case may result in changes to the contract terms under Schedule I-1 and Schedule I-2 or even cancellation of the contracts altogether.

We agree that SDG&E's request for a new interruptible schedule, Schedule I-3, should be granted. We shall review Schedules I-1 and I-2 in SDG&E's pending general rate case, A.91-11-024.

Finally, DRA recommends that the Commission postpone consideration of proposed Schedule LR to SDG&E's pending general rate case. Alternatively, DRA proposes that the Commission approve Schedule LR in this proceeding with an automatic expiration concurrent with the Commission's decision in the rate design phase of SDG&E's pending general rate case. DRA's alternate recommendation is intended to allow SDG&E to implement Schedule LR without delay but ensure further examination of the proposal in the SDG&E general rate case.

Schedule LR was designed to address the special needs of customers with power generation facilities that are not fully met under the current rate structure. The schedule is intended to provide SDG&E with another method of peak reduction. Since this is an experimental schedule, we see no reason why it should not be implemented now with the understanding that termination or modification be considered in the general rate case, when there would be more data available. SDG&E's request should be granted.

In summary, we conclude that the joint recommendation (Exhibit 402) should be adopted, and SDG&E authorized to file the tariff sheets in Appendix A to the joint recommendation to be effective on May 1, 1992.

Comments on ALJ's Proposed Decision

The ALJ's proposed decision was filed and mailed to parties on March 20, 1992. No party has filed comments on the proposed decision. Accordingly, no modifications to the proposed decision are necessary.

While no modifications are necessary to the ALJ's proposed decision, we will take notice of a decision (D.92-04-061) being issued today in SDG&E's ECAC application A.91-09-059. D.92-04-061 adopts rates which reflect the agreed upon rate design proposals in the joint recommendation (Exhibit 402) as well as modifications necessitated by other Commission orders. The rates adopted in D.92-04-061 will apply to this proceeding and will become effective on May 1, 1992.

Findings of Fact

1. The rate design proposals contained in the joint recommendation do not change SDG&E's System or Class Revenue Allocations.
2. These rate design proposals result in a revenue recovery that better reflects cost causation.

Conclusion of Law

The joint recommendation, as modified in D.92-04-061, is reasonable and in the public interest. Therefore, it should be adopted.

INTERIM ORDER

IT IS ORDERED that:

1. Effective May 1, 1992, San Diego Gas & Electric Company's rates shall be the rates adopted in Decision 92-04-061.

2. This proceeding remains open for hearings on phase 2 - mobile home park rate design issues.

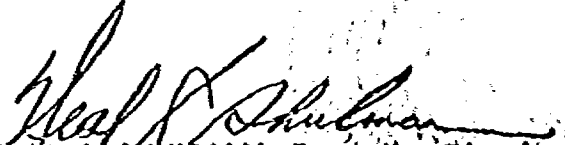
This order is effective today.

Dated April 22, 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. SHULMAN, Executive Director