

Mailed

AUG 12 1992

Decision 92-08-044 August 11, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHERN CALIFORNIA EDISON COMPANY )  
(U 338-E) for Authority to Increase )  
its Authorized Level of Base Rate )  
Revenue Under the Electric Revenue )  
Adjustment Mechanism for Service )  
Rendered Beginning January 1, 1992, )  
and to Reflect this Increase in )  
Rates. )

**ORIGINAL**

Application 90-12-018  
(Filed December 7, 1990)

And Related Matters. )

I.89-12-025  
(Filed December 18, 1989)

I.91-02-079  
(Filed February 21, 1991)

O P I N I O N

Southern California Edison Company (Edison) and the Division of Ratepayer Advocates (DRA) have joined in filing a motion requesting that the Commission suspend until November 10, 1992 the effective date of that portion of Decision (D.) 92-07-083 relating to software capitalization. In D.92-07-083 the Commission determined that certain changes relative to 1990 and 1991 software costs offered by Edison were "unnecessary" and that rehearing of D.91-12-076 on this subject was "unwarranted."

In supplemental testimony submitted on April 20, 1992, Edison has requested that it be permitted to capitalize approximately \$41 million of the software expenditures it incurred in 1990 and 1991. The moving parties claim that Commission approval of Edison's supplemental request may result in substantial tax benefits which can be flowed through to ratepayers. Indeed Edison alleges that the base rate revenue requirement reduction may approximate \$53 million. For this reason, and in order to obtain

the additional time necessary to analyze Edison's proposal, DRA has joined in the temporary suspension request. The moving parties assert that they will use the additional time to craft a settlement that is more beneficial to ratepayers than the status quo, and which will also allow Edison to avoid a write-off of 1990 and 1991 capitalized software costs.

In order to facilitate the ongoing Edison/DRA negotiations, and based on the moving parties' representations that doing so will result in ratepayer benefits that would otherwise be lost if we fail to act, we will grant the motion, and temporarily suspend until November 10, 1992, those provisions of D.92-07-083 which address 1990 and 1991 software costs. However in doing so, we hereby place the moving parties on notice that we expect their settlement will embody substantial benefits which are at least as favorable to ratepayers as those outlined in the joint motion, if not more so. In addition, we wish to see this matter concluded as soon as possible, and we will not look favorably upon any request to extend this temporary suspension beyond November 10, 1992.

Findings of Fact

1. Edison and DRA are in the midst of negotiating a proposal relative to 1990 and 1991 software costs that will ultimately result in substantial ratepayer benefits.

2. It is in the public interest to temporarily suspend those provisions of D.92-07-083 relative to 1990 and 1991 software costs until November 10, 1992, in order to provide the moving parties additional time to craft a settlement which will be more beneficial to ratepayers than the status quo.

Conclusion of Law

Notice of this matter did not appear on the Commission's public agenda; however, an emergency exists in that substantial revenue requirements reductions will be lost unless the provisions

of D.92-07-083 relative to 1990 and 1991 software costs are temporarily suspended.

O R D E R

1. Those provisions of Decision (D.) 92-07-083 which specifically address 1990 and 1991 software costs are hereby suspended until November 10, 1992.

2. In conformance with Article 2 of the Commission's Rules of Practice and Procedure, Southern California Edison Company and the Division of Ratepayer Advocates shall file a compliance report in this docket no later than October 15, 1992, containing a final status report on their negotiations over 1990 and 1991 software costs, and advising whether the partial suspension of D.92-07-083 can be lifted at the Commission's public meeting on November 6, 1992.

This order is effective today.

Dated August 11, 1992, at San Francisco, California.

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

Commissioner John B. Ohanian,  
being necessarily absent, did  
not participate.

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