

Mailed
SEP 4 1992

Decision 92-09-046 September 2, 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.)

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)

Case 92-07-056
(Filed July 27, 1992)

TWELFTH INTERIM OPINION REOPENING PHASE 2

1. Summary

Phase 2 of Southern California Edison Company's (Edison's) test year 1992 general rate case (GRC) is reopened on the Commission's own motion to consider issues related to Edison's Rate Schedules GS-1 and GS-2. Revenues collected by Edison under Schedule GS-2 are made subject to refund pending review of the impact of transferring customers to that schedule and the need for a phase-in mechanism to mitigate adverse impacts. Case (C.) 92-07-056, a complaint filed by Universal Forest Products, Inc. (Universal), is consolidated with the GRC dockets.

2. Background

Decision (D.) 92-06-020 decided revenue allocation and rate design issues in Edison's test year 1992 GRC. Among other things, it adopted Edison's uncontested proposals to:

Eliminate Schedules GS-SP and GS-TP and reestablish Schedule GS-1, which had been eliminated by D.87-12-066.

Require Lighting, Small and Medium Power customers with demand in excess of 20 kilowatts (kW) to take service on Schedule GS-2 or another applicable demand rate schedule.

As a result of these changes, which became effective June 7, 1992, approximately 17,000 general service (non-residential) customers were transferred to Schedule GS-2 and required to begin paying demand charges.

Correspondence and informal complaints received by this Commission following the issuance of D.92-06-020 indicate that the transfer of certain general service customers to a demand-based rate schedule may have resulted in dramatic and unintended rate shock. Our staff reports that many small businesses and churches have experienced substantial increases in their monthly electric bills, in some cases as much as 200%. The transfer's impact is also the subject of a formal complaint (C.92-07-056) by Universal.

3. Discussion

Without prejudging factual questions regarding the extent of problems caused by transferring customers to Schedule GS-2, or the nature of any mitigation measures which may be appropriate, we are persuaded that we should take action at this time to protect the interests of affected ratepayers. Pending an expedited review of Schedules GS-1 and GS-2, we will provide that the revenues collected by Edison under Schedule GS-2 from customers who were transferred to that schedule pursuant to D.92-06-020 be made subject to refund to those customers. If, following review, we determine that mitigation measures are appropriate, we will then be able to apply such measures retrospectively to today's date.

To initiate the review process, we will reopen Phase 2 of this GRC and direct Edison to file a response setting forth a bill

impact analysis and any proposals it may have for mitigating the impact of the transfer of customers to Schedule GS-2. The response will be due September 11, 1992. Other parties may file replies, including alternative proposals, by September 21, 1992.

Evidentiary hearings are not anticipated, but the need for them will be determined after September 21. Because it raises the same or similar issues, C.92-07-056 (the Universal complaint) will be consolidated with the GRC dockets for purposes of this review.

Findings of Fact

1. D.92-06-020 adopted Edison's uncontested proposals to eliminate Schedules GS-SP and GS-TP, reestablish Schedule GS-1, and require customers with demand in excess of 20 kW to take service on Schedule GS-2 or another applicable demand rate schedule.

2. Approximately 17,000 general service customers were transferred to Schedule GS-2 and required to begin paying demand charges.

3. Transfer of general service customers to a demand-based rate schedule may have resulted in dramatic and unintended rate shock.

4. The transfer is the subject of C.92-07-056.

Conclusions of Law

1. The rates in Edison's Schedule GS-2 should be made subject to refund as provided in the following order.

2. Phase 2 of this GRC should be reopened and consolidated with C.92-07-056.

3. Notice of this matter did not appear on the Commission's public agenda; however, an emergency exists in that the transfer of customers to Schedule GS-2 may have created unanticipated adverse rate impacts which will continue until and unless the Commission acts, which justifies our action today under Public Utilities Code Section 306(b).

TWELFTH INTERIM ORDER

IT IS ORDERED that:

1. Phase 2 of Southern California Edison Company's (Edison) test year 1992 general rate case is reopened on the Commission's own motion to consider issues related to Edison's electric rate Schedules GS-1 and GS-2.

2. Case 92-07-056 is consolidated with Application 90-12-018, Investigation (I.) 89-12-025, and I.91-02-079.

3. Revenues collected by Edison under Schedule GS-2 from customers who were transferred to that schedule pursuant to Decision 92-06-020 are subject to refund to those customers pending Commission review of the impact of transferring customers to that schedule and the need for a phase-in mechanism to mitigate adverse impacts.

4. Edison shall file a response setting forth a bill impact analysis and any proposals it may have for mitigating the impact of the transferring customers with demands in excess of 20 kilowatts to Schedule GS-2. The response is due September 11, 1992. Other parties may file replies, including alternative proposals, by September 21, 1992.

This order is effective today.

Dated September 2, 1992, at San Francisco, California.

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

Commissioner Patricia M. Eckert,
being necessarily absent, did not
participate.

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