

ALJ/AVG/p.c

Mailed

Decision 92-10-033 October 21, 1992

OCT 21 1992
ORIGINAL

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 Charges for Electric, and to
Increase Its Rates and Charges for
Gas and Steam Service.
(U 902-M)

Application 87-12-003
(Rate Design Window
Application Filed
November 25, 1991)

(See Appendix A for appearances.)

FINAL OPINION

Summary of Decision

This decision revises the discount provided by San Diego Gas & Electric Company (SDG&E) to its mobile home park master-metered customers served by Schedule DT.

Background

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 offset proceeding and as a mechanism to resolve numerous tariff cleanup 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 master-metered customers (Schedule DT);
2. Add a minimum average rate (MAR) applicable to all master-metered customers served by Schedule DT;
3. Add a new interruptible schedule (Schedule I-3);
4. Add a new semi-real-time pricing option (Schedule LR); and

5. Make several tariff corrections and language changes to provide clarity.

The Commission issued interim opinion D.92-04-062 in the first phase of the rate design window which resolved Items 3, 4, and 5 of SDG&E's proposal. Consideration of issues pertaining to the discount provided to mobile home park customers (Items 1 and 2 of SDG&E's proposal) was deferred to the second phase (Phase II) at the request of Western Mobilehome Association (WMA).

Hearings in Phase II of the proceeding were held on June 23, 1992 in San Diego before Administrative Law Judge Garde. The matter was submitted upon the receipt of the transcript on July 3, 1992.

SDG&E and WMA were the only participants in Phase II hearings.

At the hearings, SDG&E and WMA jointly sponsored an exhibit (Ex. 100) which resolved all disagreements between SDG&E and WMA regarding the discount provided to master-metered customers at mobile home parks under Schedule DT.

Schedule DT customers are typically mobile home park owners who provide submetered service to their tenants. SDG&E's Schedule DT is applicable to service for domestic lighting, heating, cooking, water heating, and power service supplied to multi-family accommodations in a mobile home park served through one master meter on the premises and submetered to all individual tenants. Schedule DT provides a discount to the master-metered customer for maintaining the distribution system within the mobile home park and for reading meters and billing individual tenants. The individual tenants pay the same rate for their electricity as any other SDG&E residential customer.

In Ex. 100, SDG&E and WMA proposed a revised Schedule DT (Appendix B to this order) which provides a discount of \$0.232 per space per day to master-metered customers. According to SDG&E and WMA, the agreed-upon discount approximates SDG&E's cost of

providing service comparable to that provided by Schedule DT customers to their tenants, and the implementation of this discount is consistent with Public Utilities Code § 739.5.

SDG&E and WMA also propose a formula for escalation of the discount which is to remain in effect until the year 2002. SDG&E and WMA agree to raise the discount periodically, not less than annually, according to the formula which is shown in Appendix C to this order.

In addition to agreeing with WMA regarding Schedule DT and the escalation formula, SDG&E also agreed to withdraw its recommendation to include a MAR within Schedule DT (Item 2 of SDG&E's proposal). According to SDG&E, it may, at its own discretion, propose the adoption of a MAR for its Schedule DT anytime in the future.

SDG&E and WMA request that the Commission adopt the provisions of Ex. 100.

Discussion

The proposed discount in Ex. 100 approximates SDG&E's cost of providing service comparable to that provided by Schedule DT customers to their tenants. Accordingly, it will not require SDG&E's other customers to subsidize mobile home park customers. We will adopt the agreed-upon discount of \$0.232 per day per space for SDG&E's Schedule DT.

The formula for escalation appears to produce results which will maintain future discounts at levels which approximate SDG&E's future costs of providing service comparable to that provided by Schedule DT customers. We will adopt it.

Findings of Fact

1. On November 25, 1991, SDG&E made its electric rate design window filing which, among other things, seeks to modify the discount provided in Schedule DT to mobile home park master-metered customers.

2. In its rate design window filing, SDG&E also requests addition of a MAR applicable to all master-metered customers served by Schedule DT.

3. WMA opposed SDG&E's rate revisions as proposed.

4. SDG&E and WMA now agree to revise Schedule DT so that it will provide a discount of \$0.232 per space per day to mobile home park master-meter customers. The revised Schedule DT is included in Appendix B.

5. The proposed discount of \$0.232 per space per day approximates SDG&E's cost of providing service comparable to that provided by Schedule DT customers to their tenants.

6. SDG&E and WMA propose a formula for escalating the discount which will result in maintaining future Schedule DT discounts at levels which will approximate SDG&E's future costs of providing service comparable to that provided by Schedule DT customers to their tenants. The formula for escalating the discount is included in Appendix C.

7. SDG&E has withdrawn its proposal to add a MAR to master-metered customers served by Schedule DT.

Conclusions of Law

1. The revised Schedule DT in Appendix B should be adopted.
2. The formula for escalating discounts for Schedule DT shown in Appendix C should be adopted.
3. Since all outstanding issues in this rate design window filing have been addressed, this proceeding should be closed.

FINAL ORDER

IT IS ORDERED that:

1. San Diego Gas & Electric Company (SDG&E) is authorized to file revised Schedule DT for electric service to mobile home parks attached to this order as Appendix B.

2. SDG&E is authorized to revise the Schedule DT discount provided to master-metered customers in accordance with the escalation formula included in Appendix C to this order. Such revisions shall not be made more than once a year.

3. The escalation formula shall remain in effect until the year 2002 or until further order of the Commission.

4. Application 87-12-003 is closed.

This order is effective today.

Dated October 21, 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. SCHULMAN, Executive Director
PB

APPENDIX A
Page 1

Applicant: Barton M. Myerson, David R. Clark, Thomas G. Hankley, Jeffrey L. Guttero, Attorneys at Law, and Lee Schavrien, for San Diego Gas & Electric Company.

Interested Parties: Armour, St. John, Wilcox, Goodin & Schlotz, by James D. Squeri, Attorney at Law, for Kelco Division of Merck and Company; Morrison & Foerster, by Jerry R. Bloom and Joseph M. Karp, Attorneys at Law, for University Cogeneration, Inc.; Biddle & Hamilton, by Richard C. Hamilton, Attorney at Law, for Western Mobilehome Association; Muns, Mehalick & Lynn, by Richard A. Magalski, Attorney at Law, for San Diego County Mineral Products Industry; Robert L. Gnaizda, Attorney at Law, for American G.I. Forum (California), League of United Latin American Citizens (California), and Filipino American Political Association (California); Julianne B. D'Angelo and James R. Wheaton, Attorneys at Law, for the Center for Public Interest Law; Carol B. Henningson and James M. Lehrer, Attorneys at Law, and John P. Hughes, for Southern California Edison Company; Roger J. Peters and Michelle L. Wilson, Attorneys at Law, for Pacific Gas and Electric Company; Antonia D. Radillo, Attorney at Law, for California Energy Commission; William S. Shaffran and Leslie J. Girard, Deputy City Attorneys, for John W. Witt, City Attorney; Michael Shames, Attorney at Law, for UCAN; Michel Florio, Attorney at Law, for Toward Utility Rate Normalization; Steven Geringer, Attorney at Law, for California Farm Bureau Federation; Jeff Carver, Attorney at Law, for Department of the Navy; Dave Follett and Peter N. Osborn, Attorneys at Law, for Southern California Gas Company; Norman J. Furuta, Attorney at Law, for Federal Executive Agencies; Thomas P. Corr, Attorney at Law, for Energy Factors, Inc., EUA Cogenex Corporation, Hawthorne Engine Systems, Micro Cogen Systems, Inc., and Teal-Tech, Inc.; David R. Branchcomb, for Henwood Energy Services, Inc.; Matthew V. Brady, for California State Department of General Services; Sam De Frawi, for Naval Facilities Engineering Command; Eric Eisenman, for Enron Corporation/Transwestern Pipeline Company; Jeffrey P. Harris, for California Institute of Energy Efficiency; William Marcus, for JBS Energy; John D. Quinley, for Cogeneration Service Bureau; Donald G. Salow, for Association of California Water Agencies; Reed V. Schmidt, for California City-County Street Light Association; Harry K. Winters, for University of California; Don Klein, for Rate Watcher; Michael Cashman, II, for San Diego Unified School District; Kevin M. Crozier, for Golden Gourmet Mushrooms; Robert Helt, for General Dynamics Corporation; Keith Johnson, for General Atomics; Barry J. Lovell, for University Cogeneration, Inc.; Richard T. Sperberg, for Onsite Energy; R&W Consultants, by Paul A. Weir, for San Diego Mineral Products Industry Coalition; and Edward J. Neuner, for himself.

APPENDIX A
Page 2

Division of Ratepayer Advocates: Timothy E. Treacy, Philip Scott Weismehl, and Ira Kalinsky, Attorneys at Law, and David Fukutome.

(END OF APPENDIX A)

San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. _____
Cancelling Revised Cal. P.U.C. Sheet No. _____

Sheet 1 of 5

SCHEDULE DT

SUBMETERED MULTI-FAMILY SERVICE - MOBILE HOME PARK

APPLICABILITY

This schedule is applicable to service for domestic lighting, heating, cooking, water heating, and power service supplied to multi-family accommodations in a mobile home park through one meter on a single premises and submetered to all individual tenants in accordance with the provisions of Rule 19.

TERRITORY

Within the entire territory served by the utility.

RATES

Energy Charge:	Per Meter Per Month			
	Low-Income*		Regular**	
	Baseline	Non-Baseline	Baseline	Non-Baseline
Base Rates per kWh ...	\$0.05318	\$0.07491	\$0.06767	\$0.09323
ECAC and AER per kWh .	.02874	.02874	.02874	.02874
Total per kWh ...	\$0.08192	\$0.10365	\$0.09641	\$0.12197

* Applicable to the baseline and non-baseline quantities determined from the mobile home spaces utilizing service that qualify as low-income households under the provisions of Special Condition 9.

** Applicable to the baseline and non-baseline quantities determined from the mobile home spaces utilizing service that are not low-income households.

Discount:
The charges as determined using the above Energy Charge will be reduced by \$0.232 per day for each mobile home space utilizing electric service.

Minimum Charge:
The Regular minimum charge shall be \$0.164 per day. The Low-Income minimum charge shall be \$0.139 per day.

Energy Cost Adjustment and Annual Energy Rate (AER):
An Energy Cost Adjustment, as specified in Section 9. of the Preliminary Statement, and an AER, will be included in each bill for service. The Energy Cost Adjustment and AER amount shall be equal to the sum of the products resulting from multiplying the applicable baseline and non-baseline kilowatt-hours by their respective baseline and non-baseline Energy Cost Adjustment and AER rates shown above.

(Continued)

Advice Ltr. No. _____
Decision No. _____

Issued by
DONALD E. FELSINGER
Vice President
Marketing & Resource Development

Date Filed _____
Effective _____
Resolution No. _____

San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. _____
Cancelling Revised Cal. P.U.C. Sheet No. _____

Sheet 2 of 5

SCHEDULE DT

RATES (Continued)Franchise Fee Differential:

A franchise fee differential of 1.9% will be applied to the monthly billings calculated under this schedule for all customers within the corporate limits of the City of San Diego. Such franchise fee differential shall be so indicated and added as a separate item to bills rendered to such customers.

The Non-Baseline rates are for energy used in excess of the baseline allowance.

SPECIAL CONDITIONS

1. Multiplier. In determination of the multiplier it is the responsibility of the customer to advise the utility within 15 days following any change in the number of residential dwelling units wired for service.
2. Miscellaneous Loads. Miscellaneous electrical loads such as general lighting, laundry rooms, general maintenance, and other similar usage incidental to the operation of the premises as a multi-family accommodation will be considered as domestic usage.
3. Exclusions. Electric energy for non-domestic enterprises such as rooming houses, boarding houses, dormitories, rest homes, military barracks, transient trailer parks, stores, restaurants, service stations and other similar establishments must be separately metered and billed under the applicable general service schedule.
4. Baseline and Non-Baseline Quantities.
 - a. Baseline Quantities. The customer shall receive a baseline quantity for the low-income and non low-income single-family accommodations which are supplied submetered service by the customer. The total baseline quantity shall be equal to the basic allowance times the number of applicable single-family accommodations served through the meter plus any additional quantities as may be justified based upon load information supplied by the customer. It is the responsibility of the customer to advise the utility within 15 days following any change in loads eligible for baseline allowances. For billing purposes, the total baseline quantity shall be prorated among the low-income and regular baseline rates according to the proportion of qualifying low-income and non-qualifying single-family accommodations.
 - b. Non-Baseline Quantities. The total non-baseline quantity shall be determined as the difference between total customer sales and the total baseline quantity (low-income plus non low-income). For billing purposes, the total non-baseline quantity shall be prorated among the low-income and regular non-baseline rates according to the proportion of qualifying low-income and non-qualifying single-family accommodations.

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Cancelling Revised Cal. P.U.C. Sheet No. _____

Sheet 3 of 5

SCHEDULE DT

SPECIAL CONDITIONS (Continued)

5. Load Checks. The utility has the right to make load checks to verify the possession and use of appliances for which baseline quantities are being allowed. In the event that a customer is found, by load check, not to have the necessary appliances to qualify for a specific baseline quantity previously declared by the customer, the utility shall have the right to rebill the customer's previous 11 months' bills using the baseline quantities found to be appropriate.

6. Baseline Rates. Baseline rates are applicable only to separately metered residential usage.

7. Baseline Usage. The following quantities of electricity are to be billed at the rates for baseline usage:

	Code	Daily kWh Allowance Per Residential Unit For Climatic Zones*		
		1	2	3
Basic Allowance				
Summer (May 1 to October 31, inclusive)	B	8.3	9.9	11.4
Winter (November 1 to April 30, inclusive)	B	8.3	9.9	8.3
All Electric**				
Summer (May 1 to October 31, inclusive)	C	9.8	14.6	19.5
Winter (November 1 to April 30, inclusive)	C	16.6	26.5	21.5

Where it is established that the regular use of a medical life-support device is essential to maintain the life of a full-time resident of the household or that a full-time resident of the household is a paraplegic, quadriplegic, hemiplegic, multiple sclerosis, or scleroderma patient, the customer is eligible for a standard daily medical baseline allowance in addition to the standard daily nonmedical baseline allowance. The amount of the additional allowance shall be 16.5 kWh per day.

Where it is established that the energy required for a life-support device (including an air conditioner or space heater) exceeds 16.5 kWh per day, the additional allowance will be granted in increments of 16.5 kWh per day until the estimated daily usage of the device is covered.

* Climatic Zones are shown on the Territory Served, Map No. 1.
** All Electric allowances are available upon application to those customers who have permanently installed space heating or who have electric water heating and receive no energy from another source.

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Cancelling Revised Cal. P.U.C. Sheet No. _____

Sheet 4 of 5

SCHEDULE DT

SPECIAL CONDITIONS (Continued)

7. Baseline Usage. (Continued)

The utility may require certification by a doctor of medicine or osteopathy, licensed to practice medicine in the State of California, that a particular device is necessary to sustain the resident's life.

By granting the baseline allowances set forth above, the utility does not guarantee a continuous and sufficient supply of energy. The supply of all energy by the utility is subject to the provisions of Rule 14.

8. Welder Service. Service under this schedule will be supplied to a welder load of 2.9 kVa or less at 240 volts, and to 0.5 kVa or less at 120 volts. Welders will be rated in accordance with Rule 2F-1.

9. Low-Income. In order for the customer to qualify to have some or all of his usage billed at a low-income rate(s), a single-family accommodation supplied submetered service by the customer must qualify as a Low-Income Household under the following provisions:

a. Low-Income Household. A Low-Income Household is a household where the total annual gross income from all sources is no more than what is shown on the table below based on the number of persons living in the household. The combined income of all persons from all sources, both taxable and non-taxable, shall be no more than:

<u>Number of Persons Living in Household</u>	<u>Total Annual Gross Income</u>
1 or 2	\$14,900
3	\$17,400
4	\$20,900
5	\$24,400
6	\$27,900
7	\$31,400

For Households with more than seven persons, add \$3,500 for each additional person. These annual gross income levels have been established pursuant to the Commission's Universal Lifeline Telephone Service (ULTS) Program guidelines and are subject to revision subsequent to the Commission's establishment of new levels no later than February 15 of each year.

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Revised Cal. P.U.C. Sheet No. _____

Cancelling Revised Cal. P.U.C. Sheet No. _____

Sheet 5 of 5

SCHEDULE DT

SPECIAL CONDITIONS (Continued)

9. Low-Income. (Continued)

- b. Application and Eligibility Declaration. An application and eligibility declaration on a form authorized by the Commission is required to be sent directly to the utility by each single-family accommodation that is supplied submetered service by the customer.
- Renewal of each single-family accommodation's eligibility declaration will be required every year. Eligibility applies to one residential location at any one time and only to a permanent primary single-family accommodation.
- c. Commencement of Rate. Eligible single-family accommodations will be reflected in the customer's billing commencing no more than one billing period after receipt of each application by the utility.
- d. Verification. Information provided by the applicant is subject to verification by the utility. Refusal or failure of a resident of a single-family accommodation to provide documentation of eligibility acceptable to the utility, upon request by the utility, shall result in the disqualification from the low-income rate(s) of this schedule.
- e. Notice From Resident/Customer. It is the responsibility of the resident of each single-family accommodation to notify the utility if there is a change in his eligibility status. It is the responsibility of the master metered customer to notify the utility immediately of the date each low-income tenant is no longer receiving service from the master metered customer. In addition, if the master metered customer is aware that the tenant may no longer qualify for reasons such as a change in the number of persons in the tenant's household, the master metered customer should notify the utility.
- f. Rebilling. Failure of the customer to abide by the utility's tariffs may result in rebilling or discontinuance of service in accordance with the utility's tariffs. The customer's account may also be rebilled consistent with Rule 18.
- g. Combined Rates. The low-income rates of this schedule may not be combined with any other schedule.
- h. Compliance. Customers receiving service under this schedule shall comply with the provisions of Public Utilities Code Section 739.5 in providing service to their submetered tenants. This includes, among other things, providing electric service to low-income tenants under the provisions of Schedule DR-LI of the utility's tariffs.

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APPENDIX C
Page 1

SCHEDULE DT PER SPACE DAILY DISCOUNT

DISCOUNT COMPONENT

ANNUAL ESCALATION

Weighted Average Investment	Escalates @ $1/3 \times$ CPI
Annual Carrying Cost	Varies with changes in interest and tax rates
O&M and Overhead Expense	Fixed at 5.07% of investment costs
Line Loss Adjustment	Escalates at average residential rate
Diversity Adjustment kWh	kWh \times (BL - NBL rate differential)
Customer Costs	Escalates at average retail rate

**ESCALATION FORMULA IN SUPPORT OF THE
SCHEDULE DT DAILY DISCOUNT PER SPACE**

I.	Weighted average per unit installation cost			
a.	Installation cost as of December, 1992		\$260.00	
b.	4th quarter average CPI as published by DRI ¹		142.4	
c.	Most recent CPI		142.4	
d.	(Ic - Ib)		0.00	
e.	Id x .33		0.00	
f.	(Ie + Ib) / Ib		1.00	
g.	Updated installation cost			\$260.00
II.	An Annual Carrying Charge of			14.65%
	will be used based on the following information from			
	the last CPUC decision addressing these items:			
a.	Federal income tax rate		34.00%	
b.	State income tax rate		9.30%	
c.	Property tax rate		1.20%	
d.	Capital structure and interest rates:			
		Capital	Interest	Cost of
		Structure	Rate	Capital
	Equity	49.50%	12.65%	6.26%
	Debt	44.50%	9.09%	4.05%
	Preferred	6.00%	7.31%	0.44%
				10.75%
e.	The Annual Carrying Charge will be revised when the			
	above numbers change based on a 35-year life.			
III.	Ownership cost		260.00	
a.	Installation cost		14.65%	
b.	Carrying charge			\$38.12
c.	Ownership carrying cost (I _g x II)			
IV.	Operating and Maintenance, Overhead Expenses			\$13.18
a.	I _g x 5.07%			
V.	Line Losses		\$0.10715	
a.	May, 1992 average residential rate		\$0.10715	
b.	Last adopted average residential rate			\$ 9.28
c.	Line loss adjustment (V _b / V _a x \$9.28)			
VI.	Diversity		\$0.12197	
a.	Last adopted non-baseline rate		\$0.09641	
b.	Last adopted baseline rate			(\$5.11)
c.	Diversity (- (VI _a - VI _b) x 200 kWh)			
VII.	Customer costs		\$0.09281	
a.	May, 1992 average retail rate		\$0.09281	
b.	Last adopted average retail rate			\$29.17
c.	Customer costs (VII _b / VII _a x \$29.17)			
VIII.	Total Annual Discount (III _c + IV _a + V _c + VI _c + VII _c)			\$84.64
IX.	Daily unit discount			\$0.232
a.	VIII / 365			

NOTE: The figures on this Appendix represent a compromise of the Parties' positions as expressed in their respective filings.

¹ Estimated. To be replaced with actual 4th quarter average CPI when data is available.