

Decision SZ OS 024 AUG 18 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND)
 ELECTRIC COMPANY for authority to)
 decrease its electric rates and)
 charges effective August 1, 1982,)
 and to establish an annual energy)
 rate and to make certain other)
 rate changes in accordance with)
 the energy cost adjustment clause)
 as modified by Decision No. 92496)
 and its electric tariffs.)

Application 82-06-08
(Filed June 3, 1982)

Application of PACIFIC GAS AND)
 ELECTRIC COMPANY for authorization)
 to carry out the terms and)
 conditions of an amendment dated)
 February 8, 1982 to an agreement)
 dated May 26, 1965 with CHEVRON,)
 U.S.A., INC.)
 (Gas))

Application 82-06-20
(Filed June 3, 1982)

INTERIM OPINION

By Application (A.) 82-06-08 Pacific Gas and Electric Company (PG&E) requests authority to decrease Energy Cost Adjustment Clause (ECAC) rates by an annual \$211,360,000, increase its Electric Revenue Adjustment Mechanism (ERAM) rates by \$19,211,000, and increase Annual Energy Rates (AER) rates by \$34,027,000 for a net

annual decrease of \$158,122,000. On the basis of updated information PG&E has revised its request as follows:

ECAC decrease	\$225,673,000
ERAM increase	58,727,000
AER increase	<u>34,577,000</u>
Net decrease	\$132,369,000

Fifteen days of public hearings on this application were held during July and August. Final briefs are due by September 7, 1982.

There are several aspects to this application which will require full consideration; however, our analysis of the record to date shows that any net rate decrease flowing from this application will amount to at least \$132,369,000 annually. As the warm weather of late summer approaches, promising higher electric bills for many customers, this is an opportune time to implement a rate decrease. Under these circumstances, it is clearly most appropriate to allow the \$132 million reduction to be put into effect immediately with a later decision resolving all further issues. In order to avoid prejudging issues related to the ERAM and AER rates, the decrease should be confined to ECAC rates.

PG&E proposes that the rate decrease be spread to all customer classes on an equal cents-per-kilowatt-hour (kWh) basis. This is a reasonable way to decrease rates as it is a continuation of a longstanding practice. The reduction will be .3¢/kWh. The estimated percent decrease in California jurisdictional gross revenues proposed for each class of service is shown below.

<u>Class</u>	<u>Percent Decrease</u>
<u>Residential</u>	
Lifeline	3.4
Nonlifeline	3.4
Total	3.4
Small Light and Power	2.8
Medium Light and Power	3.2
Large Light and Power	3.3
Public Authority	3.5
Agricultural	3.0
Streetlighting	1.6
Railway	3.5
Interdepartmental	3.2

Findings of Fact

1. By A.82-06-08, PG&E requests authority to reduce its electric rates and charges under the ECAC included in PG&E's electric tariff.

2. The proposed rates will decrease PG&E's electric revenues by about \$132 million annually.

3. Spreading the rate reduction among the customer classes on an equal cents-per-kWh basis is reasonable.

4. The reduction in rates and charges authorized by this decision is justified and reasonable; the present rates and charges, insofar as they differ from those prescribed by this decision, are for the future unjust and unreasonable.

Conclusions of Law

1. PG&E should be authorized to establish the revised ECAC billing factors set forth in the following order; these rates are just and reasonable.

2. In order to provide for timely implementation of the rate reduction, the order should be effective the date of signature.

INTERIM ORDER

IT IS ORDERED that Pacific Gas and Electric Company shall establish and file with this Commission, in conformity with the provisions of General Order 96-A, revised tariff schedules of ECAC billing factors as shown in Appendix A, and to revise its streetlighting rates accordingly. The revised tariff schedules shall become effective the date of filing but not earlier than August 23, 1982. The revised schedules shall apply only to service rendered on or after the effective date of this order. ✓

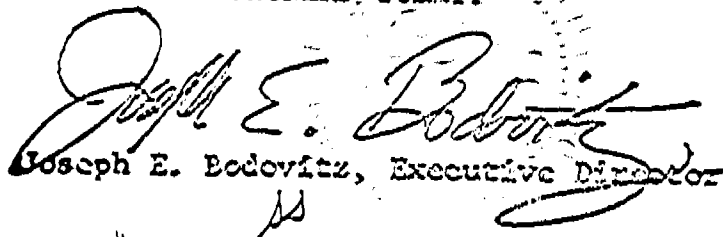
This order is effective today.

Dated August 18, 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
Commissioners

Commissioner Priscilla C. Grew,
being necessarily absent, did
not participate.

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


Joseph E. Bodovitz, Executive Director

APPENDIX A

Adopted Rates (\$/kWh)

Class	Present ^{1/} Base Rates	Present ECAC Rates	Adopted FCAC Rates	Present Effective Rates	Adopted Effective Rates
<u>Residential</u>					
Tier 1	.03964	.01836	.01640	.05800	.05604
Tier 2	.03964	.03866	.03601	.07830	.07565
Tier 3	.03964	.06607	.06249	.10571	.10213
<u>Non-residential</u>		.03868	.03630		

Time-of-Use ECAC Billing Factors

<u>Schedule A-21</u>	<u>Period A</u>	<u>Period B</u>
On-Peak	.06614	.05577
Partial-Peak	.03368	.03591
Off-Peak	.02310	.03084
<u>Schedules A-22 and A-23</u>	<u>Period A</u>	<u>Period B</u>
On-Peak	.04856	.04905
Partial-Peak	.04279	.03882
Off-Peak	.02614	.03045

^{1/} Includes AER = \$.00276/kWh
 SFA = \$.00002/kWh
 CFA = \$.00018/kWh

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There are several aspects to this application which will require full consideration; however, our analysis of the record to date shows that any net rate decrease flowing from this application will amount to at least \$132,369,000 annually. Under these circumstances, it is clearly most appropriate to allow the \$132 million reduction to be put into effect immediately with a later decision resolving all further issues. In order to avoid prejudging issues related to the ERAM and AER rates, the decrease should be confined to ECAC rates. KH

PG&E proposes that the rate decrease be spread to all customer classes on an equal cents-per-kilowatt-hour (kWh) basis. This is a reasonable way to decrease rates as it is a continuation of a longstanding practice. The reduction will be ~~0.0301¢~~^{0.03} kWh. The estimated percent decrease in California jurisdictional gross revenues proposed for each class of service is shown below. SS

as the warm weather of late summer approaches, promising high electric bills for many customers, this is an opportune time to implement a rate decrease.

Conclusions of Law

1. PG&E should be authorized to establish the revised ECAC billing factors set forth in the following order; these rates are just and reasonable.

2. In order to provide for timely implementation of the rate reduction, the order should be effective the date of signature.

INTERIM ORDER

IT IS ORDERED that Pacific Gas and Electric Company shall establish and file with this Commission, in conformity with the provisions of General Order 96-A, revised tariff schedules of ECAC billing factors as shown in Appendix A, and to revise its streetlighting rates accordingly. The revised tariff schedules shall become effective the date of filing but not earlier than ~~September~~ ^{August} 23, 1982. The revised schedules shall apply only to service rendered on or after the effective date of this order. CW

This order is effective today

Dated AUG 18 1982, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. CRIMES, JR.
VICTOR CALVO
Commissioners

Commissioner Priscilla C. Grow,
being necessarily absent, did
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APPENDIX A

Adopted Rates (\$/kWh)

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Tier 2	.03964	.03866	.03601	.07830	.07565
Tier 3	.03964	.06607	.06249	.10571	.10213

Non-residential

.03868 .03567

Time-of-Use ECAC Billing Factors

Schedule A-21

On-Peak

Period A

.06614

Period B

.05577

Partial-Peak

.03368

.03591

Off-Peak

.02310

.03084

Schedules A-22 and A-23

On-Peak

Period A

.04856

Period B

.04905

Partial-Peak

.04279

.03882

Off-Peak

.02614

.03045

Schedule PA-2X

On-peak

Period A

.06752

Period B

.05884

Partial-Peak

.03579

.03752

Off-Peak

.02945

.03100

^{1/} Includes AER = \$.00276/kWh
SFA = \$.00002/kWh
CFA = \$.00018/kWh