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Decision 82 10 068 OCT 20 1982

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## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 the SOUTHERN CALIFORNIA EDISON COMPANY )  
 for an ex parte order authorizing rates )  
 pursuant to its conservation load ) Application 61035  
 management adjustment clause (CLMAC), to ) (Filed November 2, 1981;  
 be made effective for electric service ) amended January 11, 1982)  
 rendered on and after January 1, 1982, )  
 to recover solar rebate program expenses. )

ORDER CLARIFYING AND MODIFYING D.82-08-011  
 AND DENYING REHEARING

A petition for rehearing of D.82-08-011 has been filed by the Southern California Edison Company (Edison). Edison also requests that the decision be clarified and modified in several respects. We have carefully reviewed each allegation of error and request for clarification or modification raised in the petition and are of the opinion that good cause for granting rehearing has not been shown. We also find Edison's proposed clarifications to be inappropriate, as we discuss more fully below. However, we will adopt Edison's requested modifications.

We first discuss Edison's requests for clarification. Edison asks that the Commission approve specific dollar amounts for its 1982 marketing efforts, its staff labor expenses, and its low income program. It also asks us to choose between two different marketing strategies. This is exactly what we declined to do in D.82-08-011. Rather, we adopted an offset rate designed to provide Edison with revenues sufficient to cover total

estimated costs of the program, and left to Edison's discretion and sound judgment the specific allocation of these revenues. It is not our proper role to make such determinations, and we again decline to do so.

We reiterate, however, the importance of Edison's exercising reasonable and prudent care in making those allocations. While we do not intend categorically to disallow every dollar in administrative costs which exceeds our \$222-per-unit goal, any overruns, particularly in areas criticized by the staff, will be carefully examined. Edison will be expected to provide full justification for any such overruns, both in its next demonstration solar financing program cost offset application and in hearings on that application.

The one area deserving further comment is that of Edison's low income program. Edison proposed a spending level of \$165,000 for 1982, while the staff proposed \$216,000. Both allocated an additional \$27,000 for bad debts. We intend that Edison carry out its proposed low income program as set forth in its application, in line with the Solar Advisory Low Income Subcommittee's favorable recommendations, but at the general level of funding proposed by the staff. This additional funding is appropriate, given the fact that Edison did not incur any expenses on a low income program in 1981. We expect Edison to proceed with its low income program with all due diligence.

Concerning Edison's proposed modifications, we first are of the opinion that it is reasonable to include Santa Catalina Island residents in the program and to apply the offset rate to them. Edison estimates the annual revenue impact will not exceed \$500. We expect Edison to use all reasonable means, within prudent budgetary limits, to inform these customers about the availability of the rebate program and to encourage them to participate in it.

Secondly, while not expressly stating it, D.82-08-011 has included Edison's proposed rate adjustment factor of 1.009% for franchise and uncollectible account expenses within its calculation of the adopted offset rate. We will clarify the decision accordingly. Therefore, ✓

IT IS ORDERED that:

1. Rehearing of D.82-08-011 is hereby denied.
2. D.82-08-011 is modified as follows:
  - a. The following language is added after the first full paragraph on page 7:

"We will make one exception to this, concerning expenditures for Edison's 1982 low income program. We expect Edison to proceed with all due diligence with the low income program set forth in its application, and in line with the Solar Advisory Low Income Subcommittee's recommendations. Because Edison incurred no expenses on such a program in 1981, we find it appropriate that Edison work within the general level of funding for the low income program proposed by the staff in its prepared testimony.

"Finally, we find no good reason to exclude Santa Catalina Island residents from the demonstration solar financing program, and authorize Edison to apply the adopted offset rate to those customers under the appropriate rate schedule. Edison should use all reasonable means, within prudent budgetary limits, to inform customers of the availability of the program and to encourage their participation."

- b. The following language is added to Finding 7, page 8:

"The calculation of this rate includes incorporation of a 1.009% rate adjustment factor for franchise and uncollectible account expenses."

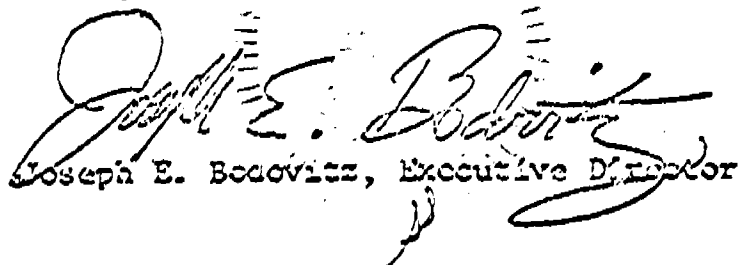
This order is effective today.

Dated OCT 20 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  
not participate

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

  
Joseph E. Bodovitz, Executive Director