Decision 82 12 068 DEC 15 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY for authority to establish a Major Additions Adjustment Billing Factor and an Annual Major Additions Rate to recover the costs of owning, operating, and maintaining San Onofre Nuclear Generating Station Unit No. 2, and to adjust downward net Energy Cost Adjustment Clause rates to equal the increase in Major Additions Adjustment Clause rates.

Application 82-02-40 (Filed February 18, 1982)

In the Matter of the Application of San Diego Gas & Electric Company to add a Major Additions Adjustment Clause (MAAC) to its electric tariffs, to adjust its electric rates in accordance therewith upon operating of San Onofre Nuclear Generating Station Unit 2, and to modify its Energy Cost Adjustment Clause (ECAC) rates.

Application 82-03-63 (Filed March 18, 1982)

ORDER ON PETITION TO MODIFY DECISION 82-09-111

On October 15, 1982 Southern California Edison Company (Edison) filed a petition requesting the Commission to modify Decision (D.) 82-C9-111. In its petition Edison requests that on or before January 1, 1983 the Commission modify its D.82-09-111 to require Edison to normalize the tax benefits applicable to San Onofre Nuclear Generating Station UNIT 2 (SONGS 2) commencing in 1982.

Edison states in its petition that it is concerned that failure on the part of the Commission to issue a rate order effective on or before January 1, 1983, which reflects the normalization of income taxes related to SONGS 2 as required by the Economic Recovery Tax Act of 1981 may be violative of the normalization requirements and thus result in the loss of Accelerated Cost Recovery System depreciation and Investment Tax Credit and the offsetting deferred taxes.

In our discussion on Edison's A.61138 for a general rate increase for test year 1983, we addressed the issue of the ratemaking income tax treatment for SONGS 2: therefore, the petition to modify D.82-09-111 is moot.

- On October 15, 1982 Edison also filed a Petition for Further Hearings on the Commercial Operating Date of SONGS 2. We have carefully reviewed the petition and find that it offers no facts or arguments which were not previously considered by this Commission. We are of the opinion that good cause for granting further hearings on the issues raised in the petition has not been shown.

This order should be effective today because it has issues common with the general rate case, A.61138, which we issued on December 13, 1982.

A.82-02-40, A.82-03-63 ALJ/rr/jn

IT IS ORDERED that. Southern California Edison Company's Petition to Modify D.82-09-111 and Petition for Further Hearings on Commercial Operating Date of SONGS 2 are denied.

This order is effective today.

Dated <u>DEC 15 1982</u>, at San Francisco, California.

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

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

Joseph B. Bodoviez,

Edison states in its petition that it is concerned that failure on the part of the Commission to issue a rate order effective on or before January 1, 1983, which reflects the normalization of income taxes related to SONGS 2 as required by the Economic Recovery Tax Act of 1981 may be violative of the normalization requirements and thus result in the loss of Accelerated Cost Recovery System depreciation and Investment Tax Credit and the offsetting deferred taxes.

In our discussion on Edison's A.61138 for a general rate increase for test year 1983, we addressed the issue of the ratemaking income tax treatment for SONGS 2: therefore, the petition to modify D.82-09-111 is moot.

On October 15, 1982 Edison also filed a Petition for Further Hearings on the Commercial Operating Date of SONGS 2. We have carefully reviewed the petition and Kind that it offers no facts or arguments which were not previously considered by this Commission. We are of the opinion that good cause for granting further hearings on the issues raised in the petition has not been shown.

This order should be effective on the same day as our decision in A.61138 since there are common issues in both.