Decision 83 03 059 MAR 16 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC POWER & LIGHT COMPANY under Section 454 of the Public Utilities Code of the State of California for authority to increase rates for electric service.	Application 60560 (Filed May 18, 1981; amended September 17, 1981)

(See Decisions 82-05-042 and 82-11-052 for appearances.)

Additional Appearance

James L. Dillon, for Siskiyou County and City of Yreka, interested party.

FINAL OPINION

Pacific Power & Light Company (Pacific) filed this application in May 1981 requesting a rate increase for 1982 and an attrition allowance for 1983. The Commission granted Pacific an interim increase by Decision (D.) 82-05-042 dated May 4, 1982. In that decision the Commission commented that Pacific's request for an attrition allowance and the mechanism to calculate the allowance was a proposal to fully insulate the company from all cost changes in such a way that a risk-free, cost-plus operating environment would be created. Therefore, the Commission denied the request and invited Pacific to file a 1983 attrition allowance patterned after those authorized for Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) in D.93887 and D.93892, respectively. Responding to that invitation Pacific filed Advice Letter 172 on November 30, 1982 requesting an adjustment in revenue for 1983 of $8.5 million which would require a 24.5% increase in rates. By D.82-12-071 dated December 15, 1982 the Commission issued its final opinion on Pacific's request for its 1982 test year rate increase. The Commission commented that because of the size of the attrition increase requested, and the fact that during earlier hearings there was considerable opposition to an attrition allowance, hearings on the request might be required. Accordingly, the Commission held this application open for the sole purpose of possible hearings on the attrition allowance request. The Commission stated further that the assigned administrative law judge (ALJ) for this application could consolidate the advice letter with the application by an ALJ ruling. The ALJ did this by a ruling issued January 10, 1983. Hearings on the attrition request were held January 27 and 28 and submitted on receiving two late-filed exhibits. The matter is now ready for decision.

Decision Summary

Pacific through Advice Letter 172 requested an increase in revenues for 1983 of $8.5 million which would require an overall increase of 24.5% in rates. This decision grants the Commission staff's recommendation, which is concurred in by Pacific, of $7.057 million which will require an 18% increase in rates over those granted in December 1982 by D.82-12-071.

Almost 70% of the $7.057 million increase or $4.913 million comprises federal income tax. The inordinately large federal income tax results from using up investment tax credits in previous years for ratemaking purposes, and the effects of the Economic Recovery Tax Act (ERTA). ERTA requires a larger tax than in past years because of its requirement for normalization of depreciation tax credits in lieu of flowing through those tax credit benefits to the ratepayers.

The other large expense increase for 1983 is for operating and maintenance expenses; they totaled $2.051 million of the $7.057 million and represented an increase of 10%, 1983 over 1982.

Results of Operations - 1983

During the attrition hearings Pacific revised its advice letter estimates of 1983 results of operations. The staff filed its estimates at the hearing and made a revision in an allocation as a result of cross-examination; that revision was reflected in late-filed Exhibit 72 of staff witness Joshi. Tables 1 and 2 are extracted from Joshi's Exhibit 72. Pacific concurs in the staff's results on Tables 1 and 2 for the purposes of the attrition phase of this application.

Other than the allocation matter which led to the revision of the staff's exhibit, there were no disputed estimates except for the income tax credit applied in calculating income tax liability for 1983. Toward Utility Rate Normalization (TURN), an organization which has been active in the last two applications of Pacific, disputed the way the staff and Pacific calculated income tax for 1983 because of the Commission's position on tax credits in D.82-05-042, the interim decision in May 1982. TURN's position is that if there are tax credits available for 1983, they should be used to reduce the revenue requirement found reasonable by the Commission regardless of why they are available; that reduction in income taxes would result from the application of the credits during the test year 1983.[1] TURN bases its position primarily on the discussion of this matter by the Commission in D.82-05-042 at mimeo pages 16 and 17. In particular, TURN quotes the following paragraph from that decision at mimeo page 17:

> "The record is quite clear that on its tax returns for 1982 Pacific will have a large amount of ITC available, most of it carried forward from 1977 through 1981; and regardless of why these credits are there, they are available and can be used by Pacific to reduce its tax liability for 1982 and this should be flowed through to the ratepayers."

For the results of operations we will adopt for 1983 we view the application of ITC differently because different circumstances exist. We note that no evidence for D.82-05-042 and

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[1] By late-filed Exhibit 68 Pacific states that the estimated pre-1981 income tax credit (ITC) available for book purposes to California is $1.081 million; however, in the adopted 1982 results, all pre-1981 ITC was used to reduce the revenue requirement including the $1.081 million.

D.82-12-071 was adduced which showed that the credits used to reduce the income tax in the results of operations adopted in those two decisions were used for ratemaking purposes for any test year prior to the 1982 test year. We note also the results of operations for 1983 reflect the second test year of a two-year period. We must, in this case, adopt the staff's and Pacific's position that the credits available have already been used to reduce the revenue requirement for the 1982 test year by a significant amount. If for some reason Pacific were not able to use those credits for tax purposes in 1982 and could still use them in 1983, it would be inappropriate to apply them to the 1983 revenue requirement because we would be using the same credits that were used to reduce the 1982 revenue requirement; this would give ratepayers a double credit because of the two-year nature of this proceeding. We further note, and will comment more on it later, that Pacific did not receive the entire increase in revenue requirement we found reasonable in our final decision on the 1982 test year, D.82-12-071 issued last December. If Pacific has the credits available in 1983 because it did not earn the revenue requirement we found reasonable for the rate year 1982, then it is reasonable to let Pacific apply those credits on its 1983 results of operations and thereby receive the benefit it did not receive in 1982.

TURN questioned whether the staff had followed the attrition procedures used for PG&E and SDG&E. Staff replied it was required to make some adaptations because of the nature of the ratemaking procedures used for PG&E, SDG&E, and Pacific. TURN moved for a staff or Pacific recalculation of the attrition allowance based on the exact method used for PG&E and SDG&E but withdrew the motion after the staff explained it could not be done given the method used to estimate Pacific's results of operations for 1982. Staff has put Pacific on notice that future rate proceedings will employ the attrition procedures followed by PG&E and SDG&E that were developed subsequent to Pacific's basic general rate case filing (A.60560).

In the absence of any other issues and because of the concurrence of Pacific, we will adopt the results of operations of the staff as shown on Tables 1 and 2 for ratemaking purposes for 1983. It will be noted that the adopted rate of return is 12.31% in lieu of the 12.08% we used for test year 1982. The difference is due to an updating of Pacific's debt obligations; return on equity remains at 16%.

Table 1

Pacific Power & Light Company
Results of Operations*
State of California
Attrition Year 1983
(Dollars in Thousands)

	1983 Estimated at Present Rates	1983 Estimated at Adopted Rates
Revenues	$39,215	$46,272
O&M Expense	20,025	20,092
Depreciation & Amortization	4,283	4,283
Taxes Other	1,542	1,542
State Income Tax	440	1,131
Federal Income Tax	2,718	5,618
Subtotal	29,008	32,666
Net Operating Revenues	10,207	13,606
Rate Base	110,848	110,526**
Rate of Return	9.21%	12.31%

*Allocated to California from system operations by the relative use method adopted in D.82-12-071.

**Adjusted for interest effect.

Table 2
Pacific Power & Light Company
Components of Estimated Attrition Increase*
(Dollars in Thousands)

O&M Expenses	$2,051
Depreciation	213
Taxes Other	62
State Income Tax	432
Federal Income Tax	4,913
Rate of Return (12.08 to 12.31)	254
Rate Base	206
Subtotal	8,131
Increased Revenues due to increased sales in 1983**	(1,074)
Total	7,057

(Red Figure)

*Difference of authorized rates in D.82-12-071 and adopted rates in Table 1.

**2.6% - staff estimates A.60560.

Rate Design

Witness Harris for Pacific sponsored Exhibit 70 which proposed a rate design to provide the revenue increase requested by Pacific at the hearing in lieu of that requested in its advice letter. Harris testified that she followed the general rate design adopted for Pacific by the Commission in D.82-05-042 and D.82-12-071. The staff has furnished us Table 3 which follows the rate scheme in Harris' Exhibit 70; it produces the revenue requirement we find reasonable on Table 1. Appendix A contains the specific rates necessary to reflect the revenue requirement on Table 1 and the rate design on Table 3.

TABLE 3

Pacific Power & Light Company

Rates Under Adopted Revenues
Authorized Rates
1983

Class	Sales kWh '000	Revenue $000 Present Rates*	Revenue $000 Auth. Rates	¢/kWh	Increase Percent	Increase ¢/kWh
Lifeline	207,112	$ 7,760	$ 9,267	4.474	19.4	0.73
Nonlifeline	171,643	9,646	11,519	6.711	19.4	1.09
Residential Total	378,755	17,406	20,786	5.488	19.4	0.89
Com. & Ind.						
Large Accts.	64,975	2,434	2,908	4.476	19.5	0.73
Irrigation	96,709	3,622	4,328	4.475	19.5	0.73
USBR	25,177	375	447	1.775	19.4	0.29
Other Com. & Ind.	221,146	12,221	14,588	6.597	19.4	1.07
Streetlighting	4,403	302	360	8.176	19.3	1.32
Total	791,165	36,360	43,417	5.488	19.4	0.89
Other Oper. Rev.		299	299			
Special Sales		2,556	2,556	-	0.0	-
Total		39,215	46,272		18.0	

*Decision 82-12-071 Effective December 19, 1982.

Public Reaction

The Commission received several petitions with many thousands of names as well as almost 200 letters objecting to the requested increase for 1983. We sympathize with Pacific's customers and realize that another increase of 18% following the ones we granted in May and December last year is unpleasant. However, we must note that, in addition to the fact we have not granted Pacific the full amount of its requests, Pacific has lost approximately $5 million on a permanent basis because the revenue increases we authorize for 1982 and will authorize for 1983 did not go into effect for the full calendar years 1982 and 1983. We issued an interim decision in May 1982 authorizing Pacific approximately $36.5 million in gross revenues on a yearly basis and followed that in December with a final decision authorizing approximately $38.1[2] million on an annual basis. The $38.1 million we found reasonable in our December 1982 decision was for test year 1982. For the first four months of that test year Pacific's revenue was estimated to be at a $29.3 million annual rate; from May until the middle of December it was at a $36.5 million annual rate; and for a short period near the end of 1982 it was at the $38.1 million annual rate which we found reasonable for the entire test year 1982. Further, we will find in this decision that Pacific should have an increase of over $7 million[3] for the test year 1983 which will not go into effect until sometime in March at the earliest. Totaling these impacts, over $5 million in potential revenues has been lost to Pacific forever compared to those revenues we found reasonable for the test years 1982 and 1983. This does not ameliorate the fact that there have been and will be significant increases in the electric bills paid by Pacific's customers. We only point it out because we believe it shows we have not taken the requests of Pacific lightly but have listened carefully to opposing views such as that presented by TURN and the independent analyses of our own staff.

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[2] Including the effects of ERTA and a PURPA award to TURN Pacific requested $39.2 million.

[3] Pacific requested $8.5 million.

Findings of Fact

1. By Advice Letter 172 Pacific requests an increase in rates for 1983 of $8.5 million to take into account attrition in revenues authorized by the Commission for 1982.

2. Advice Letter 172 was consolidated with Application (A.) 60560 by ALJ ruling on January 10, 1983; the consolidated proceedings were set for hearing on January 27, 1983 by that same ruling.

3. Two days of public hearings were held on Pacific's request for an attrition allowance in 1983 at which all interested parties had an opportunity to appear and be heard.

4. Pacific's request for an attrition allowance, as contained in Advice Letter 172, is unreasonable and Advice Letter 172 should be rejected.

5. The Commission staff recommends an attrition allowance for Pacific in 1983 of $7.057 million.

6. Pacific concurs with the recommendation of the staff noted in Finding of Fact 5.

7. The results of operations shown on Table 1 are reasonable for an attrition allowance for Pacific for the test year 1983 and will produce a revenue requirement for Pacific of $46.272 million.

8. The rate design shown on Table 3 is reasonable and will produce the additional revenue requirement of $7.057 million for test year 1983.

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

10. Because the test year for which the increase is authorized by this decision is under way, there is an immediate need for rate relief.

Conclusion of Law

Based on the foregoing findings of fact and under Public Utilities Code § 454, the Commission may grant Pacific authority to increase rates as provided for in the following order to enable Pacific to earn additional annual revenues of $7.057 million.

FINAL ORDER

IT IS ORDERED that:

1. After the effective date of this order Pacific Power & Light Company (Pacific) is authorized to file revised rate schedules reflecting the rates and rate increases set forth in Appendix A to this decision and concurrently withdraw and cancel its presently effective schedules. This filing shall comply with General Order 96-A.

2. The effective date of the revised schedules authorized by Ordering Paragraph 1 shall be 4 days after the date of filing. The revised schedules shall apply only to service rendered on and after the effective date of the revised schedules.

3. Advice Letter 172 filed by Pacific on November 30, 1982 is rejected.

4. In all other respects A.60560 is denied.

This order is effective today.

Dated MAR 16 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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

Joseph E. Bodovitz

Joseph E. Bodovitz, Executive Director

A.60560

Schedule No. A-32

GENERAL SERVICE

APPLICABILITY

Applicable to single-phase or three-phase alternating current electric service, at such voltage as the Utility may have available at the customer's premises, for all purposes except those for which specific schedules are provided. Deliveries at more than one point, or more than one voltage and phase classification, will be separately metered and billed. A written agreement shall be required for application of this schedule to service furnished for intermittent or highly fluctuating loads. Not applicable to service for use in parallel with, in supplement to, or in standby for customer's electric generation or other energy sources.

TERRITORY

Within the entire territory served in California by the Utility.

NET MONTHLY RATE

The Net Monthly Rate shall be the sum of the Basic, Demand, Energy, and Reactive Power Charges; plus Delivery and Metering Adjustments.

Basic Charge:

If Load Size Is:	The Monthly Basic Charge Is: Single Phase	Three Phase
20 kw* or less	$5	$8
Over 20 kw*	$5 plus $1 per kw* for each kw* in excess of 20 kw*	$8 plus $1 per kw* for each kw in excess of 20 kw*

*Note: Kw load size, for determination of the Basic Charge, shall be the average of the two greatest non-zero monthly demands established during the 12-month period which includes and ends with the current billing month.

Demand Charge:

No charge for the first 100 kw of Billing Demand.
$.62 per kw for each kw of of Billing Demand in excess of 100 kw.

Energy Charge:

7.662¢ per kwh for the first 6,000 kwh plus 75 kwh per kw for each kw of Billing Demand in excess of 20 kw.
5.832¢ per kwh for all additional kwh.

(Continued)

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APPENDIX A
Page 2

Schedule No. A-36

LARGE GENERAL SERVICE - Optional
100 KW AND OVER

APPLICABILITY

Applicable to electric service loads which have not registered 500 kw or more, more than once in any consecutive 18-month period. Deliveries at more than one point, or more than one voltage and phase classification, will be separately metered and billed. A written agreement shall be required for application of this schedule to service furnished for intermittent or highly fluctuating loads. Not applicable to service for use in parallel with, in supplement to, or in standby for customer's electric generation or other energy sources.

TERRITORY

Within the entire territory served in California by the Utility.

NET MONTHLY RATE

The Net Monthly Rate shall be the sum of the Basic, Demand, Energy, and Reactive Power Charges; plus Delivery and Metering Adjustments.

Basic Charge:

If Load Size Is:	The Monthly Basic Charge Is:
100 kw* or less	$215
101 kw* - 300 kw*	$ 58 plus $1.57 per kw*
Over 300 kw*	$184 plus $1.15 per kw*

*Note: Kw load size, for determination of the Basic Charge, shall be the average of the two greatest non-zero monthly demands established during the 12-month period which includes and ends with the current billing month.

Demand Charge:

$1.50 per kw for each kw of Billing Demand.

Energy Charge:

4.036¢ per kwh for all kwh.

Minimum Charge:

Monthly Minimum Charge shall be the Basic Charge plus the Demand Charge for the current month. A higher minimum may be required under contract to cover special conditions.

(Continued)

A.60560

Schedule No. AT-48

LARGE GENERAL SERVICE - METERED TIME OF USE
500 KW AND OVER

Energy Charge:
3.664¢ per kwh for all kwh

Minimum Charge:
The Monthly Minimum Charge shall be the Basic Charge. A higher minimum may be required under contract to cover special conditions.

Reactive Power Charge:
The maximum 15-minute integrated reactive demand in kilovolt-amperes occurring during the month in excess of 40% of the maximum measured 15-minute integrated demand in kilowatts occurring during the month will be billed, in addition to the above charges, at 60¢ per kva of such excess reactive demand.

DELIVERY AND METERING VOLTAGE ADJUSTMENTS

The above monthly charges are applicable without adjustment for voltage when delivery and metering are at Company's standard secondary distribution voltage.

Metering: For so long as metering voltage is at Company's available primary distribution voltage of 11 kv or greater, the above charges will be reduced by 1.5%.

Delivery: For so long as delivery voltage is at Company's available primary distribution voltage of 11 kv or greater, the total of the above charges will be reduced by 15¢ per kw of load size used for the determination of the Basic Charge billed in the month. A High Voltage Charge of $35 per month will be added where such deliveries are metered at the delivery voltage.

When a new delivery or an increase in capacity for an existing delivery is, at request of customer, made by means of Company-owned transformers at a voltage other than a locally standard distribution voltage, the above charges for any month will be increased by 15¢ per kw of load size used for the determination of the Basic Charge billed in the month.

(Continued)

A.60560

Schedule No. AWH-31

COMMERCIAL WATER HEATING SERVICE

NO NEW SERVICE

APPLICABILITY

Applicable to nonresidential customers for separately metered water heating service taken through one meter and only when used in conjunction with other nonresidential service. This schedule is not applicable to water heating for space heating, stock watering, or winter seasonal purposes or to resale, standby or breakdown service.

TERRITORY

Within the entire territory served in California by the Utility.

NET MONTHLY RATE

The Net Monthly Rate shall be the sum of the Basic and Energy Charges.

	Per Month
Basic Charge:	
For single-phase service	$5.00
For three-phase service	$8.00

Energy Charge:

3.783¢ per kwh for all kwh

Minimum Monthly Charge:

The minimum monthly charge shall be the Basic Charge, plus $1.65 per kw for each kw in excess of 10 kw of total capacity of all heating units which may be operated at one time.

SPECIAL CONDITIONS

1. Customer shall install a separate circuit completely enclosed from meter to heaters and associated equipment in metallic conduit or in armored or other cable acceptable to Utility, to which circuit only water heating and associated equipment may be connected. This circuit shall operate at a voltage and phase specified by the Utility. The meter for this circuit shall be located adjacent to the meter of the associated nonresidential service.

2. Except as noted below, the total installed capacity of water heaters served under this schedule shall not exceed the greater of 60 kw or one-fifth of the total installed electric loads of the associated nonresidential electric service.

(Continued)

A.60560

Schedule No. D

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to single-phase alternating current electric service for residential purposes in single-family dwellings and as specified under Special Conditions of this Schedule, to multiple dwelling units in which each of the single-family dwellings receive service directly from the Utility through separate meters. The rates specified herein will be designated for each service in accordance with the energy uses qualified and elected by the Customer. The Basic Residential Use lifeline allowance will apply unless lifeline allowances available for electric space heating and/or electric water heating are qualified and elected.

TERRITORY

Within the entire territory served in California by the Utility.

NET MONTHLY RATE

The Net Monthly Rate shall be the greater of the Minimum Charge or the Energy Charge.

RATES

Energy Charge:

	Per Month	
	Lifeline Rates	Non-Lifeline Rates
All kwh per kwh	4.475¢	6.725¢

Minimum Charge:

$2.00

SPECIAL CONDITIONS

1. No motor load shall exceed a total of 7 1/2 horsepower connected at one time.

2. All electric space heaters larger than 1,650 watts rated capacity shall be designed and connected for operation at 240 volts, and each space heating unit having a rated capacity of two (2) kilowatts or larger shall be thermostatically controlled by automatic devices of a type which will cause a minimum of radio interference. Space heaters served under this schedule shall be of types and characteristics approved by the Utility. Individual heaters shall not exceed a capacity of five (5) kilowatts.

(Continued)

A.60560

Schedule No. LS-51

HIGH PRESSURE SODIUM VAPOR
STREET AND HIGHWAY LIGHTING SERVICE
UTILITY-OWNED SYSTEM

APPLICABILITY

To service furnished, by means of Utility-owned installations, for the dusk-to-dawn illumination of public streets, highways, alleys and parks by means of high-pressure sodium-vapor street lights installed on distribution-type wood poles and served by overhead circuits. The type and kind of fixtures and supports will be in accordance with Utility's specifications. Service includes installation, maintenance, energy, lamp and glassware renewals.

AVAILABLE

Within the entire territory in California served by Utility.

NET MONTHLY RATE

Nominal Lumen Rating	Rate per Lamp
5,800	$ 6.70
22,000	11.90
50,000	22.51

SPECIAL PROVISIONS

1. Utility will replace individually burned out or broken lamps as soon as practicable during regular business hours after notification by the customer.

2. Utility may require customer participation in the cost of installing circuit to render street lighting service when the length of such circuit from a source of suitable voltage on Utility's system to the point of connection with the proposed street light or street lighting system is in excess of 300 feet.

3. Utility may not be required to furnish service hereunder to other than municipal customers.

4. The customer may request temporary suspension of power for lighting by written notice. During such periods, the monthly rate will be reduced by Utility's estimated average monthly relamping and energy costs for the luminaire. Utility will not be required to reestablish such service under this rate schedule if service has been permanently discontinued by the customer.

5. Utility may not be required to install or maintain street lights employing fixtures or supports or at locations unacceptable to Utility.

TERM OF CONTRACT:

Not less than one year.

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Schedule No. LS-52

SPECIAL STREET AND HIGHWAY LIGHTING SERVICE

UTILITY-OWNED SYSTEM

APPLICABILITY

To service furnished, by means of Utility-owned installations, for the dusk-to-dawn illumination of public streets, highways, alleys and parks under conditions and for street lights of sizes and types not specified on other schedules of this tariff. Utility may not be required to furnish service hereunder to other than municipal customers.

TERRITORY

Within the entire territory in California served by Utility.

NET MONTHLY RATE

A flat rate equal to one-twelfth of Utility's estimated annual cost for operation, maintenance, fixed charges and depreciation applicable to the street lighting system, including energy costs as follows:

For dusk-to-dawn operation at the rate of 5.694¢ per kwhr

TERM OF CONTRACT

Not less than five years for service from an overhead, or ten years from an underground, system by written contract.

CONVERSION OF LIGHTS

Incandescent or mercury-vapor lights used to furnish service hereunder are subject to conversion to high-pressure sodium-vapor lights by not less than sixty (60) days' written notice given by Utility to the customer. Contingent on the availability of adequate manpower and materials, service hereunder will be converted to high-pressure, sodium-vapor street-lighting service, in accordance with the following schedule:

All incandescent; 21,000-lumen and 55,000-lumen street lights by July 20, 1982.

All 7,000-lumen mercury-vapor street lights by July 20, 1985.

(Continued)

Schedule No. LS-53

SPECIAL STREET AND HIGHWAY LIGHTING SERVICE

CUSTOMER-OWNED SYSTEM

APPLICABILITY

To service furnished by means of customer-owned installations, for the dusk-to-dawn illumination of public streets, highways, alleys and parks under conditions and for street lights of sizes and types not specified on other schedules of this tariff. Utility may not be required to furnish service hereunder to other than municipal customers.

TERRITORY

Within the entire territory in California served by Utility.

NET MONTHLY RATE

a) Where Utility operates and maintains the system, a flat rate equal to one-twelfth the estimated annual cost for energy, operation and maintenance with energy at the rate of 5.694¢ per kwhr.

b) Where the customer operates and maintains the system, a flat rate equal to one-twelfth the estimated annual energy cost at 5.694¢ per kwhr.

TERM OF CONTRACT

Not less than five years under option (a) or one year under option (b).

SPECIAL CONDITIONS

1. Under option (a), Utility will replace individually burned out or broken lamps as soon as practicable during normal business hours after notification by customer.

2. Utility may not be required to maintain street lights employing fixtures or at locations unacceptable to Utility.

3. In the event the customer installs a series system, the customer shall also provide, install and maintain the necessary series transformers.

A.60560

Schedule No. LS-57

STREET AND HIGHWAY LIGHTING SERVICE
UTILITY-OWNED SYSTEM
NO NEW SERVICE

APPLICABILITY

Applicable to lighting for public streets, roads, highways and other public outdoor lighting service.

TERRITORY

Within the entire territory in California served by the Utility.

I. NET MONTHLY RATE FOR LIGHTS OWNED, OPERATED AND MAINTAINED BY UTILITY AND INSTALLED PRIOR TO APRIL 4, 1977

A. Overhead System

Street lights on distribution type wood poles:					
Incandescent Lamps					
Nominal Lumen Rating	600	1000	2500	4000	6000
Rate per Lamp	$3.33	$4.10	$6.82	$9.72	$12.68
Mercury Vapor Lamps					
Nominal Lumen Rating				7000	21000
Rate per Lamp - horizontal				$7.88	$14.57
Rate per Lamp - vertical				$7.34	$14.22

Street lights on metal poles:		
Mercury Vapor Lamps		
Nominal Lumen Rating	7000	21000
Rate per Lamp		
Horizontal	$10.09	—
Horizontal		$17.31

B. Underground System

Street lights on metal poles:		
Mercury Vapor Lamps		
Nominal Lumen Rating	7000	21000
Rate per Lamp		
Horizontal	—	$20.83
Vertical	—	$18.88

(Continued)

A.60560

Schedule No. LS-57

STREET AND HIGHWAY LIGHTING SERVICE
UTILITY-OWNED SYSTEM
NO NEW SERVICE
(Continued)

II. NET MONTHLY RATE FOR OVERHEAD SYSTEM, MERCURY-VAPOR STREET LIGHTS OWNED, OPERATED AND MAINTAINED BY UTILITY AND INSTALLED AFTER APRIL 4, 1977

Street lights on distribution type wood poles:

Nominal Lumen Rating	7000	21000	55000
Rate per Lamp	$8.61	$15.16	$32.48

CONVERSION OF UTILITY-OWNED LIGHTS

Utility-owned incandescent or mercury-vapor lights used to furnish service hereunder are subject to conversion to high-pressure sodium vapor lights by not less than sixty (60) days' written notice given by Utility to the customer. Contingent on the availability of adequate manpower and materials, service hereunder will be converted to high-pressure, sodium-vapor street-lighting service, in accordance with the following schedule:

All incandescent; 21,000-lumen and 55,000-lumen street lights by July 20, 1982.

All 7,000-lumen mercury-vapor street lights by July 20, 1985.

SPECIAL CONDITIONS

1. The rates are based on dusk-to-dawn burning.

2. The Utility will replace individually burned out or broken lamps as soon as practicable during normal business hours after notification by the customer.

3. The Utility may require special five year contracts to cover unusual operating and maintenance conditions due to a minimum number of lamps in service, the distance from service centers or undue hazard to equipment.

(Continued)

A.60560

Schedule No. LS-58
STREET AND HIGHWAY LIGHTING SERVICE
CUSTOMER-OWNED SYSTEM
NO NEW SERVICE

APPLICABILITY

Applicable to lighting for public streets, roads, highways and other public outdoor lighting service.

TERRITORY

Within the entire territory in California served by the Utility.

NET MONTHLY RATE PER LIGHT

Class A: Customer owns, installs, operates and maintains entire required installation. Utility delivers energy at one point only as near as practical to the customer's installation.

Class B: Customer owns and installs entire required installation. Utility delivers energy at one point only as near as practical to the customer's installation. Utility operates and maintains entire required installation except for the painting, repair and replacement of poles and circuits.

NOMINAL LUMEN RATING	CLASS A	CLASS B
	INCANDESCENT	
1,000	$ 2.57	$ 3.79
2,500	5.07	6.34
4,000	8.27	9.59
6,000	11.33	12.70
	MERCURY VAPOR	
7,000	$ 5.28	$ 6.02
21,000	11.95	12.74
55,000	28.63	29.70
	FLUORESCENT	
21,400	$11.33	$13.28

(Continued)

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Schedule No. OL-15

OUTDOOR AREA LIGHTING SERVICE

APPLICABILITY

To all customers for lighting outdoor areas other than public streets, roads and highways. Lighting service will be furnished from dusk to dawn by Utility-owned luminaires which may be served by secondary voltage circuits from Utility's existing overhead distribution system. Luminaires will be mounted on Utility's wood poles and served in accordance with Utility's specifications as to equipment and installation.

TERRITORY

Within the entire territory served in California by the Utility.

NET MONTHLY RATE

Type of Luminaire	Nominal Lamp Rating	Per Luminaire Per Month
Mercury Vapor	* 7,000 lumens	$ 9.68
" "	*21,000 "	18.97
" "	*55,000 "	40.42
High Pressure Sodium	5,800 "	$11.45
" " "	22,000 "	17.66
" " "	50,000 "	29.00

*No new installations

Pole Charge:

Above rates include installation of one wood pole, if required. A monthly charge of $1.00 per pole will be made for each additional pole required in excess of the number of luminaires installed.

SPECIAL CONDITIONS

1. A written contract for an initial term of three years will be required by Utility.
2. Maintenance will be performed during regular working hours as soon as practicable after customer has notified Utility of service failure.
3. The Utility's dusk-to-dawn service is based on a burning schedule of approximately 4,000 hours per year.

Schedule No. OL-42

AIRWAY AND ATHLETIC FIELD LIGHTING SERVICE

APPLICABILITY

Applicable to service for airway beacons, the lighting of airfields, the lighting of publicly owned and operated outdoor athletic fields, and for incidental use therewith.

TERRITORY

Within the entire territory served in California by the Utility.

NET MONTHLY RATE

The Net Monthly Rate shall be the sum of the Basic and Energy Charges.

	Per Month
Basic Charge:	
For single-phase service	$5.00
For three-phase service	$8.00

Energy Charge:
7.362¢ per kwh for all kwh

Minimum Charge:
The minimum monthly charge shall be the Basic Charge, but in no event will the annual billing be less than $1.20 per kw or $1.20 per horsepower of connected load.

SPECIAL CONDITIONS

1. Delivery to be made at one central point. The customer shall install and maintain the distribution system.
2. Extensions to supply service under this schedule will be made in accordance with the established rule of the Utility governing extensions.

CONTINUING SERVICE

Except as specifically provided otherwise, the rates of this tariff are based on continuing service at each service location. Disconnect and reconnect transactions shall not operate to relieve a seasonal customer from minimum monthly charges.

Schedule No. PA-20

AGRICULTURAL PUMPING SERVICE

APPLICABILITY

This schedule is applicable to customers desiring seasonal service for irrigation and soil drainage pumping installations only. Service furnished under this schedule will be metered and billed separately at each point of delivery.

TERRITORY

In all territory served by the Company in the State of California.

MONTHLY CHARGE

The monthly billing shall be the sum of the applicable Demand, Energy Charges and Reactive Power Charges. The Annual Charge will be included in the bill for the November billing month.

Meter Readings from March 26 through November 28:

Energy Charge:
4.321¢ per kwh for the first 14,000 kwh
3.391¢ per kwh for all additional kwh

Meter Readings from November 29 through March 25:

Demand Charge:
$1.00 per kw of monthly Billing Demand

Energy Charge:
6.071¢ per kwh for the first 100 kwh monthly per kw of monthly Billing Demand
4.261¢ per kwh for all additional kwh

ANNUAL CHARGE (collected in November Billing Period)

If Load Size is:	Annual Charge is:
Single-phase service, any size:	$10 per kw* but not less than a Basic Charge of $36

* Note: Kw load size, for determination of the Annual Charge, shall be the average of the two greatest non-zero monthly Billing Demands established during the 12-month period which includes and ends with the current billing month.

(Continued)

(END OF APPENDIX A)

D.82-12-071 was adduced which showed that the credits used to reduce the income tax in the results of operations adopted in those two decisions were used for ratemaking purposes for any test year prior to the 1982 test year. We note also the results of operations for 1983 reflect the second test year of a two-year period. We must, in this case, adopt the staff's and Pacific's position that the credits available have already been used to reduce the revenue requirement for the 1982 test year by a significant amount. If for some reason Pacific were not able to use those credits for tax purposes in 1982 and could still use them in 1983, it would be inappropriate to apply them to the 1983 revenue requirement because we would be using the same credits that were used to reduce the 1982 revenue requirement; this would give ratepayers a double credit because of the two-year nature of this proceeding. We further note, and will comment more on it later, that Pacific did not receive the entire increase in revenue requirement we found reasonable in our final decision on the 1982 test year, D.82-12-071 issued last December. If Pacific has the credits available in 1983 because it did not earn the revenue requirement we found reasonable for the rate year 1982, then it is reasonable to let Pacific apply those credits on its 1983 results of operations and thereby receive the benefit it did not receive in 1982. 55

TURN questioned whether the staff had followed the attrition procedures used for PG&E and SDG&E. Staff replied it was required to make some adaptations because of the nature of the ratemaking procedures used for PG&E, SDG&E, and Pacific. TURN moved for a staff or Pacific recalculation of the attrition allowance based on the exact method used for PG&E and SDG&E but withdrew the motion after the staff explained it could not be done given the method used to estimate Pacific's results of operations for 1982. Staff has put

In the absence of any other issues and because of the concurrence of Pacific, we will adopt the results of operations of Pacific on notice that future rate proceedings will employ the attrition procedure followed by PG&E and SDG&E that were developed subsequent to Pacific's basic general rate case filing (A.60560).

TABLE 3

Pacific Power & Light Company

Rates Under Adopted Revenues
Authorized Rates
1983

Class	Sales kWh '000	Revenue $000 Present Rates*	Revenue $000 Auth. Rates	¢/kWh	Increase Percent	Increase ¢/kWh
Lifeline	207,112	$ 7,760	$ 9,267	4.474	19.4	0.73
Nonlifeline	171,643	9,646	11,519	6.711	19.4	1.09
Residential Total	378,755	17,406	20,786	5.488	19.4	0.89
Com. & Ind.						
Large Accts.	64,975	2,434	2,908	4.476	19.5	0.73
Irrigation	96,709	3,622	4,328	4.475	19.5	0.73
USBR	25,177	375	447	1.775	19.4	0.29
Other Com. & Ind.	221,146	12,221	14,588	6.597	19.4	1.07
Streetlighting	4,403	302	360	8.176	19.3	1.32
Total	791,165	36,360	43,417	5.488	19.4	0.89
Other Oper. Rev.		299	299			
Special Sales		2,556	2,556			
Total		39,215	46,272		18.0	

*Decision 82-12-071 Effective December 19, 1982.