

Decision 83 95 036 MAY 4 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN CALIFORNIA EDISON)
COMPANY for Authority to Implement)
its Proposed Rate Stabilization)
Plan by Reducing its Energy Cost)
Adjustment Billing Factors, to)
Reduce its Annual Energy Rate, and)
to Maintain its presently-)
effective Catalina Energy Cost)
Balance Adjustment Billing Factor.)

Application 82-03-04
(Filed March 1, 1982)

ORDER MODIFYING DECISION (D.) 83-01-053
AND GRANTING LIMITED REHEARING

An application for rehearing of D.83-01-053 has been filed by Toward Utility Rate Normalization (TURN). Southern California Edison Company (Edison) has filed a response thereto asking that rehearing be denied. Edison has also filed a petition for modification. The California Energy Commission has filed a response thereto, asking that it be denied. We have carefully considered each and every allegation of error and request for modification in those filings and are of the opinion that, although no legal error has been shown, a limited rehearing should be granted to preserve and make available the existing record in this proceeding when we further consider the reasonableness of Edison's coal costs and its purchased power expenses resulting from the fire-caused outage at SONGS Unit 1. Furthermore, D.83-01-053 should be modified to more correctly express our intentions with respect to the need for an improved method of monitoring Edison's unit commitment, etc.

Finally, our review of these filings and the record to date has convinced us that we should clarify and reaffirm our rule

with respect to the burden of proof in reasonableness review proceedings. In D.92496, wherein we instituted an annual reasonableness review of energy and fuel costs, we stated as follows:

"Of course, the burden of proof is on the utility applicant to establish the reasonableness of energy expenses sought to be recovered through ECAC. We expect an affirmative showing by each utility with percipient witnesses in support of all elements of its application, including fuel costs and plant reliability"

This statement conforms to the fundamental principle involving public utilities and their regulation by governmental authority that the burden rests heavily upon a utility to prove it is entitled to rate relief and not upon the Commission, its staff or any interested party, or protestant, such as TURN, to prove the contrary. (Suburban Water Co., 60 CPUC 768 (1963) rev. denied; SoCal Gas Co., 58 CPUC 57 (1960); So. Counties Gas Co., 58 CPUC 27 (1960); Citizens Utilities Co., 52 CPUC 637 (1953)).

Unless Edison meets the burden of proving, with clear and convincing evidence, the reasonableness of all the expenses it seeks to have reflected in rate adjustments, those costs will be disallowed (In re Southern Counties Gas Co., 51 CPUC 533).

Therefore, good cause appearing,
IT IS ORDERED that,

1. Ordering Paragraph 3 of D.83-01-053 is modified to read as follows:

"3. Edison shall institute with the Commission staff a data submission procedure to monitor unit commitment, economy energy transactions, and coordinated maintenance. Edison shall provide any other data on power pooling transactions which the Commission staff deems to be necessary."

2. Rehearing of D.83-01-053 is granted limited to the receipt of evidence and argument on the issue of the

reasonableness of, (a) Edison's increased coal costs resulting from the renegotiation of its contract with Utah International Corp. and (b) the cost of power purchased to replace power lost because of the diesel generator fire at SONGS Unit 1.

3. Said rehearing will be heard together with the hearings to be set for Application 83-03-36, Edison's current annual reasonableness review proceeding.

4. Except as granted herein, rehearing of D.83-01-053 is denied.

This order is effective today.

Dated MAY 4 1983, at San Francisco, California.

I dissent.

FRISCILLA C. GREW, Commissioner.

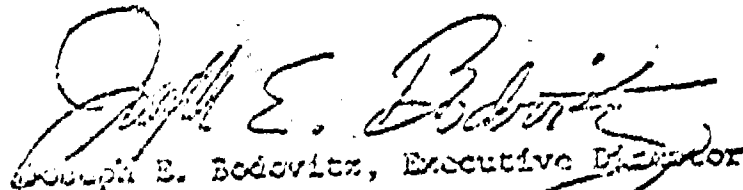
LEONARD M. GRIMES, JR.
President

VICTOR CALVO

DONALD VIAL

Commissioners

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


Joseph E. Bedovitz, Executive Director