

ORIGINAL

Decision No. 88706 APR 18 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of San Diego Gas & Electric Company }  
for Approval of Applicant's }  
Recovery of Undercharges. }

Application No. 57278  
(Filed May 4, 1977)

Randall Childress, for San Diego Gas  
& Electric Company, applicant.  
Phillip J. Von Pinnon, for Longs Drug  
Stores, Inc., interested party.

O P I N I O N

In this application San Diego Gas & Electric Company (SDG&E) seeks an order of this Commission approving applicant's recovery of undercharges from Longs Drug Stores, Inc. (Longs) for services rendered to 1665 East Valley Parkway, Escondido, California.

Hearing on this matter was held before Administrative Law Judge Tomita on October 18, 1977 in San Diego. Mr. Keith Hutchens, district manager, and Mr. Kenneth Busby, assistant to the senior vice president, testified for SDG&E and Phillip J. Von Pinnon, project manager, testified for Longs.

Background

SDG&E has provided electric service to Longs at 1665 East Valley Parkway in Escondido, California. The electric meter serving that location was set in December 8, 1972. Improper wiring of the three-phase, four-wire metering circuit, resulted in one of the wiring leads between the current transformer and the meter being installed in reverse. This resulted in current

from one of the phases flowing in reverse through the meter. SDG&E's witness testified that since the electric load at this location is balanced equally across all three phases, the current flowing through the reversed lead canceled out current flowing through one of the two properly wired phases resulting in the meter registering current flowing through one of the three phases of the metering circuit.

Although an installation test on this meter was performed on January 3, 1973, disclosing a current reversal, nothing was done to correct this discrepancy apparently due to an oversight. The error was not discovered until August 16, 1976 when SDG&E's manager at the Oceanside office, in response to an inquiry by Longs, requested a meter test of Longs' Escondido store to compare consumption of Longs' store in Oceanside with consumption at other Longs' stores.

In order to verify the accuracy of the assumption that the meter was registering one-third of the actual consumption, watt-hour meters were installed on each phase for a period of two to three weeks. SDG&E's witness testified that the total electric load is balanced equally across all three phases and consequently the miswiring resulted in Longs being billed for only one-third of the kilowatt hours used since February 1973.

Although the error existed since the meter was initially installed, SDG&E on November 5, 1976 rebilled Longs only for the 36-month period (August 30, 1973 through August 30, 1976) allowed under the statute of limitation, that is, \$36,693.27 plus the applicable state surcharge of \$66.68.

On November 12, 1976, Mr. Phillip Von Pinnon filed an informal complaint with the Commission on behalf of Longs regarding SDG&E's claim for undercharges. On March 3, 1977, the Commission responded to Longs' complaint with a letter indicating that SDG&E would be required to file a formal application with this Commission for approval of the billing for the undercharges. This application was filed pursuant to the Commission's direction.

On December 23, 1977, SDG&E and Longs filed a Stipulation for Entry of Order. Under the stipulation applicant will accept and Longs agrees to pay the amount of \$33,083.96 in full settlement of the subject undercharges incurred from the date of February 1973 to August 30, 1976 with Longs agreeing to pay the amount of \$33,083.96 within 30 days from the date of Commission approval of the stipulation.

Based on the record in this proceeding we are of the opinion that the stipulation entered into by the two parties is a reasonable settlement of this matter in that SDG&E could be considered negligent in not correcting the improper wiring when first discovered in 1973 thereby preventing Longs from being aware of what the true electric costs were for the period and from possibly pursuing more vigorous conservation measures. The agreement to settle the \$36,759.95 undercharge billing for \$33,083.96 appears to be a reasonable compromise.

Findings

1. The stipulation entered into between SDG&E and Longs to settle the amount of the undercharges at \$33,083.96 is reasonable.
2. There is no known opposition to the stipulation and there is no reason to delay granting the relief requested.

On the basis of the foregoing findings we conclude that applicant should be permitted to recover undercharges from Longs in the amount of \$33,083.96 according to the terms of the stipulation and that the effective date of the order should be the date hereof.

O R D E R

IT IS ORDERED that San Diego Gas & Electric Company is authorized to recover undercharges from Longs Drug Stores, Inc. (Longs) in an amount of \$33,083.96 in full settlement of the undercharges incurred from the date of February 1973 to August 30, 1976 for electric service to Longs' Escondido store pursuant to a stipulation entered into by applicant and Longs, and filed with this Commission on December 23, 1977.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 18<sup>th</sup> day of APRIL, 1978.

Robert Baticovich  
President  
William J. Quinn  
Vernon L. Steigerson

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Commissioners

Commissioner Richard D. Gravelle, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.