

ORIGINAL

Decision No. 90647 AUG 14 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CP National Corporation, a)
California corporation, for)
authority to increase its rates)
for electric service in its)
Needles District.)

Application No. 57820
(Filed January 20, 1978;
amended May 31, 1978)

Orrick, Herrington, Rowley & Sutcliffe, by Robert Gloistein, Attorney at Law, for applicant.
Richard L. Jensen, for Southern California Edison Company; and Robert E. Ham, for California Energy Commission; interested parties.
Sara S. Myers, Attorney at Law, Teddy Christensen, and Bertram Patrick, P.E., for the Commission staff.

FINAL OPINION

On April 19, 1978 this Commission issued Order Instituting Investigation No. 14 (OII No. 14)^{1/} into service, billing procedures, and purchase power contracts in the Needles District and the Lassen and Weaverville Divisions of California-Pacific Utilities Company, now known as CP National Corporation (CP National). The name change occurred by the filing of an amendment to the articles of incorporation with the Secretary of State on May 8, 1978. OII No. 14 also required an investigation into the appropriateness of lifeline quantities for air conditioning for the Needles District.

^{1/} A separate decision will be issued on OII No. 14.

On May 31, 1978 and June 1, 1978, hearings were held before Commissioner Dedrick and Administrative Law Judge Gillanders in Needles in the matter of CP National's Application No. 57820 for authority to increase rates for electric service in its Needles District and in the matter of OII No. 14. The hearings were held to receive CP National's direct showing on its application, to receive public and staff testimony, and to gather facts needed to determine reasonable lifeline quantities for air conditioning.

The hearings were attended by approximately 150 members of the community on the first day and approximately 50 members of the community on the second day. Testimony was received from 13 CP National customers and a statement was received from Mayor O'Dell. Public testimony included statements on annual and summer monthly consumption, bills, and air-conditioning thermostat settings.

By Decision No. 89068, dated July 11, 1978, CP National was ordered to:

1. CP National shall file with the Commission, within ten days after the effective date of this order, changes in its tariff to provide lifeline quantities for air conditioning of 550 kWh per month for the months of May and October and 650 kWh per month for the months of June through September. The rate charged for these lifeline quantities shall be the same as charged for the basic lifeline allowance. The allowances shall be applicable to all residential customers within the Needles District. Such filing shall comply with General Order No. 96-A.
2. The revenue shortfall due to the implementation of lifeline quantities for air conditioning shall be reflected in CP National's Purchased Power Cost Equalizing Adjustment Account.
3. CP National shall continue to defer Nevada Power Company's monthly Fuel Cost Adjustments through 1978.

Further hearing was held at Needles on December 12, 1978, and the matters submitted subject to various late-filed exhibits which were received on January 17, 1979, and the filing of proposed findings and conclusions received on February 15, 1979.

By this application, CP National requests authority to establish rates for its Needles District Electric Department which were designed to increase annual revenue by \$187,500 or 7.4 percent over the revenues produced by the authorized rate levels now in effect based on test year 1979 operations. In addition, CP National seeks to establish separate rates for test year 1980 which would be applicable until revised by a new showing of revenues, expenses, and rate base that would be applicable beyond that time.

General Information

CP National is a corporation duly organized and existing under the laws of the State of California. It owns and operates public utility electric, gas, water, and telephone systems in California; electric, gas, and telephone systems in Oregon; electric, gas, water, and telephone systems in Nevada; and electric systems in Utah and Arizona. Its principal place of business is located in San Francisco, California.

Needles District Electric Department

Organization

For operating purposes the territory served is called the Needles District which makes up a large portion of the Colorado River Division. The district is under the supervision of a District Manager who is also the Division Manager. The Colorado River Division Manager, Office Manager, and clerks perform duties in the Electric and Gas Departments as well as in the Telephone Department. The main business office of the Colorado River Division is located at 911 Broadway, Needles, California. A business office is also maintained in Searchlight, Nevada, and an agent is stationed in Searchlight.

Territory Served

The Needles Electric Department provides electric service in Needles and adjacent territory in San Bernardino County. The population of Needles is estimated to be 4,000.

Source of Power

Beginning January 1, 1978, CP National has purchased all of its power requirements for the Needles District from Nevada Power Company through the Nevada Division of Colorado River Resources. CP National's contract permitting purchases from the U.S. Bureau of Reclamation terminated on December 31, 1977. Power received from Nevada Power Company is generated at the Mojave Steam Plant and delivered to Needles by means of a 21.81-mile 69-kV transmission line. In case of emergency energy may be received from Hoover Dam over CP National's 100.17 mile 69-kV transmission line. There are approximately 306 miles of wire in the Needles overhead distribution system and an additional 12 miles of underground line.

Results of Operation

During the course of hearings in this proceeding, the disputed issues between CP National and the staff were narrowed to (1) rate of return; (2) appropriate allowance for the cost of Stanford Research Institute's (SRI) management audit; and (3) appropriate allowance for the capitalized cost of CP National's customer information services system. CP National's witnesses and witnesses for the Commission staff analyzed and estimated CP National's operating results for test year 1979.

At the conclusion of the hearing, CP National stated that, after a review of the staff showing which was based on later data, it was prepared to agree with the staff's estimate, except for rate of return and management audit, in order to expedite a decision. To this end, a late-filed exhibit, jointly sponsored by CP National and the Commission staff, was filed showing an agreed summary of earnings at present rates. This exhibit also reflects reduced ad valorem property

taxes due to the passage of Proposition 13, the new federal income tax rate of 46 percent, and a reduction in the working-cash allowance. The effect of the late-filed exhibit was to reduce CP National's rate increase request from \$187,500 to \$83,500.

CP National hired SRI to conduct a management audit of its general office and top level management. SRI conducted its audit at a cost of \$110,000 and submitted a report which covered CP National's strengths and weaknesses and proposed solutions to problems and changes in organization and business. The report also focused on problems with data systems, management practices and training, the need for development of a public relations program, and the role of the Board of Directors. CP National considers the cost of the SRI study to be a proper charge to its ratepayers. Thus, it allocates the cost among its operating divisions. The staff recommends that the entire cost of the study be charged to the stockholders because the ratepayers have already paid for competent management in the rates charged and should not have to pay for correcting deficiencies, corporate acquisitions and divestments, and profitability improvement which, according to the staff, are clearly for the benefit of the stockholders. We agree with the staff and will adopt the staff's disallowance of the cost of the SRI study.

In Decision No. 90597, issued in OII No. 14, we found the expense for the management audit conducted for CP National by the Institute of Management Research should be disallowed when setting rates for CP National's districts. However, we directed CP National to develop an improved training program for its customer relations personnel and to provide better supervision over such personnel. We recognized expense required for this undertaking to be \$38,000 annually for CP National's total California operations. Accordingly, we will include \$9,075 expense in the adopted test year to fund this activity (allocated to this CP National district by the four-factor methodology).

The following table sets forth the jointly sponsored summary of earnings at rates in effect on January 1, 1978, for test year 1979, the amount of additional revenue required to raise CP National's rate of return to that recommended by the staff and the additional revenue required to raise CP National's rate of return to that recommended by CP National.

NEEDLES ELECTRIC DISTRICT
(Test Year 1979)

	<u>Staff</u>			<u>Applicant</u>	
	<u>At Present Rates</u>	<u>Rate of Return at 9.50% Adjustment</u>	<u>Results</u>	<u>Rate of Return At 11.03% & SRI Adjustment of \$330</u>	<u>Results</u>
	(Dollars in Thousands)				
<u>Operating Revenues</u>					
Basic Rates	\$ 670.9	\$12.2	\$ 683.1	\$71.3	\$ 754.4
Energy Rates	1,938.0	-	1,938.0	-	1,938.0
Miscellaneous	<u>24.2</u>	<u>-</u>	<u>24.2</u>	<u>-</u>	<u>24.2</u>
Total Oper. Rev.	2,633.1	12.2	2,645.3	71.3	2,716.6
<u>Operating Expenses</u>					
Production	1,892.9	-	1,892.8	-	1,892.8
Transmission	3.2	-	3.2	-	3.2
Distribution	66.3	-	66.3	-	66.3
Customer Service and Information	3.2	-	3.2	-	3.2
Sales	0.6	-	0.6	-	0.6
Customer Accts. W/O Uncollectibles	44.0	-	44.0	-	44.0
Uncollectibles	5.2	-	5.2	0.1	5.3
Administrative and General	184.0	0.3	184.3	1.9	186.2
CIS Amortization	<u>8.2</u>	<u>-</u>	<u>8.2</u>	<u>-</u>	<u>8.2</u>
Subtotal	2,207.5	0.3	2,207.8	2.0	2,209.8
Book Depreciation	104.8	-	104.8	-	104.8
Taxes Other Than Income	36.3	-	36.3	-	36.3
State Corp. Franchise Tax	18.5	1.1	19.6	6.2	25.8
Federal Income Tax	<u>60.0</u>	<u>5.0</u>	<u>65.0</u>	<u>29.0</u>	<u>94.0</u>
Total Oper. Exp.	2,427.1	6.4	2,433.5	37.2	2,470.7
Net Operating Revenues	206.0	5.8	211.8	34.1	245.9
Rate Base	2,229.4		2,229.4		2,229.4
Rate of Return	9.24%		9.50%		11.03%

Based on its original studies, which showed an upward trend in rate of return, the staff recommended that CP National not be granted step rates for 1980. Because of significant changes between the staff's original estimates and the agreed upon test year results of operation, we cannot use the original results to gauge attrition. With only one usable test year there is no way to determine attrition or upward trend. We will, therefore, not consider trend in rate of return in setting rates for the future.

Rate of Return

Any rate of return determination necessarily requires the weighing of a number of economic intangibles which are difficult to measure by statistical comparisons. It devolves upon the judgment of the Commission, after weighing the evidence presented by all of the experts, to determine and set a fair and reasonable rate of return. (Pac. Tele. & Tel. Co. (1968) 69 CPUC 53.) It was the testimony of CP National's rate of return witness that an 11.03 percent rate of return on rate base or approximately 16 percent rate of return on common stock equity is needed to enable CP National to sell its shares at a price which would not be punitively dilutive to the present stockholders and destructive to the market for CP National's common stock.

The staff's financial witness recommended a rate of return of 9.50 percent on rate base, or approximately 12.21 percent return on common stock equity. We have considered the arguments advanced by CP National and staff and adopt as reasonable a rate of return of 9.50 percent on rate base. Such rate of return will provide a return on equity of approximately 12.21 percent, an after-tax interest coverage of 2.53 times, and a combined coverage of 2.00 times. This return on capital is adequate to attract capital at a reasonable cost and to maintain the credit of CP National.

Rate Design

CP National and staff (with some minor differences) have proposed a new rate design for residential electric rates which will

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aid in reducing the effects of declining sales on revenue, promote conservation, and not disadvantage the utility's ratepayers.

Simply stated, CP National's revenue requirement is divided into two components: one, the energy rate charge consisting of the cost of purchased energy and related uncollectibles and franchise fees; the other, the basic rate revenue consisting of revenue required for a return on rate base and all other expenses. For CP National, which purchases its total energy requirement, the former component generally represents two-thirds of the total revenue requirement. Both CP National and the staff recommend that this component continue to be collected subject to adjustment through the PPA balancing account.

CP National and the staff differ slightly with respect to the collection of basic monthly customer charge revenue. First, CP National proposes higher monthly service charges than the staff. But it is apparent that even the higher charge does not cover the fixed costs of service, and in any event, any cost of service deficiency resulting from the service charge adopted will be reflected in a corresponding adjustment to the commodity charge portion of the rates so the district's revenue requirement can be met.

For residential sales, CP National proposes, and the staff agrees, that the commodity charge portion of the basic revenue be collected by a uniform price per kWh through the lifeline usage block. For nonresidential sales, the basic rate is spread uniformly over all sales. We will adopt the staff's rate design.

Conservation and Voltage Regulation

Although applicant did not include mention of any conservation activities or expenses in its application as filed, it did later submit a comprehensive energy conservation program to be undertaken, initially, at its own expense. Part of this effort is the implementation of a Conservation Voltage Regulation Program (CVR). Applicant was directed to continue the implementation of its CVR activities in Decision No. 90597 dated July 31, 1979 issued in OII No. 14.

In other proceedings we have directed Pacific Gas and Electric Company, D-89315; Southern California Edison Company, D-89711; and San Diego Gas & Electric Company, D-90405, to incorporate service voltage standards into their respective tariff rules regarding "Description of Service" as part of their CVR programs. In addition, these electric utilities have been required to adopt certain implementation and reporting requirements for their CVR programs. Applicant should also expand its CVR program to adopt voltage standards in its tariff Rule No. 2 and adopt similar reporting requirements heretofore required of other California electric utilities and will be so directed.

Findings of Fact

1. CP National is in need of additional revenues, but the proposed rates set forth in the application are excessive.

2. The staff's estimates of operating expense and rate base for the test year 1979 reasonably indicate the results of CP National's operations for the future and are adopted.

3. Applicant can and should step up its CVR program efforts. We will require applicant to revise its tariff to set forth the new ranges of customer voltage recommended by the CVR program as shown in Appendix A and adopt CVR implementation and reporting requirements set forth in Appendix B.

4. A rate of return of 9.50 percent on the adopted rate base for the year 1979 will produce a return on common equity of approximately 12.21 percent. Such rate of return requires an increase in gross revenues of \$12,200, which amount is reasonable.

5. The staff's rate spread is reasonable and should be adopted.

6. The increases in rates and charges authorized herein are justified; the rates and charges authorized herein are reasonable; and the present rates and charges, insofar as they differ from those prescribed herein, are for the future unjust and unreasonable.

7. The rate increase authorized herein is ~~inconsistent~~ with the President's ^{was} ~~water~~ and price guidelines. RM

Conclusions of Law

The Commission concludes that the application should be granted to the extent set forth in the order which follows. The following order should be effective the date of signature since there is an immediate need for the rate increase authorized.

O R D E R

IT IS ORDERED that:

1. Applicant shall within thirty days after the effective date of this order revise its tariff to include the customer service voltages and customer utilization voltages set forth in Appendix A.

2. Applicant shall continue to expand its implementation of conservation voltage regulation and file progress reports as scheduled and set forth in Appendix B.

3. CP National Corporation is authorized, after the effective date of this order, to file revised rate schedules in accordance with Appendix C attached to this order, and concurrently to withdraw and cancel its presently effective schedules. Such filing shall comply with General Order No. 96-A. The effective date of the revised schedules shall be five days after the date of filing. The revised schedules shall apply only to service rendered on and after the effective date thereof.

The effective date of this order is the date hereof.

Dated AUG 14 1979, at San Francisco, California.

John E. Geyson
President
Richard L. Strickman

Walter T. Drigh
Richard D. Gravelle
Commissioners

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

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APPENDIX A
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RULE NO. 2, DESCRIPTION OF SERVICE

() Customer Service Voltages:

Under all normal load conditions, distribution circuits will be operated so as to maintain secondary service voltage levels to customers within the voltage ranges specified below:

<u>Nominal Two-Wire And Multi-Wire Service Voltage</u>	<u>Minimum Voltage To All Services</u>	<u>Maximum Service Voltage On Residential And Commercial Distribution Circuits</u>	<u>Maximum Service Voltage On Agricultural And Industrial Distribution Circuits</u>
120	114	120	126
208	197	208	218
240	228	240	252
277	263	277	291
480	456	480	504

() Exceptions to Voltage Limits. Voltage may be outside the limits specified when the variations:

- (a) Arise from the temporary action of the elements.
- (b) Are infrequent momentary fluctuations of a short duration.
- (c) Arise from service interruptions.
- (d) Arise from temporary separation of parts of the system from the main system.
- (e) Are from causes beyond the control of the utility.

() Customer Utilization Voltages:

- (1) All customer-owned utilization equipment must be designed and rated in accordance with the following utilization voltages specified by the American National Standard C84.1 if customer equipment is to give fully satisfactory performance:

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<u>Nominal Utilization Voltage</u>	<u>Minimum Utilization Voltage</u>	<u>Maximum Utilization Voltage</u>
120	110	125
208	191	216
240	220	250
277	254	289
480	440	500

- (2) The difference between service and utilization voltages are allowances for voltage drop in customer wiring. The maximum allowance is 4 volts (120 volt base) for secondary service.
- (3) Minimum utilization voltages from American National Standard C84.1 are shown for customer information only as the Company has no control over voltage drop in customer's wiring.
- (4) The minimum utilization voltages shown in (1) above, apply for circuits supplying lighting loads. The minimum secondary utilization voltages specified by American National Standard C84.1 for circuits not supplying lighting loads are 90 percent of nominal voltages (108 volts on 120 volt base) for normal service.
- (5) Motors used on 208 volt systems should be rated 200 volts or (for small single phase motors) 115 volts. Motors rated 230 volts will not perform satisfactorily on these systems and should not be used. Motors rated 220 volts are no longer standard, but many of them were installed on existing 208 volt systems on the assumption that the utilization voltage would not be less than 187 volts (90 percent of 208 volts).

APPENDIX B

CONSERVATION VOLTAGE REGULATION IMPLEMENTATION
AND REPORTING REQUIREMENTS

1. CP National shall actively continue its investigation and testing of distribution circuits, loads, motors, and appliances to maximize the saving of energy through control of voltage regulation. Priority shall be given to the analysis of agricultural and industrial services. CP National shall file in writing, progress reports on or before June 30 and December 31 of each year, setting forth detailed engineering data of individual investigations and tests.

2. CP National shall systematically and periodically review the service voltages of all of its distribution circuits to ensure that all service voltages are as close to the minimum voltages, specified in Appendix B, as is cost-effective and will maximize energy savings. Records shall be maintained of all distribution circuit voltage regulator control settings including bandwidth, voltage level, and line-drop compensator.

3. CP National shall review the design and operation of all of its distribution circuits and determine for each circuit the cost-effectiveness of maximizing conservation of energy by optimizing service voltages. On or before December 31, 1979, CP National shall report in writing the results of this review including the regulator operating voltage levels for each circuit at the beginning and end of the circuit and the proposed circuit changes to maximize conservation of energy by optimizing service voltage for those circuits where it is found to be cost-effective to do so.

4. CP National is hereby authorized to file by December 31, 1979, a list of deviations for those residential and commercial distribution circuits that do not conform to the minimum and maximum secondary voltage levels specified in Appendix B and shall request authority for continuation of such deviations as may be necessary annually thereafter. The aforementioned list and subsequent annual requests for authorization shall list each circuit for which a deviation is requested, the factors which impeded compliance, the status of the design and operation review, and any proposed circuit changes to eliminate the continued requirement for the deviations.

5. CP National is hereby directed, in cooperation with our Energy Conservation Branch, to implement during the next twelve months a voltage surveillance program to assure that those feeder circuits which have been adjusted to the new service voltage range under the Conservation Voltage Regulation Program remain within the voltage range prescribed herein.

APPENDIX C
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CP NATIONAL ELECTRIC RATES
Needles District

CP National's tariff schedules shall be revised as follows:

Preliminary Statement

K. TAX CHANGE ADJUSTMENT CLAUSE (TCAC)

1. Cancel Section K.
2. Within 90 days of the effective date of the rates authorized herein, CP shall furnish a full accounting of the operation of its Tax Change Adjustment Clause in connection with its Needles electric operations. Residual amounts shall be transferred to the Purchased Power Cost Balancing Account on approval by the Commission of proposed Journal Entries.

Schedules D-112 - Residential Service and
DMN-124 - Multi-Family Residential Service (Not Submetered)

<u>RATES:</u>	<u>Per Meter Per Month</u>
Service Charge:	\$2.00
Commodity Charge:	
Lifeline kWh, per kWh .....	.0403
Non-Lifeline kWh, per kWh .....	.0538
Energy Rates:	
Included in the Commodity Charge above are the following Energy Rates as specified in Part D of the Preliminary Statement:	
Lifeline kWh, per kWh .....	.0191
Non-Lifeline kWh, per kWh .....	.0538
Minimum Charge: The Service Charge constitutes the monthly Minimum Charge.	
Delete: <u>Purchased Power Adjustment</u>	

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CP NATIONAL ELECTRIC RATES
Needles District

Schedule DSN-123 - Multi-Family Residential Service (Submetered)

	<u>Per Meter</u> <u>Per Month</u>
<u>RATES</u>	
Service Charge:	\$2.00
Commodity Charge:	
Lifeline kWh, per kWh .....	.0363
Non-Lifeline kWh, per kWh .....	.0538
Energy Rates:	
Included in the Commodity Charge above are the following Energy Rates as specified in Part D of the Preliminary Statement:	
Lifeline kWh, per kWh .....	.0172
Non-Lifeline kWh, per kWh .....	.0538
Minimum Charge: The Service Charge constitutes the monthly Minimum Charge.	
Delete: <u>Purchased Power Adjustment</u>	

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CP NATIONAL ELECTRIC RATES
Needles District

Schedule A-122 - General Service

	<u>Per Meter Per Month</u>
<u>RATES</u>	
Service Charge:	
Single-phase	\$2.00
Polyphase	3.50
Commodity Charge:	
First 1,000 kWh, per kWh .....	.0648
Next 1,000 kWh, per kWh .....	.0527
Over 2,000 kWh, per kWh .....	.0479

Energy Rates:

Included in the Commodity Charge, above, is an Energy Rate of \$0.0361 per kWh as specified in Part D of the Preliminary Statement.

MINIMUM CHARGE:

Single-Phase Service:

The Service Charge constitutes the Minimum Charge.

Polyphase Service:

The Minimum Charge shall be the greater of:

1. A bill calculated using the Service Charge and Commodity Charge specified above.
2. A bill calculated using a rate of \$1.00 per kW of connected load plus the Energy Rate specified above times the kWh consumption.

Delete: Purchased Power Adjustment

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CP NATIONAL ELECTRIC RATES
Needles District

Schedule P-132 - General Power Service

RATES

Per Meter
Per Month

Commodity Charges:

First 100 kWh per hp, per kWh	\$0.0589
Next 150 kWh per hp, per kWh .....	.0491
Excess, per kWh .....	.0443

Energy Rates:

Included in the Commodity Charge, above, is an Energy Rate of \$0.0361 per kWh as specified in Part D of the Preliminary Statement.

Minimum Charge:

The Minimum Charge shall be the greater of:

1. A bill calculated using the Commodity Charge specified above.
2. A bill calculated using a rate of \$1.00 per hp of connected load (minimum of 2 hp) plus the Energy Rate specified above times the kWh consumption.

SPECIAL CONDITIONS

- (c) Measured Maximum Demand. Delete the following from the end of the first paragraph "and the minimum charge will not be less than \$52.00 per month" substituting therefor "or 25 hp, whichever is greater".

Delete: Purchased Power Adjustment

CP NATIONAL ELECTRIC RATES
Needles District

Schedule P-134 - Power - Agricultural Irrigation

RATES

Per Meter
Per Month

Service Charge:

ALL hp, per hp, per year \$9.00

Commodity Charge:

ALL kWh, per kWh0477

Energy Rates:

Included in the Commodity Charge, above, is an Energy Rate of \$0.0361 per kWh as specified in Part D of the Preliminary Statement.

Delete: Purchased Power Adjustment.

Minimum Charge: The Minimum Charge will be the annual Service Charge as shown in Special Condition (b) and will be based on not less than 2 hp.

SPECIAL CONDITIONS

Change Special Condition (b) to read:

(b) Annual Service Charge. The Annual Service Charge will be payable in twelve equal installments, starting with the first month of the service year. The Annual Service Charge will be based on the largest load that may be connected at any one time.

Delete: Special Conditions (e) and (f)

APPENDIX C
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CP NATIONAL ELECTRIC RATES
Needles District

Schedule No. OL-152 - Outdoor Area Lighting Service

RATES

Per Lamp
Per Month

Overhead Service
Mercury-Vapor Lamp

7,000 Lumen (65 kWh)	\$ 6.27
20,000 Lumen (146 kWh)	11.38

Additional Charge: An added charge of \$1.60 per month shall be made for each pole required in excess of the number of luminaires installed.

Underground Service
Mercury-Vapor Lamp

7,000 Lumen (65 kWh)	\$ 6.78
20,000 Lumen (146 kWh)	11.89

Additional Charge: An installation charge of \$0.35/ft. shall be made for each foot of service in excess of 150 feet per lamp.

The customer will provide trenching and backfill, including all costs for paving, conduit, and other related expenses where applicable.

Energy Rates:

Included in the rates per lamp, above, is an Energy Rate of \$0.0361 per kWh as specified in Part D of the Preliminary Statement.

Delete: Purchased Power Adjustment

APPENDIX C
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CP NATIONAL ELECTRIC RATES
Needles District

Schedule No. LS-158 - Street and Highway Lighting

RATES

<u>Mounted on Wood Poles</u>	<u>Rate Per Lamp Per Month</u> <u>All Night Service</u>
Incandescent Lamps	
1,000 Lumens (31 kWh)	\$ 2.54
2,500 Lumens (65 kWh)	4.46
4,000 Lumens (101 kWh)	6.13
6,000 Lumens (138 kWh)	7.83
Mercury-Vapor Lamps	
7,000 Lumens (65 kWh)	6.68
11,000 Lumens (93 kWh)	8.60
20,000 Lumens (146 kWh)	11.33

Mounted on Metal Poles

The above rate for lamps on wood poles plus \$ 2.05

Energy Rates:

Included in the rates per lamp, above, is an Energy Rate of \$0.0361 per kWh as specified in Part D of the Preliminary Statement.

Delete: Purchased Power Adjustment

CP NATIONAL ELECTRIC RATES
Needles District

Schedule No. LS-159 - Street and Highway Lighting (Customer Owned)

RATES

<u>Mercury-Vapor Lamps</u>	<u>Rate Per Lamp Per Month All Night Service</u>
7,000 Lumens (65 kWh)	\$ 4.46
20,000 Lumens (146 kWh)	8.01
35,000 Lumens (255 kWh)	13.57
54,000 Lumens (372 kWh)	19.23

Energy Rates:

Included in the rates per lamp, above, is an Energy Rate of \$0.0361 per kWh as specified in Part D of the Preliminary Statement.

Delete: Purchased Power Adjustment