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Decision No. 90699 AUG 28 1979 ORIGINAL

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 Lassen Division.

Application No. 57819
(Filed January 20, 1978)

CP NATIONAL CORPORATION request to recover $425,000 of uncollected fuel expense; Advice Letter No. 195-E (filed August 17, 1979).

Orrick, Herrington, Rowley & Sutcliffe, by Robert J. Gloistein, Attorney at Law, for CP National Corporation, applicant.
Jim Chapman, Lassen County Supervisor, District 2, for himself and Citizens of Lassen County, protestant.
Charles S. Richardson, for City of Susanville; and Alice T. Dresel, William H. Moore, Jr., and James E. Pardee, for themselves; interested parties.
Sara Steck Myers, Attorney at Law, and Bertram Patrick, P.E., for the Commission staff.

O P I N I O N

By this application, CP National Corporation (applicant) requests authority to establish rates for its Lassen Division Electric Department which are designed to increase annual revenue by $686,600 or 12.6 percent over the revenues produced by the authorized rate levels now in effect based on test year 1979 operations. In addition, applicant 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.

Public hearing was held before Commissioner Dedrick and/or Administrative Law Judge Gillanders in Susanville on October 23, 24, 25, and 26, 1978[1/] and the matter was submitted upon receipt of late-filed exhibits on January 19, 1979. Copies of the application had been served and notice of hearing had been published and posted in accordance with this Commission's Rules of Practice and Procedure.

Oral testimony was presented on behalf of applicant by its chairman of the board, two vice presidents, and one department manager. The staff presentation was made by two engineers and three accountants. Twenty-three members of the public attended the hearings, nine of whom testified. Testimony of six of the public witnesses expressed concern over the plight of senior citizens, the ratio of purchased power billed to the total bill, applicant's billing practices, and objection to any rate increase.

Supervisor Chapman, testifying on his own behalf and on behalf of the citizens of Lassen County, cited his amazement when he discovered in the Stanford Research Institute (SRI) report the fact that applicant was carrying on its business functions without having an operating budget. On that basis alone, he thinks the rate increase should be denied and that any future rate increase requests not be considered until an operating budget is prepared and the citizens have had an opportunity to review it.

Alice T. Dresel, the Executive Officer for the Local Agency Formation Commission, testifying for herself as an interested party and a concerned citizen, stated that she was in full agreement with and strongly supports Jim Chapman's request that the Commission disapprove any rate increases until applicant presents a budget plan to the Commission for its review.

1/ In conjunction with Order Instituting Investigation No. 14 (OII 14) and Application No. 57824.

However, should the Commission determine a rate increase is necessary then Alice T. Dresel would make the following recommendations:

1. That the Commission establish a differential in rates between urban and rural customers excluding agricultural pumping service.

2. All line extensions or replacements due to new development, both electric and water, should be financed to a greater degree by the developer than is now required.

3. In the field of conservation, the utilities should be the energy consultants but not be bankers or loan companies, nor in the contracting business.

4. The utility should use or must use billing cycles of no longer duration than 31 days in the wintertime. Any change in billing cycles should be made during the summer months.

5. Lifeline rates should not apply to second homes.

She presented Exhibit 28 which compared the service charges of 100 rural single-family dwellings and a like number of urban single-family dwellings.

Other public witness testimony applied to the issues raised in OII 14 and will be discussed in the decision in that matter.

General Information

Applicant 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.

Lassen Division Electric Department

Present Operations

Applicant's Lassen Division includes the Susanville Electric and Water Departments. The Lassen division manager, division engineer, office manager, and clerks perform duties in the Electric and Water Departments.

The business office of the Lassen Division is located at Susanville.

Territory Served

The Lassen Electric Department furnishes electric service in Susanville, Chester, Westwood, Herlong, and the adjacent rural areas of Lassen, Plumas, and Tehama Counties. Susanville is the County Seat of Lassen County and its population is estimated to be about 7,000.

Source of Power

Applicant purchases its power requirements from the Pacific Gas and Electric Company on Schedule R - Resale Service. Power is received at a voltage of 60 kV at each of two points of connection, one in Chester for service to the town of Chester, and one in Westwood for service to Westwood and all towns and areas east of Westwood. Two 60-kV lines, each 22 miles in length, connect Westwood with Susanville. As of December 31, 1976, there were approximately 933 wire miles in the Lassen Division electric distribution system and 252 wire miles in the transmission system.

Results of Operation

During the course of hearings, the disputed issues between applicant and the staff were narrowed to (1) fair rate of return; (2) appropriate allowance for the cost of an SRI management audit; and (3) appropriate allowance for the capitalized cost of applicant's customer information services system. Applicant's witnesses and witnesses for the Commission staff analyzed and estimated applicant's operating results for test year 1979.

At the conclusion of the hearing, applicant 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 decision. To this end, a late-filed exhibit, jointly sponsored by applicant 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.

Applicant 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 applicant'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. Applicant 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 improvements 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.

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 applicant's rate of return to that recommended by the Commission staff and the additional revenue required to raise applicant's rate of return to that recommended by applicant.

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 the expense required for this undertaking to be $38,000 annually for CP National's total California operations. Accordingly, we will include $11,000 expense in the adopted test year to fund this activity (allocated to this CP National district by the four-factor methodology).

LASSEN ELECTRIC DISTRICT

	At Present Rates	Staff Rate of Return @ 9.50% Adjustment	Staff Rate of Return @ 9.50% Results	Utility Rate of Return At 11.03% & SRI Adjustment of $1,118 Adjustment	Utility Rate of Return At 11.03% & SRI Adjustment of $1,118 Results
	(Dollars in Thousands)				
Operating Revenues					
Sales Revenues (Basic Rates Only)	$1,489.4	$492.8	$1,982.2	$193.8	$2,176.0
Miscellaneous	41.0	-	41.0	-	41.0
Total Operating Revenues	1,530.4	492.8	2,023.2	193.8	2,217.0
Operating Expenses					
Transmission	9.1	-	9.1	-	9.1
Distribution	228.7	-	228.7	-	228.7
Customer Service & Information	10.6	-	10.6	-	10.6
Sales	0.8	-	0.8	-	0.8
Customer Accts. W/O Uncollect.	175.6	-	175.6	-	175.6
Uncollectibles	8.4	2.8	11.2	1.1	12.3
Administrative & General	407.3	6.1	413.4	3.5	416.9
CIS Amortization	26.1	-	26.1	-	26.1
Subtotal	866.6	8.9	875.5	4.6	880.1
Book Depreciation	262.0	-	262.0	-	262.0
Taxes Other Than Income	130.5	-	130.5	-	130.5
State Corp. Franchise Tax	(6.7)	43.6	36.9	17.0	53.9
Federal Income Tax	(61.6)	202.5	140.9	79.2	220.1
Total Operating Expenses	1,190.8	255.0	1,445.8	100.8	1,546.6
Net Operating Revenues	339.6	237.8	577.4	93.0	670.4
Rate Base	6,078.0		6,078.0		6,078.0
Rate of Return	5.59%		9.50%		11.03%

(Red Figure)

Discussion

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. Tel. & Tel. Co. (1968) 69 CPUC 53.) It was the testimony of applicant'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 applicant to sell its shares at a price which would not be punitively dilutive to the present stockholders and destructive to the market for applicant'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 applicant 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 applicant.

Amortization of Balancing Account

At the request of the Commission, applicant has not made its monthly purchased power adjustment filings during this proceeding in order to limit the number and frequency of rate changes. Purchased power expense has increased and the difference between expense and revenue has accumulated in the balancing account. At the time this application was submitted, the balancing account contained an under-collection balance of $425,000 which is expected to increase.

Applicant has filed Advice Letter No. 195-E dated August 17, 1979 requesting that the Balancing Account Adjustment rate component in the Energy Rates be increased to amortize the $425,000 balance at time of submission over a twelve-month period. If this adjustment is incorporated in the rates authorized in this decision, it will not be necessary for applicant to file for another change in the balancing account adjustment rate for one year or until the required increase or decrease exceeds ten percent of the gross annual revenue for the Lassen District.

Consolidating Advice Letter No. 195-E with Application No. 57819 and incorporating the rate change in this decision would limit the number and frequency of rate changes. Not including the requested change would deny customers timely price signals, encouraging higher consumption and resulting in a larger rate increase at a later date. Applicant's request will be granted.

Rate Design

In this proceeding, applicant and the staff (with some minor differences) have proposed a new rate design for residential electric rates which will aid in reducing the effects of declining sales on revenue, promote conservation, and not disadvantage the utility's ratepayers.

Simply stated, applicant's revenue requirement is divided into two components: one, the energy rate revenue 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 applicant, which purchases its total energy requirement, the former component generally represents two-thirds of the total revenue requirement. Both applicant and the staff recommend that this component continue to be collected subject to adjustment through the PPA balancing account.

Applicant and the staff differ slightly with respect to the collection of basic rate revenue. First, applicant proposes higher monthly service charges than the staff. It is apparent that even the higher monthly charge does not cover the fixed costs of service, and, in any event, the lower amount we adopt will be reflected in an adjustment to the commodity charge to produce the needed revenue requirement for this district.

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

2. The staff estimates, previously discussed herein, of operating expense and rate base for the test year 1979 reasonably indicate the results of applicant'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 $492,800 which amount is reasonable.

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

6. The rate increase authorized herein is consistent with the President's Wage and Price Guidelines.

7. CP National Advice Letter No. 195-E should be consolidated with Application No. 57819 and the rates authorized herein should include the presently unamortized amount in the purchased power balancing account amounting to $425,000.

8. 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.

Conclusions of Law

The Commission concludes that the application and Advice Letter No. 195-E 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.

ORDER

IT IS ORDERED that:

1. CP National Corporation 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. CP National Corporation 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 28 1979, at San Francisco, California.

John E. Bryson
President

Commissioners

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

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:

Nominal Two-Wire And Multi-Wire Service Voltage	Minimum Voltage To All Services	Maximum Service Voltage On Residential And Commercial Distribution Circuits	Maximum Service Voltage On Agricultural And Industrial Distribution Circuits
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:

APPENDIX A

Nominal Utilization Voltage	Minimum Utilization Voltage	Maximum Utilization Voltage
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).

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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.

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APPENDIX C

CP NATIONAL ELECTRIC RATES

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

Schedules D-110 - Residential Service and
DML-124 - Multi-family Residential Service (Not Submetered)

	Per Meter Per Month
RATES	
Service Charge:	$2.00
Commodity Charge:	
Lifeline kWh, per kWh	.0368
Nonlifeline kWh, per kWh	.0527

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	.0112
Nonlifeline kWh, per kWh	.0527

Schedule DSL-123 - Multi-family Residential Service (Submetered)

RATES

Service Charge:	$2.00
Commodity Charge:	
Lifeline kWh, per kWh	.0331
Nonlifeline kWh, per kWh	.0527

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	.0100
Nonlifeline kWh, per kWh	.0527

CP NATIONAL ELECTRIC RATES

Schedule A-120 - General Service

RATES	Per Meter Per Month
Service Charge	$2.00
Commodity Charge:	
First 3,000 kWh, per kWh	.0614
Next 3,000 kWh, per kWh	.0469
Next 4,000 kWh, per kWh	.0440
All kWh over 10,000:	
Next 150 kWh per kW of Billing Demand, per kWh*	.0401
Excess kWh, per kWh	.0345

*Note: Where a demand meter is not installed, all energy above 10,000 kWh will be billed at this rate.

Energy Rates:

Included in the Commodity Charge, above, is an Energy Rate of $0.0328 per kWh as specified in Part D of the Preliminary Statement.

MINIMUM CHARGE:

Single Phase Service:

The Service Charge constitutes the Minimum Charge.

Polyphase and/or Demand Metered Service:

The minimum charge shall be the greater of (1) a bill calculated using the service charge and commodity charge specified above and (2) a bill calculated using a rate of $1.00 per kW of Connected Load (or Billing Demand) plus the energy rate specified above times the kWh consumption.

Schedule A-120 - General Service (Continued)

SPECIAL CONDITIONS

2. A demand meter will be installed and connected to all services where billings for 3 consecutive months have exceeded 15,000 kWh and continued in service until the monthly usage has fallen below 10,000 kWh for 12 consecutive months, whereupon at the option of the company it may be removed.

3. The billing demand will be the average kilowatt load measured during the fifteen-minute period of maximum use during the month, to the nearest whole kilowatt.

4. The connected load for polyphase service will be the rated capacities of a customer's equipment that can be connected to the utility's lines at one time. For motors, the nameplate rating in horsepower will be used. In determining the connected load, 1 hp will equal 1 kW. The connected load may be a computed value.

5. If the average power factor during the month is less than 85% lagging as determined at the utility's option by permanent measurements or by test under normal operating conditions, the billing demand will be adjusted by multiplying by 85% and dividing by the average power factor.

Schedule C-128 - General Heating and Cooking Service

Canceled.

APPENDIX C

CP NATIONAL ELECTRIC RATES

Schedule No. P-130 - Agricultural Pumping Service

APPLICABILITY

This schedule is applicable to installations of 5 hp or more for pumping water for agricultural irrigation purposes.

TERRITORY

The entire territory of the utility's Lassen District.

RATES

Service Charge:	
All hp, per hp per year	$10.20
Commodity Charge:	
All kWh, per kWh	.0412

Energy Rates:
Included in the Commodity Charge above is an Energy Rate of $0.0328 per kWh as specified in Part D of the Preliminary Statement.

Minimum Charge:
The Minimum Charge will be the Annual Service Charge and will be based on not less than 5 hp.

SPECIAL CONDITIONS

1. Agricultural Year:
   a. Service under this schedule will be available on a twelve-month basis.
   b. The annual Service Charge will be payable in eight equal monthly installments beginning with the bill for March service.
   c. The Service Charge will be based on the largest load that may be connected at any one time, but not less than 5 horsepower.

2. Voltage:
   Any standard available distribution voltage, single or polyphase, at the customer's choice, but not more than one, will be supplied on this schedule, subject to the Company's rules on file with the Public Utilities Commission of the State of California.

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CP NATIONAL ELECTRIC RATES

Schedule No. P-130 - Agricultural Pumping Service

SPECIAL CONDITIONS (Continued)

3. Contracts:
The Company may require a contract for service under this schedule for a period not to exceed three years when service is first rendered and thereafter from year to year.

4. Service to New or Permanently Discontinued Installations:
An adjustment to the Service Charge will apply only in the case of service first begun or permanently discontinued and will not be made when installations are shut down for a few months. The Service Charge will be prorated at the rate of one-eighth of the annual charge per month between the March meter reading date and the November meter reading date.

5. Determination of Motor Size:
The motor size for billing purposes will not be less than five horsepower and shall be the nameplate rating of the motor capacity in horsepower, except that whenever, upon test, any motor is found to be delivering more than 125% of its full load capacity, as indicated by its nameplate rating, the Company may disregard the nameplate rating and base its charges upon the actual output as calculated from test. Any motor which is billed on a basis in excess of its nameplate rating in accordance with this special condition, shall be tested at intervals to be determined by the Company or upon notification by the customer of a permanent change in operating conditions.

Schedule No. P-140 General Power Service

Canceled.

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CP NATIONAL ELECTRIC RATES

Schedule T-170 - General Service - Time Metered

APPLICABILITY

This schedule is applicable to alternating current service for all customers whose maximum demand in any time period is 500 kilowatts or greater.

TERRITORY

The entire territory of the utility's Lassen District.

RATES

	Per Meter Per Month
Service Charge:	$ 230.00
Demand Charge:	
Period A, per kilowatt of billing demand	2.89
Period B, per kilowatt of billing demand	No Charge
Commodity Charge:	
Period A kWh, per kWh	.0329
Period B kWh, per kWh	.0326

Energy Rates

Included in the Demand Charge and Commodity Charge, above, are Energy Rates of $.0248 per kWh for both Period A and Period B kWh and $2.89 per kW of billing demand for Period A only.

SPECIAL CONDITIONS

5. If the average power factor during the month is less than 85% lagging as determined at the utility's option by permanent measurements or by test under normal operating conditions, the billing demand will be adjusted by multiplying by 85% and dividing by the average power factor.

7. The Energy Rates and Time Periods established in this schedule reflect the rates and special conditions of PG&E's Schedule No. R-1, Resale Service, effective January 1, 1977.

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CP NATIONAL ELECTRIC RATES

Schedule No. T-171 - General Power Service - Time Metered

Cancel

Schedule No. OL-150 - Outdoor Area Lighting Service

RATES

	Per Lamp Per Month
Overhead Service	
Mercury-Vapor Lamp	
7,000 Lumen (65 kWh)	$ 7.11
20,000 Lumen (146 kWh)	12.18

Additional Charge: An added charge of $1.34 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)	$ 7.75
20,000 Lumen (146 kWh)	12.81

Additional Charge: An installation charge of $0.30/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 $0.0328 per kWh as specified in Part D of the Preliminary Statement.

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CP NATIONAL ELECTRIC RATES

Schedule No. LS-154 - Street and Highway Lighting

RATES	Per Lamp Per Month
OVERHEAD SERVICE:	
Mounted on Wood Poles:	
Incandescent Lamps	
2,500 Lumens (65 kWh)	
For all units served on December 17, 1976	$ 4.38
For units connected to distribution system after December 17, 1976	7.90
Mercury-Vapor Lamps	
7,000 Lumens (65 kWh)	7.32
11,100 Lumens (93 kWh)	9.24
20,000 Lumens (146 kWh)	11.68
Fluorescent Lamps	
20,000 Lumens (146 kWh)	13.66
UNDERGROUND SERVICE:	
Mercury-Vapor Lamps	
7,000 Lumens (65 kWh)	7.32
11,000 Lumens (93 kWh)	9.24
20,000 Lumens (146 kWh)	11.68

Additional Charge: An installation charge of $0.30 per foot 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.

Mounted on Metal Poles (Overhead or Underground): The rate for lamps mounted on wood poles plus	2.64

Energy Rates:

Included in the rates per lamp above, is an Energy Rate of $.0328 per kWh as specified in Part D of the Preliminary Statement.

CP NATIONAL ELECTRIC RATES

Schedule No. LS-156 - Street and Highway Lighting (Customer-Owned)

RATES

	Rate Per Lamp Per Month All Night Service
Mercury Vapor Lamps:	
7,000 Lumens (65 kWh)	$4.68

Energy Rates:

Included in the rate per lamp, above, is an Energy Rate of $0.0328 per kWh as specified in Part D of the Preliminary Statement.

CP NATIONAL PRELIMINARY STATEMENT

D. ENERGY RATES (Lassen District)

1. Energy rates to recover the cost of purchased power will be included in each of the utility's rate schedules.

2. Energy rates shall be the sum of two rates:

   a. The Energy Cost Rate which shall be set to recover the cost of purchased power pursuant to Section 3., below, and

   b. The Balancing Account Adjustment Rate which shall be set to amortize the amount in the Balancing Account pursuant to Section J of this Preliminary Statement.

3. The Energy Cost Rate shall be set as follows:

   a. The energy cost rate may be changed with the approval of the Commission either in a general rate case or in response to the utility's advice letter filings.

   b. The utility may file to change the Energy Cost Rate to recover a change in purchased power cost when the increase or decrease in such purchased power cost is over ten percent in any one month.

   c. Advice filings to change the Energy Cost Rate shall derive the requested rates utilizing the latest calendar year's recorded purchases, sales, uncollectible accounts expense and franchise tax expense for the district involved as follows:

      (1) Derive the revenue requirement by repricing the latest calendar year's purchased power invoices on the new increased rate and on the rate applicable to the prior month, and multiplying the difference between these two quantities by a factor equal to one plus the quotient of the total franchise tax and uncollectible accounts expenses divided by the gross revenues of the latest calendar year.

      (2) Derive the cent per kWh change by dividing the revenue requirement computed above by the recorded kWh sales for the latest calendar year.

CP NATIONAL PRELIMINARY STATEMENT

J. PURCHASED POWER COST BALANCING ACCOUNTS

1. Purpose

The purpose of this Balancing Account Provision is to carry out the provisions of Assembly Bill No. 2548, which added Section 792.5 to the Public Utilities Code.

2. Applicability

This Balancing Account Provision shall be applicable to all purchased power costs and all revenues from Energy Rates.

3. The Balancing Account Adjustment Rate shall be set as follows:

a. The Balancing Account Adjustment Rate may be changed with the approval of the Commission either in a general rate case or in response to the utility's advice letter filings.

b. The utility shall file to change the Balancing Account Adjustment Rate annually and may file more frequently when the required increase or decrease exceeds ten percent of the gross annual revenue of the district involved for the latest calendar year.

c. The Balancing Account Adjustment Rate shall be expressed as a uniform percentage of the Energy Cost Rates authorized pursuant to Section D of this Preliminary Statement and shall be calculated using the latest calendar year's sales, uncollectible accounts expense and franchise tax expense of the district involved.

CP NATIONAL PRELIMINARY STATEMENT

J. PURCHASED POWER COST BALANCING ACCOUNTS (Continued)

4. The utility shall maintain a Purchased Power Cost Balancing Account for each district. Entries shall be made to this Account at the end of each month as follows:

   a. A debit entry equal to the invoiced purchased power cost for the month, less

   b. A credit entry equal to the revenues from Energy Rates, adjusted for the percentage utilized in setting the energy rates for franchise taxes and uncollectible accounts expense; plus

   c. A debit entry, if positive (credit entry, if negative) of interest at the rate of 7/12% of the amount in the Account which is determined to be the accumulated over- or undercollections. Such amount shall be the sum of the amount in the account related to the over- or underrecovered purchased power costs for the month prior to the current month, and the previously determined accumulated over- or undercollection including interest. Note: This accumulated over- or undercollection amount shall be the basis for setting the Balancing Account Adjustment Rate in J.3., above.

   d. The Account shall be initialized utilizing the balance recorded in the Purchased Power Cost Equalizing Adjustment Account, established pursuant to Commission Resolution No. E-1699 dated April 15, 1977 and Resolution No. E-1743, dated January 31, 1978. Said Account which was previously included as Section H of this Preliminary Statement related purchased power cost increases to the revenues from Purchased Power Adjustment (PPA) Rates set to collect those increases beginning with the increased cost of January 1977 and PPA rates made effective February 1, 1977. To the extent PPA revenues are recorded after the effective date of this Balancing Account provision, the amount to be recorded per J.4.b. above, shall reflect such PPA revenues.

K. TAX CHANGE ADJUSTMENT CLAUSE (TCAC)

1. Delete reference to CP National's "Lassen Division".

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 Lassen electric operations. Residual amounts shall be transferred to the Purchased Power Cost Balancing Account on approval by the Commission of proposed Journal Entries.