

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Southern California)
Edison Company, order on)
Energy Cost Adjustment)
Clause.)

Resolution E-1595
issued Sept. 14, 1976

Resolution E-1604
issued Oct. 13, 1976

ORDER DISMISSING
PETITIONS FOR REHEARING

On September 22, 1976 and October 21, 1976, Southern California Edison Company (Edison) filed petitions for rehearing of Resolutions E-1595 and E-1604 respectively. Action on those petitions has been deferred pending the final outcome of judicial review of Decision No. 85731. That review is now complete. By letter dated August 3, 1979, Edison has requested that, in light of the outcome of that review, we consider the two petitions for rehearing to be withdrawn.

Good cause appearing,

IT IS HEREBY ORDERED that pursuant to Edison's request, the petitions for rehearing of Resolutions E-1595 and E-1604 are hereby dismissed.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 28th day of AUGUST, 1979.

John E. Guya

President

William L. Stinson

Richard D. Gault

Lorance W. Dennis

Commissioners

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

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION

RESOLUTION NO. E-1604

UTILITIES DIVISION
BRANCH/SECTION: Electric
DATE: October 13, 1976

SUBJECT: Order Authorizing Southern California Edison Company Advice No. 429-E, as Supplemented by Advice Filing No. 429-E (Supplemental) to Become Effective, Establishing Its ECAC Tariff

WHEREAS: Pursuant to Commission Resolution No. E-1595, implementing Decision No. 85731, dated April 27, 1976 (C-9886), Southern California Edison Company (SCE) filed its Advice No. 429-E on September 23, 1976, and supplemented such filing by its Advice No. 429-E (Supplemental) on October 6, 1976; and

WHEREAS: SCE filed its petition for rehearing of said Decision No. 85731 on May 6, 1976, and after said petition for rehearing was denied on July 7, 1976, by Decision No. 86085, filed its Petition for Writ of Review with the California Supreme Court on August 4, 1976 (which Petition has not yet been acted upon); and

WHEREAS: The aforesaid Petition for Writ of Review involves issues raised relating to the lawfulness of the portions of the aforesaid decisions of the Commission, particularly exemplified in paragraph 10 of Attachment A to Resolution No. E-1595, and it is the intent of both the Commission and SCE to accelerate the effectiveness of a new ECAC on the SCE system, with its balancing provision reflected in paragraph 7 of Attachment A to Resolution No. E-1595, in a manner which will not prejudice in any way the rights of either side in such litigation; and

WHEREAS: Since the changes effected by Decision No. 85731, dated April 27, 1976, the Commission staff has recommended that the differential between the revenues derived from the application of the billing factor of 0.949 cents per kwh, which has been in effect during the entire period since May 1, and the recorded ECAC related expenses calculated as provided for in paragraph 7 of the ECAC filed by SCE in its Advice No. 429-E (Supplemental) be included in the initial ECAC balancing account for the period beginning May 1, 1976; and

WHEREAS: It is contemplated that (a) if the Commission's position in the aforesaid litigation is sustained after final judicial review, it will, by further order, specify an amount, determined in conformity with any such judicial decision, to be inserted in paragraph 10 of the ECAC filed by SCE in a manner which will eliminate any gap in time between the implementation of said paragraph 10 and paragraph 7 of the ECAC, and (b) if SCE's position is sustained by the courts, the Commission will, by further order, authorize the elimination of paragraph 10 and other references to a Fuel Collection Balance Adjustment in the ECAC of SCE, as set forth in Attachment I of Advice No. 429-E; therefore

IT IS ORDERED that the tariff sheets accompanying Advice No. 429-E (Supplemental) are authorized as filed and to be effective on the date hereof.

D. W. HORN'S, Secretary
WILLIAM SYMONS, JR., VERNON L. STURGEON
LEONARD ROSS, ROBERT WAKINGVICH, Commissioners

IT IS FURTHER ORDERED that the initial balance to be established in the ECAC balancing account shall include the accumulated differential between the revenues derived from the application of the billing factor of 0.949 cents per kwh, which has been in effect during the entire period since May 1, and the recorded ECAC related expenses calculated as provided for in paragraph 7 of the ECAC filed by SCE in its Advice No. 429-E (Supplemental), and shall be calculated from the period beginning May 1, 1976.

IT IS FURTHER ORDERED that within 10 days after the effective date of the aforesaid tariff filing that SCE shall file an application for revision of its Energy Cost Adjustment billing factor, giving appropriate recognition to the provisions of paragraph 7 of the Energy Cost Adjustment Clause.

The effective date of this Resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 13th day of October, 1976, the following Commissioners voting favorably thereon:

D. W. HOLMES, President
WILLIAM SYMONS, JR., VERNON L. STURGEON
LEONARD ROSS, ROBERT BARTNOVICH, Commissioners

William R. Johnson

Executive Director

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. E-1595

RESOLUTION

UTILITIES DIVISION
BRANCH/SECTION: Electric
DATE: September 14, 1976

SUBJECT: Order Requiring Southern California Edison Company to File an Energy Cost Adjustment Clause in Place of its Fuel Cost Adjustment Clause

WHEREAS: Southern California Edison Company, pursuant to Decision No. 85731, dated April 27, 1976, in C-9886, filed with the Commission the data indicating the amount of over- or undercollection of fuel clause revenue above the fuel expenses on a recorded basis and a sample Energy Cost Adjustment Clause (ECAC) conforming to the requirements and containing the elements set forth in that decision, and

WHEREAS: Such filing complies with procedural requirements of Ordering Paragraph No. 1 of Decision No. 85731, and

WHEREAS: The Utilities Division staff has reviewed the filing and modified it properly to better contain the elements set forth in said decision, and

WHEREAS: SCE Company's petition for rehearing in C-9886, D-85731, has been denied by the Commission by Decision No. 86085, dated July 7, 1976, and

WHEREAS: The staff forwarded to SCE the staff's recommendations as ordered in Decision No. 86085, receiving SCE's timely comments thereon, and

WHEREAS: The staff recommendation will replace the existing Fuel Clause Adjustment language in Part G of SCE's tariff Preliminary Statement with Energy Cost Adjustment Clause language, therefore

IT IS ORDERED that within 10 days after the effective date hereof, Southern California Edison Company shall file the Energy Cost Adjustment Clause (ECAC), Attachment A hereof, by appropriate tariff filing in accordance with General Order No. 96-A, concurrently superseding existing Part G of its tariff Preliminary Statement.

IT IS FURTHER ORDERED that, after the effective date of the tariff filing, Southern California Edison Company shall file its application for initial implementation of the ECAC.

The effective date of this resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 14th day of September, 1976, the following Commissioners voting favorably thereon:

PRELIMINARY STATEMENT
(Continued)

G. ENERGY COST ADJUSTMENT CLAUSE (ECAC)

1. Applicability. Bills rendered under the rate schedules and certain special contracts contained or listed herein shall include amounts resulting from (1) the applicable lifeline and other than lifeline energy quantities multiplied by the appropriate Energy Cost Adjustment Billing Factors (ECABF), to offset increases or decreases in the cost of fuel and purchased energy; (2) the rate for fuel service charges payable to Mono Power Company; (3) a rate to extinguish the future balance in the Energy Cost Adjustment Account; and (4) applying the Fuel Collection Balance Adjustment Billing Factor to amortize the Fuel Collection Balance. Such billing factors are shown in Paragraph 11, following.

2. Revision Date. The revision dates $\frac{1}{2}$ are _____ and _____ of each year. The effective date of the revised billing factors shall be on such dates or as soon thereafter as the Commission may authorize. The ECABF and the Fuel Collection Balance Adjustment Billing Factor, in cents per kilowatt-hour sold, shall be applied to service rendered on and after the effective date and continuing thereafter until the next such factor becomes effective. Applications for revisions of the ECABF shall be filed semi-annually with the California Public Utilities Commission at least 30 days before the revision date.

3. Record Period.
 - (a) For purposes of calculating the ECABF, the Record Period shall be the twelve calendar month period ending at the end of the third month prior to the month in which the revision date occurs.

 - (b) Record Period sales shall be the main system kilowatt-hours sold during the Record Period, excluding energy sales to the Department of Water Resources to the extent that such sales do not exceed energy purchases from that agency, and excluding sales for resale under the jurisdiction of the Federal Power Commission.

 - (c) The Record Period quantities of oil, gas and coal fuels shall be those quantities consumed for generation during the Record Period in millions of BTU's. The Record Period quantities of nuclear and geothermal energy shall be recorded kilowatt-hours generated during the Record Period. The Record Period quantities of purchased energy shall be those recorded kilowatt-hours purchased during the Record Period.

$\frac{1}{2}$ To be determined by further order of the California Public Utilities Commission, pursuant to D-85731, dated April 27, 1976, in C-9886.

PRELIMINARY STATEMENT
(Continued)

G. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

4. Current Price.

- (a) The Current Price of oil fuel shall be the average price in cents per million BTU of oil fuels in inventory on the filing date.
- (b) The Current Price of gas and coal fuels shall be the weighted average price of such fuel in cents per million BTU based on the latest tariff, contract, or delivered price in effect on or before the revision date.
- (c) The Current Price of nuclear fuel shall be the amortization, expressed in cents per kilowatt-hour, of nuclear fuel assemblies including an allowance for salvage value, transportation, storage and reprocessing, in effect on or before the filing date.
- (d) The Current Price of geothermal steam shall be the price per kilowatt-hour of geothermal plant output, for steam purchases and payments for effluent disposal, effective on or before the filing date.

5. Current Cost. The current cost of fuel and purchased power shall be calculated as follows:

- (a) The Current Cost of fuel shall be the respective Record Period quantities of gas, oil, coal, nuclear, and geothermal production multiplied by their respective Current Prices.
- (b) The Current Cost of purchased power ^{2/} shall be the amount recorded in the purchased power account during the Record Period, including both capacity and energy charges.

^{2/} For purchases from individual sources, where identifiable and in excess of one per cent of total energy sales, that portion of purchased power cost shall be the Record Period quantities of energy and capacity purchased from that supplier multiplied by the latest tariff, contract or delivered price in effect on or before the revision date.

PRELIMINARY STATEMENT
(Continued)

G. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

6. Base Rates. The Base Rates are those rates for electric service effective on December 31, 1975, authorized by Decisions Nos. 81919 and 85294. Included in the base rates is 0.687 cents per kilowatt-hour sold, which offsets the base cost of fuel, purchased power expense and the fuel service charge payable to Mono Power Company.

7. Energy Cost Adjustment Account. The utility shall maintain an Energy Cost Adjustment Account (Balancing Account). Entries to be made to this account at the end of each month will be determined from the following calculations:
 - (a) Fuel and purchased power expense and the Mono Power Company fuel service charge for projects recognized by the Commission, all as recorded during the month,
 - (b) Less: refunds received by the utility from any of its fuel or purchased power suppliers,
 - (c) An appropriate adjustment to reflect expenses and revenues resulting from sales, purchases, or transfers of fuel,
 - (d) Less: the amount of revenue, if any, billed during the month for the fuel and purchased power energy component of off-system transactions,
 - (e) Less: the amount of revenue billed during the month to the Department of Water Resources,
 - (f) Less: allocation of the net of "a" through "e" to resale sales in direct proportion to the ratio of generation for resale sales to total sales,
 - (g) Less: an amount resulting from kilowatt-hour sales to which the ECABF was applicable during the month multiplied by the Base Cost per kilowatt-hour, and
 - (h) Less: amount of revenue billed during the month under the ECABF, *reduced by 1.5% to offset the effect of 5.5% fees and uncollectible expenses*

If the above calculation produces a positive amount (undercollection), such amount will be debited to the balancing account. If the calculation produces a negative amount (overcollection), such amount will be credited to the balancing account.

PRELIMINARY STATEMENT
(Continued)

G. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

8. Calculation of the ECAC Amount. The Energy Cost Adjustment Clause Amount shall be determined as follows:

- (a) The current cost of energy calculated according to Paragraph 5 shall be allocated to sales subject to the ECAC in direct proportion to the ratio of generation for such sales to total sales.
- (b) The amount of energy expense which would be recovered by application of the current Base Rate to Record Period sales subject to the ECAC shall be deducted.
- (c) The balance in the Energy Cost Adjustment Account at the end of the Record Period shall be added or subtracted.
- (d) The sum of "a" through "c" shall be increased by 1.00% to offset the effect of franchise fees and uncollectible expenses; the result is the ECAC Amount to be recovered through the ECABF.

9. Calculation of the ECABF. The Energy Cost Adjustment Billing Factor shall be determined as follows:

- (a) The ECABF applicable to lifeline and other than lifeline service, expressed in cents per kilowatt-hour sold, shall be the ECAC amount divided by Record Period kilowatt-hours, except that the initial ECABF for lifeline service shall not exceed 0.949 cents per kilowatt-hour.
- (b) When the ECABF exceeds 0.949 cents per kilowatt-hour the Energy Cost Adjustment Clause Amount calculated above shall be reduced by the amount to be recovered through the lifeline ECABF and the remainder shall be divided by the remaining Record Period sales to determine the ECABF applicable to other than lifeline quantities of energy.
- (c) The ECABF shall be rounded to the nearest 0.001 cents per kilowatt-hour.

PRELIMINARY STATEMENT
(Continued)

G. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

10. Fuel Collection Balance Adjustment. A Fuel Collection Balance Adjustment Billing Factor shall be determined concurrent with revisions of the ECABF applicable to sales subject to the ECAC, as described in Paragraph 11 following. The factor shall be based on the Fuel Collection Balance of \$ _____* as of _____*, 1976, amortized initially over a period of 36 months, with interest applied at the rate of 7/12 per cent per month of the unamortized balance at the end of each month, beginning April 1, 1976. The Fuel Collection Balance Adjustment Billing Factor shall be calculated by dividing the unamortized balance, plus accumulated interest at the end of the Record Period, by the remaining months in the amortization period multiplied by twelve months and divided by the CPUC Jurisdictional Sales in the Record Period. The Fuel Collection Balance Adjustment applicable to each rate schedule will be set forth on that rate schedule.

11. Billing Factors. The adjustment amount to be added to or subtracted from each bill shall be the product of the total kilowatt-hours for lifeline service for which the bill is rendered multiplied by the ECABF applicable to lifeline quantities, plus the product of the remaining kilowatt-hours for which the bill is rendered, multiplied by the ECABF applicable to other than lifeline quantities, minus the product of the Fuel Collection Balance Adjustment Billing Factor multiplied by all kilowatt-hours for which the bill is rendered. The factors listed below have been, or are, in effect for the periods indicated:

Effective Period	c/KWH	Applicable to: Lifeline Quantities	Other than Lifeline Quantities	Fuel Collection: Balance Adjustment Factor	c/KWH
8/19/75 to _____*	0.949				_____*

12. Reporting on Reasonableness of Prices Paid. A report on the reasonableness of the prices paid for fuel and energy purchases will be filed with the Public Utilities Commission by April 15 of each year.

* To be determined by further order of the California Public Utilities Commission.