

Decision No. 92305 OCT 8 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
own motion into the feasibility of)
establishing various methods of)
providing low-interest, long-term)
financing of solar energy systems)
for utility customers.)

OII No. 42
(Filed April 24, 1979)

SUPPLEMENTAL OPINION MODIFYING
DECISION NO. 92251 BY ADDING
CLARIFYING LANGUAGE

On September 16, 1980 we issued Decision No. 92251 in this proceeding, which directed the respondent utilities to implement demonstration solar financing programs.

It has come to our attention, as pointed out in respondent San Diego Gas & Electric Company's Petition for Modification of Decision No. 92251 (filed September 30, 1980), that ordering paragraphs in Decision No. 92251 did not clearly or fully implement the intent of the opinion and order. The opinion is clear that balancing accounts should be established by the respondent utilities to record reasonably incurred start-up expenses in the preparatory period necessary to get financing programs under way. We limited the start-up costs to \$500,000 for each utility. With the establishment of balancing accounts for the gas and electric departments for the utilities, recovery of the start-up costs and their reasonableness would be addressed in the respondents' various solar financing offset applications, which are pending. After the date balancing accounts are established pursuant to a Commission order, amounts booked as a debit (e.g. start-up costs) can be recovered through rates established in applicable solar financing offset proceedings.

We authorize the establishment of new balancing accounts, or the use of existing ones (for solar financing program start-up and administrative expense), as a means of providing a vehicle for recovery of such expense. This also enables the solar financing demonstrations to get under way as early as possible.

The following order should be effective the date of signature since it merely clarifies a prior order consistent with the clear intent of the prior order, and because it is in the public interest that the demonstration financing programs get under way as soon as possible.

We will modify Finding of Fact 46 and Conclusion of Law 27 in Decision No. 92251 consistent with that opinion and add additional ordering paragraphs.

Findings of Fact

1. Decision No. 92251 directed the respondents to undertake demonstration solar financing programs.
2. The intent of Decision No. 92251, as reflected in the opinion and its findings of fact and conclusions of law, was that the respondents establish or use balancing accounts to enable recovery of up to \$500,000 of reasonable start-up and administrative expense attendant with getting their respective demonstration solar financing programs under way.

Conclusion of Law

Decision No. 92251 should be modified, consistent with its intent, by ordering that the respondents may make tariff filings to establish or use balancing accounts to record start-up and administrative expense during the preparatory period for getting their solar financing programs started.

O R D E R

IT IS ORDERED that:

1. Finding of Fact 46 in Decision No. 92251 is modified to read:

46. Preparatory and initial implementation costs should not exceed \$500,000 for any utility. All preparatory and initial implementation costs up to \$500,000 per utility incurred by utilities between the effective date of this order and the effective date of any decision in the utilities' solar offset rate proceedings (A.59596, 59724, 59869) shall be recoverable in such proceedings to the extent reasonably incurred.

2. Conclusion of Law 27 in Decision No. 92251 is modified to read:

27. Rate issues should be reserved for subsequent rate proceedings except that preparatory and initial implementation costs up to \$500,000 per utility incurred by the respondent utilities between the effective date of this order and the effective date of any decision in the utilities' solar financing offset rate proceedings shall be recoverable in such proceedings to the extent reasonably incurred.

3. Ordering Paragraphs 21, 22, 23, and 24 are added to Decision No. 92251, effective the date this order is signed, as follows:

21. PG&E, SDG&E, Edison, and SoCal Gas (respondents) are authorized to establish or use a balancing account to include and recover reasonable start-up and administrative costs to undertake their demonstration solar financing programs, up to \$500,000 for each utility. Recovery of these expenses shall be subject to staff and Commission review in each respondent's respective solar financing offset application.

22. The respondents may use existing conservation and load management balancing accounts to record the start-up and administrative expenses related to solar financing

demonstration programs (to a ceiling of \$500,000) providing supporting records clearly and separately identify each program and related costs. Respondents who do not have established conservation and/or load management balancing accounts are authorized to establish new balancing accounts in accordance with the criteria outlined above. Finally, respondents who have existing balancing accounts may, if they choose, establish new balancing accounts to record solar financing program expenses.

23. All entries to the balancing accounts for demonstration solar financing expense shall be for expense incurred after tariff filings are effective which modify preliminary statements to provide for the recovery of demonstration solar financing expense through a balancing account.

24. Tariff filings by the respondents pursuant to this order may be made on or after the effective date of this order, and shall be in compliance with the Commission's General Order No. 96-A. The revised tariffs shall be effective five days after filing.

The effective date of this order is the date hereof.

Dated OCT 8 1980 at San Francisco, California.

John E. Bryson
President

William L. Sturgeon

Richard D. Howell

Lawrence M. Jamieson
Commissioners

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