

Decision No. 92306 OCT 8 1980**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Southern California Edison Company)	Application No. 59831
for Authority to Modify its Energy)	(Filed July 23, 1980)
Cost Adjustment Billing Factors.)	

John R. Bury, William E. Marx, Richard K. Durant,
 Carol B. Henningson, by Carol B. Henningson, Attorney at
 Law, for Southern California Edison Company, applicant.
 Downey, Brand, Seymour & Rohwer, by Philip A. Stohr, Attorney
 at Law, for General Motors Corporation; Glen J. Sullivan
 and Allen R. Crown, Attorneys at Law, for California Farm
 Bureau Federation; Grant Nelson, for Metropolitan Water
 District of Southern California; and Hopi Brougher, for
 Good American Organization; interested parties.
Timothy E. Treacy, Attorney at Law, for the Commission staff.

INTERIM OPINION

By this application Southern California Edison Company (Edison) seeks authority to decrease its Energy Cost Adjustment Billing Factors (ECABF) pursuant to its Energy Cost Adjustment Clause (ECAC) tariff provisions, effective September 1, 1980. The requested reductions are as follows:

- Lifeline Domestic Service - from 2.553¢/kWh to 2.218¢/kWh
- Nonlifeline Domestic Service - from 5.864¢/kWh to 5.358¢/kWh
- Other than Domestic Service - from 4.960¢/kWh to 4.513¢/kWh

The estimated annual revenue effect is \$236.3 million. Edison also seeks authority to modify its ECAC tariff provisions "to incorporate a Fuel Oil Inventory Adjustment provision...to reflect in the ECAC Balancing Account costs associated with fuel oil inventory levels in excess of \$50 million above or below that level of inventory which was authorized by the Commission in Edison's most recent General Rate Case." Hearing on the application was held on September 22 and 23, 1980, in Los Angeles, before Administrative Law Judge Patrick J. Power and the matter was submitted.

Edison recites that the revenue requirement is derived pursuant to its presently effective ECAC tariff provisions, as modified by Decision No. 91277 in OII No. 56, dated January 29, 1980.

"The forecasted energy mix is estimated for the twelve-month period commencing September 1, 1980.

"The fuel prices and Balancing Account balance are estimated for the twelve-month period commencing September 1, 1980. The calculation of the revised ECABFs is based upon a 4-month period for the amortization of the estimated September 1, 1980 balance in the Balancing Account."

It proposes to spread the rate reduction among customer classes based on its understanding of Commission policy as stated in Decisions Nos. 90967, 91416, and 91805. The following table reflects the revenue effect on a dollar and on a percentage basis.

<u>Customer Class</u>	<u>ECAC Sales</u> <u>M²KWh</u>	<u>Proposed Decrease</u>	
		<u>\$M²</u>	<u>%</u>
<u>Residential</u>			
Lifeline	8,814	29.6	6.1
Nonlifeline	<u>7,879</u>	<u>39.9</u>	<u>6.2</u>
Total	16,693	69.5	6.2
Agricultural	1,064	4.8	6.4
Commercial	15,010	67.2	6.3
Industrial	16,646	74.5	7.0
Other Public Authority	<u>4,537</u>	<u>20.3</u>	<u>6.3</u>
Total	53,950	236.3	6.5

An interim order authorizing the reduction requested by Edison is reasonable in several respects. First, in view of the substantial increases of the last year, this reduction provides some measure of welcome relief. Second, the revised ECAC procedures are intended to be applied on a timely basis. Here, where hearings are delayed until after the scheduled revision date, and Edison has introduced an issue that may further delay final decision, an interim order setting rates based on current costs is appropriate.

The detail underlying Edison's rate design recommendation is shown in Appendix C attached to the application. The method appears consistent with the approach adopted in the last Edison ECAC increase - first an adjustment to make the average system rate equal to the average domestic rate, then a uniform ¢/kWh adjustment on a weighted average basis within the domestic class. This is a reasonable basis for implementing the rate reduction prior to the hearing and further consideration of the three-tier domestic rate design evidence directed to be supplied in Edison's last ECAC order.

Findings of Fact

1. By Application No. 59831 Edison requests a reduction in its ECABF estimated to yield a decrease in annualized revenues of \$236.3 million. ✓

2. Edison's filing is based on its ECAC tariff provisions as modified by Decision No. 91277 and a revision date of September 1, 1980.

3. An interim order is reasonable pending hearings and final decision that is delayed beyond the revision date.

4. Before spreading the rate reduction on a uniform ¢/kWh basis, it is reasonable to adjust present rates so that the system average rate is equal to the residential average rate.

5. The reductions proposed by Edison are reasonable and should be adopted pending hearing.

Conclusions of Law

1. Edison should be authorized to establish the revised ECAC billing factors set forth in the following order.

2. Because the scheduled revision date has passed, the effective date of this order should be the date hereof.

INTERIM ORDER

IT IS ORDERED that Southern California Edison Company is authorized to establish and file with this Commission within five days after the effective date of this order, in conformity with the provisions of General Order No. 96-A, revised tariff schedules of ECAC billing factors as follows:

Domestic

Lifeline 2.218¢/kWh

Nonlifeline 5.358¢/kWh

Other than Domestic Service 4.513¢/kWh

pending further order by the Commission in this matter.

The effective date of this order is the date hereof.

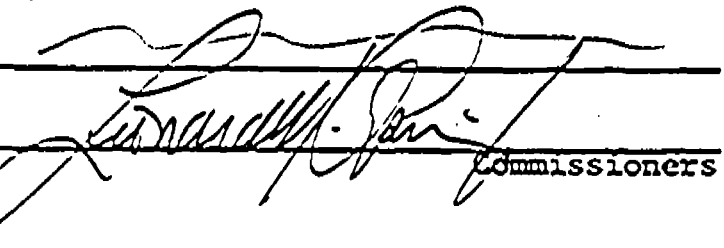
Dated OCT 8 1980, at San Francisco, California



President







Commissioners

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