

ORIGINALDecision No. 92550 DEC 30 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Southern California Edison Company for)
 authority to modify its Energy Cost) Application No. 60075
 Adjustment billing factors.) (Filed November 10, 1980)

O P I N I O N

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 January 1, 1981. The requested reductions are as follows:

Lifeline Domestic Service - from 2.218¢/kWh to
 1.948¢/kWh

Nonlifeline Domestic Service - from 5.358¢/kWh to
 4.993¢/kWh

Other Than Domestic Service - from 4.513¢/kWh to
 4.133¢/kWh

The estimated annual revenue effect is \$193.8 million. Edison asks that the decrease be granted on an ex parte basis.

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 January 1, 1981. The fuel prices and ECAC Balancing Account balance are estimated as of January 1, 1981. The calculation of the revised ECABFs is based upon a six-month period for the amortization of the estimated January 1, 1981 balance in the balancing account. A twelve-month period for forecasting the mix and a six-month period for amortizing the balancing account balance are being adopted for purposes of this Application only and do not necessarily reflect the procedures Edison would propose to use in the future."

In its calculation of the balancing account balance Edison has included the \$35 million of recorded fuel expense deferred by this Commission in Decision No. 90967 and under consideration in Application No. 59831.

The derivation of Edison's proposed rate design is shown at Appendix C (Sheet 1) to its application. The rate design is based on Commission policy announced in Decision No. 90967 and applied in Decisions Nos. 91805 and 92306. The decrease is spread on a modified uniform cents per kilowatt-hour basis whereby the average nonresidential rate is first adjusted to the average residential rate. The following table reflects the revenue effect on a dollar and percentage basis (excluding the effect of Edison's concurrent general rate case, Application No. 59351).

<u>Customer Class</u>	<u>ECAC Sales</u> <u>M² kWh</u>	<u>Proposed Decrease</u>	
		<u>\$M²</u>	<u>%</u>
<u>Residential</u>			
Lifeline	8,912	\$ 24.1	5.2
Nonlifeline	<u>7,454</u>	<u>27.2</u>	<u>4.7</u>
Total	16,366	51.3	5.0
Agricultural	1,050	4.0	5.8
Commercial	15,108	57.5	5.7
Industrial	16,778	63.8	6.3
Other Public Authority	<u>4,520</u>	<u>17.2</u>	<u>5.6</u>
Total	53,822	193.8	5.7

No party has objected to our granting Edison's request.

An ex parte order authorizing the reduction is appropriate for several reasons. First, it allows the opportunity to implement this ECAC rate reduction concurrently with the substantial rate increase authorized by Decision No. 92549 in Application No. 59351 (Edison's general rate case), thereby avoiding unnecessary and

disruptive fluctuations in rates. Second, it nearly coincides with the final decision in OII No. 56, Decision No. 92496 and the modified ECAC procedures that are made final in that decision. Edison's filing conforms to applicable tariff provisions. The proposed rate design is based on Commission policy.

The rates we authorize will deviate from Edison's proposed rate design in one important respect. The entire reduction in revenues from the residential customer class will be assigned to the nonlifeline residential rate. Thus the present lifeline residential ECAC rate of 2.218¢/kWh will be maintained and the nonlifeline residential rate will be reduced to 4.67¢/kWh. The reason for this change is that in today's general rate decision, Decision No. 92549 we have eliminated the \$2.00 residential customer charge. The revenue formerly provided by this charge should continue to be derived on a broad basis from the entire residential class, and so should be provided primarily through an increased lifeline rate. However, in setting rates in Decision No. 92549, we wished to retain the equality previously existing between the lifeline and nonlifeline base rate elements, to prepare for the possibility of future adjustments in lifeline allowances. Therefore, it is appropriate to adjust for the elimination of the residential customer charge by conferring the entire benefit of the residential ECAC rate reduction upon the nonlifeline ECAC element.

Findings of Fact

1. By Application No. 60075 Edison requests a reduction in its ECABF estimated to yield annualized revenues of \$193.8 million.
2. Edison's filing is based on its ECAC tariff provisions as modified by Decision No. 91277 and a revision date of January 1, 1981.

3. Ex parte relief is reasonable so that the rate reduction can be effective concurrently with the increase granted in Application No. 59351.

4. The rate reduction should be spread among customer classes on a modified uniform cents per kilowatt-hour basis whereby the average nonresidential rate is first adjusted to the average residential rate.

5. Allocating the entire rate reduction for the residential class to the nonlifeline rate fairly redistributes the revenue requirement formerly satisfied through the residential customer charge.

6. In order to provide for timely implementation of the rate reduction, the order should be effective the date hereof.

7. The reduction in rates and charges authorized by this decision is justified and reasonable; the present rates and charges, insofar as they differ from those prescribed by this decision, are for the future unjust and unreasonable.

Conclusions of Law

1. Edison's showing is sufficient to support the finding that the decrease is justified without evidentiary hearings.

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

O R D E R

IT IS ORDERED that Southern California Edison Company is authorized to establish and file with this Commission, 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	4.67 ¢/kWh	✓
Other than Domestic	4.133¢/kWh	

The revised tariff schedules shall become effective on the date of filing, but not earlier than January 1, 1981, and not later than the revised tariff schedules filed pursuant to Decision No. 92549 in Application No. 59351. The revised schedules shall apply only to service rendered on or after the effective date thereof.

The effective date of this order is the date hereof.

Dated DEC 30 1980, at San Francisco, California.

John E. Byron
President

Peter D. Howell

Edward J. Patrick

Leonard M. Ramirez
Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.