Decision No. 92853 APR 1 1981 ORIGINAL

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 Conservation Load Management Adjustment Billing Factors to recover increased costs made towards the development, testing, purchase, and financing of solar equipment and programs.	Application No. 59596 (Filed April 14, 1980; amended October 3, 1980 and December 29, 1980)

John R. Bury, William E. Marx, Richard K. Durant, Robert W. Kendall, and Frank J. Cooley, Attorneys at Law, for Southern California Edison Company, applicant.
Douglas Porter, Attorney at Law, for Southern California Gas Company; and John Keller, for himself, interested parties.
Richard D. Rosenberg, Attorney at Law, and Sesto F. Lucchi, for the Commission staff

O P I N I O N

Introduction

In Decision No. 92251, September 16, 1980, Southern California Edison Company (Edison) was ordered to implement a demonstration solar financing program to reach 26,000 of its water heater customers within three years. By this application Edison seeks a general rate increase of $5.4 million annually to offset the program costs, to finance a water heater heat pump program, and to pay for certain solar installations for apartments having central electric water heating systems. Balancing account treatment is sought for the new programs.

Process
10.a.

A duly noticed public hearing was held before Administrative Law Judge Orville I. Wright in Los Angeles on October 14, 15, 16, and November 4 and 5, 1980. Concurrent briefs were filed by Edison, Southern California Gas Company, and the staff on November 25, 1980 at which time the matter was submitted for decision.

On the opening day of hearings, Ms. Leigh Williams presented a petition signed by 3,330 ratepayers in Edison's Palm Springs District protesting any further increases in electric rates. Mr. John Keller also expressed opposition to increased rates and to the solar program. Additionally, approximately 30 individual Edison ratepayers wrote letters objecting to any rate increases.

Evidence was given by David Ned Smith, Thomas M. Noonan, Michael D. McDonald, and Daniel A. Dell'Osa for Edison, Mark Proffer and Ernst G. Knolle testified for the Commission staff.

Summary of Decision

Edison is granted a rate increase of $2.42 million for first year costs of its solar demonstration program. Of the 26,000 customers to be served during the three-year period, it is estimated that 6,000 will be served during the first year.

The authorized rate increase is less than one-tenth of one percent (.1%) for all classes of retail customers.

Edison's proposals for the solar retrofit of multifamily dwellings and for a heat pump water heating program are not approved in this proceeding.

Balancing account treatment is authorized for solar demonstration costs and billing factor revenues.

Heat Pump Retrofit Program

Edison proposes a senior citizen and multistory heat pump retrofit program at a first-year cost of $525,000.

The goal of this program is to encourage the installation of heat pump water heaters in existing senior citizen and multistory dwellings where solar water heating systems are not a feasible retrofit application. Those units could reduce electric usage for water heating by approximately 50 percent, according to Edison.

A heat pump unit costs about $1,000, including installation. It is proposed that a one-time incentive of $450 be offered to the first 500 customers who apply and who live in multistory buildings. An additional 300 units are proposed to be installed in senior citizen/fixed income dwellings at no cost to these customers. However, the 300 customers receiving the free water heater heat pumps must qualify under the guidelines established for the California residential conservation service as having low income.

This program will not be adopted in this proceeding as we have ordered Edison to amend its conservation program filings to include approximately 300 heat pump water heater installations at a cost of approximately $100,000. (Decision No. 92501, December 5, 1980, mimeo. pp. 11-12, 14.)

Solar Installations for Apartments

Edison proposes a program to provide free solar installations for apartments having central electric water heating systems, at a first-year cost of $225,000.

The goal of this program is to provide solar units for up to 150 apartment units which are served by electric central water heating systems in Edison's service area. This is the majority, if not all, of the apartment buildings in the service area which have electric central water heating systems. Each solar system would be sized to contribute 60 percent of the hot water needs for the occupants of each apartment and would result in approximate energy savings of 2,000 kWh per year, assuming 3,500 kWh annual usage in each apartment. These solar installations would be free of cost to the building owners.

Staff's brief opposes this program, characterizing it as an unwarranted gift of solar water heaters to landlords from Edison's ratepayers. Staff is also critical of the fact that the participating building owners would additionally save 60 percent of their electric usage for water heating and receive cash in the amount of 55 percent of the cost of the systems, up to $3,000, as stated by Edison's witness.

Edison contends that a 100 percent plus subsidy is necessary to penetrate the multifamily building market. However, as the staff correctly states in its brief, Decision No. 92251 makes no provision for this program. That decision limits utility incentives for multifamily water heater retrofits to utility credits only. Further, we there found that utility solar installations to be made without any repayment obligation on the part of the beneficiaries should be limited to programs specifically designed to reach the low-income market.

For these reasons, the solar apartments program will not be funded in the present case. As the solar program progresses however, it may be found that this type of plan is required by the public interest. Hence, our denial here is without prejudice.

Edison's Demonstration Solar Financing Program

In Decision No. 92251, Edison was ordered to offer incentives for the retrofitting of electric water heaters serving 26,000 single-family and condominium/townhome customers in its service territory. Edison filed a Petition for Rehearing on October 15, 1980, requesting that its solar retrofit goal be reduced to 15,300 units or 10 percent of the single-family market. In Decision No. 92501, December 5, 1980, the petition was denied.

Edison's program contemplates that it would reach 26,000 single-family residence or condominium/townhome customers in the three-year demonstration program: 6,000 the first year, 10,000 the second year, and 10,000 the third year. The subsidy would be $1,475 per unit. No multifamily installations are planned.

For those potential participants who do not pay cash for the electric water heater retrofit, Edison would provide a list of lending institutions that have agreed to offer a no down-payment loan to Edison's customers together with a list of names of solar contractors. When the customer has arranged to have the solar system installed, Edison would inspect it to see that it meets our requirements for qualification in the solar demonstration program. Upon qualification by inspection, the owner of the system would receive quarterly cash payments for seven years until the sum of $1,475 has been received.

The incentive payment would commence at $75 per quarter for the first-year and would be gradully reduced so that it would be $25 per quarter in the seventh and final year. Edison intends that the quarterly cash payment, when combined with anticipated savings on a typical electric bill, would approximately offset the payments on a 20-year, 16 percent loan of $3,500.

Table I is Edison's derivation of the incentive annual electric savings to be anticipated by the customers, and the annual cost of a $3,500,000, 16 percent, 20-year loan. It can be be seen that the annual subsidy decreases in approximate proportion to the customer's electric bill reductions resulting from the solar retrofit.

In the first year the solar retrofit customer would realize a utility bill reduction of $277.49 and receive a subsidy of $300.00. If the assumed loan has been obtained by the customer, the annual $583.00 payment thereon would result in an out-of-pocket cost of only $5.51.

In the seventh year the customer would achieve $486.96 in electric bill reductions by virtue of the solar retrofit, would pay $583.00 on the assumed loan, and would receive a subsidy of $100.00. The customer would have a positive cash flow of $3.96 for that year.

Too, the solar customers could receive up to $1,925.00 cash by state and federal tax credits (55 percent of $3,500.00) in the first year which would serve as a further inducement for the solar system purchase.

Thus, in the first 10 years, the solar customer would have saved $4,367.72 in electric bills. He would have received $1,925.00 in tax credits and $1,475.00 in subsidies. He would have paid out $5,830.00 in loan installments, and, beginning with the 10th year, energy savings would exceed the installment payments.

Edison's program includes construction of a solar training demonstration facility to improve public confidence in solar systems by the dissemination of information and the provision of training in solar energy applications by Edison personnel.

Both active and passive operational solar water heating systems would be installed in the facility, and it would also be available to outside groups, trade organizations, solar contractors, and manufacturers for solar training purposes. Do-it-yourselfers would be especially benefited by this training center. Edison's proposal to establish a solar training facility as part of the demonstration program is denied without prejudice. Consistent with established precedent, this matter should properly be considered in a general rate case under conservation program expenditures.

Consumer protection measures are the issue of further hearings in OII No. 42, but in any event the outcome of the consumer protection issue should not materially affect first-year program costs.

Goals

In Decision No. 92251 we established a goal for Edison to provide 26,000 single family units with solar water heating systems over a three year period. This goal also serves as a maximum market penetration level for the demonstration program and is not the responsibility of Edison to reach. It is up to the solar industry, with the assistance of Edison, to convince owners of single family dwellings to convert to solar water heating. The solar industry will benefit greatly by a successful demonstration, and it should actively promote Edison's program. In Decision No. 92769, we have asked Edison to file a plan within 45 days on how best to assist the solar industry to penetrate this market.

TABLE I

Incentive Payment Calculation (Edison's Proposal)

Year	Domestic Tailblock Rate (¢/kWh)	kWhs Saved (kWh)	Annual Savings ($)	Loan Payment ($)	Annual Difference ($)	Rebate ($)
1	8.20	3,384	277.49	583.00	305.51	300
2	9.02	3,384	305.23	583.00	277.77	275
3	9.92	3,384	335.69	583.00	247.31	250
4	10.91	3,384	369.19	583.00	213.81	225
5	12.00	3,384	406.08	583.00	176.92	175
6	13.20	3,384	446.69	583.00	136.31	150
7	14.39	3,384	486.96	583.00	96.04	100
8	15.69	3,384	530.95	583.00	52.05	0
9	17.10	3,384	578.66	583.00	4.34	0
10	18.64	3,384	630.78	583.00	(47.78)	0
					TOTAL	$1,475

System Characteristics Assumptions

Total usage:	6,000 kWhs
Savings: 6,000 kWhs x .6 =	3,600 kWhs
Pump: .1 kW	216 kWhs
Net Savings:	3,384 kWhs

Loan

Term:	20 years
Rate:	16%
Amount:	$3,500.00
Annual payment:	583.00

Rates

1981 domestic tailblock:	8.2¢/kWh
Escalation rate:	10% 1981 through 1985 9% beyond 1986

Solar Program Costs

Table II shows the projected first-year program costs, segregated by program function, which form the basis for the Commission-ordered segment of Edison's present application for $5.4 million in rate increases.

In Decision No. 92251, we authorized Edison to proceed with its proposed incentives stating that no evidence had been presented indicating it would be more costly than solar incentives being offered to electric customers of other utilities. The record in this proceeding is clear that Edison's approach is, in fact, substantially more expensive. The **incentives proposed by Edison are** much larger than those estimated by our staff. The difference flows primarily from the use of different assumptions, including a very optimistic Edison forecast of the escalation in electric rates. In addition, the incentives proposed by Edison, when combined with the state and federal tax credits could exceed the cost of the solar system itself. Further, Edison's proposed incentives would be twice as large as those we have authorized for electric customers of SDG&E and PG&E. For all of these reasons, we conclude that Edison's proposed incentives should not be offered. Edison is authorized to offer only those incentives available to electric customers of SDG&E and PG&E: $20 per month for 36 months or until the residence is sold, whichever occurs first, with payments to be made quarterly. Under this approach, the anticipated total program incentive costs, as **set forth in Table III, are $18,720,000.**

Similar concerns have arisen regarding administrative expenses as proposed by Edison. In its compliance filing in OII 42, Edison estimated total program administative costs of $5.45 million. In this proceeding, Edison has requested nearly $24 million. Edison has not persuaded us of the need for this amount of administrative expense which is roughly twice that requested by the other utilities on a per unit basis. For the purposes of this decision, we will adopt first year administrative expenses of up to $222 per solar installation pending further review. This is equivalent to the per unit administrative cost estimated by Edison in OII 42. Total first year and total program costs including incentives, administrative costs, metering, monitoring and evaluation costs, are set forth in Table III.

Edison may file a detailed analysis of any need it feels for higher administrative costs. In the alternative, Edison shall file, within 90 days, a detailed analysis of how it proposes to allocate administrative expenses within the limit set herein. Staff shall review and file comments on this subsequent filing within 60 days of receipt thereof. We shall evaluate the need for further changes at that time.

Table III shows first year incentive costs of $720,000. This cost is predicated on rebates for 3,000 systems each receiving $240 the first year. We believe that an administrative expense of up to $222 per system is adequate for first year start-up and operating costs. This cost is somewhat greater than that first estimated by our staff in OII 42 since we recognize the problems of engaging in an operation of this magnitude. Administrative costs will be closely reviewed and audited throughout the program life. During the first annual rate review Edison will be expected to present accurate cost data that demonstrates an increase in operating efficiency. Metering and program monitoring and evaluation costs shown in Table III are discussed later in this Decision.

Any program costs which prove to be assignments of overhead expenses included in Edison's last general rate case will be disallowed. The purpose of balancing account treatment is to recover expenditures on a dollar-for-dollar basis through the provision that under- or over-collections will be adjusted when recorded data is obtained and analyzed for reasonableness. This principal is determinative of Edison's proposal that it be allowed to recover through rates a lost contribution margin, in other words, the loss of revenues without a corresponding reduction in expenses which occurs due to the decline in sales that results when a conservation measure is implemented.

Edison argues that the policy of setting tailblock rates higher than the cost of service in order to encourage conservation will have the effect of causing disproportionate decrease in revenues as kilowatt-hour sales decline by reason of growing usage of solar systems. Edison suggests that this problem, resulting from promoting conservation by, among other things, charging higher than cost of service for tailblock consumption, can be remedied by allowing the utility to recover the lost contribution margin it incurs due to conservation programs.

Staff opposes inclusion of lost contribution margin as an allowable charge to the balancing account for the solar demonstration program. First, staff points out the lessening of kilowatt-hour sales due to the solar program will never be an expenditure or known cost incurred by Edison, but will remain an unverifiable estimate of a revenue decrease. Second, the method of computation of the lost margin which Edison espouses does not take into account that the 60 percent baseline energy offset contemplated by the solar demonstration program is measured by the size of the home or condominium/townhome and not by actual customer usage. Third, judgmental estimates, if allowed, may result in inclusion of an element of profit to Edison in the balancing account whereas all net earnings issues are more properly reserved for the general rate case.

We concur with staff that lost contribution margin is inappropriate for inclusion in the solar balancing account.

We also exclude any contingency fund allowance from first year costs in this proceeding. Edison's contingency fund of $123,400 is included by Edison as an amount of money to be charged to the balancing account to cover any cost estimates which the utility may find it has underestimated in the first year. Such a reserve is inappropriate given a balancing account and is disallowed as a cost in this proceeding.

Program Monitoring and Evaluation

While we have made significant reductions in administrative expenses, reducing the first-year expense on a per unit basis from approximately $724 to no more than $222 as shown in Table III, we recognize the serious need for a thorough monitoring and evaluation effort to reach meaningful conclusions for this demonstration solar program. We will therefore include a sum of $150,000 for the estimated installed cost of metering equipment to monitor 200 systems. We anticipate the need to monitor some 2,500 systems on a statewide basis in order to generate a data base sufficient for effective program evaluation.

Edison's share of the statewide effort is 26,000 systems which is about 7 percent of the statewide goal of 375,000 dwellings to be retrofitted. Since Edison's goal represents mostly single-family dwellings involving more individual systems, the number 200 is a reasonable minimum of systems to be instrumented based on a 2,500 system statewide monitoring effort.

An additional $100,000 will be authorized for first program year labor and other costs to undertake the monitoring studies and general program evaluation set forth at pages 67 and 68 of Decision No. 92251 for Edison's service area.

Decision No. 92251 called for utilities to conduct diagnostic inspections of all installations after one and five years of service. These inspections were envisioned as both consumer protection and evaluation tools. It may be more appropriate to use them for evaluation only and to conduct diagnostic inspections only on a sampling basis.

The role of diagnostic inspections will be considered in upcoming hearings on consumer protection measures in OII 42. Pending resolution of this issue, funds should not be expended to prepare for or conduct diagnostic inspections. After resolution of this issue, new cost estimates for diagnostic inspections should be filed.

Edison will be expected to maintain accurate cost records and fully support and justify all expenditures and revisions to the basic evaluation program. Edison is expected to install instrumentation and commence the monitoring program on the 200 systems during the first year of program implementation. Edison shall consult and cooperate with the Commission's Energy Conservation Branch staff in determining the system selection criteria for the instrumentation necessary to assure representative monitoring data and reasonable evaluation of the wide variety of systems to be installed throughout Edison's service area.

Conclusion - Program Costs

To support Edison's program, as modified including one percent for franchise fees and uncollectibles, will require $2.418 million the first year (see Table IV). Additional increases can be expected for the second and third year. Commencing with the fourth year, rate decreases can be expected.

In Decision No. 92251 in OII No. 42 we estimated Edison's total cost for the 3-year demonstration program would be $13.6 million. We are adopting $2.418 million for first-year program expense. We estimate that the total cost, given our adjustments to Edison's first-year cost, will be $25.1 million based on the record in this proceeding (see Table III). The result is Edison's total demonstration program costs will exceed our original estimate by $11.4 million.

We recognize, however, that the costs and revenues required for the solar demonstration programs will be under constant scrutiny by Edison and our staff, and substantial changes in the programs may well occur as our experience with solar increases.

Our decision today approves only first year program costs which are resonably incurred. First year costs for Edison, as well as for the other utilities participating in the demonstration program, appear likely to be higher than we previously estimated in Decision No. 92251. This deviation results from the retroactivity provisions for utility credits and from non-recurring start up expenses.

We have a clear expectation that program costs will be much closer to our original estimates in following years and will closely monitor future solar offset rate proceedings to this end. We emphasize our commitment that total program costs for all of the participating utilities should not exceed our original estimate of $132 million. Edison and SoCal Gas may be exceeding the total program costs estimated for them. On the other hand, costs of SDG&E and PG&E appear to be less than originally estimated. We strongly encourage the participating utilities to apply their best management capabilities to keep total program costs within this original estimate. To the extent the utilities incur expenses to assist the Commission to evaluate the demonstration, additional relief may be sought.

TABLE II

OII 42 SOLAR RETROFIT FINANCING PROGRAM

(EDISON'S PROPOSAL)

ANNUAL COSTS

	Year 1	Year 2	Year 3	13-year Total
Labor Costs				
Staff	$ 203,100	$ 223,400	$ 245,700	$ 1,994,600
Field	1,792,800	1,972,100	2,169,300	10,178,400
	$1,995,900	$2,195,500	$2,415,000	$12,173,000
Nonlabor				
Travel Expenses	139,700	153,700	169,100	852,200
Communications	282,100	30,000	30,000	342,100
Training	103,000	13,000	13,000	129,000
Trng/Demo Ctr.	525,000	10,000	10,000	615,000
Incentives	900,000	3,228,000	5,958,000	36,083,100
Data Processing	60,000	220,000	210,000	1,807,000
Bad Debt Expense	32,600	30,900	29,500	297,300
Vehicle Expense (insp.)	82,300	90,500	99,600	1,602,100
Equipment/tool kits (insp.)	3,500	1,000	500	13,100
Contingency Fund	123,400	100,400	131,700	1,062,000
Advisory Committee	6,000	5,000	5,000	63,500
Diagnostic Inspections	-	450,000	750,000	4,900,000
	$2,257,600	$4,332,500	$7,406,400	$47,766,400
1980 Labor	92,000			92,000
	$4,345,500	$6,528,000	$9,821,400	$60,031,400

TABLE III

OII 42 SOLAR RETROFIT PROGRAM
ADOPTED COSTS

Line No.	Item	First Year	Total Program
		(Dollars in Thousands)	
	Incentives		
1	Standard Rebate per system $20/mo. and 36 months	$ 720*	$18,720#
	Administrative Expense		
	Travel Expense		
	Communications		
	Training		
	Data Processing		
	Bad Debt Expense		
	Inspection Kits, Tools, Equipment		
	Advisory Committee		
	Vehicle Expense (Inspections)		
	Diagnostic Inspections**		
2	Total Cost based on $222 per system	1,332	5,772
3	Installation of Metering Equipment	150	150
4	Program Monitoring and Evaluation	100	500
5	Total	$2,302	$25,142

* Based on 3,000 systems installed at an annual rate of 6,000 systems per year.

\# Based on 26,000 single family systems.

** Expenses for diagnostic inspections shall not exceed those necessary to adhere to policies to be established in OII 42. See discussion at page 13.

Rate Design and Billing Factor

We adopt Edison's proposal, supported by the staff, to spread the allowed increase to all retail sales, including lifeline, on a uniform cents-per-kilowatt-hour basis, because conservation programs benefit all classes of customers uniformly.

Edison also requests that we establish a separate balancing account for the solar demonstration programs so that the program might be more precisely monitored. We agree and adopt the solar demonstration programs adjustment clause (SDPAC) as an addition to Edison's ongoing conservation and load management clauses.

We have determined that a rate increase in the amount of $2,417,900 is required for the first year of Edison's program, including a one percent provision for franchise fees and uncollectibles. Table V shows the calculation of the solar demonstration billing factor of 0.004¢/kWh.

We adopt January 1, 1982, as the appropriate next revision date as Edison's estimates close on December 31, 1981.

TABLE IV

CALCULATION OF
SOLAR DEMONSTRATION PROGRAMS ADJUSTMENT BILLING FACTOR
FOR JANUARY 1, 1981, REVISION DATE

(Based Upon 26,000 Units)
(Based on the 12-month Forecasted Period Commencing January 1, 1981)

Adopted Solar Demonstration Programs Expenditures

	Adopted Expenditures ($ Thousands) 1981 Program Cost
Solar Installations for Apartments	$ -
Senior Citizen & Multistory Heat Pump Retrofit	-
Demonstration Retrofit Solar Water Heating Financing Plan	2,052.0
Installation of Metering Equip.	150.0
Program Monitoring & Evaluation	100.0
Estimated Program Expenditures	2,302.0

Average Solar Demonstration Programs Adjustment Billing Factors

	Expenditures $ Thousands	Sales Million kWh	Factor ¢/kWh
Edison System Excluding Catalina	2,302.0 **	58,814	
Less Resale	-	4,772	
Sales Subject to SDPABF	2,302.0	54,042	.0043
Plus: Net Lost Contribution Margin	-		
Plus: Accumulated Differential-Estimated as of January 1, 1981, in Balancing Account	92.0*		
Subtotal	2,394.0		
Plus Provision for 1.00% Franchise Fees and Uncollectibles Expense	23.9		
Average Solar Demonstration Programs Adjustment Clause Billing Factor	2,417.9	54,042	0.004

* Transferred from Load Management Adjustment Clause Balancing Account.

** Includes expenditures for Catalina Island and part of these expenditures may be incurred prior to 1981.

Findings of Fact

1. Edison's incentive for single-family customers should be $20 per month for 36 months or until sale of the residence, whichever occurs first, payable on a quarterly basis.

2. Edison is entitled to additional revenue as estimated first-year program costs of $2,417,900.

3. SDPAC, as proposed by Edison and as amended to exclude lost contribution margin, is a reasonable balancing account treatment for solar demonstration costs and revenues.

4. Calculation of the proposed solar demonstration programs adjustment billing factor, as shown in Table IV, is reasonable as conservation programs benefit all classes of customers uniformly.

5. Edison's proposed contingency fund of $123,400 is unnecessary given balancing account treatment.

6. Edison's proposed heat pump program will be addressed in other proceedings.

7. A revision date of January 1, 1982, is reasonable.

8. Since Edison is already incurring the costs to be offset the following order should be effective on the date of signature.

Conclusions of Law

1. Edison should be ordered to file amended SDPAC preliminary statement tariff provisions that exclude lost contribution margin.

2. Edison should be permitted to recover all reasonable and prudently incurred expenditures associated with the program ordered in OII No. 42 through its amended SDPAC.

3. The increases in 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.

4. Edison should be authorized to file and place into effect the rates found reasonable by this decision.

ORDER

IT IS ORDERED that:

1. On or after the effective date of this order Southern California Edison Company (Edison) shall file an amended solar demonstration programs adjustment clause (SDPAC) excluding lost contribution margin.

2. Edison is authorized to operate its solar demonstration program for single-family customers with an incentive of $20/month for 36 months or until sale of the residence, whichever occurs first, payable on a quarterly basis.

3. Edison is authorized to revise and file its tariffs as provided herein, and to withdraw and cancel its presently effective schedules; such filing shall comply with General Order No. 96-A.

4. The rate Edison may establish in its tariffs to recover first-year expenditures is 0.004¢ per kWh on all retail sales; this increase may be effective concurrently with the ordered revision to Edison's SDPAC tariff clause.

5. The amended SDPAC shall include provision for a balancing account to which revenues generated by SDPAC rates will be credited and solar demonstration program expenses debited; the SDPAC balancing account shall accrue interest at the rate applicable to Edison's other balancing accounts.

6. The revision date for the SDPAC rate shall be January 1st of each year and Edison shall file to revise this rate at least 60 days prior to the revision date.

7. Edison may recover a maximum of $2,~~890,600~~ 417,900 for first-year program expense. dl

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 or after the effective date thereof.

The effective date of this order is the date hereof.

Dated APR 1 1981, at San Francisco, California.

John E. Bryson
President
Richard D. Gravelle
Leonard M. Grimes, Jr.
Victor Calvo

Commissioners

Commissioner Priscilla C. Grew, being necessarily absent, did not participate in the disposition of this proceeding.