

ORIGINAL

Decision 93317 JUL 22 1981

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's  
own motion into the adequacy of  
summer lifeline gas and electricity  
allowances provided by investor-  
owned utilities throughout the  
State.

OII 77  
(Filed July 2, 1980;  
amended April 7, 1981)

THIRD INTERIM OPINION

Toward the goal of establishing consistent lifeline allowances among electric utilities and the Southern California Gas Company, Decision (D.) 92872, issued April 7, 1981, directed the staff and respondent utilities to analyze and recommend appropriate quantities for lifeline air-conditioning allowances. During the hearings held in the first phase of the investigation, the respondent utilities, as well as the Coachella Valley Association of Governments (CVAG), presented their respective recommendations.

Pacific Gas and Electric Company (PG&E), among other things, has recommended establishing a new climatic Territory "C" with a 100 kWh lifeline allowance for refrigeration-type air-conditioning equipment. (See Appendix A, PG&E's Proposed Lifeline Zones.) This new territory would include parts of Contra Costa County and certain coast range valley areas, where neither a summer space-heating nor an air-conditioning lifeline allowance is currently available. Expanding the present air-conditioning territories to include an allowance of 100 kWh per month in Territory C would cause a revenue requirement impact or shift of about \$5 million annually.

Southern California Edison Company (Edison) included in its recommendations a proposal for interim adjustment of its current air-conditioning allowances to more equitably allocate such allowances within the "V" climatic region during the summer of 1981. Edison's interim proposal essentially increases summer air-conditioning allowances for all customers in the Palm Springs and Blythe customer service districts by 150 kWh and decreases the allocations to all other customers within the "V" climatic region by 60 kWh per month. The revenue impact of such a proposal involves a shift of about \$584,000 in annual revenue requirements from customers in the Blythe and Palm Springs districts to customers located in the balance of climatic region "V".

CVAG requests the Commission to consider the designation of the low desert area, including Palm Springs, as a separate climatic zone with unique cooling needs. CVAG contends that an air-conditioning lifeline allowance of 1,500 kWh from May through October is necessary to provide minimum air-conditioning needs in the low desert area. By petition dated May 29, 1981, CVAG seeks Commission approval of its recommendations and requests an interim opinion to immediately implement its proposal during the 1981 summer cooling season.

By letter dated June 9, 1981, and circulated to all the parties, the Commission staff, while unprepared to make any permanent recommendations, took the position that the following portions of Edison's and PG&E's proposals should be adopted on an interim basis and should be made effective during the current cooling season:

1. As recommended by Edison, air-conditioning lifeline allowances for the Blythe and Palm Springs districts should be increased from 500 kWh to 650 kWh per month while the allowance in the balance of climatic region "V" should be decreased from 500 kWh to 440 kWh, and

2. As recommended by PG&E, Shasta and Tehama Counties should become part of Territory A. This increases the air-conditioning lifeline allowance from the present 230 kWh to 280 kWh. The portion of San Joaquin Division in San Luis Obispo and Santa Barbara Counties should be added to Territory A. This increases the air-conditioning lifeline allowance from the present 230 kWh to 280 kWh. A new territory (Territory C) with a 100 kWh allowance for refrigeration-type of equipment should be established.

Although the first phase of expanded Order Instituting Investigation (OII) 77 is still in progress, we think it is appropriate, to the extent it is equitable, to adjust lifeline air-conditioning allowances immediately to provide some relief during the current cooling season. Our preliminary review of the climatological data indicates that there is sufficient justification, based upon the comparison of cooling degree-day information for various areas, to adopt, on an interim basis, the proposals of Edison and PG&E, with some modification to Edison's proposal.

We will authorize Edison's interim proposal with the following modifications: (1) Residents of Death Valley who reside in Edison's Ridgecrest district have cooling degree-day requirements similar to customers in Palm Springs and Blythe and should also receive a 650 kWh per month air-conditioning allowance; (2) we will not reduce any air-conditioning allowances in the balance of Climatic Region "V" as proposed by Edison. Before any allowances are reduced we need before us comprehensive studies and recommendations addressing lifeline air-conditioning allowances on a statewide basis. Not adopting this portion of Edison's proposal means the \$584,000 annual revenue requirement shortfall which may be recovered by Edison through ECAC until base rates are next set in a general rate proceeding. ✓

Further, we will authorize interim approval of PG&E's proposal as ratified by the staff but with one further territory change. Based on the public witness testimony at the June 18, 1981 hearing in Walnut Creek and the climatological data furnished by PG&E, it is apparent that small portions of Contra Costa and Alameda Counties should be included in Territory B. Therefore, we will direct that the Central Valley portion of Alameda and Contra Costa Counties and the Delta portion of Contra Costa County, east of Port Chicago, be included in Territory B.

For those few customers in the new Territory C who may have gas air-conditioners, we will adopt an allowance of 20 therms per month. This is derived from the adopted 100 kWh electric allowance and the conversion formula suggested by witness Takemura in his testimony. The gas and electric allowances will be limited to customers who provide declarations to the utility that they have either a gas or electric refrigerative or evaporative air-conditioner permanently installed

in their residence. Data submitted by PG&E show that where evaporative coolers can provide an acceptable level of comfort, they consume much less energy than the refrigerative type. In order not to discourage their use, the full lifeline air-conditioning allowance should also be given for permanently installed evaporative coolers.

To the extent that any revenue deficiency results from today's actions, both Edison and PG&E are directed to account for its recovery through their respective RCAC mechanisms until base rates are next adjusted. To provide some measure of relief to affected customers during the current cooling season, this order will become effective immediately.

#### Findings of Fact

1. Cooling degree-day data indicate that parts of Contra Costa County and certain coast range valley areas have climatic conditions similar in certain respects to those of the Central Valley.

2. Parts of Contra Costa County and certain coast range valley areas do not currently receive an air-conditioning allowance or a summer space-heating allowance while the Central Valley receives an air-conditioning allowance.

3. The cooling degree-day data indicate that the Palm Springs and Blythe districts have greater cooling needs than presently reflected in Edison's lifeline allowances.

#### Conclusions of Law

1. Current lifeline air-conditioning allowances do not accurately or equitably reflect the air-conditioning needs of customers in certain portions of PG&E's and Edison's service territories with warm climates.

2. Based upon preliminary review of climatological information and comparison of "cooling degree-day" data, the lifeline air-conditioning allowances for customers in certain portions of PG&E's and Edison's service territories should be increased on an interim basis.

3. Edison's customers residing in Death Valley and the Palm Springs and Blythe customer districts should receive an air-conditioning allowance of 650 kWh per month.

4. Shasta and Tehama Counties and the portion of San Joaquin Division in San Luis Obispo and Santa Barbara Counties should become part of PG&E's Territory A; the Central Valley portion of Alameda and Contra Costa Counties and the Delta portion of Contra Costa County, east of Port Chicago, should be included in Territory B; a new territory (Territory C) with a 100 kWh electric, refrigeration-type air-conditioning allowance and a 20-therm gas air-conditioning allowance should be established.

5. Eligibility for lifeline air-conditioning allowances in Territory C should be based upon customer declarations that either a gas or electric refrigerative or evaporative air-conditioner is permanently installed in their residence.

6. This order should become effective immediately.

THIRD INTERIM ORDER

IT IS ORDERED that:

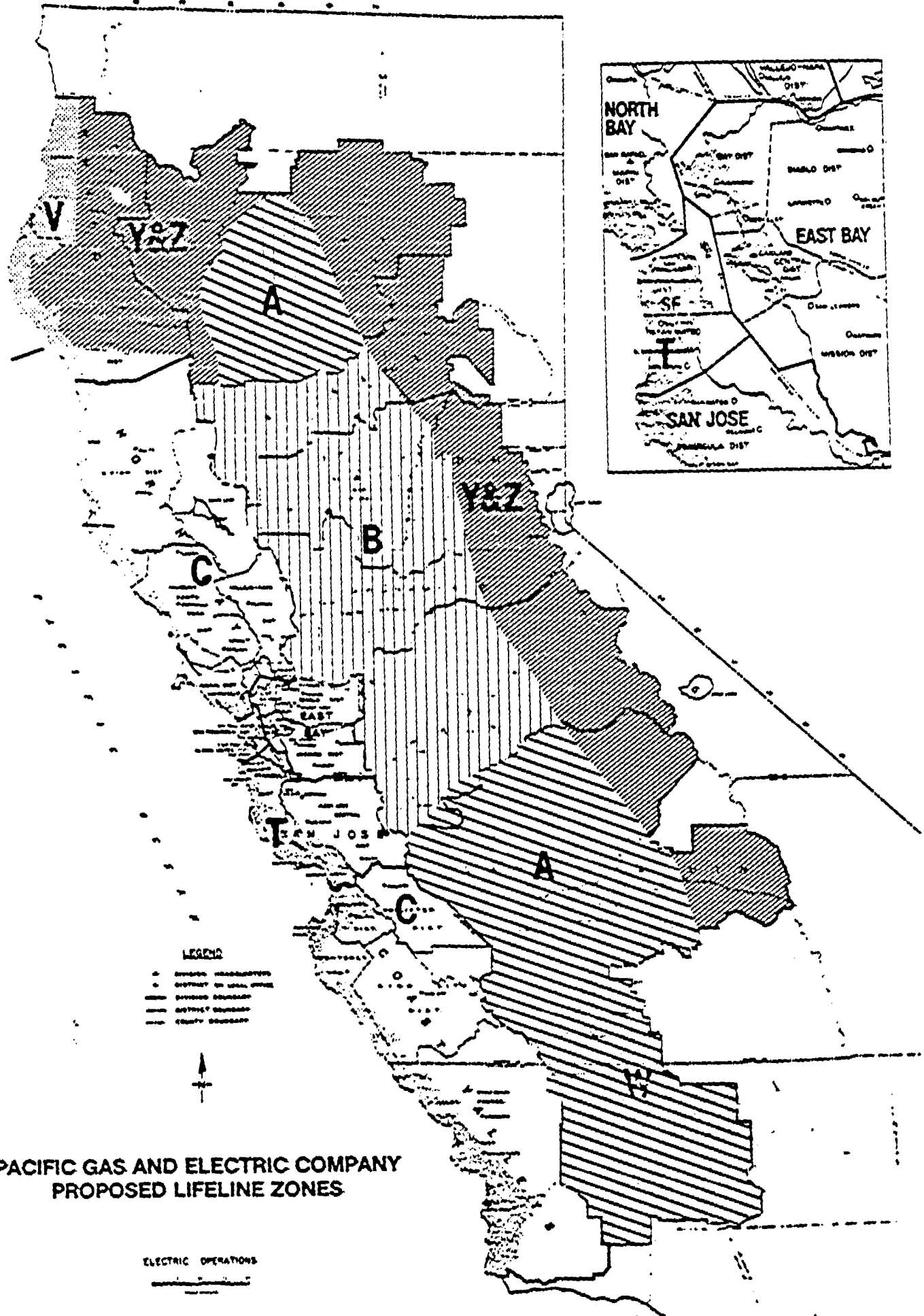
1. Within 5 days of the effective date of this order, Southern California Edison Company and Pacific Gas and Electric Company (PG&E) shall file tariff provisions with the Commission adjusting their previously authorized lifeline air-conditioning allowances to conform with the requirements of this decision; such tariff provisions shall become immediately effective upon filing with the Commission. The Preliminary Statement section in both PG&E's electric and gas tariffs should be revised so that the "territory served" section would show space-heating bands and air-conditioning territories as separate subsections.

2. PG&E shall, within 45 days after the effective date of this order, notify all residential customers in Territory C of the new lifeline allowance for permanently installed gas or electric refrigerative or evaporative air-conditioners, and explain how the allowance may be obtained by certification.

This order is effective today.

Dated July 22 1991, at San Francisco, California.

John S. Canyon  
President  
Richard D. Havelle  
Thomas W. Jones  
Arthur C. Brown  
Richard C. Jones  
Commissioners



PACIFIC GAS AND ELECTRIC COMPANY  
PROPOSED LIFELINE ZONES

ELECTRIC OPERATIONS