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Decision 96-03-005 March 13, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA EDISON COMPANY)
(U 338-E) for Authority to Increase)
its Authorized Level of Base Rate)
Revenue Under the Electric Revenue)
Adjustment Mechanism for Service)
Rendered Beginning January 1, 1992)
and to Reflect this Increase in)
Rates.)

Application 90-12-018
(Filed December 7, 1990)

ORIGINAL

I.89-12-025
(Filed December 18, 1989)

And Related Matters.)

I.91-02-079
(Filed February 21, 1991)

(See Decision (D.) 91-12-076, D.92-06-020, D.92-12-022,
D.93-12-034, D.94-10-041, D.95-01-018, and D.95-09-015
for appearances.)

Additional Appearances

Richard K. Durant, Attorney at Law, for
Southern California Edison Company,
Applicant.

Irene Moosen, Attorney at Law, Scott Logan, and
Truman Burns, for the Division of Ratepayer
Advocates.

TWENTY-SIXTH INTERIM OPINION: BRIDGE FUNDING

1. Summary of Decision

A petition for modification of Decision (D.) 95-01-018
filed by Southern California Edison Company (Edison) regarding
bridge funding of low-emission vehicle (LEV) programs is denied.
The Commission approved Edison's LEV programs in November 1995, and
authority for bridge funding has expired.

2. Background

In Phase 1 of this proceeding, the Commission resolved revenue requirement issues for Edison's test year 1992, and authorized attrition filings for 1993 and 1994.¹ The Phase 1 decision authorized ratepayer support of certain electric vehicle costs. In Investigation (I.) 91-10-029, the Commission ordered that utility LEV funding requests be considered in a consolidated proceeding outside of general rate cases.² In November 1993, Edison filed Application (A.) 93-11-006, its LEV funding application. Edison anticipated a decision in I.91-10-029 et al. before the end of 1994, but the decision was necessarily delayed for several months. In order to provide bridge funding of LEV programs during the early months of 1995, Edison filed a petition for modification of D.91-12-076. Edison requested bridge funding for LEV programs in four areas: (1) operations and maintenance (O&M) costs, which were substantially the same as administrative and general (A&G) costs; (2) research, development, and demonstration costs; (3) utility system impact analysis, formerly part of demand-side management costs; and (4) a new infrastructure program.

The Commission granted Edison partial relief in D.95-01-018, authorizing memorandum account treatment of \$2.836 million in LEV costs but specifically excluding O&M program costs.³ The Commission found that allowing additional ratepayer support of O&M costs would prejudge A&G expense levels within Edison's interim 1995 base rate revenue requirement and might risk

1 D.91-12-076, 42 Cal. PUC 2d 645 (1991).

2 D.93-07-054, Ordering Paragraph 2, 50 Cal. PUC 2d 452, 466 (1993).

3 Ordering Paragraphs 2, 4, and 6, at mimeo. pp. 10-11 (1995).

double recovery of A&G costs.⁴ The memorandum account treatment was to remain in effect until the Commission authorized funding of Edison's programs in the LEV proceeding.

In D.95-10-048, the Commission denied an application for rehearing of D.95-01-018 filed by the Western States Petroleum Association.

On February 8, 1995, Edison filed the instant petition for modification of D.95-01-018. Notice of the petition appeared in the Commission's Daily Calendar on February 16, 1995. The Commission received no protests or responses to the petition. Edison requests that D.95-01-018 be modified to allow bridge funding of the excluded O&M program costs. In support of its request, Edison provides excerpts from testimony served in consolidated A.93-12-025 and I.94-02-002, its test year 1995 general rate case. Edison argues that the testimony proves there is no double recovery of A&G costs.

In parallel with this matter, the Commission has resolved funding and program issues in the LEV investigation. In November 1995, the Commission authorized Edison to proceed with its LEV programs, and to terminate the bridge funding memorandum account authorized in D.95-01-018.⁵

3. Discussion

Authority for the memorandum account treatment that Edison seeks in its petition has expired. As D.95-01-018 states:⁶

4 D.95-01-018, Finding of Fact 4, at mimeo. p. 9 (1995).

5 D.95-11-035, Ordering Paragraphs 1 and 2a, at mimeo. p. 129 (1995).

6 Ordering Paragraph 2, at mimeo. p. 10 (1995).

"[Edison] is authorized to file with this Commission revised tariff sheets which establish an Electric Vehicle Bridge Funding Memorandum Account, effective three working days following the date of the advice filing until the first day of the month following the effective date of a Commission decision in Application 93-11-006, Edison's low emission vehicle (LEV) funding application, now consolidated with Investigation 91-10-029 and related matters."

The LEV funding decision became effective December 21, 1995. Authority for the memorandum account approved in D.95-01-018 ceased on January 1, 1996, and granting retroactive booking of O&M program costs would be retroactive ratemaking. Therefore, Edison's petition for modification of D.95-01-018 should be denied.

Findings of Fact

1. Edison requests that D.95-01-018 be modified to allow bridge funding of O&M program costs.

2. In D.95-11-035, the Commission authorized Edison to proceed with its LEV programs, and to terminate the bridge funding memorandum account authorized in D.95-01-018.

Conclusions of Law

1. Authority for the memorandum account treatment that Edison seeks in its petition has expired.

2. Edison's petition for modification of D.95-01-018 should be denied.

TWENTY-SIXTH INTERIM ORDER

IT IS ORDERED that the petition for modification of Decision 95-01-018 filed February 8, 1995 by Southern California Edison Company is denied.

This order shall become effective 30 days from today.

Dated March 13, 1996, at San Francisco, California.

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners