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Decision 97-12-109 December 16, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas & Electric Company to Identify and Separate Components of Electric Rates, Effective January 1, 1998.	Application 96-12-009 (Filed December 6, 1996)
Application of San Diego Gas & Electric Company for Authority to Unbundle Rates and Products.	Application 96-12-011 (Filed December 6, 1996)
In the Matter of the Application of Southern California Edison Proposing The Functional Separation of Cost Components for Energy, Transmission and Ancillary Services, Distribution, Public Benefit Programs and Nuclear Decommissioning to be Effective January 1, 1998 in Conformance with D.95-12-063 as Modified by D.96-01-009, the June 21, 1996 Ruling of Assigned Commissioner Duque, D.96-10-074, and Assembly Bill 1890.	Application 96-12-019 (Filed December 6, 1996)

ORIGINAL

OPINION

Summary

This decision resolves several outstanding petitions to modify Decision (D.) 97-08-056. Specifically, we address a petition to modify filed jointly on September 25, 1997 by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), and San Diego Gas & Electric Company (SDG&E) seeking changes to the operation of the Catastrophic Events Memorandum Accounts (CEMA); a petition to modify filed jointly by The Utility Reform Network (TURN) and Utility Consumer Action Network (UCAN) on October 28, 1997 seeking disclosure on customer bills of the costs of Rate Reduction Bonds; a petition to modify filed by Office of Ratepayer

Advocates (ORA) filed on October 17, 1997 requesting clarification of SDG&E's Electric Revenue Adjustment Mechanism (ERAM) balances; and petitions to modify filed by Edison on October 15, 1997 and SDG&E on October 27, 1997 seeking ratemaking mechanisms for recovery of "must-run" generation costs.

We grant the petitions to modify D.97-08-056 with regard to (1) the disclosure of rate reduction bond costs on customer bills; (2) SDG&E's distribution revenue requirement; and (3) the treatment of "must-run" costs.

Joint Petition to Modify Regarding CEMA

PG&E, Edison, and SDG&E (in the context of this petition to modify, we refer to the three utilities as "Joint Petitioners") jointly filed a petition to modify seeking changes to D.97-08-056 which would permit them to recover generation costs associated with catastrophic events in their respective CEMAs. Joint Petitioners propose that Section 454.9 of the Public Utilities (PU) Code requires the Commission to authorize the utilities to continue to recover generation costs in their CEMAs.

Center for Energy Efficiency and Renewable Technologies, Environmental Defense Fund, Enron, ORA, Power Resource Managers, LLC, and Southern Retail Trading and Marketing (Joint Respondents) jointly filed a response to the Joint Petition. Joint Respondents oppose a modification to D.97-08-056 which would permit Joint Petitioners to include generation costs in their distribution revenue requirements. Joint Respondents argue that Section 454.9 does not require the Commission to approve generation cost recovery by way of the CEMA because it requires a finding of reasonableness of the costs. Joint Respondents observe that in D.97-08-056 the Commission has already essentially found that such recovering generation costs in the CEMAs would not be reasonable because recovery would be anti-competitive. Joint Respondents also propose that Assembly Bill (AB) 1890 does not permit costs incurred during the transition period to be recovered after that period.

TURN also opposes the joint petition to modify. It states its support for the observations of the Joint Respondents. TURN also comments that Section 454.9 was enacted at a time when utilities faced no competition for their generation. In that light, TURN believes the passage of AB 1890 makes it inappropriate to construe generation

facilities as among those which are the subjects of Section 454.9, an interpretation which is supported by AB 1890's intent to promote competition.

Discussion. D.97-08-056 prohibited the utilities from entering into CEMAs any costs associated with generation facilities. The order found that permitting the utilities to recover generation costs in distribution rates would provide a competitive advantage to the utilities in generation markets. We adopted the policy consistent with Section 368(b), which requires that the utilities separate charges for transmission, distribution, energy and other utility functions.

Here, the Joint Petitioners argue that the Commission's decision is inconsistent with Section 454.9. Section 454.9 provides that:

> (a) "The Commission shall authorize public utilities to establish catastrophic event memorandum accounts and to record in those accounts the costs of the following:
>
> (1) restoring utility services to customers,
>
> (2) repairing, replacing, or restoring damaged utility facilities,
>
> (3) complying with governmental agency orders in connection with events declared disasters by competent state or federal authorities.
>
> (b) The costs, including capital costs, recorded in the account set forth in subdivision (a) shall be recoverable in rates following a request by the affected utility, a Commission finding of their reasonableness, and approval by the Commission. The Commission shall hold expedited proceedings in response to utility applications to recover costs associated with catastrophic events."

We assume that the utilities request not simply a finding that they may record in CEMA generation costs associated with catastrophic event but a finding that those costs may be recoverable in distribution rates. We also assume that no party would object to the utilities' proposal for how to record the costs, but to their implicit proposal to recover them in distribution rates. In that context, the issue is effectively whether Section 454.9 requires the Commission to include in distribution rates certain costs associated with generation. We find that it does not. Section 454.9 requires the

Commission to provide the utilities an opportunity to recover reasonable costs in utility rates. D.97-08-056 did not find that generation costs associated with catastrophic events could not be recovered from utility customers in utility rates. It found that generation costs associated with catastrophic events could not be recovered from utility customers in their distribution rates. The utilities, like other generation sellers, will have the opportunity to recover their generation costs in generation rates. The assumption of this liability increases the utilities' risk of recovering their costs but it does not deny the utilities the opportunity to recover them.

Our interpretation of Section 454.9 is consistent with legislative history and statements of statutory intent. The Legislature enacted Section 454.9 at a time when Joint Petitioners were the only firms selling generation services to retail customers. AB 1890 opens generation markets to competitors beginning January 1, 1998. It states an intent to promote competition in generation markets. Section 368(b) requires the Commission to approve utility cost recovery plans which "provide for the identification and separation of individual rate components such as charges for energy, transmission, distribution..." and other relevant costs. We have implemented its provisions by declining to allocate generation costs to monopoly function revenue requirements except where the statute expressly provides otherwise. Our interpretation and implementation of AB 1890 is in effect a finding that requiring distribution customers to subsidize the costs of generation plant is unreasonable both as a matter of law and policy. As TURN and Joint Respondents observe, under these circumstances, the Commission could not find that generation costs entered into the CEMAs are reasonable. Because Section 454.9(b) requires a finding of reasonableness, no regulatory purpose is served by permitting the utilities to enter the costs into the accounts.

Moreover, Section 454.9 was enacted at a time when the utilities had an obligation to serve all customers seeking generation services. The financial assurances provided in Section 454.9 are among the many trade-offs the utilities have received over the years for fulfilling that obligation to serve. We doubt whether the Legislature, in its enactment of AB 1890, intended to provide such assurances to Edison, PG&E, and SDG&E but not to those generation companies with whom they must compete.

One procedural matter deserves comment here. Until filing this petition to modify, Joint Petitioners did not raise the issue of whether Section 454.9 requires the Commission to include generation costs in distribution rates. Nor did any of Joint Petitioners file applications for rehearing alleging legal error with regard to the Commission's treatment of this matter in D.97-08-056. Now, they raise the matter in a petition to modify D.97-08-056. We suspect they would like the opportunity to file an application for rehearing of this order. Joint Petitioners, however, waived their right to seek rehearing of this issue on legal grounds by failing to raise the issue in an application for rehearing of D.97-08-056. Joint Petitioners' observation that their failure to raise the issue on rehearing was an "oversight" does not excuse them from their obligation to file a timely application for rehearing of the order which disposed of this matter. We will therefore reject any application for rehearing of this decision with regard to CEMA which raises issues that could have been addressed in applications for rehearing of D.97-08-056.

We deny the petition to modify D.97-08-056 in which Joint Petitioners request authority to account for and recover certain costs of generation in distribution rates.

UCAN and TURN's Petition to Modify Regarding Customer Bills

TURN and UCAN propose that the Commission require the utilities to disclose on customer bills the amounts they are being charged to repay the rate reduction bonds, referred to as the "Fixed Transition Amount" or "FTA." ORA supports the proposal.

PG&E's response refers to PG&E's testimony in this proceeding, which proposed to show FTA amounts on customers' bills and suggests that therefore no modification of D.97-08-056 is required. PG&E proposes specific language if the Commission nevertheless decides to modify the order.

Edison replies, stating that it intends to provide the information on customer bills and has already designed its billing system to accomplish what TURN proposes.

We appreciate that PG&E and Edison have already decided to include the billing information proposed by TURN. Because D.97-08-056 did not require the disclosures, we will modify the order with the language PG&E proposes in its November 13

response to UCAN's petition. We add a requirement that the bills describe the purpose of the charge.

ORA's Petition to Modify Regarding SDG&E's ERAM Balances

D.97-08-056 allocated SDG&E's ERAM balances from 1996 in the amount of $21.137 million to the 1998 distribution revenue requirement. ORA's petition to modify D.97-08-056 to remove that amount from SDG&E's distribution revenue requirement argues that the allocation is contrary to an agreement SDG&E signed in another proceeding. It also argues that 1996 ERAM balances are appropriately recovered in the Interim Transition Cost Balancing Account (ITCBA), not distribution rates. Enron concurs with ORA's assessment.

SDG&E responds by arguing that the purpose of D.97-08-056 was to allocate costs not change revenue requirements. It argues that the agreement SDG&E signed in another proceeding is irrelevant to the Commission's action in this docket. Finally, SDG&E believes that ORA waived its right to raise the argument because it has not heretofore made its case on this issue in this proceeding.

Discussion. As a preliminary matter, SDG&E would have us deny ORA the opportunity to present an argument for the first time in a petition to modify. Consistent with our view that procedural technicalities should not stand in the way of sound regulatory policy, we entertain all reasonable petitions to modify past orders whether or not the issues they raise may have been more appropriately considered at an earlier date.[1] For that reason, we have addressed the merits of SDG&E's petition to modify D.97-08-056 with regard to CEMA entries, and we will address the merits of ORA's petition to modify the same order with regard to SDG&E's ERAM balances.

We reject SDG&E's view that its position in one proceeding is "irrelevant" in other proceedings which address essentially identical issues. The Commission

[1] If more than one year has elapsed between the filing of a petition to modify and the effective date of the decision sought to be modified, we require the petition to explain why it could not have been presented within one year of the decision. (Rule 47(d) of the Commission's Rules of Practice and Procedure.)

endeavors to create regulatory programs and policies in a comprehensive fashion. Commission proceedings are not processed in isolation from other proceedings. In fact, SDG&E had a duty in this proceeding to identify the position it had taken in Application 96-10-022, its Energy Cost Adjustment Clause application, so that the deliberations leading to D.97-08-056 would be well-informed. Instead, SDG&E asks us to ignore an agreement which, while not yet approved by the Commission, ORA honored when it supported SDG&E's proposal to withdraw its ECAC application.

Beyond the procedural arguments SDG&E makes, and which we reject, SDG&E's only justification for denying ORA's petition to modify is that D.97-08-056 declined to change revenue requirements. D.97-08-056 did state that, in an effort to avoid turning this proceeding into three general rate cases, the Commission would not reconsider revenue requirements that had already been authorized by the Commission. ORA's petition to modify, however, does not propose a change in revenue requirements. ORA proposes to change the allocation of the ERAM balance, consistent with the stated purpose of D.97-08-056 to allocate costs between functions.

D.97-08-056 stated an intent to address the disposition of ERAM balances in the "streamlining" portion of Rulemaking 94-04-031. Subsequently, Ordering Paragraph 2 of D.97-10-057, issued in the streamlining proceeding, directed each utility to transfer outstanding December 31, 1997 ERAM balances to its ITCBA. Although SDG&E fails to state so in its response to ORA's petition to modify, SDG&E had transferred the December 31, 1996 balance to its ITCBA even before the issuance of D.97-10-057. SDG&E's omission of this fact in its response to ORA's petition to modify and prior documents in this proceeding raises the question of whether SDG&E violated the ethical obligations of Rule 1. Alternatively, SDG&E may believe it is entitled to recover ERAM costs twice. It is not. We modify D.97-08-056 and D.97-12-010 as ORA requests as shown in Appendix A herein.

Edison and SDG&E Petitions to Modify Regarding Must-Run Costs

Both Edison and SDG&E filed petitions to modify D.97-08-056 asking for a ratemaking mechanism to permit them to recover costs passed along by the Independent System Operator (ISO) for services provided by generators to maintain

system reliability ("must-run generation"). As background, Edison states that the ISO's March 31 Federal Energy Regulatory Commission (FERC) filing introduced a Master Must-Run Agreement providing that the ISO pay the must-run generators under FERC-approved contracts and recover those payments from transmission owners. In order to recover these costs, Edison states it should be authorized to recovery of the ISO charges from all of Edison's retail customers. It refers to Section 15 of the Transmission Owners' tariff in support of its request. Edison proposes to recover these costs by debiting a Transition Revenue Account (TRA) which accounts for all utility costs for purposes of calculating revenues available to offset the costs recorded in the Transition Cost Balancing Account (TCBA). Alternatively, Edison proposes to include a separate charge on its bills to recover the must-run costs. Either way, the costs would be recovered from transmission, distribution and generation customers alike. Edison also proposes that the Commission authorize a Must-Run Generation (MRG) balancing account to assure that it recovers all of its must-run costs. Edison argues that PG&E does not propose such an accounting because it has a TRA.

SDG&E proposes to recover must-run costs either through its TCBA or by way of a separate bill charge. It prefers the former, stating that setting up a new bill charge would require considerable time and effort.

ORA and Enron filed responses to the petitions to modify. Enron opposes the charge on the basis that must-run costs are transmission costs and therefore appropriately recovered in transmission rates. ORA makes similar comments, arguing that Edison wrongly cites D.97-08-056 regarding recovery of ISO costs; that decision refers only to unaccounted-for energy. ORA believes that permitting SDG&E and Edison to recover must-run costs as they have proposed raises a number of rate design and jurisdictional issues which should be subjects of further proceedings.

Edison replies by arguing that the costs are related to generation, not transmission and are therefore appropriately recovered from generation customers. Edison believes that although the charges are set by the FERC, their recovery from Edison's customers is subject to this Commission's jurisdiction.

Discussion. Edison and SDG&E ask that we authorize them to recover must-run costs from their generation, transmission and distribution customers, either in associated or separate rates. Must-run costs are those associated with maintaining a reliable transmission system. They are imposed on transmission owners and established according to FERC orders. They are therefore appropriately included in transmission rates approved by the FERC and over which we have no authority. Alternatively, they may be considered generation costs over which we will have no ratemaking authority with the introduction of direct access.

D.97-08-056 authorized PG&E to establish a TRA in which it would enter the revenues from authorized CPUC and FERC approved rates plus PX and ISO costs. Subsequently, we authorized Edison to propose a similar account, an account which is currently subject to review as part of Edison's proposed tariffs. Edison is hereby authorized to establish a tracking account and enter into its TRA the must-run costs imposed by the ISO. Those entries are authorized for the sole purpose of calculating "headroom"[2] during the transition period. At the end of the transition period, we will have no jurisdiction over the treatment of those costs because we may not set rates for transmission or generation. This framework applies equally to PG&E.

We reject SDG&E's proposal to include these or any other transmission costs in the TCBA. The TCBA is established for the purpose of accounting for uneconomic generation costs and other transition costs identified in the Public Utilities Code. SDG&E has not demonstrated that "must-run" costs are either "uneconomic" or related to generation. Its request for TCBA treatment is appropriately raised in R.94-04-031. Alternatively, it may account for these costs in its calculation of headroom by entering the costs into a tracking account.

[2] "Headroom" is the amount of revenues available to offset uneconomic generation costs during the rate freeze period pursuant to AB 1890 and the findings in D.97-10-057.

Findings of Fact

1. D.97-08-056 found that permitting the electric utilities to recover generation costs in distribution rates would provide a competitive advantage to the utilities in generation in contravention of Section 368(b). The Commission's interpretation of Section 368(b) is effectively a finding that including generation costs in distribution rates is unreasonable.

2. Section 454.9 requires the Commission to permit electric utilities to create accounts in which they may record costs associated with damage from catastropic events and to recover those costs entered into the account which the Commission finds to be reasonable.

3. Section 454.9 does not require the Commission to authorize recovery of generation costs in distribution rates.

4. The electric utilities may recover reasonable generation costs in generation rates.

5. No party to this proceeding filed an application for rehearing of D.97-08-056 alleging that the Commission committed legal error when it prohibited the utilities from entering generation costs into CEMAs after December 31, 1997. The utilities herein state that their failure to raise the issue prior to this petition to modify was an oversight.

6. TURN and UCAN's proposal to require the utilities to disclose on customer bills the amounts customers are being charged to repay the rate reduction bonds is not opposed.

7. "Must-run" costs are those incurred as part of assuring the reliability of the transmission system and may therefore be appropriately considered transmission costs which should be recovered in transmission rates. To the extent those costs may be considered generation costs, they should be recovered in generation rates.

8. The TRA adopted for PG&E in D.97-08-056 is an accounting mechanism which facilitates calculation of "headroom." PG&E is authorized to enter into the TRA PX costs and ISO costs that have been authorized by this Commission or the FERC. The same applies to Edison, if it receives approval for a TRA.

9. SDG&E has not demonstrated that must-run costs meet the criteria for entry into the TCBA.

10. The Commission has no ratemaking authority with regard to must-run costs.

11. ORA's petition to modify D.97-08-056 proposes to relocate ERAM balances from distribution rates to SDG&E's ITCBA, consistent with D.97-10-057.

12. SDG&E has debited its ITCBA the December 31, 1996 ERAM balance. SDG&E's ERAM balance, the subject of ORA's petition to modify, in D.97-08-056 has been erroneously included in SDG&E's distribution revenue requirement for 1998.

Conclusions of Law

1. The Commission should deny the petition to modify D.97-08-056 filed jointly by PG&E, Edison, and SDG&E with regard to their CEMAs.

2. The Commission should grant the petition to modify D.97-08-056 filed jointly by TURN and UCAN with regard to disclosure of FTA costs on customer bills, as set forth herein.

3. The Commission should grant the petition to modify D.97-08-056 filed by Edison with regard to must-run costs to the extent it would account for the costs in the TRA for purposes of calculating "headroom."

4. The Commission should deny the petition to modify D.97-08-056 filed by SDG&E for recovery of any must-run costs in the TCBA but should permit SDG&E to account for must-run costs in its calculation of "headroom."

5. The Commission should grant ORA's petition to modify D.97-08-056 with regard to SDG&E's ERAM balances.

O R D E R

IT IS ORDERED that:

1. The petition to modify Decision (D.) 97-08-056 filed jointly on September 25, 1997 by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), and San Diego Gas & Electric Company (SDG&E) with regard to joint petitioners' Catastrophic Event Memorandum Accounts is denied.

2. The petition to modify D.97-08-056 filed jointly on October 28, 1997 by The Utility Reform Network and Utility Consumers Action Network with regard to disclosure on customer bills of rate reduction bond changes is granted to the extent set forth herein.

3. Conclusion of Law 29 in D.97-08-056 is modified by adding the following language:

> "These customers' bills shall separately disclose the Fixed Transition Amount Charges defined in Public Utilities Code 840(d), beginning at the same time that the 10 percent bill credit first appears on customers' bills and under no circumstances any later than other bill unbundling to occur by June 1, 1998. Fixed Transition Amount (FTA) Charges are also referred to as Trust Transfer Amount (TTA) Charges. Each customer bill will describe the charge by stating, 'This charge recovers the financing cost associated with the required 10 percent rate reduction.'"

4. The petition to modify D.97-08-056 filed on October 15, 1997 by Edison with regard to recovery of "must-run" costs is granted to the extent that Edison is authorized to account for must-run costs in the TRA for purposes of calculating headroom during the transition period.

5. The petition to modify D.97-08-056 filed on October 27, 1997 by SDG&E with regard to recovery of "must-run" costs is denied. SDG&E may establish a tracking account to track must-run costs for the purpose of including those costs in the calculation of headroom during the transition period.

6. The petition to modify D.97-08-056 filed on October 17, 1997 by ORA is granted to the extent set forth herein. Appendix C of D.97-08-056 and D.97-12-010 shall be modified as shown in Appendix A in this order.

7. SDG&E shall submit, within three days of the effective date of this order, tariff modifications which remove from SDG&E's 1998 distribution revenue requirement all costs associated with SDG&E's Electric Revenue Adjustment Mechanism balances. To the extent it will have already collected those balances in distribution rates, it shall credit its Interim Transition Cost Balancing Account accordingly.

This order is effective today.

Dated December 16, 1997, at San Francisco, California.

P. GREGORY CONLON
President
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
Commissioners

APPENDIX A

Table I

San Diego Gas and Electric Company - Electric Department

Authorized Distribution Revenue Requirements

Line No.			1/1/98 Rev. Reqt. ($000)
1	Authorized Base Rate Revenues ('93 GRC, T&D):	$	717,641
2	Adjustments:		
3	Transmission Wheeling Charges	$	(4,181)
4	Local Dispatching Costs	$	(5,534)
5	A&G: Generation Fixed Costs	$	(4,906)
6	Customer Services and Marketing Costs	$	(983)
7	Miscellaneous Adjust. Mechanism (MAM)	$	(8,100)
8	Franchise Fees & Uncollectibles (FF&U)	$	(7,294)
9			
10	Subtotal Adjustments	$	(30,998)
11			
12	Subtotal Auth. Base Rev. Reqt. ('93 GRC, T&D)	$	686,643
13	ERAM Balancing Revenue (T&D)	$	-
14	CARE Program	$	(1,019)
15	Total T&D Revenue Requirements	$	685,624
16	LESS:		
17	Transmission Revenue Requirements	$	121,382
18	ERAM Balancing Revenue for Transmission	$	-
19	Public Benefit Programs:		
20	DSM	$	32,000
21	RD&D	$	4,000
22	Renewable	$	12,000
23	CARE	$	8,465
24	Subtotal Public Benefit Programs	$	56,465
25			
26	Nuclear Decommissioning Rev. Reqt.	$	22,038
27	DOE D&D Fees & SONS1 Costs	$	6,158
28	Subtotal Nuclear Related Rev. Reqt.	$	28,196
29			
30	Total Authorized Distribution Rev. Reqt.	$	479,581

APPENDIX A

Table I

San Diego Gas and Electric Company - Electric Department
Authorized Distribution Revenue Requirements

Note:

Line 1 -- $691,283 + $12,100 + $14,258 (1996$)
('93 GRC shown in Exh.16 plus trans. wheeling chgr. & MAM account, see Exh. 80).
-- not include SDG&E's 1997 T&D portion of the authorized PBR adjustments and the 1998 proposed PBR adjustments.
-- to be updated in SDG&E's advice letter filing to reflect SDG&E's 1997 & 1998 PBR adjustments for T&D.

Line 3 -- $12,100 - $7,919 (1996$)
(Exh. 80 less the amount included in SDG&E's 3/1/97 FERC filing).

Line 4 -- $3,724 + $1,810 (1996$)
(direct costs in Acct. 556 & 561 plus A&G & common plant, see Exh. 64 & TURN's Opening Brief, p. 20).

Line 5 -- $78,681 - $78,681 / 87.665% x (1 - 17.8%) = $78,681 - $73,775 (1996$)
(use the allocation factor of 17.8% for generation as shown in Exh. 55).

Line 6 -- see Exh. 63.

-- $5,521 x 17.8% (1996$)
(use the allocation factor of 17.8% for generation as shown in Exh. 55).

Line 7 -- $14,258 - Line 27 (1996$)
(Amount shown in Exh. 80 less DOE D&D Fees & SONGS 1 Costs).

Line 8 -- ($19,161+$2,721)÷3 (1996$, one-third of total FF&U as shown in D.97-12-010).

Line 13 & 18 -- as modified in this decision.

Line 27 -- $1,040 + $733 + $4,385 (1996$)
(DOE Decontamination & Decommissioning Fees plus SONGS 1 Spent Nuclear Fuel Storage Costs & SONGS 1 Shutdown O&M Costs)
-- from workpaper provided to the Energy Division for the MAM account in Exh. 80.

Line 30 -- to be updated in SDG&E's advice letter filing to reflect SDG&E's 1997 & 1998 authorized PBR adjustment for T&D.

APPENDIX A

Table II

San Diego Gas & Electric Company

Electric Department

Allocation of Unbundled Revenue Requirement Components

Line No.	Customer Class	6/10/96 Adopted FPIM Avg Rate (¢/KWhr)	AB1890 Avg Rate (¢/KWhr)	Adopted ECAC Sales (GWhrs)	AB1890 Revenue ($000's)	Distribution Revenue ($000's)	Transmission Revenue ($000's)
		(a)	(b)	(c)	(d)	(e) 1/	(f) (Illustrative)
1	Residential	11.242	10.118	5,854.76	592,370	233,227	59,420
	Commercial/Industrial:						
2	Schedule A	11.864	10.678	1,918.95	204,898	74,821	19,062
3	Schedule AD	12.077	12.077	579.73	70,011	17,751	4,523
4	Schedule AL-TOU	8.474	8.474	6,698.65	567,628	135,412	34,500
5	Schedule A6-TOU	6.493	6.493	665.34	43,204	7,113	1,812
6	Subtotal	9.212	8.981	9,862.66	885,742	235,097	59,897
7	Agriculture	11.300	11.300	144.79	16,361	6,274	1,598
8	Lighting	11.043	11.043	79.76	8,808	4,984	467
9	System Total	9.985	9.430	15,941.97	1,503,281	479,581	121,382

Line No.	Customer Class	Public Goods Revenue ($000's)	Nuc. Related Revenue ($000's)	Rate Red Bonds Revenue ($000's)	Power Exchange Revenue ($000's)
		(g) 2/	(h) 2/	(i) (Illustrative)	(j) (Illustrative)
10	Residential	22,955	11,658	54,980	152,224
	Commercial/Industrial:				
11	Schedule A	7,884	4,033	18,020	51,812
12	Schedule AD	2,419	1,240	0	14,377
13	Schedule AL-TOU	20,673	10,054	0	160,768
14	Schedule A6-TOU	1,656	765	0	15,303
15	Subtotal	32,631	16,092	18,020	242,259
16	Agriculture	570	290	0	2,896
17	Lighting	308	156	0	1,196
18	System Total	56,465	28,196	73,000	398,515

Note

1/ use T&D total EPMC method for distribution and transmission revenue allocation.

2/ use SAP allocation method except for CARE program costs which are allocated on an equal cents per kWh basis

(END OF APPENDIX A)