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Decision 98-01-051 January 21, 1998

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company, for recovery of 1996 non-nuclear generation capital additions costs. (U 39 E)

Application 97-10-014  
(Filed October 3, 1997)

And Related Matters.

Application 97-10-015  
Application 97-10-024

**O P I N I O N**

**ORIGINAL**

**Summary**

This order grants the petition<sup>1</sup> of Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (Joint Petitioners) for authorization to establish a memorandum account to track the revenue requirement associated with earnings on 1996 and 1997 non-nuclear generation capital additions.

**Discussion**

These consolidated proceedings are the applications of each of the Joint Petitioners to approve of certain recorded costs for 1996 non-nuclear capital additions. The Commission has tentatively scheduled hearings in these matters for March 1998, which will be held if it determines on the basis of written testimony that hearings are required. A final decision in these proceedings is not anticipated before Summer 1998.

On December 1, 1997, Joint Petitioners filed this request to establish memorandum accounts to track the revenue requirement associated with the anticipated earnings on non-nuclear generation capital additions. Decision 97-09-048 ordered Joint Petitioners to file these applications requesting recovery of 1996 recorded

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<sup>1</sup> Under Rule 46 of the Commission's Rules of Practice and Procedure, this type of petition is treated as a written motion.

expenses by way of the competition transition charge (CTC), consistent with Public Utilities Code Section 367. Joint Petitioners state that because of the time required to process these applications, they will be denied an opportunity to recover earnings on capital additions for 1996 and 1997 between January 1, 1998 and the date the Commission issues an order in these proceedings unless the Commission authorizes Joint Petitioners to establish memorandum accounts for the costs. Joint Petitioners propose to adjust all entries into the accounts to make them consistent with the Commission's ultimate order on these matters.

No party responded to the petition. Joint Petitioners' request is reasonable because it retains the utilities' opportunity to recover earnings on investment which the Commission finds reasonable while retaining the Commission's discretion to adjust the entries in the accounts consistent with subsequent factual findings and orders regarding policy and law. We authorize the establishment of the accounts herein as requested.

#### **Findings of Fact**

1. Joint Petitioners seek authority to establish memorandum accounts in which they would enter the revenue requirements associated with earnings on non-nuclear generation capital additions recorded for 1996 and 1997.

2. Joint Petitioners' request is reasonable because it retains the utilities' opportunity to recover earnings on investment which the Commission finds reasonable while retaining the Commission's discretion to adjust the entries in the accounts consistent with subsequent factual findings and orders regarding policy and law.

#### **Conclusions of Law**

1. The Commission should grant Joint Petitioners' request to establish memorandum accounts in which they would enter the revenue requirements associated with earnings on non-nuclear generation capital additions recorded for 1996 and 1997.

2. The Commission should grant recovery of the entries into the memorandum accounts authorized herein only to the extent that recovery would be consistent with

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the Commission's ultimate findings in these and related proceedings authorizing revenue requirements for Joint Petitioners' capital additions for 1996 and 1997.

**O R D E R**

**IT IS ORDERED** that:

1. Joint Petitioners' request to establish memorandum accounts in which they would enter the revenue requirements associated with earnings on non-nuclear generation capital additions recorded for 1996 and 1997 is granted as set forth herein.
2. This proceeding shall remain open for the purpose of resolving outstanding issues raised by each application.

This order is effective today.

Dated January 21, 1998, at San Francisco, California.

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