

Decision 98-10-047 October 22, 1998

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 a Finding of
Reasonableness for the Ratepayer
Expenditures for the ENVEST Pilot
Program.

Application 98-07-036
(Filed July 17, 1998)

ORIGINAL

FINAL OPINION: DISMISSAL WITHOUT PREJUDICE

Summary

Pursuant to Commission orders, Southern California Edison Company (SCE) has filed a request for approval of ratepayer expenditures on the InvestSCE pilot program. This program tests the feasibility of a new approach to extend the benefits of energy efficiency to large, non-residential customers. To date, only a portion of the projects funded under the pilot program have been completed. We find that it would be inefficient to conduct a reasonableness review until all projects are completed. We therefore dismiss SCE's application, without prejudice, and direct SCE to file a new application within 90 days of the completion of the last InvestSCE project.

Background

In October 1993, the Commission authorized SCE's proposed InvestSCE pilot program to demonstrate and evaluate the feasibility of a new approach to extend the benefits of energy efficiency to large, non-residential customers.¹ The

¹ Resolution E-3337, issued on October 6, 1993.

Commission authorized ratepayer funding of up to \$23 million for the pilot program. SCE committed up to \$75 million in shareholder funds. SCE shareholders were given the opportunity to earn up to the authorized rate of return on their investment. The program was open to new participants until December 31, 1995.

In approving SCE's pilot program, the Commission determined that a reasonableness review should be held regarding SCE's use of ratepayer funds in this program. In Decision (D.) 97-08-057, the Commission directed SCE to file an application for a finding of reasonableness for the EnvestSCE ratepayer expenditures by July 1, 1998. The Commission approved SCE's request for an extension of the filing date until July 17, 1998.²

SCE filed its application pursuant to Commission direction. However, as noted by SCE, only 21 out of the 33 EnvestSCE agreements represent completed projects at this time. The Office of Ratepayer Advocates (ORA) filed a protest to the application arguing that a partial reasonableness review of the pilot would be very inefficient. ORA recommends that the Commission review all of the EnvestSCE projects and close the docket in one reasonableness review. SCE responded to ORA's protest, stating that it agreed with ORA's recommendations. In particular, SCE proposes that it notify ORA after the last remaining project is completed, and then file an amended reasonableness report within 90 days of the completion of the last project.

Discussion

At the time we issued D.97-08-057, we assumed that the EnvestSCE projects would be completed in time to include the information in SCE's

²The extension was granted by Executive Director letter, dated July 1, 1998.

application. That not being the case, we agree with SCE and ORA that a partial review would be a very inefficient approach to evaluating the pilot program. In its response to ORA's protest, SCE requests permission to voluntarily withdraw the pending application and to file a new application when all of the EnvestSCE projects are complete. We grant that request by dismissing the application without prejudice. SCE should file a new application and an updated reasonableness report within 90 days of the completion of the last project.

In Resolution ALJ 76-2998, dated August 6, 1998, the Commission preliminarily categorized this application as ratesetting and preliminarily determined that hearings were necessary. No protests have been received. Given today's decision to dismiss the application without prejudice, we find that public hearing is not necessary, and it is not necessary to alter the preliminary determination made in Resolution ALJ 176-2998 by separate order.

Findings of Fact

1. Only 21 out of the 33 EnvestSCE agreements represent completed projects at this time.
2. Proceeding with a partial reasonableness review at this time would require a second reasonableness review on the remaining projects at a later date.

Conclusions of Law

1. Because it would be inefficient to proceed with a partial reasonableness review of the EnvestSCE pilot program at this time, SCE's application should be dismissed without prejudice. SCE should file a new application after all projects have been completed and can be included in SCE's reasonableness report.
2. This docket should be closed, effective today.

ORDER

IT IS ORDERED THAT:

1. The July 17, 1998 application of Southern California Edison Company (SCE) for a Finding of Reasonableness for the Ratepayer Expenditures for the EnvestSCE Pilot Program is denied without prejudice.

2. SCE shall file a new application and an updated reasonableness report within 90 days of the completion of the last EnvestSCE project.

3. Application 98-07-036 is closed.

This order is effective today.

Dated October 22, 1998, at San Francisco, California.

RICHARD A. BILAS

President

P. GREGORY CONLON

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners