ALJ/BDP/eap **Mailed 11/19/99**

Decision 99-11-054 November 18, 1999

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

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| Application of Southern California Edison Company (U-338-E) for Approval of Optional Rate Schedules and Other Related Issues. | Application 99-01-021 (Filed January 15, 1999) |

# OPINION

## Summary


The Commission, in Southern California Edison Company's (Edison) 1998 Rate Design Window proceeding, approves rate design proposals as follows:

- Schedule GS-FR, a new, optional, customer-specific flat rate applicable to certain General Service customers (the Flat Rate);
- Schedule WTR, a new schedule for unmetered service applicable to specific wireless technologies (the Wireless Technologies Rate); and
- A modification to an existing tariff schedule, Schedule TOU-PA-5, to allow oil pumping customers to take service on this schedule.

The GS-FR and WTR options will be implemented on a limited basis. The Flat Rate option would continue to be available only for the duration of the rate freeze period, i.e., until the end of the rate freeze period mandated by Assembly Bill (AB) 1890.[1] The WTR option will be closed to additional customers at the end of the rate freeze period. Both of the new options, as well as Schedule TOU-PA-5, will be available to bundled service and to direct access customers.


[1] The rate freeze period shall continue until the earlier of March 31, 2002 or the date when Edison has recovered certain of its transition costs. Pub. Util. Code Section 368(a); D.96-12-077, p. 9.

## Procedural Summary

On January 15, 1999, Edison filed its 1998 Rate Design Window proposal.

On February 16, 1999, the Utility Reform Network (TURN) filed a response to Edison's proposal. In that response, TURN identified and described concerns it had regarding Edison's flat rate proposal and the proposed expansion of eligibility of TOU-PA-5. TURN then served two sets of data requests on Edison. Upon receipt of responses to its data requests, TURN served the testimony of Jeff Nahigian, a Senior Economist at JBS Energy, Inc., on July 9, 1999. This testimony further described TURN's position on Edison's proposal.

On February 22, 1999, the Office of Ratepayer Advocates (ORA) filed a protest. On March 4, 1999, Edison filed a reply to TURN's response and ORA's protest. No other protests were filed.

By Resolution ALJ 176-3009 dated February 4, 1999, this proceeding was designated as a ratesetting proceeding requiring evidentiary hearing.

On July 21, 1999, Commissioner Hyatt issued a Scoping Memo and Ruling of Assigned Commissioner setting forth the scope and schedule for this proceeding. The ruling included a determination that based on the pleadings filed, an evidentiary hearing would not be required.

We affirm the Commissioner's ruling that the affirmative hearing determination in Resolution ALJ 176-3009 should be modified.

Opening briefs were filed by Edison, TURN and ORA on July 30, 1999. A Reply brief was filed by TURN on August 13, 1999, and this matter was submitted for decision. No evidentiary hearings were held.

## Rate Design Window Requirements

In Decision (D.) 89-01-040 (the Rate Case Plan), the Commission established a procedure for Edison and other utilities to request rate design changes in years other than those covered by the rate design portion of their general rate cases (GRC).

Also, Pub. Util. Code Section 378[2] provides for the introduction of new rate options during the rate freeze period mandated by AB 1890. Rate Design Window filings or separate applications are appropriately used to introduce new rate options during the rate freeze period.

Edison states that, in conformance with the requirements for Rate Design Window proposals, neither its proposed Flat Rate option nor the WTR option will impact revenue requirement or rate group revenue allocations adopted in previous Commission decisions. In addition, because both of the proposed rate options are based on existing rate schedules, they accurately reflect the costs of serving customers choosing to take service on these options, consistent with the guidelines mandated by § 378.

Accordingly, we agree that Edison's proposals are appropriate for inclusion in its 1998 Rate Design Window proceeding.

### *Rate Proposals*

#### 1. General Service Flat Rate – GS-FR

Edison proposes to offer a levelized rate option, Schedule GS-FR, which establishes a customer-specific per kWh rate for all kWh consumption. This Flat Rate will be determined based on the individual customer's historic demand and energy usage, and will be adjusted at least annually on a prospective basis to reflect any changes in the customer's demand and energy usage profile. This rate is not designed to change the customer's total electricity bill over the course of the year, but rather to reduce the monthly cash flow impact

[2] Unless otherwise stated, all statutory references are to the Public Utilities Code.

of high summer demand and energy charges on a specific group of customers who have difficulty, due to their types of retail operations, in managing their loads in response to the price signals built into their rate schedules. An adjustment mechanism will ensure that the customer pays the same amount over time that it would pay if billed based on the otherwise applicable rate schedule. This rate option would be offered on an experimental basis to up to 1,000 customers (i.e., accounts) and would be available until the end of the rate freeze period mandated by AB 1890.

Edison currently provides a Level Pay Plan (LPP) for Residential and GS-1 customers, and is considering expanding the applicability to larger customers. The Flat Rate option is offered as a companion, not a replacement, for any expanded LPP which may be offered in the future. The LPP provides customers with the same monthly bill amount each month and requires a true-up payment in the twelfth month to correct for any over- or under- payment relative to what the customer would have paid absent the LPP. According to Edison, its customer representatives report that the potentially large true-up adjustment payment in the twelfth month is an unpopular aspect of the current LPP. Therefore, Edison proposes to offer the Flat Rate as an alternative for those customers desiring some form of levelized bill but who find the LPP true-up undesirable.

The Flat Rate option levelizes the cents/kWh rate, rather than the bill amount in each month as does the LPP, thus reducing the dollar amount of the required adjustment. The customer's monthly bill will reflect changes in monthly energy usage. Additionally, Edison proposes to adjust the customer's flat rate prospectively, spreading the amount of the difference over the subsequent year, rather than charging or crediting a lump sum amount at the end of the twelve-month period.

The Flat Rate option would be open to General Service and Large Power customers served on rate schedules with time-related demand charges, within specified Standard Industrial Classifications (SIC) listed in Edison's application. This SIC restriction limits the Flat Rate option to customers with retail operations and other businesses that have relatively stable consumption patterns and limited operational flexibility to manage their monthly electric bills. The SIC restriction is intended to enable calculation of a flat rate for each customer that does not fluctuate wildly from year to year. For the same reason, customers served under standby Schedule S, an interruptible schedule, or any Real Time Pricing (RTP) schedule will be ineligible for service on the Flat Rate option.

The Flat Rate option is designed for customers that have relatively stable consumption patterns and limited operational flexibility to manage their monthly electric bills. For example, a typical restaurant whose peak business occurs during lunch will have limited ability to modify its consumption of electricity at that time. However, Edison contends that the Flat Rate option sends appropriate, cost-based price signals to those customers who are able to respond to price signals:

- Any increases in consumption by flat rate customers during on-peak or other hours will increase their bills and will ultimately cost such customers exactly the same amount as if they had been billed on their otherwise applicable rate schedule;
- The monthly bills of flat rate customers will show the amount due under their otherwise applicable rate schedule as well as the amount due under the Flat Rate, thus providing cost-based price signals in those bills;
- The Flat Rate tariff contains a customer-specific true-up mechanism to ensure that over time, flat rate customers' payments equal their payments under their otherwise applicable rate schedule; and

- The quarterly tracking provision will identify flat rate customers whose bills are diverging from their bills on their otherwise applicable rate schedule in a manner that would indicate shifts in consumption patterns such as may occur in response to price signals, market conditions or any other factor.

***Position of TURN***

TURN does not oppose the Flat Rate option because Edison has structured the proposal so that customers will pay the same amount of competitive transition costs (CTC) and distribution revenues. TURN agrees that the Flat Rate option will collect "exactly the same revenue, both in total and by component, as if the customer had been billed under the customer's otherwise applicable rate schedule." TURN notes that in a data request response, Edison elaborated on this point and provided numerical examples demonstrating how this would work.

TURN submits that if the Commission chooses to approve the Flat Rate option, it should make clear that it does so based on Edison's representation that the option will not affect the amount of CTC and distribution revenues collected from customers served under the option, assuming the same level of electricity consumption by those customers.

***Position of ORA***

ORA argues that Edison must not recover new administrative and financial costs of Schedule GS-FR from non-participating ratepayers. ORA is concerned that the Flat Rate option may result in new administrative and financial costs for Edison. ORA contends that these costs should only be borne by customers who take service on this option. ORA notes that Edison recovers, as part of its overall revenues, costs associated with its existing LPP for small customers. ORA points out that a key difference between LPP and the Flat Rate option is that LPP has existed for several years to advance the goal of universal service for residential customers, while Schedule GS-FR is a new proposal for commercial purposes. Since the Flat Rate option confers benefit only to those customers that participate, ORA believes that Edison should not be able to recover any new administrative or financial costs associated with this rate option from all ratepayers. ORA contends that if Edison decides to recover these new costs, Edison should be ordered to recover these costs only from those customers who participate in this rate option.

Further, ORA argues that the Flat Rate option may create an inequitable advantage for Edison over ESPs by allowing Edison to retain customers on bundled utility service rather than on direct access service. To alleviate this concern, ORA proposes that Edison be required to exclude the energy commodity portion of customers' bill from the Flat Rate option. ORA points out that the energy commodity portion of Edison's rates is the amount reflected in the Power Exchange (PX) credit and is subject to competition. Thus, according to ORA, if the energy commodity portion is not excluded from the Flat Rate option, Edison would have an advantage in retaining its bundled customers on bundled service and ESPs would have added difficulty in attracting customers to direct access service. ORA contends that this is true because customers would prefer the price stability that Edison would be uniquely able to offer under the Flat Rate option to whatever reduction ESPs can achieve in the current California electricity market. ORA points out that many direct access customers served by ESPs are new entrants to the electricity market in Edison's service area. Therefore, ORA believes it is difficult for ESPs to absorb the costs of offering levelized rates.

***Response of Edison***

Edison responds that ESPs could easily provide a total flat rate by simply buying energy for Flat Rate customers from the PX. According to Edison, the ESP and the direct access customer could negotiate whatever arrangement they desire to produce an overall aggregate flat rate, if that is what the direct access customer and the ESP want to do. Edison contends that if it is only authorized to levelize charges except the commodity charge, as proposed by ORA, the result will not be a flat rate and it will not be responsive to the needs of retail customers who are interested in an aggregate flat rate.

Regarding ORA's proposal that Edison recover any new administrative or financial costs associated with the Flat Rate option only from participating customers, Edison responds that it is not requesting to recover any such costs and does not propose to impose additional fees on such customers. Edison states that, in fact, it knows of no current mechanism authorized by the Commission under which Edison could recover additional administrative or financial costs associated with the Flat Rate option.

***Discussion***

The proposed Flat Rate Schedule GS-FR is an optional rate schedule to address the needs of commercial customers who have difficulty, due to the type of their retail operations in managing their loads in response to the price signals built into their rate schedules. Edison has made it clear that this schedule is offered on an experimental basis for up to 1,000 accounts and it would be available through the end of the rate freeze. Also, Edison represents that the option will not affect the amount of CTC and distribution revenues collected from customers served by that option.

We believe Edison is responding to a real customer need. If, as argued by ORA, there is a valid concern that the schedule will provide Edison with an advantage over ESPs, competitors should offer the same option to its customers. Customers should not be disadvantaged simply because some new ESP may be unwilling to offer comparable service. As Edison points out, direct access customers could be provided an aggregate flat rate if an ESP simply charged the customer the same price as the PX credit provided by Edison to the customer. However, if Edison is only authorized to levelize charges other than the commodity charge as proposed by ORA, that would not produce a total flat rate and will not be responsive to the needs of the customers. Accordingly, we will adopt Edison's Flat Rate proposal for the duration of the rate freeze. We recognize that the continuation and expansion of levelized bill and payment options is at issue in the post transition ratemaking applications (A.99-01-016 et al.). Our findings here do not prejudge our determinations in that proceeding.

### 2. Wireless Technologies Rate Option – Schedule WTR

Edison proposes a new rate option for wireless technology services on an experimental basis for the duration of the rate freeze period. The proposed WTR option is an unmetered rate, with a customer charge and a fixed energy charge based on established kWh consumption quantities for radio devices. Because Edison has limited experience with providing service to these new technologies, participation on the WTR option would be limited to two hundred devices per year with a maximum of fifty devices per customer per year. This rate option would be closed to additional customers at the end of the rate freeze period.

Edison states that advancements in wireless service technology have spurred growth in the wireless communications industry, necessitating supporting infrastructure to accommodate such growth. Through use of radio technology, service providers are able to offer their customers a host of new services such as Internet, local area network, and voice and data transmission services. Such services are made possible through radio transmission from devices mounted on power and street light poles.

The WTR option is designed so that customers will pay a fixed energy charge per month, based upon the nameplate wattage for the given device. Customers that sign for the WTR option will be required to specify the number of devices to be installed and their nameplate electricity usage rating on their application/contract for service under this schedule, subject to verification by Edison. While the customer must pay the fixed energy charges for each device installed, it will pay only one customer charge for all of its radio devices. The customer will then receive one bill covering all of its installed devices.

Edison proposes a participation limit of two hundred devices per twelve-month period beginning with the effective date of Schedule WTR, with a maximum of fifty devices per customer per twelve-month period. Depending on the results of the experiment, Edison will file an advice letter requesting expansion or termination of this rate option.

There is no opposition to Edison's proposal. Accordingly, we will adopt Edison's proposed Schedule WTR for the duration of the rate freeze period. The installation of such radio devices on power poles must conform to the safety requirements and structural loading requirements delineated in General Order (GO) 95..

### 3. TOU-PA-5 Applicability – Oil Pumping

Edison proposes to revise the applicability requirements of Schedule TOU-PA-5 to allow customers engaged in oil pumping to take service on this schedule. Schedule PA-5 is an Agricultural and Pumping rate schedule. Customers with a SIC code of 1311 who utilize 70% or more of their electrical requirements for oil pumping purposes and who meet all other requirements of Schedule TOU-PA-5 would be allowed to transfer to this schedule. Customers taking service on Schedule TOU-PA-5 must have 35 horsepower or more of total connected load, or 35 kilowatts or more of maximum demand.

Edison currently has a number of oil pumping customers taking service on Agriculture and Pumping rate schedules. These customers are typically large and qualify under water pumping schedules by virtue of the nature of their method of oil production, where water is pumped into wells forcing oil out. Edison has identified a number of smaller customers in this industry, typically served under Schedule GS-2, who do not currently qualify under any of the traditional "water pumping" schedules and who may benefit under Schedule TOU-PA-5. Edison's analysis shows that the marginal cost of serving these oil pumping customers is similar to that of existing Schedule TOU-PA-5 customers. Also, according to Edison, in terms of time-of-use of energy consumption, there appears to be very little difference between these oil pumping customers and the average water pumping profile for TOU-PA-5 customers.

To ensure that only high load factor customers take service on this schedule, it contains a relatively high minimum charge based on the higher of the customer's maximum demand in the current month or the highest maximum demand recorded in the previous eleven months. According to Edison, the minimum charge will discourage low load factor oil pumping customers from transferring to Schedule TOU-PA-5 as is the case for low load factor water pumping customers. Therefore, Edison believes that its proposal will not result in a change in the usage characteristics of the TOU-PA-5 rate group or the cost of serving customers in this rate group.

***Position of TURN***

TURN argues that Edison's own calculation shows there is a significant likelihood that allowing oil pumping customers to take service under TOU-PA-5 will reduce Edison's collection of both CTC revenues and distribution revenues from those customers. Under Edison's proposal, those shortfalls would be borne by other ratepayers. According to TURN, unless the proposed tariff modification is further modified to ensure that the risk of CTC and distribution revenue shortfall is borne by Edison's shareholders rather than its ratepayers, the tariff modification should be rejected.

TURN suggests two approaches that would serve to minimize the risk that revenue shortfalls would adversely affect Edison's existing ratepayers. First, the Commission could treat Edison's proposal as a "flexible pricing option" or other sort of discounted contract to the oil pumping customers who choose to take advantage of the tariff change. Any resulting CTC shortfall would then be assigned to Edison's shareholders, under existing Commission treatment of such discounts during the rate freeze. Second, the Commission could limit the availability of the tariff change to oil pumping load that is incremental to existing load. TURN notes that the justification for the reduced rates is the need to encourage oil production from marginal and out of service oil wells. According to TURN, limiting the availability of the tariff change to the load associated with just those wells, rather than making it available to all wells that meet the load criteria, even if they are currently producing, would reduce if not eliminate the risk that there would be a shortfall in CTC or distribution revenue.

Further, TURN points out that the potential revenue impact from allowing oil pumping customers to migrate from Schedule GS-2 to Schedule TOU-PA-5 is close to $0.5 million reduction in revenues from oil pumping customers. Of the amount, approximately $98,000 of the revenue shortfall is in distribution revenues and close to $234,000 of the shortfall is in CTC revenues.

TURN disputes Edison's contention that increased sales will make-up for the revenue shortfall. TURN points out that a 24-26% increase in sales will be required to make-up the shortfall. TURN contends that according to the data provided on oil production in Edison's service territory, such an increase in sales is not feasible.

### *Position of ORA*

ORA shares TURN's concern that migration of oil pumping customers onto Edison's Schedule TOU-PA-5 will reduce the amount of contribution these customers make towards the payoff of transition costs. To alleviate this concern, ORA urges the Commission to maintain a close vigilance over the rate group memorandum accounts, which the Commission created in D.97-12-039 (and preceding related decisions) for the very purpose of accurately tracking transition cost obligations between various customer groups.

### *Response of Edison*

Edison disputes TURN's contention that its proposal will result in a CTC shortfall and a substantial reallocation of transition costs. Edison points out that it provided evidence from oil producers' representatives that making Schedule TOU-PA-5 available to oil pumping customers will likely result in additional electric consumption and increased recovery of transition costs as oil wells are returned to service.

Edison argues that, in effect, TURN's argument is that there will be a maximum of $234,000 of CTC shortfall if all eligible oil pumping customers currently served on Schedule GS-2 migrate to Schedule TOU-PA-5 and consume the same amount of electricity as they previously consumed. According to Edison, TURN's argument incorrectly assumes that no oil pumping customers will restart idle wells and no existing oil pumping customers will increase production as a result of being able to take service on Schedule TOU-PA-5. Edison contends that TURN's assumptions reflect a worst-case, unrealistic scenario and is contrary to the evidence provided by Edison that its proposal will cause idled wells to resume production and will keep marginal wells on line.

Regarding TURN's argument that the risk of revenue shortfalls should be allocated to utility shareholders as they would for existing discounted contract options, Edison points out that Schedule TOU-PA-5 does not provide a discount. Since it is not a discounted rate, Edison contends that TURN's citation to D.96-08-025 and D.97-09-047 does not apply to Edison's proposal.

**Discussion**

The issue is whether Edison's proposal will result in substantial reallocation of transition costs in violation of § 367(e).[3] TURN argues that Edison's proposal will cause an estimated shortfall in CTC of $234,457 and distribution revenues of $98,146.

On the other hand, Edison expects that extending the availability of Schedule TOU-PA-5 to eligible oil pumping customers will have a beneficial impact on overall CTC recovery. Edison points to the declaration of Dan Kramer, Executive Director of the California Independent Petroleum Association (CIPA), who states that Edison's proposal will: (1) induce owners of some wells idled for economic reasons in the past to bring those wells back on line; and (2) as world oil prices fluctuate, it will help tilt the decision in favor of keeping marginal wells on line. Also, Edison points to the declaration of Robert Fickes, Energy manager for the Tidelands Oil Production Company, who supports the conclusion that additional electric consumption will result from making Schedule TOU-PA-5 available to oil pumping customers in Edison's service territory as oil wells are returned to service.

Based on the estimates provided, we are not persuaded that the CTC shortfall, if any, would be of a magnitude that would qualify as a substantial

[3] While Assembly Bill 1890 froze rates at June 10, 1996 levels, there is no requirement that customers remain on the same schedule they were on as of that date.

reallocation of transition costs in violation of § 367(e).[4] Rather, we prefer to act on the basis of Edison's more optimistic scenario of idle wells going back into production. Also, we believe the resulting benefit to the California economy through increased oil production should be taken into consideration.

Next, we will address TURN's argument that pursuant to D.97-12-044, migration of customers between schedules is permitted only if pre-existing eligibility requirements are met. TURN's position is based on the assumption that the Commission cannot change the eligibility criteria for Schedule TOU-PA-5 during the rate freeze period and therefore this migration is not migration between existing schedules. We disagree. In D.97-12-044, the Commission states that "AB 1890 freezes rates, but it does not require customers to remain on the specific schedules that they were served under on June 10, 1996."[5] Contrary to TURN's assertions, D.97-12-044 does not prohibit changes or expansions to the eligibility requirements that existed on June 10, 1996.[6] With Commission approval of Edison's request to change the eligibility requirements of Schedule TOU-PA-5, oil pumping customers can migrate to Schedule TOU-PA-5, as

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[4] Edison's collection of CTC revenues during the period June 1998 through May 1999 from all customers was approximately $4,521,000 per day. TURN's worst-case CTC shortfall of $234,000 could only extend the rate freeze period by a small amount of time even if TURN's assumptions are correct.

[5] D.97-12-044, p. 20, emphasis added.

[6] D.98-07-101, at pages two to three, states that the Commission granted Edison's requests to close five of Edison's interruptible rate schedules to new customers in Resolution E-3474. However, these schedules remained open to new customers to Edison's service territory and to existing customers adding new load. See Resolutions E-3463 and E-3474. Thus, the Commission changed the eligibility criteria for these schedules and did so after June 10, 1996. Furthermore, nothing in § 378 prevents the Commission from exercising its authority, with appropriate justification, to change the eligibility criteria for Schedule TOU-PA-5 during the rate freeze period.

provided by D.97-12-044, because it will be another rate schedule for which such customers are eligible to take service.

Furthermore, the testimony of Edison witness James Schichtl demonstrates that the cost of service and usage characteristics of these oil pumping customers is consistent with agricultural customers. To the extent that oil pumping customers meet the cost of service and usage criteria for the schedule, there is no technical reason to exclude them from the Agricultural and Pumping rate group. Accordingly, we will grant Edison's request that the eligibility criteria for Schedule TOU-PA-5 be expanded to include oil pumping customers that have 35 horsepower or more of total connected load, or 35 kilowatts or more of maximum demand.

## Comments on Draft Decision

The draft decision of the ALJ in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g) and Rule 77.1 of the Rules of Practice and procedure. Comments were filed on November 4, 1999 by TURN and reply comments were filed on November 9, 1999 by Edison. We have reviewed the comments and reply comments and conclude that no substantive changes to the proposed decision are warranted.

## Findings of Fact

1. The proposed Flat Rate option provides an alternative for General Service and Large Power customers desiring some form of levelized bill.

2. The proposed WTR option allows the installation of radio devices on power and street light poles, and avoids the placement of individual meters for each such device.

3. The proposed modification to the eligibility requirements of Schedule TOU-PA-5 is intended to increase electric consumption by allowing oil wells

idled for economic reasons to resume production and marginal wells to remain on line.

**Conclusions of Law**

1. The proposed Flat Rate option should be adopted for the duration of the rate freeze period because it addresses a real need of commercial customers who have difficulty, due to the type of their retail operations, in managing their loads in response to the price signals built into their rate schedules.

2. Our findings in this proceeding do not prejudge our determinations regarding levelized bill and payment options in A.99-011-016 et al.

3. The WTR option should be adopted because it responds to a need of the wireless communications industry. Placement of radio devices on power poles must conform to the safety and structural loading factors delineated in GO 95.

4. To the extent that oil pumping customers have similar customer cost of service and usage characteristics as the Schedule TOU-PA-5 customer group, it is reasonable to expand the eligibility requirements for Schedule TOU-PA-5 to include such customers.

5. The proposed modification to the eligibility criteria of Schedule TOU-PA-5 should be adopted because: (1) any potential shortfall of CTC would not be of a magnitude that would qualify as a substantial reallocation of transition costs in violation of § 367(e), and (2) the risk of any such shortfall is outweighed by the possible benefit to the California economy through increased oil production.

# ORDER

**IT IS ORDERED** that:

1. Southern California Edison Company's (Edison) request to offer (1) Schedule GS-FR; (2) Schedule WTR; and (3) a modification to Schedule TOU-PA-5, to allow oil pumping customers to take service on this schedule, is adopted.

2. Edison may file the proposed tariffs and contracts needed to implement these proposals as provided in Attachment A to this decision. These tariffs shall become effective on the date filed subject to Energy Division determining that they are compliant with this order. Schedules GS-FR and WTR shall continue to be available for the duration of Edison's rate freeze only.

3. Evidentiary hearings are not required in this proceeding.

4. This proceeding is closed.

This order is effective today.

Dated November 18, 1999, at San Francisco, California.

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
JOEL Z. HYATT
CARL W. WOOD
Commissioners

# ATTACHMENT A

## Proposed Tariffs And Contracts

Experimental Schedule GS-FR
General Service - Flat Rate

Sheet 1

## APPLICABILITY

This optional Schedule is applicable to existing customers with a Standard Industrial Classification (SIC) Code listed in Special Condition 1 of this Schedule, who are served under General Service rate schedules having time-related demand charges and who elect to be billed a Flat Rate, per kWh, rather than the charges of the customer's otherwise applicable rate schedule. This rate schedule is designed to reduce the cash flow impact of high summer demand and energy charges on customers who have difficulty managing their loads in response to the price signals built into their rate schedules. This optional Schedule is limited to 1,000 Service Accounts.

To qualify for this Schedule the customer must have at least 12 months of historical billing data. This Schedule is not applicable to customers taking service under an Interruptible rate schedule, a Real Time Pricing Schedule or Schedule S. This Schedule will expire the earlier of March 31, 2002 or the date the Commission or its delegate determines to be the end of the industry restructuring transition period unless SCE determines, upon Commission approval, that it is appropriate to continue offering service under this Schedule.

## TERRITORY

Within the entire territory served.

## RATES

Under this Schedule the customer is billed the Customer Charge of the customer's otherwise applicable rate schedule. In addition, the customer is billed a Flat Rate, per kWh instead of the remaining charges of the otherwise applicable rate schedule. Except as modified above, all other charges and provisions of the customer's otherwise applicable rate schedule shall apply.

The Flat Rate per kWh will be adjusted at least annually to reflect any changes in the customer's demand and energy usage profile. However, as described in the Special Conditions below, under certain circumstances the Flat Rate may be adjusted more frequently. The Flat Rate used for billing is calculated by dividing the customer's total charges under the otherwise applicable rate schedule for the previous 12 months, excluding the Customer Charge, by the customer's total kWh usage during the same period.

(Continued)

Experimental Schedule GS-FR
General Service - Flat Rate



SPECIAL CONDITIONS (Continued)

1. To elect service under this Schedule customers must be served under a General Service rate schedule having time related demand charges, and must have one of the following four-digit Standard Industrial Classification Codes:

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4311 | 5499 | 5734 | 5947 | 6035 | 6211 | 6512 | 6732 | 8221 |
| 5211 | 5611 | 5735 | 5948 | 6036 | 6221 | 6513 | 6733 | 8222 |
| 5231 | 5621 | 5736 | 5949 | 6061 | 6231 | 6514 | 6792 | 8231 |
| 5251 | 5632 | 5812 | 5961 | 6062 | 6282 | 6515 | 6794 | 8243 |
| 5261 | 5641 | 5813 | 5992 | 6081 | 6289 | 6517 | 6798 | 8244 |
| 5311 | 5651 | 5912 | 5993 | 6082 | 6311 | 6519 | 6799 | 8249 |
| 5331 | 5661 | 5921 | 5994 | 6091 | 6321 | 6531 | 8011 | 8299 |
| 5399 | 5699 | 5932 | 5995 | 6099 | 6324 | 6541 | 8021 | |
| 5411 | 5712 | 5941 | 5999 | 6111 | 6331 | 6552 | 8031 | |
| 5421 | 5713 | 5942 | 6011 | 6141 | 6351 | 6553 | 8041 | |
| 5431 | 5714 | 5943 | 6019 | 6153 | 6361 | 6712 | 8042 | |
| 5441 | 5719 | 5944 | 6021 | 6159 | 6371 | 6719 | 8043 | |
| 5451 | 5722 | 5945 | 6022 | 6162 | 6399 | 6722 | 8049 | |
| 5461 | 5731 | 5946 | 6029 | 6163 | 6411 | 6726 | 8211 | |

2. Agreement: An annual Agreement is required for billing the Flat Rate under this Schedule. Customers may only apply for service under this Schedule between October 1 and December 31 each year. The customer shall be placed on this Schedule on the next regularly scheduled meter read date following application for service and verification of eligibility. The annual Agreement shall be renewed automatically. After the initial year of service, the customer may discontinue service under this Schedule at any time, by requesting a rate change in accordance with Rule 12. However, over the duration of the Agreement, the customer may also change their otherwise applicable rate schedule, in accordance with Rule 12.

3. This Schedule is designed for customers who have limited ability to shift their load to respond to price signals. As such, a customer's Flat Rate should recover, over a twelve month period, revenues which would otherwise have been realized under their otherwise applicable rate schedule. Customers may be removed from this rate schedule by SCE if, in the opinion of SCE, the conditions of service or basis for participation have materially changed.

4. Annual Flat Rate Adjustment: An annual review based on the customer's actual billing data will be performed of the customer's account to assess the degree to which the annual sum of the monthly bills using the Flat Rate differs from the annual sum of the calculated monthly bills using the charges of the customer's otherwise applicable rate schedule. With each annual review and Agreement renewal the customer's existing Flat Rate will be adjusted (increased or decreased) to reflect the most recent year of billing history and any revenue differential from the prior Agreement year.

(Continued)

Experimental Schedule GS-FR
General Service - Flat Rate



SPECIAL CONDITIONS (Continued)

5. Quarterly Reviews: Quarterly reviews of the customer's account will be conducted to assess the degree to which the sum of the monthly bills, for the prior 12 months, using the Flat Rate differ from the sum of the monthly bills using the charges of the customer's otherwise applicable rate schedule. If the difference is greater than 15 percent, the customer will be charged the total differential, the Flat Rate will be adjusted accordingly, and an evaluation will be conducted to determine if the customer should be removed from this rate option.

6. True-Up

   a. True-Up Upon Termination of Electric Service: When SCE or a customer terminates electric service a review will be conducted using the method described for the annual review in Special Condition 4 of this Schedule. Should a differential amount occur upon review, the customer's final bill will be charged or credited the entire differential amount.

   b. True-Up Upon Change of The Customer's Otherwise Applicable Rate Schedule: When SCE, as provided by SCE's tariffs, or the customer changes the otherwise applicable rate schedule, a review will be conducted using the method described for the annual review in Special Condition 4 of this Schedule. Should upon review a differential amount occur, the customer's next regularly scheduled bill will be charged or credited the entire differential amount. For example, if a customer's otherwise applicable rate schedule is Schedule GS-2 and the rate schedule is subsequently changed to Schedule TOU-8, due to the customer's demand exceeding 500 kW for three months within a twelve month period, a review and true-up will occur and the differential amount will be charged or credited to the next regularly scheduled bill following the change in rate schedule.

   c. True-Up Upon Termination of Service Under This Schedule: When SCE or the customer terminates service under this Schedule, a review will be conducted using the method described for the annual review in Special Condition 4 of this Schedule. Should a differential amount occur upon review, the customer's next regularly scheduled bill will be charged or credited the entire differential amount.

7. Direct Access Customers: When a Direct Access Customer receiving Consolidated ESP Billing elects to change ESPs, upon change in ESP, a review will be conducted using the method described for the annual review in Special Condition 4 of this Schedule. Should a differential amount occur upon review, the customer's prior ESP will be charged or credited the entire differential amount.

## FLAT RATE AGREEMENT
## BETWEEN CUSTOMER AND SOUTHERN CALIFORNIA EDISON COMPANY

This Flat Rate Agreement ("Agreement") shall establish the terms under which Customer shall be billed for certain charges by Southern California Edison ("SCE") or others pursuant to Schedule ________ , ("Otherwise Applicable Rate Schedule").

Customer requests to be placed on Experimental Schedule GS-FR, General Service - Flat Rate ("Experimental Schedule GS-FR"). Customer acknowledges receipt of a copy of Experimental Schedule GS-FR and has read and has understood it.

This is a filed form tariff agreement authorized by the California Public Utilities Commission ("Commission"). No officer, inspector, solicitor, agent, or employee of SCE has any authority to waive, alter, or amend any part of this Agreement except as provided herein or as authorized by the Commission. This Agreement supplements the terms and conditions of Customer's electric service provided under Customer's Otherwise Applicable Rate Schedule and under SCE's Commission-approved tariffs and rules.

Customer and SCE ("the Parties") agree as follows:

1. For the term of this Agreement, SCE shall bill Customer in accordance with Experimental Schedule GS-FR filed with the Commission, as such schedule now exists or may hereafter be amended or superseded.

2. Customer understands that Experimental Schedule GS-FR is not a rate discount from Customer's Otherwise Applicable Rate Schedule and that over the duration of this Agreement, Customer shall be obligated to pay the same as Customer would have paid under Customer's Otherwise Applicable Rate Schedule.

3. Customer agrees to pay an initial Flat Rate of __________ cents/kWh for each kWh delivered to Customer by SCE, plus applicable Customer Charge, fees, taxes and surcharges for Service Account No. ____________________. Attachment A lists Customer's additional Service Accounts and corresponding Flat Rates, if any, to be billed pursuant to this Agreement. The Flat Rate for each Account shall be subject to change in accordance with Special Conditions 4 and 5 of Experimental Schedule GS-FR.

4. Subject to the limitation described in paragraph 5, this Agreement shall automatically be renewed for an additional 12-month term, unless, after 12 months from placement on Experimental Schedule GS-FR, Customer notifies SCE in writing of a request to terminate this Agreement.

5. Experimental Schedule GS-FR shall terminate the earlier of March 31, 2002 or the date the Commission or its delegate determines to be the end of the industry restructuring transition period unless SCE determines, upon Commission approval, that Customer may continue placement on Experimental Schedule GS-FR.

6. A true-up shall occur in accordance with Special Condition 6 of Experimental Schedule GS-FR, upon termination of delivery service by SCE, a change in Customer's Otherwise Applicable Rate Schedule, or termination of Experimental Schedule GS-FR. A true-up may also occur as a result of a quarterly review, in accordance with Special Condition 5 of Experimental Schedule GS-FR.

7. This Agreement shall at all times be subject to such changes or modifications by the Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction.

In witness whereof, the Parties have caused this Agreement to be executed by their duly authorized agents to be effective on the date of SCE's signature below.

| | |
|---|---|
| *Signature of Customer, or Authorized Company Representative* *(Date)* | *Signature of Company Representative* *(Date)* |
| *Printed Name of Customer or Company* | *Printed Name of Company Representative* |
| *Title* | *Title* |
| *Customer or Company Name* | ***Southern California Edison*** |

GSFRAgreement.doc New 02/99

FLAT RATE AGREEMENT

ATTACHMENT A

| Service Account Number(s) | Contact Name & Telephone No. | Flat Rate | Otherwise Applicable Rate Schedule |
|---|---|---|---|
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Experimental Schedule WTR
WIRELESS TECHNOLOGY RATE

Sheet 1

APPLICABILITY

Applicable to single- and three-phase service for wireless technology industries that require electric service to operate radio repeaters or similar devices (wireless communication devices) that are mounted on existing SCE facilities, or other facilities approved by SCE and are unmetered. Customers must execute an application/contract with SCE for service under this Schedule, and must execute a lease agreement when devices are attached to SCE facilities. The monthly kilowatt-hour (kWh) usage of each device shall not exceed 200 kWh and each device must have a constant Load Factor of greater than 90%. Effective with the date the Customer becomes ineligible for service under this Schedule, the Customer's account shall be transferred to Schedule GS-1 or another applicable rate schedule. This Schedule shall not be applicable to a device that requires electric cooling or heating unit. This Schedule shall be limited to 200 devices per year and 50 devices per year per customer.

This Schedule is closed the earlier of March 31, 2002 or the date the Commission or its delegate determines to be the end of the industry restructuring transition period unless SCE determines, upon Commission approval, that it is appropriate to continue offering service under this Schedule.

TERRITORY

Within the entire territory served.

RATES

| | Per Customer Per Month |
|---|---|
| Customer Charge | $5.24 |

Fixed Energy Charge (to be added to Customer Charge):

| Monthly Usage: | Per Device Per Month |
|---|---|
| 0-50 kWh | $5.80 |
| 51-100 kWh | 9.05 |
| 101-150 kWh | 12.29 |
| 151-200 kWh | 15.53 |

The above charges used for Customer billing are determined using the components shown in the Rate Components Section following the Special Conditions Section.

SPECIAL CONDITIONS

1. Contract: A contract, Form xx-xxx, is required for service under this Schedule.
2. Voltage: Service will be supplied at one standard voltage not in excess of 240 volts.

(Continued)

Experimental Schedule WTR
WIRELESS TECHNOLOGY RATE
(Continued)

Sheet 2

SPECIAL CONDITIONS

3. Three-Phase Service: Where SCE provides three-phase service, the billing will be increased by $0.079 per day per customer.

4. Load Factor: Load Factor is defined as the extent of use of the Customer's maximum demand during the billing period. Load Factor is usually expressed as a percentage representing the ratio of kWh usage during the billing period to the kWh usage that would have occurred had the Customer consistently used its maximum demand throughout the entire billing period.

5. Determination of Monthly usage: The Customer must provide SCE information from which SCE can determine the level of kWh usage to be consumed and/or level of service to be provided, such as the device nameplate rating etc., and the number of devices to be installed. SCE retains the right to perform on-site inspections to verify the energy consumption of the device(s).

6. Installation: The device(s) shall be installed on SCE facilities, or other facilities approved by SCE. When the devices are installed on SCE facilities, the installation and removal of such device(s) will be performed by SCE, or an SCE-approved contractor, at the Customer's expense. Device installation shall not be performed under this Schedule where location, mounting height, and/or other considerations are not acceptable to SCE.

7. Modification of Facilities: Where the Customer requests a modification of SCE-owned facilities, and such modifications are acceptable to SCE, SCE will perform the requested modifications at the Customer's expense.

8. Maintenance: SCE shall exercise reasonable care and diligence in maintaining its facilities or SCE-owned attachments thereto. Upon installation of the device(s), where SCE experiences, or expects to experience, maintenance costs exceeding its normal maintenance expense resulting from, but not limited to, vandalism, SCE may require the Customer to pay the excess maintenance expense.

9. Liability of SCE: SCE shall not, by taking action pursuant to its tariffs, be liable for any loss, damage, or injury, established or alleged, which may result, or be claimed to result, therefrom.

10. Distribution Line Extension: Distribution line extensions to reach an outdoor area light or area lighting system shall be in accordance with Rule 15.

11. Service Extension: Services shall be installed and maintained as provided in Rule 16.

(Continued)

Experimental Schedule WTR
WIRELESS TECHNOLOGY RATE
(Continued)

Sheet 3

SPECIAL CONDITIONS

12. Billing: A Customer's bill is first calculated according to the total rates and conditions above. The following adjustments are made depending on the option applicable to the customer.

    a. Bundled Service Customers receive supply and delivery services solely from Edison. The Customer's bill is based on the total rates set forth above. The Power Exchange (supply) component is equal to the Averaged Power Exchange (PX) Energy Charge as set forth in Schedule PX.

    b. Direct Access Customers purchase energy from an Energy Service Provider and continue receiving delivery services from Edison. The Averaged PX Energy Charge is determined as specified for a Bundled Service Customer. The customer's bill will be calculated as for a Bundled Service Customer, but the Customer will receive a credit for the Averaged PX Energy Charge. If the Averaged PX Energy Charge is greater than the amount of the Bundled Service bill, the minimum bill for a Direct Access Customer is zero.

13. Generation Charge: The generation charge is calculated based on the total rate less the sum of: Distribution, Transmission, Public Purpose Programs, Nuclear Decommissioning, and Fixed Transaction Amount (where applicable) charges, the Transmission Revenue Balancing Account Adjustment (TRBAA), and the Public Utilities Commission Reimbursement Fee. The Competition Transition Charge (CTC) is calculated residually by subtracting the Averaged PX Energy Charge calculated as set forth in Schedule PX from the generation charge (See Rate Components Table).

14. Negotiating of CTC Payment Method: Nothing in this rate schedule prohibits a marketer or broker from negotiating with Customers the method by which their Customer will pay the CTC.

(Continued)

Experimental Schedule WTR
WIRELESS TECHNOLOGY RATE
(Continued)

Sheet 4

## RATE COMPONENTS

### Rate Components Table

| Rate Schedule Summary | Trans[1] | Distrbtn[2] | Gen[3,4] | NDC[5] | PPPC[6] | TRBAA[7] | DPVTC[8] | PUCRF[9] | Total |
|---|---|---|---|---|---|---|---|---|---|
| Energy Charge - $/kWh | | | | | | | | | |
| 0-50 kWh/month | 0.0745 | 2.9664 | 2.5675 | 0.0605 | 0.1305 | (0.0045) | 0.0020 | 0.0060 | 5.80 |
| 51-100 kWh/month | 0.1490 | 3.3734 | 5.1350 | 0.1210 | 0.2610 | (0.0090) | 0.0040 | 0.0120 | 9.05 |
| 101-150 kWh/month | 0.2235 | 3.7804 | 7.7025 | 0.1815 | .3915 | (0.0135) | 0.0060 | 0.0180 | 12.29 |
| 151-200 kWh/month | 0.2980 | 4.1874 | 10.2700 | 0.2420 | 0.5220 | (0.0180) | 0.0080 | 0.0240 | 15.53 |
| Customer Charge - $/day | 0.00 | 3.1462 | 2.0975 | | | | | | 5.24 |
| Three-Phase Service - $/day | 0.000 | 0.079 | 0.000 | | | | | | 0.079 |

[1] Trans = Transmission
[2] Distrbtn = Distribution
[3] Gen = Generation
[4] Competition Transition Charge (CTC) = Total Generation charge minus Averaged Power Exchange (PX) Energy Charge as set forth in Schedule PX.
[5] NDC = Nuclear Decommissioning Charge
[6] PPPC = Public Purpose Programs Charge (includes California Alternate Rates for Energy Surcharge and Discount where applicable.)
[7] TRBAA = Transmission Revenue Balancing Account Adjustment (FERC approved).
[8] DPVTC = Devers-Palo Verde Transmission Charge (FERC approved).
[9] PUCRF = The PUC Reimbursement Fee is described in Schedule RF-E.

**APPLICATION AND CONTRACT FOR ELECTRIC SERVICE**
**FOR EXPERIMENTAL SCHEDULE WTR**
**Wireless Technology Rate**

_______________ CUSTOMER ACCOUNT NO.

_______________ SERVICE ACCOUNT NO.

**TO SOUTHERN CALIFORNIA EDISON COMPANY (SCE):**

The undersigned Applicant hereby requests you to supply electric service and to deliver electric energy to and for the equipment hereinafter described in accordance with the applicable rates and rules of SCE including the tariff set forth herein.

Applicant hereby agrees to the following:

1. SCE has made available for inspection its applicable rates and rules. Applicant agrees to comply therewith, and with any changes or modifications thereof which may be authorized from time to time by the Public Utilities Commission of the State of California (Commission).
2. Applicant's attention has been directed to the rate schedules applicable to the service herein described, and Applicant has elected to take and pay for unmetered service under Experimental Schedule WTR based on fixed usage categories of 0-50, 51-100, 101-150, and 150-200 kWh per month per device. Further, Applicant will pay a Customer Charge of $5.24 per month.
3. Applicant hereby grants to SCE a right-of-way for any electric lines that may be necessary to build in, on, under, or over Applicant's premises for the purposes of making delivery hereunder. Where Applicant requests facilities that are in addition to, or in substitution for, the standard facilities that SCE normally would install, the extra cost thereof shall be paid by Applicant.
4. Within 36 months of commencement of service under this contract when a change is made in SCE's facilities, settlement shall be made for the installation and removal cost of the facilities removed. A new contract shall be entered into providing for the modified service required by Applicant.
5. This contract shall at all times be subject to such changes or modifications by the Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction.
6. Where applicable — Contract Demand _______________ (kW).
7. Where applicable — Excess Transformer Capacity _______________ (kVa).

| DEVICE MODEL NUMBER | WATTAGE RATING | FIXED ENERGY USAGE | QUANTITY |
|---|---|---|---|
| | | | |
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SERVICE VOLTAGE _______________ CONNECTED LOAD _______________ EST. MAX. DEMAND _______________

CORPORATE OR INDIVIDUAL'S NAME _______________

DATED _______________ D.B.A. _______________

BY _______________ TITLE _______________

APPROVED AND ACCEPTED FOR SOUTHERN CALIFORNIA EDISON COMPANY

DATED _______________ BY _______________
PROGRAM/PROJECT MANAGER

Schedule TOU-PA-5



# TIME-OF-USE AGRICULTURAL AND PUMPING DEMAND METERED

## APPLICABILITY

Applicable where the Company determines that: 70% or more of the customer's electrical usage is for general agricultural purposes or for general water or sewerage pumping or for oil pumping by customers with a Standard Industrial Classification (SIC) Code of 1311; none of any remaining electrical usage is for purposes for which a domestic schedule is applicable; and, the customer's account has 35 horsepower or more of total connected load or 35 kilowatts or more of Maximum Demand. The customer whose monthly Maximum Demand, in the opinion of the Company, is expected to exceed 500 kW or has exceeded 500 kW for any three months during the preceding 12 months is ineligible for service under this schedule. Effective with the date of ineligibility of any customer served under this schedule, the customer's account shall be transferred to Schedule TOU-8. However, in accordance with Schedule TOU-8, a large individual water agency or other large water pumping account with 70% or more of the water pumped used for agricultural purposes must take service on an agricultural class rate schedule. Service under this schedule is subject to meter availability. (N) (N)

## TERRITORY

Within the entire territory served.

## RATES

| | Per Meter Per Month Summer | Per Meter Per Month Winter |
|---|---|---|
| Customer Charge | $40.70 | $40.70 |
| Demand Charge (to be added to Customer Charge): | | |
| Facilities Related Component: | | |
| All kW of Billing Demand, except that the Billing Demand shall not be less than the levels set forth in Special Condition No. 4 below, per kW | $2.85 | $2.85 |
| Time Related Component (to be added to Facilities Related Component): | | |
| All kW of On-Peak Billing Demand, per kW | $9.00 | N/A |
| Plus all kW of Mid-Peak Billing Demand, per kW | $0.00 | $0.00 |
| Plus all kW of Off-Peak Billing Demand, per kW | $0.00 | $0.00 |
| Energy Charge (to be added to Demand Charge): | | |
| All On-Peak kWh, per kWh | $0.07947 | N/A |
| All Mid-Peak kWh, per kWh | $0.05142 | $0.06022 |
| All Off-Peak kWh, per kWh | $0.04283 | $0.04920 |

(Continued)



(END OF ATTACHMENT A)