

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION
Energy BranchRESOLUTION E-2090
May 7, 1986

RESOLUTION

ORDER AUTHORIZING SOUTHERN CALIFORNIA EDISON COMPANY (SCE)
TO REVISE ITS AIR CONDITIONER CYCLING PROGRAM TARIFF
SCHEDULES TO REDUCE THE SUMMER SEASON FROM SIX MONTHS TO
FOUR MONTHS

By Advice Letter 715-E, filed March 24, 1986, Southern California Edison Company (SCE) requests authorization to revise Schedules Nos. D-APS-2 - Domestic Automatic Powershift, GS-1-APS - General Service Automatic Powershift (Non-Demand Metered), GS-2-APS - General Service Automatic Powershift (Demand Metered), and TOU-8 - General Service - Large - Automatic Powershift Time-of-Use, to reduce the Summer Season set forth on said tariffs from six months to four months of each year under its air conditioner cycling program. The facts are as follows:

1. Currently the Summer Season under these schedules commences on May 1 and continues through October 31 of each year. The revised Summer Season will commence on June 1 and continue through September 30 of each year. The revision from six to four months is consistent with SCE's Time-of-Use Schedules Nos. TOU-8 - General Service - Large and TOU-GS - General Service - Time-of-Use.
2. The modification is intended to increase the cost-effectiveness of the air conditioner cycling program. Experience with the program has shown that the need for load reduction provided by the air conditioner cycling programs has not been required during May and October, and customer compensation for these months when no cycling takes place is inappropriate.
3. The shortened Summer Season will increase the cost-effectiveness of the air conditioner cycling program by reducing incentive payments by approximately \$3,677,900.00 or 33 percent. This represents an estimated average decrease of \$42.80 per customer per year as shown on Attachment A to this Resolution.
4. Although the decrease in annual incentives paid will have the effect of increasing the May and October bill of present customers

on the air conditioner cycling programs, approval of this modification will ultimately result in a corresponding smaller rate reduction to all of SCE's ratepayers through the Electric Revenue Adjustment Mechanism (ERAM). Therefore, a revenue increase to SCE does not result from this change in tariff provisions.

5. The Commission staff has received protests from nine SCE customers in this matter expressing special personal interests, suggestions, and claims of unfairness. The protests represent .009% of the approximate 86,000 participants. The staff has reviewed the protests, and SCE, at staff's request, has responded to the protests. A sample of SCE's response to protestants is shown as Attachment B to this Resolution.

6. Public notification of this filing has been made by mailing copies to other utilities, governmental agencies, and to all interested parties who requested such notification.

7. The staff of the Energy Branch of the Evaluation and Compliance Division has reviewed this filing and recommends its approval, with two additional provisions:

a. Because of the late filing date of this advice letter and the possibility of sizeable customer dissatisfaction, due to short notice the utility should pay incentives in May 1986, but not in October 1986. The utility should not pay incentives in either May or October beginning in 1987. SCE should also maintain a record and advise the Commission on the customers who withdraw from service under Schedules D-APS-2, GS-1-APS, GS-2-APS, and TOU-8-APS.

b. If 6 Megawatts or more of electrical load reduction is lost due to customer dropouts as the result of this change and/or if the cost-effectiveness of the program drops below its present level (1.59 is the current rate for the nonparticipant test), then SCE should reconsider this matter and to determine what changes if any should be made to customer incentives for the five month period.

THEREFORE:

1. Southern California Edison Company is authorized under Section 454 of the Public Utilities Code and Section X.A. of General Order 96-A to place Advice Letter 715-E into effect on June 1, 1986 (incentive payments will be paid to current participants for May 1986).

2. If 6 Megawatts or more of electrical load reduction is lost due to customer dropouts and/or if the cost effectiveness of the program drops below its present level (1.59 is the present ratio for the nonparticipant test), then SCE shall reconsider this matter and recommends suitable incentives to maintain customers during the new four-month period or other suitable options.

3. Advice Letter 715-E and accompanying tariff sheets shall marked to show that they were authorized for service on June 1, 1986. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 7, 1986. The following Commissioners approved it:

Howard A. L...

Acting Executive Director

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
STANLEY W. HULETT
Commissioners

ATTACHMENT A

Rate Incentive Calculations for Four-Month Summer Season - 1986

Total number of affected customers: 86,000

Estimated total annual incentive \$11,145,198.00 (6-month Summer Season)

Reduced by approximately 33% (4-month Summer Season)

Calculation for estimated annual incentive decrease

$$\begin{array}{r} \$11,145,198.00 \\ \times \quad .33 \\ \hline 3343559400 \\ 3343559400 \\ \hline \$ 3,677,915.34 \end{array}$$

Calculation for estimated average annual incentive decrease per customer

$$\$3,677,915.34 \div 86,000 = \$42.77$$

NOTE: The above does not take into consideration an estimated 5 to 11% of the participants who may withdraw from the program.



Sample letter of SCE's response
to protest letters.

Southern California Edison Company

P. O. BOX 800

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ROSEMead, CALIFORNIA 91770

ROONEY L. LARSON
MANAGER OF TARIFFS

TELEPHONE
MIN 308-1949

April 11, 1986

California Public Utilities Commission
State Building
350 McAllister Street
San Francisco, California 94102

Attention: Mr. Bruno A. Davis, Director
Evaluation and Compliance Division

Gentlemen:

This is in response to eight letters directed to the California Public Utilities Commission subsequent to Edison's filing of Advice No. 715-E on March 24, 1986, which protest such filings. The letters are from the following customers who are participating, or have requested to participate, in Edison's air conditioner cycling program under Schedule No. D-APS-2, Domestic Automatic Powershift:

1. Mr. William F. Lawlor, Palm Desert, CA
2. Mr. and Mrs. Arthur Hall, Yorba Linda, CA
3. Mr. Timothy P. Wieder, Redlands, CA
4. Mr. Jim L. Henry, Homeland, CA
5. Mr. Tony Dattonia, Tustin, CA
6. Mr. Joseph A. Marchbanks, Exeter, CA
7. Mr. Robert Holt, Alhambra, CA
8. Mr. Del Strange, Woodlake, CA

A review of the letters indicates that they fall into three basic categories of special interests, tariff revisions unfair, and suggested program modifications. Therefore, the following addresses them under these headings.

SPECIAL INTERESTS

Customer No. 1 above feels that because the desert weather area of Coachella Valley is different from the Los Angeles basin, that special consideration should be given to participants in that desert area. Customer No. 2 above purchased an air conditioner for his home on the basis that incentive payments would help finance the cost of the air conditioner.

Desert area climates may justify different considerations in using conservation measures. However, the intent of this program is to be able to shed load throughout the Company's system at times when Edison's peak demand is high. We can sympathize with each of the above customers situations, but they do not warrant continuing the program during May and October.

April 11, 1986

SUGGESTED MODIFICATIONS

Customer No. 3 above suggests that the incentive to participate during the four-month Summer Season be increase to offset the reduction in the length of the program.

Customer Nos. 4 and 5 above suggest that the yearly number of interruptions should be reduced from 15 to 10 if the number of months is reduced.

An increase in the monthly payment would not be cost-effective. A reduction in the number of periods available for interruption does not appear appropriate at this time. However, Edison's records indicate that there were six interruptions in 1985 and seven in 1984.

TARIFF REVISIONS UNFAIR

Customer No. 6 above claims that although Edison's brochure stated that "Credits are subject to change by the California Public Utilities Commission", a revision is unfair at this time to his account, since he only signed up in February for the program. That public hearings should be held to justify the reduction, which he considers an increase to Edison.

Customer No. 7 above feels that the revision is unfair to those who are trying to conserve energy.

Customer No. 8 above writes a lengthy letter, which basically says that he is concerned about California's energy future and thinks the proposed revisions are unwise because a certain percentage of participants will drop out of the program. He thinks the revisions are unfair to those who had faith in the program and shows lack of consideration for participants. He questions the cost-effectiveness of the revision. Although he also criticizes the program, he doesn't feel that Edison can change its program.

Customers who recently signed up for the the program may be disappointed that the incentive payments will cover a shorter period and thus be reduced. Edison also appreciates those who, in good faith, are trying to participate in conservation/load management programs and are interested in energy management. Edison has long been concerned in Conservation and Load Management programs. However, it is necessary to review all programs in light of changing circumstances and effects on all of its ratepayers in regard to energy supplies and cost-effectiveness. Continual reviews are required and changes implemented where prudent. Edison has reviewed its experience with the program and finds that the proposed revisions are prudent.

Very truly yours,

SOUTHERN CALIFORNIA EDISON COMPANY



RODNEY L. LARSON
Manager of Tariffs

RLN:elf
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