

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3231
September 06, 1991

R E S O L U T I O N

RESOLUTION E-3231. SOUTHERN CALIFORNIA EDISON COMPANY'S REQUEST FOR COMMISSION APPROVAL OF CONTRACTS WITH THE UNITED STATES GOVERNMENT FOR SERVICE AT EDWARDS, NORTON AND GEORGE AIR FORCE BASES.

BY ADVICE LETTERS 896-E FILED ON APRIL 12, 1991, 897-E AND 898-E FILED ON APRIL 16, 1991.

SUMMARY

1. Southern California Edison Company (SCE) requests approval of three contracts with the United States Government for electric service at Edwards Air Force Base (AFB), George AFB and Norton AFB (referred to as Bases). SCE provides electric service to Bases using Rate Schedule No. TOU-8, "Time-Of-Use General Service - Large" (2kV to 50kV) Revised Cal PUC Sheets 12741-E, 12958-E, 12959-E, 12960-E, 12961-E, 12962-E, 12747-E, 11608-E, 11609-E, 11610-E and 12748-E (TOU-8). The three Bases have now received allocations of capacity and energy available from the Parker-Davis Project. The contracts which are the subject of these Advice Letters provide for SCE wheeling the energy to the three Bases, with any necessary additional power provided by SCE at the TOU-8 rates.
2. This Resolution grants the requests.

BACKGROUND

1. SCE has been providing electrical service to Bases under Rate Schedule No. TOU-8. The Bases, being facilities of the federal government, have now received allocations of both electrical capacity and electrical energy by Western Area Power Administration (WAPA) from the Parker-Davis Project. The contracts provide for SCE to wheel (deliver) this energy to the three Bases, and to provide all supplemental capacity or energy at rates of Schedule No. TOU-8. SCE is interconnected with the WAPA system at WAPA's Blythe Substation (Blythe).

2. Paragraph 12 of Schedule No. TOU-8 Time-Of-Use General Service - Large (Revised Cal PUC Sheet No. 11610-E) states in part:

"....all service under this rate schedule is applicable only for service supplied entirely by the Southern California Edison Company, as provided in Rule No. 12.E."

These Advice Letters seek exceptions to the above tariff provision.

NOTICE

1. Public notice of these filings has been made by publication in the Commission's Calendar on April 17 and April 19, 1991, and by mailing copies of the Advice Letter to other utilities and government agencies.

PROTESTS

1. No protests to these Advice Letters have been received by Commission Advisory and Compliance Division.

DISCUSSION

1. The Bases will continue to receive electric service from SCE at rates of Schedule TOU-8, with credits (deductions) based upon the availability of capacity and energy from WAPA. The necessary adjustments to the capacity and energy received by SCE at Blythe to compensate SCE for line losses are set forth in each contract.

2. SCE's Schedule No. TOU-8 requires the customer to purchase all of its electrical energy from SCE. A customer served under Schedules No. TOU-8 is not normally permitted to seek alternative sources of electrical energy. If any Base desires to buy electrical capacity and energy from other sources it must usually take service under one of SCE's Interruptible rate schedules and be subject to service interruptions. Bases are at present not prepared to accept interruptible service, therefore they may, if necessary, purchase all capacity and energy from other sources.

3. If the Bases continue purchasing some of their capacity and energy from SCE system instead of bypassing it, the process will result in additional revenues to SCE. The additional revenue would benefit SCE's other customers because it would reduce the revenue requirement otherwise paid by the other customers.

4. The Marginal Demand, Customer and Energy Costs established in SCE's last Energy Cost Adjustment Clause (ECAC) proceeding, Decision 90-12-067 in Application 90-06-001 (Column 1), and the charges in SCE's rate schedule TOU-8, 2kv to 50kv Revised Cal. PUC Sheets 12959-E, 12960-E and 12961-E (Column 2) are as follows:

| <u>Demand</u> | <u>ECAC</u> | <u>TOU-8</u> |
|-------------------|------------------------|--------------|
| | <u>\$/kW-yr</u> | |
| Generation | \$78.08 | |
| Transmission | 37.20 | |
| Distribution | | |
| Primary | \$50.64 | |
| Summer (5 months) | | |
| On-Peak | | \$73.25 |
| Maximum | | 11.00 |
| Off-Peak | | 11.00 |
| Winter (7 months) | | |
| Maximum | | 15.40 |
| | (Annual Minimum Charge | \$6,000.00) |

| <u>Customer Classification</u> | <u>\$/Customer-year</u> | |
|--------------------------------|-------------------------|----------|
| TOU-8 (Primary) | 2,404.53 | 3,388.80 |

| <u>Energy</u> | <u>\$/kwh</u> | |
|---------------|---------------|-----------|
| Summer | | |
| On-Peak | \$0.0408 | \$0.10551 |
| Mid-Peak | 0.0329 | 0.08460 |
| Off-Peak | 0.0304 | 0.05000 |
| Winter | | |
| Mid-Peak | \$0.0369 | \$0.09505 |
| Off-Peak | 0.0308 | 0.05000 |

5. This tabulation of Marginal Costs in Column 1 and TOU-8 Rates in Column 2 shows that the rates which are charged under Tariff Schedule TOU-8 exceed the marginal costs for producing the energy in Column 1. Sales at these rates will be of benefit to other customers of SCE.

6. As shown by the above tabulation all charges for Demand and Energy on Rate Schedule TOU-8 "TIME-OF-USE GENERAL SERVICE - LARGE" (Sheets Revised Cal PUC 12959-E, 12960-E and 12961-E) are in excess of the marginal costs adopted in D.90-12-067.

FINDINGS

1. Approval of these contracts will allow the Air Force Bases to remain customers of SCE using Tariff Schedule TOU-8, at least for some capacity and energy sales because they positively contribute to SCE's margin.

2. The additional revenue, received by SCE from Bases if they remain customers using Tariff Schedule TOU-8, is a benefit to the other customers as it reduces the revenue requirement on the other customers of SCE.

THEREFORE, IT IS ORDERED that:

1. The contracts titled; "Revised Power Displacement Agreement Between Southern California Edison Company and the United States Department of Defense Edwards Air Force Base",

"Edison-Norton Air Force Base Agreement Regarding Power Allocations from the Parker Davis Project between Southern California Edison Company and the United States Department of Defense Norton Air Force Base", and

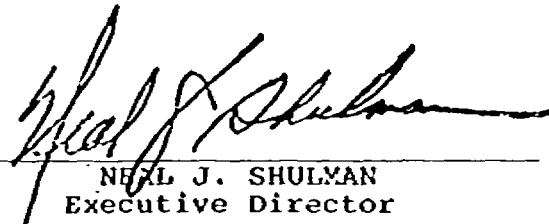
"Edison-George Air Force Base Agreement Regarding Power Allocations from the Parker-Davis Project between Southern California Edison Company and the United States Department of Defense George Air Force Base" are approved.

2. Southern California Edison Company is authorized to file the above three contracts in its list of contracts and deviations.

3. Advice Letters 896-E, 897-E and 898-E shall be marked to show that they were approved by Commission Resolution E-3231.

4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 06, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

PATRICIA M. ECKERT
President
JOHN B. CHANIAN
DANIEL WM. FESSLER
NORMAN D. SHUMWAY
Commissioners

I abstain.

G. MITCHELL WILK
Commissioner