

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3428
November 21, 1995

R E S O L U T I O N

RESOLUTION E-3428. SOUTHERN CALIFORNIA EDISON COMPANY'S REQUEST FOR THE ADDITION OF A NEW, EXPERIMENTAL INTERRUPTIBLE LOAD AGGREGATION OPTION SPECIAL CONDITION TO SCHEDULES I-6 (TIME-OF-USE GENERAL SERVICE - LARGE - INTERRUPTIBLE) AND TOU-8-SOP-I (TIME-OF-USE GENERAL SERVICE - LARGE - SUPER OFF-PEAK - INTERRUPTIBLE), AND THE ESTABLISHMENT OF AN ASSOCIATED NEW AGREEMENT FORM.

BY ADVICE LETTER 1113-E, FILED ON JULY 21, 1995.

SUMMARY

1. By Advice Letter 1113-E, Southern California Edison Company (Edison) requests revision of its large power interruptible service rates schedules, Schedule I-6 and Schedule TOU-8-SOP-I, to include a new Special Condition, entitled "Experimental Interruptible Load Aggregation Option". This Special Condition enables Edison to combine the Firm Service Levels of each Service Account in order to determine the customer's Aggregate Interruptible Load and allow customer discretion as to which Service Account(s) will be interrupted during an Interruptible Event. In addition, Edison requests the establishment of an associated agreement form.
2. No protests were filed.
3. This Resolution approves Advice Letter 1113-E with a modification of the administrative charge.

BACKGROUND

1. Schedules I-6 and TOU-8-SOP-I are time-of-use, interruptible rate schedules available to Edison customers whose monthly maximum demand is expected to exceed 500 kW.
2. Currently, the terms and conditions of these schedules apply specifically to each Service Account served under one of these schedules. When a Notice of Interruption is given by Edison, the customer is required to interrupt load served under that specific Service Account during a Period of Interruption.
3. The Service Account's Interruptible Load is the amount of load above the Service Account's Firm Service Level which is

established by the customer in a Contract for Interruptible Service.

4. If a Notice of Interruption is given by Edison for a particular Service Account and load is not reduced to the Firm Service Level during the Period of Interruption, the customer is subject to an Excess Energy Charge.

5. Edison filed Advice Letter 1113-E on July 21, 1995 requesting revisions to Schedule I-6 and Schedule TOU-8-SOP-I to add a new Experimental Interruptible Load Aggregation Option Special Condition (ILAO). This enables Edison to combine the Firm Service Levels of each Service Account in order to determine the customer's Aggregate Interruptible Load and allow customer discretion as to which Service Account(s) will be interrupted during an Interruptible Event. In addition, Edison requests the establishment of an "Experimental Interruptible Load Aggregation Option Agreement", Form No. 16-335, in this filing.

NOTICE

1. Advice Letter 1113-E was served on other utilities, government agencies, and to all interested parties who requested such notification, in accordance with the requirements of General Order 96-A.

PROTESTS

1. No protests were received for this Advice Letter filing.

DISCUSSION

1. Many of Edison's large power customers have multiple interruptible Service Accounts. Edison stated that several of these customers have expressed their concern that the site specific nature of interruptible service limits their overall operating flexibility in meeting their interruption obligation during a Period of Interruption.

2. The Commission Advisory and Compliance Division (CACD) agrees with Edison that a viable option to address the concerns of these customers is to aggregate the customer's individual Service Accounts' Firm Service Levels to establish such customer's Aggregate Interruptible Load and allow the customer to have discretion as to which Service Accounts will be interrupted. This provides such customers with enhanced load control capabilities and the opportunity to operate more like a single entity and at the same time does not change the customer's overall load reduction responsibility.

3. The ILAO established by this filing will provide Edison's large power interruptible customers with the ability to select which Service Account(s) will experience load reduction rather than have to reduce load for the specific Service Account for which a Notice of Interruption is given by Edison.

4. Under the ILAO, the customer will designate which Service Accounts will be aggregated and Edison will determine the customer's Aggregate Firm Service Level for all Service Accounts. In order to provide service under the ILAO, Edison would install additional facilities at customer's expense in accordance with Edison's Rule 2.H, Added Facilities, which include Advanced Metering (i.e. a multifunction, microprocessor-based, interactive recording meter), telemetry, and annunciator equipment on each Service Account. Also, each customer must install, own, operate, and maintain the necessary facilities, as determined by Edison, for communication and display of interruptible load information and customer load data.

5. When issuing a Notice of Interruption for an Interruptible Event, Edison will provide to or receive from the customer via the Advanced Metering and associated equipment the applicable customer load information to facilitate application of the ILAO. Using such information, Edison will determine the customer's level of compliance during an Interruptible Event and if applicable the appropriate penalty for failure to reduce load to an appropriate level. If Edison determines that it is unable to provide to or receive from customers the necessary information, the provisions of the ILAO will not be applicable and the regular terms and conditions of their interruptible rate schedule shall apply.

6. The ILAO also requires the customer to pay a monthly charge of \$0.05 per kW applied to the difference between the customer's individual Service Account's monthly non-time related Billing Demand and Firm Service Level. Edison states that the charge is for the additional administrative costs Edison will experience as a result of providing service under this Special Condition and is added to the bill of each Service Account served under this Special Condition.

7. Although CACD recognizes the need for an administrative charge to cover the start-up and development costs of the ILAO, it does not believe it should be a recurring charge, tied to the customer's demand. CACD believes that a one-time administrative charge up to \$50 per agreement is reasonable.

8. There is no expected direct revenue impact due to the implementation of the ILAO since it is essentially revenue neutral compared to service being provided under Schedule I-6 or Schedule TOU-8-SOP-I without ILAO.

9. To be provided service under ILAO, the customer must sign an agreement that is applicable to multiple Service Accounts which are listed in an appendix to the agreement. The Agreement supplements the applicable interruptible rate schedule and each Service Account's Contract for Interruptible Service. The supplemental agreement is for a two year term and will renew in two year increments, but may be terminated at any time by the customer or Edison with 12 months written notice.

10. The ILAO will be closed to new customers when 20 agreements are served under the ILAO or the total load served under all such agreements exceeds 100 MW. This will allow Edison to evaluate

the effectiveness and acceptance of the ILAO before considering whether its use should be expanded.

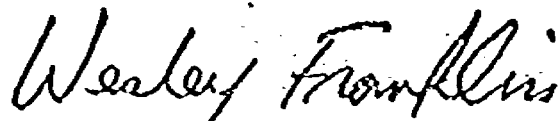
FINDINGS

1. Many of Edison's large power customers have multiple interruptible Service Accounts. The site specific nature of interruptible service limits their overall operating flexibility in meeting their interruption obligation during a Period of Interruption.
2. In Advice Letter 1113-E, Edison requests the addition of a new Experimental Interruptible Load Aggregation Option Special Condition (ILAO) to Schedules I-6 and TOU-8-SOP-I, and the establishment of an associated new agreement form.
3. The ILAO enables Edison to combine the Firm Service Levels of the customer's individual Service Accounts in order to determine the customer's Aggregate Interruptible Load and allow customer discretion as to which Service Account(s) will be interrupted during an Interruptible Event.
4. Edison's proposed ILAO provides customers with enhanced load control capabilities and the opportunity to operate more like a single entity and at the same time does not change the customer's overall load reduction responsibility.
5. Although there is an administrative charge to cover the start-up and development costs of the ILAO, it should not be a recurring charge, tied to the customer's demand.
6. A one-time administrative charge up to \$50 per agreement is reasonable to implement the ILAO.
7. Edison's request to add the ILAO to Schedule I-6 and Schedule TOU-8-SOP-I is reasonable, with a modification of the proposed administrative charge.
8. There is no expected direct revenue impact due to the implementation of the ILAO since it is essentially revenue neutral compared to service being provided under Schedule I-6 or Schedule TOU-8-SOP-I without ILAO.
9. To be provided service under ILAO, the customer must sign an agreement, Form No. 16-335.

THEREFORE, IT IS ORDERED that:

1. Southern California Edison Company's request in Advice Letter 1113-E regarding revision of Schedule I-6 and Schedule TOU-8-SOP-I to add the Experimental Interruptible Load Aggregation Option Special Condition is approved subject to the modification that Edison revise the tariffs to substitute the \$0.05 per kilowatt recurring administrative charge for implementation costs with a one-time administrative charge up to \$50 per agreement.
2. Should Southern California Edison Company agree, it may file an advice letter accepting this modification within 10 days. The Advice Letter shall be effective on the date filed.
3. Advice Letter 1113-E shall be marked to show that it was approved Commission Resolution E-3428.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 21, 1995. The following Commissioners approved it:



WESLEY FRANKLIN
Executive Director

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
JOSIAH L. NEPPER
Commissioners