

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

RESOLUTION E-3495
JULY 16, 1997

R E S O L U T I O N

RESOLUTION E-3495. SOUTHERN CALIFORNIA EDISON COMPANY REQUESTS APPROVAL OF A DEVIATION FROM THE BASE PERIOD USAGE PROVISIONS OF SCHEDULE TOU-8-CR-1 FOR NABISCO BISCUIT COMPANY, INC. APPROVED.

BY ADVICE LETTER 1195-E, FILED ON NOVEMBER 1, 1996.

SUMMARY

1. By Advice Letter (AL) 1195-E, Southern California Edison Company (Edison) requests a deviation from Schedule TOU-8-CR-1 for Nabisco Biscuit Company, Inc. (Nabisco) to lower its base period of usage by approximately twelve percent.
2. No protests were received.
3. This Resolution adopts AL 1195-E.

BACKGROUND

1. By AL 1195-E, Edison seeks a deviation from the base period usage provisions of Schedule TOU-8-CR-1, General Service - Large Contract Rate 1, Incremental Sales, and Section I.A. of the associated Incremental Sales Agreement (ISA) for Nabisco on service rendered to its Buena Park facility. The deviation would reduce by approximately twelve percent the Base Period Usage established for Nabisco in their ISA dated June 1, 1996. Edison's list of contracts and deviations would be revised to reflect this deviation.
2. Under Schedule TOU-8-CR-1, base period usage is billed at the customers otherwise applicable tariff (Schedules TOU-8 of I-6) regardless of whether it is used. This is usually referred to as a 'take or pay' provision. Incremental usage, the usage in excess of base period usage, is billed at ISA rates. ISA rates are established monthly from Edison's Avoided Cost Energy prices, as regularly filed with the Commission, adjusted for line losses, plus time-differentiated per kWh charges, CARE surcharge and PUC Reimbursement Fee.
3. Base period usage is determined from the most representative twelve consecutive months usage out of the last twenty-four

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months. Nabisco's base period usage was determined from demand and energy recorded by Edison from April 1995 to March 1996.

4. AL 1195-E states that Nabisco elected to install microwave ovens at its Buena Park facility rather than out of state in anticipation of reduced rates for the incremental usage, under TOU-8-CR-1, and Edison's commitment to file this request for deviation. Nabisco met all the qualifying criteria for the ISA and began taking service under the ISA on June 19, 1996.

5. In March 1996, Nabisco initiated energy efficiency improvements in their air conditioning system, process line, and pumping and ice water production facilities. Nabisco is concerned that energy savings from this effort will result in energy usage below that established for the base period usage, subjecting Nabisco to a 'take or pay' situation. Further, the reduction in load from the energy efficiency efforts will offset the increased load from the microwave ovens resulting in little or no incremental usage. Thus, Nabisco believes it may receive no benefit from ISA since the reduced rates only apply to incremental usage.

6. Edison has reviewed Nabisco's planned energy efficiency measures and estimates that if implemented they would result in approximately twelve percent reduction in Nabisco's base usage. Energy usage is increasing due to the microwave ovens and decreasing due to the energy efficiency efforts at the same time. The lack of separate meters to measure these changes leaves engineering estimates as the best measure of changes in usage.

NOTICE

1. Notice of AL 1195-E was made by publication in the Commission's Calendar on November 13, 1996, and by mailing copies of the filing to adjacent utilities and interested parties.

PROTESTS

1. No protest were received on AL 1195-E.

DISCUSSION

1. The ISA program is designed to give lower rates to customers expanding operations in California. Nabisco qualified for the ISA rate by expanding its operations a Buena Park. The rate benefit Nabisco received through the ISA has been limited by its energy efficiency efforts. Nabisco should not be harmed because it was successful in its energy efficiency efforts.

2. Changing the base usage in the ISA is a reasonable method of adjusting the ISA to reflect Nabisco's energy efficiency efforts. In the future Edison should consider separate metering for ISA contracts when it is known that past usage may not reflect future usage.

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FINDINGS

1. Edison filed Advice Letter 1195-E, on November 1, 1996, requesting a deviation from Schedule TOU-8-CR-1. The deviation would to lower Nabisco's base period of usage by approximately twelve percent.

2. No protests were filed.

3. Nabisco has installed energy efficiency measure that have reduced it base energy usage.

4. It is reasonable to adjust the Base Period Usage to reflect significant changes in energy usage.

THEREFORE, IT IS ORDERED THAT:

1. Southern California Edison company's advice letter 1195-E is approved.

2. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 16, 1997. The following Commissioners approved it:

Wesley Franklin

WESLEY FRANKLIN
Executive Director

P. Gregory Conlon, President
Jessie J. Knight, Jr.
Henry M. Duque
Josiah L. Neep
Richard A. Bilas
Commissioners