

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION E-3521
FEBRUARY 4, 1998**

RESOLUTION

RESOLUTION E-3521. SOUTHERN CALIFORNIA EDISON COMPANY REQUESTS AUTHORIZATION TO REVISE ELECTRIC VEHICLE CHARGING SCHEDULES TOU-EV-1, TOU-EV-2, AND TOU-EV-3 TO INCORPORATE REVISIONS ADOPTED IN THE PHASE 2A 1995 GENERAL RATE CASE DECISION, AND TO DEMONSTRATE REVENUE-NEUTRALITY. DENIED.

BY ADVICE LETTER 1182-E FILED ON SEPTEMBER 3, 1996.

SUMMARY

1. By Advice Letter 1182-E, Southern California Edison Company (Edison) requests authorization to revise Electric Vehicle Charging Schedules TOU-EV-1, TOU-EV-2, and TOU-EV-3 to reflect new marginal costs, revenue allocations, a basic charge, and a four-month summer season adopted in the Phase 2A 1995 General Rate Case (GRC) decision, and to demonstrate revenue-neutrality in compliance with a decision in the Low Emission Vehicle (LEV) Order Instituting Investigation (OII) 91-10-029.
2. No protests were filed.
3. Due to the rate freeze mandated by Assembly Bill (AB) 1890 as clarified in Decision (D.) 97-12-044, this Resolution denies Advice Letter 1182-E as filed.

BACKGROUND

1. In D.95-11-035 in the LEV OII, the Commission approved Pacific Gas and Electric Company's (PG&E), San Diego Gas & Electric Company's (SDG&E), and Edison's requests for continued and expanded LEV programs. The Commission adopted the utilities' proposed electric vehicle time-of-use schedules, and required them to file an Advice Letter by September 1, 1996 demonstrating whether or not tariffs have proven to be revenue-neutral and proposing changes necessary to ensure revenue-neutrality as of January 1, 1997.
2. On January 10, 1996, in compliance D.95-11-035, Edison filed Advice Letter 1142-E to implement their proposed electric vehicle charging Schedules TOU-EV-1, TOU-EV-2, and

TOU-EV-3. These tariffs were effective March 27, 1996.

3. In D.96-04-050 in Phase 2A of Edison's 1995 Test Year GRC, the Commission adopted new marginal costs and authorized revisions to the rate schedules included in Edison's GRC Application, adopted a four-month summer and eight-month winter season, and implemented a monthly Basic Charge for all domestic rate schedules. All of the changes resulting from D.96-04-050 were filed in a compliance advice letter, effective May 1, 1996. Because Schedules TOU-EV-1, TOU-EV-2, and TOU-EV-3 were not established until March 1996, they were not part of Edison's GRC Application and thus were not updated in the compliance advice letter filing.

4. On September 3, 1996, Edison filed Advice Letter 1182-E to revise Schedules TOU-EV-1, TOU-EV-2, and TOU-EV-3 to ensure revenue-neutrality in compliance with D.95-11-035 and to incorporate revisions from D.96-04-050. These revisions include modifying the rates on Schedules TOU-EV-1, TOU-EV-2, and TOU-EV-3 to reflect adopted marginal costs and revenue requirements, reducing the summer season from six to four months for Schedules TOU-EV-1 and TOU-EV-2, and implementing a Basic Charge for Schedule TOU-EV-1.

5. On September 23, 1996, AB 1890 became effective. Public Utilities (PU) Code Section 368, enacted as part of AB 1890, mandated that electric rates be frozen at June 10, 1996 levels until March 31, 2002.

6. Advice Letter 1182-E has not been acted upon by the Commission due to pending interpretations on the implementation of AB 1890 rate freeze requirements.

7. The Commission briefly addressed AB 1890 rate freeze issues in D.96-12-077 when it approved the cost recovery plans filed by PG&E, Edison and SDG&E in compliance with PU Code Section 368.

8. PG&E's rate design proposals in Phase II of its 1996 GRC presented the Commission with a much more specific and concrete opportunity to consider the rate freeze in more detail. In D.97-12-044, the Commission analyzed some general types of rate design proposals in light of the provisions of AB 1890.

In D.96-12-077, the Commission stated that under PU Code Section 368, the freeze applies only to rates, suggesting that other terms and conditions of a schedule might be modified without violating the rate freeze. In D.97-12-044, the Commission clarified that minor changes can be made to rate schedules without violating the rate freeze but substantially altering the terms of service would be completely contrary to the purpose of the rate freeze. The Commission concluded that modifications of the terms and conditions of existing schedules must be evaluated to determine whether they result in substantial changes to the terms, quality, or value of service.

NOTICE

1. Advice Letter 1182-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 by the Energy Division.

DISCUSSION

1. Edison filed Advice Letter 1182-E to update Schedules TOU-EV-1, TOU-EV-2, and TOU-EV-3 to incorporate authorized revisions from D.96-04-050, and to demonstrate that these updated rates are designed to be revenue-neutral in compliance with D.95-11-035.

2. Although it is true that D.95-11-035 required Edison to file an advice letter demonstrating whether or not these electric vehicle charging tariffs have proven to be revenue-neutral, and to propose changes necessary to ensure revenue-neutrality as of January 1, 1997, the decision was issued prior to the rate freeze mandated by AB 1890.

3. PU Code Section 368 mandates that rates be frozen at the levels in effect on June 10, 1996. Thus, the Commission may not grant Edison's proposed modifications in Advice Letter 1182-E which change the rate levels that were in effect on June 10, 1996.

4. Edison requests one change in Advice Letter 1182-E which does not modify rates but rather modifies the terms of the tariff to reduce the summer season from six to four months and increase the winter season from six to eight months. Using Commission guidance given in D.97-12-044, the Energy Division has evaluated this proposed modification and has determined that because of the significant differential between summer and winter on-peak rates, changing the available duration of each rate could substantially impact customers' bills. As clarified in D.97-12-044, a substantial change to the terms of service provided to customers under the tariff, as compared to the service offered as of June 10, 1996, is not permitted under the rate freeze.

5. Edison should propose any necessary electric vehicle rate design changes which result in rate changes or substantial changes to terms and conditions after the rate freeze period ends.

FINDINGS

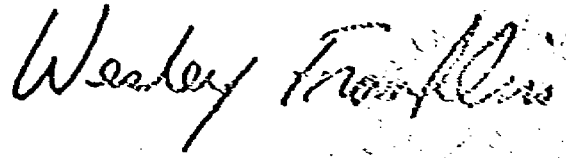
1. By Advice Letter 1182-B, Edison requests authorization to update Schedules TOU-BV-1, TOU-BV-2, and TOU-BV-3 to incorporate authorized revisions from D.96-04-050, and to demonstrate that these updated rates are designed to be revenue-neutral in compliance with D.95-11-035.
2. No protests to Advice Letter 1182-B were received.
3. The Commission should not grant Edison's request in Advice Letter 1182-B because it changes the rate levels and makes a substantial modification to the terms of service that were in effect on June 10, 1996 in violation of the rate freeze mandated by AB 1890, as clarified in D.97-12-044.

February 4, 1998

THEREFORE, IT IS ORDERED that:

1. Southern California Edison Company's request to update electric vehicle charging Schedules TOU-EV-1, TOU-EV-2, and TOU-EV-3, in Advice Letter 1182-E, is denied.
2. Advice Letter 1182-E shall be marked to show that it was denied by Commission Resolution E-3521.
3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 4, 1998. The following Commissioners approved it:



WESLEY M. FRANKLIN
Executive Director

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