

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION E-3530
APRIL 23, 1998**

RESOLUTION

RESOLUTION E-3530. SOUTHERN CALIFORNIA EDISON COMPANY SEEKS APPROVAL TO MODIFY TARIFF RULE 17, ADJUSTMENT OF BILLS AND METER TESTS, CLARIFYING SECTION A.4, ADJUSTMENT OF BILLS FOR UNAUTHORIZED USE AND REFORMATTING THE RULE TO EASE UNDERSTANDING. APPROVED.

**BY ADVICE LETTER NO. 1123-E, FILED ON SEPTEMBER 28, 1995.
BY ADVICE LETTER NO. 1123-E-A, FILED ON MARCH 6, 1998.**

SUMMARY

1. Southern California Edison Company (Edison) seeks approval to modify Tariff Rule 17 (Rule 17), Adjustment of Bills and Meter Tests, clarify section A.4, Adjustment of Bills for Unauthorized Use, and reformat the rule to ease understanding.
2. Edison clarified Rule 17 by setting forth and describing its process of determining and recovering the unauthorized use of energy.
3. On March 6, 1998, Edison filed supplemental AL 1123-E-A clarifying its definition of associated cost.
4. No protests were filed.
5. This resolution approves AL 1123-E, as revised by AL 1123-E-A.

BACKGROUND

1. On September 28, 1995, Edison filed AL 1123-E requesting authority to modify Rule 17, Adjustment of Bills and Meter Tests, clarify section A.4, Adjustment of Bills for Unauthorized Use, and reformat Rule 17 for easier understanding.
2. Rule 17 sets forth Edison's authority for adjusting customer bills and collection of revenue associated with the unauthorized use of energy. Edison is seeking to modify Rule 17 by incorporating the Commission's methodologies for estimating usage, recovering associated costs,

April 23, 1998

and discontinuing service associated with the unauthorized use of energy.

3. Under section E., Adjustment of Bills for Unauthorized Use, Edison may recover up to three years of use when it discovers that a customer has used electricity without authorization.

4. Rule 17 allows Edison to estimate the energy use, for billing purposes, when electric usage has not been accurately measured. Edison considers a variety of factors to determine the period of unauthorized use. Some of the factors Edison includes are the physical condition of the metering equipment, available meter reading, record of historical use, the general characteristics of the load, and operation of the person being billed, including consideration for any appropriate seasonal adjustment.

5. The Commission's Consumer Affairs Branch (CAB) raised concerns about Edison's methods of estimating unauthorized use. One of CAB's concern is how Edison "accurately-metered use" from a remote check meter, when Edison uses this equipment, and how actual hours of operation was recorded.

6. Another concern raised by CAB was with Edison's definition of associated costs. Edison's definition of associated cost was "The Utility may recover the associated costs resulting from unauthorized use including, but not limited to, investigative and equipment damage costs." It was unclear what Edison meant by "investigative and equipment damage costs" and the use of the phrase "including, but not limited to".

NOTICE

1. Notice of AL 1123-E and 1123-E-A were made by furnishing copies of both advice letters to interested parties on its service list.

PROTEST

1. No protests were received for either AL 1123-E or AL 1123-E-A.

DISCUSSION

1. AL 1123-E as revised by Supplemental AL 1123-E-A should be approved because Edison has clarified its adjustments of bills and meter tests for unauthorized use and reformatted Rule 17 for easier understanding.

2. Edison clarified Rule 17 by setting forth and describing its process of determining and recovering the unauthorized use of electric service. When Edison determines that there has been

April 23, 1998

unauthorized use of electric service, Edison may bill the customer the estimated usage for the most recent three years.

3. CAB's concern about Edison's methods of estimating unauthorized use of electric service has been clarified by Edison's explanation of the variety of meters it uses to determine unauthorized use. First, when there is a suspicion of unauthorized use of electric service, Edison has several types of meters to check the usage. One type of meter used by Edison is the remote check meter. This meter is used only when Edison suspects unauthorized use of electric service, and can measure the kilowatts from a customer's master meter. This remote meter can be used either underground, tied to a point where it can read the kilowatt usage, or as a hand held pull mount unit. A second type of meter used by Edison is the time of usage (TOU) meter. This meter has 3 rate bands that can record usage on a 15 minute interval. TOU meters can record the highest demand and can be programmed for a variety of scenarios. A third meter used by Edison is the IDR meter. This is another interval type meter which measures both interval between peak usage and when the most load is used. Edison uses this meter to measure when electricity is used and helps customers find ways to reduce the load at peak time.

4. Edison uses several factors to determine the period of unauthorized use. Some of these factors includes the physical condition of the metering equipment, available meter reading, record of historical use, the general characteristics of the load, and operation of the person being billed, including consideration for any appropriate seasonal adjustment.

5. CAB's second concern is with Edison's definition of associated costs. Edison defines associated costs as "The Utility may recover the associated costs resulting from unauthorized use including, but not limited to, investigative and equipment damage costs." CAB's concern is that it is unclear as to what Edison meant by "investigative and equipment damage costs" and the use of the phrase "including, but not limited to".

6. After much discussion between staff and Edison, it was agreed that on March 6, 1998, Edison would file AL 1123-E-A. This supplemental filing clarified Edison's definition of associated costs as:

"The Utility may recover from the Customer the associated costs resulting from the unauthorized use including both investigative and equipment damage costs. Investigative costs include time and material spent for investigation, bookkeeping, film and film development, and other costs of gathering evidence. Equipment damage costs include the cost to replace the Utility-owned equipment damaged by the customer."

April 23, 1998

FINDING

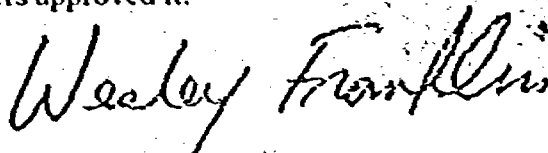
1. Edison filed AL 1123 on September 28, 1995 requesting authority to clarify section A.4, Adjustment of Bills for Unauthorized Use and reformat Rule 17 for easier understanding.
2. Edison clarified Rule 17 by setting forth and describing its process of determining and recovering for unauthorized use of electric service.
3. When Edison determines that there has been unauthorized use of electric service, Edison may bill the customer the estimated usage for the most recent three years.
4. Edison clarified CAB's concern about Edison's methods of estimating unauthorized service, by describing the different types of meters it uses to check the usage.
5. The factors that Edison uses to determine the period of unauthorized use are reasonable.
6. Edison's revised definition of associated costs in supplemental AL 1123-E-A is reasonable.

April 23, 1998

THEREFORE IT IS ORDERED THAT:

1. Southern California Edison Company's request for approval of Advice Letter 1123-E and associated tariff sheets as revised by Advice Letter 1123-E-A, 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 April 23, 1998. The following Commissioners approved it:



Wesley Franklin

WESLEY M. FRANKLIN
Executive Director

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