

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION  
Energy BranchRESOLUTION G-2740  
July 29, 1987R E S O L U T I O N

ORDER AUTHORIZING SAN DIEGO GAS AND ELECTRIC COMPANY (SDG&E) TO REVISE ITS STEAM ENERGY COST ADJUSTMENT CLAUSE (ECAC) RATES, AND STEAM REVENUE ADJUSTMENT MECHANISM (SRAM) RATES FOR A DECREASE OF \$264,500.00, OR APPROXIMATELY 12% ANNUALLY. ADVICE LETTER NO. 153-H, FILED JULY 15, 1987.

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SUMMARY

1. This filing is for the purpose of revising the Steam Energy Cost Adjustment Clause (ECAC) adjustment rates and the Steam Revenue Mechanism (SRAM) balancing rates as set forth in Section 9. of SDG&E's Preliminary Statement.
2. The procedure states that the revision dates are to be January 1 and July 1 of each year. On such dates or as soon thereafter as the Commission may authorize, the utility shall, in accordance with the provisions therein, place into effect an increase or decrease in the adjustment rates then in effect to reflect changes in the average cost of energy. Unless otherwise authorized or ordered by the Commission, such increases or decreases shall be made not more than twice in any calendar year.
3. Sales used in the calculation of the proposed rates have been adjusted to reflect the number of customers that have left or have committed to leave San Diego's Steam System as of July 1, 1987. Attachment A to this Resolution reflects the derivation of the adjusted sales estimate.

BACKGROUND

1. SDG&E has been experiencing a gradual loss of its steam system customers, in accordance with SDG&E's long-term plan to eliminate the steam system. In its previous steam ECAC

and SRAM adjustment filing, effective January 1, 1987, SDG&E had reported the loss of four customers. Due to a significant drop in fuel prices, SDG&E at that time was able to reduce the steam ECAC and SRAM rates.

2. With this filing, SDG&E reports an additional expected loss of six customers by July 1, 1987, as noted in Attachment A to this Resolution.
3. SDG&E's proposed steam ECAC adjustment rates for Rate Schedules 1 and 2, which are to be made effective with this filing, are a reduction of \$0.522/Mlb (per thousand pounds) and a reduction of \$0.528/Mlb, respectively, calculated in accordance with the provisions of the Steam ECAC of San Diego's Preliminary Statement.
4. San Diego's proposed SRAM balancing rates for Rate Schedules 1 and 2, which are also to be made effective with this filing, are a reduction of \$3.018/Mlb and a reduction of \$3.048/Mlb, respectively. The revised SRAM balancing rates were calculated in accordance with the provisions of the Preliminary Statement.
5. The revisions to the ECAC and SRAM adjustment rates result in net commodity rates to the customers of \$21.428/Mlb for Schedule 1 and \$21.642/Mlb for Schedule 2. The adjustments and final rates are summarized in Attachment B to this Resolution.
6. The changes in rates will decrease the total annual revenue to SDG&E's steam department by \$264,500 annually or 12%, based on steam sales for the 12 month period ending April 30, 1987, adjusted for the number of customers. The changes in revenues are summarized in Attachment C to this Resolution.

#### DISCUSSION & FINDINGS

1. The staff of the Evaluation and Compliance Division has reviewed this filing and finds that the derivation of the rate change is correct, and recommends approval.
2. The Commission staff has received no protests in this matter.
3. In accordance with Section III-G of General Order 96-A, SDG&E has served a copy of this filing to all interested parties and to each of San Diego's steam customers, by mailing them a copy hereof, properly stamped and addressed.

4. San Diego Gas and Electric Company requests authority under Section 491 of the Public Utilities Code to make these rate changes effective on and after August 1, 1987, which is on less than statutory notice.

5. We find that these rate revisions are just and reasonable and are in conformance with the Steam Energy cost Adjustment Clause (ECAC) and Steam Revenue Adjustment Mechanism (SRAM) provisions of the utility's filed tariff schedules.

**THEREFORE:**

1. San Diego and Electric Company is authorized under Public Utilities Code Sections 454 and 491 and under the provisions of the utility's ECAC and SRAM procedures to place the above advice letter and tariff sheets into effect on August 1, 1987.

2. The advice letter and tariff sheets shall be marked to show that they were authorized for filing by Commission Resolution G-2740. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 29, 1987. The following Commissioners approved it.

  
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Executive Director

STANLEY W. HULETT  
President

DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners

Attachments:  
A thru C

DEVELOPMENT OF SALES

SDG&E - STEAM DEPARTMENT

Steam Sales for 12 Months Ending  
April 1987 for Customers That  
Have Recently Left or Have Committed  
to Leave the Steam System by 7/1/87

<u>Line No.</u>	<u>Schedule 1 Customers*</u>	<u>Sales in Mlbs For 12 Months Ending April 1987</u>
1.	Customer #1	595
2.	Customer #2	1,360
3.	Customer #3	22
4.	Customer #4	3
5.	Customer #5	35
6.	Customer #6	<u>126</u>
7.	Total Sales	<u><u>2,141</u></u>

Total Recorded Steam Sales for  
the 12 months ending April 1987,  
Including Adjustment

		<u>MLBS</u>
8.	Steam Schedule 1	86,728
9.	Adjustment	<u>-2,141</u>
10.	Subtotal	84,587
11.	Steam Schedule 2	5,917
12.	Total Adjusted Sales	<u><u>90,504</u></u>

\*Customers not identified by name in order to  
maintain confidentiality

SUMMARY OF RATE CHANGES

Line No.		Present Rates (\$) (a)	Proposed Rates (\$) (b)	Change	
				\$ (c)	¢ (d)
1.	<u>Base Rates</u>				
2.	Customer Charges			--	--
3.	Schedule 1	15.00	15.00	--	--
4.	Schedule 2	15.15	15.15	--	--
5.	<u>Energy Charges</u>				
6.	Schedule 1 (per Mlb)	19.291	19.291	--	--
7.	Schedule 2 (per Mlb)	19.486	19.486	--	--
8.	<u>SKAN Balancing Rates</u>				
9.	Energy Charges				
10.	Schedule 1 (per Mlb)	0.409	(2.609)	(3.018)	(737.9)
11.	Schedule 2 (per Mlb)	0.413	(2.635)	(3.048)	(738.0)
12.	<u>ECAC Offset Rates</u>				
13.	Energy Charges				
14.	Schedule 1 (per Mlb)	8.013	8.632	0.619	7.7
15.	Schedule 2 (per Mlb)	8.091	8.717	0.626	7.7
16.	<u>ECAC Balancing Rates</u>				
17.	Energy Charges				
18.	Schedule 1 (per Mlb)	(3.364)	(3.886)	(0.522)	(15.5)
19.	Schedule 2 (per Mlb)	(3.398)	(3.926)	(0.528)	(15.5)
20.	<u>Total Rates</u>				
21.	Customer Charges				
22.	Schedule 1	15.00	15.00	--	--
23.	Schedule 2	15.15	15.15	--	--
24.	Energy Charges				
25.	Schedule 1 (per Mlb)	24.349	21.428	(2.921)	(12.0)
26.	Schedule 2 (per Mlb)	24.592	21.642	(2.950)	(12.0)

SUMMARY OF REVENUE CHANGES

Line No.		Revenues at Present Rates (a)	Revenues at Proposed Rates (b)	Change	
				\$(000) (c)	% (d)
1.	<u>SRAM Base</u>				
2.	Customer Charges				
3.	Schedule 1	\$ 7,740	\$ 7,740	---	---
4.	Schedule 2	182	182	---	---
5.	<u>Energy Charges</u>				
6.	Schedule 1	\$1,632,019	\$1,632,019		
7.	Schedule 2	114,967	114,967		
8.	Sub Total	\$1,754,908	\$1,754,908	---	---
9.	<u>SRAM Balancing</u>				
10.	Schedule 1	\$ 34,601	(\$ 220,721)		
11.	Schedule 2	2,437	( 15,547)		
12.	Sub Total	\$ 37,038	(\$ 236,268)	(\$273,306)	(737.9)
13.	<u>ECAC Offset</u>				
14.	Schedule 1	\$ 677,900	\$ 730,267		
15.	Schedule 2	47,737	51,430		
16.	Sub Total	\$ 725,637	\$ 781,697	\$ 56,060	7.7
17.	<u>ECAC Balancing</u>				
18.	Schedule 1	(\$ 284,595)	(\$ 326,755)		
19.	Schedule 2	( 20,048)	( 23,163)		
20.	Sub Total	(\$ 304,643)	(\$ 351,918)	(\$ 47,275)	(15.5)
21.	<u>Total Rates</u>				
22.	Schedule 1	\$2,067,665	\$1,820,549		
23.	Schedule 2	145,275	127,870		
24.	Sub Total	\$2,212,940	\$1,948,419	(\$264,521)	(12.0)