PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION Energy Branch

RESOLUTION G-2910 March 14, 1990

RESOLUTION

RESOLUTION G-2910. SOUTHERN CALIFORNIA EDISON COMPANY REQUESTS AUTHORITY TO INCREASE THE GAS COST ADJUSTMENT BILLING FACTORS FOR SANTA CATALINA ISLAND AND PROVIDE CUSTOMER CHARGES FOR LARGER METER SIZES.

BY ADVICE LETTER 89-G, FILED ON JANUARY 19, 1990.

SUMMARY

- 1. Southern California Edison Company (Edison) requests authority to increase the gas cost adjustment billing factors for Santa Catalina Island (Catalina). Edison also requests approval of customer charges for larger meter sizes than have previously been offered.
- 2. This resolution approves these requests.

BACKGROUND

- 1. Edison provides liquified petroleum gas (LPG) to residential and nonresidential customers on Catalina.
- 2. The purpose of the Gas Cost Adjustment Billing Factor (GCABF) is to recover in rates the costs of purchasing and transporting LPG for Catalina.
- 3. In Decision (D.) 82-04-010, the Commission authorized Edison to file Gas Cost Adjustment filings by Advice Letter on a six-month basis. The regular revision dates are March 1 and September 1.

NOTICE

1. Public notice of this filing was made by mailing copies of the advice letter to other utilities, governmental agencies and to all interested parties who requested such notification. Notice of the advice letter filing was published in the Commission calendar on January 26, 1990.

PROTESTS

1. No protests have been received by the Commission Advisory and Compliance Division (CACD).

DISCUSSION

- 1. Edison estimates that the increase in rates would recover an additional \$14,900 per year. This figure includes the forecast increase in gas costs less the forecast over collection in the Gas Cost Adjustment Clause. (See Attachment 1.)
- 2. CACD has reviewed this filing and found that the derivation of the revenue requirement is correct and reasonable.
- 3. Edison has proposed the following changes to the GCABF:

	From \$/Therm	To <u>\$/Therm</u>
Domestic Baseline Service Domestic Nonbaseline Service	0.41122 0.43782	0.43947 0.43782
Other Than Domestic Service	0.51398	0.53712

- 4. Senate Bill 987, which became law on June 28, 1988, ordered the Commission to reduce nonbaseline domestic rates as rapidly as possible, without eliminating a significant difference between baseline and nonbaseline rates in less than 30 months. D.88-09-027 directed Edison to reduce the nonbaseline to baseline ratio for Catalina gas service from 1.74:1 to 1.60:1. effective November 1, 1988. By Advice Letter 87-G, effective September 1, 1988, Edison reduced the ratio to 1.47:1.
- 5. The proposed domestic rate changes would increase the total Baseline rate approximately 4 percent. (The total rate is the sum of the base rate, the GCABF, and the PUC Reimbursement Fee.) The change would reduce the nonbaseline to baseline ratio to 1.40:1.
- 6. CACD believes that Edison's proposed Domestic rates are a reasonable step toward reducing the difference between baseline and nonbaseline rates.
- 7. The change would increase other than domestic rates 2 percent. CACD believes that Edison's allocation of the increased costs is reasonable.
- 8. By this filing, Edison also seeks to provide additional customer rates for larger meter sizes on both domestic and nondomestic schedules. Current tariffs only provide for meter sizes of up to 1,000 cubic feet per hour (cfh). In order to provide for the possibility in the future of larger customers on the system, Edison proposes new customer rates for meter sizes of 2,000 cfh, 3,000 cfh, 4,000 cfh and 5,000 cfh. (See Attachment 2.)
- 9. The new customer charges follow the existing rate design of increasing proportionally with meter size. CACD believes that this is a reasonable and fair rate design and recommends that it be approved.

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FINDINGS

- 1. Edison's forecast increase in revenue requirement of \$14,900 is reasonable.
- 2. Edison's domestic rate design complies with Senate Bill 987.
- 3. The increase to other than domestic rates is reasonable.
- 4. The customer charges for larger meter sizes are just and reasonable.

THEREFORE, IT IS ORDERED that:

- Southern California Edison Company Advice Letter 89-G and its accompanying tariff sheets shall be marked to show they were approved by Resolution G-2910.
- 2. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 14, 1990. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Executive Director

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TABLE I

SOUTHERN CALIFORNIA EDISON COMPANY

CALCULATION OF SANTA CATALINA ISLAND AVERAGE GAS COST ADJUSTMENT RATE

FOR A MARCH 1, 1990, REVISION DATE 1/

line : No. :	Item		recast Period : Quantities	Forecast Price	: Forecast : Cost
			(1)	(2)	(3)
1.	AVERAGE GAS COST RATE				
2.	Liquified Petroleum Gas	7	79,451 gallons	\$0.467/gallon	\$364,198
		:	Forecast : Cost : (\$) :	Forecast Sales (Therms)	: : Rate : (\$/Therm)
3.	Forecast Cost		364,198	717,000	
4. 5. 6.	Plus: 1.256% for Franchise Fees and Uncollectible Expenses		4,633	•	
7.	less: DE discount sales			2,124	
8.	Average Gas Cost Rate		368,831	714,876	0.51594
9.	AVERAGE BALANCING RATE				
10. 11. 12.	Forecast Balance in the GCAC Balancing Account as of March 1, 1990		(20,501)		
13. 14. 15.	Plus: 1.256% for Franchise Fees and Uncollectible Expenses		(261)		
16.	Average Balancing Rate		(20,762)	714,876	(0.02904)
17. 18.	AVERAGE GAS.COST ADJUSTMENT RATE (Line 8 + Line	16)	<u>348.069</u>	<u>714.876</u>	<u>0.48690</u>

Based on the Twelve-Month Forecast Period Beginning Harch 1, 1990, and a Twelve-Month Amortization of the estimated GCAC Balancing Account Balance.

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Cancelling Revised Cal. PUC Sheet No. 415-G

Schedule No. G-1

Sheet 1 of 2

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Santa Catalina Island

DOMESTIC SERVICE

APPLICABILITY

Applicable to domestic service of liquefied petroleum gas-air to a single-family accommodation or dwelling.

TERRITORY

The City of Avalon, and vicinity, Santa Catalina Island.

RATES

Customer Charge:	Per Meter <u>Per Day</u>
For 175 cubic feet per hour meter For 305 cubic feet per hour meter For 400 cubic feet per hour meter For 675 cubic feet per hour meter For 1,000 cubic feet per hour meter For 2,000 cubic feet per hour meter For 3,000 cubic feet per hour meter For 4,000 cubic feet per hour meter For 5,000 cubic feet per hour meter	\$0.229 \$0.301 \$0.508 \$0.752 \$1.504 \$2.256
Energy Charge (To be added to Customer Charge): Baseline Service, per therm	\$6 72811

The rates above include Base Rates and the applicable Adjustment Rates as shown below:

(Continued)

(To be inserted by utility)

Advice 89-G

Decision

G900115.02

Issued by
Ronald Daniels

Ronald Daniels

Vice President

(To be inserted by Cal 1990)

Bate Filed JAN 0 1 1990)

Effective
Resolution

Cancelling Revised Cal. PUC Sheet No. 416-G

Schedule No. G-2

Sheet 1 of 2

Santa Catalina Island

GENERAL SERVICE

APPLICABILITY

Applicable to general service of liquefied petroleum gas-air.

JERRITORY

The City of Avalon, and vicinity, Santa Catalina Island.

RATES

Per Méter Per Day	
Customer Charge:	
for 175 cubic feet per hour meter	(S
Energy Charge (To be added to Customer Charge):	
All therms, per therm\$1.17612	(1
The rates above include Base Rates and the applicable Adjustment Rates as shown below: ENERGY CHARGE COMPONENTS	
Base Rates:	
All Therms, per therm\$0.63824	
Adjustment Rates:	j
Gas Cost Adjustment Billing Factor, per therm \$0.53712	(1
PUC Reimbursement Fee, per therm	
The Gas Cost Adjustment Rate is described in Part F of the Preliminary Statement. The PUC Reimbursement Fee is described in Schedule No. RF-G.	

(Continued)

(To be inserted by utility) Advice 89-G	Issued by Ronald Daniels	(To be inserted by fal 1 800)
Decision		Effective
G900115.03	<u> </u>	Resolution