

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RESOLUTION NO. E-1731 2-1

UTILITIES DIVISION  
BRANCH/SECTION: Electric  
DATE: December 13, 1977

Copy for:

Orig. and Copy  
to Executive DirectorR E S O L U T I O N.....Director  
.....Numerical File  
.....Alphabetical File  
.....Accounting Officer

**SUBJECT:** Order authorizing Southern California Edison Company to establish experimental domestic time-of-use tariffs applicable on a mandatory basis to randomly selected customers that are separately metered by Edison.

**WHEREAS:** SOUTHERN CALIFORNIA EDISON COMPANY (EDISON), by Advice Letter No. 449-E, filed October 25, 1977, having requested authority pursuant to paragraph 4 of Decision No. 85559 in Case No. 9804 to institute a new domestic time-of-use service on an experimental basis for the purpose of testing the price elasticity for two different on-peak time periods, four different on-peak to off-peak price ratios (3:1, 5:1, 7:1, and 9:1), and five customer groups with different consumption ranges. Edison will pay to all participating customers a basic incentive fee of \$1.00 per month for their time and inconvenience in participating in the test. Incentive payments to the 460 participants will be \$5,520 annually. In addition, customers will be paid a participation amount to offset the calculated differential between what an average D-3 customer in that customer's kilowatt hour usage range would normally pay and the charges for such a customer under the applicable experimental TOU rate. Annual participation payments will run from a minimum of \$26 to a maximum of \$392 with a weighted average of \$166.50 per customer. The rates are designed to provide no net billing change for an average customer who does no on-peak to off-peak load shifting. Benefits to individual customers will depend on the extent to which they avail themselves of the opportunity to shift their usage from on-peak to off-peak hours.

The experiment is planned for two years of customer participation and data acquisition. Mandatory participation of customers randomly selected from the five usage groups appears reasonable to ensure the statistical validity of the experiment. Customers with high on-peak usage would be less likely to voluntarily participate than customers (such as working couples) with low on-peak usage. Wisconsin and North Carolina have instituted similar experimental programs in effect with mandatory participation requirements.

Conditions governing installation, access to, and removal by Edison of equipment needed to conduct the experiment, and payments to the customer, are contained in an agreement form developed for use in this, and other, residential load management research projects.


We find that implementation of the proposed experimental tariffs constitute a just and reasonable compliance with the order cited requiring experimentation with time-of-use pricing, that any rate discrimination is minimal and justified by program objectives and does not increase the burden on other ratepayers and that mandatory participation of selected customers appears reasonable to ensure the statistical validity of the experiment; therefore, good cause appearing:

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IT IS ORDERED that Cal P.U.C. Sheets Nos. 4839-E through 4858-E, inclusive, be marked to show that the sheets were issued under Resolution No. E-1731 of the Public Utilities Commission of the State of California to become effective January 1, 1978. The effective date of this resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 13th day of December, 1977, the following Commissioners voting favorably thereon:

ROBERT BATINOVICH  
President  
WILLIAM SYMONS, JR.  
VERNON L. STURGTON  
RICHARD D. GRAVELLE  
CLAIRE T. DEDRICK

  
Executive Director