

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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to Executive Director

RESOLUTION: E-2024

EVALUATION & COMPLIANCE DIVISION

BRANCH: Energy

DATE: September 5, 1985

Director

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RESOLUTION

REVISION OF SOUTHERN CALIFORNIA EDISON COMPANY'S (SCE)
RULE 15.1 TO PROVIDE AN INCREASE IN COSTS OF UNDER-
GROUND EXTENSIONS

By Advice Letter 659-E filed June 1, 1984, and Advice Letter 659-E, Supplemental, filed June 11, 1985, SCE requests authorization to increase underground extension costs as set forth on Cal. P.U.C. Sheets 8472-E through 8474-E. The facts are as follows:

1. This tariff filing revises the cost per front foot for underground extensions in Edison's Rule No. 15.1, Paragraph C.1., to be consistent with Decision No. 83-10-042 in Case No. 83-05-04; and in accordance with Paragraph E.2., Periodic Review, of Rule No. 15.1, since front footage costs have changed by more than 10% since the last revision of the costs according to the rule.
2. Decision No. 83-10-042 revised the method of measuring front footage from that historically used by Edison to calculate system average cost per foot, causing the amount presently set forth in its Rule No. 15.1, Section C.1. to be inappropriate.
3. Edison filed Advice No. 659-E on May 31, 1984, requesting a revision of the charge per front foot from \$5.55 to \$9.36. The 68.6% increase requested at that time resulted from an approximate 10% increase in installed cost and the balance of the percentage of change resulted from a revised method of measurement pursuant to Decision No. 83-10-042 in Case No. 83-05-04.
4. A protest to Advice Letter 659-E was received requesting a review of the cost data supporting the increase. Edison provided the data to the protestor and to the staff. Edison's representatives indicated that the protestor is satisfied with their reply.
5. After reviewing the cost data, the staff, by letter dated February 27, 1985, recommended that Edison file a supplemental Advice Letter, with updated costs determined under the Periodic Review provision of Rule No. 15.1 and in accordance with the definition of front footage in Decision No. 83-10-042.

6. Edison reviewed completed work orders covering 153 randomly selected underground systems in residential subdivisions and developments. The review included labor costs as of January 1, 1985, and 1984 recorded material costs. The study shows that costs have increased from the system average cost per front foot of \$9.36 proposed in Advice Letter 659-E, to \$10.62. This represents a 13.4% increase in installed cost from the time of the study for the previous filing to the current study, using the revised method of measurement in each case.

7. Thus, overall costs have increased from a system average cost of \$5.55 per front foot (authorized on September 7, 1983), to a system average cost per foot of \$10.62. Therefore, it is proposed that the charge per front foot currently shown in Paragraph C.1 of Rule No. 15.1 be revised from \$5.55 per foot to \$10.62 per foot. Cost support information was made available to recipients of this Advice Letter.

8. Further, as recommended in the staff's letter of February 27, 1985, it is Edison's intent to make a separate application to the Commission requesting the establishment of a two-part rate for line extensions, distinguishing subdivisions from developments in Section C of Edison's Rule No. 15.1, as soon as possible following Commission approval of this supplemental advice filing.

9. Section 783(b) of the Public Utilities Code provides that when the Commission considers issuing an order or decision amending the terms and conditions for the extension of electric service, the Commission shall make written findings on seven issues set forth in that Section of the Code. Edison will provide relevant data in connection with its Application to amend Rule No. 15.1.

10. In addition, as part of that application, Edison will amend the text of Rule No. 15.1, as requested by the staff, to reflect the definition of front footage set forth in Decision No. 83-10-042, since the front footage measurement will then apply only to subdivisions and trench footage will apply to developments.

11. In compliance with Section III, Paragraph G, of General Order No. 96-A, Edison has mailed copies of this Advice Letter to the other utilities and interested parties.

12. The staff of the Evaluation and Compliance Division's Service and Safety Branch has reviewed SCE's filing and supportive workpapers, has determined that it conforms to the 10 percent requirement of the Periodic Review paragraph of SCE's Rule 15.1 as modified by Decision 83-10-042, and recommends approval. The Legal Division staff has also reviewed this filing and recommends approval.

13. Except as noted above, this filing will not increase or decrease any rate or charge, cause the withdrawal of service, nor conflict with other schedules or rules.

14. We find that these revisions as requested in Advice Letter 659-E, Supplemental, are just and reasonable and in conformance with Decision No. 83-10-042 and applicable portions of SCE's Rule 15.1.

THEREFORE:

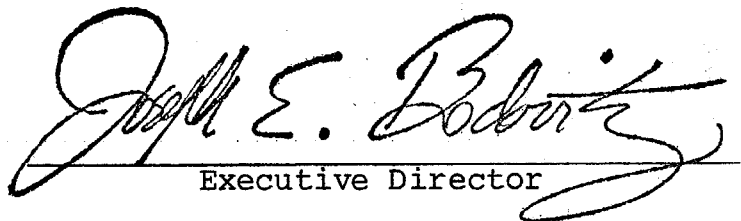
1. Authority is granted under Public Utilities Code Section 454 for SCE to place the above-mentioned tariff sheets into effect today.

2. The above-mentioned Advice Letter 659-E, Supplemental, and tariff sheets shall be marked to show that they were authorized for filing by Commission Resolution E-2024.

3. Southern California Edison Company is further ordered to file, within 120 days of the effective date of this Resolution, an Application requesting the establishment of a two-part rate for line extensions, distinguishing subdivisions from developments, in Section C of Edison's Rule No. 15.1. Such filing shall be in accordance with Section 783(b) of the Public Utilities Code. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular conference on September 5, 1985. The following Commissioners approved it:

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
Commissioners


Executive Director