

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

E-1

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RETURN TO:

ENERGY BRANCH

ROOM 2011

RESOLUTION: E-2035

EVALUATION & COMPLIANCE DIVISION

BRANCH: Energy

DATE: April 17, 1985

R E S O L U T I O N

AUTHORIZATION FOR CP NATIONAL (CPN) TO INCREASE ITS ELECTRIC TARIFF RATES TO COMPENSATE FOR INCREASES IN ITS PURCHASED ENERGY RATES, ELECTRIC REVENUE ADJUSTMENT MECHANISM (ERAM) RATES, AND A DECREASE IN THE CONSERVATION FINANCING ADJUSTMENT (CFA) RATES, RESULTING IN A NET ANNUAL REVENUE INCREASE OF \$2,985,152 or 27.90%

By Advice Letter C-247-E, filed December 24, 1984, and Advice Letter C-247-E Supplemental, filed March 4, 1985, CPN requests authorization to increase its annual Lassen Electric District revenues as set forth on Cal. P.U.C. Sheets 1700-E through 1713-E, inclusive. The facts are as follows:

1. The amended tariff sheets propose to increase the present Energy Rates, Electric Revenue Adjustment Mechanism (ERAM) Rates, and decrease the Conservation Financing Adjustment (CFA) Rates. This results in a net increase of \$2,985,152 or 27.90%. The proposed changes in rates are in conformance with the guidelines established in the Preliminary statement of CP National's tariff.

2. CPN requests a \$3,067,986 or 28.79% increase in its annual energy rates, resulting from the net effect of two different factors. Although CP National's estimated Purchased Power Balancing Account balance as of October 31, 1984, reflected an accumulated overcollection of \$92,000, this was more than offset by Pacific Gas and Electric Company's (PG&E) rate increase to CP National, effective January 1, 1984, of approximately \$2,975,000 on an annual basis.

3. In addition, due to a relatively dry winter (1983-84), PG&E was forced to use less low cost hydroelectric power, with the result that the fuel cost adjustment charged to CP National has risen about 69% since March, 1984. However, despite this increase, the effective costs to CP National's customers are approximately the same as they were two years ago.

4. CPN also requests a \$92,190 or .86% increase in its annual ERAM rates. This increase is designed to recover the estimated accumulated undercollection in the ERAM Base Cost Amount as maintained in the ERAM Balancing Account (through October 31, 1984) and the difference between the annual ERAM Base Cost Amount and the annual current Base Cost Amount at present rates.

5. Finally, CP National requests a \$175,024 or 1.64% decrease in its annual CFA Rates. This decrease is designed to refund the current accumulated overcollection in CFA revenues as of October 31, 1984, and the revised lower expenditures for CP National's conservation programs for 1984. The result of all these adjustments is a net increase in rates of 27.90% as noted below:

Annual Energy Rate	\$3,067,986	28.79
ERAM Rate	92,190	0.86
CFA Rate	(175,024)	(1.64)
Net Increase	<u>\$2,985,152</u>	<u>27.90 *</u>

* %'s do not add due to rounding.

6. The requested rate increase has been applied to each rate schedule on a percentage basis. Residential rate design has been developed consistent with the recommendations of the Commission Staff. Worksheets developing the proposed change in rates were included with this advice filing. A comparison of present and proposed rates for Residential customers is illustrated on Attachment A to this resolution. Commercial and industrial customers will receive similar percentage increases.

7. This filing has been reviewed by the Commission Staff and approval is recommended.

8. Public notification of this filing has been made through local news media and by mailing copies of this Advice Letter to other utilities, governmental agencies, and to other interested parties who have requested them. The Commission Staff has received no protests in this matter.

9. We find that this filing is just and reasonable and in conformance with the rate adjustment guidelines established for CP National in their approved tariffs.

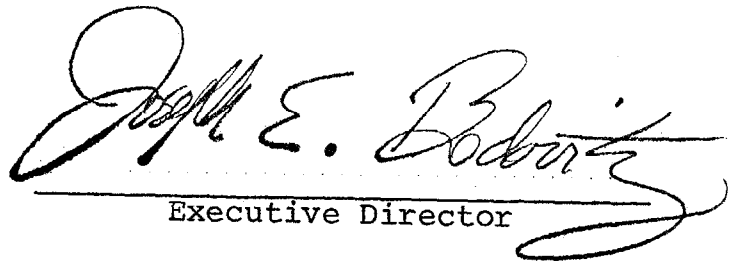
THEREFORE:

1. CP National is authorized under Sections 451 and 454 of the Public Utilities Code and under the provisions of the guidelines established for CPN to place the above tariff sheets into effect on the effective date of this resolution.

2. The above advice letter and tariff sheets shall be marked to show that they were accepted for filing by Commission Resolution E-2035. This resolution is effective today.

Resolution E-2035
Meeting of April 17, 1985
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I certify that this resolution was adopted by the Public Utilities Commission at its regular scheduled meeting on April 17, 1985.
The following Commissioners approved it:


Executive Director

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

CP National
Lassen Electric District
Comparison of Present and Proposed Rates of Residential
Summer and Winter Average Bills

Line No.	Lifeline category	Lifeline Quantity Kwhs	Monthly Kwh Use	Present Bill (\$)	Proposed Bill (\$)	Adjustment (\$)	Percentage Adjust.
<u>Effect On Estimated Summer Average Bill</u>							
1.	Basic	240	367	27.81	35.38	7.57	27.22%
2.	Basic and space heating	490	683	48.43	62.18	13.75	28.39%
3.	Basic and space heating (1)	240	458	35.68	45.61	9.93	27.83%
4.	Basic and space heating (2)	240	580	46.23	59.32	13.09	28.31%
5.	Basic, water and space heating (1)	490	843	62.27	80.16	17.89	28.73%
6.	Basic, water and space heating (2)	490	835	61.58	79.26	17.68	28.71%
7.	No lifeline	0	219	21.44	27.12	5.68	26.49%
<u>Effect On Estimated Winter Average Bill</u>							
8.	Basic	240	405	31.09	39.65	8.56	27.53%
9.	Basic and space heating	490	780	56.82	73.08	16.26	28.62%
10.	Basic and space heating (1)	1360	793	49.83	63.97	14.14	28.38%
11.	Basic and space heating (2)	1660	907	56.63	72.81	16.18	28.57%
12.	Basic, water and space heating (1)	1610	1271	78.35	101.03	22.68	28.95%
13.	Basic, water and space heating (2)	1910	1084	67.19	86.53	19.34	28.78%
14.	No lifeline	0	409	37.87	48.47	10.60	27.99%

(1) Schedule No. D-110

(2) Schedule No. D-113 (Westwood)