

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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to Executive Director

RESOLUTION: E-2046

EVALUATION & COMPLIANCE DIVISION

BRANCH: Energy

DATE: June 21, 1985

Director

Numerical File

Alphabetical File

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ENERGY BRANCH

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R E S O L U T I O N

ORDER AUTHORIZING PACIFIC POWER AND LIGHT COMPANY (PP&L) TO INCREASE ITS ELECTRIC RATES TO ADJUST FOR ITS ELECTRIC RATE ADJUSTMENT MECHANISM (ERAM) \$1,193,000 or 1.9%

By Advice Letter 185-E, filed May 2, 1985, PP&L requests authorization to increase its electric rates by adjusting its Electric Revenue Adjustment Mechanism (ERAM) as set forth on Cal. P.U.C. Sheets 1283-E through 1299-E, inclusive. The facts are as follows:

1. This filing includes PP&L's second revision associated with ERAM which was authorized in Decision No. 84-07-150, dated July 18, 1984, in Applications 83-05-052 and 83-07-017. PP&L's first revision associated with ERAM was authorized by Commission Resolution E-2022, dated January 1, 1985.
2. Beginning with service rendered on July 18, 1984 PP&L has recorded the difference between authorized and actual sales for service rendered in each month to an ERAM balancing account. Interest has been accrued on the average balance in this account at the current three-month commercial paper rate. PP&L estimates the balance associated with ERAM will be \$1,193,000 at June 30, 1985. The ERAM adjustment of 0.334¢ per kWh was determined by dividing the estimated balance of \$1,193,000 by the estimated sales for July through December, 1985 of 357,516,000 kWh. Attachment A details the calculation of the proposed ERAM and details revenues by customer class based on rates, including the present ERAM and proposed ERAM.
3. The proposed rate revisions will increase residential rates an average of 1.9% with baseline rates being increased 0.105 cents per Killowatt-hour. Commercial rates will increase an average of 1.9% with a rate adjustment of 0.195 cents per Killowatt hour.
4. A comparison of the present and proposed rates for electric service is shown on the next page:

	Present	Proposed	Increase	
	Rates	Rates	Amount	Percent

Residential * D-1

Tier I (Baseline)/kWh	\$0.05632	\$0.05737	\$0.00105	1.86%
Tier II (Excess)/kWh	0.08572	0.08744	0.00172	2.00

Commercial ** A-25

All Usage per kWh	\$0.09471	\$0.09666	\$0.00195	2.01%
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* Present rates used are those rates in effect on January 1, 1985.

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5. The following table shows typical residential and commercial bills at various levels of present and proposed rates:

	Present	Proposed	Increase	
	Rates	Rates	Amount	Percent

Residential - Summer (D-1)

200	\$11.29	\$11.50	\$0.21	1.86%
300	16.93	17.25	0.32	1.89
400	22.58	23.00	0.42	1.86
520	32.29	32.90	0.61	1.88
600	39.16	39.91	0.75	1.92
700	47.74	48.66	0.92	1.93
800	56.32	57.42	1.10	1.95
900	64.91	66.17	1.26	1.94
1,000	73.49	74.93	1.44	1.96

Residential - Winter (D-1)

200	\$11.29	\$11.50	\$0.21	1.86%
300	16.93	17.25	0.32	1.89
400	22.58	23.00	0.42	1.86
520	29.35	29.89	0.54	1.84
600	36.22	36.90	0.68	1.88
700	44.80	45.66	0.86	1.92
800	53.38	54.41	1.03	1.93
900	61.97	63.17	1.20	1.94
1,000	70.55	71.92	1.37	1.94

Commercial - A-25

500	\$ 52.42	\$ 53.39	\$0.97	1.85%
1,000	99.83	101.78	1.95	1.95
2,000	194.66	198.56	3.90	2.00
3,000	289.49	295.34	5.85	2.02
4,000	384.32	392.12	7.80	2.03
5,000	479.15	488.90	9.75	2.03

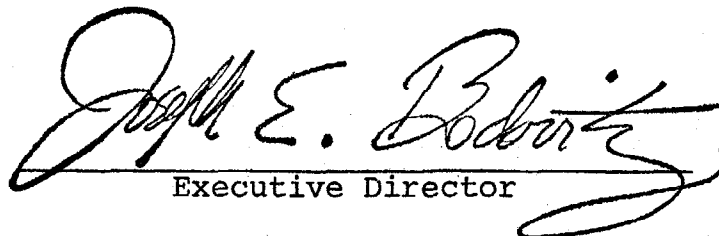
6. In accordance with the provisions of Decision No. 84-07-150, PP&L requests an effective date of July 1, 1985.
7. The authorized sales and revenue figures supporting the proposed ERAM rate and the methodology used in its calculation have been reviewed by the Advisory, Evaluation & Research Branch (EAR) of the Evaluation and Compliance Division and found this filing to be in compliance with Resolution E-2022 (Attrition Allowance) and Decision 84-07-150 (ERAM).
8. The EAR Branch recommends that the ERAM rate of 0.344¢/kWh in this filing be accepted with the provision that the recorded revenues be subject to audit during PP&L's next ERAM filing, that is January 1, 1986. Additionally, a procedure should be established whereby the recorded revenues and the ERAM balance will be audited on an annual basis concurrent with the ERAM proceedings to be effective each January 1st. The Evaluation and Compliance Division's Auditing and Compliance Branch will conduct said audits.
9. Public notification of this filing has been made by mailing copies of this advice letter to other utilities, governmental agencies, and to all interested parties of record in Application 83-05-052 and 83-07-017. The Commission Staff has received two protests in this matter from customers (Attachments 2 & 3).
10. Although the letters are protesting the general climb of electric rates over the last few years, the staff has found that the instant request is for only a 1.9% average increase and is in accordance with the Commission adopted ERAM procedure as prescribed in Decision 84-07-150.

THEREFORE:

1. Pacific Power and Light Company is authorized under Sections 451 and 454 of the Public Utilities Code and under provisions of Decision 84-07-150 to place the above tariff sheets into effect on July 1, 1985.
2. The above advice letter and tariff sheets shall be marked to show they were approved for filing by Commission Resolution E-2046. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular scheduled meeting on June 21, 1985.
The following Commissioners approved it:

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


Executive Director