

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

E-2

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to Executive Director

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Accounting Officer

RESOLUTION: E-2062

EVALUATION & COMPLIANCE DIVISION

BRANCH: Energy

DATE: November 13, 1985

R E S O L U T I O N

ORDER AUTHORIZING SOUTHERN CALIFORNIA EDISON COMPANY (SCE) TO IMPLEMENT A NEW INTERRUPTIBLE SERVICE RATE SCHEDULE APPLICABLE TO CUSTOMERS WITH DEMANDS IN EXCESS OF 5,000 KW

By Advice Letter 694-E, filed August 19, 1985, Southern California Edison Company (SCE) requests authorization to implement a new interruptible service rate schedule. The facts are as follows:

1. The purpose of this filing is to offer a new rate schedule for interruptible service, Schedule No. I-5, General Service-Large-Interruptible.
2. This is a general service rate available to all customers with demands in excess of 5,000 kW as an option to Schedule No. TOU-8, General Service-Large.
3. The rate is structured to encourage interruptible customers to maximize the use of the off-peak period by reducing the off-peak rate of Schedule No. TOU-8. Rate structures were determined by using the interruptible credits, historically associated with demand changes, to develop a lower off-peak rate. The rate also incorporates the discounts recently authorized for Schedule No. I-3, General Service-Large-Interruptible, where the customer is willing to accept automatic interruption.
4. Schedule No. I-5 was developed after extensive discussions by SCE with customers who are currently served under one or more of the legislatively-mandated Steel Producers rate. Those customers have indicated to SCE their interest and support for the rate as an alternative to an extension of the legislation which established the Steel Producers rates.
5. Since the Steel Producers rates are non-time-differentiated, approval of the rate and acceptance by the customers who are currently served under the Steel Producers rates will result in a substantial shift of existing load from the on-peak period to the off-peak period. The approval of this rate will also ultimately result in a rate reduction for all commercial and industrial customers who are currently subject to the Steel Surcharge Adjustment.

6. SCE developed Schedule I-5 to be consistent with Senate Bill 1148. It is the intent of SB 1148 that the electrical system savings in the long run shall accrue to the industrial customers served under this rate. However, to the extent that there is any revenue shortfall resulting from the implementation of Schedule I-5, that is greater than the corresponding reduction in expenses occurring as customers shift their load, the revenue shortfall cannot be spread to other classes of customers.
7. SCE should be cautioned that; while we concur that Schedule I-5 is consistent with the intent of SB 1148, there may be a need for some modifications to this tariff as a result of full implementation of SB 1148, to serve other industrial customers.
8. By Decision 85-09-009 dated September 5, 1985, the Commission authorized and directed SCE to file with this Commission on January 1, 1986, revised time-of-use Tariff Schedule TOU-8. The revised schedule implements the Commission's stated policy of moving towards a non-time-differentiated flat demand charge. The Commission Staff recommends that SCE be ordered to revise Schedule I-5 to reflect the approved changes in TOU-8 on or before January 1, 1986.
9. The Staff further recommends that the January 1, 1986 revision to Schedule I-5 should set the off-peak rate at no less than SCE's energy price offer for cogenerators and small power producers, plus an appropriate amount for capacity cost. This minimum rate level was not specified in Edison's advice letter.
10. 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.
11. Public notification of this filing has been made by mailing copies to other utilities, governmental agencies and to all interested parties who requested such notification. The Commission Staff has received no protests in this matter.
12. The staff of the Load Management Section of the Energy Branch of the Evaluation and Compliance Division has reviewed this filing and recommends its approval.
13. We find that SCE's request to implement a new interruptible service schedule contained herein is just and reasonable.

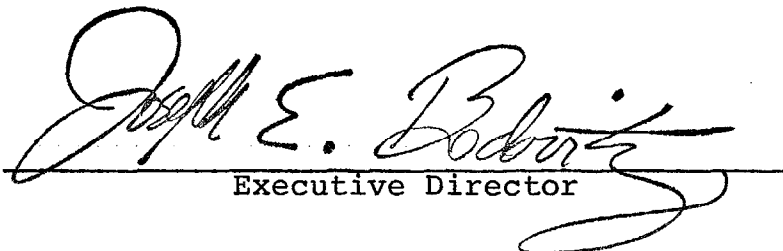
THEREFORE:

1. Southern California Edison Company is authorized by Sections 490 and 451 of the Public Utilities Code and Section X.A. of General Order 96-A to place the above advice letter into effect today.
2. Southern California Edison Company shall revise Schedule No. I-5, effective January 1, 1986, to reflect approved change in Schedule TOU-8.

3. The January 1, 1986 revision to Schedule No. I-5 should set the off-peak rate at no less than SCE's energy price offer for cogenerators and small power producers, plus an appropriate amount for capacity cost.
4. Southern California Edison Company shall include information with its first reasonableness review filing after January 1, 1986, concerning sales to customers on Schedule I-5. In particular, SCE shall include information regarding the cost of service to such customers, the revenue received, and a comparison of these sales and revenues with those that would have resulted from service on alternative rate schedules.
5. The above Advice Letter 694-E and accompanying tariff sheets shall be marked to show that they were authorized for filing by Commission Resolution E-2062. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on November 13, 1985. The following Commissioners approved it:

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


Executive Director

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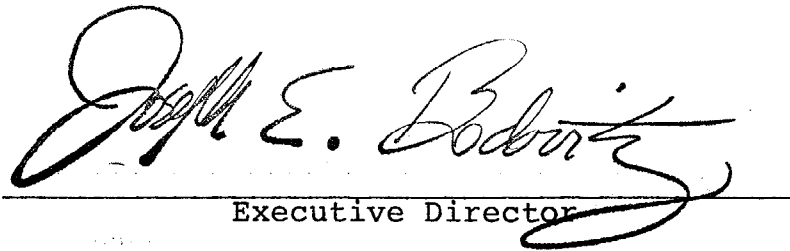
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