

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION  
Energy Branch

RESOLUTION E-2090  
May 7, 1986

## RESOLUTION

ORDER AUTHORIZING SOUTHERN CALIFORNIA EDISON COMPANY (SCE)  
TO REVISE ITS AIR CONDITIONER CYCLING PROGRAM TARIFF  
SCHEDULES TO REDUCE THE SUMMER SEASON FROM SIX MONTHS TO  
FOUR MONTHS

By Advice Letter 715-E, filed March 24, 1986, Southern California Edison Company (SCE) requests authorization to revise Schedules Nos. D-APS-2 - Domestic Automatic Powershift, GS-1-APS - General Service Automatic Powershift (Non-Demand Metered), GS-2-APS - General Service Automatic Powershift (Demand Metered), and TOU-8 - General Service - Large - Automatic Powershift Time-of-Use, to reduce the Summer Season set forth on said tariffs from six months to four months of each year under its air conditioner cycling program. The facts are as follows:

1. Currently the Summer Season under these schedules commences on May 1 and continues through October 31 of each year. The revised Summer Season will commence on June 1 and continue through September 30 of each year. The revision from six to four months is consistent with SCE's Time-of-Use Schedules Nos. TOU-8 - General Service - Large and TOU-GS - General Service - Time-of-Use.
2. The modification is intended to increase the cost-effectiveness of the air conditioner cycling program. Experience with the program has shown that the need for load reduction provided by the air conditioner cycling programs has not been required during May and October, and customer compensation for these months when no cycling takes place is inappropriate.
3. The shortened Summer Season will increase the cost-effectiveness of the air conditioner cycling program by reducing incentive payments by approximately \$3,677,900.00 or 33 percent. This represents an estimated average decrease of \$42.80 per customer per year as shown on Attachment A to this Resolution.
4. Although the decrease in annual incentives paid will have the effect of increasing the May and October bills of present

customers on the air conditioner cycling programs, approval of this modification will ultimately result in a corresponding smaller rate reduction to all of SCE's ratepayers through the Electric Revenue Adjustment Mechanism (ERAM). Therefore, a revenue increase to SCE does not result from this change in tariff provisions.

5. The Commission staff has received protests from nine SCE customers in this matter expressing special personal interests, suggestions, and claims of unfairness. The protests represent .009% of the approximate 86,000 participants. The staff has reviewed the protests, and SCE, at staff's request, has responded to the protests. A sample of SCE's response to protestants is shown as Attachment B to this Resolution.

6. 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.

7. The staff of the Energy Branch of the Evaluation and Compliance Division has reviewed this filing and recommends its approval, with two additional provisions:

a. Because of the late filing date of this advice letter and the possibility of sizeable customer dissatisfaction, due to short notice the utility should pay incentives in May 1986, but not in October 1986. The utility should not pay incentives in either May or October beginning in 1987. SCE should also maintain a record and advise the Commission on the customers who withdraw from service under Schedules D-APS-2, GS-1-APS, GS-2-APS, and TOU-8-APS.

b. If 6 Megawatts or more of electrical load reduction is lost due to customer dropouts as the result of this change and/or if the cost-effectiveness of the program drops below its present level (1.59 is the current rate for the nonparticipant test), then SCE should reconsider this matter and to determine what changes if any should be made to customer incentives for the five month period.

THEREFORE:

1. Southern California Edison Company is authorized under Section 454 of the Public Utilities Code and Section X.A. of General Order 96-A to place Advice Letter 715-E into effect on June 1, 1986 (incentive payments will be paid to current participants for May 1986).

2. If 6 Megawatts or more of electrical load reduction is lost due to customer dropouts and/or if the cost effectiveness of the program drops below its present level (1.59 is the present ratio for the nonparticipant test), then SCE shall reconsider this matter and recommend suitable incentives to maintain customers during the new four-month period or other suitable options.

3. Advice Letter 715-E and accompanying tariff sheets shall marked to show that they were authorized for service on June 1, 1986. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 7, 1986. The following Commissioners approved it:

*Howard A. Sarashin*

---

Acting Executive Director

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

ATTACHMENT A

Rate Incentive Calculations for Four-Month Summer Season - 1986

Total number of affected customers: 86,000

Estimated total annual incentive \$11,145,198.00 (6-month Summer Season)

Reduced by approximately 33% (4-month Summer Season)

Calculation for estimated annual incentive decrease

$$\begin{array}{r} \$11,145,198.00 \\ \times \quad .33 \\ \hline 3343559400 \\ 3343559400 \\ \hline \$ 3,677,915.34 \end{array}$$

Calculation for estimated average annual incentive decrease per customer

$$\$3,677,915.34 \div 86,000 = \$42.77$$

NOTE: The above does not take into consideration an estimated 5 to 11% of the participants who may withdraw from the program.