

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3085
March 9, 1988

R E S O L U T I O N

SAN DIEGO GAS & ELECTRIC COMPANY. ORDER AUTHORIZING REVISIONS TO ITS ELECTRIC SCHEDULE DS, RELATING TO SUB-METERED MULTI-FAMILY SERVICE, A CLOSED SCHEDULE, AND SCHEDULE DT, RELATING TO SUBMETERED MULTI-FAMILY SERVICE - MOBILEHOME PARK.

(Advice No. 733-E. filed February 18, 1988.)

SUMMARY

San Diego Gas & Electric Company (SDG&E) request is granted to revise its electric schedules relating to submetered multi-family service, a closed schedule, and submetered multi-family service - mobilehome park. The revision will reduce the daily discounts for submetering and distribution in order to implement the \$4.80 monthly customer charge.

DISCUSSION

1. By Advice No. 733-E, filed February 18, 1988, San Diego Gas and Electric Company (SDG&E) requests authorization to revise its Schedule DS, Submetered Multi-Family Service, a closed schedule, and Schedule DT, Submetered Multi-Family Service - Mobilehome Park, in order to reduce the per-day discounts which are based on the number of residential dwelling units or mobilehome spaces utilizing electric service behind the master meter.
2. On December 22, 1987, the Commission, by Decision 87-12-069 in Applications 87-04-018 and 87-07-009, authorized SDG&E's customer charge of \$4.80, effective January 1, 1988. This applied to all residential customers in the SDG&E service area whether individually or master-metered. However, in those instances where residential service is provided by submetered Schedules DS or DT, the landlord was incorrectly billed for only a single charge of \$4.80 per month by SDG&E. At the same time, pursuant to Public Utilities Code Section 739.5 the landlords were required to collect \$4.80 per month from each tenant who occupies a submetered dwelling unit or mobilehome space. The net effect of this was that the landlords received an unintentioned windfall.
3. Schedules DS and DT currently provide the landlord daily discounts of \$0.022 and \$0.24, respectively, for each unit served by a submeter. This discount is in recognition of the fact the landlord must maintain the cost of submetering and provide the distribution system. In order to insure the landlord is billed by SDG&E for the customer charge paid by each tenant, this discount will be reduced.

Resolution E-3085

4. A comparison of proposed and adopted discounts for Schedules DS and DT is shown below:

SCHEDULE	UNITS	CURRENT DAILY DISCOUNT	DAILY CUSTOMER CHARGE *	PROPOSED DAILY DISCOUNT **
DS	\$/DAY	.022	.158	(.136)
DT	\$/DAY	.24	.158	.082

*The daily customer charge results from the calculation:

Monthly customer charge divided by the average days in a month equals the daily customer charge. ($\$4.80/30.4 = \$.158$)

**The proposed daily discount is derived by the calculation:

Adopted daily discount less the daily customer charge equals the proposed discount. For Schedule DS, the discount becomes a charge.

5. The development of the proposed revenue increase due to the reduction in submetered discount on Schedules DS and DT is as follows:

SCHEDULE	NUMBER OF SUBMETERED UNITS AS OF 1/31/88	DAILY REDUCTION IN SUBMETERED DISCOUNT	ESTIMATED ANNUAL REVENUE INCREASE
DS	5,341	x \$0.158	x 365 = \$ 308,015
DT	36,224	x \$0.158	x 365 = 2,089,038
			<u>\$2,397,053</u>

Note: The Estimated annual revenue increase is based on the number of submetered units contained in SDG&E's customer master file as of 1/31/88 and does not take into consideration any changes in the number of submetered units served by a master meter that may occur during 1988.

6. SDG&E estimates that it will receive additional revenue of approximately \$2.4 million annually above its authorized level due to the proposed revision of the discounts on Schedules DS and DT. These additional revenues will accrue in the Electric Revenue Adjustment Mechanism (ERAM) Balancing Account and will be returned to the ratepayers through the ERAM Balancing Rate when it is revised.

7. Other than noted above, this filing will not result in an increase in any rate or charge, conflict with other schedules or rules, nor cause the withdrawal of service.

8. SDG&E has requested that this advice letter filing become effective on less than the 40-day statutory notice.

PROTEST

9. By letter dated March 4, 1988, Armour, St. John, Wilcox, Goodin & Schlotz, a law firm representing Alan Kilborn and California Edison Utilities Company, Inc., protested the advice letter and requested its suspension pending further hearing. The protest argues that the filing represents a substantial rate increase and therefore should be rejected. The protest ignores the fact that the decision implements a customer charge for residential customers. The rates in effect prior to this decision had no such customer charge. Nowhere in Decision 87-12-069 does it say that the customer charge is intended to be retained by master meter landlords. This advice letter corrects an oversight in the rates filed in compliance with Decision 87-12-069. It is in essence a compliance filing and as such the rate increase is appropriate.

10. Three letters have been received concerning this matter - one from Senator William A. Craven, dated February 11, 1988, and two from Richard L. Hamilton of Biddle & Hamilton law firm, dated February 18 and 22, 1988, respectively, on behalf of the Western Mobilehome Association. Both the Senator and Mr. Hamilton have urged the Commission to act expeditiously in resolving this inequity.

11. The Commission Advisory and Compliance Division has reviewed this advice letter filing and recommends its approval.

FINDINGS

1. SDG&E's request to revise its Electric Schedules DS and DT as set forth in the tables outlined above is reasonable.

2. Other than as noted above, this filing will not result in an increase in any rate or charge, conflict with other schedules or rules, nor cause the withdrawal of service.

THEREFORE, it is ordered that:

1. San Diego Gas & Electric Company is authorized under Section 491 of the Public Utilities Code and Section VB of General Order 96-A to place Advice Letter 733-E and accompanying tariff sheets into effect on less than the 40-day regular notice.

Resolution E-3085

2. Advice Letter 733-E and accompanying tariff sheets shall be marked to show that they were authorized by Resolution E-3085 and will become effective on March 9, 1988.
3. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 9, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



Executive Director