

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3213
January 15, 1991

R E S O L U T I O N

RESOLUTION E-3213. SAN DIEGO GAS & ELECTRIC COMPANY REQUESTS AUTHORITY TO INCREASE ITS BASE RATE REVENUE BY AN ESTIMATED \$561,200 TO REFLECT 1991 EXPENSES AND AD VALOREM TAXES FOR THE HEBER BINARY PROJECT.

BY ADVICE LETTER 804-E, FILED ON NOVEMBER 2, 1990.

SUMMARY

1. By Advice Letter 804-E, San Diego Gas & Electric Company (SDG&E) requests authority to increase its Authorized Base Rate Revenue by an estimated \$561,200 for its 1991 expenses and ad valorem taxes on its Heber Binary Project.
2. This resolution authorizes the increase.

BACKGROUND

1. The Heber Project is an experimental 45 megawatt geothermal power plant, located in Imperial County, California. SDG&E currently owns 89.2% of the plant; the other 10.8 percent is owned by the Imperial Irrigation District and the State of California.
2. In 1987, SDG&E had difficulties in operating the Heber Project, primarily because of not enough hot brine from its wells. SDG&E then decided to discontinue plant operations and place it in storage with a minimum of expenses.
3. The plant has been in storage since 1987. The Commission has authorized the funding of maintenance and ad valorem taxes on the Heber Project every year since that time. SDG&E's original authority to file for that funding is Ordering Paragraph 4 of Decision 91271.

NOTICE

1. Public notice of this filing was made by mailing copies of the advice letter to other utilities, governmental agencies and to all interested parties who requested such notification.

Notice of the advice letter filing was published in the Commission calendar on November 7, 1990.

PROTESTS

1. No protests have been received.

DISCUSSION

1. The projected 1991 Heber Project expenses and ad valorem tax will total \$943,967. This requires an increase in the Authorized Base Rate Revenue of an estimated \$561,200, effective immediately.

2. The amount of this increase includes three assumptions:
 - a. The Heber Balancing Account balance as of December 31, 1990 was accurately estimated.
 - b. The San Diego Franchise Fee Differential Factor will be the same in 1991 as it was in 1990.
 - c. No other change to the Authorized Base Rate Revenue be authorized for 1991.

SDG&E states that it will inform the Commission of the actual values of these factors as soon as they are known.

3. In the interests of rate stability, SDG&E requests to delay the recovery in rates until either May 1, 1991 or until such time as the Commission authorizes a change in rates in SDG&E Application 90-10-003 (SDG&E's ECAC/ERAM filing of October 1, 1990).

FINDINGS

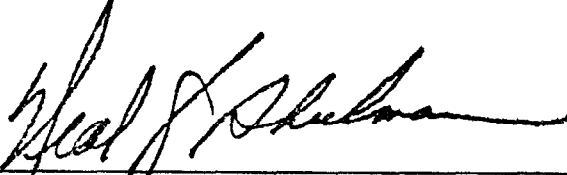
1. The increase to the Authorized Base Rate Revenue proposed by SDG&E is reasonable.
2. SDG&E's request to delay the recovery in rates until either May 1, 1991 or the issuing of a decision in A. 90-10-003 is reasonable.

THEREFORE, IT IS ORDERED that:

1. San Diego Gas & Electric Company is authorized to increase its Authorized Base Revenue by an estimated \$561,200 as of the effective date of this resolution. The base rate revenue adjustment for the Heber Binary Project authorized here is to remain in effect until December 31, 1991.
2. San Diego Gas & Electric Company is authorized to amend this increase to its actual value when the estimated factors mentioned above are known. The utility shall file a supplement to Advice Letter 804-E supporting those values.
3. Advice Letter 804-E and its accompanying tariff sheets shall be marked to show that they were approved by Resolution E-3213.
4. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 15, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



Executive Director