

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3233
SEPTEMBER 25, 1991

R E S O L U T I O N

RESOLUTION E-3233. SOUTHERN CALIFORNIA EDISON COMPANY'S
REQUEST FOR COMMISSION APPROVAL OF CONTRACT WITH THE
UNITED STATES GOVERNMENT FOR CONSTRUCTION OF FACILITIES
AT EDWARDS AIR FORCE BASE.

BY ADVICE LETTER 902-E FILED ON MAY 6, 1991.

SUMMARY

1. Southern California Edison Company (SCE) requests approval of a contract with the United States Government for construction of electric facilities at Edwards Air Force Base (Edwards). SCE provides electric service to Edwards using Rate Schedule No. TOU-8, "Time-Of-Use General Service - Large" Revised Cal PUC Sheets 12741-E, 12958-E, 12959-E, 12960-E, 12961-E, 12962-E, 12747-E, 11608-E, 11609-E, 11610-E and 12748-E (TOU-8). The contract is for the installation of SCE owned facilities at Edwards.
2. This Resolution grants the requests.

BACKGROUND

1. SCE is providing electrical energy to Edwards using Rate Schedule TOU-8. Edwards, as a federal government facility, has now received an allocation of both electrical capacity and electrical energy by Western Area Power Administration (WAPA) from the Parker-Davis Project. The contract for the delivery of this energy and capacity was approved by the Commission in Resolution E-3231, effective September 6, 1991 for Advice Letter No. 896-E dated April 12, 1991. To accomplish delivery requires SCE to construct new and relocate its existing facilities. SCE thus incurs additional costs in connection with this addition to its plant which it should recover from the customer for whose benefit it was constructed.

2. SCE's standard contract for the construction of facilities for a customer's benefit[1] provides for the applicant (customer) to advance the full cost of the newly installed facilities part of which may be later refunded. The refund is made if the new facilities bring adequate revenue to the utility, that is, if the new installation is considered to be economic. This contract provides that the utility will construct the facilities at its cost and the customer, Edwards, will guarantee that Edison will get a specified minimum monthly revenue from these facilities. If the the specified minimum revenue during a billing period should not be realized, there will be no refund for that period.
3. The procedure for determining the amount of charges or refunds is spelled out in the contract. A summary appears below:
4. A Monthly Facilities Cost (MFC) is calculated by multiplying the Total Installed Cost of Facilities by 1.7%.[2] This reflects the cost of the newly added plant to the utility.
5. The Average Base Rate Charge (ABRC) under Schedule No. TOU-8 is defined as the net of the Average Base Rate Charge for energy and demand delivered by the utility to the customer minus the Average Base rate Charge for energy and demand delivered by the utility to the customer in accordance with the Revised Power Displacement Agreement.
6. The customer will be billed monthly a Monthly Facilities Charge for any amounts by which the Monthly Facilities Cost exceeds 18% times the Average Base Rate Charge under Schedule TOU-8. The customer will not be billed a monthly charge for any month when the Monthly Facilities Cost does not exceed 18% times the Average Base Rate Charge under the applicable schedule (e.g., TOU-8).

NOTICE

1. Public notice of this Advice Letter has been made by publication in the Commission's Calendar on May 10, 1991, and by mailing copies of the Advice Letter to other utilities and government agencies. A copy was not sent to the General Services Administration as the contract is with the Department of Defense.

[1] Form No. CSD-240 Application and Contract for Added Facilities, Revised Cal PUC Sheet No. 13051-E.

[2] SCE Tariff Rule No. 2, Section H.

PROTESTS

1. No protests to this Advice Letter have been received by Commission Advisory and Compliance Division.

DISCUSSION

1. The "Monthly Facilities Cost (MFC)" factor discussed above is stated in SCE Tariff Rule No. 2 "Description of Service", Paragraph H.2.c. (Revised Cal. PUC Sheet No. 11755-E). The contract provides that any change in this factor approved by the Commission will apply to the contract with Edwards.

2. The "Average Base Rate Charge (ABRC)", established monthly is defined as the monthly revenues measured at Edwards less the energy and capacity delivered by WAPA to SCE measured at the Blythe Substation and adjusted for line losses. This is in accordance with the contract approved by Resolution E-3231, dated July 24, 1991.

3. Each month the ABRC shall be multiplied by 18% (0.18). If this amount is less than the MFC, Edwards will be billed for the difference. If this amount exceeds the MFC, the difference will be entered into a Tracking Account maintained by SCE.

FINDINGS

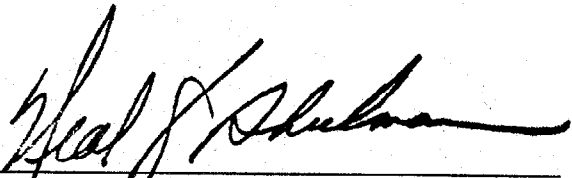
1. This contract will not result in an increase in charges to any customer of SCE, except, potentially, to Edwards.

2. This Advice Letter is a deviation from SCE's standard contract for the installation or relocation of utility facilities in that Edwards is not advancing the cost of the facilities and receiving refunds based upon revenues received. Instead SCE is advancing the cost of the facilities, with Edwards guaranteeing a monthly revenue to SCE based either upon monthly revenues or a direct payment. SCE is not required to make refunds to Edwards if, on an annual basis, the Average Rate Base Charges have exceeded the Monthly Facilities Costs.

THEREFORE, IT IS ORDERED that:

1. The Contract Application And Contract For Facilities between Southern California Edison Company and the United States Department of Defense, Edwards Air Force Base is approved.
2. Southern California Edison Company is authorized to file the above contract, Application and Contract for Facilities, in its list of contracts and deviations.
3. Advice Letter 902-E shall be marked to show that it was approved by Commission Resolution E-3233.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 25, 1991. The following Commissioners approved it:



Neal J. Shulman
Executive Director

I abstain

G. MITCHELL WILK
Commissioner

PATRICIA M. ECKERT
President

JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners