

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3299
FEBRUARY 3, 1993

R E S O L U T I O N

RESOLUTION E-3299. SAN DIEGO GAS & ELECTRIC COMPANY
REQUEST FOR A WAIVER OF ELECTRIC RULE 19.

BY ADVICE LETTER 852-E, FILED ON JULY 13, 1992

SUMMARY

1. San Diego Gas & Electric Company (SDG&E) requests a waiver from Electric Rule 19, **Supply To Separate Premise and Resale** to allow Computer Sciences Corporation to resell power purchased from SDG&E to General Dynamics.
2. This Resolution grants the request.

BACKGROUND

1. General Dynamics built and operated a gas-fired cogeneration plant about six years ago to partially meet the demand at its Kearny Mesa Facility supplying the needs of Buildings 33, 70, 77, 80 and 83. Building 80 houses the cogenerator. Under a standard cogeneration contract surplus generation was sold to SDG&E while any necessary standby electricity for all the buildings was provided at the cogenerator's busbar at Building 80.
2. In November 1991 General Dynamics sold Building 77 and Building 80, including the cogeneration facility to Computer Sciences Corporation. As SDG&E correctly pointed out to Computer Sciences Corp. by letter dated November 13, 1991, it is a violation of Rule 19, Section D for Computer Sciences Corp. to supply electricity to General Dynamics which is first purchased from SDG&E. SDG&E recognized that General Dynamics would need to apply separately for service to its remaining buildings and allowed General Dynamics until March 14, 1992 to design and install the necessary facilities to take service directly from SDG&E.
3. General Dynamics and Computer Sciences Corp. (parties) opposed the enforcement of Rule 19, citing that the Subdivision Map Act required the transfer of Building 80 and the cogenerator in the transaction to purchase Building 77 which Computer Sciences Corp. uses as a data center. After numerous exchanges SDG&E agreed to seek Commission guidance on the issue and filed

this advice letter. SDG&E and General Dynamics have both made several presentations on the subject.

4. Rule 19 Section D states:

1. A customer shall not furnish or use electricity received from the utility upon other premises, except for the utility's operating convenience, or for other purposes than those specified in the customer's application for service or in the applicable rate schedule.
2. Commercial submetering of electricity is prohibited except as provided in Section B.3.b. (of Rule 19) above.

Section B.3.b prohibits submetering; any single meter service to multi-tenants cannot charge separately for electricity.

NOTICE

1. Public Notice of this filing was made by publication in the Commission's calendar and by SDG&E mailing copies of the advice letter to parties in accordance with general Order 96-A, Section III-G.

PROTESTS

1. No protests were received by the Commission Advisory and Compliance Division (CACD).

DISCUSSION

1. CACD has reviewed this filing and has met with both General Dynamics and SDG&E representatives. Parties of Rule 19 offer as justification for the waiver that General Dynamics will avoid the costs of installing proper facilities, including a separate meter necessary to take metered standby service from SDG&E when the cogeneration facility cannot meet the load.

2. By not installing correct facilities and meter, and properly applying for service, General Dynamics manages to avoid construction costs it estimates to be about \$100,000. On the other hand SDG&E foregoes revenues from tariff charges for customer charges, demand charges and other energy charges depending upon its choice of service. CACD observes that avoiding charges otherwise chargeable to General Dynamics results in higher electricity costs to remaining customers albeit negligible. General Dynamics is eligible for Schedule AL-TOU and A-E2; it is too large a load for Schedule A.

3. In addition, SDG&E believes that a waiver of Rule 19 is appropriate for the following reasons:

GD indicates that this one time request for a waiver will not be take as precedential for any future actions

affecting ownership or operations of facilities at Buildings 33, 70, 77, 80 or 83. Also, GD endorses the waiver request as indicated by Attachment B.

Both CSC and GD desire to continue electrical operations as they have been conducted in the past. The only thing that has changed is the ownership of Buildings 77 and 80.

Buildings 33, 70 and 83 do not have a direct service link with SDG&E. To construct such a line extension would be costly. In light of the current state of the economy, SDG&E supports the idea of avoiding those costs in this unique circumstance.

GD is a long term valued customer. Granting this waiver will help foster a positive business climate in California and San Diego in particular.

4. CACD observes that avoiding charges otherwise chargeable to General Dynamics results in higher electricity costs to remaining customers albeit negligible. The claim that this circumstance is unique and should not be considered precedential is convincing.

5. CACD recommends granting the waiver of Rule 19.

FINDINGS

1. General Dynamics sold part of its Kearny Mesa facilities to Computer Sciences Corp. in 1991.

2. SDG&E correctly interpreted Rule 19 and reasonably allowed General Dynamics time to install proper facilities in order to comply with the tariff rule.

3. The requested waiver of Rule 19 is reasonable; it is predicated upon avoiding the installation of facilities.

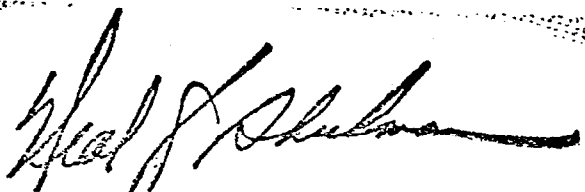
4. The request for waiver of the Commission's duplicative ban on resale is reasonable.

THEREFORE, IT IS ORDERED that:

1. Advice Letter 852-E is granted.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 3, 1993. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners