

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3386
September 15, 1994

R E S O L U T I O N

RESOLUTION E-3386. SOUTHERN CALIFORNIA EDISON COMPANY REQUEST TO ESTABLISH SERVICE ADJUSTMENT AGREEMENT, FORM NO. 16-323, ALLOWING EDISON TO CONNECT TO MILITARY BASE ELECTRIC DISTRIBUTION SYSTEM TO PROVIDE SERVICE TO APPLICANTS LOCATED ON BASE.

BY ADVICE LETTER 1064-E, FILED ON JULY 14, 1994.

SUMMARY

1. Southern California Edison Company [Edison] files to establish Form No. 16-323, Service Adjustment Agreement [Agreement], with a military base [customer], enabling Edison to connect to a customer's electric distribution system to provide service to an enterprise [applicant] on base property.
2. The proposed Agreement deviates from Edison's Rule 9 [Rendering and Payment of Bills] in that instead of basing customer's energy bills solely on meter registration, it establishes a mix of metered and a flat percentage rate for transformer and line losses incurred while providing service to the applicant.
3. Line loss occurring on distribution line between the customer meter and applicant meter is registered on customer meter and has to be deducted from customer meter to be absorbed by Edison. This line loss deduction from customer meter will be done on a flat rate basis, hence a deviation from Rule 9.
4. The deviation will not affect the customer and applicant adversely.
5. The filing proposes to add the Agreement to Edison's List of Contracts and Deviations.
6. No protest has been filed against Advice Letter 1064-E.
7. This Resolution approves the request because the proposed deviation from Rule 9 will not increase rates, withdraw or create more restrictive service.

BACKGROUND

1. Enterprises on military bases, located in Edison's service territory, normally receive electric service through distribution systems owned, operated, and maintained by the base.
2. At present, the military base is Edison's customer. The enterprises on the base, the applicants, are provided and pay for [unmetered] electric service through a lease agreement with the base.
3. When a base is closed, the base property, which includes the electric distribution system, is disposed of through negotiations with various entities over a transition period.
4. During the transition period the military may elect not to provide electric service to entities on the base. The entities then may apply for service from Edison before Edison is able to determine whether it will acquire the base's electric distribution system.
5. The proposed Agreement enables Edison to use the base's electric distribution system to serve the applicants on an interim basis until the system's ownership issue is resolved.

Main points of the Agreement

6. Under this Agreement, the military will permit Edison to install, own, operate, and maintain necessary distribution and service plants on the base to connect to the base's electric system.
7. Except for force majeure instances, the military agrees not to interrupt electric power delivery through its distribution system without providing Edison with 48 hours' written notice of such interruptions.
8. Because the applicant's service will be rendered through distribution lines owned by the military, an Absolving Service Agreement is entered into by Edison and the applicant whereby the applicant agrees to take service on a temporary basis and that such service can be discontinued at anytime that Edison is no longer able to serve the applicant because of actions of the military base.
9. The Agreement provides for installation of meters at the location of the applicant and billing the applicant at appropriate rate schedules on file and approved by the Commission.
10. Every month Edison will adjust customer's [military base's] demand and energy consumption by deducting from it the demand and energy consumption of each applicant served and metered by Edison, using the customer's distribution system. The adjustments will include a factor to compensate the military, on

a flat percentage basis, for transformer and line losses attributable to the distribution line extending to applicant.

NOTICE

1. Edison served notice of AL 1064-E by mailing copies to other utilities, government agencies, and all parties that requested such information.

PROTESTS

1. CACD has received no protest to Advice Letter 1064-E.

DISCUSSION

1. Edison will use the military base's distribution system to provide service to the applicant [enterprise] by installing a meter at the applicant's site on base and bill the applicant in accordance with the applicable rate schedule, as prescribed by Rule 9.

2. The customer's [military] bills are based on meter registration, according to Rule 9. Because the distribution lines are owned by the military and because the applicant's actual usage and its associated line losses are also registered on the customer's meter, the applicant's meter registration will be subtracted from the customer's meter registration before the customer is billed. The customer's bills will be further reduced for transformer and line losses experienced on distribution line to the applicant, using a flat percentage rate. This way it will be Edison, not the customer, who will absorb the line losses in the base area. Using a flat percentage for the adjustment is a deviation from Edison's Rule 9 which states under Section A.1:

Metered Service: Bills for metered service will be based on meter registration...

3. The Agreement will not cause the customer to experience an increase in its bills.

4. The Commission authorization is sought because any contract arrangement or deviation for the furnishing of any public utility service under conditions other than those contained in tariff schedules on file at the time require Commission approval.

5. Based on records for line losses, the adjustment to customer's bills will be negligible in so far as the line loss is attributed to the existing base applicants. Edison estimates that the line loss would be about 1% of an applicant's consumption. The losses may become appreciable if a new enterprise, on a remote area of the base, requests a high KW and Kwh service.

September 15, 1994

6. Commission Advisory and Compliance Division has reviewed the interim Agreement and recommends its approval because it will enable Edison to serve the applicants on an interim basis until the ownership of military base's distribution system is resolved.

FINDINGS

1. Southern California Edison Company filed advice letter 1064-E to establish Form 16-323, the Service Adjustment Agreement.

2. The Agreement provides that Edison can connect to a military base's electrical distribution system to provide service to an applicant located on base property.

3. The Agreement is for an interim and transitory period until the military base electric distribution system's ownership issue is resolved.

4. The Agreement deviates from Rule 9, Rendering and Payment of Bills, by establishing a flat percentage rate for transformer and line losses associated with the provision of service to the applicant.

5. The Agreement will not cause increase in rates, withdraw service, or create more restrictive service.

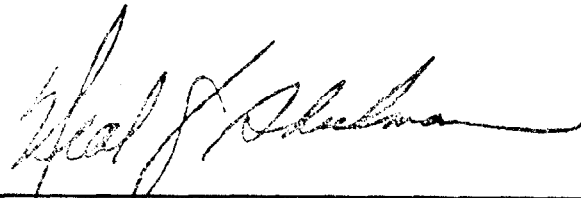
6. CACD recommends approval of AL 1064-E.

THEREFORE, IT IS ORDERED that:

1. Southern California Edison Company Advice Letter 1064-E is hereby approved.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 15, 1994. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
Commissioners