

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3421
September 27, 1995

R E S O L U T I O N

RESOLUTION E-3421. SOUTHERN CALIFORNIA EDISON COMPANY. REQUEST FOR EXTENSION OF EXPIRATION DATES FOR RATE SCHEDULE TOU-ALMP-2 (TIME-OF-USE AGRICULTURAL), SCHEDULE TOU-PA-1 (TIME-OF-USE AGRICULTURAL AND PUMPING), RATE A OF SCHEDULE TOU-PA-4 (TIME-OF-USE AGRICULTURAL AND PUMPING, CONNECTED LOAD BASIS), AND SCHEDULE TOU-PA-6 (AGRICULTURAL WATER PUMPING-LARGE, ALTERNATE POWER SOURCE).

BY ADVICE LETTER 1089-E-A, FILED ON AUGUST 15, 1995.

SUMMARY

1. By Advice Letter 1089-E-A, Southern California Edison Company (Edison) requests approval to extend the expiration date of Schedule TOU-ALMP-2 (Time-of-Use Agricultural), Schedule TOU-PA-1 (Time-of-Use Agricultural and Pumping), Rate A of Schedule TOU-PA-4 (Time-of-Use Agricultural and Pumping, Connected Load Basis), and Schedule TOU-PA-6 (Agricultural Water Pumping - Large, Alternate Power Source).
2. With the exception of Schedule TOU-PA-6, Edison requests that the above rate schedules be extended from October 1, 1995 to the date that rates adopted in Phase 2A of Edison's 1995 General Rate Case (GRC) become effective. Edison requests that Schedule TOU-PA-6 be extended from October 1, 1995 to the date that new rates adopted in Phase 2B of the 1995 GRC become effective.
3. No protests were filed.
4. This Resolution authorizes Edison's requested extension for Schedule TOU-ALMP-2, Schedule TOU-PA-1, Rate A of Schedule TOU-PA-4, and Rate B of Schedule TOU-PA-6 but denies the extension of Rate A of Schedule TOU-PA-6 beyond December 1, 1995.

BACKGROUND

1. Schedules TOU-ALMP-2, TOU-PA-1, TOU-PA-4, and TOU-PA-6 are time-of-use rate schedules available to Edison's agricultural and pumping customers.
2. Decision (D.) 92-06-020, which addressed marginal cost revenue responsibility, revenue allocation, and rate design

(Phase 2) issues in Edison's 1992 GRC, ordered Edison to eliminate Schedules TOU-ALMP-2 and TOU-PA-1 on June 4, 1995. This was the beginning of Edison's 1995 Summer Season and the date that rates adopted in Phase 2 of Edison's 1995 GRC were expected to be implemented.

3. Subsequently, D.93-07-030 modified Edison's Rate Case Plan which shifted the implementation date of Phase 2 of its 1995 GRC from June 4, 1995 to October 1, 1995, the beginning of Edison's 1995 Winter Season. The resulting change in the expiration dates of Schedules TOU-ALMP-2 and TOU-PA-1 to October 1, 1995 was authorized in Resolution E-3351.

4. In D.94-05-038, the Commission adopted uncontested portions of Edison's 1994 Rate Design Window proceeding proposals. In particular, the Commission provided for the elimination of Rate A of Schedule TOU-PA-4 in October 1995 and adopted Option B (the diesel fuel alternative) of Schedule TOU-PA-6. Because there was disagreement over the adoption of Option A (the natural gas alternative) of Schedule TOU-PA-6, the Commission deferred its consideration until a later decision.

5. The Commission temporarily postponed Phase 2 of Edison's 1995 GRC in D.94-11-022.

6. Edison filed Advice Letter 1089-E on March 3, 1995 requesting revisions to Schedule TOU-ALMP-2, Schedule TOU-PA-1, Rate A of Schedule TOU-PA-4 and Schedule TOU-PA-6 to extend the expiration date from October 1, 1995 until the date that rate changes are implemented in Phase 2 of Edison's 1995 GRC.

7. In D.95-04-026, the Commission approved a Settlement Agreement adopting Edison's proposed Option A (the natural gas alternative) of Schedule TOU-PA-6 until October 1, 1995. The Commission stated that need for the permanent adoption of this rate and the issue of the allocation of the benefits accruing to Edison would be addressed in Phase 2 of its 1995 Test Year GRC.

8. Phase 2 was bifurcated into Phases 2A and 2B in July, 1995. Schedules TOU-ALMP-2, TOU-PA-1 and Rate A of TOU-PA-4 are to be considered in Phase 2A, and Rate A and Rate B of Schedule TOU-PA-6 are to be considered in Phase 2B.

9. Edison filed Supplemental Advice Letter 1089-E-A on August 15, 1995 requesting revisions to Schedule TOU-ALMP-2, Schedule TOU-PA-1, and Rate A of Schedule TOU-PA-4 to extend the expiration date from October 1, 1995 until the date that rate changes in Phase 2A are implemented. It requested a revision to Schedule TOU-PA-6 to extend the expiration date from October 1, 1995 until the date that rate changes are implemented in Phase 2B.

NOTICE

1. Advice Letter 1089-E-A was served on other utilities, government agencies, and to all interested parties who requested

such notification, in accordance with the requirements of General Order 96-A.

PROTESTS

1. No protests were received for this Advice Letter filing.

DISCUSSION

1. Schedules TOU-ALMP-2, TOU-PA-1, TOU-PA-4 (Rate A), and TOU-PA-6 have an expiration date of October 1, 1995. Prior to D.94-11-022, this was the date that Edison's 1995 GRC Phase 2 rate schedules were expected to be implemented.

2. As a result of the Commission's postponement of Phase 2, Edison filed Advice Letter 1089-E requesting revisions to Schedules TOU-ALMP-2, TOU-PA-1, TOU-PA-4 (Rate A), and TOU-PA-6 to extend the expiration date from October 1, 1995 until the date that rate changes are implemented in Phase 2. Schedule TOU-PA-6 only contained rates for the diesel fuel alternative (Option B) because the Commission had not yet adopted any rates for the natural gas alternative (Option A).

3. Since the Commission postponed the implementation dates of Phase 2, it is reasonable to extend the expiration dates of the related, already adopted, schedules which were to expire on October 1, 1995.

4. On April 5, 1995, the Commission adopted the natural gas alternative (Option A) for Schedule TOU-PA-6 with an expiration date of October 1, 1995. The Commission established this date with full knowledge that Phase 2 had been delayed and that rates would not be implemented on October 1, 1995. The Commission intentionally established the rate for a very short term to allow for a period of experimentation and information collection, recognizing that shareholders might ultimately need to bear some of the revenue shortfall (D.95-04-026, p.17). The Commission specifically concluded that the rate should be approved with the condition that the need for permanent adoption and the issue of allocation of benefits accruing to Edison be addressed in its 1995 GRC. Therefore, this rate should not be extended beyond October 1, 1995.

5. In its Supplemental Advice Letter 1089-E-A filed on August 15, 1995, Edison updated its request to reflect the fact that Phase 2 of its GRC had been bifurcated into Phases 2A and 2B. This updated advice letter now contained the natural gas alternative (Rate A) in Schedule TOU-PA-6.

6. TOU-PA-6 Rate A should be extended until December 1, 1995. Edison shall file an advice letter containing the information collected during the experimental period, and the portion of the revenue shortfall they recommend shareholders bear for rates under this schedule, after December 1st, if authorized by the Commission.



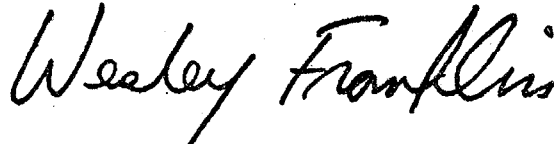
FINDINGS

1. In Advice Letter 1089-E-A, Edison requests approval to extend the expiration date of Schedule TOU-ALMP-2, Schedule TOU-PA-1 and Rate A of Schedule TOU-PA-4 from October 1, 1995 to the date rates adopted in Phase 2A of Edison's 1995 GRC become effective. Edison also requests approval to extend the expiration date of Schedule TOU-PA-6 from October 1, 1995 to the date that new rates adopted in Phase 2B of the 1995 GRC become effective.
2. Edison's requests to extend the expiration date of Schedule TOU-ALMP-2, Schedule TOU-PA-1, Rate A of Schedule TOU-PA-4, and Rate B of Schedule TOU-PA-6 are reasonable.
3. The Commission established an October 1, 1995 expiration date for Rate A of Schedule TOU-PA-6 with full knowledge that Phase 2 had been delayed and that Phase 2 rates would not be implemented on October 1, 1995.
4. The Commission intentionally established Rate A of Schedule TOU-PA-6 for a very short term to allow for a period of experimentation and information collection.
5. Rate A of Schedule TOU-PA-6 should not be extended beyond December 1, 1995.
6. Edison should file an advice letter containing the information collected during the experimental period, and the portion of the revenue shortfall they recommend shareholders bear for rates under Schedule TOU-PA-6 Rate A after December 1, 1995.

THEREFORE, IT IS ORDERED that:

1. The expiration date of Southern California Edison Company's TOU-ALMP-2, TOU-PA-1, rate A of TOU-PA-4, and rate B of TOU-PA-6 rate schedules shall be changed from October 1, 1995 to the date that rates adopted in Phase 2A of Edison's 1995 General Rate Case become effective. The expiration date of Schedule TOU-PA-6 Rate A shall be changed from October 1, 1995 to December 1, 1995.
2. Advice Letter 1089-E-A shall be marked to show that it was approved as modified by Commission Resolution E-3421.
3. Edison shall file an advice letter conforming to the discussion with respect to Schedule TOU-PA-6 Rate A.
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 27, 1995. The following Commissioners approved it:



WESLEY FRANKLIN
Acting Executive Director

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
Commissioners