

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-3468
MARCH 18, 1997.

R E S O L U T I O N

RESOLUTION E-3468. SOUTHERN CALIFORNIA EDISON COMPANY REQUESTS TO MODIFY ITS RULE 11, DISCONTINUANCE AND RESTORATION OF SERVICE, SECTION G, NONCOMPLIANCE, AND THE CORRESPONDING RELEVANT PARTS OF ITS INTERRUPTIBLE RATE SCHEDULES. THE REQUEST IS GRANTED.

BY ADVICE LETTER 1126-E, FILED ON OCTOBER 11, 1995.

SUMMARY

1. Southern California Edison Company [Edison] requests modification of its Rule 11, Discontinuance and Restoration of Service, Section G, Noncompliance, and the corresponding relevant parts of its interruptible rate schedules. At present, Edison's option for tariff non-compliance is service termination. Edison seeks additional options where it can:

- [a] transfer non-complying customers from their optional rate schedule to an otherwise applicable rate schedule for which customer compliance can be achieved, or
- [b] withhold any discounts or credits being applied to non-complying customers' bills.

Edison would restore customers to their optional rate schedules and resume the application of discounts or credits when compliance is once again achieved.

2. No protests have been received for advice letter [AL] 1126-E. This Resolution approves Edison's request.

BACKGROUND

1. According to Section G of Edison's Rule 11, when a customer does not comply with the tariffs, there is only one option left for Edison and that is to discontinue service to the customer until the noncompliance condition is corrected. This, according to Edison, is sometimes an excessive measure whereas the potential exists to use less extreme measures. Edison proposes two more options for those who are not in compliance.

The Transfer Option

2. This option will transfer the non-complying customers to an applicable rate schedule that they can comply with and for which they are eligible. For example, Edison's demand metered rate schedules require **reactive metering** when a customer's demand consistently exceeds 200 kW. Some such customers served under an optional time-of-use [TOU] schedule need to set up service equipment that enables Edison to install reactive metering for the measurement of the customer's reactive demand and for billing the Power Factor Adjustment [PFA] charge. Because of the expense, some demand-metered customers have resisted installing the additional equipment and therefore deny Edison the opportunity to collect the PFA charges authorized in the tariff. If Edison had this proposed option, instead of discontinuing the service, it could transfer such customers to an applicable rate schedule for which the interactive metering was not required. Such customers might then transfer back to their original rate schedule whenever they complied with the terms and conditions of that schedule.

The Discount Option

3. Under this option, the billing discounts or credits of non-complying customers are withheld until compliance is restored. Currently, in exchange for a billing credit, Edison's interruptible customers agree to a more restrictive service on a long term basis. Interruptible service is provided under a five year evergreening contract so that Edison can plan for future electric system requirements. After the first year of interruptible service, a five-year written notice is required for a customer to change to a **non-interruptible** rate schedule. Upon expiration of such five-year notice and the transfer to a non-interruptible rate schedule, a customer may not obtain interruptible service again for three years. In non-compliance cases, the provisions of interruptible service create barriers to the transfer of customers to non-interruptible service. Under the proposed discount option, in noncompliance cases, instead of discontinuing the interruptible service, Edison would suspend the interruptible credit to the customer's bills until the non-compliance situation is corrected.

NOTICE

1. Edison served notices of AL 1126-E by mailing copies to other utilities, government agencies, and parties that requested such information. AL 1126-E was noticed in the Commission Calendar.

PROTESTS

1. No party protested AL 1126-E.

DISCUSSION

1. Edison's proposal will mean less extreme measures than the one in force but may result in higher bills for some non-compliant customers. It will also change the bargaining position of affected customers and the utility. Edison would be able to place a customer on a different rate schedule or eliminate a discount after notifying the customer of the impending change. Thereafter, it would be the customer's responsibility to convince the utility that compliance with the tariff has been suitably accomplished. Another customer option would be to seek relief through the standard Commission procedures.

2. The discontinuance of service should be the last method available to correct non-compliance, not the only one. Discontinuance results in undue hardship to the customer, reduced revenues for Edison, and ultimately increases rates for the rest of the ratepayers.

3. Edison's present tariffs do not permit a change of rate schedules in case of non-compliance. The **Transfer Option** is possible in some situations because there is usually more than one rate schedule applicable to a customer's class of service. Regarding the **Discount Option**, on some rate schedules the billing discounts or credits are set forth as separate, stand alone, tariff provisions. Non-compliants would be served under their standard rate schedules without the discounts. As for those rate schedules that already include an interruptible credit, appropriate charges can be billed to the customers, without discounts. The billing procedures for the latter are described in a Special Condition clause added to those rate schedules in this filing.

4. The Energy Division considers the two options to be reasonable alternatives to service termination and recommends their approval by the Commission.

FINDINGS

1. Edison filed AL 1126-E on October 11, 1995 requesting to modify its Rule 11 to include two additional options to deal with noncomplying interruptible customers.

2. The two options deal would allow Edison to [a] transfer non-complying customers from their optional rate schedule to another applicable rate schedule for which compliance can be achieved, or, [b] withhold any discounts or credits that are applied to noncomplying customers' bills.


3. There have been no protests to AL 1126-E.

4. Edison's proposals in this filing are reasonable and should be adopted.

THEREFORE, IT IS ORDERED that:

1. Southern California Edison Company Advice Letter 1126-E, requesting authority to modify its Tariff Rule 11, is granted.
2. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 18, 1997. The following Commissioners approved it:


WESLEY M. FRANKLIN
Executive Director

- P. Gregory Conlon, President
Jessie J. Knight, Jr.
Henry M. Duque
Josiah L. Neeper
Richard A. Bilas
Commissioners