

(Decision No. C81-1185)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

RE: INVESTIGATION AND SUSPENSION)	
OF TARIFF SHEETS ACCOMPANYING)	INVESTIGATION AND SUSPENSION
ADVICE LETTER NO. 48, FILED BY)	DOCKET NO. 1486
HOME LIGHT AND POWER COMPANY FOR)	
REVISION OF TARIFF COLORADO PUC)	COMMISSION ORDER
NO. 10 - ELECTRIC)	GRANTING EXCEPTIONS

- - - - -
July 7, 1981
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STATEMENT AND FINDINGS

BY THE COMMISSION:

On May 27, 1981, Hearings Examiner Loyal W. Trumbull issued Recommended Decision No. R81-919 (Decision No. R81-919), in the above-numbered docket. By Decision R81-919, the Examiner, inter alia, recommended the establishment of rates and charges for Home Light and Power Company ("Home Light"), and a two-part rate structure for residential and general commercial lighting customers of Home Light.

On June 16, 1981, Office of Consumer Services ("OCS") filed exceptions to Recommended Decision No. R81-919, and Home Light & Power filed response to the Exceptions of OCS on June 26, 1981.

OCS excepts only to that portion of Decision No. R81-919 which recommends the adoption of a two-part rate for Residential customers of Home Light, as proposed by Staff of the Commission ("Staff"). OCS argues that the two-part residential rate proposed by OCS in this Docket should be adopted rather than the two-part rate proposed by Staff.

The two-part rate recommended by the Examiner consists of a service charge of \$4.40 and a usage charge of \$.03334/KWH. Included within the service charge component of the rate as recommended by the Examiner are: that portion of distribution O & M expense, property tax and property insurance, administrative and general expense, depreciation expense and earnings, which are associated with service loop and meter, and customer accounting expenses and their taxes. By contrast, the two-part residential rate proposed by OCS in this docket includes only billing and metering expenses. In the sixth paragraph of paragraph 14 of Decision No. R81-919, the Examiner found and concluded:

"It is found that Staff's proposed two-part rate properly includes all customer-related charges in the customer charge, and that such charges are not limited to only the billing and meter reading charges, as they are for a three-part rate. The \$2.55 customer charge advocated by OCS does not sufficiently recover customer related charges inasmuch as OCS chose to include therein only the billing and meter reading charges, arguing that such definition should also apply to two-

part rates. Although the Examiner realizes that Staff has itself advocated in two other proceedings a customer charge similar to that advocate in this proceeding by OCS, the problems raised by the consolidation of the R-1 and R-2 classes in this proceeding are best addressed by Staff's proposed two-part rate...."

It is important to note that Staff of the Commission has proposed a two-part rate, identical to the rate as herein proposed by OCS in the pending case of Public Service Company of Colorado, I&S Docket No. 1425. Furthermore, this Commission stated in Decision No. C79-1111, at page 137, dated July 27, 1979:

"The two-part form should consist of a monthly service charge which will encompass all customer-related costs, and a monthly energy charge which will encompass all demand and energy related costs on a flat KWH basis."

In view of the above, the following issue is presented: what customer related charges should be included within "all customer related costs", for a two-part rate structure. Premises considered, the Commission states and finds that only billing and metering expenses should be included in the customer charge component of a two-part rate structure. The energy charge component of a two-part rate structure should encompass all demand and energy related costs on a flat KWH basis, and all other customer-related charges, other than billing and metering expenses.

The service charge component of the two-part residential rate proposed by OCS in this proceeding, was only composed of billing and metering expenses, and all other customer-related charges were included as components of the monthly energy charge. Accordingly, the exceptions of OCS, which suggest modification of Decision No. R81-919 by establishing the OCS proposed two-part rate for residential customers, rather than the two-part rate as recommended by Staff of the Commission, should be granted.

An appropriate Order will be entered.

ORDER

THE COMMISSION ORDERS THAT:

1. The exceptions filed by Office of Consumer Services on June 16, 1981, be, and the same hereby are, granted.

2. The Findings of Fact and Conclusions of Hearings

Examiner Loyal W. Trumbull in Recommended Decision No. R81-919 be, and such hereby are, adopted by the Commission, other than that portion of paragraph 14 thereof, which is inconsistent with this Decision and Order, and any other findings and conclusions in Recommended Decision No. R81-919, inconsistent with this Decision and Order.

3. Paragraph 2, Ordering portion of Recommended Decision No. R81-919, is modified, and as modified shall state:

"2. Home Light and Power Company be, and hereby is, authorized to file substitute tariff sheets for the suspended tariff sheets setting forth rates and charges determined in accordance with Decision No. R81-919, with the exception of rates for residential service, which

rates shall be determined in accordance with this Decision and Order. Respondent Home Light and Power Company shall file the substitute tariff sheets under a new advice letter and the rates, terms and provisions of said substitute tariff sheets shall become effective on less than one (1) day's notice from the effective date of this Order."

The above modified paragraph 3 of Recommended Decision No. R81-919 is hereby entered as part of the Order of the Commission in this matter.

4. The Recommended Order as contained in paragraphs 1, 3, and 4 of Recommended Decision No. R81-919 be, and such hereby are, entered as the Order of this Commission without change or modification, along with modified paragraph 2 as set forth above, and such paragraphs hereby are, incorporated by reference herein as if set forth in full as the Order of the Commission.

This Order shall be effective forthwith.

DONE IN OPEN MEETING the 7th day of July, 1981.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Edythe S. Miller

Daniel E. Bruce

Commissioners

COMMISSIONER L. DUANE WOODARD ABSENT
BUT CONCURRING IN RESULT