

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ENERGY DIVISION**

**RESOLUTION E-4238  
April 16, 2009**

**R E S O L U T I O N**

Resolution E-4238. Southern California Edison (SCE) submits Rule 18 Deviation to allow submetering and billing of electric service by DCOR LLC.

By Advice Letter 2313-E filed on January 28, 2009.

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**SUMMARY**

This Resolution approves SCE's deviation from Rule 18 to allow submetering and billing of electric service by DCOR LLC (DCOR) per Advice Letter 2313-E.

**BACKGROUND**

DCOR, a retail electric customer of SCE, receives service via DCOR-owned switch gear and underwater cable at its Platform Edith, an oil production platform, located approximately eight miles off the coast of Huntington Beach. Electric service to Platform Edith is provided over DCOR's underwater cable from DCOR's customer owned 66 kV substation which is metered at SCE's Huntington Beach substation. Platform Edith is one of four oil production platforms in the area, known as the Beta Complex. The other three platforms are owned by Pacific Energy. Pacific Energy currently utilizes diesel fuel to power operations at its Platform Elly, which is in the Beta Complex. An existing agreement between DCOR and Pacific Energy entitles Pacific Energy to construct, at its own expense, an electric cable from DCOR's Platform Edith to Pacific Energy's Platform Elly. Pursuant to the agreement, Pacific Energy must reimburse DCOR for electricity received by DCOR and provided to Pacific Energy at the rate charged to DCOR by SCE.

Pacific Energy has informed SCE that it is seeking to increase oil production at its offshore platforms over the next ten years and has expressed interest in receiving

electric service from SCE to its Platform Elly from DCOR's Platform Edith. Subject to the conditions imposed within the DCOR and Pacific Energy agreement, this planned expansion with 24/7 operations would result in approximately 3 MW to 5 MW in new SCE load within the first two years. Pacific Energy has stated that its proposed extension of the underwater cable from Platform Edith to Platform Elly is fully supported by the Mineral Management Service of the Department of the Interior, which has approved the cable routing and associated environmental plan.

SCE proposes that Pacific Energy's usage would be submetered at Platform Edith with submetering being provided by DCOR. However, such an arrangement would violate Rule 18 which requires each customer's service to be separately metered and does not allow customers to resell electricity received from SCE. Possible alternatives to supply Pacific Energy's requested electric service include:

- The continued use of diesel fuel to power its operations;
- Construction of a natural gas pipeline to power its own generation;
- Installation of a new customer-owned 66 kV substation under SCE's Added Facilities provision of Rule 2 and an eight-mile underwater cable to power Platform Elly; and
- Installation of SCE standard service facilities in lieu of the added facilities noted above and an eight mile underwater cable to power Platform Elly.

There are problems associated with each of these alternatives. Fossil fuel-powered generation at Platform Elly would continue, and likely increase, particulate matter and other air pollutant emissions, impacting the air quality of the local coastline. Construction of a new natural gas pipeline would raise other environmental and permitting issues. Requiring Pacific Energy to install a redundant eight-mile underwater cable would be economically inefficient and could present other environmental concerns. SCE metering of electric service on Platform Edith would be extremely costly, as well as technically and administratively difficult for SCE to perform. Additionally, such metering would require a separate deviation in order to authorize Pacific Energy's metered usage to be subtracted from the DCOR metered usage at Huntington Beach substation. However, if DCOR is allowed to submeter and bill Pacific Energy for its usage at Platform Elly, then DCOR and not SCE would be responsible for both billing Pacific Energy and the logistics of maintaining and operating metering equipment at Platform Edith. When all factors are considered, allowing DCOR to submeter and bill Pacific Energy for electricity provided to Platform Elly from

DCOR's Platform Edith is the most efficient, cost effective, and environmentally beneficial alternative for both Pacific Energy and SCE ratepayers. Therefore, SCE seeks a deviation on behalf of DCOR to the Rule 18 limitation that prohibits the resale of electricity received by a customer from SCE. DCOR would meter and bill Pacific Energy for electricity at the same rate as that charged to DCOR by SCE. Rule 18 provides that:

A customer shall not charge for electricity received from SCE and used by another person.

SCE's proposed deviation would allow DCOR to submeter and bill Pacific Energy for electricity received by Pacific Energy at Platform Elly from Platform Edith through an underwater cable between the two platforms. SCE requests that the Commission's authorization state:

DCOR may submeter and bill Pacific Energy for electricity received by DCOR over DCOR-owned distribution facilities at Platform Edith and subsequently provided to Pacific Energy at Platform Elly over distribution facilities owned by Pacific Energy. The rates and charges DCOR bills Pacific Energy for electric service supplied by DCOR shall not exceed the rates and charges that DCOR is billed by SCE for such service. The deviation will be reflected in SCE's List of Contracts and Deviations.

SCE seeks Commission approval of the proposed Rule 18 deviation pursuant to GO 96-B, Section 5.1, which authorizes SCE to request Commission approval of a deviation from its tariffs. SCE believes it is reasonable to seek Commission approval of the aforementioned deviation and requested order based on the following reasons:

1. A rate increase is not sought.
2. There is no change in electric service to existing customers.
3. There is no impact to other ratepayers, as DCOR would remain fully liable for costs associated with all necessary facilities and with its metered load.
4. The alternative for SCE to provide submetered electric service is costly and administratively and technically burdensome to SCE.
5. An effect of this deviation is the improved quality of life in the Los Angeles Basin due to reduced pollution.
6. This Rule 18 deviation is limited to SCE customer DCOR, who would be allowed to provide submetered electric service solely to Pacific Energy at its Platform Elly.

## **NOTICE**

Notice of AL 2313-E was made by publication in the Commission's Daily Calendar. SCE states that a copy of the Advice Letter was mailed and distributed in accordance with Section 3.14 of General Order 96-B.

## **PROTESTS**

Advice Letter 2313-E was not protested.

## **DISCUSSION**

Energy Division has reviewed SCE's AL 2313-E and concurs with SCE's request.

SCE's tariff Rule 18, Supply to Separate Premises and Use by Others, allows non-residential submetering where, in the opinion of SCE, it is impractical to meter each tenant individually or where the Commission has authorized SCE to supply electric service through a single meter, subject to certain provisions.

The provisions closely applicable to the deviation requested in AL 2313-E are:

- Privately or Publicly Owned Boat Marinas. SCE will furnish electrical service to a master-meter customer at a privately or publicly owned boat marina or small craft harbor. The master-meter customer may submeter tenant usage aboard a vessel moored in an individual slip or berth at the marina or harbor but may not submeter any other tenant or any land-based facility.  
If the master-meter marina customer submeters and furnishes electricity to an individual boat slip or berth for tenant usage aboard a vessel, the rates and charges to the user must not exceed those that would apply if the user were purchasing such electricity directly from SCE, and
- Cold-Ironing Load. A master-metered customer may submeter a tenant's cold-ironing load aboard an ocean-going vessel at the Port of Long Beach or the Port of Hueneme but may not submeter any other load or land-based facility. If the master-metered customer submeters cold-ironing load to an ocean-going vessel, the rates and charges to the submetered user for services supplied by SCE must not exceed the rates and charges the master-metered customer is billed by SCE for such services.

Cold-ironing load is defined as the use of shore-supplied electricity for the lights, heating, cooling, machinery, and other needs of an ocean-going vessel while at berth or otherwise electrically connected, as replacement for the vessel's auxiliary internal combustion engines.

In the case of this deviation request, Pacific Energy is not a tenant of DCOR, however would receive energy via a master meter customer of SCE. As stated by SCE, there are contractual agreements for the pass-through of the energy delivery and costs between DCOR and Pacific Energy, which would not impact ratepayers.

### **COMMENTS**

Public Utilities Code section 311(g) (1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g) (2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

All parties in the proceeding have stipulated to waive the 30-day waiting period required by PU Code section 311 (g) (1) and the opportunity to file comments on the draft resolution, subject to approval of the AL by the Commission without modifications. Accordingly, this matter will be placed on the Commission's agenda directly for prompt action.

### **FINDINGS**

1. SCE filed an Advice Letter requesting a deviation from its tariff Rule 18.
2. DCOR is a retail customer of SCE at an offshore platform, Edith, served by SCE through a DCOR owned underwater cable and onshore substation.
3. Pacific Energy also operates an offshore platform, Elly, in the proximity of DCOR's platform. Pacific Energy's platform is powered by fossil fuel.
4. DCOR and Pacific Energy signed an agreement to allow Pacific Energy converting to electric power for its platform, supplied by a Pacific Energy owned underwater cable from DCOR's platform.
5. DCOR would submeter the electric energy used by Pacific Energy and charge the same rates and charges it pays to SCE.
6. No costs or other impact to ratepayers would occur from the proposed submetering arrangement.

**THEREFORE IT IS ORDERED THAT:**

1. The request of the SCE, as requested in Advice Letter AL 2313-E, is approved.
2. DCOR may submeter and bill Pacific Energy for electricity received by DCOR over DCOR-owned distribution facilities at Platform Edith and subsequently provided to Pacific Energy at Platform Elly over distribution facilities owned by Pacific Energy.
3. The rates and charges DCOR bills Pacific Energy for electric service supplied by DCOR shall not exceed the rates and charges that DCOR is billed by SCE for such service.
4. The deviation will be reflected in SCE's List of Contracts and Deviations.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on April 16, 2009; the following Commissioners voting favorably thereon:

/s/ PAUL CLANON  
PAUL CLANON  
Executive Director

MICHAEL R. PEEVEY  
PRESIDENT  
DIAN M. GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
TIMOTHY ALAN SIMON  
Commissioners