

Decision **89 01 040** JAN 27 1989

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to  
revise the time schedules for the  
Rate Case Plan and fuel offset  
proceedings.

R.87-11-012  
(Filed November 13, 1987)

(See Appendix A for appearances.)

### OPINION

#### Summary

This decision modifies the rate case plan and the schedule for processing energy offset proceedings. These changes were made to reflect the requirements of Public Utilities Code § 311 (§ 311), develop realistic schedules for processing rate proceedings, and facilitate the issuing of general rate case decisions. Additionally, for the first time energy offset filings have been coordinated with each other and with general rate cases.

The important innovations this decision adopts are:

(1) establishment of a generic annual cost of capital proceeding for energy utilities, (2) separate rate design decisions and annual rate design windows for major electric utilities, and (3) separate proceedings for energy reasonableness reviews.

#### Procedural Background

On November 13, 1987 Order Instituting Rulemaking (R.) 87-11-012 was issued to: (1) reflect the requirements of § 311 in the processing of general rate cases and energy offset proceedings, (2) develop reasonable time schedules for processing general rate cases and energy offset proceedings, and (3) consider changes to general rate cases that could ease the burden of issuing year-end decisions.

Comments on these matters were solicited from utilities, our staff, and interested parties and a prehearing conference was held before Administrative Law Judge (ALJ) Ferraro on January 19, 1988. At the prehearing conference the proceeding was bifurcated into a general rate case phase and an offset proceeding phase. The initial workshops, attended by the ALJ, utilities, our staff, and interested parties, were held in February 1988. Further workshops without the ALJ in attendance were conducted by the Division of Ratepayer Advocates (DRA). As a result of these workshops a consensus proposal for each phase was submitted to the ALJ.

Also discussed at the prehearing conference was the applicability of this rulemaking proceeding to telecommunications utilities. The ALJ ruled that only changes necessary to incorporate the requirements of § 311 would apply to telecommunications utilities.

On May 26, 1988 the ALJ issued two rulings which scheduled hearings to address the consensus proposals and the ALJ's comments. Hearings were held on June 16, 1988 for the offset proceeding phase and June 28, 1988 for the general rate case phase.

Finally, by memorandum dated August 18, 1988 DRA states that DRA, Southern California Edison Company (Edison), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E) have agreed to certain modifications to the consensus energy cost adjustment clause (ECAC) schedule to accommodate the inclusion of incremental energy rate (IER) related issues.

#### Comments

In accordance with § 311 the proposed decision of ALJ Ferraro was mailed on November 9, 1988. Timely comments on the proposed decision were filed by the following parties: SDG&E, DRA, California Department of General Services (DGS), Southern California Gas Company (SoCal), Toward Utility Rate Normalization (TURN), PG&E, and Edison. These comments have been reviewed and

carefully considered by the Commission. Any changes required by the comments have been incorporated in the final decision.

On December 5, 1988, Sierra Pacific Power Company (SPPC) filed a motion for an extension of time to file comments together with proposed comments. SPPC believes acceptance of the late-filed comments is reasonable because they do not affect the other parties, they are brief, and the filing of a 1990 test year rate case would be a waste of time. Although SPPC's proposed comments, attached to its motion, were late, they were within the time for reply comments and DRA, the only party impacted by the comments, filed a reply. Since this is a rulemaking proceeding to schedule rate proceedings for SPPC and other utilities, we will accept SPPC's comments as filed. SPPC's comments are discussed in the section on general rate cases.

#### Discussion

Although we will modify the consensus proposals, we are grateful to the parties that participated in the workshop process. Their hard work and cooperation have resulted in a considerable savings in time and litigation expenses.

Initially this proceeding was intended to address the requirement of § 311, mailing of the ALJ's proposed decision prior to a final decision. However, it soon became apparent that other items needed attention. First we will address our concerns for general rate cases followed by offset proceedings. To assist the reader in following our discussion Table A below shows the adopted dates for energy utility rate case and offset proceeding hearings and decisions; Table B below lists the present and adopted effective dates for energy utility rate changes.

TABLE A

## ECAC/ACAP/REASONABLENESS/RCP SCHEDULE

		Typical Year											
		J	F	M	A	M	J	J	A	S	O	N	D
PG&E	ECAC						H				D		
	ACAP			D								H	
	Reasonableness	D								H			
SPPC	ECAC			D								H	
	Reasonableness		H				D						
SCE	ECAC								H				D
	Reasonableness				D							H	
SoCAL	ACAP						H1			D			
	Reasonableness			D							H		
SDG&E	ECAC	H			D								H
	ACAP						H1			D			
	Reasonableness			H					D				
RATE CASE ONLY	RCP				H		H			H			D1
	Rate Design										H	H	
	PG&E/SDG&E				D2							H	
	SCE					D2						H	H
	Rate Design Window												
	PG&E/SDG&E	H			D								
	SCE		H			D					H		
	PP&L/SPPC												D
	Cost of Capital								H			D	

H = Hearing Dates

H1 = SDG&amp;E Hearings Held After SoCal

D = Final Decision

D1 = Final Decision (excl. rate design)

D2 = Final Decision (rate design)



TABLE B

## EFFECTIVE DATE OF RATE CHANGES

	Current schedule a/					Adopted schedule				
	PG&E	SPPC	SCE b/	SoCAL	SDG&E c/	PG&E	SPPC	SCE b/	SoCAL	SDG&E c/
General Rate Case / Attrition /	:	:	:	:	:	:	:	:	:	:
Cost of Capital	: Jan 1	: Jan 1	: Jan 1	: Jan 1	: Jan 1	: Jan 1	: Jan 1	: Jan 1	: Jan 1	: Jan 1
Rate Design	:	:	:	:	:	:	:	:	:	:
Electric	: Jan 1	: Jan 1	: Jan 1	-	: Jan 1	: May 1	: Jan 1	1st Sunday in June	-	: May 1
Gas	: Jan 1	-	-	: Jul 1	: Jul 1	: Apr 1	-	-	: Oct 1	: Oct 1
ECAC / ERAM / AER d/	: Aug 1	: Jan 1	: June 1	-	: Nov 1	: Nov 1	: Apr 1	: Jan 1	-	: May 1
ACAP d/	: Jan 1	-	-	: Jul 1	: Jul 1	: Apr 1	-	-	: Oct 1	: Oct 1
Seasonal Rate Adjustment/Spring e/	:	:	:	:	:	:	:	:	:	:
Electric	: May 1	-	1st Sunday in June	-	: May 1	: May 1	-	1st Sunday in June	-	: May 1
Gas	: Apr 1	-	-	: Apr 1 May 1	: Apr 1	: Apr 1	-	-	: Apr 1 May 1	: Apr 1
Seasonal Rate Adjustment/Fall e/	:	:	:	:	:	:	:	:	:	:
Electric	: Nov 1	-	1st Sunday in Oct.	-	: Oct 1	: Nov 1	-	1st Sunday in Oct.	-	: Oct 1
Gas	: Nov 1	-	-	: Nov 1 Dec 1	: Dec 1	: Nov 1	-	-	: Nov 1 Dec 1	: Dec 1
Total Annual Rate Changes										
Electric	4	1	4	0	4	3	2	3	0	3
Gas	3	0	0	6	4	3	0	0	6	4

## Notes:

- a/ These are the scheduled effective dates. Other factors may determine when they actually take effect.
- b/ SCE has Palo Verde Units 1, 2, and 3 which have rate changes on February 1, September 19 and January 20, respectively. These changes will continue for 3 years for units 1 and 2 and for 10 years for unit 3.
- c/ SDG&E has a Steam ECAC adjustment on January 1 and July 1 and a Heber Geothermal adjustment on May 1.
- d/ Trigger filings effective 6 months later if a predetermined condition occurs.
- e/ Seasonal adjustments may only affect certain customers.

General Rate Cases

Our key objectives in reviewing the rate case plan are:

1. Reduce the complexity of processing general rate decisions at year-end.
2. Provide a mechanism to address electric rate design more often than every three years.
3. Incorporate § 311 requirements and other scheduling modifications that may be appropriate.

We believe there are two viable options to reduce the complexity of processing general rate decisions on a calendar year basis. The first approach, which is recommended in the consensus proposal, is to remove consideration of the utility's cost of capital from general rate cases and establish a generic annual cost of capital proceeding. The annual cost of capital proceeding would be decided prior to December each year with rates effective January 1. Also included in the consensus proposal is the phasing of electric rate design for Edison, PG&E, and SDG&E with a decision issued after the general rate case decision and the provision for annual electric rate design windows. Marginal cost and revenue allocation issues would continue to be addressed in the general rate case decision. These changes, which are detailed in Appendix B and C, would eliminate two major components from the general rate case decision. Additionally, the electric annual rate design windows should eliminate the consideration of rate design issues in ECAC proceedings and minimize the number of rate design advice letter filings.

Because these recommendations will ease the end of year crunch experienced in processing general rate decisions they should be incorporated into the rate case plan. However, in response to the concerns expressed by the parties, we will make some minor changes. First, the annual cost of capital schedule will be

modified to: (1) provide additional time for interested parties to submit their exhibits, (2) allow for a late-filed exhibit to reflect the issuance of new debt and/or preferred stock or actual changes for existing variable rate issues, and (3) include a reply brief and additional time for processing the decision. Second, to minimize the number of rate changes during the year the electric rate design decision for major utilities will be made coincident with summer season rate changes. The summer season starts May 1 for PG&E and SDG&E and the first Sunday in June for Edison. These changes are reflected in the rate case schedules included in Appendix B.

Since electric rate design for Pacific Power & Light Company (PP&L) and SPPC is less controversial, the consensus proposal recommends that rate design changes continue to coincide with the January 1 effective date for general rate cases. However, the consensus proposal is silent with respect to rate design windows for these utilities. Consistent with our treatment of the major electric utilities, we will provide rate design windows with January 1 effective dates for PP&L and SPPC.

DGS is the only party which opposes the phasing of electric rate design in general rate cases and the creation of electric rate design windows. DGS states that these changes will make it more difficult for intervenors to participate in general rate cases and forecast energy costs because the proceedings will take longer to process and yearly dramatic rate design changes could occur. We do not agree with DGS's assessment of the adopted electric rate design changes. First the adopted rate case plan does not expand the time for processing rate design issues; it merely delays their consideration. Second, electric rate design windows are not intended to increase the litigation of rate design issues, but provide a forum to address these issues instead of ECAC proceedings and advice letter filings.

We will also modify the consensus proposal to include language which encourages informal conferences among the parties' witnesses to facilitate the understanding and acceptance of the notice of intent (NOI) and the processing of the application. The rate case plan now provides for informal conferences, but no provision is made for them in the consensus proposal. Because general rate proceedings are extremely complex, we believe that the rate case plan should explicitly provide for informal conferences to minimize the time involved in litigating issues.

There was discussion during the proceeding concerning DRA's master data requests. DRA has recently developed generic data requests that identify data that DRA typically requires of utilities in processing rate requests. The utilities were in general agreement that, if sufficient lead time is provided, responses to the general rate case master data request can usually be submitted with the tendered NOI. SoCal in its comments asserts that DRA's master data request was not discussed during the proceeding. SoCal has apparently forgot that this issue was addressed at the workshops held in February 1988. At the workshops SoCal agreed that it would attempt to respond to the master data request in a timely fashion, but that the master data request should not be a condition for acceptance of the NOI.

For offset proceedings, DRA agreed that responses to the master data request should be submitted with the utility's application, but that the responses should not be a formal requirement. DRA stated that it would like responses as soon as possible, but did not want responses delayed four weeks.

Consistent with this approach we will not require utilities to provide data responses with their tendered NOI. However, we believe the use of a master data request can facilitate the processing of general rate applications and that it is reasonable to expect utilities to respond in a timely fashion. Accordingly, if DRA provides utilities with a master data request.

at least six months prior to the tendered NOI, we will expect the utilities to make a reasonable effort to provide responses with the tendered NOI.

In considering the revisions we adopt today to the rate case plan, we have been particularly concerned with the process by which an applicant's NOI is accepted. Our DRA plays a special role during this phase in helping to determine the completeness of the NOI. We are anxious to take advantage of DRA's expertise in determining completeness without confusing the distinction between the compliance function and DRA's role as an active party in the forthcoming case. We believe that the procedures we establish today ensure that this distinction will be drawn, but we will be keenly interested in watching the actual operation of the procedures to ensure that that is in fact the case.

Finally, we will delete the consensus proposal requirement for designating the ALJ and the assigned Commissioner prior to acceptance of the NOI. Instead of this requirement, we will provide utilities with an appeal procedure for disputes over NOI deficiencies. A utility that disagrees with DRA's list of deficiencies will be able to file a written protest with the Executive Director. The Executive Director's determination will be final. An NOI deficiency is generally considered to exist when a utility has not provided an item in the "Standard Requirement List of Documentation Supporting an NOI" shown in Appendix B. Although the requirements contained in this list of documentation include the derivation of each individual utility estimate, adequacy of the utility's justification for its estimating methodology will not be considered an NOI deficiency.

The second viable option for the processing of general rate cases is DRA's proposal to schedule general rate cases on a fiscal year basis. DRA's proposal would establish test years that are aligned with the four quarters of the year. Each of the four major energy utilities would start their test year on a different

quarter. For a three year rate case cycle, every nine months there would be a general rate decision issued and a general rate application filed.

All of the major energy utilities were adamantly opposed to DRA's proposal, stating that a fiscal year rate case would:

Cause confusion in the financial community.

Make it difficult to use quantitative models to forecast return on equity, sales, and other items.

Result in an increase in work in order to adjust calendar year data to a fiscal year.

Interestingly enough, while the major energy utilities are opposed to a fiscal year rate case, PP&L supports the idea. PP&L states that California is the only jurisdiction in which it serves that requires a calendar year rate filing and that it has not experienced difficulty filing fiscal year rate cases in other jurisdictions.

While we are not convinced by the arguments of the major energy utilities, we are inclined to delay consideration of a fiscal year rate case. The consensus proposal appears to be a serious attempt by the parties to address our objectives in reviewing the rate case plan. Since the parties are responsible for meeting filing deadlines and adhering to the rate case plan, we will provide them with the opportunity to make the consensus proposal work. Future consideration of a fiscal year rate case depends on the success of the consensus proposal.

Finally, SDG&E requests that it have the flexibility to defer in total or in part a rate change for the general rate case or attrition adjustment until rate design changes are effective. This would allow SDG&E to avoid multiple rate changes, but still change its authorized margin on January 1. Other parties also expressed an interest in SDG&E's proposal; however, it was unclear how such a mechanism would work. Since there is no specific

proposal before us, requests for the deferral of rate changes should be addressed in utility rate proceedings.

The parties also recommend some minor changes to the consensus schedule for processing general rate cases.

Edison recommends that the generic cost of capital proceeding be modified to provide for reply briefs and a late-filed exhibit to update the embedded cost of debt.

PG&E recommends that the number of rate changes be minimized by coordinating the rate design decision with other rate changes, including seasonal rate changes.

While TURN recommends an annual rate proceeding for each utility, including fuel, its only concern with the schedule is that there is insufficient time allowed for the filing of intervenor testimony. TURN recommends and PG&E supports providing intervenors 14 days at a minimum and preferably 21 days from the filing of DRA's cost of capital testimony.

The City of San Diego recommends that public comment hearings be moved from Days 220-312 to an earlier time in the proceeding. This would allow public comments to be taken into consideration in developing the record.

SoCal is concerned that the wording in the consensus proposal could be interpreted to give the DRA project manager veto power over the utility's decision to make changes to its NOI filing. SoCal also recommends that the text in the consensus proposal be changed to: (1) make the DRA project manager the coordinator for transmitting deficiencies in the NOI and (2) reflect the need for the filing of gas rate design exhibits.

In response to these concerns and recommendations DRA states that:

Public comment hearings were scheduled between Days 220 and 312 to inform the public of DRA's rate design recommendations, which are not finalized until Day 219.

It is not opposed to including a reply brief in the cost of capital schedule, but is not certain how to accommodate it.

SoCal's recommended text changes to make DRA's project manager the coordinator for transmitting deficiencies in the NOI and to require rate design exhibits should be adopted.

DRA's project manager should have the responsibility of determining what changes can be made to the NOI. The text in the consensus proposal is intended to maintain the current practice in approving changes to the NOI.

As an alternate to the consensus proposal for a generic annual cost of capital proceeding, DRA recommends a trigger mechanism. Under this approach, the only annual cost of capital modifications for all energy utilities would be an update to reflect changes in long-term debt and/or preferred stock, a fairly mechanical procedure. Return on equity modifications would be considered for utilities with a general rate proceeding, but not for other utilities unless a predetermined index had changed by more than a preset amount. This would signify potential risk changes exceeding the normal month-to-month fluctuations.

Although DRA's alternate proposal received little attention from the parties, we feel it could provide significant benefits during times of economic stability. However, we are reluctant to consider DRA's proposal without a more complete record. Accordingly, parties interested in pursuing the use of a trigger mechanism for return on equity should address this matter in a future annual cost of capital proceeding.

We will adopt all the recommended changes to the consensus proposal except SoCal's concern over DRA's responsibility for accepting NOI changes. Additionally, we will include language which provides for: (1) informal conferences, (2) an appeal process for disputes over NOI deficiencies, and (3) an expanded annual cost of capital schedule for reply briefs and the processing



of the decision. These changes are reflected in the adopted rate case plan, attached as Appendix B, and the adopted annual cost of capital schedule, attached as Appendix C.

Since DRA is required to review a utility's NOI filing and prepare exhibits within the time provided in the rate case plan, we believe DRA's project manager should have primary responsibility for accepting NOI changes. In the event a utility wishes to appeal the DRA's determination it can do so by filing a formal motion for acceptance of its NOI changes.

Finally, the consensus proposal recommends that SPPC, Southwest Gas Corporation (Southwest), and PP&L stagger their general rate case filings. To accomplish this, SPPC and PP&L would be required to delay their next general rate case filings by one year; however, they would be authorized to make an additional attrition year filing. We consider this a reasonable approach to distribute DRA's workload evenly.

In its comments to the proposed decision SPPC requests that it be allowed to: (1) refrain from filing a general rate case for test year 1990, (2) waive any filing of an attrition case for 1989, and (3) file its next general rate case on schedule in 1992 for a 1993 test year. SPPC cites the following in support of its request: (1) an unforeseen increase in the level of regulatory activity in its other jurisdictions, (2) preliminary reviews suggest no material general rate relief is needed in California at this time, and (3) it expects to file revised marginal cost studies and rate designs during the rate design window adopted in the proposed decision.

DRA opposes SPPC's request and argues that a 1990 test year general rate case application is essential because SPPC's last test year was 1986. Seven years without a general rate case and an attrition filing might lead to revenues and rates that exceed reasonable levels. DRA believes that it is the function of a general rate case to determine whether that is or is not the case.

We agree with DRA that a periodic structured review of SPPC's overall operations as they relate to California is necessary. The dilemma is how to accomplish this with the cooperation of SPPC and without the distractions of SPPC's other jurisdictions. SPPC should recognize, especially in light of this scheduling proceeding, that DRA does not have the luxury of waiting until SPPC can find a clear date on its calendar. SPPC has an obligation as a regulated utility to adequately staff to respond to all the jurisdictions in which it serves. Unless SPPC and DRA can agree to a procedure which allows DRA to discharge its responsibilities to SPPC's California ratepayers, SPPC will be expected to follow the general rate case schedule adopted in this decision. The Executive Director will be authorized to approve any agreement between SPPC and DRA which allows SPPC to deviate from the adopted general rate case schedule.

The adopted changes to the rate case plan will only apply to general rate proceedings for test years 1991 and beyond. For general rate applications with test years prior to 1991, we encourage the parties to incorporate our changes, including rate design windows, where appropriate.

#### Offset Proceedings

Our key objectives in reviewing the schedules for offset proceedings are to: (1) even out the workload during the year, (2) incorporate § 311 requirements, and (3) make scheduling modifications where appropriate. As with general rate cases the parties have presented us with a consensus proposal which addresses our objectives. The consensus proposal revises the filing dates and schedules for energy offset proceedings. However, we have two major concerns with the consensus proposal.

First, while the workload was spread throughout the year, we believe there is room for improvement. The consensus proposal would require Edison's ECAC and SoCal's annual cost allocation proceeding (ACAP) to be processed simultaneously. Edison and SoCal

have consistently made the argument that these two proceedings should be linked to minimize the risk associated with forecasting Edison's gas purchases and SoCal's gas sales. TURN argues that: (1) traditionally, these proceedings have not been linked, (2) the risk should be split between the two utilities by separating their filings by six months, and (3) it would not be able to participate effectively in both proceedings if they are processed simultaneously.

While we are sympathetic to Edison's and SoCal's concerns over risk, forecasting purchases and sales is a normal part of doing business. Our regulatory process is not intended to eliminate risk for utilities, but rather to simulate a competitive market. Accordingly, we will schedule Edison's ECAC filing approximately three months after SoCal's. This provides a better distribution of workload and eliminates a rate change by combining Edison's ECAC and general rate case effective dates. In fact, delays in Edison's 1987 ECAC resulted in a coincident effective date with its last general rate case decision.

In its comments to the proposed decision Edison proposes that it be authorized to modify its ECAC tariff if the three-month lag with SoCal's ACAP is adopted. Edison's proposal would provide for revision of the annual energy rate (AER) coincident with SoCal's ACAP revision solely to reflect the impact of SoCal's change in gas prices to Edison. The AER revision would not include resource mix changes, and Edison believes it would be non-controversial, easy to administer, and minimize risk to both ratepayers and shareholders. We will not adopt Edison's proposal in this proceeding, but will allow Edison to address this issue more fully in a future ECAC filing.

The second concern involves coordinating SDG&E's and SoCal's ACAP. Historically, these two proceedings have been combined because of the number of issues they have in common. Due to recent changes in the gas industry, the consensus proposal

recommends a four-month gap between SDG&E's and SoCal's ACAP filings. DRA believes that the two filings should no longer be combined because the processing of ACAPs now requires additional work which would overburden DRA's staff.

Since SoCal's ACAP is likely to result in a change in its fixed charge to SDG&E, SDG&E would be unable to recover any change for the period between the two ACAP decisions. Other parties, including DRA, agree that if the two ACAPs are not combined SDG&E would be disadvantaged compared to other gas utilities. Additionally, TURN states that it would be a more efficient process to combine SoCal's and SDG&E's ACAPs because: (1) SDG&E's load forecast is an important input in SoCal's ACAP, (2) one witness could develop a spot gas price for both companies, and (3) many elements for the proceedings would need to be done twice if the cases are separated.

We agree with TURN that it should be more efficient to combine SDG&E's and SoCal's ACAPs and that combining these two proceedings eliminates a risk to SDG&E that does not exist for other gas utilities we regulate. Finally, although DRA may experience an increase in workload, we believe that it is a necessary sacrifice to achieve the benefits previously mentioned.

The consensus proposal has SDG&E's ECAC and ACAP filings occurring simultaneously four months after SoCal's ACAP and Edison's ECAC filings. While our adopted schedule for offset proceedings will combine the SoCal and SDG&E ACAPs, SDG&E's ECAC will not be processed coincident with its ACAP. Again, we are concerned with the distribution of workload. Accordingly, we will move SDG&E's ECAC by approximately three months to avoid an overlap with Edison's ECAC. This will maintain the four month gap between Edison's and SDG&E's ECACs that is contained in the consensus proposal.

Additionally, there are some minor issues surrounding the specifics of the processing schedule for offset proceedings that require modification of the consensus proposal.

PG&E recommends that:

ECAC Forecast

The consensus proposal be modified to eliminate reference to a record period and a staff audit in the forecast schedule.

The prehearing conference be moved from the 19th day after filing to the 7th day or that a second prehearing conference be added at Day 7 to address IER issues. In order to make clear the parties' responsibility in the workshops that are now required to be held in ECAC, as well as to address the significant discovery matters that now seem to be arising, PG&E believes it is necessary to have a prehearing conference as soon as possible after the ECAC filing.

Specific dates be identified for IER workshops. The first workshop to examine the utility's showing and establish a base case is recommended for the 10th day after filing. A second workshop is recommended for Day 28 to examine the base case developed by DRA and intervenors using their preferred computer models.

The date utility workpapers are submitted be moved from the date of the application to three days after the application is filed. PG&E states that it operates on a very tight time schedule between the date of the snow survey and the date the application is filed. Traditionally, workpapers have not been available until three days after the filing of the application.

Intervenor testimony be filed 15 days prior to hearings instead of 4 days. PG&E requests additional time to review intervenor filings and prepare for hearings.

DRA's report be mailed 11 days earlier to reflect the filing of intervenor testimony 15 days prior to hearing.

The alternate proposal which would add a week to the consensus proposal to resolve IER issues be adopted.

The implementation date be coordinated with other rate changes.

#### ACAP Forecast

Consistent with its recommendations for the ECAC forecast that: (1) references to a record period and an audit be eliminated, (2) workpapers be filed 3 days after the application, (3) dates for the filing of DRA and intervenor testimony be revised, and (4) ACAP be coordinated with other rate changes.

#### Electric and Gas Reasonableness

DRA and intervenor reports be filed 15 days earlier to provide PG&E enough time to adequately review the testimony, send data requests, and receive data responses.

SoCal recommends that:

Reference to a record period in the ACAP forecast be deleted.

Responses to DRA's master data request be filed with the application or Day 28 for responses that are not ready to be filed with the application.

The forecast period be clearly identified.

Reference to an effective date for rates in connection with a reasonableness proceeding be deleted as inappropriate.

Consistent with the consensus proposal for general rate cases DRA's Project Manager and other Commission personnel should be assigned prior to filing the application.

A prehearing conference should be added to the reasonableness review schedule.

Certain language in the consensus proposal be clarified.

Edison recommends certain clarifying language concerning the updating of data and the treatment of AER revenue due to changes in the ECAC schedule.

TURN recommends that:

The ECAC schedule be modified for IER issues.

PG&E's recommendation to reduce the time that DRA and intervenors have to prepare their cases not be adopted. The consensus proposal represented a weighing of every party's interests. However, due to the complexity of IER testimony additional time could be provided in the ECAC proceedings, if it did not reduce the time for other parties.

Clarifying language is needed to identify when it is appropriate to update and what data can be updated.

In response to the recommendations of other parties DRA states that:

Responses to the master data request should be submitted with the application, but DRA is not proposing that it be a formal filing requirement. DRA would like responses as soon as they are available and not have them delayed four weeks.

There is a need for audits in ECAC and ACAP proceedings to review the history of their respective balancing accounts.

A fixed date should be established for the forecast period.

There is a need to clarify certain language in the consensus proposal including the updating of data.

The ECAC prehearing conference should be scheduled for Day 19 to provide adequate time to review workpapers, develop data requests, assess DRA's participation, and identify particular problems.

There should be no change in the dates contained in the consensus proposal except for IER issues.

A prehearing conference should be added to the reasonableness review schedule at Day 19.

Finally, DRA's memorandum dated August 18, 1988 indicates that DRA, Edison, SDG&E, and PG&E agree that the consensus schedule should be modified. They recommend that the schedule provide more time to review intervenor testimony and that a second prehearing conference be added to resolve IER related workshop issues. We consider their request reasonable and will adopt the following recommended changes to the consensus schedules:

Fourteen days are added between the mailing of intervenor testimony and the start of hearings. To accomplish this the filing dates are moved up, while the record period, start of hearings, and effective dates are unchanged.

A second prehearing conference is added ten days prior to hearings to identify issues, the parties' positions, and areas of stipulation and to schedule witnesses. This prehearing conference is not limited to IER issues.

We will adopt all recommended changes to the consensus proposal which are not in dispute, except PG&E's request to identify specific dates for IER workshops. Since our Commission Advisory and Compliance Division (CACD) is responsible for the coordination of and arbitration in the IER workshops, we do not see a need to identify specific workshop dates. The undisputed recommendations are reflected in Appendix D. Additionally, we will adopt the following changes to the consensus proposal:

Since PG&E's ECAC application filing date will be moved up, PG&E will no longer be able to



reflect the March 1 snow survey in its application. This change will provide PG&E with adequate time to file workpapers coincident with its application and allow coordination of the ECAC revision date with PG&E's November 1 seasonal rate adjustment. A forecast period starting November 1 coupled with the latest balances in the ECAC and ERAM balancing accounts should eliminate the need for the March 1 snow survey.

The alternate consensus proposal which provides a schedule for certain IER issues will be incorporated into the ECAC schedule. This will include an ALJ ruling on resource mix assumptions and additional hearings which address the impact of the ALJ ruling on the parties' IERs and revenue requirement estimates.

Responses to DRA's master data request should be submitted with the application, but not considered a formal filing requirement. We will expect the utilities to make a reasonable effort to respond to the master data request on time. Extensions of time should be agreed to by DRA.

PG&E's ACAP application will be moved to allow the effective date for rate changes to coincide with the April 1 seasonal rate change for certain gas customers.

With the addition of the second prehearing conference for ECAC proceedings the first prehearing will be moved up from Day 19 to Day 10.

Consistent with the assignment of personnel in the general rate case plan, utility and DRA project managers and other project team personnel should be assigned on Day -60.

In recognition that gas rate design and revenue allocation issues are not addressed in general rate cases, ACAP applications should propose gas rate design and revenue allocation criteria for general rate case and attrition base revenue requirement changes.

D.83-02-076 concludes that a semiannual ECAC filing should be made if it is determined that the annual revenue effect of a change in rates to offset revised energy cost estimates and to amortize the balancing account in six months exceeds  $\pm 5\%$  of the total annual revenue. The stipulation adopted in D.86-12-010 states that in addition to the ACAP, utilities shall file a semiannual CAM application if the average core rates would increase by at least 4%. Based on the discussion in these decisions language will be added to the ECAC and ACAP schedules which indicates that trigger (semiannual) filings are mandatory.

Finally, SoCal and PG&E take exception to the requirement in the consensus proposal that the utilities explain why all assumptions used were the best possible choice. In response to their concerns DRA agreed to substitute the language contained in the consensus proposal for general rate cases which states "list all the assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used". Since SoCal and PG&E agreed to accept this change, we will use the same requirement for both general rate cases and offset proceedings.

Three transitional issues surfaced in implementing the revised schedule. The first issue is how to account for the AER over- or under-collections for the months between the end of the old and the start of the new forecast period. Since AER revenues and expenses do not enjoy balancing account treatment and the AERs have not been set for the transition period, the utilities and the ratepayers are at risk. The second issue is what record period should be covered in the utilities' next reasonableness review filing. Finally, because the transition period extends the time between ECAC filings, Edison and SDG&E have filed comments that large over- or under-collections could occur in the ECAC balancing account. To minimize this occurrence the existing procedural schedule for ECAC trigger filings shall remain in effect until the

first annual ECAC filing adopted by this decision and shown in Appendix D. This does not preclude utilities from requesting additional relief with adequate justification if the trigger filing criteria shown in D.86-12-010 are met.

For AER over- or under-collections arising from the revised schedule, we will provide ECAC balancing account treatment during the transition period. The transition period for the utilities is as follows:

PG&E	Aug 1, 1989 -- Oct 31, 1989	3 Months
SPPC	Jan 1, 1989 -- Mar 31, 1989	3 Months
SDG&E	Nov 1, 1989 -- Apr 30, 1990	6 Months
Edison	Jun 1, 1989 -- Dec 31, 1989	7 Months

Decision (D.) 88-09-031 suspended Edison's AER until the end of the forecast period, May 31, 1989. Since this decision will move Edison's next revision date to January 1, 1990, as shown in Appendix D, we will extend the suspension of Edison's AER through December 31, 1989. Edison, PG&E, SDG&E, and SPPC will be authorized to credit or debit the ECAC balancing account by the recorded AER gain or loss experienced in the above specified months. The AER rate will not be revised during this period.

In addition to Edison, PG&E recently had its AER suspended. Both suspensions were the result of heavily litigated ECAC proceedings which made the scheduled revision dates unworkable. Although we believe the adopted ECAC schedule will increase the likelihood of meeting scheduled revision dates, unforeseen circumstances could prevent this from happening. One approach that could ease the pressure in highly contested ECACs is an automatic suspension of AER, if the revision date is not met. Since this proposal was not addressed in the workshops and hearings, we invited the parties to include comments on an automatic AER suspension mechanism with their filed comments on the ALJ proposed decision. These comments are shown below:

Edison

"The purpose of the AER procedure is to provide utility management a direct stake in its fuel management decisions and an incentive to minimize its fuel- and energy-related costs during the Forecast Period. An AER predicated upon the forecast fuel costs in one period bears no relationship to the fuel costs incurred in a subsequent period and thus cannot provide the intended incentive.

"In the past, when the revised AER could not be made effective on the Revision Date, the Commission recognized that there was a likelihood that either a utility's ratepayers or shareholders may be harmed or enriched, not because of a utility's actions or inactions, but merely because the current period cost of fuel differs from the adopted cost of fuel in the previous period. Modifying the ECAC tariffs to provide for the automatic suspension of the AER on the ECAC Revision Date when delays in the proceedings of ECAC applications prevent the revised AER from being made effective on the Revision Date simply formalizes what has been occurring in practice. Therefore, Edison supports the automatic suspension of the AER...

"5/ D.88-05-074, May 25, 1988 in A.88-02-016; D.88-09-036, September 14, 1988 in A.88-04-020; D.88-09-031, September 14, 1988 in A.88-02-016; D.86-04-007, April 2, 1986 in A.85-02-042; and D.85-05-067, issued May 15, 1985 in A.85-02-042."

SDG&E

SDG&E shares the belief that while "the proposed ECAC schedule will improve the chances of meeting scheduled revision dates, the Proposed Decision should anticipate that conditions may prevent a final decision from being reached prior to the scheduled revision date. SDG&E believes that the automatic suspension of the AER mechanism is an appropriate response in such circumstances and urges the Commission to so provide in its final decision."

PG&E

"PG&E supports the automatic suspension of the AER when the revision date is not met precisely because nothing is gained within the regulatory process by keeping the AER mechanism in place with an explicitly outdated fuel forecast. . . . PG&E also suggests that the Proposed Decision be clarified to state that the automatic AER suspension is to continue until such time as the new ECAC AER rates are placed into effect."

DRA

"Automatic suspension of the AER eliminates all risk for the utility and should be rejected. Suspension may be appropriate in limited situations if warranted and approved by the Commission, as is now the case. However, automatic suspension every time the revision date can't be met would promote inappropriate game-playing, e.g., a utility delaying its own proceeding to trigger the automatic suspension."

DGS

"It is impossible to know in advance what the actual rate impact on various customer classes will be of an AER suspension. However DGS notes that an automatic suspension does appear to be at odds with the goals of the Commission's Risk, Return, and Ratemaking proceeding. I.86-10-001. In that proceeding, the Commission is reviewing its regulation of electric utilities to make sure that the utilities bear the risks of their actions. The suspension of the AER will lead to ECAC treatment of items during the suspension period and thus remove the utility from risk. In this regard, the suspension would appear to be at odds with the goals of the Risk, Return, and Ratemaking proceeding."

We disagree with the DRA and DGS comments. DRA states that automatic suspension of a utility's AER would create an incentive for a utility to delay its ECAC proceeding. Since a

timely ECAC decision matches the AER to the forecast of fuel expenses, a utility would only have an incentive to delay this decision if it expected the adopted fuel forecast to be underestimated. This is an unrealistic expectation. Contrary to DRA's argument a utility currently has an incentive to delay its proceeding if its AER is higher than its forecasted fuel expense. Automatic suspension of the AER mechanism would eliminate this incentive.

DGS argues that it is impossible to know in advance what the actual impact of an AER suspension would be on various customer classes. As DRA points out there should be no gaming with the AER mechanism. It is not intended to benefit one customer class over another. Automatic suspension of a utility's AER mechanism perfectly matches the AER portion of fuel related revenues and expenses through the ECAC balancing account. The AER mechanism is designed to produce the same result with the only difference being the absence of a balancing account. Since automatic suspension of the AER mechanism should be for short periods we believe it will maintain the incentives for utilities to manage fuel expenses cost-effectively.

Accordingly, we will provide for an automatic suspension of AER mechanisms when the forecast period upon which the AER was calculated ends. Edison, PG&E, SDG&E, and SPPC will be directed to file revised tariffs which reflect this change.

The reasonableness review record period covers 12 months ending 60 to 75 days prior to the ECAC/ACAP filing date. Since we are revising the filing schedules, the record period in the first reasonableness review filing will change for some utilities. The utilities in their next reasonableness review filing should cover the following record period.

PG&E/ECAC	Feb 1, 1988 -- Dec 31, 1988	11 Months
PG&E/ACAP	Feb 1, 1988 -- Dec 31, 1988	11 Months
SPPC/ECAC	Jul 1, 1988 -- Jun 30, 1989	12 Months
Edison/ECAC	Dec 1, 1987 -- Mar 31, 1989	16 Months

SoCal/ACAP	Apr 1, 1988 -- Mar 31, 1989	12 Months
SDG&E/ECAC	May 1, 1988 -- Jul 31, 1989	15 Months
SDG&E/ACAP	May 1, 1988 -- Jul 31, 1989	15 Months

#### Telecommunications Utilities

Due to the reforms under consideration in the telecommunications restructuring investigation, Order Instituting Investigation (I.) 87-11-033, this decision will only modify the rate case plan for telecommunications utilities with respect to § 311; in all other respects, the existing rate case plan will continue to apply. The changes we will adopt are consistent with the modifications made to the rate case plan for energy utilities which increase the rate case schedule by 19 days. Accordingly, we will add 19 days to the rate case plan for telecommunications utilities. The ALJ draft decision will be mailed on Day 344 with comments due on Day 364, reply comments due on Day 371, and the final decision issued on Day 384. For rates to become effective at the start of the test year, general rate cases will need to be filed at least 19 days earlier.

Contrary to DRA's statement in its January 11, 1988 filing in this proceeding, it now recommends that the modifications to the rate case plan for energy utilities apply to telecommunications utilities. The primary reason for this recommendation appears to be the possibility of a general rate filing by Pacific Bell. While many of the modifications adopted for energy utilities may also be applicable to telecommunications utilities, that issue should be addressed in I.87-11-033. Additionally, Pacific Bell has assured us that if it files a general rate case prior to a revision of the rate case plan for telecommunications utilities, it will work with DRA to establish ground rules for the processing of its application.

Since the rate case plan for energy utilities adopted by this decision will not apply to telecommunications utilities, we

will delete all requirements for telecommunications utilities contained in the consensus proposal.

Findings of Fact

1. R.87-11-012 was issued on November 13, 1987 to reflect the requirements of § 311 in the rate case plan and energy offset schedules, develop realistic schedules for these proceedings, and consider changes that would facilitate the issuing of general rate decisions.

2. Workshops were held after which consensus proposals that addressed the issues raised in the rulemaking were submitted by the parties.

3. Hearings were held to discuss the consensus proposals, the ALJ's comments, and other positions of the parties.

The consensus proposal for general rate cases recommends:

- a. Generic annual cost of capital proceedings for energy utilities.
- b. Separate electric rate design decisions for Edison, PG&E, and SDG&E.
- c. Annual rate design windows for all electric utilities. With adequate justification rate design changes would be allowed between general rate cases.
- d. Modifications to the rate case plan and processing schedule to clarify its intent, reflect current procedures, and incorporate § 311 requirements.
- e. Public comment hearings be scheduled between Days 220 and 312, after DRA's rate design exhibits are mailed.
- f. Staggered general rate case filings for SPPC, Southwest, and PP&L. SPPC and PP&L would be required to delay their next general rate case filings by one year, but authorized to make an additional attrition filing.



4. The annual cost of capital proceeding recommended in the consensus proposal requires interested parties' exhibits to be submitted seven days after DRA's exhibits, does not provide for a late-filed exhibit to reflect the issuance of new debt and/or preferred stock or actual changes for existing variable rate issues, and does not include a reply brief.

5. SDG&E requests that it have the flexibility to defer rate changes in total or in part. A specific proposal that would detail how such a mechanism would work was not presented.

6. DRA recommends an alternate to the proposed annual cost of capital proceeding that would only require annual adjustments for changes in long-term debt and/or preferred stock. Return on equity would be considered for energy utilities with a general rate case but not for other utilities unless there had been movement in a predetermined index by more than a set amount. A detailed proposal which explains how this trigger mechanism would work was not presented.

7. DRA has developed master data requests for general rate cases and offset proceedings.

8. DRA is required to review utility NOI filings, issue a deficiency list, and prepare exhibits in response to NOI filings within the time specified in the rate case plan.

9. SoCal is opposed to DRA having veto power over the utility's decision to make changes to its NOI filing.

10. The consensus proposal does not designate a coordinator for transmitting deficiencies, provide an acceptable appeal process for disputes over deficiencies, provide for informal conferences between parties' witnesses, and reflect the need for gas utilities to file rate design exhibits.

11. SPPC in its comments requests that it be allowed to (1) refrain from filing a general rate case for test year 1990, (2) waive any filing of an attrition case for 1989, and (3) file its next general rate case on schedule in 1992 for a 1993 test year.

12. The consensus proposals increase the number of rate changes for major energy utilities during each year.

13. The consensus proposal for energy offset proceedings as modified by DRA, Edison, SDG&E, and PG&E recommends:

- a. Separate reasonableness proceedings.
- b. Revised ECAC and ACAP filing dates to coordinate with general rate cases and other offset proceedings.
- c. Modifications to the current schedule to clarify its intent, reflect current procedures, and incorporate § 311 and IER requirements.

14. DRA, Edison, SDG&E, and PG&E by memorandum from DRA dated August 18, 1988 agreed that the ECAC schedule contained in the consensus proposal should be modified to provide additional time to review intervenor testimony and hold a second prehearing conference.

15. The consensus proposal for energy offset proceedings would require Edison's ECAC and SoCal's ACAP to be processed simultaneously and create a four-month gap between SoCal's and SDG&E's ACAPs.

16. SDG&E's and SoCal's ACAPs have historically been combined because of the number of issues they have in common.

17. SDG&E is unable to recover changes in SoCal's fixed charge for the period between SoCal's and SDG&E's ACAP decisions.

18. DRA may experience an increase in workload if SDG&E's and SoCal's ACAPs are combined.

19. Gas rate design and revenue allocation issues are addressed in ACAPs, not general rate cases and attrition filings.

20. Under the consensus proposal SDG&E would file its ECAC application four months after the filing of Edison's ECAC applications.

21. CACD is responsible for coordinating and presiding in the IER workshops.

22. If PG&E's filing date in the consensus proposal is moved up and the March 1 snow survey data is not required it can file workpapers coincident with its application.

23. The consensus proposal for energy offset proceedings does not identify when utility and DRA personnel should be assigned.

24. The consensus proposal schedule for reasonableness reviews does not include a prehearing conference date.

25. The offset schedule for energy utilities does not clearly state when it is appropriate to update and what data can be updated.

26. SoCal and PG&E agreed to accept the language for justifying assumptions used in general rate cases for use in offset proceedings.

27. The transition period in the consensus proposal extends the time between ECAC filings, which could result in large over- or under-collections in the ECAC balancing account.

28. D.83-02-076 and D.86-12-010 require ECAC and ACAP trigger applications to be filed when certain conditions are met.

29. No provision exists in the consensus proposal for adjusting AERs to reflect the proposed change in the AER revision dates.

30. AER revenues and expenses do not normally receive balancing account treatment.

31. D.88-09-031 suspended Edison's AER until May 31, 1989.

32. The consensus proposal recommends revisions in the record period for reasonableness review filings.

33. I.87-11-033 is an investigation to consider reforms which would restructure the telecommunications industry.

34. Pacific Bell states that, if it files a general rate application prior to revisions to the rate case plan for

telecommunications utilities, it will work with DRA to establish procedures for the processing of its application.

Conclusions of Law

1. The consensus proposal for general rate cases is reasonable and should be adopted with the following modifications:

- a. The annual cost of capital proceeding should provide intervenors additional time to submit their exhibits, allow for a late-filed exhibit to reflect the issuance of new debt and/or preferred stock or actual changes for existing variable rate issues, and include a reply brief.
- b. Utilities, in their tendered NOI, shall make a reasonable effort to respond to DRA's master data request.
- c. DRA's project manager should be the designated coordinator for transmitting NOI deficiencies. Utilities should be allowed to appeal DRA's list of deficiencies by filing a protest with the Executive Director. The Executive Director's determination should be final.
- d. DRA's project manager should have primary responsibility for accepting changes to the utility's NOI filing. Utilities should be allowed to appeal DRA's determination by filing a formal motion for the acceptance of NOI changes.
- e. Except for Southwest, gas utilities should include in their general rate applications rate design exhibits which conform with the rate design criteria adopted in their latest ACAP.
- f. Electric rate design decisions should be coordinated with seasonal rate changes to minimize the number of rate changes.
- g. Public comment hearings should be scheduled during the results of operations hearing phase. This will allow public input to be considered in developing the record.

- h. Language should be added to provide informal conferences which would facilitate the understanding and acceptance of the NOI and the processing of the application.

2. The adopted changes to the rate case plan should apply to general rate proceedings for test years 1991 and beyond.

3. Starting in 1989 for rates effective in 1990 a generic annual cost of capital proceeding should be established for all energy utilities.

4. The Executive Director should be authorized to approve a deviation from the schedules adopted.

5. Requests to defer rate changes should be addressed in utility rate proceedings.

6. Parties interested in pursuing the use of a trigger mechanism for return on equity should address this matter in a future annual cost of capital proceeding.

7. SPPC should be authorized to make an attrition filing for rates effective in 1989, and PP&L should be authorized to make an attrition filing for rates effective in 1990.

8. The consensus proposal for energy offset proceedings should be adopted with the following modifications:

- a. The ECAC schedule should be expanded by requiring utilities to file 15 days earlier. This provides additional time to review intervenor testimony and hold a second prehearing conference.
- b. SoCal's and SDG&E's ACAPs should be combined.
- c. Edison's and SDG&E's ECACs and reasonableness reviews should be filed three months later than the dates contained in the consensus proposal.
- d. CACD should schedule IER workshops.
- e. Utility and DRA project managers and other project team personnel should be assigned on Day -60. This is consistent with the

assigning of personnel in the general rate case plan.

- f. The first prehearing conference in ECACs should be scheduled for Day 10 and a prehearing conference should be included in the schedule for reasonableness reviews.
- g. DRA's recommended language specifying when it is appropriate to update and what can be updated should be adopted.
- h. The language for justifying assumptions used in general rate cases should also be used for energy offset proceedings.
- i. ACAP applications should propose gas rate design and revenue allocation criteria for general rate case and attrition base revenue requirement changes.
- j. IER issues should be addressed in the ECAC hearings scheduled for day 88 through day 108. Additional hearings which address the impact of the ALJ ruling on resource mix assumptions for IER models and revenue requirements should be scheduled for day 146 through 148.

8. Edison, PG&E, SDG&E, and SPPC should suspend the AER mechanism whenever the forecast period upon which the AER was calculated ends. During the suspension of the AER mechanism, PG&E, Edison, SDG&E, and SPPC should receive 100% ECAC balancing account treatment for AER revenues and expenses.

9. The ECAC transition period contained in the discussion portion of this decision should be adopted.

10. The revised schedule for ECAC and ACAP filings, excluding trigger filings, should be implemented on the effective date of this decision.

11. In accordance with D.83-02-076 and D.86-12-010 the trigger filings shown in the adopted ECAC and ACAP schedules should be mandatory. Edison should be allowed in a future ECAC filing to

address its proposal to revise its AER coincident with SoCal ACAP revisions.

12. The suspension of Edison's AER mechanism should be extended through December 31, 1989.

13. Energy utility AER mechanisms should be automatically suspended if the forecast period upon which the AER was calculated ends. Adoption of a new AER forecast period should reinstitute the AER mechanism.

14. The reasonableness review record period for Edison, PG&E, SoCal, SDG&E and SPPC should be revised to reflect the dates shown in Appendix D.

15. The next reasonableness review filing for Edison, PG&E, SoCal, SDG&E, and SPPC should cover the record period contained in the discussion portion of this decision.

16. Revisions to the rate case plan for telecommunications utilities, with the exception of § 311, should be addressed in I.87-11-033.

17. The rate case plan for telecommunications utilities should be expanded by 19 days in accordance with the discussion in this decision.

18. If Pacific Bell files a general rate application prior to revisions to the rate case plan for telecommunications utilities, it should work with DRA to establish procedures for the processing of its application.

#### ORDER

##### IT IS ORDERED that:

1. The consensus proposals for general rate case and energy offset proceedings with the modifications discussed in this decision are reasonable and are adopted as shown in Appendixes B, C, and D.

2. A generic annual cost of capital proceeding, as shown in Appendix C, shall be adopted for all energy utilities. Southern California Edison Company (Edison), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCal), Pacific Power & Light Company (PP&L), Sierra Pacific Power Company (SPPC), and Southwest Gas Company shall make their first filings under this procedure in 1989 for rates effective January 1, 1990.

3. SPPC is authorized to make an attrition filing for test year 1989.

4. PP&L is authorized to make an attrition filing for test year 1990.

5. Edison, PG&E, SDG&E, and SPPC shall file revised tariffs which suspend the AER mechanism whenever the forecast period upon which the AER was calculated ends. Adoption of a new AER forecast will reinstitute the AER mechanism.

6. Edison, PG&E, SDG&E, and SPPC, shall receive 100% ECAC balancing account treatment for AER revenues and expenses during suspension of the AER mechanism.

7. The ECAC transition period as shown in this decision is adopted for Edison, PG&E, SDG&E, and SPPC.

8. The adopted ECAC and ACAP schedules, excluding trigger filings, shall be implemented on the effective date of this decision.

9. The Executive Director is authorized to approve deviations from the adopted schedules.

10. The suspension of Edison's AER is extended through December 31, 1989.

11. The reasonableness review record period for Edison, PG&E, SoCal, SDG&E, and SPPC shall be revised as shown in Appendix D.

12. The next reasonableness review filing for Edison, PG&E, SoCal, SDG&E, and SPPC shall cover the record period as shown in this decision.



13. The rate case plan for telecommunications utilities shall be expanded by 19 days in accordance with the discussion in this decision.

This order becomes effective 30 days from today.

Dated JAN 27 1988, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. CHANTAN  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY.

*Victor Weissert*

Victor Weissert, Executive Director

*25*

## APPENDICES

## ENERGY UTILITY RATE CASE AND OFFSET PLANS

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APPENDIX A

LIST OF APPEARANCES

APPENDIX A

List of Appearances

Respondents: Thomas G. Hankley and Bruce J. Williams, Attorneys at Law, for San Diego Gas & Electric Company; Richard K. Durant, Carol B. Henningson, Frank J. Cooley, and James M. Lehrer, Attorneys at Law, for Southern California Edison Company; Patricia L. C. Mahoney, Attorney at Law, for Pacific Bell; Richard M. Cahill and Kenneth K. Okel, Attorneys at Law, for GTE California, Incorporated; Roger J. Peters and Mark Huffman, Attorneys at Law, for Pacific Gas and Electric Company; Robert B. Keeler and Jeffrey E. Jackson, Attorneys at Law, and Roy M. Rawlings, for Southern California Gas Company; Pacific Power & Light Company; Southwest Gas Company; and Sierra Pacific Power Company.

Interested Parties: Lindsay, Hart, Neil & Weigler, by Michael P. Alcantar and Paul J. Kaufman, Attorneys at Law, and Drazen-Brubaker & Associates, Inc., by Donald W. Schoenbeck, for Cogenerators of Southern California; Barkovich & Yap, by Barbara Barkovich, and Jackson, Tufts, Cole & Black, by Allan J. Thompson, Attorney at Law, for CLECA; Nancy Thompson, for Barakat, Howard & Chamberlin, Inc.; Eric Eisenman, for Enron Corp. and Transwestern Pipeline Company; Michel Peter Florio, Attorney at Law, Mark Barmore, and Sylvia M. Siegel, for TURN; Norman Furuta, Attorney at Law, for the Department of the Navy; John J. Gezelin, Attorney at Law, for Sierra Pacific Power Company; Orrick, Herrington & Sutcliffe, by Robert J. Glostein, Attorney at Law, for Continental Telephone Company of California; William B. Marcus, for JBS, Energy, Inc., and Independent Energy Producers Association; Reed V. Schmidt, for California City-County Street Light Association; John W. Witt, City Attorney, by William S. Shaffran, Deputy City Attorney, for the City of San Diego; Michael Shames, Attorney at Law, for Utility Consumers Action Network; Bruce Tulloh, for Western Division Naval Facilities Engineering Command; Robert B. Weisenmiller, for Morse, Richard, Weisenmiller & Associates, Inc.; Antonia D. Radillo, Attorney at Law, for the California Energy Commission; and Dian Grueneich, Attorney at Law, for California State Department of General Services.

Division of Ratepayer Advocates: Philip Scott Weismehl, Attorney at Law, Mahendra Jhala, John Yager, and B. Y. Lee.

(END OF APPENDIX A)

APPENDIX B  
RATE CASE PLAN

SUMMARY OF RATE CASE PLANDay Schedule

## Tendered

Within 7 days of tendering, Staff Counsel and the project team shall be assigned

Within 25 days after tendering, applicant to be notified of deficiencies by DRA Project Manager

RCP

- 60	Accepted NOI filed
0	Except for electric rate design, application is filed
2	Date, time and location set for prehearing conference and public comment hearings
40	Prehearing Conference held
77	Except for electric rate design, staff submits all exhibits including marginal cost and revenue allocation
90	Applicant's complete electric rate design proposal filed
98	Evidentiary hearings begin. At least 15 days of hearings per month
122	Except for electric rate design, other parties submit evidence including marginal cost and revenue allocation
177	Evidentiary hearings on initial showing completed
180	Applicant, staff and other parties file rebuttal exhibits
190	Rebuttal hearings begin
190*	Utility submits updated electric rate design
194	Hearings completed except for update material scheduled for Day 294

Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

Day Schedule

RCP (cont'd)

206	Comparison Exhibit mailed 12 days after end of hearings
234	Opening Briefs filed 28 days after Comparison Exhibit mailed
248	Reply Briefs filed 14 days after Opening Briefs
250*	Staff submits electric rate design exhibits
280	Applicant and all other parties may submit other than electric rate design update material (See page B 26).
290*	Other parties submit electric rate design exhibits
294	Abbreviated hearings on updated information begin. No more than 5 days allowed.
298	Last day of evidentiary hearings (except electric rate design).
311*	Electric rate design hearings begin
322*	Electric rate design hearings end
329*	Electric rate design rebuttal exhibits submitted
339*	Electric rate design rebuttal hearings begin
343*	Electric rate design rebuttal hearings end
344	ALJ Draft filed and served on all parties
361*	Electric rate design opening briefs filed and served on all parties
364	Initial Comments on ALJ Draft due
371	Reply Comments on ALJ Draft due
375*	Electric rate design reply briefs filed and served

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.



Day Schedule

RCP (cont'd)

384	Final decision expected by this date (except electric rate design)
459*	ALJ Draft electric rate design decision filed and served
479*	Initial comments on ALJ electric rate design Draft filed
486*	Reply comments on ALJ electric rate design Draft filed
502*	Final electric rate design decision expected by this date

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

SUMMARY OF ELECTRIC  
RATE DESIGN WINDOWS

Day Schedule<sup>1</sup>

RCP

Parties may file proposed electric rate design revisions from July 20th to 25th<sup>2</sup>, November 20th to 25th<sup>3</sup> or December 20th to 26th<sup>4</sup> prior to an attrition year with copies served on all other parties

0	July, November or December 26th (see footnote) of Test Year and first Attrition year
30	Comments on proposed rate design revisions to be submitted and served on all parties
44	Replies to comments to be submitted and served
58	ALJ ruling on the necessity to reopen the GRC for consideration of any or all electric rate design proposals
72	Hearings begin
76	Last day of hearings
83	Concurrent briefs submitted and served.
107	ALJ Draft decision filed and served on all parties
127	Initial comments on ALJ Draft filed and served
132	Reply comments on ALJ Draft filed and served
142	Final decision expected by this date

1 If Day falls on Saturday, Sunday or holiday, the next working day should be observed.

2 PP&L and SPPC will be in July.

3 PG&E and SDG&E will be in November.

4 SCE will be in December.

TABLE 1

## SUMMARY OF ELECTRIC RATE DESIGN WINDOW SCHEDULES

Day Schedule	Event	PG&E Date	SPPC Date	SCE Date	SDG&E Date	PP&L Date
0	Proposed electric rate design revisions filed.	25-Nov	25-Jul	25-Dec	25-Nov	25-Jul
30	Comments on proposed revisions due.	25-Dec	24-Aug	24-Jan	25-Dec	24-Aug
44	Reply to comments due.	08-Jan	07-Sep	07-Feb	08-Jan	07-Sep
58	ALJ rules on reopening GRC.	22-Jan	21-Sep	21-Feb	22-Jan	21-Sep
72	Hearings begin.	05-Feb	05-Oct	07-Mar	05-Feb	05-Oct
76	Last day of hearings.	09-Feb	09-Oct	11-Mar	09-Feb	09-Oct
83	Concurrent briefs submitted.	16-Feb	16-Oct	18-Mar	16-Feb	16-Oct
107	ALJ draft decision due.	12-Mar	09-Nov	11-Apr	12-Mar	09-Nov
127	Initial comments on draft due.	01-Apr	29-Nov	01-May	01-Apr	29-Nov
132	Reply to comments on ALJ draft due.	06-Apr	04-Dec	06-May	06-Apr	04-Dec
142	Final decision due.	16-Apr	14-Dec	16-May	16-Apr	14-Dec
	Date rates become effective.	01-May	01-Jan	a/	01-May	01-Jan

a/ Rates are effective the first Sunday in June

## Note:

If the above dates fall on Saturday, Sunday, or holiday, the next working day should be observed.

RATE CASE PLAN<sup>4</sup>

Before Day -60 the Notice of Intent (NOI) is tendered to the Docket Office and Commission staff for review. Within 7 days Staff Counsel and project team are designated. The Executive Director notifies the Docket Office when the NOI has been accepted by the staff, whereupon the Docket Office files the NOI. However, the requirements for the tendered NOI are listed under day -60.

The utility shall keep the Division of Ratepayer Advocates (DRA) advised of the progress of its preparation of the rate case and the expected date of tendering the NOI so that the DRA can designate a Project Manager at least 30 days in advance of the actual Tendering of the NOI.

The NOI shall contain a brief statement of the amount of increase sought and the reasons for the proposed increase. An original and 12 copies of all documentation, prepared testimony, draft exhibits including complete explanations and summaries supporting the increase shall comply with the standard requirement list<sup>5</sup> and shall be tendered at the same time that the NOI is tendered. An additional 10 copies of the NOI and all documentation, prepared testimony and draft exhibits plus 5 sets of the applicant's workpapers shall be delivered to the DRA Project Manager no later than the day that the NOI is tendered.

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4 Page B 20 contains a list of the energy utilities to which the RCP applies.

5 See page B 21.

Although the final notice of deficiencies does not have to be sent to the utility until 25 days after tendering, the DRA should identify and transmit each deficiency to the applicant as soon as possible. The acceptance of the NOI will be based upon whether the applicant has substantially complied with the requirements of the RCP. In the event that the utility disagrees with DRA's list of deficiencies, a written protest may be filed with the Executive Director. The protest should identify the items that the utility believes are not properly classified as deficiencies and state the reasons for its conclusion. The Executive Director's determination is final. Time consuming and/or inconsequential deficiencies may be corrected according to a schedule agreed upon by the DRA Project Manager and the applicant.

The NOI may contain material such as previously litigated issues on which the Commission has taken a position. This material must be clearly identified and contain a complete justification for any policy change. Showings on such material will be presented at the end of the hearing schedule, unless otherwise scheduled by the ALJ with the advice and consent of the assigned Commissioner.

Day -60 (Accepted NOI is filed)

An original and 12 copies of an NOI is accepted by the Executive Director and then filed by the Docket Office. Within five days after the NOI has been accepted, applicant shall serve a copy of the NOI on all appearances in its last general rate case, and file a certificate of service. Thereafter, all filed material shall be furnished by applicant to interested parties on written request. Applicant's workpapers shall be made available on

# **CORRECTION**

**THIS DOCUMENT HAS  
BEEN REPHOTOGRAPHED**

**TO ASSURE**

**LEGIBILITY**

Within seven (7) days of tendering the NOI, the applicant and DRA should begin informal meetings wherein the applicants witnesses (or other persons intimately familiar with the workpapers) explain the workpapers to the DRA's witnesses. DRA witnesses should be familiar with applicant's workpapers prior to the informal meetings. These conferences shall be for explanation of the workpapers only, and we will not allow them to be used for the purpose of discovery. Appropriate discovery may of course continue concurrently, separate from the determination of completeness of the NOI.

In those instances where DRA has submitted data requests (called a Master Data Request) to the utility at least six months prior to the anticipated Tendering of the NOI, the applicant shall make a reasonable effort to provide responses with the tendered NOI.

Applicant shall furnish a copy of the tendered NOI material to any interested party upon request.

The proposed test year shall be three years from the last adopted test year used by the Commission in setting applicant's existing rates. For example, if 1988 was the last adopted test year, the next test year to be submitted in an NOI would be 1991.

If applicant requests an attrition allowance, it shall include in its required supporting materials evidence supporting the requested attrition allowance. The NOI shall not be filed until all of the above requirements are met.

Applicant will be notified by the DRA Project Manager of deficiencies in the NOI within 25 days of the tender date.

Although the final notice of deficiencies does not have to be sent to the utility until 25 days after tendering, the DRA should identify and transmit each deficiency to the applicant as soon as possible. The acceptance of the NOI will be based upon whether the applicant has substantially complied with the requirements of the RCP. In the event that the utility disagrees with DRA's list of deficiencies, a written protest may be filed with the Executive Director. The protest should identify the items that the utility believes are not properly classified as deficiencies and state the reasons for its conclusion. The Executive Director's determination is final. Time consuming and/or inconsequential deficiencies may be corrected according to a schedule agreed upon by the DRA Project Manager and the applicant.

The NOI may contain material such as previously litigated issues on which the Commission has taken a position. This material must be clearly identified and contain a complete justification for any policy change. Showings on such material will be presented at the end of the hearing schedule, unless otherwise scheduled by the ALJ with the advice and consent of the assigned Commissioner.

Day -60 (Accepted NOI is filed)

An original and 12 copies of an NOI is accepted by the Executive Director and then filed by the Docket Office. Within five days after the NOI has been accepted, applicant shall serve a copy of the NOI on all appearances in its last general rate case, and file a certificate of service. Thereafter, all filed material shall be furnished by applicant to interested parties on written request. Applicant's workpapers shall be made available on



request.

The application may be filed no sooner than than 60 days after the NOI is accepted. The date the application is filed will determine Day 0 under the rate case plan.

The utility shall provide to the Commission's Public Advisor a proposed notice to customers in a format similar to that shown on page B 27.

Day 0

1. The application shall be filed and served in conformity with the Rules of Practice and Procedure. The utility shall provide notification to customers, within 45 or 75 days as required by Rule 24.
2. The application shall include final exhibits except electric rate design, prepared testimony, and other evidence, and shall be served on all parties to the last general rate case. The application, final exhibits, and all other evidence that is filed shall incorporate the changes, additions, and deletions required for acceptance of the tendered NOI. No bulk or major updating amendments or recorded data to amend the final exhibits, prepared testimony, or other evidence shall be allowed, except as provided on page B 26 on Day 280, and on page B 21, item 3.
3. Applicant shall file a comparison exhibit showing changes that have occurred between the draft exhibits submitted with the NOI and the final exhibits submitted with the application. All the changes or revisions shown shall have been agreed to by the DRA Project Manager in an informal conference before filing the application. Should the applicant and the DRA Project Manager disagree on what revisions are acceptable, the applicant may file a formal motion with the Docket Office for acceptance of its NOI changes. All changes in figures between the tendered NOI and the application shall be supported by workpapers which show the new figures and a reconciliation with the workpapers previously tendered.
4. Applicant shall deliver ten complete sets of the application and final exhibits plus five complete sets of the workpapers supporting the application and final exhibits to the DRA Project Manager. The workpapers shall incorporate all changes and additions that were necessary to gain acceptance of the tendered NOI.

determine Day 0 under the rate case plan.

Day 0

1. The application shall be filed and served in conformity with the Rules of Practice and Procedure. The utility shall provide notification to customers, within 45 or 75 days as required by Rule 24.
2. The application shall include final exhibits except electric rate design, prepared testimony, and other evidence, and shall be served on all parties to the last general rate case. The application, final exhibits, and all other evidence that is filed shall incorporate the changes, additions, and deletions required for acceptance of the tendered NOI. No bulk or major updating amendments or recorded data to amend the final exhibits, prepared testimony, or other evidence shall be allowed, except as provided on page B 26 on Day 280, and on page B 21, item 3. ✓
3. Applicant shall file a comparison exhibit showing changes that have occurred between the draft exhibits submitted with the NOI and the final exhibits submitted with the application. All the changes or revisions shown shall have been agreed to by the DRA Project Manager in an informal conference before filing the application. Should the applicant and the DRA Project Manager disagree on what revisions are acceptable, the applicant may file a formal motion with the Docket Office for acceptance of its NOI changes. All changes in figures between the tendered NOI and the application shall be supported by workpapers which show the new figures and a reconciliation with the workpapers previously tendered. ✓
4. Applicant shall deliver ten complete sets of the application and final exhibits plus five complete sets of the workpapers supporting the application and final exhibits to the DRA Project Manager. The workpapers shall incorporate all changes and additions that were necessary to gain acceptance of the tendered NOI.
5. Applicant, staff, and interested parties shall send two copies of all exhibits, prepared testimony, and other evidence filed after Day 0 to the ALJ. One copy shall be served on the Reporting Branch and on each party. Prepared testimony should not be filed in the Docket Office after Day 0; only briefs, comments on the ALJ proposed decision, and other pleadings are to be filed.
6. A copy of the decision in applicant's last general rate case shall be furnished by applicant upon written request.

5. Applicant, staff, and interested parties shall send two copies of all exhibits, prepared testimony, and other evidence filed after Day 0 to the ALJ. One copy shall be served on the Reporting Branch and on each party. Prepared testimony should not be filed in the Docket Office after Day 0; only briefs, comments on the ALJ proposed decision, and other pleadings are to be filed.
6. A copy of the decision in applicant's last general rate case shall be furnished by applicant upon written request.

#### Day 2

The ALJ in concurrence with the assigned Commissioner shall set the day, time, and place for the prehearing conference and shall inform applicant and all parties to the last general rate case. Also at this time, the ALJ shall set the day, time and place for public comment hearings. At the appropriate time, the utility shall give notice of the Public Comment Hearings, pursuant to Rule 52, using the format shown on page B 27.

#### Day 40

A prehearing conference is held:

1. To take appearances.
2. To raise and resolve any procedural matters.
3. To schedule hearings and specify areas of participation if known, and specify dates for testimony if necessary to expedite the hearing procedure.

#### Day 77

Except for electric rate design, staff shall submit all exhibits, prepared testimony, and evidence including marginal cost and revenue allocation, and shall serve copies on all parties. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other staff evidence shall be allowed thereafter, except as provided on page B 26 and Day 280.

Staff workpapers shall be available within five days of this date (see page B 25).

Day 90

Applicant shall file a complete electric rate design exhibits and testimony. No bulk or major updating amendments or recorded data to amend the exhibits or prepared testimony shall be allowed thereafter, except as provided on page B 26 and Day 190\*.

Day 91-177

Public comment hearings will be held during this period. They may be held concurrently with evidentiary hearings if necessary to complete the hearings according to this plan.

Day 98

Evidentiary hearings begin.

1. Hearings shall ordinarily be held not less than 15 days a month.
2. Where an agreement between applicant and staff is disputed by other parties, those parties shall have the right to cross-examine applicant and staff in that order. The examination will be closely controlled to prevent an undue consumption of time.

Day 122

Except for electric rate design, parties other than staff and applicant shall submit their exhibits, prepared testimony, and evidence including marginal cost and revenue allocation, and shall serve copies on all parties. These documents shall reflect the rulings and agreements made at the prehearing conference. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other evidence shall be allowed thereafter, either by prepared testimony, oral testimony, or exhibits, except as provided on Day 280 and on page B 26. Also, all workpapers shall be available on this date (See page B 25).

Day 177

Evidentiary hearings on initial showing completed.

Day 180

1. All rebuttal evidence except electric rate design shall have been distributed by Day 180. Rebuttal evidence shall refute the evidence of other parties and shall not reassert or reargue a party's direct evidence. No bulk or major updating amendments or recorded data shall be allowed in rebuttal evidence. Additional witnesses, cumulative testimony, and unproductive cross-examination shall be minimized.
2. Rebuttal evidence shall clearly reference by number the exhibit or transcript page of the direct evidence of the party rebutted.
3. When a witness has not testified on direct examination before Day 170, the ALJ may set a later date for distributing rebuttal evidence as to that witness.

Day 190

Rebuttal hearings begin to review the showing provided concerning the data described in Day 180. No more than five days of hearings shall be set for this review.

Day 190\*

Applicant may submit updated electric rate design exhibits (see page B 26).

Day 194

Hearings are to be completed no later than this date, except for electric rate design hearings and hearings scheduled for Day 294.

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

If oral argument before the Commission en banc is to be held, the ALJ shall announce the date and time.

Day 206

An exhibit comparing the DRA and utility final positions/numbers shall be jointly prepared by DRA and the utility then mailed by this date.

Day 234

Opening briefs shall be filed 28 days after the mailing of the comparison exhibit. The ALJ may outline specific issues to be briefed. Briefing of additional issues is optional.

Day 248

Reply Briefs may be filed 14 days after Opening Briefs.

Day 250\*

Staff electric rate design exhibits and testimony shall be submitted and served. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other staff evidence shall be allowed thereafter. Staff electric rate design workpapers shall be available within five days of this date (see page B 25).

Day 280

Applicant, staff, or any interested party may distribute in prepared testimony form, and serve on all parties, showings containing the most recent data for the other than electric rate design factors described in the Standard Updating Filing

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

Requirements list on page B 26. This is the only updating which will be permitted.

Day 290\*

Parties other than staff and applicant shall submit their exhibits, prepared testimony, and evidence concerning electric rate design, and shall serve copies on all parties. These documents shall reflect the rulings and agreements made at the prehearing conference. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other evidence shall be allowed thereafter, either by prepared testimony, oral testimony, or exhibits. All workpapers shall be available on this date (see page B 25).

Day 294

Abbreviated hearings begin to review the showing provided concerning the data described in Day 280. No more than five days of hearings shall be set for this review.

Day 298

Last day of evidentiary hearing except for electric rate design.

Day 311\*

Electric rate design hearings begin.

Day 322\*

Electric rate design hearings end.

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

Day 329\*

Electric rate design rebuttal exhibits shall be distributed by this day. See Day 180, Items 1 and 2 for requirements of rebuttal evidence.

Day 339\*

Electric rate design rebuttal hearings begin to review the showing provided concerning the data described in Day 329\*. No more than five days of hearings shall be set for this review.

Day 343\*

Electric rate design rebuttal hearings are to be completed no later than this date.

Day 344

ALJ proposed decision, except for electric rate design issues, but including marginal cost and revenue allocation issues to be filed and served on all parties.

Day 361\*

Electric rate design opening briefs shall be filed 18 days after the completion of the electric rate design rebuttal hearings. The ALJ may outline specific rate design issues to be briefed. Briefing of additional electric rate design issues is optional.

Day 364

Initial Comments on ALJ proposed decision to be filed and served on all parties.

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Note:

For SCE, the schedule days marked with an \*\*\* will be increased by 30 days.



Day 371

Reply comments on ALJ proposed decision to be filed and served on all parties.

Day 375\*

Electric rate design reply briefs may be filed 14 days after rate design opening briefs.

Day 384

A Final Commission decision is expected by this date (except for electric rate design issues). Any revenue increase/decrease will become effective by January 1 of the test year.

Day 459\*

ALJ proposed electric rate design decision to be filed and served on all parties.

Day 479\*

Initial Comments on ALJ proposed electric rate design decision to be filed and served on all parties.

ay 486\*

Reply comments on ALJ proposed electric rate design decision to be filed and served on all parties.

Day 502\*

A Final Commission decision on electric rate design is expected by this date.

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

ELECTRIC RATE DESIGN WINDOWS<sup>7</sup>

Day 0

Any party to the last general rate case may propose revisions to the adopted rate designs from July 20th to 25th<sup>8</sup>, November 20th to 25th<sup>9</sup> or December 20th to 26th<sup>10</sup> prior to an attrition year.

All proposals must be complete and include:

1. The proposed revisions
2. Full justification for the revisions
3. An explanation why the revision should be considered prior to the next general rate case
4. A reconciliation with the latest adopted revenue requirement and class allocations

An original and 12 copies shall be filed with the docket office and copies served on all parties to the rate case. Workpapers shall be delivered by Day 0 to the DRA and utility project managers and any other party requesting them (see pages B 21 through B 25).

Day 30

Any party served may comment on the proposals within 30 days. The comments shall be limited to responding to the filings and shall not raise new proposals. Such comments shall be submitted and served on all parties.

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<sup>7</sup> If Day falls on Saturday, Sunday or holiday, the next working day should be observed.

<sup>8</sup> P&L and SPPC will be in July.

<sup>9</sup> PG&E and SDG&E will be in November.

<sup>10</sup> SCE will be in December.

Day 44

Reply comments may be submitted and served on all parties within 14 days.

Day 58

The ALJ who heard the rate design proposals in the general rate case (or other ALJ as the Commission may assign) shall rule by Day 58 on the necessity to re-open the GRC for consideration of any or all rate design proposals.

Day 72

Hearings begin on re-opened rate design issues. No more than five days will be allowed.

Day 76

Last day of hearings.

Day 83

Concurrent briefs may be submitted.

Day 107

ALJ Draft decision filed and served on all parties.

Day 127

Initial comments on ALJ Draft filed and served.

Day 132

Reply comments on ALJ Draft filed and served.

Day 142

Final decision expected by this date with rates to become effective twelve months after the effective date of the last rate design revisions.

LIST OF APPLICABLE ENERGY UTILITIES

1. Pacific Gas and Electric Company
2. San Diego Gas & Electric Company
3. Southern California Edison Company
4. Southern California Gas Company

The smaller energy utilities listed below shall also file general rate applications every three years beginning with the test year noted after their name.

1. Southwest Gas Company (TY 1989)
2. Sierra Pacific Power Company (TY 1990)
3. Pacific Power and Light Company (TY 1991)

Smaller energy utility rate applications are processed on an expedited basis generally being completed within a year from the tendering of the NOI assuming adequate Commission staffing.

STANDARD REQUIREMENT LIST  
OF DOCUMENTATION SUPPORTING AN NOI

1. Brief statement of amount, reason for, and summary supporting the increase.
2. When Cost of Capital issues are consolidated into a generic case for all utilities and are not part of the general rate case the utility shall use the most recently authorized rate of return in its calculations supporting the NOI. For the application the utility may include exhibits and testimony requesting a different cost of capital. However, the application must use the currently authorized cost of capital as a base case. This testimony may be updated and re-submitted at the appropriate filing time for the generic cost of capital case.
3. Revenues at present rates in the Results of Operations report shall include a base case derived directly from authorized tariffs in effect on or after May 1 prior to tendering the NOI and on or after October 1 prior to filing the application. The utility shall update the results of operations exhibit by January 15 to incorporate any and all tariff changes which become effective on January 1 following the filing of the application.
4. Draft exhibits and prepared testimony (similar to those presented in final application form) shall conform to the requirements of Rule 23, except that the provisions of Rules 4 through 8 and 16 are not applicable.
5. Complete explanation of exhibits and special studies furnished.
6. Workpapers (5 sets) showing calculations and documentation to support the utility's draft exhibits and special studies. In order to meet the NOI criteria, workpapers must comply with all of the following:
  - A. Be arranged in an orderly sequence and be dated and initialed by the preparer. Where appropriate, each expense item should be broken down into labor, non-labor, and other.
  - B. Show the derivation of each individual estimate.
    1. List all of the assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used.
    2. Show how each assumption was used in each estimate.

3. Where judgment is involved in setting an estimate level, explain why that particular level was adopted.
  4. Furnish base year historical and estimated data and subsequent years with evaluation of changes up to and including the test year.
  5. If there was no precise basis for certain estimates and the derivation was purely subjective, the workpapers should so state.
  6. State management's review criteria including the factors considered by the utility's management in approving various expenditures levels.
  7. Supporting material must have a clear tieback to base data from the stated expenditure.
  8. Justification for the methodology used to develop each estimate shall be included. However, the adequacy of the justification will not be considered an NOI deficiency.
- C. Be appropriately indexed and legible.
- D. Computer printouts must be accompanied by a detailed description of the program. The recorded data used should be identified, the various assumptions of variables used should be clearly stated, and any adopted Commission rules governing computer models adhered to.
- E. Show the development of all adjustments, including those associated with affiliates. If an adjustment is based on a Commission ruling, reference the Decision and provide a copy of the relevant portion of the ruling.
- F. Include at least five years of recorded data for each FERC account used in the development of the test year revenues and revenue requirement. Where subaccounts and/or other than FERC accounts are used to develop test year values, include at least five years of recorded data supporting those values also. All data for expenses shall be stated in recorded dollars and dollars inflation adjusted to a constant base year. The format shall be mutually agreed to by the utility and DRA project managers.
7. In addition to the requirements of 4 above, the following draft exhibits shall be submitted:
- A. All studies and information required to be submitted in the rate case by the Commission in prior rate decisions and subsequent policy statements or decisions. ✓
  - B. Recorded data, in results of operations format, shall be provided for at least the latest recorded year available at the time of tendering the NOI.

If the NOI contains material previously litigated but not allowed by the Commission it shall be clearly identified.

- C. When estimates are made by account or subaccount, those estimated amounts shall be included in the direct showing.
- D. When controlling affiliates provide guidelines or directions to the company's presentation, these shall be set forth in the direct showing or available in the workpapers.
- E. FOR ELECTRIC UTILITIES:
  - 1. Cost allocation studies by classes of service.
  - 2. Marginal cost data in sufficient detail to allow the development of rates for each customer class.
  - 3. Demand Side Management cost effectiveness as identified in the Standard Practice Manual for Economic Evaluation of Demand Side-Management Programs and consistent with the DSM reporting requirements manual. This shall include a full description, funding requirements, load impacts, and cost effectiveness of each program.
  - 4. The Utility's current Resource Plan.
  - 5. The NOI may be tendered without a final rate design proposal. However, the tendered NOI shall include the full amount of the requested revenue change, marginal costs, proposed class revenue allocations; and a simplified proposal for implementing the revenue change at the beginning of the test year.
  - 6. A complete rate design proposal shall be filed no later than Day 90. The proposal shall include:
    - a. A full and complete set of bill frequency analyses for each existing tariff schedule.
    - b. Alternative rate designs based on current Commission policies.
    - c. A computer tape with detailed customer bill frequency data compatible with the Commission's computer should be provided with the workpapers for the latest available recorded year. All billing determinants for each tariff schedule must be included. Adequate documentation should be provided to allow the staff to use this tape to develop alternative rate designs.

F. FOR GAS UTILITIES:

1. Demand Side Management cost effectiveness as identified in the Standard Practice Manual for Economic Evaluation of Demand Side Management Programs and consistent with the DSM reporting requirements manual. This shall include a full description, funding requirements, load impacts, and cost effectiveness of each program.
2. At the present time gas utilities marginal cost and rate design are litigated in the Annual Cost Allocation Proceeding (ACAP) per OII 86-06-005. Therefore, marginal cost data, alternative rate designs, and alternate fuel use will not be required exhibits in the general rate case filing unless the Commission moves the issues back into the general rate case. However, utilities should submit a proposed rate design to reflect the revenue requirement changes in its application.



STANDARD REQUIREMENT LIST OF DOCUMENTATION SUPPORTING  
STAFF AND OTHER PARTIES EXHIBITS AND TESTIMONY

1. Complete explanation of exhibits and special studies submitted. If the exhibits contain material previously litigated but not allowed by the Commission, it shall be clearly identified.
2. Workpapers showing calculations and documentation to support the exhibit. Workpapers must:
  - A. Be arranged in an orderly sequence and be dated and initialed by the preparer. When appropriate, each expense item should be broken down into non-labor, labor, and other.
  - B. Be appropriately indexed and legible.
  - C. Computer output must be accompanied by description of the program. The input data used should be identified and the various assumptions of variables used should be clearly stated.
  - D. Show the derivation of each individual estimate.
    1. List all the assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used.
    2. Show how each assumption was used in each estimate.
    3. Where judgment is involved in establishing an estimate level, explain why that particular level was recommended.
    4. Furnish or provide reference to base year historical and estimated data and subsequent years with evaluation of changes up to and including the test year.
    5. If there was no precise basis for certain estimates and the derivation was purely subjective, the workpapers should so state.
    6. Supporting material must have a clear tieback to base data from the stated expenditure.
3. A complete set of workpapers shall be delivered to the DRA and utility Project Managers and any other party requesting them, on the appropriate day noted in the Rate Case Plan.

STANDARD UPDATE EXHIBIT  
FILING REQUIREMENTS LIST

1. Other than electric rate design:

Any update testimony or exhibits filed by applicant, staff, or interested party shall be limited to:

- A. Known changes in cost of labor based on contract negotiations completed since the tender of the NOI or known changes that result from updated data using the same indexes used in the original presentation during hearings.
- B. Changes in non-labor escalation factors based on the same indexes the party used in its original presentation during hearings.
- C. Known changes due to governmental action such as changes in tax rates, postage rates, or assessed valuation.

The update exhibit may include decreases as well as increases in the above categories. All testimony and exhibits for updating shall be in fully prepared form and served on all appearances on Day 280 as indicated in the rate case plan.

2. Electric Rate Design:

Applicant may update electric rate design testimony or exhibits. Any testimony and exhibits for updating shall be in fully prepared form and served on all appearances on Day 190\* as indicated in the rate case plan.

Applicant shall meet with staff at least 30 days prior to any rate design update to discuss and explain its update.

(SAMPLE)  
N O T I C E

The California Public Utilities Commission will hold public comment hearings as listed below on the request of \_\_\_\_\_ (utility) to increase its rates by \$ \_\_\_\_\_ per year. If the entire amount is approved by the Commission, the impact on customers will be as follows:

(Brief description of which rates the utility proposes to raise or lower and the \$ and % amount. The effect on the average residential customer's monthly bill shall be shown. The effect on rates of all customer classes shall be shown. A statement of the reasons for the rate increase shall also be included.)

The hearing dates listed below give you an opportunity to express your views to the Commission. You may submit written comments or make a brief oral statement at the hearing.

DATES AND LOCATIONS OF PUBLIC COMMENT HEARINGS  
IN APPLICATION \_\_\_\_\_ (No.) BEFORE THE  
CALIFORNIA PUBLIC UTILITIES COMMISSION.

(List dates, locations, and times of specifically designated public comment hearings.)

The Commission welcomes your comments. If you cannot attend these hearings, you may submit written comments to the Commission at one of the addresses listed below. Simply state that you are writing about Application \_\_\_\_\_ (No.) of \_\_\_\_\_ (utility).

A copy of \_\_\_\_\_ (utility's) application may be inspected in its local business office or at its headquarters.

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Notes:

1. The above notice is only a sample format. A utility may suggest other formats that would better communicate the required information.
2. All notices must be submitted to the Commission's Public Advisor's Office for review at least five working days prior to the printers deadline.

(END OF APPENDIX B)

APPENDIX C

ANNUAL COST OF CAPITAL PROCEEDING

PLAN FOR ANNUAL COST OF CAPITAL (ACC)  
PROCEEDING FOR ENERGY UTILITIES

Day Schedule

0	Application filed by utilities by May 8 of each year. See page C 3 for list of utilities to which this plan applies and filing requirements.
7	ALJ, staff counsel and Commissioner assigned
42	Prehearing Conference
84	Staff submits cost of capital exhibits. Utility may file updated testimony*
98	Interested parties submit cost of capital exhibits
108	Hearings begin
112	Hearings completed no later than this day
122	Late-filed exhibit reflecting issuance of new debt and/or preferred stock or actual changes for existing variable rate issues. Concurrent briefs filed and served on all parties*
129	Reply briefs filed and served on all parties.
152	ALJ proposed decision filed and served on all parties
190	Final decision expected by this date. Decision to become effective on January 1 of each year.

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\* Updated testimony and late-filed exhibit shall be limited to changes in cost of capital reflecting issuance of new debt or preferred stock, or actual changes for existing variable rate issues, since the application was filed, and revisions to previously submitted cost of capital models reflecting more recent financial and economic data.

ENERGY UTILITIES TO WHICH ACC PLAN APPLIES

1. Pacific Gas and Electric Company
2. San Diego Gas & Electric Company
3. Southern California Edison Company
4. Southern California Gas Company
5. Southwest Gas Company
6. Sierra Pacific Power Company
7. Pacific Power and Light Company

STANDARD REQUIREMENT LIST  
OF DOCUMENTATION SUPPORTING AN  
ANNUAL COST OF CAPITAL APPLICATION

1. Brief statement of amount, reason for, and summary supporting the increase/decrease.
2. Exhibits and prepared testimony in final application form shall conform to the requirements of Rule 23, except that the provisions of Rule 8 are not applicable.
3. Complete explanation of exhibits and special studies furnished.
4. Workpapers (2 sets) showing calculations of documentation to support the utility's application shall be delivered to the DRA Project Manager on the same day the application is filed. Workpapers must:
  - A. Be arranged in an orderly sequence and be dated and initialed by the preparer.
  - B. Show the derivation of each individual estimate.
    1. List all of the assumptions necessary for the derivation of each individual estimate and explain the rationale of why the assumptions were used.
    2. Show how each assumption was used in each estimate.
    3. Where judgment is involved in making an estimate, explain why that particular estimate was adopted.
    4. If there was no precise basis for certain estimates and the derivation was purely subjective, the workpapers should so state.
  - C. Be appropriately indexed and legible.
  - D. Computer printouts must be accompanied by a detailed description of the program. The recorded data used should be identified, the various assumptions of variables used should be clearly stated and any adopted Commission rules governing computer models adhered to.

(END OF APPENDIX C)

APPENDIX D

ECAC/ACAP AND REASONABLENESS REVIEW SCHEDULES ✓



TABLE 2  
SUMMARY OF ECAC SCHEDULE

Day Schedule	Event	PG&E Date	SPPCo Date	SCE Date	SDG&E Date
-60	Record period ends.	31-Dec	30-Jun	31-Mar	31-Jul
-60	Informal meetings to discuss draft data request begin.	31-Dec	30-Jun	31-Mar	31-Jul
-45	Informal meetings end.	15-Jan	15-Jul	15-Apr	15-Aug
-45	Informal (Master) data request to utilities due.	15-Jan	15-Jul	15-Apr	15-Aug
-21	a/ Staff audit begins.	08-Feb	08-Aug	09-May	08-Sep
-7	a/ Staff audit completed.	22-Feb	22-Aug	23-May	22-Sep
0	Application filed with workpapers.	01-Apr	29-Aug	30-May	29-Sep
10	First Prehearing Conference (PHC).	11-Apr	08-Sep	09-Jun	09-Oct
14	Formal staff data requests to utility due.	15-Apr	12-Sep	13-Jun	13-Oct
b/	b/ IER Workshops.	b/	b/	b/	b/
28	Utility responses to formal data requests due.	29-Apr	26-Sep	27-Jun	27-Oct
60	Staff report mailed w/ workpapers.	31-May	28-Oct	29-Jul	28-Nov
70	Intervenor's testimony due.	10-Jun	07-Nov	08-Aug	08-Dec
78	c/ Second Prehearing Conference.	18-Jun	15-Nov	16-Aug	16-Dec
88	Hearings begin.	28-Jun	25-Nov	26-Aug	26-Dec
106	Hearings end.	16-Jul	13-Dec	13-Sep	13-Jan
120	Briefs due.	30-Jul	27-Dec	27-Sep	27-Jan
127	Reply briefs due (Optional).	06-Aug	03-Jan	04-Oct	03-Feb
134	ALJ ruling on resource mix issued.	13-Aug	10-Jan	11-Oct	10-Feb
141	IER exhibits filed by all parties.	20-Aug	17-Jan	18-Oct	17-Feb
146	IER hearings begin.	25-Aug	22-Jan	23-Oct	22-Feb
147	IER hearings end.	26-Aug	23-Jan	24-Oct	23-Feb
164	Draft ALJ decision issued.	12-Sep	09-Feb	10-Nov	12-Mar
184	Comments on ALJ draft due.	02-Oct	01-Mar	30-Nov	01-Apr
189	Reply to comments on ALJ draft due.	07-Oct	06-Mar	05-Dec	06-Apr
194-209	Decision signed.	27-Oct	26-Mar	25-Dec	26-Apr
	Rates effective/Forecast period begins.	01-Nov	01-Apr	01-Jan	01-May
293	d/ Trigger filing.	19-Jan	18-Jun	19-Mar	19-Jul
323	Trigger DRA report.	18-Feb	18-Jul	18-Apr	18-Aug
328	Trigger PHC	23-Feb	23-Jul	23-Apr	23-Aug
333	Trigger hearings begin.	28-Feb	28-Jul	28-Apr	28-Aug
337	Trigger hearings end.	04-Mar	01-Aug	02-May	01-Sep
351	Draft ALJ Trigger decision issued.	18-Mar	15-Aug	16-May	15-Sep
371	Comments on ALJ Trigger decision due.	07-Apr	04-Sep	05-Jun	05-Oct
376	Reply to comments on ALJ Trigger dec. due.	12-Apr	09-Sep	10-Jun	10-Oct
390	Trigger decision signed.	26-Apr	23-Sep	24-Jun	24-Oct
	Trigger filing rates take effect.	01-May	01-Oct	01-Jul	01-Nov

a/ The staff audit for the forecast and the record periods will be combined whenever possible.

b/ To be decided by CACD Arbitrator.

c/ Additional PHC to identify issues, positions of parties, areas for stipulation, schedules of witnesses, etc.

d/ Trigger filings based on the conditions in D.83-02-076 are mandatory.

## Notes:

If the above dates fall on Saturday, Sunday, or holiday, the next working day will be observed.

TABLE 3  
SUMMARY OF ACAP SCHEDULE

Day Schedule	Event	PG&E Date	SoCal Date	SDG&E Date
-60	Informal meetings to discuss draft data request begin.	16-Jun	15-Jan	15-Jan
-45	Informal meetings end.	01-Jul	30-Jan	30-Jan
-45	Informal (Master) data requests to utility due.	01-Jul	30-Jan	30-Jan
-21	Staff audit begins.	25-Jul	23-Feb	23-Feb
-7	Staff audit completed.	08-Aug	08-Mar	08-Mar
0	Application filed with workpapers.	15-Aug	15-Mar	15-Mar a/
14	Formal staff data requests to utility due.	29-Aug	29-Mar	29-Mar
19	Prehearing conference (PHC).	03-Sep	03-Apr	03-Apr
28	Utility responses to formal data requests due.	12-Sep	12-Apr	12-Apr
60	Staff report mailed w/ workpapers.	14-Oct	14-May	14-May
70	Intervenors' testimony due.	24-Oct	24-May	24-May
80	Hearings begin.	03-Nov	03-Jun	03-Jun
98	Hearings end.	21-Nov	21-Jun	21-Jun
112 b/	Briefs due.	12-Dec	05-Jul	05-Jul
119 b/	Reply briefs due (Optional).	19-Dec	12-Jul	12-Jul
149 c/	Draft ALJ decision issued.	25-Jan	11-Aug	11-Aug
169 c/	Comments on ALJ draft due.	14-Feb	31-Aug	31-Aug
174 c/	Reply to comments on ALJ draft due.	19-Feb	05-Sep	05-Sep
180-194 c/	Decision signed.	11-Mar	25-Sep	25-Sep
	Rates Effective/Forecast period begins.	01-Apr	01-Oct	01-Oct
279 d/ e/	Trigger filing.	21-Jun	19-Dec	19-Dec
309 d/	Trigger DRA report.	21-Jul	18-Jan	18-Jan
314 d/	Trigger PHC.	26-Jul	23-Jan	23-Jan
319 d/	Trigger hearing begins.	31-Jul	28-Jan	28-Jan
323 d/	Trigger hearing ends.	04-Aug	01-Feb	01-Feb
337 d/	Draft ALJ Trigger decision issued.	18-Aug	15-Feb	15-Feb
357 d/	Comments on ALJ Trigger decision due.	07-Sep	07-Mar	07-Mar
362 d/	Reply to comments on ALJ Trigger dec. due.	12-Sep	12-Mar	12-Mar
376 d/	Trigger decision signed.	26-Sep	26-Mar	26-Mar
	Trigger filing rates take effect.	01-Oct	01-Apr	01-Apr

a/ SDG&E's ACAP application shall be filed not later than two weeks after receipt of SoCal's final ACAP application workpapers. This may require other events in SDG&E's ACAP schedule to be delayed.

b/ Add 7 days for PG&E schedule.

c/ Add 14 days for PG&E schedule.

d/ Add 31 days for PG&E schedule.

e/ Trigger filings based on the conditions in D.86-12-010 are mandatory.

Notes:

If the above dates fall on Saturday, Sunday, or holiday, the next working day will be observed.

TABLE 4  
SUMMARY OF ELECTRIC AND/OR GAS REASONABLENESS SCHEDULE

Day Schedule	Event	PG&E Date	SPPC Date	SCE Date	SoCal Date	SDG&E Date
	Record period ends.	31-Dec	30-Jun	31-Mar	31-Mar a/	31-Jul
-60	Informal meetings to discuss draft data request begin.	01-Feb	30-Jun	31-Mar	09-Apr a/	16-Aug
-45	Informal meetings end.	16-Feb	15-Jul	15-Apr	30-Apr	31-Aug
-45	Informal (Master) data requests to utility due.	16-Feb	15-Jul	15-Apr	30-Apr	31-Aug
-21	b/ Staff audit begins.	11-Mar	08-Aug	09-May	24-May	24-Sep
-7	b/ Staff audit completed.	25-Mar	22-Aug	23-May	07-Jun	08-Oct
0	Application filed with workpapers.	01-Apr	29-Aug	30-May	14-Jun	15-Oct
21	Formal staff data requests to utility due.	22-Apr	19-Sep	20-Jun	05-Jul	05-Nov
35	Utility responses to formal data requests due.	06-May	03-Oct	04-Jul	19-Jul	19-Nov
75 or T	c/ Staff report mailed w/ workpapers.	15-Jun 30-Jul c/	12-Nov 27-Dec c/	13-Aug 27-Sep c/	28-Aug 28-Aug	29-Dec 27-Jan c/
89 or T+14	Data requests to staff begin.	13-Aug	10-Jan	11-Oct	11-Sep	10-Feb
103 or T+28	Data responses from staff due.	27-Aug	24-Jan	25-Oct	25-Sep	24-Feb
114 or T+39	Intervenors' testimony due.	07-Sep	04-Feb	05-Nov	06-Oct	07-Mar
118 or T+43	Prehearing conference.	11-Sep	08-Feb	09-Nov	10-Oct	11-Mar
124 or T+49	Hearings begin.	17-Sep	14-Feb	15-Nov	16-Oct	17-Mar
138 or T+63	Hearings recess.	01-Oct	28-Feb	29-Nov	30-Oct	31-Mar
153 or T+78	Hearings resume.	16-Oct	15-Mar	14-Dec	14-Nov	15-Apr
157 or T+82	Hearings end.	20-Oct	19-Mar	18-Dec	18-Nov	19-Apr
187 or T+112	Briefs due.	19-Nov	18-Apr	17-Jan	18-Dec	19-May
201 or T+126	Reply briefs due (Optional).	03-Dec	02-May	31-Jan	01-Jan	02-Jun
246 or T+171	Draft ALJ decision issued.	17-Jan	16-Jun	17-Mar	15-Feb	17-Jul
266 or T+191	Comments on ALJ draft due.	06-Feb	06-Jul	06-Apr	07-Mar	06-Aug
271 or T+196	Reply to comments on ALJ draft due.	11-Feb	11-Jul	11-Apr	12-Mar	11-Aug
291 or T+216	Decision signed.	03-Mar	31-Jul	01-May	01-Apr	31-Aug
	Actual elapsed processing days.	336 d/	336 d/	336 d/	291	320 d/

a/ Events 1 & 2 begin on days -75 & -66, respectively.

b/ The staff audit for the forecast and the record periods will be combined whenever possible.

c/ Mailing day corresponds to Day 75 or T ("Briefs due" date, Table 2), whichever is later.

d/ The total number of days exceeds 291 as a result of the staff mailing date controlling.

Note:

If the above dates fall on Saturday, Sunday, or holiday, the next working day should be observed.

Table 5

## ECAC/ACAP/REASONABLENESS SCHEDULE

		1988												1989												1990													
		J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D		
PG&E	ECAC													1		M		H					Df		1														
	ACAP																																						
	Reasonableness																																						
SPPC	ECAC																																						
	ACAP																																						
	Reasonableness																																						
SCE	ECAC																																						
	ACAP																																						
	Reasonableness																																						
SoCAL	ACAP																																						
	Reasonableness																																						
	Reasonableness																																						
SDG&E	ECAC																																						
	ACAP																																						
	Reasonableness																																						

RP= Record Period End Date  
M = Mail Staff Report

H = Hearing Date  
Df = Draft Decision

Revised January 17, 1989

ANNUAL ECAC REVIEW SCHEDULE

Day -60

Record period ends.

Day -60 to -45

Informal conferences to discuss draft data requests may be held with the applicant, staff and any interested parties.

Day -45

Informal (Master) data requests to utility due.

Day -21 to -7

Initial staff audit conducted. The utility shall make available to the staff any and all records, accounts, receipts, contracts, and other information applicable to the ECAC review as requested. ✓

Day 0

1. The application required by the Commission's Rules of Practice and Procedure shall be filed and served. Three additional copies of the application with supporting workpapers\* including responses to all outstanding master data requests shall be sent directly to the assigned project manager.
2. Two copies of all exhibits, prepared testimony, and other evidence prepared by the applicant shall be submitted to the presiding ALJ and copies served on all parties to the utility's last formal ECAC proceeding. A copy shall also be filed with the Commission's Reporting Branch.

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\* Workpapers must be arranged in orderly sequence, numbered, dated and initialed by the preparer. List all assumptions necessary for the derivation of each individual estimate and explain the rational why the assumptions were used. Each work paper should be properly indexed, cross-referenced, and legible.

A computer printout must be accompanied by detailed description of the program. The recorded data used should be identified and the various assumptions of variables used should be clearly stated.

3. Staff engineer's field investigation begins. The utility shall make available to the staff all records pertaining to power plant operations and maintenance, purchased power transactions, power pooling, gas gathering facilities, dispatch center and other information applicable to the ECAC review as requested.

Day 10

First prehearing conference

Day 14

Formal data requests to utility due.

Day to be determined by CACD arbitrator

IER workshops held. Workshops should occur early in the proceeding to allow the parties sufficient time to investigate modelling issues and develop a base case set of assumptions. Any party using a production simulation model shall run a base case set of assumptions on its preferred model and make the result available to all parties. The arbitrator as a result of the workshops shall provide in a timely fashion a final report to the presiding ALJ that describes: (1) base case resource plan assumptions, (2) base case modelling conventions, and (3) the parties' explanation of differences in model results.

Day 28

Formal data responses from utility due

Day 60

Staff report with workpapers mailed to all parties.

Updated data restricted to changes in fuel mix, fuel prices and the balance in the balancing account provided by the utility to all participants.

Day 70

Intervenors' testimony with supporting workpapers filed.

Day 78

Second prehearing conference held to identify issues, establish position of parties, identify areas for stipulation, set schedule of witnesses and other related matters.

Day 88 to 106

Public hearings held. Unless directed otherwise by the assigned ALJ no bulk or major updating amendments or recorded data to amend the final exhibits, prepared testimony, or other evidence shall be allowed other than the recorded changes in fuel mix, fuel prices and the balance in the balancing accounts. If time permits, the last two days of hearings will be set aside for limited rebuttal testimony.

Day 120

Briefs due.

Day 127

Reply briefs due. (Optional)

Day 134

ALJ ruling on resource mix issued.

Day 141

Incremental Energy Rate (IER) exhibits filed by all parties. These exhibits are to address only the changes in IER calculations and revenue requirements resulting from the ALJ's resource mix ruling. No other changes in input assumptions or model

conventions are permitted from those presented in the earlier exhibits and hearings (Days 88-106).

Day 146 to 147

IER hearings held. These hearings are limited to consideration of the final IER numbers advocated by each party and the impact of the resource mix adopted by the ALJ in the ruling of day 134.

Day 164

ALJ draft decision issued.

Day 184

Comments due on ALJ draft decision

Day 189

Reply comments due

Day 194-209

Decision signed by Commission.

Day 209-216

Rates become effective.

Day 293

If the conditions set forth in D.83-02-076 are met, a trigger filing shall be made. Such filing is mandatory unless a timely petition for relief from this requirement, specifying the reasons for requesting exemption, has been made and granted by the Commission.

Day 323

Staff report with workpapers on trigger filing mailed to all



parties.

Day 328

Prehearing conference on trigger filing held.

Day 333 to 337

Public hearings on trigger filing held.

Day 351

ALJ draft decision on trigger filing issued.

Day 371

Comments on ALJ draft decision due.

Day 376

Reply to comments on ALJ draft decision due.

Day 390

Decision on trigger filing signed by Commission.

ANNUAL ACAP REVIEW SCHEDULE

Day -60 to -45

Informal conferences to discuss draft data requests may be held with the applicant, staff and any interested parties.

Day -45

Informal (Master) data requests to utility due.

Day -21 to -7

Initial staff audit conducted. The utility shall make available to the staff any and all records, accounts, receipts, contracts, and other information applicable to the ACAP review as requested. ✓

Day 0

1. The application required by the Commission's Rules of Practice and Procedure shall be filed and served. Three additional copies of the application with supporting workpapers\* including responses to all outstanding master data requests shall be sent directly to the assigned project manager.
2. Two copies of all exhibits, prepared testimony, and other evidence prepared by the applicant shall be submitted to the presiding ALJ and copies served on all parties to the utility's last formal ACAP proceeding. A copy shall also be filed with the Commission's Reporting Branch. ✓

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\* Workpapers must be arranged in orderly sequence, numbered, dated and initialed by the preparer. List all assumptions necessary for the derivation of each individual estimate and explain the rational why the assumptions were used. Each work paper should be properly indexed, cross-referenced, and legible.

A computer printout must be accompanied by a detailed description of the program. The recorded data used should be identified and the various assumptions of variables used should be clearly stated.

3. Staff engineer's field investigation begins. The utility shall make available to the staff all records pertaining to power plant operations and maintenance, purchased power transactions, power pooling, gas gathering facilities, dispatch center and other information applicable to the ACAP review as requested.
4. ACAP applications shall include gas rate design and revenue allocation criteria for general rate case and attrition base requirement changes.
5. SDG&E's ACAP application shall be filed not later than two weeks after receipt of SoCal's final ACAP application workpapers. This may require other events in SDG&E's ACAP schedule to be delayed.

Day 14

Formal data requests to utility due.

Day 19

Prehearing conference

Day 28

Formal data responses from utility due

Day 60

Staff report with work papers mailed to all parties.

Updated data restricted to changes in fuel mix, fuel prices and the balance in the balancing account provided by the utility to all participants.

Day 70

Intervenors' testimony with supporting work papers filed.

Day 80 to 98

Public hearings held. Unless directed otherwise by the assigned ALJ no bulk or major updating amendments or recorded data to amend the final exhibits, prepared testimony, or other evidence

shall be allowed other than the recorded changes in fuel mix, fuel prices and the balance in the balancing accounts. If time permits, the last two days of hearings will be set aside for limited rebuttal testimony.

Day 112 <sup>1/</sup>

Briefs due.

Day 119 <sup>1/</sup>

Reply briefs due. (Optional)

Day 149 <sup>2/</sup>

ALJ draft decision issued.

Day 169 <sup>2/</sup>

Comments due on ALJ draft decision

Day 174 <sup>2/</sup>

Reply comments due

Day 180-194 <sup>2/</sup>

Decision signed by Commission.

Day 200 (PG&E 229)

Rates become effective.

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1/ Add 7 days for PG&E  
2/ Add 14 days for PG&E

Day 279 <sup>3/</sup>

If the conditions set forth in D.86-12-010 are met, a trigger filing shall be made. Such filing is mandatory unless a timely petition for relief from this requirement, specifying the reasons for requesting exemption, has been made and granted by the Commission.

Day 309 <sup>3/</sup>

Staff report with workpapers on trigger filing mailed to all parties.

Day 314 <sup>3/</sup>

Prehearing conference on trigger filing held.

Day 319 to 323 <sup>3/</sup>

Public hearing on trigger filing held.

Day 337 <sup>3/</sup>

ALJ draft decision on trigger filing issued.

Day 357 <sup>3/</sup>

Comments due on ALJ draft decision.

Day 362 <sup>3/</sup>

Reply to comments on draft decision due.

Day 376 <sup>3/</sup>

Decision on trigger filing signed.

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3/ Add 31 days for PG&E

ANNUAL REASONABLENESS REVIEW SCHEDULE

Day -75 to -60

Record period ends (see Table 4 for details).

Day -60 to -45

Informal conferences to discuss draft data requests may be held with applicant, staff and any interested parties.

Day -45

Informal (Master) data requests to utility due.

Day -21 to -7

Initial staff audit conducted. The utility shall make available to the staff any and all records, accounts, receipts, contracts, and other information applicable to the Reasonableness Review as requested.

Day 0

1. The application required by the Commission's Rules of Procedures shall be filed and served. Three additional copies of the application with supporting workpapers\* including responses to all outstanding master data requests shall be sent directly to the assigned project manager.
2. Two copies of all exhibits, prepared testimony, and other evidence prepared by the applicant shall be submitted to the presiding ALJ and copies served on all

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\* Workpapers must be arranged in orderly sequence, numbered, dated and initialed by the preparer. List all assumptions necessary for the derivation of each individual estimate and explain the rational why the assumptions were used. Each workpaper should be properly indexed, cross-referenced, and legible.

A computer printout must be accompanied by a detailed description of the program. The recorded data used should be identified and the various assumptions of variables used should be clearly stated.

parties to the utility's last formal ECAC/AER proceeding. A copy shall also be filed with the Commission's Reporting Branch.

3. Staff engineer's field investigation begins. The utility shall make available to the staff all records pertaining to power plant operations and maintenance, purchased power transactions, power pooling and other information applicable to the ECAC/AER review as requested.

Day 21

Formal data requests to utility due.

Day 35

Formal data responses from utility due.

Day 75 or T

Staff report with workpapers mailed to all parties.

Day 89 or T+14

Data request to staff begin.

Day 103 or T+28

Data responses from staff due.

Day 114 or T+39

Intervenors' testimony with supporting work papers due.

Day 118 or T+43

Prehearing conference held.

Day 124 to 138 or T+49 to T+63

Public hearings held.

---

Note:

"T" refers to briefs due day (see Table 2, ECAC Schedule).

Day 153 to 157 or T+78 to T+82

Second set of hearings for rebuttal testimony, if any.

Day 187 or T+112

Briefs due.

Day 201 or T+126

Reply briefs due. (Optional)

Day 246 or T+171

ALJ draft decision issued.

Day 266 or T+191

Comments due on ALJ draft decision

Day 271 or T+196

Reply to comments on draft decision due.

Day 291 or T+216

Decision signed.

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Note:

"T" refers to briefs due day (see Table 2, ECAC Schedule).

(END OF APPENDIX D)



Decision \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to  
revise the time schedules for the  
Rate Case Plan and fuel offset  
proceedings.

R.87-11-012  
(Filed November 13, 1987)

(See Appendix A for appearances.)

OPINION

Summary

This decision modifies the rate case plan and the schedule for processing energy offset proceedings. These changes were made to reflect the requirements of Public Utilities Code § 311 (§ 311), develop realistic schedules for processing rate proceedings, and facilitate the issuing of general rate case decisions. Additionally, for the first time energy offset filings have been coordinated with each other and with general rate cases.

The important innovations this decision adopts are:

(1) establishment of a generic annual cost of capital proceeding for energy utilities, (2) separate rate design decisions and annual rate design windows for major electric utilities, and (3) separate proceedings for energy reasonableness reviews.

Procedural Background

On November 13, 1987 Order Instituting Rulemaking (R.) 87-11-012 was issued to: (1) reflect the requirements of § 311 in the processing of general rate cases and energy offset proceedings, (2) develop reasonable time schedules for processing general rate cases and energy offset proceedings, and (3) consider changes to general rate cases that could ease the burden of issuing year-end decisions.

Comments on these matters were solicited from utilities, our staff, and interested parties and a prehearing conference was held before Administrative Law Judge (ALJ) Ferraro on January 19, 1988. At the prehearing conference the proceeding was bifurcated into a general rate case phase and an offset proceeding phase. The initial workshops, attended by the ALJ, utilities, our staff, and interested parties, were held in February 1988. Further workshops without the ALJ in attendance were conducted by the Division of Ratepayer Advocates (DRA). As a result of these workshops a consensus proposal for each phase was submitted to the ALJ.

Also discussed at the prehearing conference was the applicability of this rulemaking proceeding to telecommunications utilities. The ALJ ruled that only changes necessary to incorporate the requirements of § 311 would apply to telecommunications utilities.

On May 26, 1988 the ALJ issued two rulings which scheduled hearings to address the consensus proposals and the ALJ's comments. Hearings were held on June 16, 1988 for the offset proceeding phase and June 28, 1988 for the general rate case phase.

Finally, by memorandum dated August 18, 1988 DRA states that DRA, Southern California Edison Company (Edison), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E) have agreed to certain modifications to the consensus energy cost adjustment clause (ECAC) schedule to accommodate the inclusion of incremental energy rate (IER) related issues.

#### Discussion

Although we will modify the consensus proposals, we are grateful to the parties that participated in the workshop process. Their hard work and cooperation have resulted in a considerable savings in time and litigation expenses.

Initially this proceeding was intended to address the requirement of § 311, mailing of the ALJ's proposed decision prior

to a final decision. However, it soon became apparent that other items needed attention. First we will address our concerns for general rate cases followed by offset proceedings. To assist the reader in following our discussion Table A below shows the adopted dates for energy utility rate case and offset proceeding hearings and decisions; Table B below lists the present and adopted effective dates for energy utility rate changes.

TABLE A

## ECAC/ACAP/REASONABLENESS/RCP SCHEDULE

Typical Year

		J	F	M	A	M	J	J	A	S	O	N	D
PG&E	ECAC						H				D		
	ACAP			D								H	
	Reasonableness	D							H				
SPPC	ECAC			D								H	
	Reasonableness		H				D						
SCE	ECAC								H				D
	Reasonableness				D							H	
SoCAL	ACAP						H1			D			
	Reasonableness			D							H		
SDG&E	ECAC	H			D								H
	ACAP						H1			D			
	Reasonableness			H					D				
RATE CASE	RCP			H			H			H			D1
	Rate Design				D2					H		H	
	PG&E/SDG&E					D2					H		
	SCE											H	
	Rate Design Window												
	PG&E/SDG&E	H			D								
ELECTRIC COMPANY	SCE		H			D							
	PP&L/SPPC									H			D
	Cost of Capital								H			D	

H = Hearing Dates

H1 = SDG&amp;E Hearings Held After SoCal

D = Final Decision

D1 = Final Decision (excl. rate design)

D2 = Final Decision (rate design)

TABLE B

## EFFECTIVE DATE OF RATE CHANGES

	Current schedule a/					Adopted schedule				
	PG&E	SPPC	SCE b/	SoCAL	SDG&E c/	PG&E	SPPC	SCE b/	SoCAL	SDG&E c/
General Rate Case / Attrition /										
Cost of Capital	Jan 1	Jan 1	Jan 1	Jan 1	Jan 1	Jan 1	Jan 1	Jan 1	Jan 1	Jan 1
Rate Design										
Electric	Jan 1	Jan 1	Jan 1	-	Jan 1	May 1	Jan 1	1st Sunday in June	-	May 1
Gas	Apr 1	-	-	Jul 1	Jul 1	Apr 1	-	-	Oct 1	Oct 1
ECAC / ERAM / AER d/	Aug 1	Jan 1	June 1	-	Nov 1	Nov 1	Apr 1	Jan 1	-	May 1
ACAP d/	Apr 1	-	-	Jul 1	Jul 1	Apr 1	-	-	Oct 1	Oct 1
Seasonal Rate Adjustment/Spring e/										
Electric	May 1	-	1st Sunday in June	-	May 1	May 1	-	1st Sunday in June	-	May 1
Gas	Apr 1	-	-	Apr 1 May 1	Apr 1	Apr 1	-	-	Apr 1 May 1	Apr 1
Seasonal Rate Adjustment/Fall e/										
Electric	Nov 1	-	1st Sunday in Oct.	-	Oct 1	Nov 1	-	1st Sunday in Oct.	-	Oct 1
Gas	Nov 1	-	-	Nov 1 Dec 1	Dec 1	Nov 1	-	-	Nov 1 Dec 1	Dec 1
Total Annual Rate Changes										
Electric	4	1	4	0	4	3	2	3	0	3
Gas	3	0	0	6	4	3	0	0	6	4

## Notes:

- a/ These are the scheduled effective dates. Other factors may determine when they actually take effect.
- b/ SCE has Palo Verde Units 1, 2, and 3 which have rate changes on February 1, September 19 and January 20, respectively. These changes will continue for 8 years for units 1 and 2 and for 10 years for unit 3.
- c/ SDG&E has a Steam ECAC adjustment on January 1 and July 1 and a Heber Geothermal adjustment on May 1.
- d/ Trigger filings effective 6 months later if a predetermined condition occurs.
- e/ Seasonal adjustments may only affect certain customers.

General Rate Cases

Our key objectives in reviewing the rate case plan are:

1. Reduce the complexity of processing general rate decisions at year-end.
2. Provide a mechanism to address electric rate design more often than every three years.
3. Incorporate § 311 requirements and other scheduling modifications that may be appropriate.

We believe there are two viable options to reduce the complexity of processing general rate decisions on a calendar year basis. The first approach, which is recommended in the consensus proposal, is to remove consideration of the utility's cost of capital from general rate cases and establish a generic annual cost of capital proceeding. The annual cost of capital proceeding would be decided prior to December each year with rates effective January 1. Also included in the consensus proposal is the phasing of electric rate design for Edison, PG&E, and SDG&E with a decision issued after the general rate case decision. Marginal cost and revenue allocation issues would continue to be addressed in the general rate case decision. These changes, which are detailed in Appendix B and C, would eliminate two major components from the general rate case decision.

Because these recommendations will ease the end of year crunch experienced in processing general rate decisions they should be incorporated into the rate case plan. However, in response to the concerns expressed by the parties, we will make some minor changes. First, the annual cost of capital schedule will be modified to: (1) provide additional time for interested parties to submit their exhibits, (2) allow for a late-filed exhibit to reflect the issuance of new debt and/or preferred stock, and (3) include a reply brief and additional time for processing the

decision. Second, to minimize the number of rate changes during the year the electric rate design decision for major utilities will be made coincident with summer season rate changes. The summer season starts May 1 for PG&E and SDG&E and the first Sunday in June for Edison. These changes are reflected in the rate case schedules included in Appendix B.

Since electric rate design for Pacific Power & Light Company (PP&L) and Sierra Pacific Power Company (SPPC) is less controversial, the consensus proposal recommends that rate design changes continue to coincide with the January 1 effective date for general rate cases. However, the consensus proposal is silent with respect to rate design windows for these utilities. Consistent with our treatment of the major electric utilities, we will provide rate design windows with January 1 effective dates for PP&L and SPPC.

We will also modify the consensus proposal to include language which encourages informal conferences among the parties' witnesses to facilitate the understanding and acceptance of the notice of intent (NOI) and the processing of the application. The rate case plan now provides for informal conferences, but no provision is made for them in the consensus proposal. Because general rate proceedings are extremely complex, we believe that the rate case plan should explicitly provide for informal conferences to minimize the time involved in litigating issues.

There was discussion during the proceeding concerning DRA's master data requests. DRA has recently developed generic data requests that identify data that DRA typically requires of utilities in processing rate requests. The utilities were in general agreement that, if sufficient lead time is provided, responses to the general rate case master data request can usually be submitted with the tendered NOI.

For offset proceedings, DRA agreed that responses to the master data request should be submitted with the utility's application, but that the responses should not be a formal requirement. DRA stated that it would like responses as soon as possible, but did not want responses delayed four weeks.

Consistent with this approach we will not require utilities to provide data responses with their tendered NOI. However, we believe the use of a master data request can facilitate the processing of general rate applications and that it is reasonable to expect utilities to respond in a timely fashion. Accordingly, if DRA provides utilities with a master data request at least six months prior to the tendered NOI, we will expect the utilities to make a reasonable effort to provide responses with the tendered NOI.

Finally, we will delete the consensus proposal requirement for designating the ALJ and the assigned Commissioner prior to acceptance of the NOI. Instead of this requirement, we will provide utilities with an appeal procedure for disputes over NOI deficiencies. A utility that disagrees with DRA's list of deficiencies will be able to file a written protest with the Executive Director. The Executive Director's determination will be final.

The second viable option for the processing of general rate cases is DRA's proposal to schedule general rate cases on a fiscal year basis. DRA's proposal would establish test years that are aligned with the four quarters of the year. Each of the four major energy utilities would start their test year on a different quarter. For a three year rate case cycle, every nine months there would be a general rate decision issued and a general rate application filed.

All of the major energy utilities were adamantly opposed to DRA's proposal, stating that a fiscal year rate case would:



Cause confusion in the financial community.

Make it difficult to use quantitative models to forecast return on equity, sales, and other items.

Result in an increase in work in order to adjust calendar year data to a fiscal year.

Interestingly enough, while the major energy utilities are opposed to a fiscal year rate case, PP&L supports the idea. PP&L states that California is the only jurisdiction in which it serves that requires a calendar year rate filing and that it has not experienced difficulty filing fiscal year rate cases in other jurisdictions.

While we are not convinced by the arguments of the major energy utilities, we are inclined to delay consideration of a fiscal year rate case. The consensus proposal appears to be a serious attempt by the parties to address our objectives in reviewing the rate case plan. Since the parties are responsible for meeting filing deadlines and adhering to the rate case plan, we will provide them with the opportunity to make the consensus proposal work. Future consideration of a fiscal year rate case depends on the success of the consensus proposal.

Finally, SDG&E requests that it have the flexibility to defer in total or in part a rate change for the general rate case or attrition adjustment until rate design changes are effective. This would allow SDG&E to avoid multiple rate changes, but still change its authorized margin on January 1. Other parties also expressed an interest in SDG&E's proposal; however, it was unclear how such a mechanism would work. Since there is no specific proposal before us, requests for the deferral of rate changes should be addressed in utility rate proceedings.

The parties also recommend some minor changes to the consensus schedule for processing general rate cases.

at least six months prior to the tendered NOI, we will expect the utilities to make a reasonable effort to provide responses with the tendered NOI.

Finally, we will delete the consensus proposal requirement for designating the ALJ and the assigned Commissioner prior to acceptance of the NOI. Instead of this requirement, we will provide utilities with an appeal procedure for disputes over NOI deficiencies. A utility that disagrees with DRA's list of deficiencies will be able to file a written protest with the Executive Director. The Executive Director's determination will be final. An NOI deficiency is generally considered to exist when a utility has not provided an item in the "Standard Requirement List of Documentation Supporting an NOI" shown in Appendix B. Although the requirements contained in this list of documentation include the derivation of each individual utility estimate, adequacy of the utility's justification for its estimating methodology will not be considered an NOI deficiency.

The second viable option for the processing of general rate cases is DRA's proposal to schedule general rate cases on a fiscal year basis. DRA's proposal would establish test years that are aligned with the four quarters of the year. Each of the four major energy utilities would start their test year on a different quarter. For a three year rate case cycle, every nine months there would be a general rate decision issued and a general rate application filed.

All of the major energy utilities were adamantly opposed to DRA's proposal, stating that a fiscal year rate case would:

Cause confusion in the financial community.

Make it difficult to use quantitative models to forecast return on equity, sales, and other items.

Result in an increase in work in order to adjust calendar year data to a fiscal year.

Edison recommends that the generic cost of capital proceeding be modified to provide for reply briefs and a late-filed exhibit to update the embedded cost of debt.

PG&E recommends that the number of rate changes be minimized by coordinating the rate design decision with other rate changes, including seasonal rate changes.

While TURN recommends an annual rate proceeding for each utility, including fuel, its only concern with the schedule is that there is insufficient time allowed for the filing of intervenor testimony. TURN recommends and PG&E supports providing intervenors 14 days at a minimum and preferably 21 days from the filing of DRA's cost of capital testimony.

The City of San Diego recommends that public comment hearings be moved from Days 220-312 to an earlier time in the proceeding. This would allow public comments to be taken into consideration in developing the record.

Southern California Gas Company (SoCal) is concerned that the wording in the consensus proposal could be interpreted to give the DRA project manager veto power over the utility's decision to make changes to its NOI filing. SoCal also recommends that the text in the consensus proposal be changed to: (1) make the DRA project manager the coordinator for transmitting deficiencies in the NOI and (2) reflect the need for the filing of gas rate design exhibits.

In response to these concerns and recommendations DRA states that:

Public comment hearings were scheduled between Days 220 and 312 to inform the public of DRA's rate design recommendations, which are not finalized until Day 219.

It is not opposed to including a reply brief in the cost of capital schedule, but is not certain how to accommodate it.

Interestingly enough, while the major energy utilities are opposed to a fiscal year rate case, PP&L supports the idea. PP&L states that California is the only jurisdiction in which it serves that requires a calendar year rate filing and that it has not experienced difficulty filing fiscal year rate cases in other jurisdictions.

While we are not convinced by the arguments of the major energy utilities, we are inclined to delay consideration of a fiscal year rate case. The consensus proposal appears to be a serious attempt by the parties to address our objectives in reviewing the rate case plan. Since the parties are responsible for meeting filing deadlines and adhering to the rate case plan, we will provide them with the opportunity to make the consensus proposal work. Future consideration of a fiscal year rate case depends on the success of the consensus proposal.

Finally, SDG&E requests that it have the flexibility to defer in total or in part a rate change for the general rate case or attrition adjustment until rate design changes are effective. This would allow SDG&E to avoid multiple rate changes, but still change its authorized margin on January 1. Other parties also expressed an interest in SDG&E's proposal; however, it was unclear how such a mechanism would work. Since there is no specific proposal before us, requests for the deferral of rate changes should be addressed in utility rate proceedings.

The parties also recommend some minor changes to the consensus schedule for processing general rate cases.

Edison recommends that the generic cost of capital proceeding be modified to provide for reply briefs and a late-filed exhibit to update the embedded cost of debt.

PG&E recommends that the number of rate changes be minimized by coordinating the rate design decision with other rate changes, including seasonal rate changes.

SoCal's recommended text changes to make DRA's project manager the coordinator for transmitting deficiencies in the NOI and to require rate design exhibits should be adopted.

DRA's project manager should have the responsibility of determining what changes can be made to the NOI. The text in the consensus proposal is intended to maintain the current practice in approving changes to the NOI.

As an alternate to the consensus proposal for a generic annual cost of capital proceeding, DRA recommends a trigger mechanism. Under this approach, the only annual cost of capital modifications for all energy utilities would be an update to reflect changes in long-term debt and/or preferred stock, a fairly mechanical procedure. Return on equity modifications would be considered for utilities with a general rate proceeding, but not for other utilities unless a predetermined index had changed by more than a preset amount. This would signify potential risk changes exceeding the normal month-to-month fluctuations.

Although DRA's alternate proposal received little attention from the parties, we feel it could provide significant benefits during times of economic stability. However, we are reluctant to consider DRA's proposal without a more complete record. Accordingly, parties interested in pursuing the use of a trigger mechanism for return on equity should address this matter in a future annual cost of capital proceeding.

We will adopt all the recommended changes to the consensus proposal except SoCal's concern over DRA's responsibility for accepting NOI changes. Additionally, we will include language which provides for: (1) informal conferences, (2) an appeal process for disputes over NOI deficiencies, and (3) an expanded annual cost of capital schedule for reply briefs and the processing of the decision. These changes are reflected in the adopted rate case plan, attached as Appendix B, and the adopted annual cost of capital schedule, attached as Appendix C.

While TURN recommends an annual rate proceeding for each utility, including fuel, its only concern with the schedule is that there is insufficient time allowed for the filing of intervenor testimony. TURN recommends and PG&E supports providing intervenors 14 days at a minimum and preferably 21 days from the filing of DRA's cost of capital testimony.

The City of San Diego recommends that public comment hearings be moved from Days 220-312 to an earlier time in the proceeding. This would allow public comments to be taken into consideration in developing the record.

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In response to these concerns and recommendations DRA states that:

Public comment hearings were scheduled between Days 220 and 312 to inform the public of DRA's rate design recommendations, which are not finalized until Day 219.

It is not opposed to including a reply brief in the cost of capital schedule, but is not certain how to accommodate it.

SoCal's recommended text changes to make DRA's project manager the coordinator for transmitting deficiencies in the NOI and to require rate design exhibits should be adopted.

DRA's project manager should have the responsibility of determining what changes can be made to the NOI. The text in the consensus proposal is intended to maintain the current practice in approving changes to the NOI.

Since DRA is required to review a utility's NOI filing and prepare exhibits within the time provided in the rate case plan, we believe DRA's project manager should have primary responsibility for accepting NOI changes. In the event a utility wishes to appeal the DRA's determination it can do so by filing a formal motion for acceptance of its NOI changes.

Finally, the consensus proposal recommends that SPPC, Southwest Gas Corporation (Southwest), and PP&L stagger their general rate case filings. To accomplish this, SPPC and PP&L would be required to delay their next general rate case filings by one year; however, they would be authorized to make an additional attrition year filing. We consider this a reasonable approach to distribute DRA's workload evenly.

The adopted changes to the rate case plan will only apply to general rate proceedings for test years 1991 and beyond. For general rate applications with test years prior to 1991, we encourage the parties to incorporate our changes, including rate design windows, where appropriate.

#### Offset Proceedings

Our key objectives in reviewing the schedules for offset proceedings are to: (1) even out the workload during the year, (2) incorporate § 311 requirements, and (3) make scheduling modifications where appropriate. As with general rate cases the parties have presented us with a consensus proposal which addresses our objectives. The consensus proposal revises the filing dates and schedules for energy offset proceedings. However, we have two major concerns with the consensus proposal.

First, while the workload was spread throughout the year, we believe there is room for improvement. The consensus proposal would require Edison's ECAC and SoCal's ACAP to be processed simultaneously. Edison and SoCal have consistently made the argument that these two proceedings should be linked to minimize the risk associated with forecasting Edison's gas purchases and

As an alternate to the consensus proposal for a generic annual cost of capital proceeding, DRA recommends a trigger mechanism. Under this approach, the only annual cost of capital modifications for all energy utilities would be an update to reflect changes in long-term debt and/or preferred stock, a fairly mechanical procedure. Return on equity modifications would be considered for utilities with a general rate proceeding, but not for other utilities unless a predetermined index had changed by more than a preset amount. This would signify potential risk changes exceeding the normal month-to-month fluctuations.

Although DRA's alternate proposal received little attention from the parties, we feel it could provide significant benefits during times of economic stability. However, we are reluctant to consider DRA's proposal without a more complete record. Accordingly, parties interested in pursuing the use of a trigger mechanism for return on equity should address this matter in a future annual cost of capital proceeding.

We will adopt all the recommended changes to the consensus proposal except SoCal's concern over DRA's responsibility for accepting NOI changes. Additionally, we will include language which provides for: (1) informal conferences, (2) an appeal process for disputes over NOI deficiencies, and (3) an expanded annual cost of capital schedule for reply briefs and the processing of the decision. These changes are reflected in the adopted rate case plan, attached as Appendix B, and the adopted annual cost of capital schedule, attached as Appendix C.

Since DRA is required to review a utility's NOI filing and prepare exhibits within the time provided in the rate case plan, we believe DRA's project manager should have primary responsibility for accepting NOI changes. In the event a utility wishes to appeal the DRA's determination it can do so by filing a formal motion for acceptance of its NOI changes.



SoCal's gas sales. TURN argues that: (1) traditionally, these proceedings have not been linked, (2) the risk should be split between the two utilities by separating their filings by six months, and (3) it would not be able to participate effectively in both proceedings if they are processed simultaneously.

While we are sympathetic to Edison's and SoCal's concerns over risk, forecasting purchases and sales is a normal part of doing business. Our regulatory process is not intended to eliminate risk for utilities, but rather to simulate a competitive market. Accordingly, we will schedule Edison's ECAC filing approximately three months after SoCal's. This provides a better distribution of workload and eliminates a rate change by combining Edison's ECAC and general rate case effective dates. In fact, delays in Edison's 1987 ECAC resulted in a coincident effective date with its last general rate case decision.

The second concern involves coordinating SDG&E's and SoCal's ACAP. Historically, these two proceedings have been combined because of the number of issues they have in common. Due to recent changes in the gas industry, the consensus proposal recommends a four-month gap between SDG&E's and SoCal's ACAP filings. DRA believes that the two filings should no longer be combined because the processing of ACAPs now requires additional work which would overburden DRA's staff.

Since SoCal's ACAP is likely to result in a change in its fixed charge to SDG&E, SDG&E would be unable to recover any change for the period between the two ACAP decisions. Other parties, including DRA, agree that if the two ACAPs are not combined SDG&E would be disadvantaged compared to other gas utilities. Additionally, TURN states that it would be a more efficient process to combine SoCal's and SDG&E's ACAPs because: (1) SDG&E's load forecast is an important input in SoCal's ACAP, (2) one witness could develop a spot gas price for both companies, and (3) many

Finally, the consensus proposal recommends that SPPC, Southwest Gas Corporation (Southwest), and PP&L stagger their general rate case filings. To accomplish this, SPPC and PP&L would be required to delay their next general rate case filings by one year; however, they would be authorized to make an additional attrition year filing. We consider this a reasonable approach to distribute DRA's workload evenly.

In its comments to the proposed decision SPPC requests that it be allowed to: (1) refrain from filing a general rate case for test year 1990, (2) waive any filing of an attrition case for 1989, and (3) file its next general rate case on schedule in 1992 for a 1993 test year. SPPC cites the following in support of its request: (1) an unforeseen increase in the level of regulatory activity in its other jurisdictions, (2) preliminary reviews suggest no material general rate relief is needed in California at this time, and (3) it expects to file revised marginal cost studies and rate designs during the rate design window adopted in the proposed decision.

DRA opposes SPPC's request and argues that a 1990 test year general rate case application is essential because SPPC's last test year was 1986. Seven years without a general rate case and an attrition filing might lead to revenues and rates that exceed reasonable levels. DRA believes that it is the function of a general rate case to determine whether that is or is not the case.

We agree with DRA that a periodic structured review of SPPC's overall operations as they relate to California is necessary. The dilemma is how to accomplish this with the cooperation of SPPC and without the distractions of SPPC's other jurisdictions. SPPC should recognize, especially in light of this scheduling proceeding, that DRA does not have the luxury of waiting until SPPC can find a clear date on its calendar. SPPC has an obligation as a regulated utility to adequately staff to respond to all the jurisdictions in which it serves. Unless SPPC and DRA can

elements for the proceedings would need to be done twice if the cases are separated.

We agree with TURN that it should be more efficient to combine SDG&E's and SoCal's ACAPs and that combining these two proceedings eliminates a risk to SDG&E that does not exist for other gas utilities we regulate. Finally, although DRA may experience an increase in workload, we believe that it is a necessary sacrifice to achieve the benefits previously mentioned.

The consensus proposal has SDG&E's ECAC and ACAP filings occurring simultaneously four months after SoCal's ACAP and Edison's ECAC filings. While our adopted schedule for offset proceedings will combine the SoCal and SDG&E ACAPs, SDG&E's ECAC will not be processed coincident with its ACAP. Again, we are concerned with the distribution of workload. Accordingly, we will move SDG&E's ECAC by approximately three months to avoid an overlap with Edison's ECAC. This will maintain the four month gap between Edison's and SDG&E's ECACs that is contained in the consensus proposal.

Additionally, there are some minor issues surrounding the specifics of the processing schedule for offset proceedings that require modification of the consensus proposal.

PG&E recommends that:

ECAC Forecast

The consensus proposal be modified to eliminate reference to a record period and a staff audit in the forecast schedule.

The prehearing conference be moved from the 19th day after filing to the 7th day or that a second prehearing conference be added at Day 7 to address IER issues. In order to make clear the parties' responsibility in the workshops that are now required to be held in ECAC, as well as to address the significant discovery matters that now seem to be arising, PG&E

agree to a procedure which allows DRA to discharge its responsibilities to SPPC's California ratepayers, SPPC will be expected to follow the general rate case schedule adopted in this decision. The Executive Director will be authorized to approve any agreement between SPPC and DRA which allows SPPC to deviate from the adopted general rate case schedule.

The adopted changes to the rate case plan will only apply to general rate proceedings for test years 1991 and beyond. For general rate applications with test years prior to 1991, we encourage the parties to incorporate our changes, including rate design windows, where appropriate.

#### Offset Proceedings

Our key objectives in reviewing the schedules for offset proceedings are to: (1) even out the workload during the year, (2) incorporate § 311 requirements, and (3) make scheduling modifications where appropriate. As with general rate cases the parties have presented us with a consensus proposal which addresses our objectives. The consensus proposal revises the filing dates and schedules for energy offset proceedings. However, we have two major concerns with the consensus proposal.

First, while the workload was spread throughout the year, we believe there is room for improvement. The consensus proposal would require Edison's ECAC and SoCal's annual cost allocation proceeding (ACAP) to be processed simultaneously. Edison and SoCal have consistently made the argument that these two proceedings should be linked to minimize the risk associated with forecasting Edison's gas purchases and SoCal's gas sales. TURN argues that: (1) traditionally, these proceedings have not been linked, (2) the risk should be split between the two utilities by separating their filings by six months, and (3) it would not be able to participate effectively in both proceedings if they are processed simultaneously. ✓

believes it is necessary to have a prehearing conference as soon as possible after the ECAC filing.

Specific dates be identified for IER workshops. The first workshop to examine the utility's showing and establish a base case is recommended for the 10th day after filing. A second workshop is recommended for Day 28 to examine the base case developed by DRA and intervenors using their preferred computer models.

The date utility workpapers are submitted be moved from the date of the application to three days after the application is filed. PG&E states that it operates on a very tight time schedule between the date of the snow survey and the date the application is filed. Traditionally, workpapers have not been available until three days after the filing of the application.

Intervenor testimony be filed 15 days prior to hearings instead of 4 days. PG&E requests additional time to review intervenor filings and prepare for hearings.

DRA's report be mailed 11 days earlier to reflect the filing of intervenor testimony 15 days prior to hearing.

The alternate proposal which would add a week to the consensus proposal to resolve IER issues be adopted.

The implementation date be coordinated with other rate changes.

#### ACAP Forecast

Consistent with its recommendations for the ECAC forecast that: (1) references to a record period and an audit be eliminated, (2) workpapers be filed 3 days after the application, (3) dates for the filing of DRA and intervenor testimony be revised, and (4) ACAP be coordinated with other rate changes.

While we are sympathetic to Edison's and SoCal's concerns over risk, forecasting purchases and sales is a normal part of doing business. Our regulatory process is not intended to eliminate risk for utilities, but rather to simulate a competitive market. Accordingly, we will schedule Edison's ECAC filing approximately three months after SoCal's. This provides a better distribution of workload and eliminates a rate change by combining Edison's ECAC and general rate case effective dates. In fact, delays in Edison's 1987 ECAC resulted in a coincident effective date with its last general rate case decision.

In its comments to the proposed decision Edison proposes that it be authorized to modify its ECAC tariff if the three-month lag with SoCal's ACAP is adopted. Edison's proposal would provide for revision of the annual energy rate (AER) coincident with SoCal's ACAP revision solely to reflect the impact of SoCal's change in gas prices to Edison. The AER revision would not include resource mix changes, and Edison believes it would be non-controversial, easy to administer, and minimize risk to both ratepayers and shareholders. We will not adopt Edison's proposal in this proceeding, but will allow Edison to address this issue more fully in a future ECAC filing.

The second concern involves coordinating SDG&E's and SoCal's ACAP. Historically, these two proceedings have been combined because of the number of issues they have in common. Due to recent changes in the gas industry, the consensus proposal recommends a four-month gap between SDG&E's and SoCal's ACAP filings. DRA believes that the two filings should no longer be combined because the processing of ACAPs now requires additional work which would overburden DRA's staff.

Since SoCal's ACAP is likely to result in a change in its fixed charge to SDG&E, SDG&E would be unable to recover any change for the period between the two ACAP decisions. Other parties, including DRA, agree that if the two ACAPs are not combined SDG&E

Electric and Gas Reasonableness

DRA and intervenor reports be filed 15 days earlier to provide PG&E enough time to adequately review the testimony, send data requests, and receive data responses.

SoCal recommends that:

Reference to a record period in the ACAP forecast be deleted.

Responses to DRA's master data request be filed with the application or Day 28 for responses that are not ready to be filed with the application.

The forecast period be clearly identified.

Reference to an effective date for rates in connection with a reasonableness proceeding be deleted as inappropriate.

Consistent with the consensus proposal for general rate cases DRA's Project Manager and other Commission personnel should be assigned prior to filing the application.

A prehearing conference should be added to the reasonableness review schedule.

Certain language in the consensus proposal be clarified.

Edison recommends certain clarifying language concerning the updating of data and the treatment of AER revenue due to changes in the ECAC schedule.

TURN recommends that:

The ECAC schedule be modified for IER issues.

PG&E's recommendation to reduce the time that DRA and intervenors have to prepare their cases not be adopted. The consensus proposal represented a weighing of every party's interests. However, due to the complexity of IER testimony additional time could be provided.

would be disadvantaged compared to other gas utilities. Additionally, TURN states that it would be a more efficient process to combine SoCal's and SDG&E's ACAPs because: (1) SDG&E's load forecast is an important input in SoCal's ACAP, (2) one witness could develop a spot gas price for both companies, and (3) many elements for the proceedings would need to be done twice if the cases are separated.

We agree with TURN that it should be more efficient to combine SDG&E's and SoCal's ACAPs and that combining these two proceedings eliminates a risk to SDG&E that does not exist for other gas utilities we regulate. Finally, although DRA may experience an increase in workload, we believe that it is a necessary sacrifice to achieve the benefits previously mentioned.

The consensus proposal has SDG&E's ECAC and ACAP filings occurring simultaneously four months after SoCal's ACAP and Edison's ECAC filings. While our adopted schedule for offset proceedings will combine the SoCal and SDG&E ACAPs, SDG&E's ECAC will not be processed coincident with its ACAP. Again, we are concerned with the distribution of workload. Accordingly, we will move SDG&E's ECAC by approximately three months to avoid an overlap with Edison's ECAC. This will maintain the four month gap between Edison's and SDG&E's ECACs that is contained in the consensus proposal.

Additionally, there are some minor issues surrounding the specifics of the processing schedule for offset proceedings that require modification of the consensus proposal.

PG&E recommends that:

ECAC Forecast

The consensus proposal be modified to eliminate reference to a record period and a staff audit in the forecast schedule.

The prehearing conference be moved from the 19th day after filing to the 7th day or that a second prehearing conference be added at Day 7.



in the ECAC proceedings, if it did not reduce the time for other parties.

Clarifying language is needed to identify when it is appropriate to update and what data can be updated.

In response to the recommendations of other parties DRA states that:

Responses to the master data request should be submitted with the application, but DRA is not proposing that it be a formal filing requirement. DRA would like responses as soon as they are available and not have them delayed four weeks.

There is a need for audits in ECAC and ACAP proceedings to review the history of their respective balancing accounts.

A fixed date should be established for the forecast period.

There is a need to clarify certain language in the consensus proposal including the updating of data.

The ECAC prehearing conference should be scheduled for Day 19 to provide adequate time to review workpapers, develop data requests, assess DRA's participation, and identify particular problems.

There should be no change in the dates contained in the consensus proposal except for IER issues.

A prehearing conference should be added to the reasonableness review schedule at Day 19.

Finally, DRA's memorandum dated August 18, 1988 indicates that DRA, Edison, SDG&E, and PG&E agree that the consensus schedule should be modified. They recommend that the schedule provide more time to review intervenor testimony and that a second prehearing conference be added to resolve IER related workshop issues. We

to address IER issues. In order to make clear the parties' responsibility in the workshops that are now required to be held in ECAC, as well as to address the significant discovery matters that now seem to be arising, PG&E believes it is necessary to have a prehearing conference as soon as possible after the ECAC filing.

Specific dates be identified for IER workshops. The first workshop to examine the utility's showing and establish a base case is recommended for the 10th day after filing. A second workshop is recommended for Day 28 to examine the base case developed by DRA and intervenors using their preferred computer models.

The date utility workpapers are submitted be moved from the date of the application to three days after the application is filed. PG&E states that it operates on a very tight time schedule between the date of the snow survey and the date the application is filed. Traditionally, workpapers have not been available until three days after the filing of the application.

Intervenor testimony be filed 15 days prior to hearings instead of 4 days. PG&E requests additional time to review intervenor filings and prepare for hearings.

DRA's report be mailed 11 days earlier to reflect the filing of intervenor testimony 15 days prior to hearing.

The alternate proposal which would add a week to the consensus proposal to resolve IER issues be adopted.

The implementation date be coordinated with other rate changes.

#### ACAP Forecast

Consistent with its recommendations for the ECAC forecast that: (1) references to a record period and an audit be eliminated, (2) workpapers be filed 3 days after the

consider their request reasonable and will adopt the following recommended changes to the consensus schedules:

Fourteen days are added between the mailing of intervenor testimony and the start of hearings. To accomplish this the filing dates are moved up, while the record period, start of hearings, and effective dates are unchanged.

A second prehearing conference is added ten days prior to hearings to identify issues, the parties' positions, and areas of stipulation and to schedule witnesses. This prehearing conference is not limited to IER issues.

We will adopt all recommended changes to the consensus proposal which are not in dispute, except PG&E's request to identify specific dates for IER workshops. Since our Advisory and Compliance Division (ACD) is responsible for the coordination of and arbitration in the IER workshops, we do not see a need to identify specific workshop dates. The undisputed recommendations are reflected in Appendix D. Additionally, we will adopt the following changes to the consensus proposal:

Since PG&E's ECAC application filing date will be moved up, it will no longer be able to reflect the March/1 snow survey in its application. Although this will provide PG&E with adequate time to file workpapers with its application, it excludes data which would give a more precise indication of PG&E's expected hydro availability. PG&E will be allowed to revise its revenue requirement to reflect the latest available snow survey. Unless directed otherwise by the ALJ, the only revision allowed will be for the latest available snow survey. There should be no changes in methodology and/or assumptions. PG&E's revised revenue requirement will be due no later than Day 127.

The alternate consensus proposal which provides a schedule for certain IER issues will be incorporated into the ECAC schedule.

application, (3) dates for the filing of DRA and intervenor testimony be revised, and (4) ACAP be coordinated with other rate changes.

Electric and Gas Reasonableness

DRA and intervenor reports be filed 15 days earlier to provide PG&E enough time to adequately review the testimony, send data requests, and receive data responses.

SoCal recommends that:

Reference to a record period in the ACAP forecast be deleted.

Responses to DRA's master data request be filed with the application or Day 28 for responses that are not ready to be filed with the application.

The forecast period be clearly identified.

Reference to an effective date for rates in connection with a reasonableness proceeding be deleted as inappropriate.

Consistent with the consensus proposal for general rate cases DRA's Project Manager and other Commission personnel should be assigned prior to filing the application.

A prehearing conference should be added to the reasonableness review schedule.

Certain language in the consensus proposal be clarified.

Edison recommends certain clarifying language concerning the updating of data and the treatment of AER revenue due to changes in the ECAC schedule.

TURN recommends that:

The ECAC schedule be modified for IER issues.

PG&E's recommendation to reduce the time that DRA and intervenors have to prepare their cases not be adopted. The consensus proposal

Responses to DRA's master data request should be submitted with the application, but not considered a formal filing requirement. We will expect the utilities to make a reasonable effort to respond to the master data request on time. Extensions of time should be agreed to by DRA.

PG&E's ACAP filing will be moved back one month to allow the effective date for rate changes to coincide with the April 1 seasonal rate change for certain gas customers.

With the addition of the second prehearing conference the first prehearing will be moved up from Day 19 to Day 10.

Consistent with the assignment of personnel in the general rate case plan, utility and DRA project managers and other project team personnel should be assigned on Day -60.

Finally, SoCal and PG&E take exception to the requirement in the consensus proposal that the utilities explain why all assumptions used were the best possible choice. In response to their concerns DRA agreed to substitute the language contained in the consensus proposal for general rate cases which states "list all the assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used". Since SoCal and PG&E agreed to accept this change, we will use the same requirement for both general rate cases and offset proceedings.

Two major transitional issues surfaced in implementing the revised schedule. The first issue is how to account for the annual energy rate (AER) over or under collections for the months between the end of the old and the start of the new forecast period. Since AER revenues and expenses do not enjoy balancing account treatment and the AERs have not been set for the transition period, the utilities and the ratepayers are at risk. The second

represented a weighing of every party's interests. However, due to the complexity of IER testimony additional time could be provided in the ECAC proceedings, if it did not reduce the time for other parties.

Clarifying language is needed to identify when it is appropriate to update and what data can be updated.

In response to the recommendations of other parties DRA states that:

Responses to the master data request should be submitted with the application, but DRA is not proposing that it be a formal filing requirement. DRA would like responses as soon as they are available and not have them delayed four weeks.

There is a need for audits in ECAC and ACAP proceedings to review the history of their respective balancing accounts.

A fixed date should be established for the forecast period.

There is a need to clarify certain language in the consensus proposal including the updating of data.

The ECAC prehearing conference should be scheduled for Day 19 to provide adequate time to review workpapers, develop data requests, assess DRA's participation, and identify particular problems.

There should be no change in the dates contained in the consensus proposal except for IER issues.

A prehearing conference should be added to the reasonableness review schedule at Day 19.

Finally, DRA's memorandum dated August 18, 1988 indicates that DRA, Edison, SDG&E, and PG&E agree that the consensus schedule should be modified. They recommend that the schedule provide more

issue is what record period should be covered in the utilities' next reasonableness review filing.

For AER over or under collections arising from the revised schedule, we will provide ECAC balancing account treatment during the transition period. The transition period for the utilities is as follows:

PG&E	Aug 1, 1989	-- Oct 31, 1989	3 Months
SPPC	Jan 1, 1989	-- Mar 31, 1989	3 Months
SDG&E	Nov 1, 1989	-- Apr 30, 1990	6 Months
Edison	Jun 1, 1989	-- Dec 31, 1989	7 Months

Decision (D.) 88-09-031 suspended Edison's AER until the end of the forecast period, May 31, 1989. Since this decision will move Edison's next revision date to January 1, 1990, as shown in Appendix D, we will extend the suspension of Edison's AER through December 31, 1989. Edison, PG&E, SDG&E, and SPPC will be authorized to credit or debit the ECAC balancing account by the recorded AER gain or loss experienced in the above specified months. The AER rate will not be revised during this period.

In addition to Edison, PG&E recently had its AER suspended. Both suspensions were the result of heavily litigated ECAC proceedings which made the scheduled revision dates unworkable. Although we believe the adopted ECAC schedule will increase the likelihood of meeting scheduled revision dates, unforeseen circumstances could prevent this from happening. One approach that could ease the pressure in highly contested ECACs is an automatic suspension of AER, if the revision date is not met. Since this proposal was not previously addressed in the proceeding, we invite the parties to include comments on an automatic AER suspension mechanism with their filed comments on the ALJ proposed decision.

The reasonableness review record period covers 12 months ending 60 to 75 days prior to the ECAC/ACAP filing date. Since we are revising the filing schedules, the record period in the first

time to review intervenor testimony and that a second prehearing conference be added to resolve IER related workshop issues. We consider their request reasonable and will adopt the following recommended changes to the consensus schedules:

Fourteen days are added between the mailing of intervenor testimony and the start of hearings. To accomplish this the filing dates are moved up, while the record period, start of hearings, and effective dates are unchanged.

A second prehearing conference is added ten days prior to hearings to identify issues, the parties' positions, and areas of stipulation and to schedule witnesses. This prehearing conference is not limited to IER issues.

We will adopt all recommended changes to the consensus proposal which are not in dispute, except PG&E's request to identify specific dates for IER workshops. Since our Commission Advisory and Compliance Division (CACD) is responsible for the coordination of and arbitration in the IER workshops, we do not see a need to identify specific workshop dates. The undisputed recommendations are reflected in Appendix D. Additionally, we will adopt the following changes to the consensus proposal:

Since PG&E's ECAC application filing date will be moved up, PG&E will no longer be able to reflect the March 1 snow survey in its application. This change will provide PG&E with adequate time to file workpapers coincident with its application and allow coordination of the ECAC revision date with PG&E's November 1 seasonal rate adjustment. A forecast period starting November 1 coupled with the latest balances in the ECAC and ERAM balancing accounts should eliminate the need for the March 1 snow survey.

The alternate consensus proposal which provides a schedule for certain IER issues will be incorporated into the ECAC schedule. This will include an ALJ ruling on resource mix assumptions and additional hearings which



reasonableness review filing will change for some utilities. The utilities in their next reasonableness review filing should cover the following record period.

PG&E/ECAC	Feb 1, 1988 -- Dec 31, 1988	11 Months
PG&E/ACAP	Feb 1, 1988 -- Dec 31, 1988	11 Months
SPPC/ECAC	Jul 1, 1988 -- Jun 30, 1989	12 Months
Edison/ECAC	Dec 1, 1987 -- Mar 31, 1989	16 Months
SoCal/ACAP	Apr 1, 1988 -- Mar 31, 1989	12 Months
SDG&E/ECAC	May 1, 1988 -- Jul 31, 1989	15 Months
SDG&E/ACAP	May 1, 1988 -- Jul 31, 1989	15 Months

#### Telecommunications Utilities

Due to the reforms under consideration in the telecommunications restructuring investigation, Order Instituting Investigation (I.) 87-11-033, this decision will only modify the rate case plan for telecommunications utilities with respect to § 311; in all other respects, the existing rate case plan will continue to apply. The changes we will adopt are consistent with the modifications made to the rate case plan for energy utilities which increase the rate case schedule by 19 days. Accordingly, we will add 19 days to the rate case plan for telecommunications utilities. The ALJ draft decision will be mailed on Day 344 with comments due on Day 364, reply comments due on Day 371, and the final decision issued on Day 384. For rates to become effective at the start of the test year, general rate cases will need to be filed at least 19 days earlier.

Contrary to DRA's statement in its January 11, 1988 filing in this proceeding, it now recommends that the modifications to the rate case plan for energy utilities apply to telecommunications utilities. The primary reason for this recommendation appears to be the possibility of a general rate filing by Pacific Bell. While many of the modifications adopted for energy utilities may also be applicable to telecommunications utilities, that issue should be addressed in I.87-11-033. Additionally, Pacific Bell has assured us that if it files a

address the impact of the ALJ ruling on the parties' IERs and revenue requirement estimates.

Responses to DRA's master data request should be submitted with the application, but not considered a formal filing requirement. We will expect the utilities to make a reasonable effort to respond to the master data request on time. Extensions of time should be agreed to by DRA.

PG&E's ACAP application will be moved to allow the effective date for rate changes to coincide with the April 1 seasonal rate change for certain gas customers.

With the addition of the second prehearing conference for ECAC proceedings the first prehearing will be moved up from Day 19 to Day 10.

Consistent with the assignment of personnel in the general rate case plan, utility and DRA project managers and other project team personnel should be assigned on Day -60.

In recognition that gas rate design and revenue allocation issues are not addressed in general rate cases, ACAP applications should propose gas rate design and revenue allocation criteria for general rate case and attrition base revenue requirement changes.

D.83-02-076 concludes that a semiannual ECAC filing should be made if it is determined that the annual revenue effect of a change in rates to offset revised energy cost estimates and to amortize the balancing account in six months exceeds  $\pm 5\%$  of the total annual revenue. The stipulation adopted in D.86-12-010 states that in addition to the ACAP, utilities shall file a semiannual CAM application if the average core rates would increase by at least 4%. Based on the discussion in these decisions language will be added to the ECAC and ACAP schedules which indicates that trigger (semiannual) filings are mandatory.

general rate case prior to a revision of the rate case plan for telecommunications utilities, it will work with DRA to establish ground rules for the processing of its application.

Since the rate case plan for energy utilities adopted by this decision will not apply to telecommunications utilities, we will delete all requirements for telecommunications utilities contained in the consensus proposal.

Findings of Fact

1. R.87-11-012 was issued on November 13, 1987 to reflect the requirements of § 311 in the rate case plan and energy offset schedules, develop realistic schedules for these proceedings, and consider changes that would facilitate the issuing of general rate decisions.

2. Workshops were held after which consensus proposals that addressed the issues raised in the rulemaking were submitted by the parties.

3. Hearings were held to discuss the consensus proposals, the ALJ's comments, and other positions of the parties.

The consensus proposal for general rate cases recommends:

- a. Generic annual cost of capital proceedings for energy utilities.
- b. Separate electric rate design decisions for Edison, PG&E, and SDG&E.
- c. Annual rate design windows for all electric utilities. With adequate justification rate design changes would be allowed between general rate cases.
- d. Modifications to the rate case plan and processing schedule to clarify its intent, reflect current procedures, and incorporate § 311 requirements.
- e. Public comment hearings be scheduled between Days 220 and 312, after DRA's rate design exhibits are mailed.

Finally, SoCal and PG&E take exception to the requirement in the consensus proposal that the utilities explain why all assumptions used were the best possible choice. In response to their concerns DRA agreed to substitute the language contained in the consensus proposal for general rate cases which states "list all the assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used". Since SoCal and PG&E agreed to accept this change, we will use the same requirement for both general rate cases and offset proceedings.

Three transitional issues surfaced in implementing the revised schedule. The first issue is how to account for the AER over- or under-collections for the months between the end of the old and the start of the new forecast period. Since AER revenues and expenses do not enjoy balancing account treatment and the AERs have not been set for the transition period, the utilities and the ratepayers are at risk. The second issue is what record period should be covered in the utilities' next reasonableness review filing. Finally, because the transition period extends the time between ECAC filings, Edison and SDG&E have filed comments that large over- or under-collections could occur in the ECAC balancing account. To minimize this occurrence the existing procedural schedule for ECAC trigger filings shall remain in effect until the first annual ECAC filing adopted by this decision and shown in Appendix D. This does not preclude utilities from requesting additional relief with adequate justification if the trigger filing criteria shown in D.86-12-010 are met.

For AER over- or under-collections arising from the revised schedule, we will provide ECAC balancing account treatment during the transition period. The transition period for the utilities is as follows:

PG&E	Aug 1, 1989 -- Oct 31, 1989	3 Months
SPPC	Jan 1, 1989 -- Mar 31, 1989	3 Months

f. Staggered general rate case filings for SPPC, Southwest, and PP&L. SPPC and PP&L would be required to delay their next general rate case filings by one year, but authorized to make an additional attrition filing.

4. The annual cost of capital proceeding recommended in the consensus proposal requires interested parties' exhibits to be submitted seven days after DRA's exhibits, does not provide for a late-filed exhibit to reflect the issuance of new debt and/or preferred stock, and does not include a reply brief.

5. SDG&E requests that it have the flexibility to defer rate changes in total or in part. A specific proposal that would detail how such a mechanism would work was not presented.

6. DRA recommends an alternate to the proposed annual cost of capital proceeding that would only require annual adjustments for changes in long-term debt and/or preferred stock. Return on equity would not be adjusted for energy utilities with a general rate case unless there had been movement in a predetermined index by more than a set amount. A detailed proposal which explains how this trigger mechanism would work was not presented.

7. DRA has developed master data requests for general rate cases and offset proceedings.

8. DRA is required to review utility NOI filings, issue a deficiency list, and prepare exhibits in response to NOI filings within the time specified in the rate case plan.

9. SoCal is opposed to DRA having veto power over the utility's decision to make changes to its NOI filing.

10. The consensus proposal does not designate a coordinator for transmitting deficiencies, provide an acceptable appeal process for disputes over deficiencies, provide for informal conferences between parties' witnesses, and reflect the need for gas utilities to file rate design exhibits.

SDG&E	Nov 1, 1989 -- Apr 30, 1990	6 Months
Edison	Jun 1, 1989 -- Dec 31, 1989	7 Months

Decision (D.) 88-09-031 suspended Edison's AER until the end of the forecast period, May 31, 1989. Since this decision will move Edison's next revision date to January 1, 1990, as shown in Appendix D, we will extend the suspension of Edison's AER through December 31, 1989. Edison, PG&E, SDG&E, and SPP&C will be authorized to credit or debit the ECAC balancing account by the recorded AER gain or loss experienced in the above specified months. The AER rate will not be revised during this period.

In addition to Edison, PG&E recently had its AER suspended. Both suspensions were the result of heavily litigated ECAC proceedings which made the scheduled revision dates unworkable. Although we believe the adopted ECAC schedule will increase the likelihood of meeting scheduled revision dates, unforeseen circumstances could prevent this from happening. One approach that could ease the pressure in highly contested ECACs is an automatic suspension of AER, if the revision date is not met. Since this proposal was not addressed in the workshops and hearings, we invited the parties to include comments on an automatic AER suspension mechanism with their filed comments on the ALJ proposed decision. These comments are shown below:

Edison

"The purpose of the AER procedure is to provide utility management a direct stake in its fuel management decisions and an incentive to minimize its fuel- and energy-related costs during the Forecast Period. An AER predicated upon the forecast fuel costs in one period bears no relationship to the fuel costs incurred in a subsequent period and thus cannot provide the intended incentive.

"In the past, when the revised AER could not be made effective on the Revision Date, the Commission recognized that there was a likelihood that either a utility's ratepayers or shareholders may be harmed or enriched, not

11. The consensus proposals increase the number of rate changes for major energy utilities during each year.

12. The consensus proposal for energy offset proceedings as modified by DRA, Edison, SDG&E, and PG&E recommends:

- a. Separate reasonableness proceedings.
- b. Revised ECAC and ACAP filing dates to coordinate with general rate cases and other offset proceedings.
- c. Modifications to the current schedule to clarify its intent, reflect current procedures, and incorporate § 311 and IER requirements.

13. DRA, Edison, SDG&E, and PG&E by memorandum from DRA dated August 18, 1988 agreed that the ECAC schedule contained in the consensus proposal should be modified to provide additional time to review intervenor testimony and hold a second prehearing conference.

14. The consensus proposal for energy offset proceedings would require Edison's ECAC and SoCal's ACAP to be processed simultaneously and create a four-month gap between SoCal's and SDG&E's ACAPs.

15. SDG&E's and SoCal's ACAPs have historically been combined because of the number of issues they have in common.

16. SDG&E is unable to recover changes in SoCal's fixed charge for the period between SoCal's and SDG&E's ACAP decisions.

17. DRA may experience an increase in workload if SDG&E's and SoCal's ACAPs are combined.

18. Under the consensus proposal SDG&E would make its ECAC filing four months after Edison's ECAC filing.

19. CACD is responsible for coordinating and presiding in the IER workshops.

because of a utility's actions or inactions, but merely because the current period cost of fuel differs from the adopted cost of fuel in the previous period. Modifying the ECAC tariffs to provide for the automatic suspension of the AER on the ECAC Revision Date when delays in the proceedings of ECAC applications prevent the revised AER from being made effective on the Revision Date simply formalizes what has been occurring in practice.<sup>2</sup> Therefore, Edison supports the automatic suspension of the AER...

"5/ D.88-05-074, May 25, 1988 in A.88-02-016; D.88-09-036, September 14, 1988 in A.88-04-020; D.88-09-031, September 14, 1988 in A.88-02-016; D.86-04-007, April 2, 1986 in A.85-02-042; and D.85-05-067, issued May 15, 1985 in A.85-02-042."

SDG&E

SDG&E shares the belief that while "the proposed ECAC schedule will improve the chances of meeting scheduled revision dates, the Proposed Decision should anticipate that conditions may prevent a final decision from being reached prior to the scheduled revision date. SDG&E believes that the automatic suspension of the AER mechanism is an appropriate response in such circumstances and urges the Commission to so provide in its final decision."

PG&E

"PG&E supports the automatic suspension of the AER when the revision date is not met precisely because nothing is gained within the regulatory process by keeping the AER mechanism in place with an explicitly outdated fuel forecast. . . . PG&E also suggests that the Proposed Decision be clarified to state that the automatic AER suspension is to continue until such time as the new ECAC AER rates are placed into effect."



20. If PG&E's filing date in the consensus proposal is moved up, it will not have sufficient time to include the March 1 snow survey data in its ECAC application.

21. The consensus proposal for energy offset proceedings does not identify when utility and DRA personnel should be assigned.

22. The consensus proposal schedule for reasonableness reviews does not include a prehearing conference date.

23. The offset schedule for energy utilities does not clearly state when it is appropriate to update and what data can be updated.

24. SoCal and PG&E agreed to accept the language for justifying assumptions used in general rate cases for use in offset proceedings.

25. No provision exists in the consensus proposal for adjusting AERs to reflect the proposed change in the AER revision dates.

26. AER revenues and expenses do not normally receive balancing account treatment.

27. D.88-09-031 suspended Edison's AER until May 31, 1989.

28. The consensus proposal recommends revisions in the record period for reasonableness review filings.

29. I.87-11-033 is an investigation to consider reforms which would restructure the telecommunications industry.

30. Pacific Bell states that, if it files a general rate application prior to revisions to the rate case plan for telecommunications utilities, it will work with DRA to establish procedures for the processing of its application.

#### Conclusions of Law

1. The consensus proposal for general rate cases is reasonable and should be adopted with the following modifications:

- a. The annual cost of capital proceeding should provide intervenors additional time to submit their exhibits, allow for a late-

DRA

"Automatic suspension of the AER eliminates all risk for the utility and should be rejected. Suspension may be appropriate in limited situations if warranted and approved by the Commission, as is now the case. However, automatic suspension every time the revision date can't be met would promote inappropriate game-playing, e.g., a utility delaying its own proceeding to trigger the automatic suspension."

DGS

"It is impossible to know in advance what the actual rate impact on various customer classes will be of an AER suspension. However DGS notes that an automatic suspension does appear to be at odds with the goals of the Commission's Risk, Return, and Ratemaking proceeding. I.86-10-001. In that proceeding, the Commission is reviewing its regulation of electric utilities to make sure that the utilities bear the risks of their actions. The suspension of the AER will lead to ECAC treatment of items during the suspension period and thus remove the utility from risk. In this regard, the suspension would appear to be at odds with the goals of the Risk, Return, and Ratemaking proceeding."

We disagree with the DRA and DGS comments. DRA states that automatic suspension of a utility's AER would create an incentive for a utility to delay its ECAC proceeding. Since a timely ECAC decision matches the AER to the forecast of fuel expenses, a utility would only have an incentive to delay this decision if it expected the adopted fuel forecast to be underestimated.. This is an unrealistic expectation. Contrary to DRA's argument a utility currently has an incentive to delay its proceeding if its AER is higher than its forecasted fuel expense. Automatic suspension of the AER mechanism would eliminate this incentive.

filed exhibit to reflect the issuance of new debt and/or preferred stock, and include a reply brief.

- b. Utilities, in their tendered NOI, shall make a reasonable effort to respond to DRA's master data request.
- c. DRA's project manager should be the designated coordinator for transmitting NOI deficiencies. Utilities should be allowed to appeal DRA's list of deficiencies by filing a protest with the Executive Director. The Executive Director's determination should be final.
- d. DRA's project manager should have primary responsibility for accepting changes to the utility's NOI filing. Utilities should be allowed to appeal DRA's determination by filing a formal motion for the acceptance of NOI changes.
- e. Gas utilities should file rate design exhibits with general rate applications.
- f. Electric rate design decisions should be coordinated with seasonal rate changes to minimize the number of rate changes.
- g. Public comment hearings should be scheduled during the results of operations hearing phase. This will allow public input to be considered in developing the record.
- h. Language should be added to provide informal conferences which would facilitate the understanding and acceptance of the NOI and the processing of the application.

2. The adopted changes to the rate case plan should apply to general rate proceedings for test years 1991 and beyond.

3. Starting in 1989 for test year 1990 a generic annual cost of capital proceeding should be established for all energy utilities.

DGS argues that it is impossible to know in advance what the actual impact of an AER suspension would be on various customer classes. As DRA points out there should be no gaming with the AER mechanism. It is not intended to benefit one customer class over another. Automatic suspension of a utility's AER mechanism perfectly matches the AER portion of fuel related revenues and expenses through the ECAC balancing account. The AER mechanism is designed to produce the same result with the only difference being the absence of a balancing account. Since automatic suspension of the AER mechanism should be for short periods we believe it will maintain the incentives for utilities to manage fuel expenses cost-effectively.

Accordingly, we will provide for an automatic suspension of AER mechanisms when the forecast period upon which the AER was calculated ends. Edison, PG&E, SDG&E, and SPPC will be directed to file revised tariffs which reflect this change.

The reasonableness review record period covers 12 months ending 60 to 75 days prior to the ECAC/ACAP filing date. Since we are revising the filing schedules, the record period in the first reasonableness review filing will change for some utilities. The utilities in their next reasonableness review filing should cover the following record period.

PG&E/ECAC	Feb 1, 1988 -- Dec 31, 1988	11 Months
PG&E/ACAP	Feb 1, 1988 -- Dec 31, 1988	11 Months
SPPC/ECAC	Jul 1, 1988 -- Jun 30, 1989	12 Months
Edison/ECAC	Dec 1, 1987 -- Mar 31, 1989	16 Months
SoCal/ACAP	Apr 1, 1988 -- Mar 31, 1989	12 Months
SDG&E/ECAC	May 1, 1988 -- Jul 31, 1989	15 Months
SDG&E/ACAP	May 1, 1988 -- Jul 31, 1989	15 Months

#### Telecommunications Utilities

Due to the reforms under consideration in the telecommunications restructuring investigation, Order Instituting Investigation (I.) 87-11-033, this decision will only modify the rate case plan for telecommunications utilities with respect to

4. Requests to defer rate changes should be addressed in utility rate proceedings.

5. Parties interested in pursuing the use of a trigger mechanism for return on equity should address this matter in a future annual cost of capital proceeding.

6. SPPC should be authorized to make an attrition filing for test year 1989, and PP&L should be authorized to make an attrition filing for test year 1990.

7. The consensus proposal for energy offset proceedings should be adopted with the following modifications:

- a. The ECAC schedule should be expanded by requiring utilities to file 15 days earlier. This provides additional time to review intervenor testimony and hold a second prehearing conference.
- b. SoCal's and SDG&E's ACAPs should be combined.
- c. Edison's and SDG&E's ECACs and reasonableness reviews should be filed three months later than the dates contained in the consensus proposal.
- d. CACD should schedule IER workshops.
- e. PG&E should be allowed to revise its revenue requirement to reflect the latest available snow survey no later than Day 127. Unless directed otherwise by the assigned ALJ, PG&E's revision should not be a change in methodology or assumptions.
- f. Utility and DRA project managers and other project team personnel should be assigned on Day -60. This is consistent with the assigning of personnel in the general rate case plan.
- g. The first prehearing conference in ECACs should be scheduled for Day 10 and a prehearing conference should be included in the schedule for reasonableness reviews.

§ 311; in all other respects, the existing rate case plan will continue to apply. The changes we will adopt are consistent with the modifications made to the rate case plan for energy utilities which increase the rate case schedule by 19 days. Accordingly, we will add 19 days to the rate case plan for telecommunications utilities. The ALJ draft decision will be mailed on Day 344 with comments due on Day 364, reply comments due on Day 371, and the final decision issued on Day 384. For rates to become effective at the start of the test year, general rate cases will need to be filed at least 19 days earlier.

Contrary to DRA's statement in its January 11, 1988 filing in this proceeding, it now recommends that the modifications to the rate case plan for energy utilities apply to telecommunications utilities. The primary reason for this recommendation appears to be the possibility of a general rate filing by Pacific Bell. While many of the modifications adopted for energy utilities may also be applicable to telecommunications utilities, that issue should be addressed in I.87-11-033. Additionally, Pacific Bell has assured us that if it files a general rate case prior to a revision of the rate case plan for telecommunications utilities, it will work with DRA to establish ground rules for the processing of its application.

Since the rate case plan for energy utilities adopted by this decision will not apply to telecommunications utilities, we will delete all requirements for telecommunications utilities contained in the consensus proposal.

Findings of Fact

1. R.87-11-012 was issued on November 13, 1987 to reflect the requirements of § 311 in the rate case plan and energy offset schedules, develop realistic schedules for these proceedings, and consider changes that would facilitate the issuing of general rate decisions.

- h. DRA's recommended language specifying when it is appropriate to update and what can be updated should be adopted.
- i. The language for justifying assumptions used in general rate cases should also be used for energy offset proceedings.

8. During the transition period for the revised ECAC schedule, PG&E, Edison, SDG&E, and SPPC should receive 100% ECAC balancing account treatment for AER revenues and expenses.

9. The ECAC transition period contained in the discussion portion of this decision should be adopted.

10. The suspension of Edison's AER should be extended through December 31, 1989.

11. The reasonableness review record period for Edison, PG&E, SoCal, SDG&E and SPPC should be revised to reflect the dates shown in Appendix D.

12. The next reasonableness review filing for Edison, PG&E, SoCal, SDG&E, and SPPC should cover the record period contained in the discussion portion of this decision.

13. Revisions to the rate case plan for telecommunications utilities, with the exception of § 311, should be addressed in I.87-11-033.

14. The rate case plan for telecommunications utilities should be expanded by 19 days in accordance with the discussion in this decision.

15. If Pacific Bell files a general rate application prior to revisions to the rate case plan for telecommunications utilities, it should work with DRA to establish procedures for the processing of its application.

2. Workshops were held after which consensus proposals that addressed the issues raised in the rulemaking were submitted by the parties.

3. Hearings were held to discuss the consensus proposals, the ALJ's comments, and other positions of the parties.

The consensus proposal for general rate cases recommends:

- a. Generic annual cost of capital proceedings for energy utilities.
- b. Separate electric rate design decisions for Edison, PG&E, and SDG&E.
- c. Annual rate design windows for all electric utilities. With adequate justification rate design changes would be allowed between general rate cases.
- d. Modifications to the rate case plan and processing schedule to clarify its intent, reflect current procedures, and incorporate § 311 requirements.
- e. Public comment hearings be scheduled between Days 220 and 312, after DRA's rate design exhibits are mailed.
- f. Staggered general rate case filings for SPPC, Southwest, and PP&L. SPPC and PP&L would be required to delay their next general rate case filings by one year, but authorized to make an additional attrition filing.

4. The annual cost of capital proceeding recommended in the consensus proposal requires interested parties' exhibits to be submitted seven days after DRA's exhibits, does not provide for a late-filed exhibit to reflect the issuance of new debt and/or preferred stock or actual changes for existing variable rate issues, and does not include a reply brief. ✓

5. SDG&E requests that it have the flexibility to defer rate changes in total or in part. A specific proposal that would detail how such a mechanism would work was not presented.



ORDER

IT IS ORDERED that:

1. The consensus proposals for general rate case and energy offset proceedings with the modifications discussed in this decision are reasonable and are adopted as shown in Appendixes B, C, and D.
2. A generic annual cost of capital proceeding, as shown in Appendix C, shall be adopted for all energy utilities. Southern California Edison Company (Edison), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCal), Pacific Power & Light Company (PP&L), Sierra Pacific Power Company (SPPC), and Southwest Gas Company shall make their first filings under this procedure in 1989 for rates effective in test year 1990.
3. SPPC is authorized to make an attrition filing for test year 1989.
4. PP&L is authorized to make an attrition filing for test year 1990.
5. Edison, PG&E, SDG&E, and SPPC, shall receive 100% ECAC balancing account treatment for AER revenues and expenses during the transition period for the revised ECAC schedule.
6. The ECAC transition period as shown in this decision is adopted for Edison, PG&E, SDG&E, and SPPC.
7. The suspension of Edison's AER is extended through December 31, 1989.
8. The reasonableness review record period for Edison, PG&E, SoCal, SDG&E, and SPPC shall be revised as shown in Appendix D.
9. The next reasonableness review filing for Edison, PG&E, SoCal, SDG&E, and SPPC shall cover the record period as shown in this decision.

6. DRA recommends an alternate to the proposed annual cost of capital proceeding that would only require annual adjustments for changes in long-term debt and/or preferred stock. Return on equity would be considered for energy utilities with a general rate case but not for other utilities unless there had been movement in a predetermined index by more than a set amount. A detailed proposal which explains how this trigger mechanism would work was not presented. ✓✓

7. DRA has developed master data requests for general rate cases and offset proceedings.

8. DRA is required to review utility NOI filings, issue a deficiency list, and prepare exhibits in response to NOI filings within the time specified in the rate case plan.

9. SoCal is opposed to DRA having veto power over the utility's decision to make changes to its NOI filing.

10. The consensus proposal does not designate a coordinator for transmitting deficiencies, provide an acceptable appeal process for disputes over deficiencies, provide for informal conferences between parties' witnesses, and reflect the need for gas utilities to file rate design exhibits.

11. SPPC in its comments requests that it be allowed to (1) refrain from filing a general rate case for test year 1990, (2) waive any filing of an attrition case for 1989, and (3) file its next general rate case on schedule in 1992 for a 1993 test year.

12. The consensus proposals increase the number of rate changes for major energy utilities during each year.

13. The consensus proposal for energy offset proceedings as modified by DRA, Edison, SDG&E, and PG&E recommends:

- a. Separate reasonableness proceedings.
- b. Revised ECAC and ACAP filing dates to coordinate with general rate cases and other offset proceedings.

10. The rate case plan for telecommunications utilities shall be expanded by 19 days in accordance with the discussion in this decision.

This order becomes effective 30 days from today.

Dated \_\_\_\_\_, at San Francisco, California.

- c. Modifications to the current schedule to clarify its intent, reflect current procedures, and incorporate § 311 and IER requirements.

14. DRA, Edison, SDG&E, and PG&E by memorandum from DRA dated August 18, 1988 agreed that the ECAC schedule contained in the consensus proposal should be modified to provide additional time to review intervenor testimony and hold a second prehearing conference.

15. The consensus proposal for energy offset proceedings would require Edison's ECAC and SoCal's ACAP to be processed simultaneously and create a four-month gap between SoCal's and SDG&E's ACAPs.

16. SDG&E's and SoCal's ACAPs have historically been combined because of the number of issues they have in common.

17. SDG&E is unable to recover changes in SoCal's fixed charge for the period between SoCal's and SDG&E's ACAP decisions.

18. DRA may experience an increase in workload if SDG&E's and SoCal's ACAPs are combined.

19. Gas rate design and revenue allocation issues are addressed in ACAPs, not general rate cases and attrition filings.

20. Under the consensus proposal SDG&E would file its ECAC application four months after the filing of Edison's ECAC applications.

21. CACD is responsible for coordinating and presiding in the IER workshops.

22. If PG&E's filing date in the consensus proposal is moved up and the March 1 snow survey data is not required it can file workpapers coincident with its application.

23. The consensus proposal for energy offset proceedings does not identify when utility and DRA personnel should be assigned.

24. The consensus proposal schedule for reasonableness reviews does not include a prehearing conference date.

25. The offset schedule for energy utilities does not clearly state when it is appropriate to update and what data can be updated.

26. SoCal and PG&E agreed to accept the language for justifying assumptions used in general rate cases for use in offset proceedings.

27. The transition period in the consensus proposal extends the time between ECAC filings, which could result in large over- or under-collections in the ECAC balancing account.

28. D.83-02-076 and D.86-12-010 require ECAC and ACAP trigger applications to be filed when certain conditions are met.

29. No provision exists in the consensus proposal for adjusting AERs to reflect the proposed change in the AER revision dates.

30. AER revenues and expenses do not normally receive balancing account treatment.

31. D.88-09-031 suspended Edison's AER until May 31, 1989.

32. The consensus proposal recommends revisions in the record period for reasonableness review filings.

33. I.87-11-033 is an investigation to consider reforms which would restructure the telecommunications industry.

34. Pacific Bell states that, if it files a general rate application prior to revisions to the rate case plan for telecommunications utilities, it will work with DRA to establish procedures for the processing of its application.

#### Conclusions of Law

1. The consensus proposal for general rate cases is reasonable and should be adopted with the following modifications:

- a. The annual cost of capital proceeding should provide intervenors additional time to submit their exhibits, allow for a late-filed exhibit to reflect the issuance of new debt and/or preferred stock or actual changes for existing variable rate issues, and include a reply brief.

- b. Utilities, in their tendered NOI, shall make a reasonable effort to respond to DRA's master data request.
- c. DRA's project manager should be the designated coordinator for transmitting NOI deficiencies. Utilities should be allowed to appeal DRA's list of deficiencies by filing a protest with the Executive Director. The Executive Director's determination should be final.
- d. DRA's project manager should have primary responsibility for accepting changes to the utility's NOI filing. Utilities should be allowed to appeal DRA's determination by filing a formal motion for the acceptance of NOI changes.
- e. Except for Southwest, gas utilities should include in their general rate applications rate design exhibits which conform with the rate design criteria adopted in their latest ACAP.
- f. Electric rate design decisions should be coordinated with seasonal rate changes to minimize the number of rate changes.
- g. Public comment hearings should be scheduled during the results of operations hearing phase. This will allow public input to be considered in developing the record.
- h. Language should be added to provide informal conferences which would facilitate the understanding and acceptance of the NOI and the processing of the application.

2. The adopted changes to the rate case plan should apply to general rate proceedings for test years 1991 and beyond.

3. Starting in 1989 for rates effective in 1990 a generic annual cost of capital proceeding should be established for all energy utilities. ✓

4. The Executive Director should be authorized to approve a deviation from the schedules adopted.

5. Requests to defer rate changes should be addressed in utility rate proceedings.

6. Parties interested in pursuing the use of a trigger mechanism for return on equity should address this matter in a future annual cost of capital proceeding.

7. SPPC should be authorized to make an attrition filing for rates effective in 1989, and PP&L should be authorized to make an attrition filing for rates effective in 1990. ✓

8. The consensus proposal for energy offset proceedings should be adopted with the following modifications: ✓

- a. The ECAC schedule should be expanded by requiring utilities to file 15 days earlier. This provides additional time to review intervenor testimony and hold a second prehearing conference.
- b. SoCal's and SDG&E's ACAPs should be combined.
- c. Edison's and SDG&E's ECACs and reasonableness reviews should be filed three months later than the dates contained in the consensus proposal.
- d. CACD should schedule IER workshops. ✓
- e. Utility and DRA project managers and other project team personnel should be assigned on Day -60. This is consistent with the assigning of personnel in the general rate case plan.
- f. The first prehearing conference in ECACs should be scheduled for Day 10 and a prehearing conference should be included in the schedule for reasonableness reviews.
- g. DRA's recommended language specifying when it is appropriate to update and what can be updated should be adopted.
- h. The language for justifying assumptions used in general rate cases should also be used for energy offset proceedings.

- i. ACAP applications should propose gas rate design and revenue allocation criteria for general rate case and attrition base revenue requirement changes.
- j. IER issues should be addressed in the ECAC hearings scheduled for day 88 through day 108. Additional hearings which address the impact of the ALJ ruling on resource mix assumptions for IER models and revenue requirements should be scheduled for day 146 through 148.

8. Edison, PG&E, SDG&E, and SPPC should suspend the AER mechanism whenever the forecast period upon which the AER was calculated ends. During the suspension of the AER mechanism, PG&E, Edison, SDG&E, and SPPC should receive 100% ECAC balancing account treatment for AER revenues and expenses.

9. The ECAC transition period contained in the discussion portion of this decision should be adopted.

10. The revised schedule for ECAC and ACAP filings, excluding trigger filings, should be implemented on the effective date of this decision.

11. In accordance with D.83-02-076 and D.86-12-010 the trigger filings shown in the adopted ECAC and ACAP schedules should be mandatory. Edison should be allowed in a future ECAC filing to address its proposal to revise its AER coincident with SoCal ACAP revisions.

12. The suspension of Edison's AER mechanism should be extended through December 31, 1989.

13. Energy utility AER mechanisms should be automatically suspended if the forecast period upon which the AER was calculated ends. Adoption of a new AER forecast period should reinstitute the AER mechanism.

14. The reasonableness review record period for Edison, PG&E, SoCal, SDG&E and SPPC should be revised to reflect the dates shown in Appendix D.



15. The next reasonableness review filing for Edison, PG&E, SoCal, SDG&E, and SPPC should cover the record period contained in the discussion portion of this decision.

16. Revisions to the rate case plan for telecommunications utilities, with the exception of § 311, should be addressed in I.87-11-033.

17. The rate case plan for telecommunications utilities should be expanded by 19 days in accordance with the discussion in this decision.

18. If Pacific Bell files a general rate application prior to revisions to the rate case plan for telecommunications utilities, it should work with DRA to establish procedures for the processing of its application.

ORDER

IT IS ORDERED that:

1. The consensus proposals for general rate case and energy offset proceedings with the modifications discussed in this decision are reasonable and are adopted as shown in Appendixes B, C, and D.

2. A generic annual cost of capital proceeding, as shown in Appendix C, shall be adopted for all energy utilities. Southern California Edison Company (Edison), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCal), Pacific Power & Light Company (PP&L), Sierra Pacific Power Company (SPPC), and Southwest Gas Company shall make their first filings under this procedure in 1989 for rates effective January 1, 1990.

3. SPPC is authorized to make an attrition filing for test year 1989.

4. PP&L is authorized to make an attrition filing for test year 1990.

5. Edison, PG&E, SDG&E, and SPPC shall file revised tariffs which suspend the AER mechanism whenever the forecast period upon which the AER was calculated ends. Adoption of a new AER forecast will reinstitute the AER mechanism.

6. Edison, PG&E, SDG&E, and SPPC, shall receive 100% ECAC balancing account treatment for AER revenues and expenses during suspension of the AER mechanism.

7. The ECAC transition period as shown in this decision is adopted for Edison, PG&E, SDG&E, and SPPC.

8. The adopted ECAC and ACAP schedules, excluding trigger filings, shall be implemented on the effective date of this decision.

9. The Executive Director is authorized to approve deviations from the adopted schedules.

10. The suspension of Edison's AER is extended through December 31, 1989.

11. The reasonableness review record period for Edison, PG&E, SoCal, SDG&E, and SPPC shall be revised as shown in Appendix D.

12. The next reasonableness review filing for Edison, PG&E, SoCal, SDG&E, and SPPC shall cover the record period as shown in this decision.

## APPENDICES

## ENERGY UTILITY RATE CASE AND OFFSET PLANS

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APPENDIX A

List of Appearances

Respondents: Thomas G. Hankley and Bruce J. Williams, Attorneys at Law, for San Diego Gas & Electric Company; Richard K. Durant, Carol B. Henningson, Frank J. Cooley, and James M. Lehrer, Attorneys at Law, for Southern California Edison Company; Patricia L. C. Mahoney, Attorney at Law, for Pacific Bell; Richard M. Cahill and Kenneth K. Okel, Attorneys at Law, for GTE California, Incorporated; Roger J. Peters and Mark Huffman, Attorneys at Law, for Pacific Gas and Electric Company; and Robert B. Keeler and Jeffrey E. Jackson, Attorneys at Law, and Roy M. Rawlings, for Southern California Gas Company.

Interested Parties: Lindsay, Hart, Neil & Weigler, by Michael P. Alcantar and Paul J. Kaufman, Attorneys at Law, and Drazen-Brubaker & Associates, Inc., by Donald W. Schoenbeck, for Cogenerators of Southern California; Barkovich & Yap, by Barbara Barkovich, and Jackson, Tufts, Cole & Black, by Allan J. Thompson, Attorney at Law, for CLECA; Nancy Thompson, for Barakat, Howard & Chamberlin, Inc.; Eric Eisenman, for Enron Corp. and Transwestern Pipeline Company; Michel Peter Florio, Attorney at Law, Mark Barmore, and Sylvia M. Siegel, for TURN; Norman Furuta, Attorney at Law, for the Department of the Navy; John J. Gezelin, Attorney at Law, for Sierra Pacific Power Company; Orrick, Herrington & Sutcliffe, by Robert J. Gloistein, Attorney at Law, for Continental Telephone Company of California; William B. Marcus, for JBS, Energy, Inc., and Independent Energy Producers Association; Reed V. Schmidt, for California City-County Street/Light Association; John W. Witt, City Attorney, by William S. Shaffran, Deputy City Attorney, for the City of San Diego; Michael Shames, Attorney at Law, for Utility Consumers Action Network; Bruce Tulloh, for Western Division Naval Facilities Engineering Command; Robert B. Weisenmiller, for Morse, Richard, Weisenmiller & Associates, Inc.; and Antonia D. Radillo, Attorney at Law, for the California Energy Commission.

Division of Ratepayer Advocates: Philip Scott Weismehl, Attorney at Law, Mahendra Jhala, John Yager, and B. Y. Lee.

(END OF APPENDIX A)

SUMMARY OF RATE CASE PLANDay Schedule

## Tendered

Within 7 days of tendering, Staff Counsel, Project Manager, and the project team shall be assigned

Within 25 days after tendering, applicant to be notified of deficiencies by DRA Project Manager

RCP

- 60	Accepted NOI filed
- 35	Date set for prehearing conference and Public Comment hearings
0	Application filed
40	Prehearing Conference held
77	Except for rate design, staff submits all exhibits including marginal cost and revenue allocation
98	Evidentiary hearings begin. At least 15 days of hearings per month.
122	Except for rate design, other parties submit evidence including marginal cost and revenue allocation
177	Evidentiary hearings on initial showing completed
180	Applicant, staff and other parties file rebuttal exhibits
190	Rebuttal hearings begin
190*	Utility submits updated rate design
194	Hearings completed except for update material scheduled for Day 294
206	Comparison Exhibit mailed 12 days after end of hearings
234	Opening Briefs filed 28 days after Comparison Exhibit mailed
248	Reply Briefs filed 14 days after Opening Briefs

Day Schedule

RCP (cont'd)

250*	Staff submits rate design exhibits
280	Applicant and all other parties may submit update material (See page B 25).
290*	Other parties submit rate design exhibits
294	Abbreviated hearings on updated information begin. No more than 5 days allowed.
298	Last day of evidentiary hearings (except rate design).
311*	Rate design hearings begin
322*	Rate design hearings end
329*	Rate design rebuttal exhibits submitted
339*	Rate design rebuttal hearings begin
343*	Rate design rebuttal hearings end
344	ALJ Draft filed and served on all parties.
361*	Rate design opening briefs filed and served on all parties
364	Initial Comments on ALJ Draft due
371	Reply Comments on ALJ Draft due
375*	Rate design reply briefs filed and served
384	Final decision expected by this date (except rate design)
459*	ALJ Draft rate design decision filed and served
479*	Initial comments on ALJ rate design Draft filed
486*	Reply comments on ALJ rate design Draft filed
502*	Final rate design decision expected by this date

Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

SUMMARY OF ELECTRIC  
RATE DESIGN WINDOWS

Day Schedule

RCP

Parties may file proposed electric rate design revisions from July 20th to 25th, November 20th to 25th or December 20th to 25th<sup>1</sup> with copies served on all other parties

0	July, November or December 25th (see footnote) of Test Year and first Attrition year
30	Comments on proposed rate design revisions to be submitted and served on all parties
44	Replies to comments to be submitted and served
58	ALJ ruling on the necessity to reopen the GRC for consideration of any or all electric rate design proposals
72	Hearings begin
76	Last day of hearings
83	Concurrent briefs submitted and served.
107	ALJ Draft decision filed and served on all parties
127	Initial comments on ALJ Draft filed and served
132	Reply comments on ALJ Draft filed and served
142	Final decision expected by this date

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<sup>1</sup> PP&L and SPPC will be in July.  
PG&E and SDG&E will be in November.  
SCE will be in December.



TABLE 1

## SUMMARY OF ELECTRIC RATE DESIGN WINDOW SCHEDULES

Day Schedule	Event	PG&E Date	SPPC Date	SCE Date	SOG&E Date	PP&L Date
0	Proposed electric rate design revisions filed.	25-Nov	25-Jul	25-Dec	25-Nov	25-Jul
30	Comments on proposed revisions due.	25-Dec	24-Aug	24-Jan	25-Dec	24-Aug
44	Reply to comments due.	08-Jan	07-Sep	07-Feb	08-Jan	07-Sep
58	ALJ rules on reopening GRC.	22-Jan	21-Sep	21-Feb	22-Jan	21-Sep
72	Hearings begin.	05-Feb	05-Oct	07-Mar	05-Feb	05-Oct
76	Last day of hearings.	09-Feb	09-Oct	11-Mar	09-Feb	09-Oct
83	Concurrent briefs submitted.	16-Feb	16-Oct	18-Mar	16-Feb	16-Oct
107	ALJ draft decision due.	12-Mar	09-Nov	11-Apr	12-Mar	09-Nov
127	Initial comments on draft due.	01-Apr	29-Nov	01-May	01-Apr	29-Nov
132	Reply to comments on ALJ draft due.	06-Apr	04-Dec	06-May	06-Apr	04-Dec
142	Final decision due.	16-Apr	14-Dec	16-May	16-Apr	14-Dec
	Date rates become effective.	01-May	01-Jan	a/	01-May	01-Jan

a/ Rates are effective the first Sunday in June

Note:

If the above dates fall on Saturday, Sunday, or holiday, the next working day should be observed.

SUMMARY OF ELECTRIC  
RATE DESIGN WINDOWS

Day Schedule

RCP

Parties may file proposed electric rate design revisions from July 20th to 25th<sup>1</sup>, November 20th to 25th<sup>2</sup> or December 20th to 25th<sup>3</sup> prior to an attrition year with copies served on all other parties

- |     |  |
|-----|--|
| 0   | July, November or December 25th (see footnote) of Test Year and first Attrition year                         |
| 30  | Comments on proposed rate design revisions to be submitted and served on all parties                         |
| 44  | Replies to comments to be submitted and served   |
| 58  | ALJ ruling on the necessity to reopen the GRC for consideration of any or all electric rate design proposals |
| 72  | Hearings begin   |
| 76  | Last day of hearings   |
| 83  | Concurrent briefs submitted and served.  |
| 107 | ALJ Draft decision filed and served on all parties   |
| 127 | Initial comments on ALJ Draft filed and served   |
| 132 | Reply comments on ALJ Draft filed and served   |
| 142 | Final decision expected by this date   |

---

1 PP&L and SPPC will be in July.  
2 PG&E and SDG&E will be in November.  
3 SCE will be in December.

RATE CASE PLAN<sup>2</sup>

Before Day -60 the Notice of Intent (NOI) is tendered to the Docket Office and Commission staff for review. Within 7 days Staff Counsel, Project Manager, and project team are designated. The Executive Director notifies the Docket Office when the NOI has been accepted by the staff, whereupon the Docket Office files the NOI. However, the requirements for the tendered NOI are listed under day -60.

The utility shall keep the Division of Ratepayer Advocates (DRA) advised of the progress of its preparation of the rate case and the expected date of tendering the NOI so that the DRA can designate a Project Manager at least 30 days in advance of the actual Tendering of the NOI.

Day -60 (Accepted NOI is filed)

An original and 12 copies of an NOI is accepted by the Executive Director and then filed by the Docket Office. The NOI shall contain a brief statement of the amount of increase sought and the reasons for the proposed increase. An original and 12 copies of all documentation, prepared testimony, draft exhibits including complete explanations and summaries supporting the increase shall comply with the standard requirement list<sup>3</sup> and shall be tendered at the same time that the NOI is tendered. An additional 10 copies of the NOI and all documentation, prepared

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<sup>2</sup> Page B 19 contains a list of the energy utilities to which the RCP applies.

<sup>3</sup> See page B 20.

testimony and draft exhibits plus 5 sets of the applicant's workpapers shall be delivered to the DRA Project Manager no later than the day that the NOI is tendered.

Within seven (7) days of tendering the NOI, the applicant and DRA should begin informal meetings wherein the applicants witnesses (or other persons intimately familiar with the workpapers) explain the workpapers to the DRA's witnesses.

In those instances where DRA has submitted data requests (called a Master Data Request) to the utility at least six months prior to the anticipated Tendering of the NOI, the applicant shall make a reasonable effort to provide responses with the tendered NOI.

Applicant shall furnish a copy of the tendered NOI material to any interested party upon request.

The proposed test year shall be three years from the last adopted test year used by the Commission in setting applicant's existing rates. For example, if 1988 was the last adopted test year, the next test year to be submitted in an NOI would be 1991.

If applicant requests an attrition allowance, it shall include in its required supporting materials evidence supporting the requested attrition allowance. The NOI shall not be filed until all of the above requirements are met.

Applicant will be notified by the DRA Project Manager of deficiencies in the NOI within 25 days of the tender date. Although the final notice of deficiencies does not have to be sent to the utility until 25 days after tendering, the DRA should identify and transmit each deficiency to the applicant as soon as

possible. The acceptance of the NOI will be based upon whether the applicant has substantially complied with the requirements of the RCP. In the event that the utility disagrees with DRA's list of deficiencies, a written protest may be filed with the Executive Director. The protest should identify the items that the utility believes are not properly classified as deficiencies and state the reasons for the conclusion. The Executive Directors determination is final. Time consuming and/or inconsequential deficiencies may be corrected according to a schedule agreed upon by the DRA Project Manager and the applicant.

The NOI may contain material such as previously litigated issues on which the Commission has taken a position. This material must be clearly identified and contain a complete justification for any policy change. Showings on such material will be presented at the end of the hearing schedule, unless otherwise scheduled by the ALJ with the advice and consent of the assigned Commissioner.

Within five days after the NOI has been accepted, applicant shall serve a copy of the NOI on all appearances in its last general rate case, and file a certificate of service. Thereafter, all filed material shall be furnished by applicant to interested parties on written request. Applicant's workpapers shall be made available on request.

The application may be filed no sooner than than 60 days after the NOI is accepted. The date the application is filed will determine Day 0 under the rate case plan.

Within seven (7) days of tendering the NOI, the applicant and DRA should begin informal meetings wherein the applicants witnesses (or other persons intimately familiar with the workpapers) explain the workpapers to the DRA's witnesses. DRA witnesses should be familiar with applicant's workpapers prior to the informal meetings.

In those instances where DRA has submitted data requests (called a Master Data Request) to the utility at least six months prior to the anticipated Tendering of the NOI, the applicant shall make a reasonable effort to provide responses with the tendered NOI.

Applicant shall furnish a copy of the tendered NOI material to any interested party upon request.

The proposed test year shall be three years from the last adopted test year used by the Commission in setting applicant's existing rates. For example, if 1988 was the last adopted test year, the next test year to be submitted in an NOI would be 1991.

If applicant requests an attrition allowance, it shall include in its required supporting materials evidence supporting the requested attrition allowance. The NOI shall not be filed until all of the above requirements are met.

Applicant will be notified by the DRA Project Manager of deficiencies in the NOI within 25 days of the tender date. Although the final notice of deficiencies does not have to be sent to the utility until 25 days after tendering, the DRA should identify and transmit each deficiency to the applicant as soon as possible. The acceptance of the NOI will be based upon whether

Day -35

The ALJ in concurrence with the assigned Commissioner shall set the day, time, and place for the prehearing conference and shall inform applicant and all parties to the last general rate case. Also at this time, the ALJ shall set the day, time and place for public comment hearings. At the appropriate time, the utility shall give notice of the Public Comment Hearings, pursuant to Rule 52, using the format shown on page B 26.

Day 0

1. The application shall be filed and served in conformity with the Rules of Practice and Procedure. The utility shall provide notification to customers, within 45 or 75 days as required by Rule 24.
2. The application shall include final exhibits, prepared testimony, and other evidence, and shall be served on all parties to the last general rate case. The application, final exhibits, and all other evidence that is filed shall incorporate the changes, additions, and deletions required for acceptance of the tendered NOI. No bulk or major updating amendments or recorded data to amend the final exhibits, prepared testimony, or other evidence shall be allowed, except as provided on page B 25 on Days 190\* and 280, and on page B 20, item 3.
3. Applicant shall file a comparison exhibit showing changes that have occurred between the draft exhibits submitted with the NOI and the final exhibits submitted with the application. All the changes or revisions shown shall have been agreed to by the DRA Project Manager in an informal conference before filing the application. Should the applicant and the DRA Project Manager disagree on what revisions are acceptable, the applicant may file a formal motion with the Docket Office for acceptance of its NOI changes. All changes in figures between the tendered NOI and the application shall be supported by workpapers which show the new figures and a reconciliation with the workpapers previously tendered.
4. Applicant shall deliver ten complete sets of the application and final exhibits plus five complete sets of the workpapers supporting the application and final exhibits to the DRA Project Manager. The workpapers shall incorporate all changes and additions that were necessary to gain acceptance of the tendered NOI.

the applicant has substantially complied with the requirements of the RCP. In the event that the utility disagrees with DRA's list of deficiencies, a written protest may be filed with the Executive Director. The protest should identify the items that the utility believes are not properly classified as deficiencies and state the reasons for its conclusion. The Executive Director's determination is final. Time consuming and/or inconsequential deficiencies may be corrected according to a schedule agreed upon by the DRA Project Manager and the applicant. ✓

The NOI may contain material such as previously litigated issues on which the Commission has taken a position. This material must be clearly identified and contain a complete justification for any policy change. Showings on such material will be presented at the end of the hearing schedule, unless otherwise scheduled by the ALJ with the advice and consent of the assigned Commissioner.

Day -60 (Accepted NOI is filed)

An original and 12 copies of an NOI is accepted by the Executive Director and then filed by the Docket Office. Within five days after the NOI has been accepted, applicant shall serve a copy of the NOI on all appearances in its last general rate case, and file a certificate of service. Thereafter, all filed material shall be furnished by applicant to interested parties on written request. Applicant's workpapers shall be made available on request.

The application may be filed no sooner than than 60 days after the NOI is accepted. The date the application is filed will



5. Applicant, staff, and interested parties shall send two copies of all exhibits, prepared testimony, and other evidence filed after Day 0 to the ALJ. One copy shall be served on the Reporting Branch and on each party. Prepared testimony should not be filed in the Docket Office after Day 0; only briefs, comments on the ALJ proposed decision, and other pleadings are to be filed.
6. A copy of the decision in applicant's last general rate case shall be furnished by applicant upon written request.

Day 40

A prehearing conference is held:

1. To take appearances.
2. To raise and resolve any procedural matters.
3. To schedule hearings and specify areas of participation if known, and specify dates for testimony if necessary to expedite the hearing procedure.

Day 77

Except for rate design, staff shall submit all exhibits, prepared testimony, and evidence including marginal cost and revenue allocation, and shall serve copies on all parties. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other staff evidence shall be allowed thereafter, except as provided on page B 25 and Day 280. Staff workpapers shall be available within five days of this date (see page B 24).

Day 91-177

Public comment hearings will be held during this period. They may be held concurrently with evidentiary hearings if necessary to complete the hearings according to this plan.

determine Day 0 under the rate case plan.

The utility shall provide to the Commission's Public Advisor a proposed notice to customers in a format similar to that shown on page B 27.

Day 0

1. The application shall be filed and served in conformity with the Rules of Practice and Procedure. The utility shall provide notification to customers, within 45 or 75 days as required by Rule 24.
2. The application shall include final exhibits except electric rate design, prepared testimony, and other evidence, and shall be served on all parties to the last general rate case. The application, final exhibits, and all other evidence that is filed shall incorporate the changes, additions, and deletions required for acceptance of the tendered NOI. No bulk or major updating amendments or recorded data to amend the final exhibits, prepared testimony, or other evidence shall be allowed, except as provided on page B 26 on Day 280, and on page B 21, item 3.
3. Applicant shall file a comparison exhibit showing changes that have occurred between the draft exhibits submitted with the NOI and the final exhibits submitted with the application. All the changes or revisions shown shall have been agreed to by the DRA Project Manager in an informal conference before filing the application. Should the applicant and the DRA Project Manager disagree on what revisions are acceptable, the applicant may file a formal motion with the Docket Office for acceptance of its NOI changes. All changes in figures between the tendered NOI and the application shall be supported by workpapers which show the new figures and a reconciliation with the workpapers previously tendered.
4. Applicant shall deliver ten complete sets of the application and final exhibits plus five complete sets of the workpapers supporting the application and final exhibits to the DRA Project Manager. The workpapers shall incorporate all changes and additions that were necessary to gain acceptance of the tendered NOI.
5. Applicant, staff, and interested parties shall send two copies of all exhibits, prepared testimony, and other evidence filed after Day 0 to the ALJ. One copy shall be served on the Reporting Branch and on each party. Prepared testimony should not be filed in the Docket Office after Day 0; only briefs, comments on the ALJ

Day 98

Evidentiary hearings begin.

1. Hearings shall ordinarily be held not less than 15 days a month.
2. Where an agreement between applicant and staff is disputed by other parties, those parties shall have the right to cross-examine applicant and staff in that order. The examination will be closely controlled to prevent an undue consumption of time.

Day 122

Except for rate design, parties other than staff and applicant shall submit their exhibits, prepared testimony, and evidence including marginal cost and revenue allocation, and shall serve copies on all parties. These documents shall reflect the rulings and agreements made at the prehearing conference. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other evidence shall be allowed thereafter, either by prepared testimony, oral testimony, or exhibits, except as provided on Day 280 and on page B 25. Also, all workpapers shall be available on this date (See page B 24).

Day 177

Evidentiary hearings on initial showing completed.

Day 180

1. All rebuttal evidence except rate design shall have been distributed by Day 180. Rebuttal evidence shall refute the evidence of other parties and shall not reassert or reargue a party's direct evidence. No bulk or major updating amendments or recorded data shall be allowed in rebuttal evidence. Additional witnesses, cumulative testimony, and unproductive cross-examination shall be minimized.
2. Rebuttal evidence shall clearly reference by number the exhibit or transcript page of the direct evidence of the party rebutted.

Day 2

The ALJ in concurrence with the assigned Commissioner shall set the day, time, and place for the prehearing conference and shall inform applicant and all parties to the last general rate case. Also at this time, the ALJ shall set the day, time and place for public comment hearings. At the appropriate time, the utility shall give notice of the Public Comment Hearings, pursuant to Rule 52, using the format shown on page B 27.

Day 40

A prehearing conference is held:

1. To take appearances.
2. To raise and resolve any procedural matters.
3. To schedule hearings and specify areas of participation if known, and specify dates for testimony if necessary to expedite the hearing procedure.

Day 77

Except for electric rate design, staff shall submit all exhibits, prepared testimony, and evidence including marginal cost and revenue allocation, and shall serve copies on all parties. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other staff evidence shall be allowed thereafter, except as provided on page B 26 and Day 280. Staff workpapers shall be available within five days of this date (see page B 25).

Day 90

Applicant shall file a complete electric rate design exhibits and testimony. No bulk or major updating amendments or recorded data to amend the exhibits or prepared testimony shall be allowed

proposed decision, and other pleadings are to be filed.

6. A copy of the decision in applicant's last general rate case shall be furnished by applicant upon written request.

Day 2

The ALJ in concurrence with the assigned Commissioner shall set the day, time, and place for the prehearing conference and shall inform applicant and all parties to the last general rate case. Also at this time, the ALJ shall set the day, time and place for public comment hearings. At the appropriate time, the utility shall give notice of the Public Comment Hearings, pursuant to Rule 52, using the format shown on page B 27.

Day 40

A prehearing conference is held:

1. To take appearances.
2. To raise and resolve any procedural matters.
3. To schedule hearings and specify areas of participation if known, and specify dates for testimony if necessary to expedite the hearing procedure.

Day 77

Except for electric rate design, staff shall submit all exhibits, prepared testimony, and evidence including marginal cost and revenue allocation, and shall serve copies on all parties. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other staff evidence shall be allowed thereafter, except as provided on page B 26 and Day 280. Staff workpapers shall be available within five days of this date (see page B 25).

3. When a witness has not testified on direct examination before Day 170, the ALJ may set a later date for distributing rebuttal evidence as to that witness.

Day 190

Rebuttal hearings begin to review the showing provided concerning the data described in Day 180. No more than five days of hearings shall be set for this review.

Day 190\*

Applicant may submit updated rate design exhibits (see page B 25).

Day 194

Hearings are to be completed no later than this date, except for rate design hearings and hearings scheduled for Day 294. If oral argument before the Commission en banc is to be held, the ALJ shall announce the date and time.

Day 206

An exhibit comparing the DRA and utility final positions/numbers shall be jointly prepared by DRA and the utility then mailed by this date.

Day 234

Opening briefs shall be filed 28 days after the mailing of the comparison exhibit. The ALJ may outline specific issues to be briefed. Briefing of additional issues is optional.

Day 248

Reply Briefs may be filed 14 days after Opening Briefs.

thereafter, except as provided on page B 26 and Day 190\*.

Day 91-177

Public comment hearings will be held during this period. They may be held concurrently with evidentiary hearings if necessary to complete the hearings according to this plan.

Day 98

Evidentiary hearings begin.

1. Hearings shall ordinarily be held not less than 15 days a month.
2. Where an agreement between applicant and staff is disputed by other parties, those parties shall have the right to cross-examine applicant and staff in that order. The examination will be closely controlled to prevent an undue consumption of time.

Day 122

Except for electric rate design, parties other than staff and applicant shall submit their exhibits, prepared testimony, and evidence including marginal cost and revenue allocation, and shall serve copies on all parties. These documents shall reflect the rulings and agreements made at the prehearing conference. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other evidence shall be allowed thereafter, either by prepared testimony, oral testimony, or exhibits, except as provided on Day 280 and on page B 26. Also, all workpapers shall be available on this date (See page B 25).

Day 177

Evidentiary hearings on initial showing completed.

Day 90

Applicant shall file a complete electric rate design exhibits and testimony. No bulk or major updating amendments or recorded data to amend the exhibits or prepared testimony shall be allowed thereafter, except as provided on page B 26 and Day 190\*.

Day 91-177

Public comment hearings will be held during this period. They may be held concurrently with evidentiary hearings if necessary to complete the hearings according to this plan.

Day 98

Evidentiary hearings begin.

1. Hearings shall ordinarily be held not less than 15 days a month.
2. Where an agreement between applicant and staff is disputed by other parties, those parties shall have the right to cross-examine applicant and staff in that order. The examination will be closely controlled to prevent an undue consumption of time.

Day 122

Except for electric rate design, parties other than staff and applicant shall submit their exhibits, prepared testimony, and evidence including marginal cost and revenue allocation, and shall serve copies on all parties. These documents shall reflect the rulings and agreements made at the prehearing conference. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other evidence shall be allowed thereafter, either by prepared testimony, oral testimony, or exhibits, except as provided on Day 280 and on page B 26. Also, all workpapers shall be available on this date (See page B 25).



Day 250\*

Staff rate design exhibits and testimony shall be submitted and served. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other staff evidence shall be allowed thereafter. Staff rate design workpapers shall be available within five days of this date (see page B 24).

Day 280

Applicant, staff, or any interested party may distribute in prepared testimony form, and serve on all parties, showings containing the most recent data for the other than Rate Design factors described in the Standard Updating Filing Requirements list on page B 25. This is the only updating which will be permitted.

Day 290\*

Parties other than staff and applicant shall submit their exhibits, prepared testimony, and evidence concerning rate design, and shall serve copies on all parties. These documents shall reflect the rulings and agreements made at the prehearing conference. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other evidence shall be allowed thereafter, either by prepared testimony, oral testimony, or exhibits. All workpapers shall be available on this date (see page B 24).

Day 180

1. All rebuttal evidence except electric rate design shall have been distributed by Day 180. Rebuttal evidence shall refute the evidence of other parties and shall not reassert or reargue a party's direct evidence. No bulk or major updating amendments or recorded data shall be allowed in rebuttal evidence. Additional witnesses, cumulative testimony, and unproductive cross-examination shall be minimized.
2. Rebuttal evidence shall clearly reference by number the exhibit or transcript page of the direct evidence of the party rebutted.
3. When a witness has not testified on direct examination before Day 170, the ALJ may set a later date for distributing rebuttal evidence as to that witness.

Day 190

Rebuttal hearings begin to review the showing provided concerning the data described in Day 180. No more than five days of hearings shall be set for this review.

Day 190\*

Applicant may submit updated electric rate design exhibits (see page B 26).

Day 194

Hearings are to be completed no later than this date, except for electric rate design hearings and hearings scheduled for Day 294. If oral argument before the Commission en banc is to be held, the ALJ shall announce the date and time.

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

Day 177

Evidentiary hearings on initial showing completed.

Day 180

1. All rebuttal evidence except electric rate design shall have been distributed by Day 180. Rebuttal evidence shall refute the evidence of other parties and shall not reassert or reargue a party's direct evidence. No bulk or major updating amendments or recorded data shall be allowed in rebuttal evidence. Additional witnesses, cumulative testimony, and unproductive cross-examination shall be minimized.
2. Rebuttal evidence shall clearly reference by number the exhibit or transcript page of the direct evidence of the party rebutted.
3. When a witness has not testified on direct examination before Day 170, the ALJ may set a later date for distributing rebuttal evidence as to that witness.

Day 190

Rebuttal hearings begin to review the showing provided concerning the data described in Day 180. No more than five days of hearings shall be set for this review.

Day 190\*

Applicant may submit updated electric rate design exhibits (see page B 26).

Day 194

Hearings are to be completed no later than this date, except for electric rate design hearings and hearings scheduled for Day 294. If oral argument before the Commission en banc is to be held, the ALJ shall announce the date and time.

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

Day 294

Abbreviated hearings begin to review the showing provided concerning the data described in Day 280. No more than five days of hearings shall be set for this review.

Day 298

Last day of evidentiary hearing except for rate design.

Day 311\*

Rate Design hearings begin.

Day 322\*

Rate design hearings end.

Day 329\*

Rate design rebuttal exhibits shall be distributed by this day. See Day 180, Items 1 and 2 for requirements of rebuttal evidence.

Day 339\*

Rate design rebuttal hearings begin to review the showing provided concerning the data described in Day 329\*. No more than five days of hearings shall be set for this review.

Day 343\*

Rate design rebuttal hearings are to be completed no later than this date.

Day 344

ALJ proposed decision, except for rate design issues, but including marginal cost and revenue allocation issues to be filed and served on all parties.

Day 206

An exhibit comparing the DRA and utility final positions/numbers shall be jointly prepared by DRA and the utility then mailed by this date.

Day 234

Opening briefs shall be filed 28 days after the mailing of the comparison exhibit. The ALJ may outline specific issues to be briefed. Briefing of additional issues is optional.

Day 248

Reply Briefs may be filed 14 days after Opening Briefs.

Day 250\*

Staff electric rate design exhibits and testimony shall be submitted and served. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other staff evidence shall be allowed thereafter. Staff electric rate design workpapers shall be available within five days of this date (see page B 25). ✓

Day 280

Applicant, staff, or any interested party may distribute in prepared testimony form, and serve on all parties, showings containing the most recent data for the other than electric rate design factors described in the Standard Updating Filing Requirements list on page B 26. This is the only updating which will be permitted. ✓

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

Day 361\*

Rate Design Opening Briefs shall be filed 18 days after the completion of the rate design rebuttal hearings. The ALJ may outline specific rate design issues to be briefed. Briefing of additional rate design issues is optional.

Day 364

Initial Comments on ALJ proposed decision to be filed and served on all parties.

Day 371

Reply comments on ALJ proposed decision to be filed and served on all parties.

Day 375\*

Rate design reply briefs may be filed 14 days after rate design opening briefs.

Day 384

A Final Commission decision is expected by this date (except for rate design issues). Any revenue increase/decrease will become effective by January 1 of the test year.

Day 459\*

ALJ proposed rate design decision to be filed and served on all parties.

Day 479\*

Initial Comments on ALJ proposed rate design decision to be filed and served on all parties.

Day 290\*

Parties other than staff and applicant shall submit their exhibits, prepared testimony, and evidence concerning electric rate design, and shall serve copies on all parties. These documents shall reflect the rulings and agreements made at the prehearing conference. No bulk or major updating amendments or recorded data to amend the exhibits, prepared testimony, or other evidence shall be allowed thereafter, either by prepared testimony, oral testimony, or exhibits. All workpapers shall be available on this date (see page B 25).

Day 294

Abbreviated hearings begin to review the showing provided concerning the data described in Day 280. No more than five days of hearings shall be set for this review.

Day 298

Last day of evidentiary hearing except for electric rate design.

Day 311\*

Electric rate design hearings begin.

Day 322\*

Electric rate design hearings end.

Day 329\*

Electric rate design rebuttal exhibits shall be distributed by this day. See Day 180, Items 1 and 2 for requirements of rebuttal evidence.

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

Day 486\*

Reply comments on ALJ proposed rate design decision to be filed and served on all parties.

Day 502\*

A Final Commission decision on rate design is expected by this date.

Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.



Day 339\*

Electric rate design rebuttal hearings begin to review the showing provided concerning the data described in Day 329\*. No more than five days of hearings shall be set for this review.

Day 343\*

Electric rate design rebuttal hearings are to be completed no later than this date.

Day 344

ALJ proposed decision, except for electric rate design issues, but including marginal cost and revenue allocation issues to be filed and served on all parties.

Day 361\*

Electric rate design opening briefs shall be filed 18 days after the completion of the electric rate design rebuttal hearings. The ALJ may outline specific rate design issues to be briefed. Briefing of additional electric rate design issues is optional.

Day 364

Initial Comments on ALJ proposed decision to be filed and served on all parties.

Day 371

Reply comments on ALJ proposed decision to be filed and served on all parties.

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

ELECTRIC RATE DESIGN WINDOWS

Day 0

Any party to the last general rate case may propose revisions to the adopted rate designs from July 20th to 25th, November 20th to 25th or December 20th to 25th<sup>4</sup> prior to an attrition year. All proposals must be complete and include:

1. The proposed revisions
2. Full justification for the revisions
3. An explanation why the revision should be considered prior to the next general rate case
4. A reconciliation with the latest adopted revenue requirement and class allocations

An original and 12 copies shall be filed with the docket office and copies served on all parties to the rate case. Workpapers shall be delivered by Day 0 to the DRA and utility project managers and any other party requesting them (see pages B 20 through B 24).

Day 30

Any party served may comment on the proposals within 30 days. The comments shall be limited to responding to the filings and shall not raise new proposals. Such comments shall be submitted and served on all parties.

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<sup>4</sup> July for PP&L and SPPC.  
November for PG&E and SDG&E.  
December for SCE.

Day 375\*

Electric rate design reply briefs may be filed 14 days after rate design opening briefs.

Day 384

A Final Commission decision is expected by this date (except for electric rate design issues). Any revenue increase/decrease will become effective by January 1 of the test year.

Day 459\*

ALJ proposed electric rate design decision to be filed and served on all parties.

Day 479\*

Initial Comments on ALJ proposed electric rate design decision to be filed and served on all parties.

ay 486\*

Reply comments on ALJ proposed electric rate design decision to be filed and served on all parties.

Day 502\*

A Final Commission decision on electric rate design is expected by this date.

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Note:

For SCE, the schedule days marked with an "\*" will be increased by 30 days.

Day 44

Reply comments may be submitted and served on all parties within 14 days.

Day 58

The ALJ who heard the rate design proposals in the general rate case (or other ALJ as the Commission may assign) shall rule by Day 58 on the necessity to re-open the GRC for consideration of any or all rate design proposals.

Day 72

Hearings begin on re-opened rate design issues. No more than five days will be allowed.

Day 76

Last day of hearings.

Day 83

Concurrent briefs may be submitted.

Day 107

ALJ Draft decision filed and served on all parties.

Day 127

Initial comments on ALJ Draft filed and served.

Day 132

Reply comments on ALJ Draft filed and served.

Day 142

Final decision expected by this date with rates to become effective twelve months after the effective date of the last rate design revisions.

ELECTRIC RATE DESIGN WINDOWS

Day 0

Any party to the last general rate case may propose revisions to the adopted rate designs from July 20th to 25th<sup>6</sup>, November 20th to 25th<sup>7</sup> or December 20th to 25th<sup>8</sup> prior to an attrition year. ✓  
✓

All proposals must be complete and include:

1. The proposed revisions
2. Full justification for the revisions
3. An explanation why the revision should be considered prior to the next general rate case
4. A reconciliation with the latest adopted revenue requirement and class allocations

An original and 12 copies shall be filed with the docket office and copies served on all parties to the rate case. Workpapers shall be delivered by Day 0 to the DRA and utility project managers and any other party requesting them (see pages B 21 through B 25). ✓  
✓

Day 30

Any party served may comment on the proposals within 30 days. The comments shall be limited to responding to the filings and shall not raise new proposals. Such comments shall be submitted and served on all parties.

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6 P&L and SPPC will be in July.

7 PG&E and SDG&E will be in November.

8 SCE will be in December.

Day 44

Reply comments may be submitted and served on all parties within 14 days.

Day 58

The ALJ who heard the rate design proposals in the general rate case (or other ALJ as the Commission may assign) shall rule by Day 58 on the necessity to re-open the GRC for consideration of any or all rate design proposals.

Day 72

Hearings begin on re-opened rate design issues. No more than five days will be allowed.

Day 76

Last day of hearings.

Day 83

Concurrent briefs may be submitted.

Day 107

ALJ Draft decision filed and served on all parties.

Day 127

Initial comments on ALJ Draft filed and served.

Day 132

Reply comments on ALJ Draft filed and served.

Day 142

Final decision expected by this date with rates to become effective twelve months after the effective date of the last rate design revisions.

LIST OF APPLICABLE ENERGY UTILITIES

1. Pacific Gas and Electric Company
2. San Diego Gas & Electric Company
3. Southern California Edison Company
4. Southern California Gas Company

The smaller energy utilities listed below shall also file general rate applications every three years beginning with the test year noted after their name.

1. Southwest Gas Company (TY 1989)
2. Sierra Pacific Power Company (TY 1990)
3. Pacific Power and Light Company (TY 1991)

Smaller energy utility rate applications are processed on an expedited basis generally being completed within a year from the tendering of the NOI assuming adequate Commission staffing.

STANDARD REQUIREMENT LIST  
OF DOCUMENTATION SUPPORTING AN NOI

1. Brief statement of amount, reason for, and summary supporting the increase.
2. When Cost of Capital issues are consolidated into a generic case for all utilities and are not part of the general rate case the utility shall use the most recently authorized rate of return in its calculations supporting the NOI. For the application the utility may include exhibits and testimony requesting a different cost of capital. However, the application must use the currently authorized cost of capital as a base case. This testimony may be updated and re-submitted at the appropriate filing time for the generic cost of capital case.
3. Revenues at present rates in the Results of Operations report shall include a base case derived directly from authorized tariffs in effect on or after May 1 prior to tendering the NOI and on or after October 1 prior to filing the application. The utility shall update the results of operations exhibit by January 15 to incorporate any and all tariff changes which become effective on January 1 following the filing of the application.
4. Draft exhibits and prepared testimony (similar to those presented in final application form) shall conform to the requirements of Rule 23, except that the provisions of Rules 4 through 8 and 16 are not applicable.
5. Complete explanation of exhibits and special studies furnished.
6. Workpapers (5 sets) showing calculations and documentation to support the utility's draft exhibits and special studies. In order to meet the NOI criteria, workpapers must:
  - A. Be arranged in an orderly sequence and be dated and initialed by the preparer. Where appropriate, each expense item should be broken down into labor, non-labor, and other.
  - B. Show the derivation of each individual estimate.
    1. List all of the assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used.
    2. Show how each assumption was used in each estimate.
    3. Where judgment is involved in setting an estimate level, explain why that particular level was adopted.



4. Furnish base year historical and estimated data and subsequent years with evaluation of changes up to and including the test year.
  5. If there was no precise basis for certain estimates and the derivation was purely subjective, the workpapers should so state.
  6. State management's review criteria including the factors considered by the utility's management in approving various expenditures levels.
  7. Supporting material must have a clear tieback to base data from the stated expenditure.
- C. Be appropriately indexed and legible.
- D. Computer printouts must be accompanied by a detailed description of the program. The recorded data used should be identified, the various assumptions of variables used should be clearly stated, and any adopted Commission rules governing computer models adhered to.
- E. Show the development of all adjustments, including those associated with affiliates. If an adjustment is based on a Commission ruling, reference the Decision and provide a copy of the relevant portion of the ruling.
- F. Include at least five years of recorded data for each FERC account used in the development of the test year revenues and revenue requirement. Where subaccounts and/or other than FERC accounts are used to develop test year values, include at least five years of recorded data supporting those values also. All data for expenses shall be stated in recorded dollars and dollars inflation adjusted to a constant base year. The format shall be mutually agreed to by the utility and DRA project managers.
7. In addition to the requirements of 4 above, the following draft exhibits shall be submitted:
- A. All studies required to be submitted in the rate case by the Commission in prior rate decisions and subsequent policy statements or decisions.
  - B. Recorded data, in results of operations format, shall be provided for at least the latest recorded year available at the time of tendering the NOI.  
  
If the NOI contains material previously litigated but not allowed by the Commission it shall be clearly identified.
  - C. When estimates are made by account or subaccount, those estimated amounts shall be included in the direct showing.

- D. When controlling affiliates provide guidelines or directions to the company's presentation, these shall be set forth in the direct showing or available in the workpapers.
- E. FOR ELECTRIC UTILITIES:
1. Cost allocation studies by classes of service.
  2. Marginal cost data in sufficient detail to allow the development of rates for each customer class. If the method used by the utility to calculate marginal cost differs from the method specified by staff, both should be presented.
  3. Demand Side Management cost effectiveness as identified in the Standard Practice Manual for Economic Evaluation of Demand Side Management Programs and consistent with the DSM reporting requirements manual. This shall include a full description, funding requirements, load impacts, and cost effectiveness of each program.
  4. The Utility's current Resource Plan.
  5. The NOI may be tendered without a final rate design proposal. However, the tendered NOI shall include the full amount of the requested revenue change, marginal costs, proposed class revenue allocations; and a simplified proposal for implementing the revenue change at the beginning of the test year.
  6. A complete rate design proposal shall be filed with the application on Day 0. The proposal shall include:
    - a. A full and complete set of bill frequency analyses shall be provided for each existing tariff schedule.
    - b. Alternative rate designs:
      - i. Prepared by applicant in developing the NOI.
      - ii. Requested previously by staff based on current Commission policies regarding rate alternatives to be considered.

- iii. A computer tape with detailed customer bill frequency data compatible with the Commission's computer should be provided for the latest available recorded year. All billing determinants for each tariff schedule must be included. Adequate documentation should be provided to allow the staff to use this tape to develop alternative rate designs.

F. FOR GAS UTILITIES:

1. Demand Side Management cost effectiveness as identified in the Standard Practice Manual for Economic Evaluation of Demand Side Management Programs and consistent with the DSM reporting requirements manual. This shall include a full description, funding requirements, load impacts, and cost effectiveness of each program.
2. At the present time gas utilities marginal cost and rate design are litigated in the Annual Cost Allocation Proceeding (ACAP) per OII 86-06-005. Therefore, marginal cost data, alternative rate designs, and alternate fuel use will not be required exhibits in the general rate case filing unless the Commission moves the issues back into the general rate case. However, utilities should submit a proposed rate design to reflect the revenue requirement changes in its application.

STANDARD REQUIREMENT LIST OF DOCUMENTATION SUPPORTING  
STAFF AND OTHER PARTIES EXHIBITS AND TESTIMONY

1. Complete explanation of exhibits and special studies submitted. If the exhibits contain material previously litigated but not allowed by the Commission, it shall be clearly identified.
2. Workpapers showing calculations and documentation to support the exhibit. Workpapers must:
  - A. Be arranged in an orderly sequence and be dated and initialed by the preparer. When appropriate, each expense item should be broken down into non-labor, labor, and other.
  - B. Be appropriately indexed and legible.
  - C. Computer output must be accompanied by description of the program. The input data used should be identified and the various assumptions of variables used should be clearly stated.
  - D. Show the derivation of each individual estimate.
    1. List all the assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used.
    2. Show how each assumption was used in each estimate.
    3. Where judgment is involved in establishing an estimate level, explain why that particular level was recommended.
    4. Furnish or provide reference to base year historical and estimated data and subsequent years with evaluation of changes up to and including the test year.
    5. If there was no precise basis for certain estimates and the derivation was purely subjective, the workpapers should so state.
    6. Supporting material must have a clear tieback to base data from the stated expenditure.
3. A complete set of workpapers shall be delivered to the DRA and utility Project Managers and any other party requesting them, on the appropriate day noted in the Rate Case Plan.

STANDARD UPDATE EXHIBIT  
FILING REQUIREMENTS LIST

1. Other than rate design:

Any update testimony or exhibits filed by applicant, staff, or interested party shall be limited to:

- A. Known changes in cost of labor based on contract negotiations completed since the tender of the NOI or known changes that result from updated data using the same indexes used in the original presentation during hearings.
- B. Changes in non-labor escalation factors based on the same indexes the party used in its original presentation during hearings.
- C. Known changes due to governmental action such as changes in tax rates, postage rates, or assessed valuation.

The update exhibit may include decreases as well as increases in the above categories. All testimony and exhibits for updating shall be in fully prepared form and served on all appearances on Day 280 as indicated in the rate case plan.

2. Rate Design:

The applicant may update its rate design testimony or exhibit. Any testimony and exhibits for updating shall be in fully prepared form and served on all appearances on Day 190\* as indicated in the rate case plan.

At least 30 days prior to any rate design update the applicant shall meet with staff to discuss and explain its forthcoming update.

(SAMPLE)  
N O T I C E

The California Public Utilities Commission will hold public comment hearings as listed below on the request of (utility) to increase its rates by \$                      per year. If the entire amount is approved by the Commission, the impact on customers will be as follows:

(Brief description of which rates the utility proposes to raise or lower and the \$ and % amount. The effect on the average residential customer's monthly bill shall be shown. The effect on rates of all customer classes shall be shown. A statement of the reasons for the rate increase shall also be included.)

The hearing dates listed below give you an opportunity to express your views to the Commission. You may submit written comments or make a brief oral statement at the hearing.

DATES AND LOCATIONS OF PUBLIC COMMENT HEARINGS  
IN APPLICATION (No.) BEFORE THE  
CALIFORNIA PUBLIC UTILITIES COMMISSION.

(List dates, locations, and times of specifically designated public comment hearings.)

The Commission welcomes your comments. If you cannot attend these hearings, you may submit written comments to the Commission at one of the addresses listed below. Simply state that you are writing about Application (No.) of (utility).

A copy of (utility's) application may be inspected in its local business office or at its headquarters.

Notes:

1. The above notice is only a sample format. A utility may suggest other formats that would better communicate the required information.
2. All notices must be submitted to the Commission's Public Advisor's Office for review at least five working days prior to the printers deadline.

(END OF APPENDIX B)

APPENDIX C

ANNUAL COST OF CAPITAL PROCEEDING

PLAN FOR ANNUAL COST OF CAPITAL (ACC)  
PROCEEDING FOR ENERGY UTILITIES

Day Schedule

0	Application filed by utilities by May 8 of each year. See page C 3 for list of utilities to which this plan applies and filing requirements.
7	ALJ, staff counsel and Commissioner assigned
42	Prehearing Conference
84	Staff submits cost of capital exhibits. Utility may file updated testimony*
98	Interested parties submit cost of capital exhibits
108	Hearings begin
112	Hearings completed no later than this day
122	Late-filed exhibit reflecting issuance of new debt and/or preferred stock. Concurrent briefs filed and served on all parties
129	Reply briefs filed and served on all parties.
152	ALJ proposed decision filed and served on all parties
190	Final decision expected by this date. Decision to become effective on January 1 of each year.

- \* Updated testimony and late-filed exhibit shall be limited to changes in cost of capital reflecting issuance of new debt or preferred stock since the application was filed, and revisions to previously submitted cost of capital models reflecting more recent financial and economic data. No further updating will be permitted without specific ruling from the assigned ALJ.



ENERGY UTILITIES TO WHICH ACC PLAN APPLIES

1. Pacific Gas and Electric Company
2. San Diego Gas & Electric Company
3. Southern California Edison Company
4. Southern California Gas Company
5. Southwest Gas Company
6. Sierra Pacific Power Company
7. Pacific Power and Light Company

STANDARD REQUIREMENT LIST  
OF DOCUMENTATION SUPPORTING AN  
ANNUAL COST OF CAPITAL APPLICATION

1. Brief statement of amount, reason for, and summary supporting the increase/decrease.
2. Exhibits and prepared testimony in final application form shall conform to the requirements of Rule 23, except that the provisions of Rule 8 are not applicable.
3. Complete explanation of exhibits and special studies furnished.
4. Workpapers (2 sets) showing calculations of documentation to support the utility's application shall be delivered to the DRA Project Manager on the same day the application is filed. Workpapers must:
  - A. Be arranged in an orderly sequence and be dated and initialed by the preparer.
  - B. Show the derivation of each individual estimate.
    1. List all of the assumptions necessary for the derivation of each individual estimate and explain the rationale of why the assumptions were used.
    2. Show how each assumption was used in each estimate.
    3. Where judgment is involved in making an estimate, explain why that particular estimate was adopted.
    4. If there was no precise basis for certain estimates and the derivation was purely subjective, the workpapers should so state.
  - C. Be appropriately indexed and legible.
  - D. Computer printouts must be accompanied by a detailed description of the program. The recorded data used should be identified, the various assumptions of variables used should be clearly stated and any adopted Commission rules governing computer models adhered to.

(END OF APPENDIX C)

APPENDIX D  
ANNUAL ECAC REVIEW SCHEDULE

TABLE 2  
SUMMARY OF ECAC SCHEDULE

Day Schedule	Event	PG&E Date	SPPCo Date	SCE Date	SO&E Date
-60	Record period ends.	31-Dec	30-Jun	31-Mar	31-Jul
-60	Informal meetings to discuss draft data request begin.	31-Dec	30-Jun	31-Mar	31-Jul
-45	Informal meetings end.	15-Jan	15-Jul	15-Apr	15-Aug
-45	Informal (Master) data request to utilities due.	15-Jan	15-Jul	15-Apr	15-Aug
-21	a/ Staff audit begins.	08-Feb	08-Aug	09-May	08-Sep
-7	a/ Staff audit completed.	22-Feb	22-Aug	23-May	22-Sep
0	Application filed with workpapers.	01-Apr	29-Aug	30-May	29-Sep
10	First Prehearing Conference (PHC).	11-Apr	08-Sep	09-Jun	09-Oct
14	Formal staff data requests to utility due.	15-Apr	12-Sep	13-Jun	13-Oct
b/	b/ IER Workshops.	b/	b/	b/	b/
28	Utility responses to formal data requests due.	29-Apr	26-Sep	27-Jun	27-Oct
60	Staff report mailed w/ workpapers.	31-May	28-Oct	29-Jul	28-Nov
70	Intervenor's testimony due.	10-Jun	07-Nov	08-Aug	08-Dec
78	c/ Second Prehearing Conference.	18-Jun	15-Nov	16-Aug	16-Dec
88	Hearings begin.	28-Jun	25-Nov	26-Aug	26-Dec
106	Hearings end.	16-Jul	13-Dec	13-Sep	13-Jan
120	Briefs due.	30-Jul	27-Dec	27-Sep	27-Jan
127	d/ Reply briefs due (Optional).	06-Aug	03-Jan	04-Oct	03-Feb
134	ALJ ruling on resource mix issued.	13-Aug	10-Jan	11-Oct	10-Feb
141	IER exhibits filed by all parties.	20-Aug	17-Jan	18-Oct	17-Feb
146	IER hearings begin.	25-Aug	22-Jan	23-Oct	22-Feb
147	IER hearings end.	26-Aug	23-Jan	24-Oct	23-Feb
164	Draft ALJ decision issued.	12-Sep	09-Feb	10-Nov	12-Mar
184	Comments on ALJ draft due.	02-Oct	01-Mar	30-Nov	01-Apr
189	Reply to comments on ALJ draft due.	07-Oct	06-Mar	05-Dec	06-Apr
194-209	Decision signed.	27-Oct	26-Mar	25-Dec	26-Apr
	Rates effective/Forecast period begins.	01-Nov	01-Apr	01-Jan	01-May
293	Trigger filing.	19-Jan	18-Jun	19-Mar	19-Jul
323	Trigger DRA report.	18-Feb	18-Jul	18-Apr	18-Aug
328	Trigger PHC	23-Feb	23-Jul	23-Apr	23-Aug
333	Trigger hearings begin.	28-Feb	28-Jul	28-Apr	28-Aug
337	Trigger hearings end.	04-Mar	01-Aug	02-May	01-Sep
351	Draft ALJ Trigger decision issued.	18-Mar	15-Aug	16-May	15-Sep
371	Comments on ALJ Trigger decision due.	07-Apr	04-Sep	05-Jun	05-Oct
376	Reply to comments on ALJ Trigger dec. due.	12-Apr	09-Sep	10-Jun	10-Oct
390	Trigger decision signed.	26-Apr	23-Sep	24-Jun	24-Oct
	Trigger filing rates take effect.	01-May	01-Oct	01-Jul	01-Nov

a/ The staff audit for the forecast and the record periods will be combined whenever possible.

b/ To be decided by CACD Arbitrator.

c/ Additional PHC to identify issues, positions of parties, areas for stipulation, schedules of witnesses, etc.

d/ PG&amp;E's revised revenue requirement due.

Note:

If the above dates fall on Saturday, Sunday,

TABLE 2  
SUMMARY OF ECAC SCHEDULE

Day Schedule	Event	PG&E Date	SPPCo Date	SCE Date	SDG&E Date
-60	Record period ends.	e/ 31-Dec	30-Jun	31-Mar	31-Jul
-60	Informal meetings to discuss draft data request begin.	31-Jan	30-Jun	31-Mar	31-Jul
-45	Informal meetings end.	15-Feb	15-Jul	15-Apr	15-Aug
-45	Informal (Master) data request to utilities due.	15-Feb	15-Jul	15-Apr	15-Aug
-21	a/ Staff audit begins.	11-Mar	08-Aug	09-May	08-Sep
-7	a/ Staff audit completed.	25-Mar	22-Aug	23-May	22-Sep
0	Application filed with workpapers.	01-Apr	29-Aug	30-May	29-Sep
10	First Prehearing Conference (PHC).	11-Apr	08-Sep	09-Jun	09-Oct
14	Formal staff data requests to utility due.	15-Apr	12-Sep	16-Jun	13-Oct
b/	b/ IER Workshops.	b/	b/	b/	b/
28	Utility responses to formal data requests due.	29-Apr	26-Sep	27-Jun	27-Oct
60	Staff report mailed w/ workpapers.	31-May	28-Oct	29-Jul	28-Nov
70	Intervenor's testimony due.	10-Jun	07-Nov	08-Aug	08-Dec
78	c/ Second Prehearing Conference.	18-Jun	15-Nov	16-Aug	16-Dec
88	Hearings begin.	28-Jun	25-Nov	26-Aug	26-Dec
106	Hearings end.	16-Jul	13-Dec	13-Sep	13-Jan
120	Briefs due.	30-Jul	27-Dec	27-Sep	27-Jan
127	Reply briefs due (Optional).	06-Aug	03-Jan	04-Oct	03-Feb
134	ALJ ruling on resource mix issued.	13-Aug	10-Jan	11-Oct	10-Feb
141	IER exhibits filed by all parties.	20-Aug	17-Jan	18-Oct	17-Feb
146	IER hearings begin.	25-Aug	22-Jan	23-Oct	22-Feb
147	IER hearings end.	26-Aug	23-Jan	24-Oct	23-Feb
164	Draft ALJ decision issued.	12-Sep	09-Feb	10-Nov	12-Mar
184	Comments on ALJ draft due.	02-Oct	01-Mar	30-Nov	01-Apr
189	Reply to comments on ALJ draft due.	07-Oct	06-Mar	05-Dec	06-Apr
194-209	Decision signed.	27-Oct	26-Mar	25-Dec	26-Apr
	Rates effective/Forecast period begins.	01-Nov	01-Apr	01-Jan	01-May
293	d/ Trigger filing.	19-Jan	18-Jun	19-Mar	19-Jul
323	Trigger DRA report.	18-Feb	18-Jul	18-Apr	18-Aug
328	Trigger PHC	23-Feb	23-Jul	23-Apr	23-Aug
333	Trigger hearings begin.	28-Feb	28-Jul	28-Apr	28-Aug
337	Trigger hearings end.	04-Mar	01-Aug	02-May	01-Sep
351	Draft ALJ Trigger decision issued.	18-Mar	15-Aug	16-May	15-Sep
371	Comments on ALJ Trigger decision due.	07-Apr	04-Sep	05-Jun	05-Oct
376	Reply to comments on ALJ Trigger dec. due.	12-Apr	09-Sep	10-Jun	10-Oct
390	Trigger decision signed.	26-Apr	23-Sep	26-Jun	26-Oct
	Trigger filing rates take effect.	01-May	01-Oct	01-Jul	01-Nov

a/ The staff audit for the forecast and the record periods will be combined whenever possible.

b/ To be decided by CACD Arbitrator.

c/ Additional PHC to identify issues, positions of parties, areas for stipulation, schedules of witnesses, etc.

d/ Trigger filings based on the conditions in D.83-02-076 are mandatory.

e/ Does not reflect Day -60.

Note:

If the above dates fall on Saturday, Sunday, or holiday, the next working day will be observed.

TABLE 3  
SUMMARY OF ACAP SCHEDULE

Day Schedule	Event	PG&E Date	SoCal Date	SDG&E Date
-60	Informal meetings to discuss draft data request begin.	17-Jul	15-Jan	15-Jan
-45	Informal meetings end.	01-Aug	30-Jan	30-Jan
-45	Informal (Master) data requests to utility due.	01-Aug	30-Jan	30-Jan
-21	Staff audit begins.	25-Aug	23-Feb	23-Feb
-7	Staff audit completed.	08-Sep	08-Mar	08-Mar
0	Application filed with workpapers.	15-Sep	15-Mar	15-Mar
14	Formal staff data requests to utility due.	29-Sep	29-Mar	29-Mar
19	Prehearing conference (PHC).	04-Oct	03-Apr	03-Apr
28	Utility responses to formal data requests due.	13-Oct	12-Apr	12-Apr
60	Staff report mailed w/ workpapers.	14-Nov	14-May	14-May
70	Intervenors' testimony due.	24-Nov	24-May	24-May
74	Hearings begin.	28-Nov	28-May	28-May
92	Hearings end.	16-Dec	15-Jun	15-Jun
106	Briefs due.	30-Dec	29-Jun	29-Jun
113	Reply briefs due (Optional).	06-Jan	06-Jul	06-Jul
143	Draft ALJ decision issued.	05-Feb	05-Aug	05-Aug
163	Comments on ALJ draft due.	25-Feb	25-Aug	25-Aug
168	Reply to comments on ALJ draft due.	02-Mar	30-Aug	30-Aug
174-188	Decision signed.	22-Mar	19-Sep	19-Sep
	Rates Effective/Forecast period begins.	01-Apr	01-Oct	01-Oct
279	Trigger filing.	21-Jun	19-Dec	19-Dec
309	Trigger DRA report.	21-Jul	18-Jan	18-Jan
314	Trigger PHC.	26-Jul	23-Jan	23-Jan
319	Trigger hearing begins.	31-Jul	28-Jan	28-Jan
323	Trigger hearing ends.	04-Aug	01-Feb	01-Feb
337	Draft ALJ Trigger decision issued.	18-Aug	15-Feb	15-Feb
357	Comments on ALJ-Trigger decision due.	07-Sep	07-Mar	07-Mar
362	Reply to comments on ALJ Trigger dec. due.	12-Sep	12-Mar	12-Mar
376	Trigger decision signed.	26-Sep	26-Mar	26-Mar
	Trigger filing rates take effect.	01-Oct	01-Apr	01-Apr

## Note:

If the above dates fall on Saturday, Sunday, or holiday, the next working day will be observed.

TABLE 3  
SUMMARY OF ACAP SCHEDULE

Day Schedule	Event	PG&E Date	SoCal Date	SDG&E Date
-60	Informal meetings to discuss draft data request begin.	16-Jun	15-Jan	15-Jan
-45	Informal meetings end.	01-Jul	30-Jan	30-Jan
-45	Informal (Master) data requests to utility due.	01-Jul	30-Jan	30-Jan
-21	Staff audit begins.	25-Jul	23-Feb	23-Feb
-7	Staff audit completed.	08-Aug	08-Mar	08-Mar
0	Application filed with workpapers.	15-Aug	15-Mar	15-Mar a/
14	Formal staff data requests to utility due.	29-Aug	29-Mar	29-Mar
19	Prehearing conference (PHC).	03-Sep	03-Apr	03-Apr
28	Utility responses to formal data requests due.	12-Sep	12-Apr	12-Apr
60	Staff report mailed w/ workpapers.	16-Oct	14-May	14-May
70	Intervenors' testimony due.	24-Oct	24-May	24-May
80	Hearings begin.	03-Nov	03-Jun	03-Jun
98	Hearings end.	21-Nov	21-Jun	21-Jun
112 b/	Briefs due.	12-Dec	05-Jul	05-Jul
119 b/	Reply briefs due (Optional).	19-Dec	12-Jul	12-Jul
149 c/	Draft ALJ decision issued.	25-Jan	11-Aug	11-Aug
169 c/	Comments on ALJ draft due.	14-Feb	31-Aug	31-Aug
174 c/	Reply to comments on ALJ draft due.	19-Feb	05-Sep	05-Sep
180-194 c/	Decision signed.	11-Mar	25-Sep	25-Sep
	Rates Effective/Forecast period begins.	01-Apr	01-Oct	01-Oct
279 d/	Trigger filing.	21-Jun	19-Dec	19-Dec
309 d/	Trigger DRA report.	21-Jul	18-Jan	18-Jan
314 d/	Trigger PHC.	26-Jul	23-Jan	23-Jan
319 d/	Trigger hearing begins.	31-Jul	28-Jan	28-Jan
323 d/	Trigger hearing ends.	04-Aug	01-Feb	01-Feb
337 d/	Draft ALJ Trigger decision issued.	18-Aug	15-Feb	15-Feb
357 d/	Comments on ALJ Trigger decision due.	07-Sep	07-Mar	07-Mar
362 d/	Reply to comments on ALJ Trigger dec. due.	12-Sep	12-Mar	12-Mar
376 d/	Trigger decision signed.	26-Sep	26-Mar	26-Mar
	Trigger filing rates take effect.	01-Oct	01-Apr	01-Apr
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a/	SDG&E's ACAP application shall be filed not later than two weeks after receipt of SoCal's final ACAP application workpapers. This may require other events in SDG&E's ACAP schedule to be delayed.			
b/	Add 7 days for PG&E schedule			
c/	Add 14 days for PG&E schedule			
d/	Add 31 days for PG&E schedule			
Note:	If the above dates fall on Saturday, Sunday, or holiday, the next working day will be observed.			

TABLE 4  
SUMMARY OF ELECTRIC AND/OR GAS REASONABLENESS SCHEDULE

Day Schedule	Event	PG&E Date	SPPC Date	SCE Date	Socal Date	SOC&E Date
-60	Record period ends. Informal meetings to discuss draft data request begin.	31-Dec 01-Feb	30-Jun 30-Jun	31-Mar 31-Mar	31-Mar a/ 09-Apr a/	31-Jul 16-Aug
-45	Informal meetings end.	16-Feb	15-Jul	15-Apr	30-Apr	31-Aug
-45	Informal (Master) data requests to utility due.	16-Feb	15-Jul	15-Apr	30-Apr	31-Aug
-21	b/ Staff audit begins.	11-Mar	08-Aug	09-May	24-May	24-Sep
-7	b/ Staff audit completed.	25-Mar	22-Aug	23-May	07-Jun	08-Oct
0	Application filed with workpapers.	01-Apr	29-Aug	30-May	14-Jun	15-Oct
21	Formal staff data requests to utility due.	22-Apr	19-Sep	20-Jun	05-Jul	05-Nov
35	Utility responses to formal data requests due.	06-May	03-Oct	04-Jul	19-Jul	19-Nov
75 or T	c/ Staff report mailed w/ workpapers.	15-Jun 30-Jul c/	12-Nov 27-Dec c/	13-Aug 27-Sep c/	28-Aug 28-Aug	29-Dec 27-Jan c/
89 or T+14	Data requests to staff begin.	13-Aug	10-Jan	11-Oct	11-Sep	10-Feb
103 or T+28	Data responses from staff due.	27-Aug	24-Jan	25-Oct	25-Sep	24-Feb
114 or T+39	Intervenors' testimony due.	07-Sep	04-Feb	05-Nov	06-Oct	07-Mar
118 or T+43	Prehearing conference.	11-Sep	08-Feb	09-Nov	10-Oct	11-Mar
124 or T+49	Hearings begin.	17-Sep	14-Feb	15-Nov	16-Oct	17-Mar
138 or T+63	Hearings recess.	01-Oct	28-Feb	29-Nov	30-Oct	31-Mar
153 or T+78	Hearings resume.	16-Oct	15-Mar	14-Dec	14-Nov	15-Apr
157 or T+82	Hearings end.	20-Oct	19-Mar	18-Dec	18-Nov	19-Apr
187 or T+112	Briefs due.	19-Nov	18-Apr	17-Jan	18-Dec	19-May
201 or T+126	Reply briefs due (Optional).	03-Dec	02-May	31-Jan	01-Jan	02-Jun
246 or T+171	Draft ALJ decision issued.	17-Jan	16-Jun	17-Mar	15-Feb	17-Jul
266 or T+191	Comments on ALJ draft due.	06-Feb	06-Jul	06-Apr	07-Mar	06-Aug
271 or T+196	Reply to comments on ALJ draft due.	11-Feb	11-Jul	11-Apr	12-Mar	11-Aug
291 or T+216	Decision signed.	03-Mar	31-Jul	01-May	01-Apr	31-Aug
	Actual elapsed processing days.	336 d/	336 d/	336 d/	291	320 d/

a/ Events 1 & 2 begin on days -75 & -66, respectively.

b/ The staff audit for the forecast and the record periods will be combined whenever possible.

c/ Mailing day corresponds to Day 75 or T ("Briefs due" date, Table 2), whichever is later.

d/ The total number of days exceeds 291 as a result of the staff mailing date controlling.

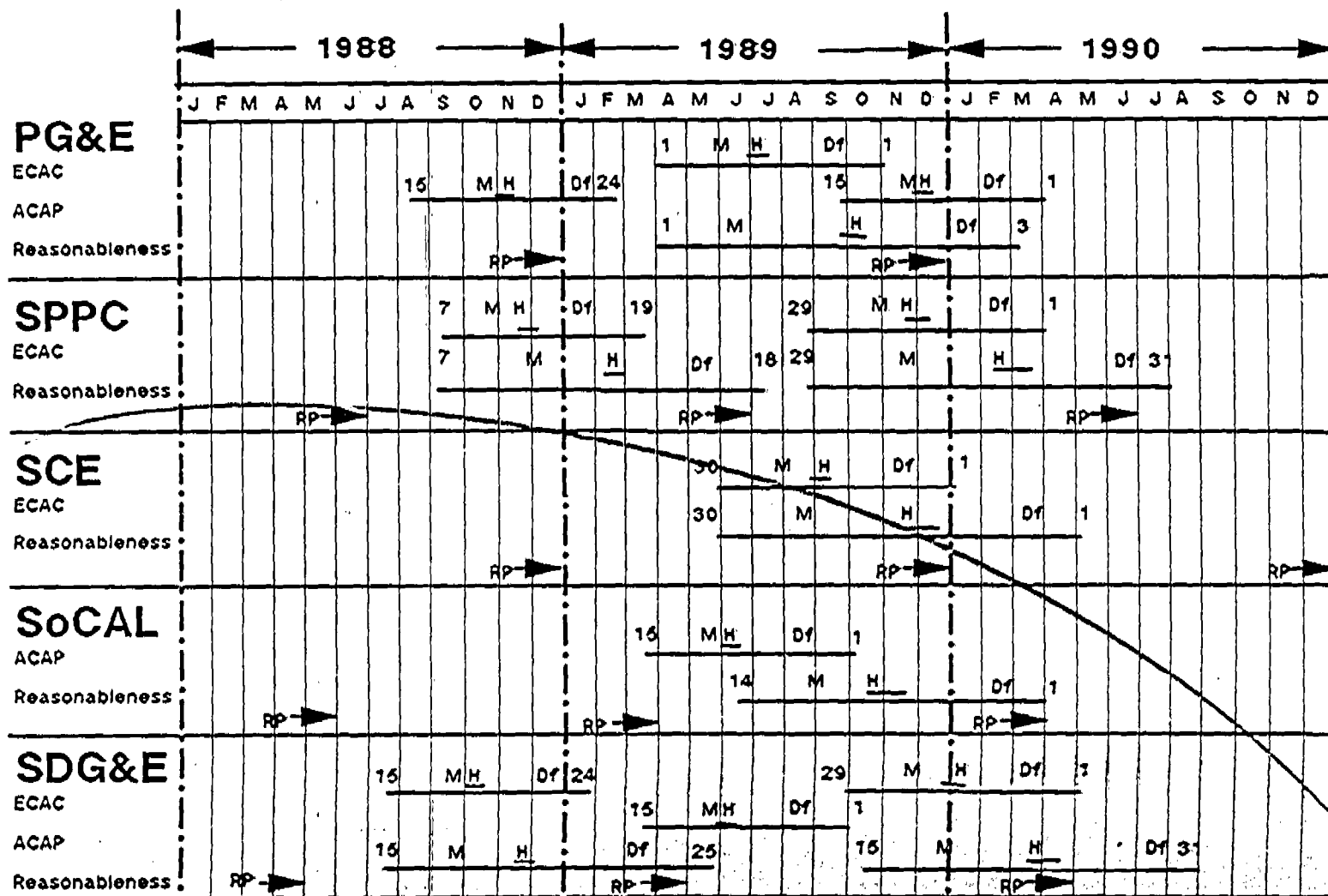
Note:

If the above dates fall on Saturday, Sunday, or holiday, the next working day should be observed.



Table 8

## ECAC/ACAP/REASONABLENESS SCHEDULE



- 05 -

ANNUAL ECAC REVIEW SCHEDULE

Day -60

Record period ends.

Day -60 to -45

Informal conferences to discuss draft data requests may be held with the applicant, staff and any interested parties.

Day -45

Informal (Master) data requests to utility due.

Day -21 to -7

Initial staff audit conducted. The utility shall make available to the staff any and all records, accounts, receipts, contracts, and other information applicable to the ECAC/ACAP review as requested.

Day 0

1. The application required by the Commission's Rules of Practice and Procedure shall be filed and served. Three additional copies of the application with supporting workpapers\* including responses to all outstanding master data requests shall be sent directly to the assigned project manager.
2. Two copies of all exhibits, prepared testimony, and other evidence prepared by the applicant shall be submitted to the presiding ALJ and copies served on all parties to the utility's last formal ECAC/ACAP

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\* Workpapers must be arranged in orderly sequence, numbered, dated and initialed by the preparer. List all assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used. Each work paper should be properly indexed, cross-referenced, and legible.

A computer printout must be accompanied by detailed description of the program. The recorded data used should be identified and the various assumptions of variables used should be clearly stated.

proceeding. A copy shall also be filed with the Commission's Reporting Branch.

3. Staff engineer's field investigation begins. The utility shall make available to the staff all records pertaining to power plant operations and maintenance, purchased power transactions, power pooling, gas gathering facilities, dispatch center and other information applicable to the ECAC/ACAP review as requested.

Day 10

First prehearing conference

Day 14

Formal data requests to utility due.

Day 14 to 19

IER workshops held. Day to be determined by the CACD arbitrator.

Day 28

Formal data responses from utility due

Day 60

Staff report with workpapers mailed to all parties.

Updated data restricted to changes in fuel mix, fuel prices and the balance in the balancing account provided by the utility to all participants.

Day 70

Intervenors' testimony with supporting workpapers filed.

Day 78

Second prehearing conference held to identify issues, establish position of parties, identify areas for stipulation, set schedule of witnesses and other related matters.

3. Staff engineer's field investigation begins. The utility shall make available to the staff all records pertaining to power plant operations and maintenance, purchased power transactions, power pooling, gas gathering facilities, dispatch center and other information applicable to the ECAC review as requested.

Day 10

First prehearing conference

Day 14

Formal data requests to utility due.

Day to be determined by CACD arbitrator

IER workshops held. Workshops should occur early in the proceeding to allow the parties sufficient time to investigate modelling issues and develop a base case set of assumptions. Any party using a production simulation model shall run a base case set of assumptions on its preferred model and make the result available to all parties.

Day 28

Formal data responses from utility due

Day 60

Staff report with workpapers mailed to all parties.

Updated data restricted to changes in fuel mix, fuel prices and the balance in the balancing account provided by the utility to all participants.

Day 70

Intervenors' testimony with supporting workpapers filed.

Day 88 to 106

Public hearings held. No bulk or major updating amendments or recorded data to amend the final exhibits, prepared testimony, or other evidence shall be allowed other than the recorded changes in fuel mix, fuel prices and the balance in the balancing accounts. If time permits, the last two days of hearings will be set aside for limited rebuttal testimony.

Day 120

Briefs due.

Day 127

Reply briefs due. (Optional)

Day 134

ALJ ruling on resource mix issued.

Day 141

Incremental Energy Rate (IER) exhibits filed by all parties.

Day 146 to 147

IER hearings held.

Day 164

ALJ draft decision issued.

Day 184

Comments due on ALJ draft decision.

Day 189

Reply comments due

Day 78

Second prehearing conference held to identify issues, establish position of parties, identify areas for stipulation, set schedule of witnesses and other related matters.

Day 88 to 106

Public hearings held. Unless directed otherwise by the assigned ALJ no bulk or major updating amendments or recorded data to amend the final exhibits, prepared testimony, or other evidence shall be allowed other than the recorded changes in fuel mix, fuel prices and the balance in the balancing accounts. If time permits, the last two days of hearings will be set aside for limited rebuttal testimony. ✓

Day 120

Briefs due.

Day 127

Reply briefs due. (Optional)

Day 134

ALJ ruling on resource mix issued.

Day 141

Incremental Energy Rate (IER) exhibits filed by all parties. These exhibits are to address only the changes in IER calculations and revenue requirements resulting from the ALJ's resource mix ruling. No other changes in input assumptions or model conventions are permitted from those presented in the earlier exhibits and hearings (Days 88-106).

Day 194-209

Decision signed by Commission.

Day 209-216

Rates become effective.

Day 293

Trigger filing is made if the conditions set forth in D.83-02-076 are met.

Day 323

Staff report with workpapers on trigger filing mailed to all parties.

Day 328

Prehearing conference on trigger filing held.

Day 333 to 337

Public hearings on trigger filing held.

Day 351

ALJ draft decision on trigger filing issued.

Day 371

Comments on ALJ draft decision due.

Day 376

Reply to comments on ALJ draft decision due.

Day 390

Decision on trigger filing signed by Commission.

Day 146 to 147

IER hearings held. These hearings are limited to consideration of the final IER numbers advocated by each party and the impact of the resource mix adopted by the ALJ in the ruling of day 134.

Day 164

ALJ draft decision issued.

Day 184

Comments due on ALJ draft decision

Day 189

Reply comments due

Day 194-209

Decision signed by Commission.

Day 209-216

Rates become effective.

Day 293

If the conditions set forth in D.83-02-076 are met, a trigger filing shall be made. Such filing is mandatory unless a timely petition for relief from this requirement, specifying the reasons for requesting exemption, has been made and granted by the Commission.

Day 323

Staff report with workpapers on trigger filing mailed to all parties.



ANNUAL ACAP REVIEW SCHEDULE

Day -60 to -45

Informal conferences to discuss draft data requests may be held with the applicant, staff and any interested parties.

Day -45

Informal (Master) data requests to utility due.

Day -21 to -7

Initial staff audit conducted. The utility shall make available to the staff any and all records, accounts, receipts, contracts, and other information applicable to the ECAC/ACAP review as requested.

Day 0

1. The application required by the Commission's Rules of Practice and Procedure shall be filed and served. Three additional copies of the application with supporting workpapers\* including responses to all outstanding master data requests shall be sent directly to the assigned project manager.
2. Two copies of all exhibits, prepared testimony, and other evidence prepared by the applicant shall be submitted to the presiding ALJ and copies served on all parties to the utility's last formal ECAC/ACAP proceeding. A copy shall also be filed with the Commission's Reporting Branch.

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\* Workpapers must be arranged in orderly sequence, numbered, dated and initialed by the preparer. List all assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used. Each work paper should be properly indexed, cross-referenced, and legible.

A computer printout must be accompanied by a detailed description of the program. The recorded data used should be identified and the various assumptions of variables used should be clearly stated.

Day 328

Prehearing conference on trigger filing held.

Day 333 to 337

Public hearings on trigger filing held.

Day 351

ALJ draft decision on trigger filing issued.

Day 371

Comments on ALJ draft decision due.

Day 376

Reply to comments on ALJ draft decision due.

Day 390

Decision on trigger filing signed by Commission.

3. Staff engineer's field investigation begins. The utility shall make available to the staff all records pertaining to power plant operations and maintenance, purchased power transactions, power pooling, gas gathering facilities, dispatch center and other information applicable to the ECAC/ACAP review as requested.

Day 14

Formal data requests to utility due.

Day 19

Prehearing conference

Day 28

Formal data responses from utility due

Day 60

Staff report with work papers mailed to all parties.

Updated data restricted to changes in fuel mix, fuel prices and the balance in the balancing account provided by the utility to all participants.

Day 70

Intervenors' testimony with supporting work papers filed.

Day 74 to 92

Public hearings held. No bulk or major updating amendments or recorded data to amend the final exhibits, prepared testimony, or other evidence shall be allowed other than the recorded changes in fuel mix, fuel prices and the balance in the balancing accounts. If time permits, the last two days of hearings will be set aside for limited rebuttal testimony.

Day 106

Briefs due.

Day 113

Reply briefs due. (Optional)

Day 143

ALJ draft decision issued.

Day 163

Comments due on ALJ draft decision

Day 168

Reply comments due

Day 174-188

Decision signed by Commission.

Day 188-200

Rates become effective.

Day 279

Trigger filing is made if the conditions set forth in D.86-12-010 or its successor are met.

Day 309

Staff report with workpapers on trigger filing mailed to all parties.

Day 314

Prehearing conference on trigger filing held.

Day 319 to 323

Public hearing on trigger filing held.

Day 337

ALJ draft decision on trigger filing issued.

Day 357

Comments due on ALJ draft decision.

Day 362

Reply to comments on draft decision due.

Day 376

Decision on trigger filing signed.

ANNUAL REASONABLENESS REVIEW SCHEDULE

Day -75 to -60

Record period ends (see Table 4 for details).

Day -60 to -45

Informal conferences to discuss draft data requests may be held with applicant, staff and any interested parties.

Day -45

Informal (Master) data requests to utility due.

Day -21 to -7

Initial staff audit conducted. The utility shall make available to the staff any and all records, accounts, receipts, contracts, and other information applicable to the Reasonableness Review as requested.

Day 0

1. The application required by the Commission's Rules of Procedures shall be filed and served. Three additional copies of the application with supporting workpapers\* including responses to all outstanding master data requests shall be sent directly to the assigned project manager.
2. Two copies of all exhibits, prepared testimony, and other evidence prepared by the applicant shall be submitted to the presiding ALJ and copies served on all

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\* Workpapers must be arranged in orderly sequence, numbered, dated and initialed by the preparer. List all assumptions necessary for the derivation of each individual estimate and explain the rationale why the assumptions were used. Each workpaper should be properly indexed, cross-referenced, and legible.

A computer printout must be accompanied by a detailed description of the program. The recorded data used should be identified and the various assumptions of variables used should be clearly stated.

parties to the utility's last formal ECAC/AER proceeding. A copy shall also be filed with the Commission's Reporting Branch.

3. Staff engineer's field investigation begins. The utility shall make available to the staff all records pertaining to power plant operations and maintenance, purchased power transactions, power pooling and other information applicable to the ECAC/AER review as requested.

Day 21

Formal data requests to utility due.

Day 35

Formal data responses from utility due.

Day 75 or T

Staff report with workpapers mailed to all parties.

Day 89 or T+14

Data request to staff begin.

Day 103 or T+28

Data responses from staff due.

Day 114 or T+39

Intervenors' testimony with supporting work papers due.

Day 118 or T+43

Prehearing conference held.

Day 124 to 138 or T+49 to T+63

Public hearings held.

Day 153 to 157 or T+78 to T+82

Second set of hearings for rebuttal testimony, if any.

Day 187 or T+112

Briefs due.

Day 201 or T+126

Reply briefs due. (Optional)

Day 246 or T+171

ALJ draft decision issued.

Day 266 or T+191

Comments due on ALJ draft decision

Day 271 or T+196

Reply to comments on draft decision due.

Day 291 or T+216

Decision signed.

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Note:

"T" refers to briefs due day (see Table 2, ECAC Schedule).

(END OF APPENDIX D)