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Decision No. 90588 JUL 31 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PACIFIC GAS AND ELECTRIC COMPANY for authority, among other things, to change certain rate schedules to implement additional time-varying rates for electric service pursuant to Decision No. 85559 as modified by Decision No. 86543. (Electric)	Application No. 57666 (Filed November 2, 1977)

Malcolm H. Furbush, Robert Ohlbach, and Kermit R. Kubitz, Attorneys at Law, for Pacific Gas and Electric Company, applicant.
Hugh Cook, for Wine Institute; Gordon E. Davis and William H. Booth, Attorneys at Law, for California Manufacturers Association; Robert T. Howard II, for Southern California Edison Company; Elmer G. Johnson, for Building Owners & Managers Association; Thomas S. Knox, Attorney at Law, for California Retailers Association; Boris H. Lakusta, Jerry J. Suich, and David J. Marchant, Attorneys at Law, for California Hotel & Motel Association; Karl E. Vogel, for Raychem Corporation; John C. Lakeland, for Curtis Machine Company; Edward Mrizek, for City of Palo Alto; Lee Snowberg, for Port of Oakland; Glen J. Sullivan, Attorney at Law, for California Farm Bureau Federation; John A. Wilson, for California Energy Commission; Harry Winters and Allen B. Wagner, for University of California; interested parties.
Elinore C. Morgan, Attorney at Law, and Andrew Tokmakoff, Professional Engineer, for the Commission staff.

OPINION

Proceeding

Pacific Gas and Electric Company (PG&E) filed Application No. 57666 on November 2, 1977 requesting authority to change certain rate schedules in order to implement additional time-varying rates for electric service.

A.57666 Alt.-CTD-ei/fg

Duly noticed public hearings were held at San Francisco before the assigned Administrative Law Judge on February 27 and 28 and on April 19, 20, and 21, 1978 and the matter submitted subject to opening briefs filed on May 12 and reply briefs on May 29, 1978.

Summary of Decision

This decision directs PG&E to file a new tariff Schedule A-22 to provide time-of-use rates for approximately 700 customers with demands between 1,000 kW and 4,000 kW. These customers include, among others, industrial firms, very large retail establishments, very large hotels and motels, water utilities, and agricultural users. PG&E's time-of use rates have formerly been applied under Schedule A-23 only to larger industrial and commercial customers with demands in excess of 4,000 kW.

The purpose of time-of-use rates is to encourage customers to shift energy usage from peak to partial-peak and to off-peak periods, thereby postponing the need for new generating facilities, which directly equates to savings for all PG&E ratepayers because new construction of generating capacity is reduced and less fossil fuel is required for peak demand period generation. Because the assumed 10 percent shift in load from the on-peak to the off-peak time interval did not occur under PG&E's time-of-use Schedule A-23 (large industrial users), the staff proposed a time-of-use rate with a greater differential in the energy rate than that proposed by PG&E. The time-of-use rates were opposed by California Retailers Association, Property Management Systems, California Hotel & Motel Association, Raychem Corporation, and California Manufacturers Association on the ground that many of the customers they represent are unable to shift loads and would therefore incur an increase in their energy charges. We are not convinced that the A-22 customers can achieve no further conservation or load shifting. The time of use rates adopted are neither those proposed by PG&E nor the staff but have been designed by the Commission based upon the evidence in this proceeding. It is anticipated that there will be an overall reduction of 10 percent in the on-peak demand and energy usage and a 6 percent reduction in partial-peak demand and energy usage by the customers affected, and that the reduction in on-peak and partial-peak energy usage will be shifted to the off-peak. The increased basic revenue requirement for Schedule A-22 pursuant to Decision No. 89319 in Application No. 57284 issued September 6, 1978 is $90,524,000. No increase in such revenue requirement is provided in this decision. The increase in revenues from those customers whose charges are increased by the time-of-use rates in Schedule A-22 will be offset by the decrease in revenues from those customers who avail themselves of the incentives to shift their energy usage from on peak and partial peak to off peak.

PG&E is required to furnish customers a visual type demand meter or display equipment **within 180 days after request by the customer.**

The time of use rates are as follows:

RATES

	Per Meter Per Month	
	Period A	Period B
Customer Charge:	$538.00	$538.00
Demand Charge:		
On Peak, per kilowatt of Maximum Demand ...	2.45	0.70
Plus Partial Peak, per kilowatt of Maximum Demand	0.26	0.20
Plus Off Peak, per kilowatt of Maximum Demand	No Charge	No Charge
Energy Charge:		
On Peak, per kilowatt hour	0.021	0.018
Plus Partial Peak, per kilowatt hour	0.018	0.013
Plus Off Peak, per kilowatt hour	0.010	0.010

The time periods are as follows:

Period A shall be applicable to meter readings from May 1 to September 30 inclusive for the following hours:

On Peak	12:30 p.m. to 6:30 p.m.	(Monday through Friday, except holidays.)
Partial Peak	8:30 a.m. to 12:30 p.m. 6:30 p.m. to 10:30 p.m.	(Monday through Friday, except holidays.)
	8:30 a.m. to 10:30 p.m.	(Saturday, except holidays.)
Off Peak	10:30 p.m. to 8:30 a.m.	(Monday through Saturday, except holidays.)
	All day Sunday and holidays.	

Period B shall be applicable to meter readings from October 1 to April 30 inclusive for the following hours:

On Peak	4:30 p.m. to 8:30 p.m.	(Monday through Friday, except holidays.)
Partial Peak	8:30 a.m. to 4:30 p.m. 8:30 p.m. to 10:30 p.m.	(Monday through Friday, except holidays.)
	8:30 a.m. to 10:30 p.m.	(Saturday, except holidays.)
Off Peak	10:30 p.m. to 8:30 a.m.	(Monday through Saturday, except holidays.)
	All day Sunday and holidays.	

The holidays specified in this schedule include: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, and Christmas Day, as said days are specified in Public Law 90-363 (U.S.C.A. Section 6103).

Position of the Parties

PG&E

PG&E believes that the approach adopted by this Commission in Decision No. 86632 authorizing time-of-use rates for customers greater than 4,000 kW is a reasonable way to introduce load management incentives into rate design without unduly burdening either PG&E or its affected customers. The customer response identified by PG&E's monitoring of the Schedule No. A-17 (now A-23) time-of-use rate design during its limited existence has been significant and PG&E feels that the preliminary evidence substantiates the merit of a new rate design. Because the 1,000 kW to 4,000 kW customer group is generally an extension of the customer mix encountered on PG&E's larger customer time-varying rate Schedule No. A-17, PG&E expects that similar conclusions will result from this sector.

PG&E submitted two time-of-use rate designs intended to provide the Commission with time-of-use rate designs which promote load management (one was of its own devising and one in response to the Commission staff's request of August 29, 1977 that it provide an inverted time-of-use alternative in its application).[1/] The customers involved include the approximately 700 customers between 1,000 kW and 4,000 kW of demand who are typically served from either PG&E Schedules Nos. A-12, A-13, PA-1, P-3, or S-1.

According to PG&E, its proposed rate design is analogous to the design approved in Decision No. 86632. The proposed design is similar to the one authorized for Southern California Edison Company Schedule No. TOU-8 in Decision No. 87744.

1/ PG&E advocates use of its rate design as the proper one to provide customers with explicit price signals. Its proposal does not increase or decrease the revenue requirement of this class of customer.

PG&E's proposed Schedule No. A-22 would place the remaining PG&E Large Light and Power customers on a time-of-use rate. According to PG&E, it is logical that this design be uniform throughout the customer class and that changes to the rate design be made only after evidence is established which substantiates that an alternative design is superior to an existing rate design. The price elasticity assumptions implicit in PG&E's proposal include the assumption that average price elasticity impacts will not be relevant due to no change in the average rate level for this customer group. A kW demand shift of 5 percent has been assumed. This shift is reflected in a redistribution of on-peak billing kW and kWh to the partial-peak and off-peak time periods. The 5 percent figure is in contrast to the 10 percent figure authorized in Decision No. 86632 and is the figure substantiated by the evidence on load-shifting obtained to date. According to PG&E, the time-of-use rate design merely reallocates the intra-schedule derivation of revenue in relationship to time-of-use consumption patterns. Most winter period bills will be smaller under time-of-use designs. These lower bills will be offset by higher summer period bills. Some customers will see increases in their annual bills. Because the design of the rates is built upon the existing Schedule No. A-13 rate structure, this intra-schedule redistribution of revenue is minimized.

Commission Staff

In accordance with Decision No. 85559 in Case No. 9804, Ordering Paragraphs 8 and 9, the Commission staff performed analyses of customer usage characteristics, evaluated rate proposals made by the utility and criteria for selection of time-of-use rate structures. The staff introduced several TOU rate schedules. The primary criterion for evaluating the effectiveness of a rate structure used by the staff is the relative magnitude of the price signal sent to the customer by his monthly energy bill. A secondary criterion was that rates should generally reflect marginal costs.

Testimony introduced by the staff shows that the utility proposed rate structure provides a weak economic incentive for load management action. Typically, a load shift of 5 percent from the on-peak interval to the partial-peak (60 percent of the shifted energy) and off-peak interval (40 percent of the shifted energy) results in only 0.5 to 1.5 percent reduction in the customer's bill, depending on whether the customer's usage characteristic is out of phase with the system load characteristic or whether it tracks the system. The staff points out that the $0.002 differential between the utility proposed on-peak and off-peak rates represents in fact only a 5 percent difference in the effective rates which does not produce a substantial change in the bill when load is shifted.

One constraint on the relative magnitude of the differential between the rates is that under present policy electric rates consist of two principal components, viz, the energy cost (ECAC) and the basic rate. It is only the basic rate for which time variation applies. If the energy cost component of the rate were time differentiated, considerably greater rate differentials could be established. There is a limit to the relative bill reduction associated with a given load shift with a standard time-of-use rate structure. Therefore, the staff presented an alternative, viz, a rate structure where on-peak rates vary progressively with the relative amount of the customer's usage in the on-peak period. The staff testified that its proposed rate alternatives do not exceed marginal costs of electric service during the peak hour, as developed by the staff in the PG&E general rate case Application No. 57284.

California Retailers Association (CRA)

It is the position of CRA that retail establishments which would be served under Schedule No. A-22 have previously implemented energy conservation and load reduction programs. CRA argues that its members cannot shift additional demand to off-peak periods without changing their operations which they maintain is not feasible.

The CRA, the California Manufacturers' Association and PG&E object particularly to the inverted rate schedule proposed by the Commission staff on grounds that, under this rate structure, a customer who increased his consumption in the off-peak time interval thereby changing his usage pattern could interpret the change in his billing as indicating that a limited amount of energy had been made available to him at a lower rate than the equivalent cost of oil. This would provide a price signal that would tend to oppose the objectives of conservation.

Property Management Systems

As operators responsible to the general community and also to its ownership, Property Management Systems has undertaken the reduction of both the consumption and the demand factor within its properties. It has spent a considerable amount of money and has achieved positive results. Unfortunately, the proposed rate schedules would nonetheless considerably increase its cost of electricity as it is not able to shift its demand usage at its own desires. The on-peak demand periods as outlined in the proposed rate schedule basically coincide with the peak demand periods in the operation of an office building. Property Management Systems has lease obligations to its tenants who are open during normal business operating hours in order to do business with members of the community, and with the general business communities throughout the country. Property Management Systems believes that it is unfair for its utility costs to continue to escalate when its conscientious and sincere effort to reduce electricity consumption has been successful.

California Hotel & Motel Association (CHMA)

The California Hotel & Motel Association presented three witnesses who testified that, while hotels and motels in California already have achieved marked success in implementing energy conservation programs, they cannot control the major amount of their electric usage. CHMA maintains that the Commission's objectives in implementing time-of-use pricing would be thwarted by blanket application of time-of-use rates to all customers in this demand class. It requests that the Commission allow those of its members who can be certified by the utility as having achieved maximum possible conservation to remain on their present schedules. According to CHMA such exemption would have no deleterious effect on the utility system or the time-of-use pricing program. In the alternative, the hotels and motels could disconnect from the utility system and generate their own electric power causing a loss of revenue to the utility. If time-of-use rates are implemented, the CHMA requests that visual demand meters be required to be installed before such pricing takes effect.

Raychem Corporation (Raychem)

It was the understanding of Raychem's representative that Raychem's power costs have been increasing and that PG&E's proposal would cause a further increase. It was also his understanding that both of the staff's proposals would, if adopted, impose greater energy charges than PG&E's proposal.

Port of Oakland

It was the position of the Port of Oakland that adoption of time-of-use rates in any of their proposed forms, with no provisions for customers who resell part of their electricity, would be unfair.

University of California

The University of California took no position except that it has an interest that Schedule No. A-13 continue to exist.

Discussion

PG&E proposes to place in effect Schedule No. A-22, a time-of-use rate design, to apply to approximately 700 customers with demands between 1,000 kW and 4,000 kW. PG&E states that results obtained to date from the application of time-of-use rates to customers with demands in excess of 4,000 kW can be applied to these customers.

We are convinced that time-of-use rates improve the efficiency with which resources are used by affecting patterns of usage and reflecting marginal costs. Reference was made in this proceeding to the staff marginal cost study presented in Application No. 57284. The results of that study clearly demonstrate the time-varying nature of marginal costs and provide useful information regarding the relevant costing periods. However, none of the rate designs presented for our consideration were specifically based on marginal costs. We have not, therefore, attempted to directly relate our design of Schedule A-22 to the magnitudes or ratios of PG&E's marginal costs.

The record in this proceeding contains sufficient evidence to allow us to design rates which serve the load management function. We recognize that the rate must provide an adequate differential between the peak and off-peak prices to encourage customers to shift load to the off-peak period. Under the current time-of-use Schedule A-23, there is a 4 mill differential in the base energy charge. The addition of an equal ECAC charge to each period significantly lowers this differential.

One issue which cannot be finally resolved in this proceeding is the amount of usage which will be shifted as a result of the time-of-use rate. In Decision No. 86632, in Application No. 56124, we assumed a 10% shift in load from the on-peak time interval to the off-peak. As required in that decision, PG&E submitted, on March 31, 1978, a report describing the previous year's experience with time-of-use Schedule A-23. The report showed that a full 10% shift had not occurred.

In designing this rate schedule we were aware that the usage shifts from the A-23 rate were less than anticipated. We accept the argument of staff that a greater differential in the energy rate is needed to cause a shift in usage. Also, we recognize that the total revenues collected from the customers on the A-23 rate schedule should be no more than the amount authorized for that group by Decision No. 83316 in Application No. 57284 which was the last general rate proceeding for PG&E. Within the constraints of increasing the energy differential while maintaining the revenue level, we have chosen to establish an energy differential of two to three times that of A-23. The peak to off-peak differential is 11 mills in the summer period and 8 mills in the winter period. We expect that the effective rate for A-22 will provide an adequate incentive to shift energy usage from the peak period.

We do not find the experience with A-23 necessarily inconsistent with our prior assumptions. One would expect the reduction in peak-period usage to be increased over time and the A-23 rate had been in effect for only one year at the time of the analysis. In addition, increasing the peak to off-peak differential as we have done for A-22 should encourage more shifting of load away from the peak period.

For these reasons and also for purposes of stability of the applicant's revenues, we will continue to expect a reduction of 10% in the on-peak demand and energy usage. Further, based on the results of the analysis of A-23 usage patterns, we will assume that there will be a 6% reduction in partial peak demand and energy usage. The off-peak energy usage is assumed to increase by an amount corresponding to the reduction in the peak and partial-peak periods.

We recognize that we cannot predict the exact alterations in usage patterns which will be caused by the adopted rate design. At this time any time-of-use rate which is implemented must be considered experimental and must be carefully monitored. Only through experience will we be able to determine the rate design which would cause the optimal usage patterns for the class.

In Decision No. 89316, in Application No. 57284, issued on September 6, 1978, following submission of the instant application, we authorized higher electric rate levels for PG&E. This increased the basic revenue requirement for Schedule A-22 to $90,524,000. In accordance with the considerations discussed above, we have designed Schedule A-22 to recover this increased level of revenue. The revenue recovery is demonstrated on the attached table.

Pacific Gas and Electric Company

TIME OF USE SALES, RATES AND REVENUES

Schedule A-22

Item	Sales	Authorized Rates	Revenues
		$	M$
Customer Charge ($ Per Customer Per Mo.)	8,568	538.00	4,610
Demand MW			
Period A - Summer			
Peak	4,595	2.45	11,258
Partial Peak	4,780	0.26	1,243
Period B - Winter			
Peak	5,384	0.70	3,769
Partial Peak	6,201	0.20	1,240
Subtotal (Demand)	20,960		17,510
Energy MWh			
Period A - Summer			
Peak	458,892	0.021	9,637
Partial Peak	737,021	0.018	13,266
Off Peak	1,048,913	0.010	10,489
Period B - Winter			
Peak	341,340	0.018	6,144
Partial Peak	1,173,502	0.013	15,256
Off Peak	1,361,332	0.010	13,613
Subtotal (Energy)	5,121,000		68,405
Total Revenue			90,525
Target Revenue			90,524
Excess			1

We are not persuaded by the testimony of the California Retailers Association and the California Hotel & Motel Association to the effect that their members can achieve no further conservation or load shifting. In the present proceeding, no specific evidence as to the effect of time-of-use pricing was introduced.

It would not be equitable to exempt users who cannot shift their load from time-of-use rate schedules. Time-of-use rates reflect the time-varying nature of utility costs, and it is proper that such costs be borne by those who use the service. This is consistent with our Decision No. 90146 in Application No. 57653 by Southern California Edison Company which is similar to this one. In that decision no exemptions from TOU schedules were granted to any class of customers or users. It should also be pointed out that Decisions Nos. 85559 and 86543 in the generic time-of-use Case No. 9804 did not provide for exemptions from time-of-use rates.

We consider it important to emphasize that the off-peak rates in Schedule No. A-22 are not constructed for the purpose of providing energy at a lower price than equivalent oil prices. A time-of-use rate is a load management technique. If effective, it will provide an economic incentive to transfer electric usage from the highest to the lowest time of use, thereby postponing the need for new generating facilities.

There is no merit to arguments objecting to the Commission staff's inverted rate structure. Any excessive impact of such rates can be mitigated by an appropriate adjustment of rate levels while still preserving the effectiveness of the rate structure in providing a price signal to the customer that would prompt him to take load shifting action. No data is available at this time as to what price signal would exceed the threshold at which a given class of customers would be economically motivated to systematically shift his load. An answer to this question could only be established by experimentation. Although we do not adopt the inverted rate structure proposed by the staff in this decision we may at a future time find an appropriate application for it in an experiment involving suitably selected customers.

It is reasonable to require that the utility provide a visual display meter or other display device on request of the customer. The costs of such meters or devices like other facilities necessary to render the service should be recovered through rates authorized under Schedule No. A-22.

Findings

1. On October 26, 1976, the Commission issued Decision No. 86543 requiring applicant to file specific time-of-use tariffs for customers with demands greater than 1,000 kW. Pursuant to such order applicant filed the instant application.

2. Decision No. 85559, Case No. 9804, dated March 16, 1976, found that TOU rates would reduce peak loads (see Findings 20-25) and directed respondent utilities, including PG&E, to present TOU rate proposals.

3. Establishment of TOU rates for large general service customers presently served under Schedule No. A-22 with demand between 1,000 and 4,000 kW should result in reducing or shifting peak load requirements.

4. Customers served by applicant with monthly maximum demands between 1,000 and 4,000 kW include, among others, industrial firms, very large retail establishments, very large hotels and motels, water utilities, and agricultural users.

5. In order to provide increased load shifting incentive, the effective energy rate differential for the A-22 rate should be greater than that in PG&E's current time-of-use Schedule No. A-23.

6. Applicant has not had sufficient experience with time-of-use schedules to provide data from which one could determine with certainty the amount of load shift resulting from a time-of-use tariff.

7. The revenue requirement to be met through basic rates in this schedule is $90,524,000.

8. The adopted rate will recover approximately the same revenue as contemplated in Decision No. 89316 from customers that will be served under Schedule No. A-22. This schedule conforms to the guidelines for time-of-use rate structures established by the Commission.

9. Schedule A-22 will provide incentive for a shift in customer use and demand of electricity. The exact amount of shift is impossible to ascertain without data based on experience. It is reasonable to assume that there will be a 10 percent decrease of the on-peak demand and energy usage, a 6 percent decrease in the partial-peak demand and energy usage and an increase in the off-peak energy usage corresponding to the addition of the on-peak and partial-peak energy reductions.

10. Customers served under Schedule No. A-22 who use energy during periods of peak consumption on the PG&E system contribute to the additional incremental expense required to maintain and operate peak-period generating capacity.

11. If those Schedule No. A-22 customers who either cannot or will not shift usage to off-peak periods are charged the higher rate authorized herein, they will bear a portion of the expense required to generate the incremental peak demand capacity necessary to serve them.

12. It would not be appropriate to exempt users with inflexible load characteristics from time-of-use schedules. It is proper that the costs at the time-of-use be borne, to the extent possible, by those who use the service.

13. A visual display type meter or other display device on request of the customer would provide the customer with timely information on his current use.

14. It is necessary for the applicant to continue to provide the Commission with extensive data and analyses required for efficient monitoring of the performance of time-of-use rate schedules.

Conclusions of Law

1. The rates authorized in the following order are just, reasonable, and nondiscriminatory.

2. PG&E should be directed to furnish customers served under Schedule No. A-22 with visual demand metering or other display equipment on the customer's premises.

3. PG&E should be directed to file periodic reports on the operation of its Schedule No. A-22 so the effects of the following order can be analyzed and possible modification considered.

ORDER

IT IS ORDERED that:

1. Pacific Gas and Electric Company is directed to file with the Commission, not later than thirty days after the effective date of this order, in conformity with the provisions of General Order No. 96-A, new tariff Schedule No. A-22 with rates, charges, and conditions modified as set forth in Appendix A attached to this order and, on thirty days' notice to the public and to the Commission, to make the revised tariffs effective. It is authorized to make such rates effective as to the individual customers affected on the dates of the reading of the customer's meter on or after the effective date of the tariff.

2. Pacific Gas and Electric Company shall include in its Schedule No. A-22 a statement specifying that a visual type demand meter or display equipment will be furnished and installed within one hundred and eighty days after request by the customer.

3. Tariff filings required or authorized by paragraph 2 of this order shall be made by advice letter, and such letter shall set forth the data upon which the specific rules and charges set forth therein are based.

4. Within one hundred and eighty days after Schedule No. A-22 authorized in this order shall take effect, Pacific Gas and Electric Company shall commence filing with the Commission semiannual reports on the operation of this schedule. These reports shall show distribution of sales and revenues with respect to time-of-use and billing periods.

The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 31st day of JULY, 1979.

President

Commissioners

PACIFIC GAS AND ELECTRIC COMPANY

Schedule No. A-22

General Service - Time Metered

APPLICABILITY:

This schedule is applicable to polyphase alternating current service for all existing customers served in strict accordance with any applicable General Power, General Service, Agricultural Power, Refinery, or Standby Service schedule whose monthly maximum demand, during the 12-month period preceding the effective date of this schedule, was 1,000 kilowatts or greater for three consecutive months in any time period, and to new customers on and after the effective date of this schedule whose monthly maximum demand is expected to be 1,000 kilowatts or greater in any time period. New customers may, at their option, elect to be served under any other applicable schedule until their monthly maximum demand in any time period is 1,000 kilowatts or greater for three consecutive months. Any customer served under this schedule whose aggregate diversified monthly maximum demand in any time period, at a single service location, has fallen below 900 kilowatts for any 12 consecutive months may, at his option, thereafter, elect to continue to receive service under this schedule or under any other applicable schedule until such customer's monthly maximum demand in any time period shall thereafter equal or exceed 1,000 kilowatts for three consecutive months. This schedule is not applicable to service for which Schedule No. A-23 is applicable.

TERRITORY:

The entire territory served.

RATES

	Per Meter Per Month	
	Period A	Period B
Customer Charge:	$538.00	$538.00
Demand Charge:		
On Peak, per kilowatt of Maximum Demand................	2.45	0.70
Plus Partial Peak, per kilowatt of Maximum Demand.....	0.26	0.20
Plus Off-Peak, per kilowatt of Maximum Demand.........	No Charge	No Charge
Energy Charge:		
On Peak, per kilowatt hour............................	$0.021	$0.018
Plus Partial Peak, per kilowatt hour..................	0.018	0.013
Plus Off-Peak, per kilowatt hour......................	0.010	0.010

NOTE: Energy charges exclude the energy cost, fuel collection balance and tax change adjustments. Voltage and Power Factor Adjustments are the same as in Special Conditions of Schedule A-23.

A. 57666 Alt.-CTD-fg

SPECIAL CONDITIONS

1. Time Periods:

Period A shall be applicable to meter readings from May 1 to September 30 inclusive for the following hours:

On Peak	12:30 p.m. to 6:30 p.m.	(Monday through Friday, except holidays.)
Partial Peak	8:30 a.m. to 12:30 p.m. 6:30 p.m. to 10:30 p.m.	(Monday through Friday, except holidays.)
	8:30 a.m. to 10:30 p.m.	(Saturday, except holidays.)
Off Peak	10:30 p.m. to 8:30 a.m.	(Monday through Saturday, except holidays.)
	All day Sunday and holidays.	

Period B shall be applicable to meter readings from October 1 to April 30 inclusive for the following hours:

On Peak	4:30 p.m. to 8:30 p.m.	(Monday through Friday, except holidays.)
Partial Peak	8:30 a.m. to 4:30 p.m. 8:30 p.m. to 10:30 p.m.	(Monday through Friday, except holidays.)
	8:30 a.m. to 10:30 p.m.	(Saturdays, except holidays.)
Off Peak	10:30 p.m. to 8:30 a.m.	(Monday through Saturday, except holidays.)
	All day Sunday and holidays.	

When billing includes usage in both Period A and Period B, no proration of charges between Period A and Period B will be made where meter readings are taken within one work day (Monday through Friday inclusive but excluding holidays) of either May 1 or October 1 of any year. In such cases the billing will be based on the rates and charges of either Period A or Period B, whichever contains the predominant number of days in the billing period.

2. Holidays: The holidays specified in this schedule include: New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, and Christmas Day, as said days are specified in Public Law 90-363 (U.S.C.A. Section 6103).

Special Conditions 3 through 6 inclusive are the same as specified in Schedule A-23.

SPECIAL CONDITIONS - (Contd.)

7. Facility Charge: The customer shall pay any charges and perform any obligations that may be required under the utility's applicable line extension or service rules. In addition, where the estimated installed cost of only those facilities necessary to provide regular service which are installed after ____________________ is in excess of the estimated annual revenue to be derived from rates under this schedule (excluding that portion of revenues equal to the product of estimated annual kilowatt hour usage times the net Fuel Cost Adjustment) an additional monthly charge of 1-3/4 percent of such excess will be made. If the customer elects to advance such excess cost to the utility, the additional monthly charge will be 1 percent of such excess cost. Upon discontinuance of the use of such facilities due to termination of service or otherwise, the customer shall pay to the utility its net cost to install and remove such facilities. Any customer advance for costs of such facilities shall be applied as a credit toward such net installation and removal costs. Further, where the customer requests special facilities which are in addition to in substitution for, or otherwise causes the utility to incur additional costs above those for regular service facilities which the utility would normally install, and the utility determines that it is able to provide such facilities, the additional costs thereof shall be paid by the customer in the same manner as defined above for regular service facilities.

8. Contract: Electric service supplied under this schedule shall be in accordance with a contract authorized by the Public Utilities Commission of the State of California. Such contract will be required for a term of three years when service is first rendered hereunder and for subsequent terms of one year each thereafter, continuing until canceled by either party by written notice one year in advance of the initial term or any subsequent term. Customers of record on date of decision served under existing contracts for service will continue to be served under such contracts except that following the expiration of the initial term such contracts will continue in effect for subsequent terms of one year each until canceled by either party by written notice one year in advance of the initial term or any subsequent one-year term. If the applicant is unwilling or unable to sign a contract for an initial three-year term, service will be established under the provisions of Rule No. 13, Temporary Service.

A. 57666 Alt.-CTD-fg

CHANGES TO OTHER TARIFF SCHEDULES

The adoption of Schedule No. A-22 as proposed here would require the following addition to the Applicability provision in Schedules Nos. A-1, PA-1, P-3, A-12, and A-13.

<u>This schedule is not applicable to service to which Schedule No. A-22 or A-23 is applicable</u>.

Under its terms, Schedule No. S-1 can be made applicable to service greater than 1,000 kW without change.

Schedule No. P-8 is revised to provide for Applicability of either Schedule No. A-22 or Schedule No. A-23 as appropriate.

This schedule would not be applicable to any customer served under a Domestic Tariff regardless of size.