

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION E-3154  
May 26, 1989

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

RESOLUTION E-3154, PACIFIC GAS & ELECTRIC COMPANY (PG&E), AUTHORIZED A NEW STANDARD FORM FOR A SUPPLEMENTAL AGREEMENT FOR OPTIONAL CURTAILABLE OR INTERRUPTIBLE ELECTRIC SERVICE. ADVICE LETTER 1247-E, FILED MARCH 30, 1989.

**SUMMARY**

1. By Advice Letter 1247-E, filed March 30, 1989, PG&E submits new Standard Form 79-724-A, Supplemental Agreement For Optional Curtailable or Interruptible Electric Service. This form is for Schedule E-20 customers who are currently taking service under the Extended Nonfirm option, all of whom have signed a three-year service agreement. The new form provides modification of existing service under this schedule after an initial three-year contract has concluded.
2. This resolution authorizes optional standard contract form 79-724-A.

**BACKGROUND**

1. Electric Rate Schedule E-20, Service To Customers With Demands Of 500 Kilowatts Or More, is applicable to all large power users whose maximum demand is 500 Kilowatts (kw) or more for three consecutive months unless they qualify as a "water agency".
2. The Extended Nonfirm option as contained on current Standard Form 79-724 allows these customers to receive service on a curtailable or interruptible basis at incentive nonfirm prices for an initial period of three years.

3. When the three-year service agreement for Schedule E-20 customers expires, it is automatically extended, on an annual basis, unless either the customer or PG&E notify the other that that the contract will be terminated.

#### DISCUSSION

1. If a customer wishes to continue taking nonfirm service, but with different conditions, Form 79-724-A will be available to become the customer's new service agreement for renewable periods of one year.

2. The only substantive difference between this new Form 79-724-A and the current Form 79-724 is that the new form will provide an option to vary rate schedules, type of service and other terms of the contract from the terms of the initial contract after the customer has received nonfirm service for three years.

3. The utility alleges that this filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other rate schedules or rules. The utility requested that this filing become effective on regular notice, which was forty days after the date of filing.

#### PROTESTS

1. Public notification of this filing was made by mailing copies of the filing to other utilities, governmental agencies and to all interested parties who requested such notification.

2. The California Large Energy Consumers Association (CLECA) filed a protest on April 20, 1989. Anchor Glass Container Corporation (Anchor) filed a protest on April 25, 1989. This second protest was late (more than 20 days after the date of filing) but both protests were reviewed by the Commission Advisory and Compliance Division (CACD).

3. CLECA alleges that the new contract form goes beyond the Commission's original intent of permitting customers to receive service under the Extended Nonfirm Service Contract.

4. CLECA states that by this filing, PG&E seeks to change the term of the contract from three years to one year and proposes that the new contract continue for successive one year terms unless termination is requested by either party. CLECA is concerned that these provisions will reduce the term of availability of any subsequent incentive payment.
5. CLECA is also concerned that the term of the contract, the automatic renewal of that contract and the other issues it raises are presently being heard in PG&E's General Rate Increase Application (A) 88-12-005 and should be resolved there.
6. Anchor owns major manufacturing facilities in PG&E's territory, with plants in Antioch and Hayward. Anchor is currently an E-20 customer, receiving service under the Extended Nonfirm Option.
7. Anchor alleges that the new sample form will reduce all such service agreements from three-year to one-year terms. This would undermine Anchor's position in A.88-12-005.
8. On May 4, 1989, PG&E responded to the protests with the clarification that Form 79-724-A will be used to provide service after the three year period specified in existing Form 79-724. It is not intended to replace Form 79-724.
9. Form 79-724 is a three-year contract. In the body of the contract, it specifies that it can be renewed annually after the initial three-year term. Under PG&E's proposal, when the three year term of Form 79-724 is complete, the customer will have three options for extending service. The customer will have the option of signing another three year agreement using Form 79-724, a one-year extension of the existing agreement, or a one year agreement using Form 79-724-A. If the customer chooses the one-year Form 79-724-A contract, he can renew it annually, thereafter.
10. The CACD has reviewed this filing and the protests. CACD believes that proposed Form 79-724-A is a vehicle for providing one-year extensions of service, with modifications in terms, from those contained in the original contract (Form 79-724) signed by the parties. As such it provides an additional option while maintaining all of the customer's existing options.

11. Some of the current service agreements with Tariff Schedule E-20 customers who signed three year contracts prior to December 22, 1986, using contract forms other than Form 79-724 will terminate prior to December 22, 1989. Such pre-December 22, 1986 contracts can not be extended. Commission Decision (D.) 86-12-091 contained language authorizing the continuation of these contracts for their term, but did not provide for extensions of these contracts. This filing does not change that fact.

12. Form 79-724-A will be available only to customers who have received service under Form 79-724 or who had signed three year contracts prior to December 22, 1986 as discussed above.

13. A decision in A 88-12-005 will not likely be issued before late December, 1989. Therefore, if extension contracts such as the proposed Form 79-724-A are not available, current customers will only have the option of signing another three year contract using Form 79-724 or extending the existing contract terms for a one year period. Form 79-724-A, if approved, will provide the option of the one-year extension with modifications to the terms in the existing contract, Form 79-724.

14. General Order 96-A, Sections IX. and X.A., specifies that such contracts are subject to change by subsequent Commission action. Therefore, if the Commission in its decision on A.88-12-005 decides to make changes affecting these contracts, it will not be prevented from doing so.

15. Since Form 79-724-A supplements previously approved Form 79-724, and since the Commission is not precluded from taking any action that it believes necessary in A.88-12-005, CACD believes concerns raised in the protests have been satisfied. Therefore, CACD recommends that this filing be approved.

#### FINDINGS

1. Form 79-724-A is an additional option rather than a replacement for existing Form 79-724.

2. Form 79-724-A provides a vehicle for Schedule E-20 customers to sign a one year renewable contract with terms different from their previous three year contract, Form 79-724.

3. As specified in General Order 96-A, nothing in the proposed Form 79-724-A precludes subsequent Commission action in A.88-12-005.

4. For the reasons stated above, Form 79-724-A is just and reasonable.

THEREFORE IT IS ORDERED that

1. Pacific Gas & Electric Company is authorized under the provisions of Section II.C.(5). of General Order No. 96-A to place Advice Letter 1247-E and accompanying tariff sheets into effect today.

2. Advice Letter 1247-E and accompanying tariff sheets shall be marked to show that they were approved for filing by Resolution E-3154 .

3. This resolution is effective today.

I hereby certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on May 26, 1989. The Following Commissioners approved it:

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners



Executive Director