

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION E-3518
JANUARY 21, 1998**

RESOLUTION

RESOLUTION E-3518. SAN DIEGO GAS & ELECTRIC COMPANY REQUESTS APPROVAL OF CHANGED TARIFF SHEETS FOR 21 TIME-OF-USE TARIFF SCHEDULES, AS ORDERED IN RESOLUTION E-3483. DENIED AND RESOLUTION E-3483 IS RESCINDED.

**BY ADVICE LETTER 1032-E, FILED ON APRIL 24, 1997, and
ADVICE LETTER 991-E, FILED JULY 29, 1996.**

SUMMARY

1. By Advice Letter (AL) 1032-E, San Diego Gas & Electric Company (SDG&E) submits revised tariff sheets to comply with Resolution E-3483.
2. No protests were received.
3. Resolution E-3483, approving AL 991-E, is found in conflict with the Public Utilities Code.
4. This Resolution denies AL 1032-E, rescinds Resolution E-3483, denies AL 991-E in part, and approves AL 991-E in part.

BACKGROUND

1. On July 29, 1996, SDG&E filed AL 991-E requesting 21 Time-of Use (TOU) rate schedules be closed to new customers.
2. On September 24, 1996, Assembly Bill 1890 became effective, adding Public Utilities (P.U.) Code Sections 368 and 378. The new code sections effectively froze rates at their June 10, 1996 levels.
3. On March 18, 1997, the Commission approved Resolution E-3483 granting AL 991-E with revised effective dates. Eight rate schedules with no customers were cancelled effective March 18, 1997 (DR-VTOU, AL-TOU-2, AO-TOU-C, A6-TOU-C, A-V2-O, LR, LM-1, AND LM-2). The closure of an additional eleven rate schedules to new customers (A-TOU, AY-TOU, DR-TOU, DR-TOU-2, AO-TOU, A6-TOU, RTP-1, RTP-2, AV-1, AV-2, AND D-SMF), one rate schedule to non-traffic control customers (A-TC), and the elimination of certain rate options under schedule AL-TOU were delayed until January 1, 1998.

4. On April 24, 1997, SDG&E filed AL 1032-E to revise its tariff sheets as ordered in Resolution E-3483.
5. On December 3, 1997, the Commission signed Decision (D.) 97-12-044. One of the items this decision addressed was the Commission's interpretation of P.U. Code Section 368 and 378. The Commission stated the P.U. Code prohibits electric utilities, subject to the rate freeze, from closing existing rate schedules to new customers, except under special circumstances.

NOTICE

1. Notice of AL 991-E and 1032-E was made by publication in the Commission's calendar and by mailing copies of the filing to adjacent utilities and interested parties.

PROTEST

1. No protests were received concerning AL 1032-E.
2. The Utility Consumers' Action Network (UCAN) protested AL 991-E on August 27, 1996, opposing the closing of residential time-of-use rate schedules. UCAN recommended the proposed tariff closure be referred to an electric restructuring workshop or working group.

DISCUSSION

1. Resolution E-3483 was adopted prior to consideration of the changes Assembly Bill 1890 made to the Public Utilities Code. After fully considering the implications of the P.U. Code changes in D.97-12-044, it is clear the Commission cannot authorize the closure of a rate schedule to new customers while retaining it for existing customers. It is also clear that rate options cannot be cancelled unless equivalent alternatives are in place. Therefore, the rate schedules closed to new customers by Resolution E-3483 must be reopened and made available on the same terms and conditions that existed on June 10, 1996. This can be achieved by denying AL 1032-E and rescinding Resolution E-3483.
2. Rescinding Resolution 3483 leaves AL 991-E unresolved. In compliance with the P.U. Code, the part of AL 991-E that requests authority to close rate schedules to new customers should be denied. SDG&E should contact any customers that requested service under the rate schedules, closed to new customers by Resolution E-3483, and were denied. In its contact, SDG&E should inform those customers that the concerned rate schedules are open to qualified customers.

3. Part of AL 991-E requested the cancellation of eight rate schedules (DR-VTOU, AL-TOU-2, AO-TOU-C, A6-TOU-C, A-V2-O, LR, LM-1, AND LM-2). Those rate schedules had no customers and did not constitute viable rate options. Under the rate freeze, the Commission may authorize utilities to eliminate unused and unneeded rate schedules, on a case by case basis. The eight rate schedules cancelled by Resolution E-3483 should not be reopened. The part of AL 991-E requesting cancellation of the eight rate schedules with no customers is approved.
4. UCAN, in its protest to AL 991-E, wants the Commission to consider the closure of rate schedules in the electric restructuring process. Since the rate schedules cannot be closed under the law, the protest is moot and should be denied.

FINDINGS

1. On July 29, 1996, SDG&E filed AL 991-E requesting 21 Time-of Use (TOU) rate schedules be closed to new customers.
2. On September 24, 1996, Assembly Bill 1890 became effective, adding Public Utilities (P.U.) Code Sections 368 and 378. The new code section effectively froze rates at their June 10, 1996 levels.
3. On March 18, 1997, the Commission approved Resolution E-3483 granting AL 991-E with revised effective dates. Eight rate schedules with no customers were cancelled effective March 18, 1997. The closure of an additional eleven rate schedules to new customers (A-TOU, AY-TOU, DR-TOU, DR-TOU-2, AO-TOU, A6-TOU, RTP-1, RTP-2, AV-1, AV-2, AND D-SMF), one rate schedule to non-traffic control customers (A-TC), and the elimination of certain rate options under schedule AL-TOU were delayed until January 1, 1998.
4. On April 24, 1997, SDG&E filed AL 1032-E to revise its tariff sheets as ordered in Resolution E-3483.
5. Resolution E-3483 is in conflict with the P.U. Code and must be rescinded.
6. AL 991-E's request to close eleven rate schedules to new customers (A-TOU, AY-TOU, DR-TOU, DR-TOU-2, AO-TOU, A6-TOU, RTP-1, RTP-2, AV-1, AV-2, AND D-SMF), one rate schedule to non-traffic control customers (A-TC), and the elimination of certain rate options under schedule AL-TOU should be denied.
7. AL 991-E's request to cancel eight rate schedules (DR-VTOU, AL-TOU-2, AO-TOU-C,

A6-TOU-C, A-V2-O, LR, LM-1, AND LM-2) should be approved.

8. AL 1032-E implements Resolution E-3483 and should be rejected.
9. UCAN's protest to AL 991-E should be denied.

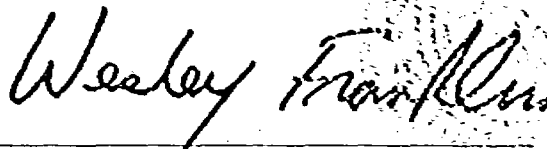
THEREFORE IT IS ORDERED THAT:

1. Resolution E-3483 is rescinded.
2. AL 991-E's request to close eleven rate schedules to new customers (A-TOU, AY-TOU, DR-TOU, DR-TOU-2, AO-TOU, A6-TOU, RTP-1, RTP-2, AV-1, AV-2, AND D-SMF), one rate schedule to non-traffic control customers (A-TC), and the elimination of certain rate options under schedule AL-TOU is denied. SDG&E shall contact any customer denied access to these rate schedules and inform them the schedules are open to qualified customers.
3. AL 991-E's request to cancel eight rate schedules (DR-VTOU, AL-TOU-2, AO-TOU-C, A6-TOU-C, A-V2-O, LR, LM-1, AND LM-2) is approved.
4. AL 1032-E is rejected.
5. UCAN's protest to AL 991-E is denied.
6. This resolution is effective today.

Resolution E-3518
SDG&E AL 991-E and 1032-E/RLS

January 21, 1998

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 21, 1998. The following Commissioners approved it:



WESLEY FRANKLIN
Executive Director

P. Gregory Conlon, President
Jessie J. Knight, Jr.
Henry M. Duque
Josiah L. Neeper
Richard A. Bilas
Commissioners