

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

**ENERGY DIVISION\*\***

**RESOLUTION E-3545  
JULY 2, 1998**

**RESOLUTION**

**RESOLUTION E-3545. PACIFIC GAS AND ELECTRIC COMPANY (PG&E) REQUESTS COMMISSION APPROVAL TO USE BILLING PERCENTAGES TO CALCULATE UNBUNDLED COMPONENT CHARGES FOR BUNDLED SERVICE CUSTOMERS AND DIRECT ACCESS CUSTOMERS WITHOUT INTERVAL METERS. DENIED WITHOUT PREJUDICE.**

**BY PG&E ADVICE LETTER 1770-E, DATED MAY 26, 1998.**

**Summary**

1. On April 2, 1998, PG&E filed a Petition to Modify Decision (D.) 97-08-056. This petition is currently pending before the Commission.
2. PG&E filed Advice Letter 1770-E on May 26, 1998.
3. Enron filed a late protest on June 16, 1998.
4. PG&E's Advice Letter addresses similar issues that are the subject of PG&E's Petition to Modify.
5. Accepting PG&E's Advice Letter would be prejudging the outcome of PG&E's Petition to Modify.
6. Enron's protest is granted.
7. PG&E's Advice Letter 1770-E is premature and should be denied without prejudice.

**Background**

1. D.97-08-056 required that PG&E among other utilities provide unbundled bills no later than June 1, 1998. On April 2, 1998, PG&E filed a Petition to Modify D.97-08-056 with respect to unbundling the component charges on customers' bills beginning June 1, 1998. In that petition, PG&E requested authority to use two methodologies to calculate the component charges for the period from June 1, 1998 through the summer of 1999: a "bottom-up" methodology for customers with interval meters, and a "top-down" methodology for

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customers without interval meters. PG&E believes that both methodologies are consistent with the direction provided in D.97-08-056 and yield the same total bill to the customers. However, PG&E filed its Petition to Modify in the event the Commission finds PG&E's "top-down" methodology inconsistent with D.97-08-056. PG&E noted in its Petition to Modify that it would file a new advice letter in April or May to include the component percentages and also to indicate that it would employ the top-down methodology for customers without interval meters, beginning June 1, 1998.

2. Pursuant to its Petition to Modify D.97-08-056, on May 26, 1998, PG&E filed Advice Letter 1770-E, requesting revision to all electric rates to allow for unbundling of customer bills. In this Advice Letter, PG&E indicated that for the period from June 1998 through the summer of 1999, it would use two methodologies to calculate the component charges:
  - 1) using the rate components listed in Advice Letter 1692-E, as updated by Advice Letter 1766-E, for Hourly PX (Power Exchange) pricing Option customers and Direct Access customers with interval meters, and
  - 2) using billing percentages for Bundled Service customers and Direct Access customers without the interval meters.

### Notice

1. Notice of PG&E's Advice letter 1770-E was made by publication in the Commission Daily Calendar and by mailing copies of the filing to adjacent utilities and interested parties.

### Protests

1. Enron filed a late protest on June 16, 1998, stating that it believes PG&E's Advice Letter "is in violation of final Commission orders in D.97-08-056." Enron notes that PG&E originally proposed similar methodology in a Petition to Modify D.97-08-056. Enron believes that PG&E's Advice Letter is premature and cannot be granted until the Commission considers PG&E's petition.
2. PG&E responded to Enron's protest on June 25, 1998, acknowledging that "it is unusual to submit tariffs before a Petition for Modification is acted upon. However, PG&E believes it is in customer's best interest to have done so." PG&E notes that "So that customers may recalculate their bills, they must have the information in the tariffs submitted in Advice Letter 1770-E. Additionally, it is important for the Energy Division to be able to answer customers' questions and to help them understand how their bills are calculated. Given the unusual circumstances and the detailed explanation PG&E has already provided the Commission in the Petition for Modification, PG&E requests that Enron's protest be denied."

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### Discussion

1. PG&E has correctly noted in its Advice Letter 1770-E that it has filed a Petition to Modify D.97-08-056 with respect to the billing methodologies. However, PG&E does not acknowledge that the proposed methodologies in its Advice Letter 1770-E are the same as the "top-down" and "bottom-up" methodologies which are the subject of its Petition to Modify. Only after Enron filed a protest on this issue, PG&E acknowledges that it is "unusual" to submit tariffs before a Petition for Modification is acted upon<sup>1</sup>. PG&E is asking that its Advice Letter be approved while its Petition to Modify on the same issue is pending before the Commission.
2. Regardless of whether PG&E's "top-down" methodology is consistent with D.97-08-056 or not, PG&E's Advice Letter filing is procedurally improper.
3. The Commission has a well-established process to review Petitions to Modify, of which PG&E is fully aware but has ignored in this case. If the Energy Division (ED) acts on PG&E's Advice Letter before a decision is rendered on the Petition to Modify, it would be prejudging the outcome of PG&E's petition and violating the requirements of Section 1708. Surely, PG&E is aware of the conflict that such action would cause. PG&E's argument that the information in Advice Letter 1770-E is necessary for customers to recalculate their bills and important to the ED in answering customers' questions regarding their bills does not justify deviating from the process established for reviewing Petitions to Modify. PG&E has no basis for assuming that the Commission will approve its Petition to Modify. PG&E's Advice Letter is premature, duplicative and should be denied without prejudice based on procedural grounds. Enron's protest should be granted.

### Findings

1. PG&E filed a Petition to Modify D.97-08-056 on April 2, 1998, requesting authority to calculate component charges for customers without interval meters based on a bill percentage method. This petition is currently pending before the Commission.
2. PG&E filed Advice Letter 1770-E on May 26, 1998, addressing the unbundled bills as requested in its Petition to Modify D.97-08-056.
3. Enron filed a late protest on June 16, 1998. PG&E filed a response on June 25, 1998.
4. Accepting PG&E's Advice Letter would prejudice the outcome of PG&E's Petition to Modify.

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<sup>1</sup> PG&E's response to Enron's protest, dated June 25, 1998

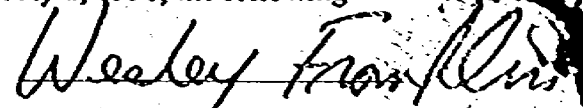
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5. PG&E's Advice Letter 1770-E is premature and should be denied without prejudice.
6. Enron's protest should be granted.

Therefore it is ordered that:

1. PG&E's Advice Letter 1770-E is denied without prejudice.
2. Enron's protest is granted.
3. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on July 2, 1998, the following Commissioners voting favorably thereon:



WESLEY M. FRANKLIN  
Executive Director

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