

From: Blumer, Werner M.
Sent: 6/24/2010 12:01:56 PM
To: Caulson, Megan (MCaulson@semprautilities.com); [Redacted]
[Redacted] Darrah.Morgan@sce.com
(Darrah.Morgan@sce.com); [Redacted]
[Redacted] Hayes, John
(JHayes@semprautilities.com)
Cc: Garber, Stephen (Law) (/o=PG&E/ou=Corporate/cn=Recipients/cn=SLG0); Hughes,
John (Reg Rel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=J8HS); [Redacted]
[Redacted]
lisa.ornelas@sce.com (lisa.ornelas@sce.com); Allen, Peter
(peter.allen@cpuc.ca.gov); Schumacher, Brian D. (brian.schumacher@cpuc.ca.gov);
Loring.Fiske-phillips@sce.com (Loring.Fiske-phillips@sce.com)
Bcc:
Subject: RE: Rule 15 - Developers as Permanent Customers

All,

I fully agree with the interpretation of Section 15.C.2 by PG&E and SDG&E as it clearly speaks to developers (agencies) acting for a ultimately permanent customer.

My questions are then:

1. Is the developer required to establish an electric service account to avoid deficiency payments in case the house/commercial facility is not sold in 6/12 months from the date of readiness to serve?
2. Does above suffice even if no electricity is consumed?
The tariff implies that for residential service there is no consumption required anyway .
3. If the distribution line extension is "ready to serve", but no service extension exists, does that trigger the 6/12 months period before deficiency payments are due? This assumes that houses planned are not yet built or never will, or that houses before the last at the distribution

line end are not built.

4. Would it be useful to clarify any uncertainty about above and the initial issue in Rules 15 and 16? How?

Thank you very much for past and future input in this discussion.

Sincerely,

Werner Blumer

CPUC - Energy Division

From: Caulson, Megan
[mailto:MCaulson@semprautilities.com]
Sent: Thursday, June 24, 2010
11:17 AM
To: Redacted Darrah.Morgan@sce.com; Hayes, John;
Redacted
Cc: Hughes, John (Reg Rel); Redacted Garber, Stephen
(Law); Blumer, Werner M.; Lisa.Ornelas@sce.com;
Loring.Fiske-phillips@sce.com
Subject: RE: Rule 15 - Developers as
Permanent Customers

Dara,

SDG&E considers a developer as an Applicant (but not necessarily permanent) from both the definition of Applicant in Rule 15 and the language in the Basis of Allowances Section (15.C.2).

Since Rule 15 defines an Applicant as a "person or agency requesting utility to supply electric service", we consider a developer as one who would qualify as a "person

requesting electric service" and therefore qualifies as an applicant. Basically, developers request the utility to supply electric service for projects, which ultimately results in service to an applicant for permanent service.

Rule 15.C.2 addresses allowances, and specifically addresses an applicant for a subdivision or development. 15.C.2.b specifies conditions which provide evidence that permanent service will be established. As you noted, 15.C.2 grants allowances to both applicants for permanent service OR to an applicant for a subdivision or development. Because of this language in red (and the definition) we consider a developer also an applicant -- not necessarily the permanent applicant, but one acting on behalf of the subdivision or development.

Thanks,

Megan Caulson

SDG&E Regulatory Tariffs

From: [Redacted]
Sent: Tuesday, June 22, 2010 12:16 PM
To: Darrah.Morgan@sce.com; Caulson, Megan; Hayes, John, [Redacted]
Cc: Hughes, John (Reg Rel); [Redacted] Garber, Stephen (Law); werner.blumer@cpuc.ca.gov; Lisa.Ornelas@sce.com; Loring.Fiske-phillips@sce.com
Subject: RE: Rule 15 - Developers as Permanent Customers

Darah,

An Applicant is defined in PG&E's Rule 15 as:

"APPLICANT: A person or agency requesting PG&E to supply electric service"

I would say that a developer is ultimately the agent of the (end-use) customer and

therefore can be an Applicant.

Redacted

From: Darrah.Morgan@sce.com
[mailto:Darrah.Morgan@sce.com]
Sent: Monday, June 21, 2010 3:14
PM
To: Redacted MCaulson@semprautilities.com;
JHayes@semprautilities.com; Redacted
Cc: Hughes, John (Reg Rel);
Redacted Garber, Stephen (Law); werner.blumer@cpuc.ca.gov;
Lisa.Ornelas@sce.com; Loring.Fiske-phillips@sce.com
Subject: Rule 15
- Developers as Permanent Customers

As you might recall, SCE filed Advice 2453-E to begin considering and treating developers as a permanent Rule 15 Applicants, rather than treating the eventual end-use customer as the permanent applicant. We received a Data Request and exchanged several e-mails with Werner Blumer of the Energy Division as a result. Both SDG&E and PG&E were also kind enough to agree to file an advice letter and include "developer" in their respective Rule 15 Applicant definitions; however, I'm not sure that will be necessary.

I believe all our Rule 15.C.2. Basis of Allowances provisions are the same; therefore, can you tell me why you consider a developer as the permanent Applicant or do you consider a developer as an Applicant (not necessarily permanent) by virtue of the tariff language below in red font?

2. BASIS OF ALLOWANCES. Allowances shall be granted to an Applicant for Permanent Service, or to an Applicant for a subdivision or development under the following conditions:
 - a. SCE is provided evidence that construction will proceed promptly and financing is adequate, and
 - b. Applicant has submitted evidence of building permit(s) or fully-executed home purchase contract(s) or lease agreement(s), or

c. Where there is equivalent evidence of occupancy or electric usage satisfactory to SCE.

Dara Morgan
SCE - Regulatory
Policy & Affairs
Pax 22086 / 626 302-2086
Fax 21626 / 626
302-1626
Darah.Morgan@sce.com

Redacted

04/09/2010 01:09 PM

To:
"Blumer, Werner M."
<werner.blumer@cpuc.ca.gov>
cc:
<Darah.Morgan@sce.com>, "Garber, Stephen (Law)"
<SLG0@pae.com>, Redacted
Redacted, "Hughes, John (Reg Rel)"
<J8HS@pge.com>, "Caulson, Megan"
<MCaulson@semprautilities.com>
Subject:
RE: DATA REQUEST: Compliance with R. 92-03-050 standard
of
Rules 15 and 16 and SCE AL
2453-E

Werner,

Along that same vein and for the sake of constituency, PG&E agrees to modify the definition sections of its Rule 15 and Rule 16 to conform with the "Applicant" language proposed by SCE. The new definition will read.

Applicant: A person, developer, or agency requesting utility to supply electric service

To further clarify this new Rule 15/16 definition of "Applicant", with respect to the definition of "Applicant" found elsewhere in PG&E's tariffs, it is likely that we will also file for changes to the definition of "Applicant" in our Rule 1. These changes will be along the lines of the more expansive definition of Applicant found in SCE's Electric Rule 1.

We expect to file these changes in the next couple of weeks.

Please call if you have any questions.

Redact

Redacted

Regulation and
Rates
Manager, Gas and Electric
Tariffs

Redacted

From: Caulson, Megan [<mailto:MCaulson@semprautilities.com>]
Sent: Friday, April 09, 2010 12:41 PM
To:
'Blumer, Werner M.'
Cc: Redacted
'Darrah.Morgan@sce.com'
Subject: FW: DATA REQUEST: Compliance with
R. 92-03-050 standardization of Rules 15 and 16 and SCE AL 2453-E

Werner,

Hope
you've been doing well...

Per your note
below, SDG&E has reviewed it's definition of "Applicant" in both Electric
Rules 15 & 16 and is in agreement with the recommendation from the ED to
clarify our current understanding/processes by adding the word "developer" to
the current definition of Applicant.

I'll get an
Advice Letter drafted to modify SDG&E's Electric Rule 15 -- Distribution
Line Extensions (Section J - Definitions) & Electric Rule 16 -- Service
Extensions (Section H - Definitions) so that they will read:

Applicant: A person, developer, or agency
requesting utility to supply electric service

Please
let me know if anything changes or we need to do anything further.

Thanks,
Megan Caulson
SDG&E
Rates, Regulations & Tariffs

From: Blumer, Werner M.

<werner.blumer@cpuc.ca.gov>

To: Hughes, John (Reg Rel)
<J8HS@pge.com>; [Redacted]

Cc: Darrah.Morgan@sce.com
<Darrah.Morgan@sce.com>; Schumacher, Brian D.
<brian.schumacher@cpuc.ca.gov>

Sent: Mon Apr 05 11:04:49
2010

Subject: DATA REQUEST: Compliance with R. 92-03-050
standardization of Rules 15 and 16 and SCE AL 2453-E

Dear Mr.. Hughes and [Redacted]

Subject SCE AL requests inclusion of "developer" in the
"Applicant" definition reflecting SCE's changed treatment of those
with regards to Line and Service extensions in a manner already practice with
PG&E and SDG&E since 1992.

Evaluation of this proposal
revealed however that PG&E's and SDG&E's tariff does not define
"developer" specifically as Applicant. For the sake of clarity and compliance
with R. 92-03-050 for tariff consistency we suggest that PG&E and
SDG&E consider amending their tariffs accordingly and request your plan on
this issue.

Thank you very much for your response by April 12,
2010.

Sincerely,

Werner Blumer
CPUC - Energy Division