

From: [Redacted]
Sent: 6/24/2010 4:12:56 PM
To: Caulson, Megan (MCaulson@semprautilities.com); Darrah.Morgan@sce.com (Darrah.Morgan@sce.com); 'Blumer, Werner M.' (werner.blumer@cpuc.ca.gov); [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

Werner,

Here is PG&E's response to your questions.

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? There is no requirement for the developer to establish a service account. Practically speaking, the developer will establish some level of service for either security or marketing/sales purposes. To minimize these issues, PG&E works with the developer to schedule an appropriate time to install and energize the distribution and service facilities required by the developer.
2. Does above suffice even if no electricity is consumed? The tariff implies that for residential service there is no consumption required anyway. Electricity doesn't need to be consumed for the clock to begin. The key is that PG&E is ready to serve, not that the customer is actually consuming energy.
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. Generally speaking, PG&E does not extend its distribution or service facilities (wire) in the field until the developer's project is well under way and there appears to soon be a need for service. However, PG&E timeclock begins when its facilities are energized or ready to be energized, not when the customer actually uses electricity.
4. Would it be useful to clarify any uncertainty about above and the initial issue in Rules 15 and 16? How? PG&E doesn't believe these issues needs to be clarified.

Please feel free to call me at [Redacted] if you have any questions.

[Redacted]

From: Blumer, Werner M. [mailto:werner.blumer@cpuc.ca.gov]
Sent: Thursday, June 24, 2010 12:02 PM
To: Caulson, Megan; [Redacted] Darrah.Morgan@sce.com; Hayes, John; [Redacted]
Cc: Hughes, John (Reg Rel); [Redacted] Garber, Stephen (Law); Lisa.Ornelas@sce.com; Loring.Fiske-phillips@sce.com; Schumacher, Brian D.; Allen, Peter
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 Caulson@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
To: "Blumer, Werner M." <werner.blumer@cpuc.ca.gov>
cc: <Darah.Morgan@sce.com> "Garber, Stephen (Law)" <SLG0@pge.com>, Redacted
Redacted "Hughes, John (Reg Rel)" <J8HS@pge.com>
04/09/2010 "Caulson, Megan" <MCaulson@semprautilities.com>
01:09 PM Subject: RE: DATA REQUEST: Compliance with R. 92-03-050 standardization of Rules 15 a 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.

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