

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 3, 2014

Brian Cherry
Vice President, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

File No.: Application 09-02-022

RE: Request for an Extension of Time to Comply with Decision (D.) 10-02-032, Ordering Paragraph 2, as Modified by D.11-11-008, Ordering Paragraph 1.a. and Ordering Paragraph 1.d.

Dear Mr. Cherry:

I am in receipt of your letter dated February 26, 2014, in which Pacific Gas & Electric Company (PG&E) requests approval of a one-year extension for defaulting small and medium agricultural customers who would have defaulted to mandatory Time-of-Use (TOU) rates on March 1, 2014, to instead start defaulting to TOU on March 2, 2015.

In your letter, you explain that, pursuant to Commission orders, PG&E is implementing default mandatory TOU rates for small and medium agricultural customers on an annual basis with a cut-over date of March 1 for eligible customers. Implementation of this transition for the first group of eligible customers took place one year ago on March 1, 2013.¹

You further note in your letter that PG&E's tariffs require 45 days prior notice before these customers are defaulted to the TOU rates, but that for this year, the required notification has not been provided to the small and medium agricultural customers who were scheduled to default on March 1, 2014. Since these customers have not received notification in time for a March 1, 2014 default to mandatory TOU, PG&E believes that these circumstances warrant delaying their default to TOU for one year, to March 1, 2015.

With respect to an explanation for why the required customer notification did not occur, you state that PG&E is still investigating the reason the notification did not go out when scheduled, but PG&E thinks that there may have been communication missteps involving the automated system for sending the notification.

Under Rule 16.6 of the Commission's Rules of Practice and Procedure, requests for extension of time to comply with a Commission decision or order may be made by letter or e-mail to the Executive Director at least three business days before the existing date for compliance. Your

¹ Pursuant to D.10-02-032, Ordering Paragraph 2, as modified by D.11-11-008, Ordering Paragraph 1.a. and Ordering Paragraph 1.d, PG&E shall implement default mandatory TOU rates for small and medium agricultural customers beginning March 1, 2013, and on an annual basis each March 1 thereafter (the annual date of March 1 was selected because that date comes after the winter season, which provides opportunity to review rate impacts and precedes the irrigation season so that changes can be anticipated). Customers must also have 12 months of interval data available before defaulting.

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request meets the required deadline, but includes insufficient explanation regarding both the cause of the problem and possible impacts on the affected PG&E customers to support an extension of time under Rule 16.6. Therefore, PG&E's request is denied, and PG&E should consider itself out of compliance with Decision 10-02-032, Ordering Paragraph 2, as Modified by D.11-11-008, Ordering Paragraph 1.a. and Ordering Paragraph 1.d. PG&E will remain out of compliance until the affected customers are transitioned to default TOU on the next date they are eligible to do so, March 1, 2015.

In order to determine whether any ratepayers were disadvantaged by the delay you describe in your letter, and to determine whether the revenue requirement authorized for the transition of these customers was properly spent, I hereby direct the Director of the Commission's Energy Division to work with the Commission's Business and Community Outreach Office to prepare a report that: explains why the eligible customers were not notified and transitioned as scheduled; determines the financial costs involved in the notification effort and any additional costs that will result from the delay in notifying these customers; and estimates any financial impacts on the affected customers due to their inability to transition to the mandatory Time-of-Use rates as scheduled on March 1, 2014. PG&E shall cooperate fully with Commission staff so that this report may be completed and distributed by the Energy Division to the Service List in this proceeding no later than 90 days from the date of this letter.

I further direct PG&E to promptly inform all parties to this proceeding that its request for an extension of time to comply with these decisions has been denied and of the further actions that I have directed the Energy Division to undertake.

Sincerely,

Paul Clanon
Executive Director

cc: Timothy J. Sullivan, Acting Administrative Law Judge
Ed Randolph, Director, Energy Division
Stephanie Green, Business and Community Outreach Office
Stephen Roscow, Administrative Law Judge