

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION E-2008

UTILITIES DIVISION
BRANCH: Rate Design and Economics
DATE: May 16, 1984

R E S O L U T I O N

AUTHORIZATION FOR PACIFIC GAS AND ELECTRIC COMPANY TO IMPLEMENT TEN NEW TIME-OF-USE EXPERIMENTAL DOMESTIC SERVICE RATE SCHEDULES FILED IN COMPLIANCE WITH ORDERING PARAGRAPH NO. 12 OF DECISION 83-12-068 DATED DECEMBER 22, 1983

By Advice Letter 1016-E filed April 9, 1984, Pacific Gas and Electric Company (PG&E) requests authority to revise its existing residential Time-of-Use (TOU) Schedule D-7 and offer ten TOU experimental D-8 Schedules. The facts are as follows:

1. PG&E filed Advice Letter 1016-E to comply with Decision 83-12-068 Ordering Paragraph 12 which states in part that "PG&E shall file by advice letter...new residential TOU rate structures...". This Decision also states that "...several different rate structures should be tested. However, all existing TOU customers should be transferred to a revenue-neutral rate structure at the time of baseline implementation".
2. In its Advice Letter PG&E proposes to increase the existing 2-price D-7 Schedule by 9.3% in order to make it revenue neutral and offer ten experimental TOU D-8 schedules. 1
3. PG&E also proposes that:
 - a) Existing TOU customers be given the option of being billed on the D-1 Schedule, one of two experimental schedules, or the new D-7 Schedule. If no choice is made customers will be billed on the new D-7 Schedule.
 - b) A control group of non-volunteers be used for monitoring only.
 - c) All new TOU applicants be billed on the D-1 Schedule for one to two years. As an incentive the customers will receive a credit at the end of the waiting period.
 - d) The changeover to the new TOU Schedules be made 90 days after Commission approval.

4. The Rate Design and Economics Branch (RD&E) does not believe that PG&E's proposed D-7 Schedule adequately addresses the Commission's concerns for a revenue-neutral rate structure. RD&E recommends that its four-price alternative be adopted for the D-7 rate (Attachment A) and that a six price schedule be included as one of the experimental alternate rates (Attachment B). These experimental rates are similar to PG&E's, but have been condensed to seven schedules to increase the number of customers per schedule and modified to approximate the revenue yield of RD&E's D-7 Schedule. RD&E's recommendations are made to present residential customers with a rate structure which closely tracks the D-1 Schedule at all usage levels assuming 20% is on peak.

5. Based on an analysis of existing customers on the D-7 Schedule PG&E expects that 14.8% of these customers will find it uneconomical and drop off the existing D-7 Schedule, 24.9% will drop off PG&E's proposed D-7 and 18.3% will drop off RD&E's recommended D-7 Schedule.

6. Finally RD&E and the Energy Conservation Branch (ECB) recommend that the non-volunteer control group should be limited to 500 customers and that PG&E implement the adopted rate schedules for existing TOU customers no later than July 1, 1984. Meters made available through attrition of existing D-7 customers may be used to supplement the non-volunteer control group, if needed.

7. RD&E and ECB agree with PG&E's proposal in all other respects.

8. Comments have been received from the Energy Coordinator for Contra Costa County and Toward Utility Rate Normalization (TURN) concerning PG&E's Advice Letter 1016-E. Contra Costa County recommends that:

- a) Customers have the choice of: (1) the existing D-1 rate structure; (2) PG&E's proposed D-7 structure; (3) a four-tiered rate structure (either PG&E's D8-G or the PUC staff's rate); and (4) a baseline credit rate structure (D8-E or D8-k).
- b) Customers be billed on the D-1 Schedule if no choice is indicated.
- c) PG&E's 90-day effective date for the new TOU rates be adopted.
- d) A time-series analysis of the TOU program be abandoned for a cross-sectional analysis.

TURN is in agreement with RD&E's definition of revenue-neutral as stated in Paragraph 5, but has a concern that some customers who do not shift load yet have less than 20% on peak usage will receive a price break on a TOU schedule.

9. RD&E's recommended D-7 Schedule is an average increase of 10.8% over the existing D-7 Schedule.

10. RD&E's and ECB recommendations are reasonable.

11. The time-series analysis previously ordered in Decision 83-12-068 should be implemented.]

12. Except as noted above, this filing will not increase any rate or charge, cause a withdrawal of service or conflict with other schedules or rules.

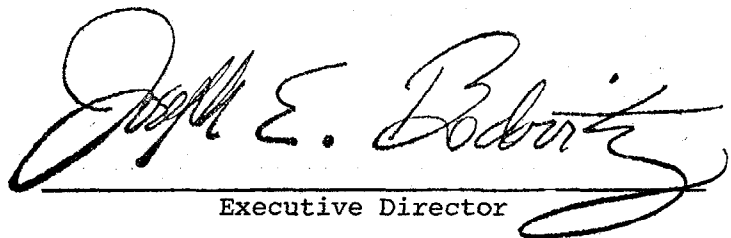
13. We find this filing as modified by RD&E and ECB recommendations to be just and reasonable.]

THEREFORE:

1. Authority is granted under Sections 451, 490 and 532 of the Public Utilities Code and under Section X.A. of General Order 96-A for Pacific Gas and Electric Company to place this Advice Letter filing, as modified herein, into effect no later than July 1, 1984.]

2. The above Advice Letter filing and accompanying sheets shall be marked to show that they were accepted for filing by Commission Resolution E-2008. This resolution is effective today.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners


Executive Director

APPENDIX A

Schedule No. D-7 Time-of-Use Experimental Domestic Service

	<u>Per Meter</u>	
	<u>Per Month</u>	
Meter Charge:	\$3.00	
Energy Charge:		
	<u>on-peak</u>	<u>off-peak</u>
Tier 1, Baseline Quantity, per kWh	\$0.10573	\$0.04229
Tier 11, Excess above Tier 1 quantities, per kWh	\$0.15650	\$0.06260

NOTE:

- 1) Applicable Baseline quantity allocated 20% on-peak and 80% off-peak.
- 2) on-peak: 12:00 noon to 6:00 p.m.
Monday through Friday

APPENDIX B

Schedule No. D-8 Time-of-Use Experimental Domestic Service

All D-8 Schedules

Per Meter

Per Month

Meter Charge:

\$3.00

D-8A

Energy Charge:

	<u>on-peak</u>	<u>off-peak</u>
Tier 1, Baseline Quantity, per kWh	\$0.10573	\$0.04229
Tier 11, Excess above Tier 1 quantities, per kWh	\$0.15650	\$0.06260

NOTE:

- 1) Applicable Baseline quantity allocated 20% on-peak and 80% off-peak.
- 2) Summer on-peak: 12:00 noon to 6:00 p.m.
 Winter on-peak: 3:00 p.m. to 9:00 p.m.
 Monday through Friday

D-8B

Energy Charge:

	<u>on-peak</u>	<u>off-peak</u>
Tier 1, Baseline Quantity, per kWh	\$0.10573	\$0.04229
Tier 11, Excess above Tier 1 quantities, per kWh	\$0.15650	\$0.06260

NOTE:

- 1) Applicable Baseline quantity allocated 20% on-peak and 80% off-peak.
- 2) on-peak: 2:00 p.m. to 8:00 p.m.
 Monday through Friday

APPENDIX B (con't)

Schedule No. D-8 Time-of-Use Experimental Domestic Service

D-8C

Energy Charge:

on-peak, per kWh	\$0.15650
off-peak, per kWh	\$0.06260
Baseline credit, deduction per kWh of baseline quantity used	\$0.02640

NOTE:

on-peak: 12:00 noon to 6:00 p.m.
 Monday through Friday

D-8D

Energy Charge:

on-peak, per kWh	\$0.13918
off-peak, per kWh	\$0.05567

NOTE: on-peak: 12:00 noon to 6:00 p.m.
 Monday through Friday

D-8E

Energy Charge:

	<u>on-peak</u>	<u>off-peak</u>
Tier I, Baseline Quantity, per kWh	\$0.09163	\$0.04582
Tier II, Excess above Tier I quantities, per kWh	\$0.13563	\$0.06782

NOTE: on-peak: 12:00 noon to 6:00 p.m.
 Monday through Friday

Schedule No. D-8 Time-of-Use Experimental Domestic ServiceD-8F

Energy Charge:

	<u>on-peak</u>	<u>off-peak</u>
Summer		
Tier 1, Baseline Quantity, per kWh	\$0.11092	\$0.04781
Tier 11, Excess above Tier 1 quantities, per kWh	\$0.15843	\$0.06829
Winter		
Tier 1	\$0.06754	\$0.04503
Tier 11	\$0.09648	\$0.06432

NOTE:

1. Applicable Baseline quantity allocated 20% on-peak and 80% off-peak.
2. Summer on-peak: 12:00 noon to 6:00 p.m.
Winter on-peak: 3:00 p.m. to 9:00 p.m.
Monday through Friday

D-8G

Energy Charge:

	<u>on-peak</u>	<u>off-peak</u>
Tier 1, Baseline Quantities, per kWh	\$0.10309	\$0.04295
Tier 11, Tier II Quantities, per kWh	\$0.13316	\$0.05548
Tier 111, Excess, per kWh	\$0.15911	\$0.06630

NOTE:

1. Applicable Baseline and Tier II quantities allocated 20% on-peak and 80% off-peak.
2. On-peak: 12:00 noon to 6:00 p.m.
Monday through Friday