

RETURN TO ENERGY BRANCH
ROOM 3102

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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION NO. E-3112
October, 26, 1988

R E S O L U T I O N

RESOLUTION E-3112. PACIFIC GAS AND ELECTRIC COMPANY (PG&E). ORDER AUTHORIZING PG&E REVISE ITS AGRICULTURAL RATE SCHEDULES AG-1, AG-R, AG-4, AG-5 AND AG-6.

ADVICE LETTER 1219-E, FILED JULY 27, 1988 AND BY 1219-E-A SUPPLEMENTAL, FILED SEPTEMBER 16, 1988.

SUMMARY

1. By Advice Letter 1219-E, filed July 27, 1988 and Advice Letter 1219-E-A, (Supplement) filed September 16, 1988, PG&E requests authorization to revise its agricultural rate schedules AG-1, AG-R, AG-V, AG-4, AG-5 and AG-6 to make the terms and conditions of those schedules clearer.
2. This resolution grants PG&E's request.

BACKGROUND

1. On December 5, 1986, PG&E filed a motion in A.86-04-012 on behalf of the Division of Ratepayer Advocates (DRA), PG&E, California Farm Bureau Federation (Farm Bureau), and Power Users Protection Council (PUPC) requesting that a stipulation among these parties concerning agricultural time-of-use (TOU) rate structure be considered and a hearing be held for this purpose.
2. Following the filing of the motion by PG&E, a hearing was held on January 22, 1987 to address Assembly Bill 2882 (Chapter 538 Stats. 1986) and the stipulation. Assembly Bill 2882 required the Commission to adopt agricultural optional interruptible

service, where economically and technologically feasible, and off-peak demand-electrical service at below the system average rate, but not less than the cost-of-service.

3. The agricultural rate design stipulation was generally accepted by all parties. The Commission in Decision (D.) 87-04-028 adopted the stipulation with changes made to address the concerns of some parties, mitigate customer bill impacts and ease the implementation of cost-based TOU rates. This resulted in new rate schedules AG-1, AG-R, AG-V, AG-4, AG-5 and AG-6 for the agricultural rate class, based on cost of service.

4. On June 13, 1988, PG&E filed Advice Letter 1213-E requesting the Commission approval of Standard Form No. 79-738, "Agreement for Annual Minimum Payment - Agricultural Service," which provides for Schedules AG-5 and AG-6 customers', obligation to pay an annual minimum bill. Advice Letter 1213-E became effective on 40-day notice on July 23, 1988.

DISCUSSION

1. Among the comments received from DRA, PG&E and Association of California Water Agencies (ACWA) and incorporated into D. 87-04-028 was "The existing minimum demand charge on 75% of the connected load of a customer's two largest motors should be retained during the usual season of operation".

2. The decision states in Ordering Paragraph 1 "Pacific Gas and Electric Company (PG&E) is authorized and directed to file with this Commission, on or after the effective date of this order, revised tariff schedules for agricultural electric rates as set forth in Appendix A".

3. In Appendix A, Page 31 of the decision shows that the minimum bill for Rate B under Schedule AG-5 and AG-6 is to be "per kw of metered maximum demand" not the 75% of connected load of the customers two largest motors.

4. By Advice Letter 1213-E and the initial filing of Advice Letter 1219-E, PG&E erroneously stated that the calculation of the minimum bill was to be based on the "maximum demand metered during the contract period or 75 percent of the nameplate rating in horsepower/kilowatts of the two largest motors customer has connected".

PROTESTS

1. Two protest letters were submitted to Advice Letter 1219-E by Wheeler Ridge-Maricopa Water Storage District and ACWA on August 16, 1988 and August 17, 1988 respectively.
2. The main issues of the protest were:
 1. The calculation of the annual minimum bill, and
 2. That PG&E was not in compliance with D. 87-04-028.
3. The Commission Advisory and Compliance Division (CACD) staff agreed with the contention of the protestors that PG&E was in certain respects not in compliance with D. 87-04-028 in using 75% of connected load, and the requirements of Section III, Paragraph C, of General Order 96-A, which states "If the tariff schedules as filed will result in an increase or decrease in revenues, the Advice Letter should give an estimate of the annual revenue effect thereof [by] areas, schedules and classes of customers".
4. Advice Letter 1219-E as filed would increase revenues to PG&E as a result of the inclusion of a minimum bill based on the "maximum demand metered during the contract period or 75 percent of the nameplate rating in horsepower/kilowatts of the two largest motors customer has connected" in rate schedules AG-5 and AG-6.
5. Following the filing of the protests, PG&E agreed to remove the provision which would base customers' annual minimum bill upon the two largest motors connected at their facilities. PG&E subsequently filed a supplement to Advice Letter 1219-E with a revised Form No. 79-738 also removing the language.
6. In response to other items of the protests, PG&E has also adequately explained the interpretation of the changes made in Advice Letter 1219-E and Supplement 1219-E-A by a letter sent to all concerned parties, including the protestors. No other protest has been received.
7. The Commission Advisory and Compliance Division (CACD) has reviewed Advice Letter and supplement, and recommends their approval because they clarify existing agricultural rate schedules and make them consistent with D.87-04-028.

8. In accordance with Section III, Paragraph G, of General Order 96-A, PG&E has mailed copies of this Advice Letter and Supplement to utilities and interested parties.

FINDINGS

1. The proposed schedule changes clarify the existing tariff language and bring them into compliance with D.87-04-028.

2. PG&E's Advice Letter 1219-E and Supplement 1219-E-A revising its agricultural rate schedules to be clearer, and more specific are reasonable.

3. Public notification of these filings has been made by mailing copies to other utilities, governmental agencies and to all interested parties who requested such notification.

THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company, is authorized to revise its agricultural rate schedules as requested by Advice Letter 1219-E and 1219-E-A Supplemental.
2. The advice letter Supplement and accompanying tariff sheets shall be marked to show that they were authorized for filing by Resolution E-3112 and became effective on November 1, 1988.
3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 26, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
JOHN B. OHANIAN
Commissioners


Executive Director