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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3145
April 26, 1989

R E S O L U T I O N

RESOLUTION E-3145. PACIFIC GAS & ELECTRIC COMPANY (PG&E).
ORDER AUTHORIZING PG&E TO REVISE BASELINE QUANTITIES FOR
BOTH GAS AND ELECTRIC CUSTOMERS IN ACCORDANCE WITH PRIOR
COMMISSION ORDER. ADVICE LETTER 1529-G/1242-E, FILED
MARCH 16, 1989.

SUMMARY

1. By Advice Letter 1529-G/1242-E, filed March 16, 1989, PG&E requests authorization to revise the baseline quantities for residential gas and electric customers in accordance with a phase-in program established by D. 86-12-091.
2. This resolution approves PG&E's request.

BACKGROUND

1. In both Finding of Fact 38 and Conclusion of Law 16 of D. 86-12-091, the Commission determined that the phasing in of revised baseline quantities in order to reduce the rate shock to customers in the transition period of going from winter to summer lifeline quantities is reasonable. On Page 26 of D. 86-12-091 it was determined that PG&E should make such "phase-in" filings on May 1 of each year.
2. The electric and gas baseline quantities are based on class revenue requirements as defined in Section 739 of the Public Utilities Code. The revised quantities as filed by this advice letter are based on the revenue requirements effective January 1, 1989. This method was established by the testimony of the Public Staff Division (PSD) [now Division of Ratepayer Advocates (DRA)] of the Commission Staff.

DISCUSSION

1. The revised baseline quantities as filed vary in accordance with the different climatic zones. The primary difference being a reduction in the daily lifeline allowances for

the winter months. For Gas rate schedules the revisions are as follows:

| <u>Schedule(s)</u> | <u>Climatic Zones</u> | <u>(Quantities in Therms)</u> | | <u>Percentage Change</u> |
|----------------------|-----------------------|------------------------------------|-----------------------|--------------------------|
| | | <u>Reduction in Daily Baseline</u> | <u>Monthly Equiv.</u> | |
| <u>Summer Months</u> | | | | |
| [G-1, GS & GT] | All but V | No Change | ----- | ----- |
| | V | 0.1 | 3.0 | 6.3% |
| GM | All but X | 0.1 | 3.0 | 12.5% |
| | X | No Change | ----- | ----- |
| <u>Winter Months</u> | | | | |
| [G-1, GS & GT] | All but T & W | 0.2 | 6.1 | 6.5% |
| | T | 0.1 | 3.0 | 4.5% |
| | W | No Change | ----- | ----- |
| GM | All but T & W | 0.3 | 9.1 | 10.8% |
| | T & W | 0.2 | 6.1 | 10.0% |

2. For Electric rates the baseline revisions are as follows:

| <u>Schedule(s)</u> | <u>Climatic Zone</u> | <u>(Quantities in kwh)</u> | | <u>Percentage Change</u> |
|---------------------|----------------------|------------------------------------|-----------------------|--------------------------|
| | | <u>Reduction in Baseline Qtys.</u> | <u>Monthly Equiv.</u> | |
| <u>Basic Summer</u> | | | | |
| [E-1, ES, ET & E-7] | All but Y | No Change | ----- | ----- |
| | Y | 0.7 | 21.3 | 7.6% |
| EM | Q, W & X | No Change | ----- | ----- |
| | P & S | 1.3 | 39.5 | 15.3% |
| | Y | 1.0 | 30.4 | 14.5% |
| | R | 0.7 | 21.3 | 6.9% |
| | Z | 0.6 | 18.2 | 12.2% |
| | V | 0.3 | 9.1 | 5.1% |

| <u>Schedule(s)</u> | <u>Climatic Zone</u> | <u>(Quantities in kwh)</u> | | <u>Percentage Change</u> |
|----------------------------|----------------------|------------------------------------|-----------------------|--------------------------|
| | | <u>Reduction In Baseline Qtys.</u> | <u>Monthly Equiv.</u> | |
| <u>All-Electric Summer</u> | | | | |
| [E-1, ES, ET & E-7] | P,R,S,W & X | No Change | ----- | ----- |
| | V | 1.7 | 51.7 | 8.9% |
| | Z | 1.6 | 48.6 | 8.3% |
| | Q,T & Y | 1.3 | 39.5 | 8.1% |
| EM | P,R,S,W & X | No Change | ----- | ----- |
| | V & Z | 2.3 | 69.9 | 16.0% |
| | Q & T | 1.7 | 39.5 | 13.3% |
| | Y | 1.0 | 30.4 | 8.3% |
| <u>Basic Winter</u> | | | | |
| [E-1, ES, ET & E-7] | All but Z | No Change | ----- | ----- |
| | Z | 0.7 | 21.3 | 6.5% |
| EM | All but S & Z | No Change | ----- | ----- |
| | Z | 1.3 | 39.5 | 16.2% |
| | S | 1.0 | 30.4 | 14.3% |
| <u>All-Electric Winter</u> | | | | |
| [E-1, ES, ET & E-7] | P,S,W & Y | No Change | ----- | ----- |
| | Q & X | 2.7 | 82.1 | 8.7% |
| | V | 2.6 | 79.0 | 8.6% |
| | T | 2.0 | 60.8 | 8.0% |
| | Z | 1.6 | 48.6 | 4.3% |
| | R | 0.7 | 21.3 | 2.2% |
| EM | P,W & Y | No Change | ----- | ----- |
| | R & V | 4.0 | 121.6 | 17.4% |
| | Q & X | 3.0 | 91.2 | 11.6% |
| | S | 2.0 | 60.8 | 8.6% |
| | Z | 1.7 | 51.7 | 6.1% |
| | T | 1.0 | 30.4 | 4.8% |

3. No rates will increase because of this filing. However, individual customers' bills may increase slightly due to the fact that it will now require less usage to reach the higher priced second tier.

4. Under the present rates a typical residential customer in climate zone X, on a G-1 and an E-1 rate schedule will see no noticeable change in his summer bill. This same customer, using 100 therms of gas and 500 kwh of electricity per month would find no noticeable change in his electric bill during the winter months, but his gas bill would be \$0.62 higher (from \$46.50 to \$47.12) or about 1.3%.

5. A review of past advice letter filings by PG&E reveals that the baseline revisions made in the previous two years are similar in nature to those revisions filed with this advise letter.

6. Decision 86-12-091 asserts that the phasing in of revised baseline quantities helps to minimize rate shock, during the transition period of April-May between winter and summer baseline quantities. The Commission Advisory and Compliance Division (CACD) has reviewed this filing and concludes that the bill impact on individual customers will be minimal and that this filing, as presented, is consistent with the decision.

7. The utility alleges and CACD concurs that this filing will not cause the withdrawal of service. or conflict with any other schedules or rules. The only effect on rates will be a minimal bill impact as noted above.

8. Public notification of this filing has been made by mailing copies of the filing to other utilities, governmental agencies and to all interested parties who requested such notification.

9. No protests have been received by CACD in this matter.

FINDINGS

1. This filing complies with the provisions of Decision 86-12-091, and brings PG&E's residential baseline quantities into closer compliance with Section 739 of the Public Utilities Code.

2. PG&E's request in Advice Letter 1539-G/1242-E to file revised baseline quantities effective May 1, 1989 is just and reasonable and therefore, should be adopted.

3. There is no rate increase involved with this filing but a minimal bill impact on some customers due to the revised baseline quantities.

THEREFORE, IT IS ORDERED that:

1. Pacific Gas & Electric Company is authorized under the provisions of Decision 86-12-091 and under Section 454 of the Public Utilities Code to place Advice Letter 1539-G/1242-E and accompanying tariff sheets into effect on May 1, 1989.

2. Pacific Gas & Electric Company shall consult with the Commission's Public Advisor to develop a notice that will advise customers of the change in baseline allowances. After it is developed, the notice will be inserted in customer's bills by July 31, 1989.

3. Advice Letter 1539-G/1242-E and accompanying tariff sheets shall be marked to show that they were authorized for filing by Commission Resolution E-3145.

4. The effective date of this resolution is the date hereof.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 26, 1989. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners



Executive Director