

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3178
February 23, 1990

R E S O L U T I O N

RESOLUTION E-3178. PACIFIC GAS AND ELECTRIC COMPANY IS AUTHORIZED TO INCREASE ITS ANNUAL PAYMENTS TO FORMER CUSTOMERS OF SCHEDULE EC, DIRECT CONTROL OF RESIDENTIAL CUSTOMERS' AIR CONDITIONERS - EXPERIMENTAL.

BY ADVICE LETTER 1280-E, FILED ON JANUARY 17, 1990

SUMMARY

1. This resolution authorizes Pacific Gas and Electric Company (PG&E) to increase its annual payments to customers formerly served on Schedule EC, Direct Control of Residential Customers Air Conditioners - Experimental, from \$3.50 to \$3.88. The payment reimburses these customers for energy used by direct control switches remaining in place under the discontinued program.

BACKGROUND

1. PG&E's Schedule EC was an implementation of the California Energy Commission's Load Management Standards, Sections 16 and 22, adopted pursuant to Section 25403.5 of the Public Resources Code. This was also known as the Residential Peak Load Reduction Project.
2. PG&E's experimentation with direct control load management started in 1977 with 300 customers. By March, 1988 the project had 40,821 participating central air conditioning customers.
3. Customers who participated in the air conditioning project allowed PG&E to install remote control switches on their air conditioners, which allowed PG&E to cycle or completely turn off the air conditioners. In return for their participation in the project, the participants received a credit from PG&E of \$4.00 to \$12.00 per month from June through September, based on the type of cycling the customer chose.

4. In 1988 PG&E received permission from the California Energy Commission to terminate the project because it had shown declining cost effectiveness since 1977. However the switches, which consume approximately 3.3 kilowatt-hours (kwh) per month, were left in place.

5. In Resolution E-3117, the Commission authorized PG&E to make annual payments of \$3.50 in the form of a credit to each customer formerly served on Schedule EC who has not yet had their direct control switches removed. Customers were to receive this credit on their February bill.

NOTICE

1. Public notice of this filing was made by mailing copies of the advice letter to other utilities, governmental agencies and to all interested parties who requested such notification. Notice of the advice letter filing was published in the Commission calendar on December 20, 1989.

PROTESTS

1. No protests have been received by the Commission Advisory and Compliance Division.

DISCUSSION

1. The direct control switches use approximately 3.3 kwh per month while connected with air conditioners. Based on the average residential rate for 1989, PG&E calculated the cost of energy to keep the switches connected is now \$3.88 per year.

2. PG&E is removing the direct control switches as service calls are made to these households for other reasons. It would be uneconomical to make a service call for the sole purpose of removing a switch.

3. There are 31,144 direct control switches still in place. Therefore the total cost of the increased credit is \$120,838.72. Eligible customers will receive the credit on their March 1990 bill.

4. PG&E was authorized base rate revenue to cover the cost of credits to Schedule EC customers.

5. The Commission Advisory and Compliance Division has analyzed the increase and recommends that it be approved.

FINDINGS

1. It is reasonable to increase the amount of the reimbursement from \$3.50 to \$3.88 to customers on Schedule EC who still have the direct control switches to reflect the cost of energy used by the devices.
2. This filing will not increase any rate or charge, cause the withdrawal of services, or conflict with any other rate schedule.

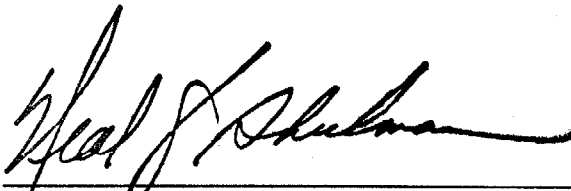
THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company shall increase to \$3.88 its annual reimbursement to customers formerly served on Schedule EC, who have not yet had their direct control switches removed.
2. Each eligible customer shall receive this reimbursement in the form of a credit during the March 1990 billing cycle and every subsequent March billing cycle until the direct control switch is removed from the customer's premises.

This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 23, 1990. The following Commissioners approved it:

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



Executive Director