

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3193
July 6, 1990

R E S O L U T I O N

RESOLUTION E-3193. PACIFIC GAS AND ELECTRIC COMPANY AUTHORIZED TO MODIFY THE APPLICABILITY AND PHASE-IN SECTIONS OF ELECTRIC RATE SCHEDULES E-19 AND E-20 FOR THE PURPOSE OF CLARIFICATION AND TO REINFORCE THE PROVISIONS OF TRANSFER OF CUSTOMERS TO OTHER RATE SCHEDULES WHEN NECESSARY.

ADVICE LETTER 1290-E, FILED MARCH 7, 1990.

SUMMARY

1. By Advice Letter 1290-E, filed March 7, 1990, Pacific Gas and Electric Company (PG&E) requests authorization to revise the Applicability and Phase-In Sections of Electric Rate Schedules E-19 and E-20, to specify the provisions for transfer of customers to another rate schedule if the minimum demand criteria are not met. PG&E states that the proposed changes are clarifications consistent with Commission Decision (D.)89-12-057, PG&E's General Rate Case (GRC).
2. This resolution approves PG&E's request to revise these two Electric Rate Schedules.

BACKGROUND

1. Electric Rate Schedule E-20, **Service To Customers With Maximum Demands Of 1,000 Kilowatts Or More**, became effective on January 1, 1986, (Advice Letter 1133-E) in compliance with D 86-12-095, dated December 22, 1986. At that time the rate schedule was applicable to all customers who had a maximum demand greater than 500 kW for three or more consecutive months and contained such general features as: seasonal, time-of-use energy rates differentiated by service voltage (transmission, primary, or secondary), seven service-reliability options (firm, three curtailable, and three interruptible), a peak period maximum
2. Advice Letter 1277-E, of December 28, 1989, in compliance with D.89-12-057, Ordering Paragraph 20, on January 1, 1990, revised Schedule E-20 to serve customers with maximum demands of 1,000 kW or more. The revisions also include a new Rate Schedule E-19, **Service to Customers with Maximum Demands Between 499 Kilowatts and 1,000 Kilowatts**, (Ordering Paragraph 27) to serve such customers previously served by Rate Schedule E-20. Except

from being applicable at a lower demand, Schedule E-19 contains the same features as Schedule E-20. However, Schedule E-20 offers lower Demand Charges and Energy Rates than does Schedule E-19.

3. Discussions between PG&E and the Commission Advisory and Compliance Division (CACD) brought out the need for clarification of the language in D.89-12-057 with respect to provisions of these two schedules.

NOTICE

1. Public notification of these filings has been made in the Commission calendar for March 14, 1990 and by mailing copies of the filing to other utilities, governmental agencies and to all interested parties who expressly requested such notification.

PROTESTS

1. On March 27, 1990, a protest was filed by the California League of Food Processors (CLFP). The primary concern of the protest was that PG&E was attempting to introduce a rate modification not consistent with the provisions of D.89-12-057 and with D.89-12-060. CLFP felt that the proposed revisions would remove flexibility from a service specification that was none too clear in the first place. CLFP further alleges that:

PG&E's proposed revisions to Rate Schedule E-19 and E-20 are confusing rather than clarifying and notes that the proposed revisions are not consistent with the tariff sheet examples in D.89-12-057, Pages 10 and 11 of Appendix I of and the language contained in D.89-12-060, Item 8 of Attachment A.

These rate schedules should continue to retain the flexibility discussed in D.89-12-057, Page 292 (mimeo) as it relates to customer demands that vary with the season. This issue was addressed in A.88-12-005, CLFP Exhibit No. 275 (P.3).

D.89-12-057, Conclusion of Law 175b and as discussed on Page 331, (mimeo), and Joint Exhibit 89) left the issue of optional rates for Agricultural and Large Light and Power Class, customers open to further discussion and review. Food processors' operations are, by nature, seasonal, with large demands for energy for brief four or five month periods each year with a sharp drop off in demand for the balance of the year. Mandatory re-assignment of rate schedules might have a dramatic impact upon the customers' ability to initially meet the applicability requirements.

CLFP suggests that the issue contained in Advice Letter 1290-E could best be addressed during a formal proceeding.

2. On April 6, 1990, PG&E responded to CLFP's protest. PG&E agreed with CLFP that the revisions to the applicability provisions contained in Advice Letter 1290-E deviated from the

language contained in D.89-12-057 and D.89-12-060. However, PG&E states that:

These decisions do not preclude PG&E from modifying tariff language in subsequent proceedings or through the advice letter process.

Certain modifications to Rate Schedule E-20 were contained Advice Letter 1271-E, filed earlier, in compliance with D.88-12-031, Paragraph 10 of Conclusions of Law, and that these modifications were not included in Advice letter 1277-E.

3. When PG&E submitted Advice Letter 1277-E, Advice 1271-E had not yet been approved. Therefore, the modifications made in 1271-E were not incorporated in 1277-E. Following that, the Commission approved Advice Letter 1271-E on January 25, 1990, making effective the requested modifications. In accordance with the approval granted for Advice letter 1271-E, PG&E has, by Advice Letter 1290-E, updated the tariff sheets to incorporate the revisions approved in Advice Letter 1271-E.

4. CACD has reviewed Advice Letters 1271-E, 1277-E and 1290-E, Commission Decisions 88-12-031 and 89-12-057, the protest by CLFP, and PG&E's response.

DISCUSSION

1. The main revision proposed by PG&E in Advice Letter 1290-E and the essence of CLFP's protest is the revision in the Applicability Clauses of Schedules E-19 and E-20, which state, in part: ".....PG&E may transfer that customer's account to service under a different applicable rate schedule.....". PG&E proposes to change the word "may" to "will", thereby removing ambiguity from the requirements and ensuring that a customer will be transferred off rate Schedules E-19 and E-20, respectively, if he does not meet the minimum demand criteria. PG&E believes that if a customer does not qualify for either Rate Schedule E-19 or E-20, then this revision will ensure that every customer is treated fairly and equally.

2. In addition, text has been added stating that the phase-in protection does not apply to a customer's excess demand charges incurred in 1990 or later. Excess demand charges are defined in the Special Conditions of the two rate schedules as charges against a non-firm customer who fails to comply with a curtailment request by PG&E within the specified time. The Phase-In Clause of Schedules E-19 and E-20 are revised to adjust the bill "caps" based on separate cost allocations of either: (1) the firm service levels that is either applied to the customer's account during 1989 or is designated for service during the current billing month; or (2) the service voltage at which the customer takes service during the current billing month. This language was discussed on Pages 240 and 241 (mimeo) of D.89-12-057 and determined in Conclusions of Law 91 and 138 of

that decision. This specific language was omitted from Advice Letter 1277-E but is now included in Advice Letter 1290-E.

3. The Commission, in D.89-12-057 (Conclusions of Law 159 and 195), adopted PG&E's Phase-In Program. However, PG&E did not assume in that proposal that the Commission would adopt the separation of the Large Light and Power Class (Page 292, mimeo, of D.89-12-057) into Rate Schedule E-19 and E-20. With this separation, PG&E was forced to adjust the Phase-In Proposal to apply to both rate schedules. PG&E believes that a cap on a customer's bill should be adjusted based on the change in allocated costs experienced by that customer's class. Accordingly, PG&E's modified Phase-In Program language clarifies that a customer's bill cap will be affected only by changes in its own class' allocation.

4. In its protest CLFP questions the applicability relating to 70% agricultural end-use. Decision 88-12-031, Conclusion of Law 10, stated in part: "...all agricultural accounts must meet the condition that 70 percent or more of the energy usage on the account be dedicated to agricultural end use...". This language now appears in Advice Letter 1290-E, as explained in the discussion on Protests. CLFP contends that it is not clear that this provision would apply to food processors. However, D.88-12-031 defines agricultural end-use as: "...growing crops, raising livestock, pumping water for irrigation and other uses involving production for sale which do not change the form of the agricultural product." This definition would appear to preclude the 70% provision from applying to food processors.

5. In addition, D.89-12-057, Finding of Fact 214, further states: "A single agricultural customer can have multiple accounts, and the diversity of the accounts is accurately reflected by measurements of maximum demand at the final line transformer" and (Conclusion of Law 134): "PG&E should incorporate appropriate restrictions in its tariffs to prevent artificial movement from Schedule E-19 to Schedule E-20. A reasonable initial restriction is to require customers served under Schedule E-20 to take service on another schedule if maximum demand falls below 1,000 kW for eight months out of twelve." The Commission has already determined that transferring to different rate schedules is not detrimental to a customer's needs and has made adequate allowances to anticipate the demand requirements of seasonal customers.

6. After review of all pertinent documents, CACD concludes that PG&E is correct in its assertion that nothing in the GRC decision, D.89-12-057, precludes it from seeking modification of the provisions of this decision through separate proceedings or through the advice letter procedure. Sections 490 and 701 of the Public Utilities Code also conveys authority to the Commission to authorize such modifications.

7. CLFP requests that the issues presented in Advice Letter 1290-E be addressed during the evidentiary process of a future rate proceeding. However, the issue of optional rates for Agricultural and for Large Light and Power Class customers is still open for further review. Therefore, nothing precludes CLFP, or any other interested party from presenting requests for modification of any Commission Order during such subsequent evidentiary hearings. CACD concludes that there would be no purpose in delaying implementation of the issues addressed in Advice Letter 1290-E.

8. Advice letter 1290-E will create more restrictive conditions than those that currently exist. Other than that this filing will increase no rate or charge, cause the withdrawal of service, nor conflict with any other rate schedule or rule. Therefore CACD recommends that the protest of CLFP be denied and that the tariff changes requested by Advice Letter 1290-E be approved.

FINDINGS

1. The issues presented in Advice Letter 1290-E will remove ambiguity from the applicability provisions of Rate Schedules E-19 and E-20 and will clarify the filings made pursuant to the provisions of D.89-12-057.

2. Advice Letter 1290-E also implements provisions previously contained in Advice Letter 1271-E which were not included in The GRC filing of Advice Letter 1277-E because A.L. 1271-E was not approved before the approval of A.L. 1277-E.

3. The issues raised by the protestant CLFP have previously been addressed in D.88-12-031 or D.89-12-057, or are of a nature that can be addressed at subsequent proceedings.

4. According to D.89-12-057, the issue of optional rates for Agricultural or Large Light and Power Class customers is still open for further review and any concerns of CLFP or any other interested party may be addressed at subsequent proceedings.

5. For these reasons, CACD recommends that the protest of CLFP be denied and that the tariff changes requested by Advice Letter 1290-E be approved.

THEREFORE, IT IS ORDERED that:

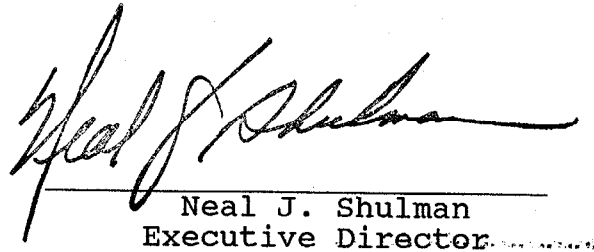
1. The protest to Advice Letter 1290-E filed by the California League of Food Processors is denied without prejudice to future consideration at subsequent Commission proceedings.

2. In accordance with Sections 490 and 701 of the Public Utilities Code, Advice Letter 1290-E of Pacific Gas & Electric Company is approved as filed and becomes effective on this date.

3. Advice Letter 1290-E and all accompanying tariff sheets shall be marked to show that they were accepted for filing by Resolution E-3193.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 6, 1990. The following Commissioners approved it:

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


Neal J. Shulman
Executive Director