

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-3483  
MARCH 18, 1996

R E S O L U T I O N

RESOLUTION E-3483. SAN DIEGO GAS & ELECTRIC COMPANY REQUESTS APPROVAL TO CLOSE 21 TIME-OF-USE TARIFF SCHEDULES TO NEW CUSTOMERS. GRANTED WITH REVISED EFFECTIVE DATES.

BY ADVICE LETTER 991-E, FILED ON JULY 29, 1996.

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SUMMARY

1. By Advice Letter (AL) 991-E, San Diego Gas & Electric Company (SDG&E) seeks to close 21 time-of-use (TOU) tariff schedules to new customers. The affected tariffs are open to residential, commercial and industrial customers.
2. The Utility Consumers' Action Network (UCAN) protested the phase out of TOU tariffs open to residential customers.
3. This Resolution grants AL 991-E with revised effective dates. The eight schedules with no customers are cancelled effective today. The other tariff changes become effective when the Power Exchange is scheduled to begin operations, January 1, 1998. UCAN's protest is denied.

BACKGROUND

1. By Advice Letter (AL) 991-E, SDG&E seeks to close 21 tariff schedules to new customers effective October 1, 1996. Eleven tariff schedules (A-TOU, AY-TOU, DR-TOU, DR-TOU-2, AO-TOU, A6-TOU, RTP-1, RTP-2, AV-1, AV-2, and D-SMF), are requested to be closed to new customers. Schedule A-TC is requested to be closed to non-traffic control customers. Eight tariff schedules (DR-VTOU, AL-TOU-2, AO-TOU-C, A6-TOU-C, A-V2-O, LR, LM-1, AND LM-2) do not have any customers, and SDG&E requests they be cancelled. SDG&E also requests amending schedule AL-TOU to eliminate rate options within the schedule that are not currently in use.
2. SDG&E states that the 21 tariff schedules are designed to give customers pricing signals tied to the cost of electric generation. The reason for closing the schedules to new customers, or cancelling them, is to transition into the electric restructuring program where generation pricing signals will come from the Power Exchange.

3. Seven of the 11 schedules to be closed gained customers in the last year, some by significant amounts. For example, Schedule DR-TOU-2 increased from 3,358 to 3,710 and A-TC increased from 2,323 to 4,952 from July 1995 to July 1996.

#### NOTICE

1. Notice of AL 991-E was made by publication in the Commission's calendar on August 6, 1996, and by mailing copies of the filing to adjacent utilities and interested parties.

#### PROTESTS

1. UCAN filed a protest of AL 991-E on August 27, 1996. UCAN opposes rescission of the residential TOU tariffs, because they can play an important role in the transition to the newly restructured electric industry. UCAN states the closing of residential tariffs in October 1996 is premature, "at best." UCAN recommends the proposed tariff closure be referred to an electric restructuring workshop or working group.

2. SDG&E replied to UCAN's protest on September 5, 1996. SDG&E argues that: 1) TOU rates do not assist in transition since the "Commission's vision is hourly rates" and the two period TOU rate is not. In addition "the large price variances under TOU rates may actually confuse customers when hourly prices are implemented because price changes may be much less pronounced;" 2) the continuation of schedules DR-TOU and DR-TOU-2 will waste resources because SDG&E will have to install TOU meters that may be obsolete in the restructured environment.

#### DISCUSSION

1. SDG&E wants to close tariff options now in preparation for the Power Exchange, Decision (D.)95-12-063 as modified by D.96-01-009. UCAN believes it is appropriate to wait and recommends resolution through other proceedings.

2. The Commission has stated that the Power Exchange will begin operation on January 1, 1998. Although it may be more convenient to simplify tariffs before that date, it would be inappropriate to eliminate customers' utility rate options before the Power Exchange begins operation. Therefore, SDG&E will be allowed to close to new customers the tariff schedules currently in use effective January 1, 1998. This will provide them with a date certain for planning purposes and will not impair customers' access to rate options.

3. UCAN believes the residential TOU tariffs can be used as a transitional tool prior to the commencement of the Power Exchange. By delaying the closures to January 1, 1998, that need will be filled. UCAN's suggestion to refer the closure to an electric restructuring working group because of "larger ramifications" lacks detail and is denied. This is not to say a working group may not address this issue, only that this resolution will not order it.

4. SDG&E offers eight rate options which are not in use. If companies are prevented from closing rate options not in use it will discourage the creation of new options. In addition, eliminating unused rate options will make the tariffs shorter and clearer. The eight rate options will be cancelled effective today.

**FINDINGS**

1. In AL 991-E, SDG&E requests to close 21 TOU rate options to new customers.
2. UCAN's protest claims the residential TOU rate options should be used as transitional tools and the proposed closure should be referred to an electric restructuring working group.
3. Active rate schedules should not be closed, because of electric restructuring, before the new program is in place.
4. Closing rate options that do not attract customers clarifies the tariffs and encourages utilities to add new rate options.

**THEREFORE, IT IS ORDERED that:**

1. Advice Letter 991-E is authorized as modified:

Tariff Schedules A-TOU, AY-TOU, DR-TOU, DR-TOU-2, AO-TOU, A6-TOU, RTP-1, RTP-2, AV-1, AV-2, and D-SMF are closed to new customers effective January 1, 1998;

Tariff Schedule A-TC is closed to new non-traffic control customers effective January 1, 1998;

Tariff Schedules DR-VTOU, AL-TOU-2, AO-TOU-C, A6-TOU-C, A-V2-O, LR, LM-1, AND LM-2 are cancelled effective today.

The requested amendment to Tariff Schedule AL-TOU is effective January 1, 1998.

2. The protest of Utility Consumers' Action Network is denied.

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3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 18, 1997. The following Commissioners approved it:



WESLEY FRANKLIN  
Executive Director

P. Gregory Conlon, President  
Jessie J. Knight, Jr.  
Henry M. Duque  
Josiah L. Neeper  
Richard A. Bilas  
Commissioners