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State of California

MEMORANDUM

To : THE COMMISSION

File No.: Case 10648

Date: November 6, 1979
Conference

Subject: Pacific Gas & Electric
Company (PG&E)

From: Public Utilities Commission--San Francisco--G. L. Way
Chief Gas Engineer *GLW*

ISSUE: Approval of PG&E's Advice Letter No. 1052-G, filed on September 14, 1979 to revise the Special Condition in its tariffs relating to billing practice for lifeline allowances during seasonal changes.

FACTS: This filing is made pursuant to Decision No. 90258, in Case No. 10648, McKinney versus PG&E, regarding method of prorating lifeline allowances during seasonal changes. Decision Nos. 90258 and 90576 ordered PG&E "to revise its tariff provisions to a fair and simpler method for lifeline allowance allocations." Finding No. 3 of Decision No. 90258 states that PG&E's present "method of proration has not resulted in an overcollection from the complainant".

On September 26, 1979, Toward Utility Rate Normalization (T.U.R.N.) filed a letter of protest,^{1/} alleging among other things, that PG&E Advice Letter No. 1052-G constitutes a rate increase. On October 10, 1979, by Resolution No. G-2309, the Commission suspended PG&E Advice Letter No. 1052-G in order to allow the Commission staff to study the allegations of both PG&E and T.U.R.N.

DISCUSSION: The Commission staff has reviewed the protest on this filing and have found the allegations of T.U.R.N. to be without merit. PG&E's proposed method will be consistent with Decision No. 90258. More details of the evaluation are found in Attachment A.

CONCLUSION AND RECOMMENDATIONS: It is recommended that the attached Resolution No. G-2312 be approved.

1/ Copy attached

MCW:VJ

Attachment A

FURTHER DISCUSSION: PG&E's practice has been to prorate bills, for the transition months of May and November, by the ratio of the number of days in the winter and summer periods to the number of days in the billing period, which may be from 27 to 33 days for monthly billing.

In the proposed method the billing will be computed by prorating the total therm usage, the rate blocks, and lifeline allowance according to the ratio of the number of days in each seasonal period to the total number of days in the billing period. The difference between the present and proposed method is only a modification in mathematics and will make no difference on the customer's bill than possible minor amounts due to roundings.

Decision 90258 provides that the utility file a "fair method of lifeline allowance proration", and in the staff's view the filing is consistent therewith.

The proposed method will:

- (a) Bring PG&E into compliance with the Commission's Findings in Decision 90258 that PG&E's tariff provisions call for prorating the lifeline allowances rather than the bill.
- (b) Utilize the itemized bill format similar to that recently approved for Southern California Gas Company where the number of lifeline units of usage are identified on a prorated basis.
- (c) Continue to allow the same method to be applied on an average of five times each year (two lifeline seasonal changes, two GCAC changes, and one general rate increase every other year, besides opening and closing accounts, missed readings and accounts without a billing period between within 27 to 33 days).
- (d) Not create a rate increase, in the opinion of the Commission staff, in that no rate has been changed, nor will any additional revenue be produced for the utility over the method presently in effect.

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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Copy for:
Orig. and Copy
_____ to Executive Director
_____ Director
_____ Numerical File
_____ Alphabetical File
_____ Accounting Officer

RESOLUTION NO. G-2312

RESOLUTION

UTILITIES DIVISION

BRANCH/SECTION: Gas

DATE: November 6, 1979

SUBJECT: Pacific Gas & Electric Company. Order Authorizing Revision of Rate Schedules to Revise Method of Prorating Bills During Seasonal Transition Months.

WHEREAS: PACIFIC GAS & ELECTRIC COMPANY (PG&E), by Advice Letter No. 1052-G, filed September 14, 1979, requests authority under Section 739 of the Public Utilities Code and under the provisions of Decisions Nos. 90258 and 90576 to file revised tariff schedules, as set forth on Cal. P.U.C. Sheets Nos. 10448-G to 10452-G, inclusive, in order to revise the special conditions relating to seasonal rate changes, with the following results:

1. The utility seeks to revise its practice of prorating bills for seasonal transition months pursuant to the requirements of Decision No. 90258.

2. PG&E's present practice has been to prorate the bills for such transition months by the ratio of the number of days in the winter and summer periods to the number of days in the billing period.

3. The proposed revision would compute the billing by prorating the total therm usage, the rate blocks, and lifeline allowances applicable thereto, between the two seasonal periods according to the ratio of the number of days in each seasonal period to the total number of days in the billing period.

4. The filing will not increase any rate or charge, other than minor amounts due to rounding, cause a withdrawal of Service or conflict with other schedules or rules.

5. On October 10, 1979, by Resolution No. G-2309, the Commission suspended this filing for 120 days in order to allow for analysis of these allegations and those of Toward Utility Rate Normalization (T.U.R.N.) who were protesting this filing on the grounds that it did constitute a rate increase, and

WHEREAS: We find the allegations of T.U.R.N. to be without merit, and that the above filing is reasonable and within the meaning and intent of Decision No. 90258; therefore, good cause appearing,

IT IS ORDERED that:

1. The suspension of this tariff placed in effect by Resolution No. G-2309 is hereby terminated.

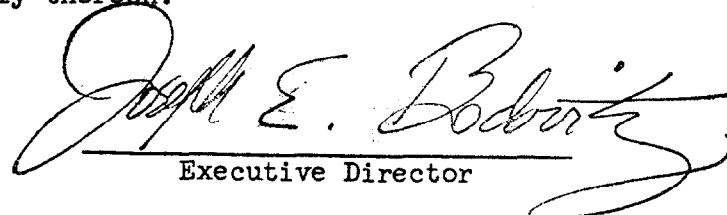
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2. Authority is granted under Sections 491, 701 and 739 of the Public Utilities Code and under the provisions of Decisions Nos. 90758 and 90576 for PG&E to place the above tariff sheets into effect for service on or after December 1, 1979.

3. The above advice letter and tariff sheets will be marked to show that they were issued under Resolution No. G-2312 of the Public Utilities Commission of the State of California. The effective date of this resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 6th day of November, 19 79, the following Commissioners voting favorably thereon:

JOHN E. BRYSON
President
VERNON L. STURGEON
RICHARD D. GRAVELLE
CLAIRE T. DEDRICK
LEONARD M. GRIMES, JR.
Commissioners


Executive Director

TOWARD UTILITY RATE NORMALIZATION

693 Mission Street
8th Floor
San Francisco, CA. 94105
(415) 543-1576

September 26, 1979

Sylvia M. Siegel
Executive Director

J. D. Bodovitz
Executive Director
California Public Utilities Commission
State Building
350 McAllister
San Francisco, California 94102

Re: PG&E Advice No. 1052-G (Seasonal Rate Changes)

Dear Mr. Bodovitz:

TURN and Kent McKinney, on behalf of themselves and all affected PG&E ratepayers, make formal protest and seek suspension of Advice No. 1052-G.

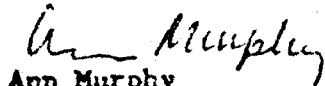
The Advice is dated September 14th, however the date on the envelope indicates that it was mailed September 17th and therefore was not received by protestants until September 19th.

TURN and Kent McKinney protest this filing for the following reasons:

- (a) With respect to Decisions Nos. 90258 and 90576, Mr. McKinney has filed Petition for Review and/or Mandate with the California Supreme Court (S.F. 24057). The reply brief was filed today. It is well settled law that a Commission decision is not final until the Court has acted. Thus, to accept this Advice to become effective within 30 days would be contra to the law and responsible regulation.
- (b) This issue of seasonal rate charges during transitional months is also before the Commission in Complaint No. 10737. The matter is at the discovery stage and has not been set for hearing.
- (c) Contra to PG&E's assertion that "This filing will not increase any rate or charge, other than possible minor amounts due to rounding, cause a withdrawal of service or conflict with other schedules or rules", we submit that this filing will result in a rate increase. We are in the process of finalizing our computations. To allow rates to be increased without a hearing is unlawful.

For these reasons we respectfully request that this Advice not be accepted for filing and that it be suspended pending action by the California Supreme Court.

Very truly yours,


Ann Murphy

Attorney for Protestants

cc: PG&E

BOARD OF DIRECTORS: Eva Goodwin, Esq., President, Mary Fitzpatrick, San Francisco Consumer Action, Fred Glynn, Clarence E. Heller, Thelton Henderson, Esq., Jack Kaufman, California Legislative Council for Older Americans, Helen Nelson, Consumers Cooperative of Berkeley, Inc., Frances Shaskan, Sylvia M. Siegel, George Slaff, Esq., Mary Solow, Consumer Federation of California.