Decision 03-01-060 January 30, 2003

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Verla R. Giovanetti, Complainant, vs. Pacific Gas and Electric Company, Defendant.	(ECP) Case 02-07-030 (Filed July 19, 2002)

OPINION DISMISSING COMPLAINT REGARDING SUFFICIENCY OF BASELINE ALLOWANCE.

1. Summary

Verla R. Giovanetti (Complainant) claims that Pacific Gas and Electric Company (PG&E) erred in calculating summer baseline allowances for all-electric residential customers in her climate zone (Territory X), and that her baseline allowance is insufficient for her all-electric residence. She requests additional baseline allowance. We conclude that PG&E has complied with both Decision (D.) 02-04-26 and Pub. Util. Code § 379 in setting and applying baseline allowances that became effective May 1, 2002.[1] The complaint is dismissed and this proceeding is closed.

[1] Pursuant to D.02-04-026, in Phase 1 of Rulemaking (R.) 01-05-047, Order Instituting Rulemaking on the Commission's Own Motion to Determine Whether Baseline

Footnote continued on next page

2. Position of the Parties

Complainant notes that the baseline allowance for all-electric residential customers during the summer season (May 1- October 31) for Territory X, which includes the city of Livermore where she resides, was adjusted from 11.3 kilowatt per hour (kWh) per day to 11.4 kWh per day. Also, the baseline allowance for basic-electric residential customers was adjusted from 10.8 kWh to 12.2 kWh per day. Because the adjusted summer baseline allowance for basic-electric residential customers is higher than the summer baseline allowance for all-electric customers, Complainant contends that PG&E's average consumption data cannot be correct and requests a Commission review of PG&E's baseline allowance calculations.

According to PG&E, the calculation of new target baseline quantities based on updated consumption data (as required by D.02-04-026, ord. para. 4, and Pub. Util. Code § 379) resulted in a unique situation for Territory X. PG&E's customer use data show that in Territory X, the average all-electric residential consumption during the summer season was *less* than the average basic-electric residential consumption during the summer season of May 1 – October 31 over the four years, 1997-2000. This resulted in a lower summer baseline allotment for all-electric residential energy customers than for basic-electric residential customers.

PG&E is not surprised by Complainant's disbelief that all-electric customers in Territory X can use less energy in the summer season than

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Allowances for Residential Usage of Gas and Electricity Should be Revised (Baseline OIR), PG&E filed Advice 2384-G/2228-E to adjust the electric baseline allowances effective May 1, 2002. These adjusted baseline allowances are currently in effect.

basic-electric customers. According to PG&E, Territory X has seen construction in recent years of many large homes with basic-electric service including central air conditioning, and this change in electric consumption by housing stock within the basic-electric service category could have contributed significantly to bringing the summer energy usage levels slightly higher than for all-electric residences.

Further, PG&E says that Complainant's individual usage is in the top one percentile of electric usage within her city limits, and on the high end of the range for Territory X. Complainant's connected load includes a home and an RV, both with central air conditioning and heating, and a well with two pumps. While PG&E agrees that Complainant has taken significant measures to conserve energy, and has in fact reduced current usage by more than 30% over her usage levels from 2000, PG&E believes that the Complainant's connected load will keep her in the 5th tier of surcharges each month. PG&E suggests that some of the specific proposals under consideration in Phase 2 of the Baseline OIR (*e.g.*, provision of additional baseline allowances for well pumping) may result in additional baseline allowances or rate relief for Complainant.

3. Discussion

A hearing on the complaint was held on September 11, 2002, in Livermore. We summarize below the issues that were addressed.

A. Complainant Claims the Daily Summer Baseline Allotment for All-Electric Customers in Territory X Should Be 11.5 kWh, Not 11.4 kHw.

We reject this claim because Complainant used an incorrect number of days for the summer season in her calculation. If Complainant had used the correct number of days (184) instead of 183, her answer would have been 11.4 kWh, the same as PG&E.

Moreover, although Complainant has highlighted the seemingly counterintuitive result of PG&E's calculation of the all-electric summer baseline in Territory X, PG&E's result seems to have been properly derived.

B. Complainant Requests that the California 20/20 Rebate Program Apply to Her Electric Bill for the Period 6/28/02 – 7/31/02.

Complainant's meter read date results in her eligibility period beginning on July 31, 2002. Therefore, Complainant will receive the allotted four months of eligibility with her bills presented in August, September, October and November, in accordance with PG&E's tariff. PG&E notes that a 20% credit was applied to Complainant's account on her August 28, 2002, billing.

C. Complainant Claims the Energy Procurement Surcharges Have a Ceiling of 47% Increase to Bills.

This claim is based on a PG&E notification included in customer bills in June 2001, which contained the following reference:

Tier 5: Electricity usage in excess of 300% of Baseline	11.5-cent/kWh Surcharge (**up to 47% increase in bill**)

Complainant interprets the words in boldface to mean that there is a limitation of 47% for increases to residential bills due to the surcharges. PG&E responds that the words "up to 47% increase in bill" in this notification were approved by the Commission staff as an estimate of the average bill impact on residential customers who have Tier 5 usage. However, according to PG&E's tariff, there is no maximum or limitation to the Tier 5 surcharges for residential usage over 300% of baseline.

We do not dispute that the above wording in the customer notification is confusing. The notification should have explained that the "average customer," whose usage is in Tier 5, will see a bill increase of 47%. Unfortunately,

Complainant is not an average Tier 5 customer; her usage is at the high-end of Tier 5. However, it is well settled that in any dispute or ambiguity the utility's tariff controls. The "Rates" portion of PG&E's tariff E-EPS states: "Tier 5 rates apply to use over 300% of the Tier 1 baseline quantity." Therefore, contrary to Complainant's belief, there is no limit (or 47% cap) to customer bills resulting from the surcharges. Accordingly, Complainant's argument is rejected.

D. Complainant Questions the Accuracy of PG&E's Baseline Allowance Calculations.

To address Complainant's concerns, PG&E provided Complainant with a "quick comparison" to show that summer usage of some customers in her neighborhood was close to or higher than Complainant's usage. Of the nine accounts provided, three had errors in the 12-month totals of kWhs used. Based on this, Complainant argues that PG&E is offering an "illusion of accuracy" with regard to baseline quantities.

PG&E responds that it has re-checked its databases and calculations, and has verified its updated Territory X baseline revisions to be correct and in compliance with Commission directives and statutes.

While the arithmetic errors in the quick comparison provided to Complainant could have been avoided by simply checking the totals, we are not persuaded that these errors have any bearing on the accuracy of PG&E's database used to calculate baseline allowances. Accordingly, we reject Complainant's argument.

While it is a unique situation that the all-electric summer baseline quantities in Territory X are lower than the basic-electric summer baseline quantities, the baseline allowances for all territories were calculated in accordance with Pub. Util. Code § 739 (d)(1), using a four-year average approved by the Commission. There is no difference in the summer baseline allowance

calculation for all-electric or basic-electric residential customers; both receive a baseline allowance of 60% of average recorded usage for each group. It is in the *winter* heating season that all-electric residential customers are allotted more baseline quantities in terms of using 70% rather than 60% of recorded usage. For climate zone Territory X, the updated all-electric winter baseline quantity is 21.9 kWh per day. The updated basic-electric winter baseline quantity is 13.0 kWh per day. Consequently, although the Complainant has focused on the summer season, Territory X all-electric customers in fact do receive a significantly higher *winter* baseline allotment than Territory X basic-electric customers, and also receive a higher baseline allowance on an average annual basis as well. Accordingly, we reject Complainant's argument challenging PG&E's baseline allowance calculations.

4. Conclusion

We conclude that PG&E has complied with D.02-04-026 and Pub. Util. Code § 739 in setting and applying baseline allowances that became effective on May 1, 2002. Therefore, the complaint should be dismissed.

5. Assignment of Proceeding

Geoffrey Brown is the Assigned Commissioner and Bertram D. Patrick is the assigned Administrative Law Judge in this proceeding.

O R D E R

IT IS ORDERED that:

1. The complaint of Verla R. Giovanetti is dismissed.
2. Case 02-07-030 is closed.

This order is effective today.

Dated January 30, 2003, at San Francisco, California.

MICHAEL R. PEEVEY
President
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners