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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

I.D. #6475  
RESOLUTION E-4069  
April 12, 2007

**R E S O L U T I O N**

Resolution E-4069. San Diego Gas and Electric Company requests approval to revise the applicability sections of certain residential (Domestic) and nonresidential (General Service) tariffs so that future customer assignment to applicable electric rates is based on end-use.

By Advice Letter 1862-E filed on January 5, 2007.

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**SUMMARY**

**San Diego Gas and Electric Company's (SDG&E) request to revise its tariffs so that electric rates are assigned to customers based on end-use, regardless of whether electricity is delivered to a premises by single- or three-phase service, is approved with modifications.**

- SDG&E is authorized to assign customers applying for electric service based on "end-use", as described in the applicability sections in SDG&E's respective rate schedules, and as that term is used in SDG&E's Rule 1 definition of "Residential Service". Those customers taking service on or after today's date, whose end-use is classified as residential and who reside in the dwelling types identified in the definition for Residential Service in SDG&E's tariff Rule 1, shall be placed on a residential rate schedule regardless of whether electricity is delivered by single- or three-phase service.
- Three-phase customers currently receiving service on a General Service (non-residential) rate schedule and whose end-use is classified as residential and who reside in the dwelling types identified in the definition for Residential Service in Rule 1, shall have the option of (1) remaining on their respective General Service rate schedule while service remains in their name at their current service address, or (2) changing to a residential service rate.

- SDG&E must identify and notify all existing three-phase customers currently billed on a General Service rate and whose end-use classifies as residential, to explain the options as described above.
- SDG&E's Residential and General Service rate schedules shall be updated as appropriate to reflect the applicability criteria by which customers are assigned to a rate schedule, based on end-use.

## **BACKGROUND**

**SDG&E submitted Advice Letter (AL) 1862-E on January 5, 2007, requesting authority to revise the applicability section of certain residential and non-residential rate Schedules, so that the applicability and assignment of electric rates will be based on end-use.**

AL 1862-E requested authority to revise the applicability section for residential rate Schedules DR, DR-TOU, EV-TOU, EV-TOU-2, and EV-TOU-3, and non-residential rate Schedules A, AL-TOU, and A-TOU, so that electric rates will be based solely on end-use. End-use is generally considered as the classification and purpose for which electric service is provided to a customer. Hence, service provided to residences should be assigned to a Residential rate, and service provided to non-residential premises should be assigned to an appropriate General Service rate or other rate classification based on end-use, regardless of whether a customer's electricity is provided by single- or three-phase service.

Normally, customers taking service at a residence are assigned to a residential rate schedule. However, in some cases electricity provided to residences may be delivered through three-phase service. Three-phase service may also be referred to as polyphase service.<sup>1</sup> Historically, some residences whose electricity is delivered through poly- or three-phase service were originally assigned to and have remained on a non-residential, General Service rate.

**SDG&E currently provides electricity on a General Service rate to an unspecified number of residences with three-phase service.**

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<sup>1</sup> "The term polyphase indicates that service can be supplied as a single- or three-phase service, or both." Resource: an encyclopedia of energy utility terms, second edition, 1992, Pacific Gas and Electric Company, page 456.

SDG&E's issued AL 1862-E after determining that a number of customers at residences are being served on a non-residential General Service rate (e.g. Schedule A) rather than on a Residential rate (e.g. Schedule DR), which causes confusion regarding the applicability of assigning customers to various Residential and General Service rate schedules. Energy Division understands through discussion with SDG&E that while SDG&E does not know the exact number of these customers, it is fewer than 1,000.

**SDG&E's existing Residential and General Service tariffs contribute to the confusion in describing to whom these rates are applicable.**

SDG&E's Residential rate Schedules DR, DR-TOU, EV-TOU, EV-TOU-2, and EV-TOU-3 currently define residential service under their respective "Applicability sections" as applicable or available to "single-phase domestic service..." Additionally, residential rate schedules DE and FERA are similarly defined. Likewise, SDG&E's General Service rate Schedules A, AL-TOU, and A-TOU currently define General Service under their respective Applicability Sections as applicable or available to "three-phase residential service..."

This has resulted in residential customers with three-phase service being assigned to General Service rates. Accordingly, SDG&E has requested that the assignment of new customers should be based specifically on end-use, regardless of how current is delivered to the residential premises.

**NOTICE**

Notice of AL 1862-E was made by publication in the Commission's Daily Calendar. SDG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

**PROTESTS**

No protests were received regarding SDG&E AL 1862-E.

**DISCUSSION**

**Several of SDG&E's Residential rate schedules state that service is applicable or available to single-phase domestic service.**

A majority of SDG&E's residential customers are assigned to Schedule DR, Residential Service (Includes Rates for DR-LI) or residential low-income rates. The Applicability Section for Schedule DR states: *"Applicable to single-phase domestic service for lighting, heating, cooking, water heating, and power, or combination thereof, in single family dwellings, flats, and apartments, separately metered by the utility, to single-phase service used in common for residential purposes by tenants in multi-family dwellings under Special Condition 8; to any approved combination of residential and non-residential service on the same meter; and to incidental farm service under Special Condition 7."*

Therefore, the reference in Applicability section of Schedule DR to single-phase domestic service precludes the assignment of that schedule to a customer receiving three-phase service at a residence.

Other SDG&E Residential rate schedules are similarly worded, always including text associated with applicability or availability to single-phase domestic service. This includes Schedules DR, DR-TOU, EV-TOU, EV-TOU-2, and EV-TOU-3, and Residential schedules DE and FERA are similarly worded.

**SDG&E's tariffs shall be revised so that the applicability of Residential rate schedules conforms to the definition of Residential Service.**

We agree with SDG&E that residential rate schedules should apply to residential premises and end-use. SDG&E's tariff Rule 1 defines Residential Service as "Classes of customers whose end-use is classified as residential and who reside in the following type dwellings: single-family units, multi-family units, mobilehomes or similar living establishments." The definition does not depend on whether electricity is delivered by single or three-phase service. All of these Residential schedules should be modified to properly reflect that residential end-use customers should only be assigned to a residential schedule.

The tariff changes that SDG&E proposes to make to Residential rate schedules in AL 1862-E removes references in the Applicability section to single-phase service. These changes are appropriate and are approved. In addition, SDG&E shall make these same revisions to schedules DE and FERA.

**SDG&E shall revise those General Service rate schedules which currently state that service is applicable to three-phase residential service, to prospectively remove language on the applicability to residential service.**

A number of SDG&E customers are served at residences through three-phase delivery. These customers are assigned to a General Service rate. SDG&E's General Service rates A, AL-TOU, and A-TOU should be revised to eliminate any reference to the applicability of three-phase residential service to General Service rates for new customers taking service on or after today's date.

While we agree that residential customers should take service on a residential rate schedule, we do not want to disrupt or confuse any current customer that was appropriately placed on a General Service rate schedule according to SDG&E's Commission approved tariffs. SDG&E's proposed tariff changes to Schedules A, AL-TOU, and A-TOU specify that these schedules are not applicable to residential customers. This proposed tariff language requires modification. As discussed below, three-phase residential customers currently taking service on a General Service schedule should have the option of remaining on that rate schedule. SDG&E shall not transfer any of these customers to a residential schedule unless they inform SDG&E that they choose to transfer to a residential schedule.

**Tariff language in the affected General Service rates should clarify that three-phase customers served at residences may remain on General Service rates.**

General Service rates A, AL-TOU, and A-TOU should include language to clarify that three-phase customers who were receiving service at a residence prior to today's date, may remain on their respective General Service rate while service is in their name and while residing at the service address. The Ordering Paragraphs of this resolution have revised tariff language that SDG&E shall include in a supplemental advice letter to comply with this resolution.

**SDG&E must identify and notify all existing three-phase residential customers currently billed on a General Service rate to provide options for these customers' future rate schedule assignment and billing.**

SDG&E has not yet identified all three-phase customers located at a residence who are served on a General Service rate schedule. SDG&E must identify these customers, and notify them that they have the option of (1) remaining on their

General Service rate schedule, as long as service is billed in their name at the current service address, or (2) changing to a residential service rate, without the future option of changing back to a General Service rate.

The customer notification should include company contact information, making it clear that the customer may contact SDG&E customer service personnel to evaluate the customer's historic usage pattern as an evaluation tool in determining their best rate schedule option.

**Notification should be done by mailing separate from their monthly billing, and should be completed within thirty (30) days of today's date.**

Customer notification should be done by mailing separate from their monthly energy bill mailing. This separate process should be done to ensure that customers are notified at the same time rather than notification occurring over the course of a monthly customer billing cycle. This is also to ensure that notified customers view the message, which may not be noticed by the customer if it is included with the customer's monthly bill.

**Notified customers who do not respond to the mailing may remain on their existing General Service rate.**

Customers may respond to this notification at any future date. Those customers who do not respond to notification should be allowed to remain on their existing General Service rate, and may remain on this rate as long as service is billed in their name at the current service address.

**Notified customers may benefit by switching to a residential rate schedule depending on their monthly electricity consumption.**

Residential customers with three-phase service currently assigned to a General Service rate whose monthly electric consumption is low, and who would pay for electricity at the lower-tier residential rates may benefit from switching to a residential rate. Customers whose monthly electric consumption is high and who would pay for electricity at higher-tier residential rates may benefit from remaining on their currently assigned General Service rate.

Consultation with SDG&E customer service personnel should help notified customers determine whether or not to remain on a General Service schedule.

## **COMMENTS**

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Accordingly, this draft resolution was mailed for comments at least 30 days prior to being considered by the Commission.

## **FINDINGS**

1. On January 5, 2007 SDG&E filed Advice Letter 1862-E proposing to revise its residential rate schedules, and certain non-residential rate schedules, to specify that a customer will be billed on a residential schedule if end-use consumption is residential.
2. SDG&E's tariff Rule 1 defines Residential Service as "Classes of customer whose end-use is classified as residential and who reside in the following type dwellings: single-family units, multi-family units, mobilehomes or similar living establishments."
3. SDG&E has determined that a number of residential end-use customers with three-phase service delivery are being billed on General Service rate schedules. General Service rate schedules A, A-TOU, and AL-TOU currently apply to residential customers with three-phase service.
4. SDG&E submits that all new residential end-use customers should be billed on a residential rate schedule, regardless of whether electricity is delivered by single- or three-phase service.
5. SDG&E has identified Residential schedules DR, DR-TOU, EV-TOU, EV-TOU-2, and EV-TOU-3, and General Service schedules A, AL-TOU, and A-TOU as tariffs requiring revision to specify that new customer assignment to these schedules is based specifically on end-use. These tariff revisions are appropriate.
6. Residential schedules DE and FERA should also be revised to specify that new customer assignment is based specifically on end-use.
7. Three-phase residential customers currently assigned to a General Service rate whose consumption is low may benefit by switching to a residential rate, while customers whose consumption is high may continue to benefit from remaining on their current General Service rate.
8. SDG&E should identify all residential end-use customers currently billed on a General Service rate, and notify these customers by mail of the following options: (1) remaining on their General Service rate schedule for as long as

- service is billed in their name at their service address, or (2) changing to a residential service rate, without the future option of changing service back to a General Service rate.
9. Customers who do not respond to SDG&E's notification should be allowed to remain on their existing General Service rate, and may remain on this rate as long as service is billed in their name while residing at their service billing address.
  10. SDG&E shall not transfer any notified customers to a residential schedule unless they inform SDG&E that they choose to transfer to a residential schedule.
  11. General Service rates A, AL-TOU, and A-TOU should include language to clarify that three-phase customers who were receiving service at a residence prior to today's date, may remain on their respective General Service rate while service is in their name and billed at the current service address.
  12. SDG&E customer service personnel should be available to help notified customers evaluate historical usage to determine whether customers should remain on their assigned General Service rate, or change to an appropriate residential rate.

**THEREFORE IT IS ORDERED THAT:**

1. SDG&E's Advice Letter 1862-E is approved with modifications. Within ten (10) days of today's date, SDG&E shall supplement AL 1862-E to submit the following tariff revisions:
  - a. Rate schedules DR, DR-TOU, EV-TOU, EV-TOU-2, EV-TOU-3, AL-TOU, and A-TOU shall be revised as proposed by SDG&E in AL 1862-E to reflect that new customer assignment should be based specifically on end-use;
  - b. SDG&E shall make the same revisions to residential rate schedules DE and FERA as it proposed to make for other residential schedules in AL 1862-E;
  - c. SDG&E shall revise the second sentence of the Applicability section of General Service Schedules A, AL-TOU, and A-TOU as follows: "This schedule is not applicable to residential customers, except for those three phase residential customers taking service on this schedule as of April 12, 2007 who may remain on this schedule while service continues in their name at the same service address. Those three-phase residential customers remaining on this schedule who choose to switch to a residential rate schedule may not return to this schedule."

The supplement to AL 1862-E shall replace AL 1862-E in its entirety and shall be effective on today's date subject to Energy Division determining that it is in compliance with this Order.

2. Within thirty (30) days of today's date, SDG&E shall identify and notify by mail separately from the monthly bill, all residential customers currently assigned to General Service rates. The notification shall include an explanation of the customers' options to (1) remain on their current General Service rate, or (2) change to an appropriate Residential rate. SDG&E shall include with the notification customer service contact information. SDG&E staff shall be available by phone and by email to the customers notified, to help customers evaluate their historic usage and determine whether switching to a residential rate schedule would be beneficial to the customers.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on April 12, 2007; the following Commissioners voting favorably thereon:

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STEVE LARSON  
Executive Director