

APPENDIX B

APPENDIX B
ENERGY INDUSTRY RULES

TABLE OF CONTENTS

Title	Page
<i>Industry Rule 1. Additional Definitions</i>	1
1.1 Contract.....	1
1.2 Industry Rule.....	1
1.3 Load-Serving Entity.....	1
1.4 Staff	1
1.5 Utility	1
<i>Industry Rule 2. Submitting a Document (see General Rule 7.1)</i>	1
<i>Industry Rule 3. Serving Advice Letters (see General Rules 4.3, 7.2)</i>	2
<i>Industry Rule 4. Numbering Advice Letters</i>	2
<i>Industry Rule 5. Tier Classifications for Advice Letters</i>	3
5.1 Matters Appropriate to Tier 1 (Effective Pending Disposition)	3
5.2 Matters Appropriate to Tier 2 (Effective After Staff Approval).....	4
5.3 Matters Appropriate to Tier 3 (Effective After Commission Approval)	5
<i>Industry Rule 6. Additional Tariff Requirements</i>	6
6.1 Internet Publication.....	6
6.2 [Reserved].....	6
6.3 Written Agreement Required by Tariff.....	6
6.4 Tariff Rule	6
<i>Industry Rule 7. Contract or Other Deviation</i>	7
7.1 Generally	7
7.2 Customer Protest.....	7
<i>Industry Rule 8. Rate Change by Oil Pipeline (see Public Utilities Code § 455.3)</i>	8
8.1 Effective Date; Suspension	8
8.2 Disposition.....	8
<i>Industry Rule 9. Compliance Filing by Load-Serving Entity</i> <i>(see Public Utilities Code Section 380)</i>	9

Energy Industry Rules

Industry Rule 1. Additional Definitions

In addition to the definitions in General Rules 3 to 3.16, the following definitions apply to the defined terms, which will appear with the initial letter capitalized when used in these Industry Rules.

1.1 Contract

An agreement between a Utility and a developer or customer to provide service under rates or conditions not offered in the Utility's tariffs.

1.2 Industry Rule

An Industry Rule contained in the Energy Industry Rules, as set forth in General Order 96-B or its successor.

1.3 Load-Serving Entity

An electrical corporation, electric service provider, or community choice aggregator. See Public Utilities Code Section 380(j).

1.4 Staff

The Energy Division (or its successor).

1.5 Utility

A public Utility that, as defined in the Public Utilities Code, is an electrical, gas, heat, or pipeline corporation.

Industry Rule 2. Submitting a Document (see General Rule 7.1)

The Energy Division Filings Room will process documents submitted to the Energy Division for filing, including information-only filings and advice letters and associated documents (such as protests, responses, replies, and supplements). A document may be submitted in person, by delivery service, or by mail to the Energy Division Filings Room, 505 Van Ness Ave., 4th Floor, San Francisco, CA 94102-3298.

A Utility submitting an advice letter shall provide an original and five copies of the advice letter, one copy of the workpapers (if any), and an original

and five copies of each affected tariff sheet. A Utility submitting an information-only filing shall submit an original and one copy, and shall cite the statute or Commission order requiring the filing.

Industry Rule 3. Serving Advice Letters (see General Rules 4.3, 7.2)

On or before the date an advice letter is submitted for filing, in addition to serving the advice letter as required by General Rule 7.2, the Utility shall serve the advice letter, or a notice of the advice letter (containing a summary of major provisions and information on accessing or ordering the entire advice letter), as follows:

- (1) If the advice letter requests approval of a Contract or other deviation, serve all parties to the Contract or other deviation.
- (2) If the advice letter requests approval of rates for an oil pipeline not previously in Utility service, serve all current or potential customers of the oil pipeline.
- (3) If the advice letter requests approval of a rate change for an oil pipeline already in Utility service, serve all shippers and submit to the Energy Division Filings Room at least 30 days before the requested effective date.
- (4) Except for an advice letter described in (3) of this Industry Rule, if the advice letter requests a change that would cause an increase in a rate or charge, reduction in service, discontinuance of a program, closing a rate schedule to new customers, canceling a rate schedule, or abandoning service to an area, serve all affected customers.
- (5) If the advice letter proposes a new product or service, serve all Utilities and other providers that are providing service within the area to be served.

Industry Rule 4. Numbering Advice Letters

For each type of service rendered, a Utility shall number its advice letters sequentially, beginning with No. 1, followed by a letter designating the type of service (E for electric, G for natural gas, H for heat, O for oil pipeline). A Utility may not reuse an advice letter number, regardless of whether the advice letter bearing that number was approved, withdrawn, or rejected. (See also General Rules 5.5, 8.4 & 8.5.)

Industry Rule 5. Tier Classifications for Advice Letters

A Utility submitting an advice letter shall designate the appropriate tier, based on the content of the advice letter. A Tier 1 or Tier 2 advice letter is subject to disposition under General Rule 7.6.1; a Tier 3 advice letter is subject to disposition under General Rule 7.6.2.

5.1 Matters Appropriate to Tier 1 (Effective Pending Disposition)

A matter appropriate to Tier 1 may be designated by a Utility in its advice letter as effective pending disposition. (For advice letters pursuant to General Rule 8.2.3, see Industry Rule 5.3.) Matters appropriate to Tier 1 are:

- (1) A tariff change in compliance with specific requirements of a statute or Commission order where the wording of the change follows directly from the statute or Commission order.
- (2) A non-substantive editorial change to the text of a tariff, such as correcting a typographical error. A non-substantive change does not affect a rate, charge, term, or condition under the tariff.
- (3) A change in a rate or charge pursuant to an index or formula that the Commission has approved for use in an advice letter by the Utility submitting the advice letter, not including the first time the Utility uses that index or formula. This Industry Rule does not cover a change in a methodology, such as a methodology approved by the Commission for use by a Utility for performance-based ratemaking.
- (4) A Contract that conforms to a Commission order authorizing the Contract, and that requests no deviation from the authorizing order (e.g., a gas storage Contract in exact conformity with Decision 93-02-013).
- (5) Establishment of tariff rates and charges for an oil pipeline that has not previously filed any tariffs with the Commission.
- (6) Initial tariffs for a new service by an oil pipeline, including service on a pipeline segment commencing Utility service.
- (7) A change to an existing tariff rate by an oil pipeline, as provided in Industry Rule 8.

- (8) Withdrawing a service, abandoning service within an area, canceling a rate schedule, or closing a rate schedule to new customers when authorized by a prior Commission decision, resolution, or order.

5.2 Matters Appropriate to Tier 2 (Effective After Staff Approval)

Matters appropriate to Tier 2 are:

- (1) A change in a rate or charge pursuant to an index or formula that the Commission has approved for use in an advice letter by the Utility submitting the advice letter but that the Utility has not used previously for this purpose. This Industry Rule does not cover a change pursuant to a methodology, such as a methodology approved by the Commission for use by a Utility for performance-based ratemaking.
- (2) A tariff change that is consistent with authority the Commission previously has granted to the Utility submitting the advice letter, such as a rate change within a price floor and ceiling previously approved by the Commission for that Utility.
- (3) A refund program to comply with a Commission order requiring the refund.
- (4) A request relating to a substation or power line under Section III.B.1 of General Order 131.
- (5) A rate or revenue requirement update for performance-based ratemaking as approved by the Commission for the Utility submitting the update.
- (6) Amortization of a balance in a balancing account if the Commission has specified both (i) the amortization period, and (ii) the rate component by which the balance will be amortized.
- (7) An advice letter otherwise appropriate to Tier 1 but for which the Utility submitting the advice letter requests review and disposition under Tier 2.

5.3 Matters Appropriate to Tier 3 (Effective After Commission Approval)

An advice letter submitted under (8) of this Industry Rule may be designated by the Utility as effective pending disposition; all other matters appropriate to Tier 3 may become effective only after Commission approval. Matters appropriate to Tier 3 are:

- (1) A matter appropriate to an advice letter but not subject to review and disposition under Tier 1 or 2. (See General Rules 5.1 and 5.2.)
- (2) A tariff change in compliance with a statute or Commission order where the wording of the change does not follow directly from the statute or Commission order.
- (3) Except as provided in Industry Rule 5.1(6), a new product or service.
- (4) Except for a change that may be submitted by advice letter pursuant to Industry Rules 5.1(1), 5.1(3), 5.1(7), 5.2(1), or 5.2(2), a change that would result in an increase to a rate or charge or a more restrictive term or condition, which change has been authorized by statute or by other Commission order to be requested by advice letter.
- (5) Except as provided in Industry Rule 5.1(4) and in (8) of this Industry Rule, a Contract or other deviation. (See also Industry Rule 7.)
- (6) Withdrawing a service, abandoning service within an area, canceling a rate schedule, or closing a rate schedule to new customers, unless the action is authorized by a prior Commission decision, resolution, or order (in which case the action may be eligible for Tier 1).
- (7) A fund transfer within or between demand-side management or research, development, and demonstration balancing accounts.
- (8) Service to a government agency pursuant to General Rule 8.2.3.
- (9) A change to a rate or charge pursuant to a methodology approved by the Commission for use in an advice letter, such as an annual performance review for performance-based ratemaking as approved by the Commission for the Utility submitting the advice letter.

Industry Rule 6. Additional Tariff Requirements

Industry Rules 6.1 to 6.4 contain tariff requirements that, as authorized by the General Rules (see in particular General Rules 8.1, 8.5, and 8.5.4), are other than or in addition to the General Rule requirements for Internet publication, service area description, and tariff contents.

6.1 Internet Publication

A Utility that must comply with the requirement to publish its tariffs at an Internet site (see General Rule 8.1.2) shall implement the requirement as follows. The requirement shall apply to each tariff sheet used by the Utility on or after the date upon which the Utility must publish its tariffs at a site on the Internet. As of that date, the Utility shall publish all of its tariff sheets then in effect or pending review and disposition. From that date onward, the Utility shall publish within five business days each new tariff sheet (or the advice letter including or attaching each new tariff sheet) that it submits for review and disposition. For each published tariff sheet, the Utility shall also publish and keep up-to-date the status of the tariff sheet (i.e., in effect; pending review and disposition; withdrawn (see General Rule 5.3); rejected; or no longer in effect). A tariff sheet number may be used only once, and all tariff sheets published at the Utility's Internet site shall remain accessible at the site unless and until the Commission authorizes an alternative electronic means of publishing and enabling public access to the Utility's tariffs.

6.2 [Reserved]

6.3 Written Agreement Required by Tariff

If a tariff provides that a written agreement must be executed by a customer as a condition to the customer's receiving service under the tariff, the executed agreement need not be submitted for approval or filing; however, when submitting the tariff for approval, the Utility shall submit the form of agreement that will be used for purposes of the tariff. The form shall contain substantially the following clause: "This agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction."

6.4 Tariff Rules

A Utility shall include in its tariffs, in addition to the tariff rules specified in General Rule 8.5.7, the following tariff rules, numbered as shown:

Tariff Rule 17: Meter Tests and Adjustment of Bills for Meter Error

Tariff Rule 18: Supply to Separate Premises and Resale

The Industry Division may exempt a utility from including Tariff Rules 17 or 18 if (a) the utility's existing tariffs already include comparable language; (b) a Commission decision, resolution, or order requires different tariff rules for a specific utility, or (c) the language of these rules is not appropriate to the utility's method of operation.

Industry Rule 7. Contract or Other Deviation

7.1 Generally

After a Utility enters into a Contract or other deviation, the Utility shall submit an advice letter requesting approval and updating its list of Contracts and other deviations (see General Rule 8.5.6). The Contract shall contain substantially the following clause: "Unless otherwise expressly ordered by the California Public Utilities Commission, this Contract at all times shall be subject to such modifications as the Commission may direct from time to time in the exercise of its jurisdiction." In addition, except for a Contract that is authorized to be submitted pursuant to Industry Rule 5.1(4) or 5.3(8), the Contract shall contain substantially the following clause: "This Contract does not become effective unless and until approved by the California Public Utilities Commission."

7.2 Customer Protest

A customer may protest an advice letter in which a Utility seeks approval of a Contract or other deviation for the purpose of providing service to that customer. Such protest, if it only concerns a rate or charge under the Contract or other deviation, may include a request for service pending disposition of the advice letter. Staff will approve the request for service unless, based either on another protest or Staff's own analysis, Staff finds that there is a substantial issue that should be resolved before service is provided; however, if Staff approves the request, Staff will require the customer, as a condition of such service, to deposit with the Commission the sum(s) of money in dispute pending disposition of the advice letter.

Industry Rule 8. Rate Change by Oil Pipeline (see Public Utilities Code Section 455.3)

The following procedures govern review and disposition of an advice letter requesting approval of a rate change by an oil pipeline already in Utility service. These procedures, to the extent they are inconsistent with the procedures otherwise provided by this General Order (see General Rules 7.5, 7.6.1; Industry Rules 5, 5.1), supersede the latter procedures.

8.1 Effective Date; Suspension

An oil pipeline shall submit its advice letter requesting approval of a rate change (see Industry Rule 2), and shall serve the advice letter on all affected shippers, at least 30 days in advance of the requested effective date. (See Industry Rule 3.) The rate change, on the later of the requested effective date or 30 days after the date of filing, may be made effective pending disposition of the advice letter; however, if a requested increase exceeds a maximum of 10 percent per 12-month period, only the portion of the rate increase not exceeding that maximum may be effective pending disposition.

Staff may suspend a rate change, including an increase up to and including the maximum, once only and for a period not to exceed 30 days from the date when the oil pipeline might otherwise put the rate change into effect; the suspended rate change may be made effective at the end of that suspension, even if disposition of the advice letter is still pending. The portion that exceeds the maximum shall become effective only as provided in Industry Rule 8.2.

8.2 Disposition

Only a rate change that is neither suspended by Staff nor protested, and only to the extent it is not an increase exceeding the maximum (see Industry Rule 8.1), will be deemed approved, and such deemed approval will occur 30 days after the date of filing. An advice letter that is suspended but not protested and that does not request a rate increase exceeding the maximum will be subject to disposition as provided in General Rule 7.6.1. An advice letter that either is protested or requests a rate increase exceeding the maximum will be disposed of by resolution.

Within 30 days after the date of disposition of the advice letter, the oil pipeline shall refund to all shippers, with interest computed at the three-month commercial paper rate published by the Federal Reserve Board and accruing from the date the new rate was first charged, any portion of the rate change that

is disapproved. For an advice letter that requests a rate increase exceeding the maximum, the disposition of the advice letter will determine the appropriateness of allowing retroactive charge and collection of an approved rate increase above the maximum.

Industry Rule 9. Compliance Filing by Load-Serving Entity (see Public Utilities Code Section 380)

A compliance filing by a Load-Serving Entity is not subject to protest but is otherwise subject to review and disposition under General Rules 7.5.1, 7.5.2, and 7.6.1.

(End of Appendix B)