

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-4085

June 21, 2007

R E S O L U T I O N

Resolution E-4085. San Diego Gas & Electric Company (SDG&E) proposes to add a special condition to electric Schedule A, General Service, to ensure that non-profit sports and recreation facilities may take continuous service for their outdoor lighting under Schedule A. SDG&E's proposal is approved with modifications.

By Advice Letter 1880-E filed on March 5, 2007.

SUMMARY

SDG&E's proposal to create an exception for non-profit outdoor sports and recreation facilities is approved, subject to future consideration of a cost-based tariff for these customers.

This Resolution grants SDG&E's request to serve the primarily outdoor lighting load of non-profit sports and recreation facilities on Schedule A - General Service under a new special condition as proposed. SDG&E shall also present testimony in its next rate design proceeding following its current 2008 phase 2 general rate case pending in Application (A.)07-01-047, to either propose a cost-based tariff for such customers or to explain why another alternative, including serving this load on Schedule A, is preferable.

BACKGROUND

Non-profit sports and recreation facilities are losing their eligibility for service on SDG&E's Rate Schedule A - General Service.

SDG&E recently observed that non-profit sports and recreation facilities, such as outdoor lighting for little-league ball fields, which have historically maintained service on Schedule A - General Service, are no longer meeting the twelve consecutive month usage requirement to remain on that schedule. As such, these customers are forced to take service under a higher-usage rate schedule with demand charges if the twelve-month limit is reached.

SDG&E's electric rate Schedule A - General Service, is SDG&E's standard tariff for commercial customers with a demand less than 20 kilowatts (kW). This schedule is not applicable to a customer whose maximum monthly demand equals or exceeds 20kW for twelve consecutive months.

SDG&E proposes to add a new special condition to Rate Schedule A - General Service to ensure that these non-profit sports and recreation facilities may continue to take service on Schedule A.

SDG&E believes that an exception should be made for non-profit customers such as these whose lighting usage may exceed the twelve month consecutive rule due to unusual events. "These customers should not be penalized for providing a beneficial community service, and therefore off-season maintenance or extended season community sporting events should not force these customers onto a different rate." (AL 1880-E at p. 1).

SDG&E filed AL 1880-E on March 5, 2007 to propose revisions to electric Schedule A, General Service, to ensure that non-profit sports and recreation facilities may take continuous service under Schedule A. SDG&E proposes to add a new special condition to Schedule A to allow a higher load limit for the outdoor lighting load of sports and recreation facilities where the customer is a California 501 (c) (3) non-profit organization. Absent the new special condition under Schedule A, these facilities would have to take service on SDG&E's Schedule AL-TOU, applicable to customers with demand in excess of 20kW. Schedule AL-TOU includes both demand and energy charges. Schedule A does not include demand charges.

NOTICE

Notice of AL 1880-E was made by publication in the Commission's Daily Calendar on March 9, 2007. SDG&E indicated that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

PROTESTS

No party protested Advice Letter 1880-E.

DISCUSSION

PG&E and SCE tariffs provide for service similar to the exception SDG&E proposes.

SDG&E states in its AL that Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) currently permit such facilities to take service on a schedule without demand charges, similar to SDG&E's proposal in AL 1880-E (at p. 1). The tariffs without demand charges that would apply to these customers in PG&E's and SCE's service territories do not contain the same load restriction and thus require no exception for applicability to these customers. PG&E's comparable tariff is rate Schedule A-1 and a customer can remain on the schedule as long as its demand remains below 200 kW. SCE's Schedule AL-2 is a tariff designed for outdoor lighting use for sports and recreational areas (e.g., little-league ball fields). Schedule AL-2, which applies to metered outdoor area lighting load that is controlled for dusk to dawn operation and used for purposes other than street and highway lighting, is a cost-based lighting tariff with an off-peak energy rate without the need for a more costly time-of-use meter and without a demand charge. Because load on this schedule must be controlled for dusk to dawn operation, a refrigerator within a snack bar, or other incidental load at the little-league ball field that operates other than dusk to dawn hours would not be eligible for Schedule AL-2.

PG&E and SCE both offer tariffs without demand charges for outdoor lighting load for sports and recreational areas (e.g., little-league ball fields). It is reasonable that SDG&E also be able to offer comparable service to similar customers in its service territory.

SDG&E's proposal to serve non-profit sports and recreation facilities on Schedule A under a special condition allowing an exception to the load limit has a negligible revenue impact.

In response to Energy Division's request, SDG&E provided an estimate of the cost impact of the exception proposed in AL 1880-E (data request response dated April 12, 2007). SDG&E expects that between 5-10 customers will be served under the proposed new special condition. Based on bill impact analyses for affected customers, the difference between Schedule A and the otherwise applicable tariff, Schedule AL-TOU, is likely to be between \$9,000 and \$10,000 per customer per year. Thus the expected total annual revenue impact ranges from \$45,000 to \$100,000. The upper limit of this range, \$100,000, is very small as compared to SDG&E's annual revenue requirement of about \$2 billion or more.

For its next rate design proceeding, SDG&E shall present testimony to either propose a cost-based tariff similar to SCE's Schedule AL-2 or to explain the reasons for not proposing such a tariff.

Ideally, the customers targeted for SDG&E's proposed special condition would be served on a cost-based tariff that reflects their characteristics. Although these customers' load is primarily lighting, SDG&E's lighting tariffs are for dusk to dawn unmetered service and are thus not appropriate for these customers. While SDG&E expects the majority of this usage will occur at night, this usage is not considered dusk-to-dawn, since these customers turn off their lighting at the conclusion of their operations, e.g., at the end of a game. Also, the affected accounts have some small ancillary load (such as snack bars), that does not qualify for unmetered service.

In SDG&E's next rate design proceeding, following its current rate design proceeding pending in A.07-01-047, SDG&E shall present testimony to address a cost-based tariff similar to SCE's Schedule AL-2. That is, SDG&E shall in that proceeding either 1) propose a cost-based tariff with no demand charge that would be appropriate for the customers subject to the new special condition addressed in this resolution, or 2) provide an analysis as to why such a new tariff would not be appropriate. If SDG&E believes, for example, that due to the small number of customers or for other reasons, service under the special condition we approve here is preferable to service on a new cost-based tariff schedule, then it may instead present testimony in that future proceeding explaining its reasons. In that future proceeding, SDG&E may also present another alternative(s) to address service for customers affected by the tariff revisions we approve today.

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. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, a draft of this resolution was issued for comments,

and placed on the Commission's agenda no earlier than 30 days from the date it was issued. No party submitted comments on the draft resolution.

FINDINGS

1. SDG&E filed Advice Letter (AL) 1880-E to add a new special condition to electric Schedule A - General Service, to ensure that non-profit sports and recreation facilities may continue to take service under this schedule.
2. SDG&E's current and effective electric rate Schedule A, General Service, is not applicable to a customer whose maximum monthly demand equals or exceeds 20kW for twelve consecutive months.
3. SDG&E recently observed that non-profit sports and recreation facilities, such as outdoor lighting for little-league ball fields, which have historically maintained service on Schedule A, are no longer meeting the usage requirement to remain on that schedule and are forced to take service under a schedule with demand charges.
4. In PG&E's and SCE's service territories, the customers for which SDG&E proposes an exception are served on rate schedules without demand charges.
5. In response to Energy Division's request, SDG&E estimated the cost impact of the exception proposed in AL 1880-E at between \$45,000 and \$100,000 per year. That amount is very small relative to SDG&E's total revenue requirements.
6. The new special condition for Schedule A as proposed by SDG&E in AL 1880 should be approved. SDG&E should address a separate cost based tariff schedule for the customers subject to that new special condition in its next rate design proceeding following its current rate design proceeding pending in A.07-01-047.
7. No party protested AL 1880-E.

THEREFORE IT IS ORDERED THAT:

1. The request of SDG&E in Advice Letter (AL) 1880-E to add a new special condition to electric Schedule A - General Service, to ensure that non-profit sports and recreation facilities may continue to take service under this schedule is approved, subject to the condition specified in the following Ordering Paragraph.

2. In its next rate design proceeding following that pending in A.07-01-047, SDG&E shall present testimony to either 1) propose a cost-based tariff similar to SCE's Schedule AL-2, that is, a cost-based tariff with no demand charge that would be appropriate for the customers subject to the tariff revisions we approve today, or 2) SDG&E shall present testimony with an analysis and explanation as to why service under the special condition we approve today, or another alternative(s), is preferable to service on a new cost-based schedule.

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 June 21, 2007; the following Commissioners voting favorably thereon:

Paul Clanon
Executive Director

MICHAEL R. PEEVEY
PRESIDENT
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners