

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 11, 2006

I. D. #5565  
RESOLUTION E-3982  
April 27, 2006

TO: PARTIES TO SAN DIEGO GAS AND ELECTRIC (SDG&E) ADVICE LETTER 1746-E AND PACIFIC GAS AND ELECTRIC (PG&E) ADVICE LETTERS 2727-E

Enclosed is draft Resolution Number E-3982 of the Energy Division. It is in response to Advice Letters 1746-E filed by SDG&E, and Advice Letter 2727-E filed by PG&E and will appear on the agenda at the next Commission meeting approximately 16 days after the date of this letter. The Commission may vote on this Resolution at that time or it may postpone a vote until a later meeting. When the Commission votes on a draft Resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

All comments on the draft Resolution are due by April 21, 2006. Comments shall be served on parties, as outlined below.

1) An original and two copies, along with a certificate of service to:

Jerry Royer  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

2) Parties to PG&E AL 2727-E and SDG&E AL 1746-E (attached)

3) All Commissioners

4) Michael Rosauer  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue

Resolution E-3982  
PG&E AL 2727-E  
SDG&E AL 1746-E  
San Francisco, CA 94102

April 27, 2006

Comments shall be limited to five pages in length plus a subject index listing the recommended changes to the draft Resolution, a table of authorities and an appendix setting forth the proposed findings and ordering paragraphs.

Comments shall focus on factual, legal or technical errors in the proposed draft Resolution. Late submitted comments or replies will not be considered.

Please contact Michael Rosauer of the Energy Division at 415-703-2579 if you have questions or need assistance.

Sincerely,

Bruce Kaneshiro  
Program and Project Supervisor  
Energy Division

Enclosure: Service List  
Certificate of Service

**CERTIFICATE OF SERVICE**

I certify that I have by electronic mail this day served a true copy of Draft Resolution E-3982 on all parties on the PG&E Advice Letter 2727-E and SDG&E Advice Letter 1746-E service lists or their attorneys as shown on the attached list.

Dated April 11, 2006 at San Francisco, California.

Michael Rosauer\_\_\_\_\_

**NOTICE**

Parties should notify the Energy Division, Public Utilities  
Commission, 505 Van Ness Avenue, Room 4002  
San Francisco, CA 94102, of any change of address to  
insure that they continue to receive documents. You  
must indicate the Resolution number on the service list  
on which your name appears.

*Parties to PG&E Advice Letter 2632-G 2664-E and SDG&E Advice Letter 1689-E/1524-G*

*Pacific Gas and Electric Company*

Attn: Brian K Cherry  
Director, Regulatory Relations  
77 Beal Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177  
FAX: (415) 973-7226  
Email: PGETariffs@pge.com

San Diego Gas & Electric Company  
Attn: Monica Wiggins  
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The Utility Reform Network  
Attn: Nina Suetake  
711 Van Ness Avenue Suite 350  
San Francisco, California 94102  
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**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**ENERGY DIVISION**

I. D. #5565

**RESOLUTION E-3982**

**April 27, 2006**

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

Resolution E-3982. This Resolution approves Pacific Gas and Electric's (PG&E) and San Diego Gas and Electric's (SDG&E) request to change their electric time-of-use (TOU) rate schedules as an alternative to full reprogramming of the existing TOU meter stock in response to calendar changes affecting Daylight Saving Time (DST) as contemplated under the U.S. Energy Policy Act of 2005.

By SDG&E Advice Letter (AL) 1746-E filed on November 17, 2005. And PG&E Advice Letter (AL) 2727-E filed on October 24, 2005

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**SUMMARY**

**PG&E and SDG&E are authorized to add new TOU tariff language redefining "Time Periods" under each current TOU schedule as a means of resolving meter issues resulting from expanded DST.** This resolution approves both SDG&E's and PG&E's ("utilities") request to modify their electric time-of-use (TOU) rate schedules as a result of calendar changes affecting Daylight Saving Time (DST), scheduled to take effect in March 2007, as adopted by the U.S. Energy Policy Act of 2005. As an alternative to full reprogramming of the existing TOU meter stock, SDG&E and PG&E are authorized to modify existing TOU period definitions as they relate to the period of time each spring and fall that are affected by the DST change. The new language would apply to all TOU rate schedules.

**Resolution approval is conditional upon Energy Division staff review of utility efforts to inform and educate customers in accordance with the effect the tariff change will have on customers' operations.**

This resolution grants SDG&E's and PG&E's request to change TOU rate schedules to modify existing TOU period definitions as they relate to DST changes provided:

1. The utilities' strategy to inform and, as necessary, educate customers of the effects of the tariff modifications are reported to Energy Division staff at least 120 days prior to the start of the extended DST period in March, 2007.

2. The utilities analyze the effect of tariff changes on customers within each TOU rate schedule to gain awareness of potential complications stemming from tariff changes for specific customers. For example, customer internal energy management systems may require adjustment or reprogramming to operate in accordance with the expanded DST definition. And, to the extent that individual customer rate groups have specific, identifiable education needs, the utilities' strategy for each rate group is detailed in the report to Energy Division staff.

## **BACKGROUND**

**The Energy Policy Act of 2005 ("Act") extends DST for a period of two to three weeks each spring and for a period of one week in the fall, beginning in March 2007. The utilities' existing TOU meters are not currently programmed to account for the impending DST change.**

PG&E and SDG&E provide electric service under TOU rate schedules to approximately 240,000 and 20,000 customers respectively. For both utilities, the vast majority of current TOU meters use internal electronic clocks programmed to determine how energy consumption will be recorded by TOU period. Adjusting clocks in all of the current meters to account for the DST change would require sending meter workers to each site for either re-programming the meter or replacing it with a meter that has been reprogrammed to account for the revised DST schedule. The cost for reprogramming is estimated to be \$38 million for PG&E and between \$2.9 and \$3.4 million for SDG&E. In addition, reprogramming efforts may divert resources from efforts to install advanced meters as part of the proposed Advanced Metering Infrastructure (AMI) project, currently before the Commission.

As an alternative to full reprogramming of the existing TOU meter stock, both utilities request that they be authorized to modify existing TOU period definitions to reflect the additional weeks in the spring and fall that have been added to DST. Currently, PG&E and SDG&E Residential Time-of-Use schedules under Special Condition "Seasonal Service" define seasonal service as:

"The summer season is May 1 through October 31 and the winter season is November 1 through April 30".

Now, to reflect those additional DST weeks, the utilities propose the following language be added to the Special Condition defining "Seasonal Service" under each current TOU rate schedule:

"The time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April, and for the period between the last Sunday in October and the first Sunday in November."

This change affects only the two to three weeks during early spring and late fall where the newly-expanded DST calendar differs from the current DST calendar programmed in the meters.

## **NOTICE**

Notice of PG&E AL 2727-E and SDG&E AL 1746-E was made by publication in the Commission's Daily Calendar. PG&E and SDG&E states that a copy of their AL was mailed and distributed in accordance with Section III-G of General Order 96-A.

## **PROTESTS**

PG&E's Advice Letter 2727-E and SDG&E Advice Letter 1746-E were not protested.

## **DISCUSSION**

**Energy Division recommends granting SDG&E's and PG&E's request to change their electric TOU rate schedules as an alternative to reprogramming the internal clocks within each TOU meter.**

Energy Division has carefully reviewed the Advice Letters submitted by PG&E and SDG&E and concludes that the utilities' request to modify their existing TOU period definitions is the most reasonable approach to dealing with the 1 hour time differential affecting TOU meter clocks as a result of extended DST. PG&E anticipates that full reprogramming and re-installation of the existing TOU meter stock would cost approximately \$38 million, and SDG&E estimates their costs at \$2.9 to \$3.4 million (approximately \$160 and \$170 per meter, respectively).

**Energy Division also recommends that as a condition of approval the utilities should educate affected customers about the proposed change.**

While Energy Division staff concludes that redefining the TOU period definitions to correspond to expanded DST is the most appropriate solution, staff is concerned that without a thorough information or education effort by the utilities, some TOU customers will remain unaware of the modified TOU period definitions and will continue to consume according to the current period definitions to which they have become accustomed. For example, some customers may need to make adjustments to internal systems controls or energy management systems to conform to the modified TOU definitions. Moreover, even with a thorough, well-planned and well-executed information campaign, the relatively large numbers of customers involved makes it possible that some customers may fail to understand that time period definitional changes are in effect. Nevertheless, staff believes that a timely, effective, and if necessary, tailored information campaign is the most appropriate solution to the time differential problem.

Given the concerns expressed above, Energy Division staff believes it is appropriate to provide review of proposed utility information/education strategies and outreach plans. Therefore, staff recommends that the utilities be ordered to provide finalized versions of the informational strategy and draft end-use informational materials no later than 120 days prior to the start of expanded DST in March, 2007. Energy Division staff shall have final approval authority over the informational strategy and the final information materials. If the utilities believe that additional lead-time is necessary, they should notify Energy Division staff accordingly. Additionally, staff requests that the utilities analyze each customer group served under a specific rate schedule to identify any unique customer attributes that may enable the utilities to tailor their informational outreach efforts in the most effective manner.

**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) (3) provides that this 30-day period may be reduced or waived pursuant to Commission adopted rule.

All parties in the proceeding have stipulated to reduce the 30-day waiting period required by PU Code section 311(g)(1) to 10 days. Accordingly, this matter will be placed on the first Commission's agenda 10 days following the mailing of this draft



resolution. By stipulation of all parties, comments shall be filed no later than 10 days following the mailing of this draft resolution.

**FINDINGS**

1. On October 24, 2005 PG&E filed Advice Letter 2727-E requesting approval of changes to its electric TOU rate schedules as a result of expanded DST contemplated under the Federal Energy Policy Act of 2005. On November 17, 2005 SDG&E filed Advice Letter 1746-E requesting the same approval.
2. Energy Division has reviewed the PG&E and SDG&E Advice Letters and recommends approving the utilities' requested changes to the electric TOU schedules as an effective alternative to reprogramming of the TOU meter stock.
3. The utilities should provide information plans and draft informational materials to Energy Division staff a minimum of 120 days in advance of the start of extended DST beginning in March, 2007. Energy Division staff shall have final approval authority over the informational strategy and the final information materials.

**THEREFORE IT IS ORDERED THAT:**

1. PG&E and SDG&E are authorized to change their electric TOU rate schedule period definitions as they relate to the periods of time each spring and fall that are affected by the expanded DST contemplated under the Energy Policy Act of 2005.
2. PG&E and SDG&E provide Energy Division staff, a minimum of 120 days in advance of the beginning of extended DST in March, 2007, with plans to inform or educate customers of the changes to the TOU schedules, including all materials the utilities intend to distribute or provide to customers for that purpose.

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 27, 2006; the following Commissioners voting favorably thereon:

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STEVE LARSON  
Executive Director