

Decision 02-05-010 May 2, 2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to Determine
Whether Baseline Allowances for Residential
Usage of Gas and Electricity Should Be Revised.

Rulemaking 01-05-047
(Filed May 24, 2001)

O P I N I O N

This decision grants San Diego Gas and Electric Company's (SDG&E) Motion and Petition, described herein, as requested.

On April 19, 2002, SDG&E filed a Motion for an Order authorizing a modified climate zone plan, Petition for Modification of Decision (D.) 02-04-026, and request for expedited consideration. In D.02-04-026 the Commission approved new baseline quantities for SDG&E and other utilities. The Commission reserved for Phase 2 of the proceeding the issue of changes to climate zones. SDG&E's Motion and Petition would result in a division of its Climate Zone 1 into two zones, a coastal zone and an inland zone, ahead of the currently contemplated schedule.

SDG&E tendered a climate zone proposal in Phase 1 of this proceeding that would divide its Climate Zone 1, where approximately 99% of its residential customers are, into two zones. The residential customers in the proposed Inland zone consume greater amounts of electricity on average than do residential consumers in the proposed Coastal zone (as well as the current combined Climate Zone 1). The line between the proposed zones was proposed to follow the California Energy Commission (CEC) Zone 7 climate zone boundary, but no

specific delineations were set forth to show on which side individual residences would lie. Because the matter was put over to Phase 2 of the proceeding, SDG&E was not prepared to implement its proposal for the summer of 2002, as explained in its April 5, 2002 comments. However, SDG&E now submits a simplified proposal that it states can be implemented in summer 2002.

SDG&E's April 19 proposal would not follow the CEC Zone 7 boundary line, as this line divides neighborhoods and does not follow any natural or important man-made boundaries (e.g., freeways). Because of these complications, designing and implementing the changes would take considerable time as SDG&E would need to redesign the boundary to follow a more appropriate path. Instead, SDG&E now proposes to follow the CEC Zone 7 path from the northern end of its territory down to the Intersection of I-15 and Poway Road, then I-15 south to the merger of I-15 and I-805, and then I-805 south to the Mexican border. SDG&E explains that the northern section can use the CEC Zone 7 path because it does not pass through populated areas. SDG&E states that this delineation can be achieved in time for this summer.

As with its earlier proposal, average usage in the Inland zone would exceed average usage in the Coastal zone. The ensuing climate zones would thus have different baseline quantities. Per D.02-04-026, the current SDG&E climate zone 1 would have baseline quantities increase to 309 kwh / month on June 1, 2002. SDG&E proposes to keep the quantities for all current zone 1 customers at 309 kwh / month for the month of June, and then increase the quantities for the new Inland climate zone up to 359 kwh / month (the highest level allowed by statute) on July 1, 2002. Consistent with D.02-04-026, customers in the new Coastal climate zone would not see a corresponding decrease in baseline quantities in July 2002.

In order to allow this plan to go into effect, SDG&E requests a modification of D.02-04-026, as that decision requires all new SDG&E baseline quantities to be in effect as of June 1, 2002, in order to minimize billing changes and confusion for the Coastal zone customers, as these customers could experience both increases and decreases in their baseline quantities over a short period of time.

SDG&E requested an expedited review process in order to allow the Commission to act in May, 2002. The request was granted by ALJ Ruling on April 23, with comments being due on April 29.

No party filed comments on SDG&E's Motion and Petition.

We find SDG&E's proposal to be reasonable, as it appropriately grants higher baseline quantities to customers with higher average usage. The Motion and Petition are granted

Findings of Fact

1. In Phase 1 of this proceeding, SDG&E proposed to divide its current Climate Zone 1 into two climate zones. SDG&E has revised its proposal.
2. Residential customers in the proposed Inland zone use more electricity on average than those in the proposed Coastal zone.
3. SDG&E's proposed modification of its earlier proposal to use the CEC Zone 7 boundary provides a different, but still reasonable, boundary that can be implemented sooner.

Conclusion of Law

SDG&E's Motion for an Order authorizing a modified climate zone plan and Petition for Modification of Decision (D.) 02-04-026 is reasonable and should be approved.

O R D E R

IT IS ORDERED that San Diego Gas & Electric Company's Motion for an Order authorizing a modified climate zone plan and Petition for Modification of Decision 02-04-026 are approved.

This order is effective today.

Dated May 2, 2002, at San Francisco, California.

LORETTA M. LYNCH

President

HENRY M. DUQUE

CARL W. WOOD

GEOFFREY F. BROWN

MICHAEL R. PEEVEY

Commissioners