

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company  
To Revise Its Electric Marginal Costs, Revenue  
Allocation, and Rate Design.

(U 39 M)

Application 04-06-024  
(Filed June 17, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING  
ON PG&E'S MOTION FOR EXPEDITED RECONSIDERATION  
REGARDING ADDITION OF ISSUE 3.17 (BILLING ISSUE)**

The March 3, 2005 motion of Pacific Gas and Electric Company (PG&E) for expedited reconsideration of the ruling on the motion of the Western Manufacturing Housing Communities Association (WMA) to add two issues is granted.

**1. Background**

On February 15, 2005, WMA moved to add two issues. On February 17, 2005, PG&E responded in opposition to WMA's motion. On February 23, 2005, WMA filed a reply. By ruling dated February 28, 2005, WMA's motion was denied with regard to the first issue (conversion) and granted with regard to the second issue (billing). As a result, Issue 3.17 was added to the list of issues.

On March 3, 2005, PG&E filed a motion for expedited reconsideration of the February 28, 2005 ruling. PG&E asks that the ruling be reversed in its granting of the WMA motion with respect to the billing issue. No responses were filed.

## 2. Discussion

Among the reasons stated in the February 28, 2005 ruling for adding the billing issue was: “Unlike the conversion issue, the billing issue does not appear to involve complex factual, policy and legal issues.” (Ruling at page 6.) PG&E now persuasively shows that this is incorrect.

The analysis ordered by the Commission involves billing calculation services to be performed by PG&E for mobile home park (MHP) owners. One option is that the MHP owner reads each tenant’s gas and/or electric meter and sends the data to PG&E. There may also be other options. Additionally, the service might include PG&E printing bills for the MHP owner.

(Decision 04-11-033, mimeo., pages 30-31 and Ordering Paragraph 12.)

Bill calculation and printing (if offered) will be a new service outside of PG&E’s normal billing practice. The processes and procedures for this new service must be developed, including protocols for data transfer. Related issues may need to be identified and addressed (e.g., treatment of common area use at the MHP). The Commission order requires that PG&E analyze the specific costs, benefits and feasibility of this unique service, however, not average billing services or billing services in general.

Moreover, on further consideration it becomes apparent that many variables will likely drive the costs, benefits and feasibility of this service. Costs and benefits, for example, will probably depend upon economies of scale, and this will be a function of the number of MHP owners who utilize this service. Similarly, feasibility may depend upon the penetration of the service. As a result, this could be a relatively complex analysis.

Also stated in support of adding the issue was: “the billing issue should be revenue neutral.” (Ruling at page 6.) PG&E now more carefully and

thoroughly explains how this new service will involve a change in PG&E's revenue requirement. This is the case even if the costs are fully charged to MHP owners since it involves a specific new service not currently offered. While the billing issue could be considered here, it is unreasonable to do so given that the revenue requirement for this new service must be determined first, and the revenue requirement for this proceeding has been predetermined, or will be updated based on results from other proceedings. Also, determining the revenue requirement for this new service may well be complex and contentious, and is best done in the context of other revenue requirement issues.

Another reason in support of adding the billing issue was: "it appears that there is time to consider the issue here." (Ruling at page 6.) PG&E states that it is in the process of developing the required analysis for its 2007 general rate case (GRC) application. PG&E clarifies that the study should be ready in August 2005 for its Notice of Intent regarding its 2007 GRC, but now specifically states that PG&E is not prepared to make that showing in this proceeding by March 21, 2005. Because more complex issues are involved than initially thought, it is reasonable to conclude that more than three weeks are required to complete an acceptable analysis.

Finally, the billing issue, as added, was limited to electricity only. Within a few months, however, PG&E will have an analysis that includes both gas and electricity. One unified study presents advantages to PG&E, parties and the Commission. For example, one study rather than two should be more efficient for PG&E to prepare, and for parties and the Commission to assess, including considering the effects, if any, of a range of variables and economies of scale.

Therefore, parties and the Commission will benefit from a more complete and thorough development of this relatively complex and unique issue on a

unified basis regarding both gas and electric service. It is best to do this when considering other revenue requirement issues. PG&E is in the process of preparing the required analysis. On balance, it is better to let that process be completed as contemplated over the course of the next few months rather than rushing the completion of an electricity only study now.

**IT IS RULED** that the March 3, 2005 motion of Pacific Gas and Electric Company for expedited reconsideration of the February 28, 2005 ruling on the motion of the Western Manufacturing Housing Communities Association to add two issues is granted. Issue 3.17 is removed from the list of issues for consideration in this proceeding. The revised schedule reflecting this change is attached.

Dated March 10, 2005, at San Francisco, California.

/s/ BURTON W. MATTSON

Burton W. Mattson  
Administrative Law Judge

**ATTACHMENT****REVISED SCHEDULE  
(March 10, 2005)  
A.04-06-024**

<b>Item or Event</b>	<b>Date</b>
Intervenors serve proposed direct testimony [a]	3/7/05
Last day, absent good cause, to file motion to revise scope or issues	3/7/05 [r]
Parties serve proposed rebuttal testimony	4/26/05
Parties file and serve Statement of Position and PHC Statements	5/12/05
PHC-2 at 10:00 a.m.	5/17/05
Evidentiary Hearing begins	5/23/05
Evidentiary Hearing ends	6/10/05
Comparison exhibit filed and served (e.g., 7 days after end of hearing)	6/17/05
Concurrent opening briefs filed and served (e.g., 28 days after end of hearing)	7/8/05
Concurrent reply briefs filed and served (e.g., 21 days after opening briefs)	7/29/05
Projected submission date (e.g., upon receipt of reply briefs)	7/29/05
Proposed decision (PD) filed and served (e.g., 90 days after submission)	10/27/05
Motions for Final Oral Argument (FOA—20 days after PD)	11/16/05
Comments on PD (20 days after PD filed)	11/16/05
Replies to motions for FOA (2 days after motions)	11/18/05
Reply Comments on PD (5 days after comments)	11/21/05
FOA	11/28/05
Commission decision adopted and mailed	12/1/05
Advice Letters filed and served (e.g., 5 days after mailing)	12/6/05
Rates effective	1/1/06

[a] Using same basic data as used by applicant in its application, and the Office of Ratepayer Advocates (ORA) in its proposed direct testimony.

[r] Revised date.

**(END OF ATTACHMENT)**

