

June 7, 2000

ADVICE 2008-E

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (the Company) hereby submits for filing revisions to its electric tariff sheets. The affected tariff sheets are listed on the enclosed Attachment I.

The purpose of this filing is to revise electric rate Schedules E-19—*Medium General Demand-Metered Time-of-Use Service* and E-20—*Service to Customers With Maximum Demands of 1,000 Kilowatts or More*, in order to allow those Direct Access customers who are participating in the Nonfirm Service Program to bid their nonfirm loads into the California Independent System Operator's (ISO's) new ancillary services markets. Load participation in the ancillary services market is one of several new programs under development by the ISO, with support from the California Power Exchange (PX) and the major California electric utilities, in anticipation of potential Summer 2000 and 2001 supply-demand imbalances.

Currently, Nonfirm Service Program participants are currently prohibited from participating in the ancillary services market. However, it is this group of large commercial and industrial customers who are most likely able to contribute substantive blocks of load to that market. With appropriate safeguards to prevent "double-dipping," the Company and the ISO believe that Nonfirm Service customer participation will be critical in fostering the development of a robust demand-side market for ancillary services.

Nonfirm Service Program participants already receive the benefit of significantly lower rates under Schedules E-19 and E-20 in exchange for their willingness to be curtailed or interrupted. Therefore, either these customers' electric bills for any affected billing periods or their payments from the ISO should be adjusted to prevent any double payment for simultaneous load reductions in both the ancillary services market and as occur during Nonfirm Program load management operations. The ISO will play a pivotal role in providing information to ensure that double payment is avoided. Billing or payment adjustments would be made when a customer has been required to curtail or interrupt its nonfirm load pursuant to the Company's Nonfirm Service Program during any period of time when the customer's nonfirm load has also been accepted into the ISO's ancillary services market.

Although it would be preferred to offer this program to Bundled Service customers as well as Direct Access customers, a variety of reasons preclude the Company from doing so at this time. The ancillary services market is subject to the ISO identifying and finalizing all necessary requirements for participating scheduling coordinators, the PX, and PG&E to perform the notification, scheduling and settlement activities consistent with the ISO's tariff requirements. It would not be prudent for the Company to expand the program to Bundled Service customers while the necessary requirements and implementation steps

have not yet established. Although Bundled Service customers may be precluded initially from ISO program participation, PG&E anticipates that these customers will later be able to take part in these programs as the market protocols continue to develop. Until that time, those customers have the separate opportunity to contribute new load relief under the price-responsive load program (Schedule E-BID) authorized by the Commission's recent approval of the Advice 1934-E-A.

This filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other rate schedule or rule.

PG&E requests that this filing become effective on **July 17, 2000**, which is 40 days after the date of filing.

Anyone wishing to protest this filing may do so by sending a letter within 20 days after the date of this filing. Protest should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
Facsimile: (415) 703-2200

Copies shall also be mailed to the attention of the Director, Energy Division (address above), and Les Guliasi, Regulatory Relations Manager, P.O. Box 770000, Mail Code B10C, San Francisco, CA 94177, Facsimile: (415) 973-7451. The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on whom may file a protest.

In accordance with Section III, Paragraph G, of General Order 96-A, PG&E is mailing copies of this advice to the utilities and interested parties shown on the attached list. Address change requests should be directed to Nelia Avendano at (415) 973-3529.

Vice President – Regulatory Relations

cc: California Independent System Operator
California Power Exchange
Electricity Oversight Board

Attachments



COMMERCIAL/INDUSTRIAL/GENERAL
SCHEDULE E-19—MEDIUM GENERAL DEMAND-METERED TIME-OF-USE SERVICE
(Continued)

11. NON-FIRM SERVICE PROGRAM: (Cont'd.)

k. PROVISIONS SPECIFIC TO UFR PROGRAM:

1) **Details on Automatic Interruptions:** If a customer is participating in the UFR program, service to the customer will be automatically interrupted if the frequency on the PG&E system drops to 59.65 hertz for 20 cycles. PG&E will install and maintain a digital underfrequency relay and whatever associated equipment it believes is necessary to carry out such automatic interruption. Relays and other equipment will remain the property of PG&E. If more than one relay is required, PG&E will provide the additional relays as "special facilities," at customer's expense, in accordance with Section I of Rule 2.

In addition to the underfrequency relay, PG&E may install equipment that would automatically interrupt service in case of voltage reductions or other operating conditions.

2) **Metering Requirements for UFR Program:** If a customer is participating in the UFR program under Schedule E-19 in combination with firm or curtailable-only service, the customer will be required to have a separate meter for the UFR service. PG&E will provide the meter sets, but the customer will be responsible for arranging customer's wiring in such a way that the service for each account can be provided and metered at a single point. NOTE: Any other additional facilities required for a combination of curtailable with firm service will be treated as "special facilities" in accordance with Section I of Rule 2.

3) **Communication Channel for UFR Service:** UFR program customers are required to provide an exclusive communication channel from the PG&E-provided terminal block at the customer's facility to a PG&E-designated control center. The communication channel must meet PG&E's specifications, and must be provided at the customer's expense. PG&E shall have the right to inspect the communication circuit upon reasonable notice.

I. **ISO ANCILLARY SERVICES:** Direct Access Non-firm service customers shall be permitted to bid their non-firm load into the ISO as an ancillary service. However, should the customer be required to curtail or interrupt its non-firm load pursuant to PG&E's non-firm service program during the period when the customer's non-firm load has also been accepted into the ISO's ancillary services market, then the customer's electric bill for the affected billing period or payment by the ISO shall be adjusted to prevent any double payment for such non-firm load.

(N)

(N)

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