

May 29, 2001

**Advice 2121-E**

(Pacific Gas and Electric Company ID U 39 E

Public Utilities Commission of the State of California

**Subject: Revisions to Electric Rate Schedule E-OBMC**

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its electric tariffs. The affected tariff sheets are listed in Attachment I, which is enclosed.

PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

**Purpose**

The purpose of this filing is to submit revised Schedule E-OBMC—*Optional Binding Mandatory Curtailment* (OBMC) and the “*Agreement for Schedule E-OBMC*” (Form 79-966). This filing is made in compliance with Decision (D.) 01-05-090 issued May 24, 2001. Effective May 24, 2001, D. 01-05-090 modifies D.01-04-006 by permitting customers on Schedule E-OBMC to participate in other utility-operated capacity interruptible programs as long as those programs require the reduction of the customer’s load to a pre-established firm service level (FSL).

**Background**

Acceptable interruptible programs include, but are not limited to, Schedules E-BIP—Basic Interruptible Program, and Schedule E-20 non-firm service. If a customer participates in one or both of the interruptible load programs and OBMC, then the required OBMC reduction shall be applied to the customer’s FSL. Only load reductions below the customer’s interruptible FSL count toward OBMC

compliance.

Though the OBMC participants also may participate in the Schedule E-VDRP-- Voluntary Demand Reduction Plan), they shall not be paid for any load reductions occurring during an OBMC call. OBMC participants also shall not participate in the California Independent System Operator's (CAISO) demand response program (DRP) or in a utility program that aggregates load for the CAISO's DRP.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **June 18, 2001**, which is 20 days of the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

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

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company  
Attention: Les Guliasi  
Director, Regulatory Relations  
77 Beale Street, Mailcode B10C  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-7226

### **Effective Date**

In accordance with D.01-04-006 and D.01-05-090, PG&E requests that this advice filing become effective **May 24, 2001**.

**Notice**

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and to the service list for Rulemaking (R.) 00-10-002. Address change requests should be directed to Nelía Avendano at (415) 973-3529.

Vice President - Regulatory Relations

Attachments

cc: Service List – R. 00-10-002



SCHEDULE E-OBMC—OPTIONAL BINDING MANDATORY CURTAILMENT PLAN

**APPLICABILITY:** An Optional Binding Mandatory Curtailment (OBMC) Plan may be an alternative to a rotating outage (RO) for certain customers. Under an OBMC Plan, PG&E may authorize a customer to reduce their demand to an agreed upon level in lieu of being included in PG&E's rotating outage (RO) block progression. This schedule is open to all PG&E customers who can meet the eligibility requirements. An eligible customer should submit its OBMC Plan to PG&E for review and acceptance. If the plan is approved by PG&E, PG&E will send such approval to the customer in writing. The written approval letter will specify the effective start date of the plan.

**PROGRAM OPERATIONS:** PG&E shall require a customer to operate its OBMC Plan upon each and every notice from the California Independent System Operator (CAISO) that a firm load curtailment is required within the PG&E service territory. Additionally, PG&E reserves the right to require a customer to operate its OBMC Plan when PG&E or the ISO has initiated or is planning to initiate firm load curtailments in a local geographic area within the PG&E service territory. OBMC Plan curtailments shall be required concurrent with each and every firm load curtailment.

Upon notification from PG&E of an OBMC curtailment, OBMC customers must immediately commence implementation of the load curtailment measures contained in their load reduction plan. Upon notice from PG&E, OBMC customers are required to reduce their load such that the load on their circuit or dedicated substation is at or below the Maximum Load Level (MLL) corresponding to the percent load reduction communicated in the notice.

The MLLs correspond to a reduction in a circuit's loading of between five (5) and fifteen (15) percent in five (5) percent increments. The CAISO may call for load reductions on a required MW level, but PG&E will require the OBMC customers to reduce their load to the next highest five (5) percent increment. For each operation, PG&E will notify the customer of the required percent reduction, along with the start and end times for the OBMC operation. PG&E may extend the end time or increase the percentage reduction of any ongoing OBMC operation as necessary to correspond with CAISO directives.

Maximum Load Levels (MLLs) shall be established by PG&E for the circuit or dedicated substation, which correspond to each of the 5, 10, and 15 percent load reduction levels. The following MLL calculation methodology shall apply a) for customers not participating in a capacity interruptible program, b) customers participating in a capacity interruptible program where the customer's baseline is less than the customer's capacity interruptible program firm service level (FSL), and c) customers participating in a capacity interruptible program where the customer has met their annual curtailment obligation. The MLL for the 5 percent load reduction is equal to the product of the baseline times 0.95. The MLL for the 10 percent load reduction is equal to the product of the baseline times 0.90. The MLL for the 15 percent load reduction is equal to the product of the baseline times 0.85.

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SCHEDULE E-OBMC—OPTIONAL BINDING MANDATORY CURTAILMENT PLAN  
(Continued)

PROGRAM OPERATIONS:  
(Cont'd.)

The customer may not receive advance notice from PG&E of such a RO. Additionally, an OBMC Plan is applicable to only electrical emergencies requiring a rotating outage, and it does not prevent a customer from being subject to outages caused by other load shedding schemes. All customers involved in a particular OBMC Plan must be served from the same circuit unless expressly agreed to by PG&E.

A single OBMC Plan shall be required for a group of customers on a particular circuit that are undertaking the load reductions. For a group of customers, one of the customers shall be the lead customer for the OBMC. This lead customer shall be the signing party of the OBMC Agreement and shall guarantee the load reductions and pay for all non-compliance penalties. This lead customer is responsible to work and coordinate with the other non-lead customers on its circuit. For a group of customers, the lead customer is representing the non-lead customers.

If requested by any one customer on a circuit, PG&E shall facilitate communication on establishing an OBMC Plan between all customers on the circuit.

Customers are required to update their OBMC Plans by March 15 of each year, and confirm with PG&E any changes to the previous year's version. An OBMC Plan may become invalid over time because of circuit rearrangements or load additions, which make the MLL unachievable. Customers, therefore, are not guaranteed of being able to participate in this option from year to year.

ELIGIBILITY REQUIREMENTS:

Bundled service and direct access service customers are eligible to file an OBMC Plan provided the customer can demonstrate to PG&E's satisfaction the following items:

1. The customer must be able to reduce its electric load such that the entire load on the PG&E circuit or dedicated substation that provides service to the customer is reduced to or below MLLs for the entire duration of each and every RO operation.
2. For the purpose of evaluating the ability of an OBMC plan to achieve a reduction in circuit load of fifteen (15) percent, the prior year average monthly peak circuit or dedicated substation demand, adjusted for major changes in facilities that resulted in permanent circuit load changes, will be used. Customers desiring adjustment to the prior year demands must submit a declaration signed and stamped by a California registered professional engineer attesting to the facility changes, providing detail of the source of kilowatt load changes, and the total permanent change in maximum demand. PG&E will, at the customer's expense, have the facility changes verified by an independent California registered professional engineer, unless otherwise waived by PG&E.
3. Customers must also be able to achieve a minimum of a 15% circuit load reduction from the established baseline upon notice to curtail. Customers submitting a declaration under Section 2 above for a reduction in prior year average monthly peak circuit or dedicated substation demand must be able to achieve a minimum of a 10% circuit load reduction from the established baseline upon notice to curtail.
4. Customers participating in an OBMC plan may participate in a PG&E capacity interruptible program provided the program requires the reduction of load to a pre-established firm service level. Customers participating in a voluntary demand relief program shall not be paid for load reduction during OBMC operations.
5. The customer must sign the Agreement For Optional Binding Mandatory Curtailment Plan (Form No. 79-966) whereby the customer agrees to all terms and conditions set forth in this tariff and in said Agreement.

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**Pacific Gas and Electric Company**

*San Francisco, California*

Revised  
Cancelling  
18057-E

Cal. P.U.C. Sheet No. 18287-E  
Original Cal. P.U.C. Sheet No.

(Continued)

Advice Letter No. 2121-E  
Decision No. 01-04-006,01-05-090

Issued by  
**DeAnn Hapner**  
Vice President  
Regulatory Relations

Date Filed May 29, 2001  
Effective May 24, 2001  
Resolution No. \_\_\_\_\_

44542



SCHEDULE E-OBMC—OPTIONAL BINDING MANDATORY CURTAILMENT PLAN  
(Continued)

PLAN  
COMPONENTS:

Every OBMC Plan shall have the following components:

1. Name of lead customer including PG&E account number, electric rate schedule, service address, mailing address, and contact information including alphanumeric pager and facsimile numbers and e-mail address.
2. List of all non-lead customers including PG&E account number, service address, mailing address, and contact information.
3. The lead customer shall be the primary contact for the OBMC Plan. The customer shall furnish and maintain internet access, an e-mail address, alphanumeric pager and facsimile machine as required for customer notification. The primary contact shall be responsible for contacting all non-lead customers.
4. As an attachment the OBMC Plan shall include any and all agreements that are made between the lead customer and the non-lead customers.
5. A financial plan that clearly demonstrates that any and all non-compliance penalties associated with the OBMC plan will be secured by the lead customer and/or the non-lead customers.
6. A load reduction plan that shall indicate the specific quantifiable measures to be utilized by the customer(s) to reduce load to or below each MLL. The load reduction plan must include the load reduction measures to be utilized during different time periods of the year to achieve the required load reductions when seasonal load profile changes occur. The customer is responsible for preparing and maintaining the load reduction plan.
7. Identification of the measuring equipment and means to verify that during the entire duration of the OBMC operation that the load on the circuit or dedicated substation has been reduced to or below the applicable MLL that corresponds the required percent load reduction. This measuring equipment is further specified below.

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SCHEDULE E-OBMC—OPTIONAL BINDING MANDATORY CURTAILMENT PLAN  
(Continued)

**MEASURING EQUIPMENT:**

Where the OBMC customer is on a dedicated circuit or dedicated substation, compliance shall be determined from a telephone accessible electric revenue interval meter. Direct Access customers are required to allow PG&E telephone access to its electric revenue meter for the purposes of determining OBMC operation compliance. Where the existing meter is non-interval or is not compatible with PG&E's current telephone based meter reading systems, the customer is required to pay for the installation of an interval meter or other required equipment. For bundled service customers, or direct access customers who elect to have PG&E install the equipment, Electric Rule 2 shall apply. Where a meter is not currently being read via telephone, the customer shall coordinate and pay for the installation, and pay all ongoing costs of such necessary telephone equipment and service. The OBMC Plan shall not be approved by PG&E until such metering has been installed and the data is able to be collected via telephone or until PG&E is able to access the customer-owned meter.

Where the OBMC customer is not on a dedicated circuit or if the OBMC Plan includes a group of customers, compliance for the circuit shall be determined from electronic recording equipment located in the PG&E substation. Where the circuit does not have electronic recording equipment to monitor its loads, the customer shall pay for the installation of the equipment as Special Facilities pursuant to Electric Rule 2. The OBMC Plan shall not be approved by PG&E until such electronic recording equipment has been installed and is operational.

**PENALTIES:**

Failure to meet the load relief criteria established by an OBMC Plan shall result in a non-compliance penalty for the OBMC customers. The non-compliance penalty shall be equal to \$6.00 per KWH times the average total load on the applicable circuit less the required MLL, as measured during each hour of the RO. Failure to pay these penalties may result in termination of electric service pursuant to Electric Rule 11.

PG&E will, without liability, terminate any OBMC Plan immediately for failure to reduce circuit load levels to within five (5) percent of the MLL for the entire duration of the RO for a second time during a twelve (12) month period. Such termination shall occur if the customer(s) bound by an OBMC Plan have not met or are unable to meet the load relief criteria specified therein. Customers terminated for non-compliance shall not be permitted to participate in an OBMC plan for a period of five (5) years from the date of termination.

Failure to maintain creditworthiness during the duration of the OBMC plan may result in immediate termination of the OBMC Plan.

**TERM:**

An OBMC Agreement has an initial term of one (1) year but may be extended from year to year, after operational review, with the written approval of PG&E. The annual term shall commence upon the date effective start date specified in the PG&E approval letter.

Except as specified above, the customer or PG&E may terminate the OBMC Plan upon thirty (30) days written notice prior to the end of an annual term. If a customer terminates the OBMC Plan, the customer shall not be party to a subsequent OBMC Plan for a period of at least twelve (12) months.

Upon termination, regardless of the cause, the circuit will be assigned a Rotating Outage Block (ROB) and that the ROB may or may not be the same as when the OBMC Plan was initiated.



**Pacific Gas and Electric Company**  
San Francisco, California

Canceling

Revised  
Original

Cal. P.U.C. Sheet No.  
Cal. P.U.C. Sheet No.

18289-E  
18059-E

PACIFIC GAS AND ELECTRIC COMPANY  
AGREEMENT FOR SCHEDULE E-OBMC  
FORM NO. 79-966 (5/01)  
(ATTACHED)

(T)

Advice Letter No. 2121-E  
Decision No. 01-04-006,01-05-090

Issued by  
**DeAnn Hapner**  
Vice President  
Regulatory Relations

Date Filed May 29, 2001  
Effective May 24, 2001  
Resolution No. \_\_\_\_\_

44546



TABLE OF CONTENTS—SAMPLE FORMS  
(Continued)

FORM NO.	DATE SHOWN ON FORM	AGREEMENT/CONTRACT TITLE	CPUC SHEET NO.
<b>MISCELLANEOUS</b>			
62-0562	11/97	Gas and Electric Facilities Transfer Agreement.....	14806-E
62-0579	8/93	Construction Change Order .....	13299-E
62-0580	8/93	Engineering Change Order .....	13300-E
62-4501		Absolving Service Agreement.....	3190-E
62-4527	1/91	Agreement to Perform Tariff Schedule Related Work.....	11598-E
62-4778	12/89	Cancellation of Contract.....	11047-E
----		Electric Service Contract—Central Camp, Madera County, CA.....	3157-E
----		Agreement for Extending Electric Line and Supplying Electric Service Under Guarantee of Operations for Central Camp, Madera County, CA.....	3158-E
79-847	11/95	Transmission Load Operating Agreement.....	13863-E
79-848	11/95	Generation Operating Agreement.....	13864-E
79-861	9/96	Electric Data Interchange Trading Partner Agreement.....	14148-E
79-862	12/96	Interim Competition Transition Charge Agreement.....	14233-E
79-865	REV 1/99	Electric and Gas Monitoring Meter Pulse Agreement.....	16192-E
79-936	9/90	Deed of Conveyance .....	11566-E
79-937	8/90	Assignment Agreement.....	11567-E
79-954	12/97	Departing Load Competition Transition Charge Agreement .....	14974-E
79-955	12/97	Amendment to Pacific Gas and Electric Company's Departing Load Competition Transition Charge Agreement for Subsequently Obtained CTC Exemption .....	14975-E
79-957	10/98	Electric Distribution Service Line Lease Agreement.....	16074-E
79-959	1/99	Meter Retrofit Agreement.....	16193-E
79-960	1/99	Meter Replacement Agreement.....	16194-E
79-961	1/99	Dual Socket Metering Agreement.....	16195-E
79-964	5/99	Enabling Agreement for "Surplus Sale" QF Supplies .....	16376-E
79-965	5/99	Pro-forma PPA Amendment and Enabling Agreement for "Net Sale" Interim Standard Offer 4 PPAs .....	16377-E
79-966	5/01	Agreement for Schedule E-OBMC .....	18289-E
79-976	4/01	Interruptible Program Agreement.....	18060-E

(T)

(Continued)



TABLE OF CONTENTS  
(CONTINUED)

RATE SCHEDULES

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
<b>LIGHTING RATES</b>		
LS-1	PG&E-Owned Street and Highway Lighting .....	15393,17948,15395,15396,17111-E
LS-2	Customer-Owned Street and Highway Lighting .....	15398, 17949,15400 to 15403,17112-E
LS-3	Customer-Owned Street and Highway Lighting Electrolier Meter Rate .....	17950,15406,15407,17113-E
TC-1	Traffic Control Service .....	17951,15410,17114-E
OL-1	Outdoor Area Lighting Service.....	17952,15413,15414,17115-E
<b>OTHER</b>		
S	Standby Service.....	17953,17954, 17955,15419,16200,15421,16201,16202,15424,15425,16203,16204,16205,16206,1649 5-E
E-DEPART	Departing Customers .....	15905-E
E-EXEMPT	Competition Transition Charge Exemption .....	16068,17116,16070 to 16073-E
E-TD	Transmission and Distribution Bypass Deferral Rate .....	15694 to 15696,16496-E
E-TDI	Incremental Sales Rate for New Customers .....	15698,15699,16497-E
E-RRB	Rate Reduction Bonds Bill Credit and Fixed Transition Amount Charge .....	14798,14799-E
E-NET	Net Energy Metering Service.....	17358, 17359, 17360-E
E-BID	Price-Responsive Load Program .....	17333 to 17335-E
E-EPS	Emergency Procurement Surcharge .....	17863-E
E-BIP	Base Interruptible Program .....	18048,18049,18050-E
E-VDRP	Voluntary Demand Response Program .....	18051,18052,18053,18054-E
E-OBMC	Optional Binding Mandatory Curtailment Plan.....	18284 to 18288-E
<b>AGRICULTURAL RATES</b>		
AG-1	Agricultural Power .....	17956,15446 to 15449,17117,17118, 17119,17120-E
AG-R	Split-Week Time-of-Use Agricultural Power .....	17121,17957,15456,15457,15458,15459,16499,17122,17123,17124,17125-E
AG-V	Short-Peak Time-of-Use Agricultural Power .....	17126,17958,15467,15468,15469,15470,16500, 17127,17128,17129,17130-E
AG-4	Time-of-Use Agricultural Power .....	17131,17959,17960,15479 to 15483,16501,17132,17133,17134,17135-E
AG-5	Large Time-of-Use Agricultural Power .....	17136,17961,17962,15492 to 15496,16502,17137,17138,17139,17140-E
AG-6	Large Agricultural Power.....	15502,17963,15504,15505,15506,17141-E
AG-7	Experimental Tiered Time-of-Use Agricultural Power .....	15701,17229,17964,17965,15705,15706,15707,15708,17142-E
AG-8	Deferral of Gas and Diesel Engine-Driven Pumping Facilities .....	15710,15711,16504-E
<b>POWER EXCHANGE RATES</b>		
PX	Power Exchange Energy Cost.....	17889,17844,17890,16744,16745,15521,15522-E
<b>DIRECT ACCESS</b>		
E-CREDIT	Revenue Cycle Services Credits .....	16567 to 16578-E
E-DASR	Direct Access Services Request Fees .....	14847-E
E-ESP	Service to Energy Service Providers.....	16109,15828,15829,15830,16221-E
E-ESPNSF	Energy Service Provider Non-Discretionary Service Fee .....	16535,16536-E
E-EUS	End User Services.....	14852,14853,14854-E

(T)

(Continued)



TABLE OF CONTENTS

	<u>CAL P.U.C. SHEET NO.</u>	
Title Page.....	8285-E	
Table of Contents:		
Rate Schedules.....	18292,18291-E	(T)
Preliminary Statements.....	17865,18062-E	
Rules, Maps, Contracts and Deviations.....	17858-E	
Sample Forms.....	17251,17839,16546,18290,17337,16759-E	(T)

RATE SCHEDULES

<u>SCHEDULE</u>	<u>TITLE OF SHEET</u>	<u>CAL P.U.C. SHEET NO.</u>
<b>RESIDENTIAL RATES</b>		
E-1	Residential Service .....	17909,15237,17051-E
EE	Service to Company Employees.....	15239-E
EM	Master-Metered Multifamily Service.....	17910,15241,15242,17053-E
ES	Multifamily Service.....	17911,15245,15246,17055-E
ESR	Residential RV Park and Residential Marina Service.....	17912,15249,15250,17057-E
ET	Mobilehome Park Service.....	17713,15253,15254,17059-E
E-7	Residential Time-of-Use Service.....	17060,17914,15257,17061-E
E-A7	Experimental Residential Alternate Peak Time-of-Use Service.....	17062, 17915,15260, 17063-E
E-8	Residential Seasonal Service Option.....	17916, 17065-E
E-9	Experimental Residential Time-of-Use Service for Low Emission Vehicle Customers .....	17066, 17917,17918,15267,15268,17067-E
EL-1	Residential CARE Program Service.....	17919,15274,17069-E
EML	Master-Metered Multifamily CARE Program Service.....	17920,15277,17071-E
ESL	Multifamily CARE Program Service.....	17921,15280,15281,17073-E
ESRL	Residential RV Park and Residential Marina CARE Program Service .....	17922,15284,15285,17075-E
ETL	Mobilehome Park CARE Program Service.....	17923,15289,15290,17077-E
EL-7	Residential CARE Program Time-of-Use Service.....	17078, 17924,15293,17079-E
EL-A7	Experimental Residential CARE Program Alternate Peak Time-of-Use Service.....	17080, 17925,15296,17081-E
EL-8	Residential Seasonal CARE Program Service Option.....	17926,17083-E
<b>COMMERCIAL/INDUSTRIAL</b>		
A-1	Small General Service.....	17927,17085-E
A-6	Small General Time-of-Use Service.....	17086, 17928,16481,17087-E
A-10	Medium General Demand-Metered Service.....	17929,15307,15308,16482,17089-E
A-T	Nondomestic Interruptible Service.....	11862-E
A-RTP	Experimental Real-Time-Pricing Service.....	17253,16483-E
A-15	Direct-Current General Service.....	17930,17090-E
E-19	Medium General Demand-Metered Time-of-Use Service.....	17091,17092,17093, .17931,17932,17933,15321,15322,15323,18037,18038,18039,18040,18041,15328,16414, 15330,17934,17935,17936,16416,16417,16418,16419,16420,16485,17094,17095,18042-E
E-20	Service to Customers with Maximum Demands of 1,000 Kilowatts or More .....	17097,17254,17937, 17938,17939,15348,15349,15350,15351,18043,18044,18045,18046,15356,16430,15358, 17940,17941,17942,16432,16433,16434,16435,16436,16486,17099,17100,17101,1804 7-E
E-25	Restricted Variable-Peak-Period Time-of-Use Service to Water Agencies.....	17103, 17943,17944,17945,15376 to 15379,17104-E
E-36	Small General Service to Oil and Gas Extraction Customers.....	17946,17106-E
E-37	Medium General Demand-Metered Time-of-Use Service to Oil and Gas Extraction Customers.....	17107,17108,17947,15690,15691,15692,17109-E
ED	Experimental Economic Development Rate.....	16881,17110-E
E-CARE	CARE Program Service for Qualified Nonprofit Group-Living and Qualified Agricultural Employee Housing Facilities.....	15392-E

(Continued)