Date of Issuance August 27, 2012

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION **RESOLUTION E-4508**
August 23, 2012

R E S O L U T I O N

Resolution E-4508. Pacific Gas and Electric Company (PG&E) Advice Letter 3910-E and Advice Letter 3910-E-A.

PROPOSED OUTCOME: This Resolution approves PG&E's request to create a new electric vehicle rate schedule EV that eliminates the tiers but retains time variant pricing and to grandfather existing customers on E-9 electric vehicle rate schedules until a decision in Phase 2 of PG&E's 2014 General Rate Case or until December 31, 2014, whichever is later.

ESTIMATED COST: The proposed changes are revenue neutral on a class average basis.

By Advice Letter 3910-E, filed on September 26, 2011, and Advice Letter 3910-E-A, filed on May 9, 2012.

SUMMARY

PG&E's request to modify its electric rate Schedule E-9 and to create a new Schedule EV is approved. In its final decision in Phase 2 of R. 09-08-009, D. 11-07-029, the Commission directed PG&E to modify Electric Rates Tariff Schedule E-9B "to eliminate the tiers but retain time-variant pricing."[1] This Resolution authorizes PG&E to create a new electric vehicle rate schedule EV that eliminates the tiers but retains time-variant pricing and to grandfather existing customers on E-9 rates, thus allowing them to remain on the existing rate schedules until a decision in Phase 2 of the 2014 General Rate Case (GRC) or until December 31, 2014, whichever is later.

[1] D. 11-07-029, Ordering Paragraph 2.

26527295

PG&E filed Advice Letter ("AL") 3910-E on September 26, 2011 and AL 3910-E-A on May 9, 2012.

BACKGROUND

The Commission initiated Rulemaking (R.) 09-08-009 to consider alternative-fueled vehicle tariffs, infrastructure and policies to support California's greenhouse gas emissions reduction goals.

Phase 2 in R. 09-08-009 specifically addressed, among other issues, residential rates for alternative-fueled vehicles. The Commission noted that each of the utilities offers at least two electric vehicle rates:

> Currently, each utility offers at least two Electric Vehicle rate schedules to residential customers seeking to charge their Electric Vehicles. Residential customers of each utility may choose between Electric Vehicle rate schedules that require Electric Vehicle electricity usage to be measured with a separate meter or whole house time-of-use rates that combine Electric Vehicle usage with all other electric usage on a single residential meter.[2]

With respect to these rates, Decision (D.) 11-07-029 affirmed that, "with certain exceptions, the electric utilities' existing residential Electric Vehicle rates are sufficient for early Electric Vehicle market development."[3]

At the same time, the Commission found that for separately metered customers, the rates should be opt-in, non-tiered, and time-of-use. SCE and SDG&E both have electric vehicles rates for separately metered customers that fit these criteria, but PG&E does not. Consequently, the Commission ordered PG&E to file an advice letter to modify its separately metered rate schedule, E-9B, to eliminate the tiers.

On September 26, 2011, PG&E filed AL 3910-E, proposing to remove the tiers from both its separately metered rate, E-9B, and its whole house rate, E-9A. Over 75 parties protested this advice letter. Largely in response to these protests, on

[2] D. 11-07-029, p. 18.

[3] D. 11-07-029, p. 2.

May 9, 2012, PG&E supplemented its initial filing with AL 3910-E-A. In its supplemental filing, PG&E proposes to grandfather existing customers on current E-9 rate schedules until a decision is issued in Phase 2 of PG&E's 2014 General Rate Case (GRC) or until December 31, 2014, whichever is later. In addition, for new electric vehicle customers, PG&E proposes a new rate schedule, Schedule EV, which eliminates the tiers and revises the time-of-use pricing for whole-house and separately metered customers.

Energy Division staff suspended AL 3910-E on October 7, 2011 for 120 days for further review. On February 3, 2012, PG&E sent a letter to Energy Division Director Edward Randolph agreeing to a 60 day extension of the initial suspension period to April 4, 2012, in accordance with Rule 7.5.2 of the Commission's General Order 96-B.[4] On April 4, 2012, PG&E agreed to a further extension of the suspension period. On June 7, 2012, Energy Division staff suspended the supplemental filing, AL 3910-E-A, for 120 days for further review.

NOTICE

Notice of AL 3910-E and AL 3910-E-A was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the Advice Letter was served in accordance with Section IV of General Order 96-B and served on parties in R.09-08-009.

PROTESTS AND COMMENTS

Protests and Response to Initial AL 3910-E

PG&E's AL 3910-E was protested by 76 parties, including several individuals who submitted more than one protest. These parties are listed individually in Attachment A to this Resolution. PG&E submitted a response to the protests to AL 3910-E on November 14, 2011, having requested a 20-day extension of the ordinary response period, which was approved by Executive Director Paul Clanon on October 21, 2011.

---

[4] Rule 7.5.2 states "The Industry Division's notification will suspend the advice letter's effectiveness and will state the reason for the suspension and its expected duration, which will not exceed 120 days from the end of the initial review period ***unless the utility agrees in writing to a longer suspension period***" (emphasis added).

Bill Increases. Most of the individual parties protesting the initial advice letter filing expressed concern that the proposed changes to the Schedule E-9A and E-9B rates would increase their monthly bills. Some cited PG&E's finding that 75 percent of E-9A and all but one of its E-9B customers would experience a bill increase, while others provided their own bill analyses. PG&E responded that "because of the need to correct the low rate problem, it is not surprising that some customers may experience significant bill increases under the revised rates compared to their current below cost-of-service rates"[5] and that it may make sense for some of these customers to switch to the E-1 or E-6 rate schedules.

Revenue Allocation and Rate Design Issues. DRA's primary concern regarding PG&E's initial proposed rates was that the proposed average E-9A rate would be roughly 15% higher than the average standard residential Schedule E-1 rate and that it would *not* be revenue neutral with respect to E-1 rates for the residential customer population as a whole. In its response, PG&E clarified that it designed its rates to be revenue neutral for the "sub-class of residential customers living in single-family homes (after adding 175 kWh per month of assumed off-peak EV charging load per household),"[6] rather than for the entire residential class or for only those customers currently on E-9 rates.

TOU Periods. Some parties opposed PG&E's proposed time-of-use (TOU) periods and the addition of winter weekday and year-round weekend peak periods to the E-9A and E-9B rate schedules. PG&E claimed that, in revising its TOU periods, it was considering the impact that EV adoption could have on the loading of local distribution circuits. However, after reconsideration, PG&E indicated that it was amenable to reclassification of the weekend part-peak period (i.e., 7:00 a.m. to 3 p.m. and 7:00 p.m. to 11:00 p.m.) to the off-peak period, thus providing additional hours for off-peak charging on weekends.

---

[5] Reply to Protests of Pacific Gas and Electric Company's Advice 3910-E (Modifications to Electric Rate Schedule E-9 for Residential Time-of-Use Service for Low Emission Vehicle Customers), November 14, 2011, p. 6.

[6] *Id.* at 8.

Customer Charges. Numerous parties opposed the proposed $8.00 customer charge for E-9 customers in PG&E's initial advice letter, arguing that it was unjustified, inconsistent with Commission policy, and would discourage energy efficiency. In its response, PG&E contended that it set the charge to recover all customer-related costs.

Notice Issues. Several parties expressed concern that PG&E had not informed them about the proposed E-9 rate change. In response, PG&E argued that the notification issue was somewhat moot because the Energy Division suspended this Advice Letter for 120 days and that this period would allow for communication with potentially affected customers.

Other Issues. At least one party requested that the Commission grandfather existing customers. In its response, PG&E argued against grandfathering existing customers, but requested that if the Commission were to approve such a request, it do so only until the rates are reconsidered in a comprehensive fashion in Phase 2 of PG&E's 2014 General Rate Case. The City and County of San Francisco (CCSF) argued the Commission should not adopt changes to Schedule E-9A at this time because the Commission had indicated that it would revisit electric vehicle rates in 2013. PG&E acknowledged that it was not ordered to revise E-9A rates, but noted that D. 11-07-029 "specifically supported moving away from a tiered rate structure for a whole-house service option."[7]

Protests and Response to Supplemental AL 3910-E-A

PG&E's supplemental AL 3910-E-A was protested by eight parties, listed individually in Attachment A to this Resolution. PG&E submitted a response to the protests on June 5, 2012.

In his protest, Mr. Joseph argues that the policy of the State is to encourage electric cars and that, to effectuate this policy, the Commission should set off-peak rates at the marginal cost of energy, not the average cost of service. Accordingly, Mr. Joseph argues for an off-peak rate for E-9B customers of 3 cents per kWh or less.

---

[7] *Id*. at 11.

Mr. Weiner contends that PG&E's revised proposal will help customers who are above average users of electricity, but would increase bills for customers such as himself who are below average users. Mr. Weiner urges the Commission to consider a middle ground, with 2 or 3 tiers, rather than completely eliminating all tiers.

Mr. Muller argues that the proposed rates for E-9B customers, at roughly 11 cents per kWh, would provide little incentive for off-peak charging and would be comparable with the Tier 2 rates of the E-6 schedule. Moreover, Mr. Muller contends that, compared with E-6 rates, the new Schedule EV rates provide little incentive for EV charging and a disincentive for conservation. Finally, Mr. Muller argues that there is no reason to set the time-of-use periods for the new Schedule EV different than E-6 because most customers will charge their EVs during the off-peak period, thus there is no reason to change the part- and on-peak periods.

Ms. Wolfe argues that PG&E fails to justify its increase in off-peak rates and that its off-peak rates do little to promote electric vehicle deployment and/or incent off-peak charging behavior. Ms. Wolfe further contends that grandfathering of existing E-9B customers should have no sunset date.

Mr. Mekechuk and Ms. Sinclair, who own an electric vehicle, a solar photovoltaic system and generate surplus power, argue that PG&E's proposal should be rejected. They contend that the Commission should develop separate tiers for electric vehicles and establish baselines for electric vehicles and design rates that promote off-peak charging and that are based on the marginal cost of generation, transmission and distribution.

Mr. Marek urges the Commission to reject PG&E's proposal and argues that low use customers will find the E1 rate less expensive than PG&E's proposed electric vehicle rates.

Mr. Jungreis, an electric vehicle and solar owner, argues that PG&E's proposed rates will disincent the use of electric vehicles, the installation of residential solar and the use of energy-saving devices. Mr. Jungreis notes that PG&E's proposal will dramatically increase "basic" off-peak rates and, as a result, low use customers, such as himself, may be better off on the E-1 schedule. Mr. Jungreis recommends a two-tier rate, with low prices for the first 333 kWh per month (to cover EV charging) and the remainder charged at higher rates.

Mr. Fleck urges the Commission to retain the tiers, increase the 30,000 customer limit for the electric vehicle rates, and remove the winter and weekend peak periods. Mr. Fleck argues that the tier system should be retained because it encourages electric vehicle customers to remain in the low, off-peak, tier 1 and tier 2 rates (of approximately 5 cents per kWh), and encourages the installation of solar panels to keep usage in the lower tiers. Mr. Fleck concludes that the price structure should support "the transition to electric vehicles powered by rooftop photovoltaic cells or other renewables," and that the Commission should "develop a strategy that uses appropriate price signals to make electric vehicles the norm."[8]

In its response, PG&E acknowledges that the proposed Schedule EV will not be the best choice for all electric vehicle customers, but contends that by providing an array of options (i.e., schedules E-1, E-6 and EV), electric vehicle customers may choose the rate "best suited to their situation."[9]

In addition, PG&E makes the following arguments:

- The proposed EV rates promote electric vehicles and off-peak charging, with off-peak rates of less than 10 cents per kWh (which roughly translates to $1.00 per gallon) and with an on- to off-peak ratio of 3 to 1 in the summer and 2 to 1 in the winter.
- While the proposed Schedule EV may not provide a "conservation" incentive, customers may choose E-1 or E-6 rates, which have tiers and encourage customers to use less energy.
- PG&E is not able to further discount the off-peak price of energy because of non-bypassable charges, which comprise roughly half of the off-peak rate and include: 1) nuclear decommissioning, 2) public purpose programs, 3) competition transition charges, 4) energy cost recovery amount, 5) DWR bond charges, and 6) new system generation charges. In addition, PG&E's "off-peak rate for Schedule EV is at about the same level

---

[8] Letter from Jack Lucero Fleck re: PG&E Advice Letter 3910-E-A, May 24, 2012.

[9] Reply to Protests of Pacific Gas and Electric Company's Advice 3910-E-A (Modifications to Electric Rate Schedule E-9 for Residential Time-of-Use Service for Low Emission Vehicle Customers and Creation of New Schedule EV), June 5, 2012, p. 2.

as SCE's off-peak tier 1 standard EV charging rate, and less than SDG&E's standard off-peak EV charging rate."[10]

- PG&E's proposed TOU periods factored in consideration of the impact on local distribution circuits of electric vehicle adoption, including both the impact of potential clustering and distribution circuits that peak in the winter.
- The cap of 30,000 should be sufficient to accommodate new electric vehicles and can be reconsidered in PG&E's 2014 GRC.
- E-9B customers should not be grandfathered indefinitely because D.11-07-029 clearly indicated that the separate EV rates should be revised to eliminate the tiers. PG&E indicates that its proposal is consistent with that decision because it phases these rates out by first closing the schedule to new customers and then eliminating Schedule E-9 by December 31, 2014.

DISCUSSION

In its initial advice letter, PG&E proposed removing the tiers from both its separately metered rate (E-9B) and its whole house rate (E-9A). On May 9, 2012, PG&E supplemented its filing, proposing (1) to grandfather existing customers on current E-9 rate schedules until a decision is issued in Phase 2 of PG&E's 2014 General Rate Case (GRC) or until December 31, 2014, whichever is later, and (2) to create a new schedule EV rate.

PG&E's supplemental AL-3910E-A addresses many of the concerns raised in the initial protests, including the following:

- It grandfathers existing customers through at least December 31, 2014, thus ensuring that bills would not increase for existing customers;
- It reduces the rates by 15 percent, which addresses DRA's concern that the rates in PG&E's initial proposal were not revenue neutral on a class average basis;

[10] *Id.* at p. 4.

- It reclassifies the weekend part-peak period (i.e., 7:00 a.m. to 3 p.m. and 7:00 p.m. to 11:00 p.m.) to the off-peak period, and, as a result, provides additional hours for off-peak charging on weekends; and
- It eliminates the proposed $8.00 customer charge contained in the initial proposal.

Proposal to Grandfather Existing E-9 Customers

In its supplemental filing, PG&E proposes to grandfather existing customers on current E-9 rate schedules until a decision is issued in Phase 2 of PG&E's 2014 General Rate Case (GRC) or until December 31, 2014, whichever is later, primarily to address protests that PG&E's proposal will raise rates for low use electric vehicle customers.

We agree that this is an appropriate interim solution to address protests regarding bill increases. While D. 11-07-029 directed PG&E "to eliminate the tiers but retain time-variant pricing"[11] for its E-9B rate, existing E-9B customers, in some cases, incurred considerable expense to install the second panel and meter in order to obtain low tier 1 and tier 2 off-peak rates, and we believe it is reasonable to extend the low tier 1 and tier 2 rates for the small number of E-9B customers[12] for an additional period of time.

In addition, we are mindful that PG&E's proposal would increase bills for some low-use E-9A customers (e.g., customers who consume primarily in the two low-price tiers either due to conservation or because of the installation of solar photovoltaic systems). While D. 11-07-027 requested that SCE and PG&E "continue exploring the feasibility of a non-tiered single meter rate,"[13] the decision did not specifically order PG&E to revise its E-9A, single-meter rate. For this reason, we believe that it would be appropriate to grandfather existing customers on Schedule E-9A, but only until EV rates are revised in Phase 2 of PG&E's 2014 GRC.

---

[11] D. 11-07-029, Ordering Paragraph 2.

[12] In response to an Energy Division Data Request, PG&E indicated that there were 157 E-9B customers as of Fall 2011.

[13] D. 11-07-029, p. 21.

Proposal to Create a New Schedule EV Tariff

In its supplemental filing, also PG&E proposes to create a new Schedule EV tariff with time-of-use rates that are not tiered. PG&E's current, tiered rates and its proposed rates for both whole house and separately metered rates are shown in Table 1 below.

Table 1

	Current Schedule E-9		Illustrative Schedule EV	
	E-9(A)	**E-9(B)**	**EV(A)**	**EV(B)**
Summer				
Peak	Tier 1 – 0.30178 Tier 2 – 0.31994 Tier 3 – 0.50415 Tier 4 – 0.54415	Tier 1 – 0.29726 Tier 2 – 0.31541 Tier 3 – 0.49962 Tier 4 – 0.53962	0.35656	0.35120
Partial-Peak	Tier 1 – 0.09876 Tier 2 – 0.11692 Tier 3 – 0.30113 Tier 4 – 0.34113	Tier 1 – 0.09424 Tier 2 – 0.11239 Tier 3 – 0.29661 Tier 4 – 0.33661	0.19914	0.19646
Off-Peak	Tier 1 – 0.03743 Tier 2 – 0.05559 Tier 3 – 0.16011 Tier 4 – 0.20011	Tier 1 – 0.04479 Tier 2 – 0.06295 Tier 3 – 0.24716 Tier 4 – 0.28716	0.09712	0.09674
Winter				
Peak	Not Applicable	Not Applicable	0.26694	0.26118
Partial-Peak	Tier 1 – 0.09864 Tier 2 – 0.11679 Tier 3 – 0.30101 Tier 4 – 0.34101	Tier 1 – 0.09462 Tier 2 – 0.11277 Tier 3 – 0.29699 Tier 4 – 0.33699	0.16472	0.16184
Off-Peak	Tier 1 – 0.04680 Tier 2 – 0.06495 Tier 3 – 0.16011 Tier 4 – 0.20011	Tier 1 – 0.05339 Tier 2 – 0.07155 Tier 3 – 0.25576 Tier 4 – 0.29576	0.09930	0.09889
Meter or Customer Charge	$0.21881/meter per day	$0.21881/meter per day	$0	$0.04928/ meter per day

A number of parties argue that the off-peak rates in PG&E's proposed EV schedule are too high and represent the average, rather than the marginal cost of service. In its response, PG&E explains that non-bypassable charges comprise about half of the off-peak rates.[14] Moreover, PG&E contends that these non-bypassable charges may not be discounted and cites D.07-09-016 which, in the context of approving economic development rates, determined that the non-bypassable charges should not be discounted.[15]

We will not direct PG&E to discount the off-peak rates at this point in time. We appreciate the logic behind arguments for setting off-peak rates based on marginal costs and intend to consider the feasibility of super-off-peak rates set at marginal cost of service to incent off-peak electric vehicle charging, and whether non-bypassable changes can be discounted in this context, when we re-examine electric vehicle rates in the near future.

Some parties argue that PG&E should retain its existing TOU periods. PG&E revised the time-of-use (TOU) periods for its electric vehicle rates, adding peak periods on winter weekdays (2 pm – 9 pm) and on weekends (3 pm – 7 pm), year-round (see Table 2). PG&E claims that, in revising its TOU periods, it was considering the impact that electric vehicle adoption could have on the loading of local distribution circuits and that increased electric vehicle usage could result in significant new distribution capacity additions in specific neighborhoods.

[14] PG&E's Reply, June 5, 2012, p. 3. These non-bypassable charges include: 1) nuclear decommissioning, 2) public purpose programs, 3) competition transition charges, 4) energy cost recovery amount, 5) DWR bond charges, 6) new system generation charges. See Advice Letter 3910-E-A, Attachment 2: Pro Forma Electric Rate Schedule EV, Sheet 2, which delineates these charges.

[15] PG&E's Reply, November 14, 2011, pp. 3-4.

Table 2

	Current	Proposed	Revised Proposed
Summer			
Peak	2 pm – 9 pm, M-F	2 pm – 9 pm, M-F 3 pm – 7 pm, S/S	2 pm – 9 pm, M-F 3 pm – 7 pm, S/S
Partial-Peak	7 am – 2 pm, M-F 9 pm - midnight, M–F 5 pm – 9 pm, S/S	7 am – 2 pm, M-F 9 pm - 11 pm, M-F 7 am – 3 pm, S/S 7 pm – 11 pm, S/S	7 am – 2 pm, M-F 9 pm - 11 pm, M-F
Off-Peak	All Other Hours	All Other Hours	All Other Hours
Winter			
Peak		2 pm – 9 pm, M-F 3 pm – 7 pm, S/S	2 pm – 9 pm, M-F 3 pm – 7 pm, S/S
Partial-Peak	7 am – midnight, M-F 5 pm – 9 pm, Sat/Sun	7 am – 2 pm, M-F 9 pm to 11 pm, M-F 7 am – 3 pm, S/S 7 pm – 11 pm, S/S	7 am – 2 pm, M-F 9 pm to 11 pm, M-F
Off-Peak	All Other Hours	All Other Hours	All Other Hours

PG&E's proposed peak periods for its electric vehicle rates are consistent with the TOU periods for electric vehicle rates adopted for both SCE and SDG&E. SCE's on-peak period for its electric vehicle rate extends from noon to 9 pm, daily, and SDG&E's on-peak period extends from noon to 6 pm, year-round. Given that electric vehicle charging could affect local distribution circuits and that PG&E's peak periods are relatively consistent with those adopted for southern California, we will allow PG&E to include peak periods for electric vehicle rates on the weekdays and weekends, year-round, at this time. However, we expect that the TOU periods will be examined for all three utilities in a more complete electric vehicle rate review to take place in the near future, and that this effort will be aided by the collection and analysis of electric vehicle load data.

Finally, some parties have argued against removing the tiers in the electric vehicle rates. The principal argument appears to be that the current rate (i.e., E-9A) encourages customers both to charge electric vehicles during the off-peak period and to reduce energy use, that it does so with very low Tier 1 and Tier 2 off-peak rates, and that this incentive should be retained. In its response, PG&E contends that its new Schedule EV is a voluntary rate for electric vehicle customers and that low use customers need not opt for this rate and may still choose Schedules E-1 or E-6, which provide conservation signals through tiered rates.

D.11-07-027 concluded that "rates for Electric Vehicle residential separately metered customers should be opt-in, non-tiered and time-of-use" and, as a result, specifically directed PG&E to revise its E-9B rate to eliminate the tiers.[16] Moreover, D.11-07-027 also concluded that, "Residential customers on single-meter service should be able to choose which Electric Vehicle rate best suits their needs and should be offered an opt-in (i.e., voluntary) time-of-use, *non-tiered* rate."[17] Thus, we conclude that PG&E is required to un-tier its separately metered rate and that authority exists to un-tier its voluntary single-meter electric vehicle rate as well.

Moreover, while many of the parties have focused on customers that currently use less than average and remain primarily in the low price, lower tiers, we are also concerned about those customers who, with the addition of electric vehicle charging, will use more than average and, as a result, may face marginal rates up to $0.33 per kWh on Schedule E-1 and up to $0.54 per kWh on Schedule E-9. PG&E's proposed EV rates provide an additional rate option, with lower marginal rates for electric vehicle charging, for these customers.

Because of the Commission's stated desire to move away from tiered electric vehicle rates, we will approve PG&E's proposal to revise both its whole house and separately metered rates. A simple, easily understood rate could promote electric vehicle usage and more accurately reflect cost of service. Moreover, this rate may encourage electric vehicle adoption for high use customers, with off-peak prices of less than $0.10/kWh compared with the substantially more expensive upper tier rates on Schedules E-1 and E-9.

PG&E indicates that it may take up to six months to revise its billing system in order to offer its new Schedule EV. PG&E proposes to file a Tier 1 Advice Letter 60 days prior to the expected effective date of Schedule EV, updating its rates in accordance with the draft tariffs presented in PG&E Advice Letter 3910-E-A, but based on then-current rates. We find PG&E's request reasonable.

The proposed rates are revenue neutral on a class average basis.

---

[16] D.11-07-029, Conclusion of Law 6 and Ordering Paragraph 2.

[17] D.11-07-029, Conclusion of Law 5 (emphasis added).

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)(2) provides that this 30-day comment period may be reduced or waived upon stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comment on July 24, 2012.

On or before August 13, 2012, comments were submitted by the Natural Resources Defense Council, Darren Overby, Kenneth Hargreaves, Ellen McKnight, and Jason Jungreis.

The Natural Resources Defense Council supports the draft resolution and urges the Commission to adopt it.

Darren Overby, Kenneth Hargreaves, Ellen McKnight, and Jason Jungreis oppose the draft resolution. Mr. Overby urges the Commission to delay making a decision until the public can be properly informed. Mr. Hargreaves proposes that the current E-9B rate structure continue until June 2021 to ensure that the cost of the installation of the second meter ($2,500) is recouped. Ms. McKnight urges the Commission to maintain the current lower rates for off-peak charging to encourage electric vehicles adoption and off-peak charging. Mr. Jungreis urges the Commission to delay action until PG&E has developed a rate calculator that would allow customers to determine the impact of these rates.

For the reasons explained above, we will allow PG&E to adopt a new Schedule EV. D.11-07-029 directed PG&E "to eliminate the tiers but retain time-variant pricing"[18] for its E-9B rate and concluded that "[r]esidential customers on single-meter service should be able to choose which Electric Vehicle rate best suits their needs and should be offered an opt-in (i.e., voluntary) time-of-use, *non-tiered* rate."[19] Moreover, PG&E has proposed to grandfather existing customers on E-9 rate schedules until a decision is issued in Phase 2 of PG&E's 2014 General Rate Case (GRC) or until December 31, 2014, whichever is later. We believe that this proposal is reasonable and will adopt it.

---

[18] D. 11-07-029, Ordering Paragraph 2.

[19] D.11-07-029, Conclusion of Law 5 (emphasis added).

FINDINGS AND CONCLUSIONS

1. On July 25, 2011, the Commission issued D.11-07-029 and in Ordering Paragraph 2, directed PG&E to file an advice letter to revise Schedule E-9B "to eliminate the tiers but retain time-variant pricing."
2. PG&E submitted Advice Letter 3910-E on September 26, 2011, proposing to remove the tiers from both its separately metered rate, E-9B and its whole house rate, E-9A.
3. Over 75 parties protested PG&E Advice Letter 3910-E.
4. PG&E submitted a Supplemental Advice Letter, 3910-E-A, on May 9, 2012 proposing (1) to grandfather existing customers on current E-9 rate schedules until a decision is issued in Phase 2 of PG&E's 2014 General Rate Case (GRC) or until December 31, 2014, whichever is later, and (2) to create a new Schedule EV.
5. Eight parties protested PG&E Advice Letter 3910-E-A.
6. We will approve PG&E's proposal to revise both its whole house and separately metered rates. A simple, easily understood rate could promote electric vehicle usage and more accurately reflect cost of service. Moreover, this rate may encourage electric vehicle adoption, with off-peak prices of less than $0.10/kWh compared with substantially more expensive upper tier rates on Schedules E-1 and E-9.
7. Given that electric vehicle charging could affect local distribution circuits and that PG&E's peak periods are relatively consistent with those adopted for southern California, we will allow PG&E to include peak periods for electric vehicle rates on the weekdays and weekends, year-round, at this time.
8. PG&E indicates that it may take up to six months to revise its billing system in order to offer its new Schedule EV. PG&E proposes to file a Tier 1 Advice letter 60 days prior to the expected effective date of Schedule EV, updating its rates in accordance with the draft tariffs presented in PG&E Advice Letter 3910-E-A, but based on then-current rates. We find PG&E's request reasonable.

THEREFORE IT IS ORDERED THAT:

1. PG&E is authorized to grandfather existing customers on current E-9 rate schedules until a decision is issued in Phase 2 of PG&E's 2014 General Rate Case (GRC) or until December 31, 2014, whichever is later.
2. PG&E is authorized to create a new Schedule EV, consistent with the tariffs provided in Advice Letter 3910-E-A.
3. Sixty days prior to the expected effective date of Schedule EV, PG&E shall file a Tier 1 Advice Letter updating its proposed Schedule EV tariffs, which shall be in accordance with draft tariffs filed in PG&E Advice Letter 3910-E-A but based on then-current rates.

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 August 23, 2012; the following Commissioners voting favorably thereon:

____

Paul Clanon
Executive Director

MICHAEL R. PEEVEY
President
TIMOTHY ALAN SIMON
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
MARK J. FERRON
Commissioners

ATTACHMENT A

Parties Submitting Protests to PG&E AL 3910-E and AL 3910-E-A

The following organizations and individuals submitted protests to PG&E AL 3910-E:

City & County of San Francisco
Division of Ratepayer Advocates
EVSP Coalition
Plug In America

Daniel Ames
Linda Ashworth
Allen Atwood
Karl Viktor Baggeryd
Gregory Beemer
Sherry Boschert
Dennis Brandenburg
Douglas Brentlinger
Craig Bonsignore
Rob Cambra
Nicholas Carter
Stephen Casner
Sriram Chandrasekaran
Howard M. Clearfield
Cathy Day
Tom Driscoll
Eugen Dunlop
DW
Joel Evans
Gint Federas
Jack Lucero Fleck
Wilson Foo
Gerry Gaydos
Marc Geller

Joel Gomberg
Matt Haber
Robert Haran
Kenneth Hargreaves
Merit Herman
Jeffrey Herzbach
Barbara Hibino
Ron Hipschman
Dallas Hodgson
Claudine Jones
Marc Joseph
Tina Juarez
Jason Jungreis
Gary Kah
Peter Kerr
Mike Kobb
Vijay Lakshman
Steve Lemke
Raymond Levinson
Michael Ling
Lou
Pat Mackey
Ed Marek
Ellen McKnight
Keith McLaurin
Glenn Meeks
Bryan Mekechuk
Ahnee Min
Heather Nelson
Glenn Nunez
Karin Obal
Craig Oeser
George Parrott
Ed Savage
Margret Schmidt
Peter Schmuckal

Gail Secchia
Daniel Sherwood
Andrew Sinclair
Eric Snider
Rudy Stefenel
John Terry
Warren Tighe
Eric Tissot-Dupont
Zhaohui Wang
Benjamin White
Andrew Wolfe
Ellen & Richard Wolfe

The following individuals submitted protests to PG&E AL 3910-E-A:

Jack Fleck
Marc Joseph
Jason Jungreis
Mekechuk/Sinclair
Ed Marek
Eric Muller
Eric Weiner
Ellen & Richard Wolfe