BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion to Address the Issue of Customers' Electric and Natural Gas Service Disconnection.

Rulemaking 10-02-005 (Filed February 4, 2010)

PACIFIC GAS AND ELECTRIC COMPANY'S (U- 39 M) REPLY COMMENTS ON THE ADMINISTRATIVE LAW JUDGE'S RULING PROVIDING OPPORTUNITY FOR COMMENTS AND ADDRESSING OTHER PHASE II ISSUES

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I. INTRODUCTION

Pursuant to Rule 6.2 of the Commissions Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) replies to the comments filed by Disability Rights Advocates (DisabRA), The Division of Ratepayer Advocates (DRA), the Greenlining Institute (Greenlining), The National Consumer Law Center (NCLC), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), and Southern California Edison Company (SCE) on this Order Instituting Rulemaking (OIR) on Phase II of this proceeding.

In summary, the non-IOU parties have requested for inclusion a wide array of groups within the sensitive customer designation. For the reasons set forth below, PG&E does not believe that the definition of sensitive customers should be expanded beyond that which was adopted in the interim decision. However, if the Commission feels compelled to expand the definition, at a minimum, customers should be required to submit a declaration in accordance with the discussion below. Field visits can be coordinated with remote disconnections and therefore any expansion of field visits should not prohibit the corresponding use of remote disconnect switching. Doing this would prevent the faster remote reconnect which benefits those customers who have experienced a shut off for non-payment of services.

TURN, Greenlining and DRA continue to request that all customers be able to choose their own meter reading and billing date because it will provide customers with an opportunity to

coordinate their paychecks and other income with their payment obligations. PG&E supports providing customers this choice provided it can be done within existing operational limitations. If an overabundance of customers choose an identical billing date it will overburden the existing resources and result in significant costs to all ratepayers. Customers presently have sufficient time to coordinate their payments within the monthly cycle because of the extended timeline between bill presentment and past due status that results in the start of a collection process.

On deposits, Greenlining believes that the Commission should define when a customer is in good standing and when they should be subjected to deposits for fraud, bad checks and the like. PG&E explains below that the rules are established under the utilities' tariffs and that the utility should continue to have flexibility to assist customers and that there is no need for further Commission direction in this area.

Finally, PG&E provides responses to questions found on Attachment A of the August 26, 2010 Ruling. That document provided that the parties may address certain related questions in their comments.

PG&E appreciates the careful and thoughtful comments submitted by the parties to this proceeding and looks forward to achieving no-cost and low cost modifications that can enhance the customer experience. The success of the parties' ability to work together has come to fruition in the implementation of the Temporary Energy Assistance for Families program. While this program took many months to launch it is now providing meaningful assistance to thousands of customers throughout California. This demonstrates that when the parties work together substantial progress can be made that will provide meaningful benefits to customers in need. What will be important in this proceeding is to identify those modifications that are meaningful and needed by the affected customer population and separating those modifications and processes from others which are not needed and will result in significant costs to customers at large. While PG&E is open to certain modifications, it requests that the Commission reject certain proposals for the reasons described below.

II. DISCUSSION

A. Field Visits Should be Provided to All Customers With a Demonstrated Need for Such Visits

The Administrative Law Judge's (ALJ) Ruling in Phase II of this proceeding invited parties to address the definition of sensitive customers. This definition had been reviewed and considered in Phase I and after much review the Commission concluded that as an interim plan the IOUs should continue to use their existing sensitive customer definition. In the discussion below, PG&E strongly urges the Commission to retain the process approved in Phase I and decline the numerous and potentially inconsistent requests for expansion of this sensitive customer classification. While it is important to provide safeguards for those customers with a demonstrated need for such additional steps prior to disconnection, it is also important to strike an appropriate balance, so as not to unduly burden remaining customers.

In the instant case, each of the IOUs provides very substantial additional notifications prior to shut off for non-pay for all sensitive customers. The notification process for such customer on the road to shut off for non-payment at PG&E includes the following:

Day 0: Bill Issued

Day 19: Bill Due

Day 30: Second Bill Issued Showing Overdue Charges

Day 42: 15 Day Notice Issued

Day 55: 48-Hour Notice Issued

Day 62: Outbound Call to Customer

Day 66: Non-Sensitive Customer Eligible for Non-Payment Disconnection

Medical Baseline and life-support customers start into a second follow-up sequence:

Day 67: Phone Attempt and/or 15-day Warning Letter to Customer

Day 82: Certified Letter Sent Notifying Customer of Date of Service Disconnection

Day 82: Phone Attempt Offering Final Payment Arrangement

Day 91: Sensitive Customer Eligible for Non-Payment Disconnection

| | | PG&E C | Collection Process 1 | Timeline | | | Moneyear |
|-------------|----------|--|---|--|--|------------------------------|----------|
| Day 0 | Day 19 | Day30 | Day42 | Day55 | Day 62 | Day 66 | |
| Bill Issued | Bill Due | Second Monthly Bill Issued (Shows Overdue Charges) | 15-Day Notice Issued for Overdue Charges | 48-Hour Notice Issued for Overdue Charges | Outbound Call - Final Notification | Eligiblefor Disconnection | |
| | | Encouraged to Enr | | fered ograms at any Poin t into a second follo | | | |
| | | Day 67 | Day82 | Day82 | Day 91 | | |
| | | Live Phone Attempt and/or 15-day Warning Letter Issue | Live Phone Attempt and/or Letter Offering Final Pay Plan | Certified etter Sent - Informing of Service Disconnection Date | Eligiblefor Physical Disconnection | | |

Unfortunately, it appears that the interveners have failed to give appropriate consideration to the extensive time and expenses associated with the sensitive customer credit timeline. The interveners continue to promote an amorphous sensitive customer category that has no clear parameters or justification based on need. The requests for expansion of sensitive customers include:

- (a) Households with any full time occupant under 18 years of age;^{1/2}
- (b) Households where any full time occupant is 62 years of age or older;²
- (c) Customers on an all-electric rate schedule during the coldest months of the winter heating season;^{3/}
- (d) Customers who self certify that they have a serious illness or condition that could become life threatening if service is disconnected; 4/2
- (e) Customers that have any form of self identified disability or are otherwise identified as disabled in the Low Income program;^{5/}

^{1/} TURN, Phase II Opening Comments, p. 18.

^{2/} DRA, Phase II Opening Comments, p. 5.

^{3/} TURN, Phase II Opening Comments, p. 12.

<u>4/</u> DisabRA, Phase II Opening Comments, p. 2.

(f) Customers participating in the Third Party Notification program^{6/}
The settlement filed by SDG&E, SoCalGas, DisabRA, DRA, Greenlining, NCLC and TURN proposed the following categories:

- (a) Customers who self-identify that they or a full-time resident of the customer's household are elderly (age 62 or older) and disconnection of service could be life threatening to that individual;^{7/2}
 - (b) Customers who receive Medical Baseline allowances;^{8/}
- (c) Customers who self-identify that they or a full-time resident of the customer's household are a person with a disability, including those customers who the Utility identifies in order to reach the D.08-11-031 Low Income Energy Efficiency goal, i.e., that 15% of households served be disabled; or
- (d) Customers who self-certify that they or a full-time resident of the customer's household have a serious illness, defined as a condition which could become life threatening if service is disconnected. $\frac{10}{}$

If the interveners requested definitions were adopted it is probable that the non-sensitive customer could very well become the exception. PG&E believes that the Commission could not have intended the sensitive customer classification to encompass such broad and amorphous categories.

A very reasonable argument can be made that the sensitive customer classification should apply only to life-support and critical care customers. As PG&E has previously explained, the Medical Baseline category is overly broad when used in connection with additional services to

^{5/} Greenlining, Phase II Opening Comments, p. 11; DisabRA, Phase II Opening Comments, p. 2.

^{6/} TURN, Phase II Opening Comments, p. 12.

^{5/} Settlement Agreement Between SDG&E, SoCalGas, DisabRA, DRA, Greenlining, NCLC and TURN, Phase II Opening Comments, APPENDIX A, p. 9.

<u>8/</u> *Id.* at 3.

^{9/} *Id.* at 10.

^{10/} Id. at 10.

be provided prior to shut off for non-pay. Only life-support customers have a medical condition that requires relative continuous flow of electricity or gas. Medical Baseline status was not intended as a measure to identify customers who require added safety precautions. Rather, Medical Baseline customers are provided a special rate due to their high usage to accommodate their additional medically necessary heating or cooling. Including such customers within the ambit of those entitled to receive special notification results in a great deal of additional customer expense, without any clear corresponding benefit to those customers themselves or customers at large.

As PG&E has previously stated, including within the group of protected customers those with a medical baseline status increases the number of customers subject to field visits and other additional communication from 75,036 to 146,178. For each customer added to the Medical Baseline population that requires a field visit before shut-off for non-payment, an estimated additional cost of \$66.50^{11/} was estimated for such visit. Nevertheless, as PG&E stated previously, PG&E is amenable to the continued inclusion of Medical Baseline customers within the customer grouping entitled to field visits before shut off for non-payment.

PG&E has reviewed the proposals of all of the non-IOU party participants in this proceeding, as well as the settlement agreement of the non-IOU party participants and the Sempra Utilities. In an effort to find common ground, PG&E requests that if the Commission ultimately determines to expand field visits to any other customers beyond Medical Baseline and Life-Support, that the following modifications be adopted:

- 1) Customers be required to secure a declaration from a Licensed Medical Doctor or Doctor of Osteopathy; and
- 2) The declaration shall state: "I certify that the medical condition and needs of my patient require special notice before service termination to prevent serious illness or a life-threatening condition."

^{11/} PG&E, Phase II Opening Comments, p. 6.

This proposal is consistent with PG&E's present Life-Support and Medical Baseline Allowance Application which requires a declaration from a Licensed Medical Doctor or Doctor of Osteopathy before such status will be granted. The inclusion of this criteria helps ensure the special in-field visits are provided to only those qualified customers. While it is important to ensure that customers can receive a field visit before service termination, if needed, it is also reasonable to limit such field visits to those customers with a demonstrated need.

B. Remote Disconnections and Reconnections Provide Benefits to All Customers, and Should Not be Curtailed

Customers have expended substantial dollars to avail themselves of the benefits of SmartMeterTM Technology and the associated remote disconnect and reconnect capacity installed in these devices. The benefits of the disconnect and reconnect switch has been estimated by PG&E to be in excess of \$250 million^{12/} on a Present Value of Revenue Requirements (PVRR) basis. PG&E has placed in the balancing account \$1.95 per electric activated meter per month of ratepayer benefits associated with the presence of SmartMeterTM equipment. In 2010, it is estimated that 33 cents^{13/} of that \$1.95 ratepayer benefit is associated with the presence of a disconnect switching capacity. If the disconnect switch use is significantly restricted it should be reflected in the balancing account treatment. While there are numerous applications encompassed within these devices, a significant feature of these devices is this remote disconnect/reconnect capacity. To require field visits negates the operational efficiencies gained in the deployment of the SmartMeterTM Technology.

While PG&E and the IOUs strive to provide continuous gas and electric service to all of the California residents, it should be understood that no customer can be assured continuous and uninterrupted gas and electric service under any of the California IOU's tariffs. PG&E's Electric

D. 09-03-026, p. 16. (Incremental \$150M in PVRR savings associated with remote disconnect and reconnect functionality is identified in the SmartMeter Upgrade Testimony); .06-07-027, p. 30, line 8, (\$102 million related to Remote Turn-On/Shut-off).

²⁰¹¹ GRC PG&E Testimony, A.09.12.020 Exhibit (PG&E-4), Chapter 13, page 13-7, Table 13-2, Line #5,#23; Exhibit (PG&E-4), Chapter 13, page 13-14, Table 13-3, Line #5, #25 (In the 2011 GRC, the 33 cents associated with remote disconnect and reconnect capability has been increased to 37 cents of the total escalated and adjusted \$1.85 per electric activated meter per month savings to be returned to ratepayers).

Rule 14 specifically provides that "PG&E does not guarantee continuity and sufficiency of supply. PG&E will not be liable for interruption or shortage or insufficiency of supply or any loss or damage of any kind or character occasioned thereby unless caused by... its failure to exercise reasonable diligence." All customers have an obligation to ensure that they have a back up source of power for any medical equipment that is needed to sustain their health. This customer obligation should be considered in formulating any modifications to the existing procedure.

Finally, PG&E reiterates SCE's caveat concerning the use of the SmartMeterTM remote disconnect capacity. Any limitation on service termination to customers should be worded in the form of a requirement for field visits before shut off for non-payment. A sensitive customer can receive a field visit before shut off for non-pay and still benefit from the use of the SmartMeterTM switching capacity. There is a significant advantage of utilizing remote disconnection for all customers. When a premise has been disconnected using the remote switch, it can also be reconnected using that same switch. This permits the IOU to restore service more promptly and at a lower cost. Therefore, sensitive customers, like all other customers, benefit from remote disconnection and reconnection since their service can be restored more quickly following disconnection.

C. Allowing Customers to Choose Their Monthly Billing Date Should be Permitted to the Extent it Can be Done Operationally Without Overburdening Existing Resources

The parties fail to recognize or acknowledge that customers already have the ability to choose their own bill payment date in each utility service territory. The parties' positions include the following: DRA continues to request that customers can choose their own billing date with any cost recovery determination delayed to future general rate cases. Greenlining asserts that allowing customers to choose their own billing and payment date would result in fewer late

^{14/} SCE, Phase II Opening Comments, p. 3.

DRA, Phase II Opening Comments, pp. 2-3.

payments and defaults and that any potential complications are de minimis. TURN requests at the very least, that customers on CARE and FERA and customers with a history of late payments be permitted to choose their own billing dates.

PG&E has previously stated, to the extent that it can accommodate customer's requests for specific meter read or billing date, PG&E will continue to do so provided that there are no operational obstacles or limitations to prevent such selections. As PG&E has previously stated, PG&E processes an average of 260,000 bills per day, with a maximum capacity of approximately 300,000 bills per day. $\frac{18}{}$ Nevertheless, if there were an excess of customers requesting a specific billing date which PG&E was unable to accommodate because of operational limitations, a customer would not be disadvantaged in any material way. Under PG&E's generous timeline for collection, there is no risk for a customer in selecting the date of the month in which they choose to pay their bill. PG&E's current collection process does not commence until 42 days after the bill is issued and therefore provides more than ample time for customers to pay their bill once they receive their paycheck without any jeopardy of collections or service disconnection. Thus PG&E already provides customers the advantages customer's seek in being able to select their own billing date. While the other IOUs have a more compressed timeline, there is still sufficient time within each of the IOUs' billing cycle, for a customer to receive the bill and pay it any time within the next one month. Therefore, in summary because there is already the ability for a very significant number of customers to choose their own billing date and because there is sufficient time in the billing cycle that even if a customer could not choose his/her own billing date, he/she could still pay any day of the month that he/she would like, there is no reason to expend further ratepayer dollars to fund meter reading choice for all customers regardless of operational limitations.

^{16/} Greenlining, Phase II Opening Comments, p. 7.

^{17/} TURN, Phase II Opening Comments, p. 9.

^{18/} PG&E, Phase II Opening Comments, p. 7.

D. The Commission Should Allow Exceptions to the Waiver of Deposits in Circumstances of Fraud, Returned Checks and Bankruptcy

No customer should be rewarded for intentionally evading payments whether it be through affirmative fraud, issuance of continued bad checks or comparable methods. Further, 11 U.S.C. § 366 of the bankruptcy code provides for a specific process concerning how deposit issues are to be handled through bankruptcy. Nothing in this proceeding should alter the provisions established for such conduct.

Greenlining suggests that specific parameters should be established to determine when a customer is in "good standing" and on the other hand when a deposit should be assessed for a customer who is not in good standing with the utility. Greenlining proposes an extensive series of parameters to be considered by the Commission. However, the parameters for deposits have already been established under existing tariffs, and Greenlining has not demonstrated any compelling reason to change those parameters.

As PG&E has previously explained, extensive fraud occurs on an annual basis, ^{21/} and it is important that customers have incentives to refrain from engaging in such activities. PG&E notes that there is very little comment from the interveners on this subject. While it cannot be said that the parties are in agreement, it does not appear to be a subject of great controversy. PG&E believes that there is no need for further Commission direction in this area.

E. PG&E Provides Responses to Questions Raised in Attachment A of Administrative Law Judge DeBerry's August 26, 2010 Ruling

Question 1A: Are there known advantages to allowing customers to select their own billing date, and if so, what are these advantages?

Response:

PG&E believes the advantages typically sought by customers through being able to select their own billing date are to align the billing day with their paycheck, avoid service disruption,

^{19/} Greenlining, Phase II Opening Comments, pp. 8-10.

^{20/} See PG&E tariff rule 6, 7 and 11.

^{21/} See PG&E's Phase II Opening Comments, p. 8.

avoid imposition of late fees, and avoid reporting of a late payment to the credit bureaus and the resulting impact to their personal credit record. However, PG&E's current collection process does not commence until 42 days after the bill is issued and therefore provides more than ample time for customers to pay their bill once they receive their paycheck without any jeopardy of collections or service disconnection. Additionally, PG&E does not assess late payment fees nor does it report active accounts to credit bureaus. Based on PG&E's existing timeline and the information provided above, PG&E already provides customers the advantages customers seek in being able to select their own billing date. When unforeseen circumstances occur to where additional flexibility is needed by customers, PG&E works with each customer individually to establish a workable payment arrangement.

Question 1B: Would allowing customers to select their own billing date result in less late payments/no-payments? Is there a historical or factual basis to this position?

Response:

PG&E is not aware of, nor has it conducted, any studies or historical analyses that enable it to confirm or refute the notion that allowing customers to select a bill date would result in less late payments/no-payments.

Question 1C: What are the potential complications and disadvantages of allowing customers to select their own billing date?

Response:

As note in PG&E's Phase II opening comments, "PG&E's primary concern about accommodating customer requested monthly billing dates is that it has limited capacity to accommodate these requests. PG&E processes an average of 260,000 bills per day, with a maximum capacity of approximately 300,000 bills per day - any significant shifting of metering or billing periods to a particular day could cause PG&E and ultimately its customers to incur additional costs to handle the additional billing volume for a specific day. If the capacity were exceeded, PG&E has estimated that its annual cost would increase by a minimum of \$627,000".

Question 1D: What would be the estimated costs to the [Investor] Owned Utilities (IOUs) of allowing customers to select their own billing date?

Response:

See response to 1C.

Question 1E: What would be the estimated costs to the IOUs of allowing only customers at risk of disconnection to select their own billing date?

Response:

There is a perpetually changing population of customers eligible for disconnection. For this reason, PG&E is not able to provide the estimated cost for allowing only customers at risk of disconnection to select their own billing date. PG&E would have concern in the application of such as policy as it could provide an incentive for customers to refrain from paying a bill so that they become at risk for disconnection and eligible for this option.

Question 2A: Under what terms should a customer be considered to be in "good standing" with an IOU?

Response:

PG&E considers those terms identified in Response 2B below to determine customers in good standing. PG&E believes this standard is fair and equitable and that no changes are required.

Question 2B: If applicable, please define your utility's current policy for determining if a customer is in "good standing" with regards to fraudulent or bad check writing activities, payment defaults, etc.

Response:

A good standing customer under PG&E's normal business practices would be one who has not received more than two 48-hour notices within a 12-month period nor been disconnected for non-payment. Although PG&E currently does not assess slow pay or post-disconnect deposits, three 48-hour notices within a 12-month period or disconnection of service for non-

payment, under normal business conditions could result in the assessment of a reestablishment of credit deposit. Additionally, customers who do not engage in fraudulent conduct or bad check writing are considered to be customers in good standing.

Question 2C: Under what terms should a customer no longer be considered to be in "good standing" with an IOU?

Response:

PG&E no longer considers a customer to be in "good standing" for any of the following reasons:

- Three or more 48-hour notices within a 12-month period
- Disconnection for non-payment of energy bill or an initial deposit
- Two or more returned checks within a 12-month period
- Two or more insufficient funds events on a bank debit or credit card transaction within a 12-month period
- Bankruptcy filing
- Involvement in unauthorized energy usage or energy theft
- Engage in fraudulent conduct

Question 2D: If applicable, please define your utility's current policy for determining if a customer is no longer in "good standing."

Response:

PG&E uses the criteria in its response to question 2C to determine if a customer is no longer in "good standing."

Question 2E: For customers no longer in "good standing" with an IOU, which programs and exceptions are they no longer allowed to participate in (CARE / LIEE, deposit waivers, auto pay sign up, payment plan schedules, etc.)

Response:

PG&E customers who are no longer in "good standing" are eligible for all PG&E programs with one exception. A customer with two or more returned checks during a 12-month period is considered "cash only" for 12-months, during which time payment by check, direct pay, or electronic funds transfer is not permitted.

Question 3A: Currently the Commission prohibits the four IOUs from remotely disconnecting the utility service of customers who are denoted in the IOUs records as medical baseline or on life-support. Please identify the customer categories which should receive protection from remote service disconnections.

Response:

PG&E proposes no changes.

Question 3B: Does the IOU's current customer database identify:

a. Disabled customers

Response: There is some data on disabled customers in the Low Income Program. Electronic information is available from approximately 2004 forward in that database. However, the data would not be close to complete because PG&E only has electronic data from that time forward and any data before that time would be difficult to retrieve and inaccurate. Further, this data is collected separately from our billing system, so there is no easy way to link that data with our billing system and there would be substantial expense attempting to migrate and incorporate that data to the billing system.

b. Elderly customers

Response: PG&E's billing system does not generally retain such data. There is limited amount of identification of elderly customer information in PG&E's low income program databases. There is also some elderly customer information retained for purposes of Utility User's Tax for certain jurisdictions within

PG&E's service territory. Certain jurisdictions provide either a reduced rate or

an exemption to Utility User's Tax for seniors.

Medical / life support customers c.

Response: PG&E retains such data.

Households with one or more child under the age of 18 in the d.

home

Response: PG&E does not routinely retain this data.

Question 3C: If not, can these additional customer classes be clearly identified by the IOU's

current customer database systems?

Response:

No, not without significant Information Technology involvement and expense. Gathering

the data would also be very challenging and the data would be subject to constant change. Thus

it would be out of date and inaccurate almost from the outset. Further, as indicated above, the

data which PG&E possesses on disabled customers is collected separately outside of our billing

system and there would be substantial expense attempting to migrate and incorporate that data to

the billing system.

Question 3D: If an IOU does not currently track this demographic customer information, can

this information be tracked within the IOU database / system going forward?

Response:

See PG&E Response 3C.

Question 3E: What are the associated costs of the system changes necessary to track this

additional customer information?

Response:

PG&E has not yet determined such costs. However, an initial estimate was prepared

showing the costs associated with system changes necessary to track new customer categories to

be approximately \$163,000. However, gathering that customer information would add

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significant time to each related call in the contact center resulting in millions of dollars of expense over time.

Question 3F: Are there other potential advantages of tracking such information going forward?

Response:

PG&E believes that the greatest benefit lies in continuing to track the Medical Baseline and Life-Support demographic customer information. Obtaining information concerning elderly customer status can be beneficial because it is also used for certain Utility User's Tax billing issues for several geographic areas within PG&E's service territory. While this information is tracked through a tiny subset of PG&E's customers, obtaining and tracking information for all senior customers would be cost prohibitive.

Question 3G: What are the potential complications and disadvantages of tracking such information going forward?

Response:

This information would be invasive to the customer. The customer would frequently not want to reveal all occupants within a home. Secondly, tracking the information would be expensive with respect to call center handling time. Customer occupancy fluctuates with such frequency, attempting to capture all of the above demographic categories would be inherently inaccurate and unreliable and as indicated above in Response 3E, the costs associated with gathering and maintaining customer information would add significant time to each related call in the contact center resulting in millions of dollars of expense over time.

III. CONCLUSION

For the foregoing reasons, PG&E respectfully requests that this Commission adopt its interim definition of "sensitive customers" as permanent and refrain from expanding the sensitive customer category beyond Life Support and Medical Baseline customers for PG&E. However, if the Commission considers the existing definition to be too narrow, PG&E urges the Commission to require a declaration from customers with language equivalent to that referenced

above from a Licensed Medical Doctor or Doctor of Osteopathy that demonstrates a need for special treatment. PG&E continues to support customer's requested billing dates, provided it can be accommodated within PG&E's existing operational constraints and PG&E requests there be no change in policy in this area. Finally, discouraging fraud should continue to be an important priority for all parties and this Commission, and urges the Commission to allow PG&E the right to assess a deposit when such fraud or continued bad check writing has occurred.

Respectfully submitted,

LISE JORDAN DANIEL F. COOLEY

| By: | /s/ | |
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Attorney for

September 24, 2010

PACIFIC GAS AND ELECTRIC COMPANY

CERTIFICATE OF SERVICE BY ELECTRONIC MAIL

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is 77 Beale Street, San Francisco, California 94105.

On September 24, 2010, I served a true copy of:

PACIFIC GAS AND ELECTRIC COMPANY'S (U- 39 M) REPLY COMMENTS ON THE ADMINISTRATIVE LAW JUDGE'S RULING PROVIDING OPPORTUNITY FOR COMMENTS AND ADDRESSING OTHER PHASE II ISSUES

[XX] By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service lists for R. 10-02-005 with an e-mail address.

[XX] By U.S. Mail – by placing the enclosed for collection and mailing, in the course of ordinary business practice, with other correspondence of Pacific Gas and Electric Company, enclosed in a sealed envelope, with postage fully prepaid, addressed to those parties listed on the official service lists for R. 10-02-005 without an e-mail address.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 24th day of September, 2010, at San Francisco, California.

| /s/ |
|--------------------|
| JENNIFER S. NEWMAN |