



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

415.973.4977
Fax: 415.973.7226

October 26, 2010

Paul Clanon, Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Request for Extension of Time to Implement Mandatory Time-of-Use for Small and Medium Agricultural customers and Optional Residential Peak Day Pricing under D.10-02-032

Dear Mr. Clanon:

Pacific Gas and Electric Company (PG&E) requests the following extensions:

- An extension of time to implement mandatory time-of-use (TOU) rates for small and medium agricultural customers from February 1, 2011 to November 1, 2011.
- An extension of time to implement the optional Peak-Day Pricing rates that include TOU rates for residential customers from February 1, 2011 to November 1, 2011.
- An extension of PG&E's currently effective residential critical peak pricing rate, SmartRate™, until October 31, 2011.

PG&E makes this request because the customer service on-line tools required before these initiatives are implemented have not been completed in time for a February 2011 launch under Ordering Paragraph (OP) 2 of D.10-02-032 for small and medium agricultural and residential customer classes. OP 18 of D.10-02-032 directs PG&E to file a Tier 2 advice letter 30 days after it has completed the proposed incremental Customer Service On-Line activities (now called "My Account"). Energy Division is then to verify that the new Peak Day Pricing functions that PG&E has implemented on its website appropriately suit ratepayer needs. OP 18 continues "The anticipated February 1, 2011 and November 1, 2011 Peak Day Pricing default processes shall not begin until affected customers have had access to the verified Peak Day Pricing-related customer service on-line tools for at least 45 days".

PG&E has completed or is on track to complete most of the vital IT functions required in D.10-02-032. As stated in testimony, D.10-02-032 has required significant effort on PG&E's part to implement major Information Technology changes and upgrades. In addition to the work on My Account, PG&E has modified its billing systems to be able to support accurate billing of customers participating in PDP. Further, PG&E is also in the midst of a major upgrade its customer information system ("CC&B") to version 2.3 to support incremental functions considered in D.10-02-032. PG&E successfully completed the necessary modifications to its billing systems to accurately bill its large commercial and industrial customers on PDP, as evidenced by the proper billing of those customers who were transitioned to PDP starting in May 2010. Furthermore PG&E has implemented the TOU/PDP rates and software functions required for the additional defaults scheduled in February 2011, as per D.10-020-032, with only testing activities still in process. PG&E is also on plan and schedule to complete its upgrade of CC&B to version 2.3 in February 2011.

Despite PG&E's best efforts and successes in other IT areas, My Account will not be ready to launch in time for the February 1, 2011 default date. Therefore, PG&E will not be in a position to initiate default processes for customer classes that would depend on My Account for the necessary tools. These classes are the small and medium agricultural and residential classes. For this reason, PG&E requests that mandatory small and medium agricultural TOU and optional residential Peak Day Pricing not go into effect until November 2011.

PG&E has learned that the timing of new rates is critical to their success, and that communicating to customers about new rates should happen before critical billing months. The requested change would allow the small and medium agricultural customers community to focus on the introduction of mandatory TOU after the 2011 growing season, instead of trying to implement a new mandatory time-varying rate during the peak growing season of the summer.

OP 2 also states that default Peak Day Pricing for large agricultural customers will begin by February 1, 2011. The website tools for these customers will be available through the InterAct website in time for the February 2011 implementation date. Therefore, PG&E is not requesting a deferral of the OP 2 implementation date for this customer class.

With deferred implementation of the optional residential Peak Day Pricing rate until November 2011, PG&E also requests that the existing residential critical peak pricing rate, SmartRate, remain available through October 31, 2011 so existing SmartRate customers can continue to receive critical peak pricing signals in summer 2011.

PG&E requests that you expeditiously grant an extension to November 1, 2011 for PG&E to implement mandatory TOU for the small and medium agricultural customers and optional residential Peak Day Pricing rates under OP 2. PG&E further requests that you authorize SmartRate to continue to October 31, 2011.

Very truly yours,



Brian K. Cherry
VP Regulatory Relations

cc: Carol Brown
Andy Campbell
Karen Clopton
Julie Fitch
Andy Schwartz
Service List for A.09-02-022