

From: Kahlon, Gurbux  
Sent: 3/26/2012 10:30:16 AM  
To: Dowdell, Jennifer (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=JKD5);  
Velasquez, Carlos A. (carlos.velasquez@cpuc.ca.gov)  
Cc: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7);  
Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe); Randolph,  
Edward F. (edward.randolph@cpuc.ca.gov)  
Bcc:  
Subject: RE: Billing Error Language

I don't find Randy's explanation very helpful. This problem has been there for a while. Would be better if he could show that since this problem surfaced, PG&E has taken the steps it needs to take to minimize the unbilled charges problem and those steps are working. I think we do need a set of expectations for PG&E and MEA indicating what each is supposed to do to minimize the problem. The expectations should be set with a view to make sure each party does what is needed to avoid the problem, not with the goal to assign blame. Randy seems to think there is no need for laying out expectations. Finally, the proof is in the pudding. If the problem is already going away because of joint steps that PG&E and MEA have taken in the last months, we should give those processes time to succeed. So it all boils down to an evaluation of the progress made.

Gurbux

**From:** Dowdell, Jennifer [mailto:JKD5@pge.com]  
**Sent:** Friday, March 23, 2012 5:02 PM  
**To:** Kahlon, Gurbux; Velasquez, Carlos A.  
**Cc:** Allen, Meredith; Cherry, Brian K  
**Subject:** FW: Billing Error Language

Gurbux and Carlos,

Per our discussion, I am forwarding Randy's note to Dawn and Jamie at MEA. I'm hoping we can move forward with better communication and clearer processes between PG&E and MCE.

I'll keep you posted on our discussions and please do not hesitate to call if you have questions.

Jennifer  
415-516-8347

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**From:** Litteneker, Randall (Law)  
**Sent:** Friday, March 23, 2012 4:47 PM  
**To:** 'Jamie Tuckey'; dweisz@marinenergyauthority.org  
**Cc:** Sam Schmidt; jkudo@marinenergyauthority.org; [Redacted]; Dowdell, Jennifer; [Redacted]  
**Subject:** RE: Billing Error Language

Dawn and Jamie:

PG&E would like again to highlight our willingness to work with MEA on procedures and policies that will facilitate and clarify roles and responsibilities in our billing relationship. MCE has requested that PG&E agree to amend existing tariffs to provide for specific instances where PG&E would compensate MCE for billing errors. This is of concern to us because our experience from having worked together to resolve issues over the past few months has highlighted the fact that the causes of incorrect customer bills are complex and that the determination of the causes for any given instance of an incorrect customer bill may be a matter more for investigation of how to avoid such problems in the future, rather than prescriptive rules assigning blame for such errors.

PG&E continues to be committed to working constructively on this issue and we would very much like to have a discussion -- as we have proposed -- to find the common ground on improving billing processes. However, virtually all the examples that you have pointed to contained the potential for MCE to at a minimum, share the responsibility for the error.

For example, one proposed error in the list was if PG&E does not bill the customer within the window for recovery provided in Rule 17.1. MCE's proposed remedy was: "*If Rule 17.1 prevents PG&E from applying CCA charges to a bill and the CCA charges have been unbilled due to a PG&E error, PG&E will reimburse the CCA for the unbillable CCA charges.*" At various meetings, PG&E has explained that we find this type of proposal unreasonable, particularly, in that it appeared to contemplate that MCE and Noble have no responsibilities to detect, respond to, or act on billing issues that have been brought to your attention.

The unbilled customer charges you mentioned back in December highlights our concern. As we understand it, at least two bills were never sent in 2010.

- PG&E apparently provided some meter reads to MEA/Noble with the wrong account information.
- Noble submitted proposed bills for those reads, and PG&E promptly informed Noble that these were not accurate account numbers, and therefore that they could not be billed.
- The accounts were reported on the unbilled list
- Noble did not take action to resubmit or correct these accounts for over nine months.
- MCE then asked PG&E to either bill the customer or pay MCE the amount of those bills.

In this case, it appears there was miscommunication. PG&E sent incorrect information, but MEA/Noble knew of these billing errors, and did not correct them in a timely fashion.

PG&E acknowledges that it has specific obligations under Rule 23 to perform billing services, and has made clear that it will consider claims for reimbursement through the claims process if MCE believes PG&E is responsible for revenue shortfalls. In addition, if PG&E rejects such a claim and MCE disagrees with that conclusion, MCE can present such a claim to the Commission for resolution.

PG&E notes that you proposed the following new language in MCE's March 15 email describing a process for addressing billing errors.

*"Process for addressing a billing error:*

- *If PG&E notifies the CCA of a billing error which requires a response and/or action to be taken by the CCA in order to resolve the error, PG&E shall provide, to the CCA, a description of the response and/or action to be taken by the CCA.*
- *The CCA shall respond and/or take specified action within 5 business days after receiving direction and notification from PG&E.*
- *If the CCA does not provide a response and/or action, or a reason why the response and/or action is not accomplishable, either entirely, or within the 5 day timeframe, PG&E shall not be held responsible*

*for the billing error."*

This proposal is a step forward. Unfortunately, these exceptions are still too narrow, and do not cover all the circumstances that can arise in the billing process. PG&E is also not sure that we understand their intent. For example, they require PG&E to provide "a description of the response and/or action to be taken by the CCA" for every billing error. This places focus on unnecessary procedures, assignment of blame, and accruing penalties among PG&E and MCE, rather than on effective communication to resolve the errors and get customers billed timely and correctly.

If Noble submits a bill and gets an error message back from PG&E, the requirement that PG&E provide a written description of what MCE must do with such bills, or else owe MCE for all such bills begs the question of why we have not in the course of our billing partnership established channels of communication and a common understanding of billing timetable and constraints.

MCE, Noble, and PG&E should be working together every day in a flexible way to identify and solve billing issues. In fact, PG&E is willing to work every business day with Noble on unbilled accounts. PG&E sees its role as a billing partner and resource to MCE. Both PG&E and MCE should act to minimize billing errors and to effectuate their resolution as quickly as possible.

Finally, PG&E continues to believe that Rule 17 is not the place to address CCA/utility specific billing roles and responsibilities. Rule 23 already contains a variety of terms addressing billing obligations of the electric utility and the CCA. Section P. addresses billing service obligations. Section Q. addresses Payment and Collection Terms. Section R addresses late or partial payments and unpaid bills. Similarly, Section B addresses other obligations, including in part B.2, general obligations of PG&E, and in part B.3, and general obligations of the CCA. Part B.17 addresses "liability in connection with CCA services."

After giving it considerable thought, we are unable and unwilling to devise tariff terms providing greater specificity than now appears in Rule 23 addressing all circumstances when a utility must compensate a CCA for billing errors. Nonetheless, we remain perfectly willing to meet with you and explore and improve all aspects of the billing process. We look forward to working with MCE to resolve our roles and responsibilities as we move forward.

We felt that we made significant progress in developing together procedures for manual bill cancelation and would propose that we meet with PG&E staff, MEA and Noble to develop and clarify communication procedures around correcting billing errors, and a process for submission and evaluation of any claims should that be necessary going forward.

Randy

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From: Jamie Tuckey [<mailto:jtuckey@marinenergyauthority.org>]  
Sent: Thursday, March 15, 2012 11:00 AM  
To: [Redacted] Dowdell, Jennifer; [Redacted] Litteneker, Randall (Law)  
Cc: [dweisz@marinenergyauthority.org](mailto:dweisz@marinenergyauthority.org); Sam Schmidt; Susan Bierzychudek;  
[jkudo@marinenergyauthority.org](mailto:jkudo@marinenergyauthority.org)  
Subject: Billing Error Language

Alisha, Jennifer, Clay, and Randy,

Attached please find MEA's proposed language regarding billing errors for the Code of Conduct. MEA believes that including this language in the Code of Conduct should help resolve Issue #3 on our list.

We have added additional language to the version that was provided on December 5, 2011 regarding a

CCAs role in addressing billing errors, as discussed in our meeting on March 12

Please review and provide any comments or feedback that you may have.

Thanks,  
Jamie

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Jamie Tuckey | Communications Director

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