

From: Redacted
Sent: 8/7/2012 8:39:45 AM
To: Petlin, Gabriel (gabriel.petlin@cpuc.ca.gov) (gabriel.petlin@cpuc.ca.gov)
Cc: Dietz, Sidney (/O=PG&E/OU=Corporate/cn=Recipients/cn=SBD4)
Bcc:
Subject: RE: RCES ED TOU presentation

Gabe

Regarding Question 2 on presenting tiered TOU billing:

The intervals between the rate tiers are not used in PG&E's billing system. Therefore, changing the presentation of the tiered TOU bill in the short term would be a significant change and is far beyond the scope of RCES contemplated in the Settlement.

PG&E recommends residential TOU rates be simplified. Any version of residential TOU that includes tiers overcomplicates communications to customers, whether tiers are presented as shown in PG&E current tariffs/energy statements or as a discounts/surcharges from a set of TOU rates. Because tiered rates are calculated based on total monthly usage, at any given time during the month the customer on a time-variant rate won't know what tier they are in, or what the price they pay for power at that time really is, which defeats the purpose of sending a price signal to which they can respond. That said, a two tiered TOU rate would be more manageable to present to customers than a rate with three or more tiers.

Have a great vacation. I will be out for most of August 16-22. Please continue to include Sid in our correspondence.

Regards,

Redacted

Current Structure:

Tier 1			
Peak	48.2800 kWh @	0.26555	12.82
Partial Peak	58.5900 kWh @	0.16207	9.50
Off Peak	321.5400 kWh @	0.09315	29.95
Tier 2			
Peak	14.4740 kWh @	0.28229	4.09
Partial Peak	17.5770 kWh @	0.17881	3.14
Off Peak	96.4620 kWh @	0.10989	10.60
Tier 3			
Peak	33.7960 kWh @	0.44503	15.04
Partial Peak	41.0130 kWh @	0.34154	14.01
Off Peak	225.0780 kWh @	0.27262	61.36
Tier 4			
Peak	18.9538 kWh @	0.48503	9.19
Partial Peak	23.0046 kWh @	0.38154	8.78
Off Peak	126.3006 kWh @	0.31262	39.48

Alternative Structure:

TOU Charges			
Peak	115.5038 kWh @	0.44503	51.40
Partial Peak	140.1846 kWh @	0.34154	47.88
Off Peak	769.3806 kWh @	0.27262	209.75
Tier 1 Conservation discount	428.4100 kWh @	-0.17948	-76.89
Tier 2 Conservation discount	128.5130 kWh @	-0.16273	-20.91
Tier 4 Conservation Surcharge	168.2590 kWh @	0.04000	6.73

From: Petlin, Gabriel [mailto:gabriel.petlin@cpuc.ca.gov]

Sent: Thursday, August 02, 2012 5:39 PM

To: Redacted

Cc: Dietz, Sidney

Subject: RE: RCES

Thank you for these answers. To restate question 2, Here is what SDG&E is proposing in their GRC. What would the billing design impact be of a similar presentation of tiered residential TOU rates at PG&E? (we are asking for the same exact rate structure, but more for the presentation of simplified non-tiered TOU rates followed by line item credits to provide the AB1X and SB 695 rate capping benefits.

To promote rate simplicity and to ease customer understanding of TOD and dynamic pricing structures, SDG&E proposes that 4-tier UDC rates be changed to a non-tiered UDC structure, with line-item credits for baseline usage and up to 130 percent of baseline usage. The end result, when line-item credits are included, would be a 3-tier rate structure. To provide customers with similar AB1X and SB 695 rate capping benefits, the line-item bill credits would be designed to produce the exact same total UDC rates for baseline usage and for usage up to 130 percent of baseline allowances as their otherwise applicable tiered rate schedule.[1]

Gabe Petlin

Regulatory Analyst

Energy Division | Demand-Side Analysis Branch| Retail Rate Design

California Public Utilities Commission

505 Van Ness Ave | San Francisco CA 94102

415-703-1677 | gpl@cpuc.ca.gov

From: Redacted
Sent: Thursday, August 02, 2012 4:57 PM
To: Petlin, Gabriel
Cc: Dietz, Sidney
Subject: RE: RCES

Gabe

You asked - if the Commission were to make changes to PG&E's rate, how big an impact would those changes have on PG&E's billing system and what would be the timing of implementing those changes:

1. Can we eliminate tiers for all residential customers without major surgery on the billing system and on the RCES format?

This depends in part in the actual rate structure adopted. For example, would there be some geographic differentiation if we are eliminating baseline? How would Medical Baseline and other riders, programs, minimum/MARL bills, etc. be handled? This is potentially major surgery and a long project.

2. In the near term, can we change the display for the existing Res TOU rates to show the bill by TOU period with conservation discounts/surcharges to reflect the tiers?

It would be hugely helpful if you send a mock-up of your vision with a numerical sample calculation. Of the things you asked about, this is potentially the largest change to our billing system.

3. Are we equipped to bill and present an un-tiered TOU rate today?

Yes. For example, the EV rate.

4. If we collapsed tiers, for example eliminating Tier 4, how would that appear on the bill?

We could collapse tiers so that eliminated tiers would not show on the Energy Statements. For example, if Tiers 3 & 4 were collapsed then all usage above Tier 2 would be presented on the Energy Statement as Tier 3 usage.

5. Are we equipped to bill customers charges?

This is potentially time consuming, but not major surgery.

6. Is it major surgery to make changes to Baseline, either changes in the rate design from 55% to 50%, or changes in the amount covered by each tier? E.g., if Tier 2 were to be set at 101% to 250% of baseline.

No. This is not major surgery.

Regards,

Shari

Redacted

Sr Policy Analyst

Customer Care

Pacific Gas and Electric

Redacted

From: Redacted

Sent: Wednesday, August 01, 2012 3:43 PM

To: 'Petlin, Gabriel'

Cc: Dietz, Sidney

Subject: RE: RCES

Gabe

Attached is the research you requested specifically on the CARE discount presentation.

I am still tracking down answers to your other questions and plan to provide them this week.

However, I would appreciate help from you to get an answer on question 2. I have framed those questions as follows:

If the Commission were to make changes to PG&E's rate, how big an impact would those changes have on PG&E's billing system and what would be the timing of implementing those changes:

1. Can we eliminate tiers for all residential customers without major surgery on the billing system and on the RCES format?

2. In the near term, can we change the display for the existing Res TOU rates to show the bill by TOU period with conservation discounts/surcharges to reflect the tiers?

Gabe: It would be hugely helpful if you send a mock-up of your vision. Of the things you asked about, this is potentially the largest change to our billing system.

3. Are we equipped to bill and present an un-tiered TOU rate today?

4. If we collapsed tiers, for example eliminating Tier 4, how would that appear on the bill?

5. Are we equipped to bill customers charges?

6. Is it major surgery to make changes to Baseline, either changes in the rate design from 55% to 50%, or changes in the amount covered by each tier? E.g., if Tier 2 were to be set at 101% to 250% of baseline.

Regards

Redacted

From: Petlin, Gabriel [mailto:gabriel.petlin@cpuc.ca.gov]

Sent: Wednesday, August 01, 2012 9:10 AM

To: Redacted

Cc: Dietz, Sidney

Subject: RCES

Sheri,

Great speaking with you on Monday. Do you think you would be able to provide written answers to my questions today?

Thank you.

Gabe Petlin

Regulatory Analyst

Energy Division | Demand-Side Analysis Branch | Retail Rate Design

California Public Utilities Commission

505 Van Ness Ave | San Francisco CA 94102

415-703-1677 | gpl@cpuc.ca.gov

PG&E is committed to protecting our customers' privacy.

To learn more, please visit <http://www.pge.com/about/company/privacy/customer/>

[1] A.10-07-009 SDG&E Application Direct Testimony of Redacted Chapter 4, at 14.