

From: [Redacted]
Sent: 9/18/2012 12:53:55 PM
To: Christensen, Robin M
(/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=RMHQ); Zelmar, Karen
(/O=PG&E/OU=Corporate/cn=Recipients/cn=KJZ1); Dietz, Sidney
(/O=PG&E/OU=Corporate/cn=Recipients/cn=SBD4); [Redacted]
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Benjamin, Robert (robert.benjamin@cpuc.ca.gov); Zafar, Marzia
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(Manisha.Lakhanpal@cpuc.ca.gov)
Bcc:
Subject: RE: SMB customers in Marin

Hi Everyone,

I discussed PG&E's strategy, to wait until next November to default any remaining SMB customers in Marin to TOU, with Energy Division staff and management, and the Assigned ALJ. The conclusion is that PG&E cannot wait until next November to change the rate for SMB customers that live in Marin and choose to stay with PG&E. However, PG&E can wait until after the October 1st MEA opt out window ends, and until MEA has provided PG&E with an accurate list of the customers that have opted out before informing them that their rate will be changing. It is reasonable that these customers may end up being defaulted later than November 1, 2012, but PG&E cannot delay communicating with them until next year.

I also discussed with Karen that PG&E's interpretation that DA customers can be defaulted to TOU is incorrect. Karen mentioned that PG&E will identify how many DA customers have been told about the TOU rate change, and inform them that they will not be changing to a TOU rate this November.

Thanks,

[Redacted]

From: Zelmar, Karen [mailto:KJZ1@pge.com]

Sent: Thursday, September 13, 2012 3:59 PM

To: Caron, Jennifer

Cc: Dietz, Sidney; Christensen, Robin M; [Redacted]

Subject: SMB customers in Marin

[Redacted]

I understand Sid Dietz has spoken with you (and perhaps others at the Energy Division?) about some activities around customers in Marin County and the upcoming TOU default. Subsequent to that you have asked a couple of different people here at PG&E about the number of customers who are impacted by this intersection. Here is the data we have as of today:

of SMB customers in Marin County: 13,541

of SMB customers currently with MEA: 10,616

You specifically had asked the for number of MEA customers who will be defaulting to TOU on Nov 1 2012. The answer to your question for 2012 is zero. We decided out of an abundance of caution to defer the default of the SMB customers in Marin county to 2013.

Here's why:

1. MEA is currently in the process of defaulting a large portion of the Marin county customers to their generation service. Their communications have been sent out throughout the summer. We were very concerned that our communications about the TOU default and our actual TOU default letters would "collide" with the MEA notices about their upcoming default and their actual default and did not want to confuse the SMB customers.

2. We considered defaulting only those customers who opted-out of MEA. But again, since they are in the middle of their default and the customers have 60 days to return to bundled

service with no penalty, we will not have a locked list of opt-outs in time to update our IT systems for the TOU default.

3. Given that the TOU rate change is only implemented in the generation portion of the rate (which is the portion served by MEA), the rate default will not impact their bill, making it a challenge to explain this rate default to the customers served by MEA. In the original PDP decision, CCA customers were excluded from the default. However, in the Modification of the Decision, when TOU and PDP defaults were split, no clarification was provided on whether the TOU default would apply to CCA customers. Therefore, PG&E is acting under the principal of defaulting all eligible flat-rate customers to TOU – this includes DA/CCA.

Given these reasons, we decided to hold off on the default in Marin county this year. Since we have an annual default process, we believe that this issue would be better addressed next November 2013 after the MEA defaults were by and large complete.

Please let us know if you have further questions,

Karen

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