

**Date:** November 27, 2012

**From:** Gabe Petlin, CPUC Energy Division

**To:** [Redacted] Sid Dietz, PG&E

**Re:** Energy Division Requested Changes to PG&E Revised Customer Energy Statements (RCES, Advice Letter 3304-G / 4052-E).

Energy Division met with PG&E on November 9<sup>th</sup> to discuss a set of revised Energy Division requested changes to the RCES. PG&E agreed to make some of the changes and requested not to make others. In some instances ED agreed with PG&E on some alternative solutions to the issues we raised. This "11/27/12 Response" summarizes the closed/resolved issues and provides ED's response to few remaining open issues that came out of the 11/9/12 meeting. Energy Division's expectation is that PG&E will file a supplemental advice letter proposing RCES modifications outlined in the "11/27/12 Response" column below. The items are coded as follows:

- No highlight – PG&E agreed to ED requested change.
- Yellow highlight – PG&E and ED discussed and resolved the issue in the 11/9/12 meeting as shown.
- Light Blue – PG&E and ED could not agree during the 11/9/12 meeting. This draft represents Energy Division's solution for resolving the issue as described.

**All Residential Statements – These apply universally to residential statements**

<b>Page 1 – ED 9/17/12 Requested Changes</b>	<b>PG&amp;E 10/4/12 Response</b>	<b>ED 11/27/12 Response</b>
<ul style="list-style-type: none"><li>○ Monthly Billing History - The graph on Billing History is too small to be read, particularly the Average Daily Energy Comparison. Increase size for readability.</li></ul>	<ul style="list-style-type: none"><li>○ PG&amp;E will enlarge to the extent possible within the same footprint. Note that the actual Energy Statement will be at a higher resolution than the samples.</li></ul>	<ul style="list-style-type: none"><li>○ Resolved – We would like to see the hi-res samples with the enlargement as part of the supplemental Advice Letter is filing.</li></ul>
<ul style="list-style-type: none"><li>○ Special Account Information – All statements should state the program or rate of the customer here such as TOU, SmartRate etc. Could be more user-friendly like: "You are enrolled in TOU etc." Drop "special" from "Account Information" and move this section up to below the address section.</li></ul>	<ul style="list-style-type: none"><li>○ Programs (PTR, PDP, SmartRate) will be stated, Rate Schedules will not. The heading will be revised to show "Your Enrolled Programs" or similar wording. Order of sections will not change.</li></ul>	<ul style="list-style-type: none"><li>○ Why can't PG&amp;E show rate information like TOU as well? TOU and SmartRate are both rates. List all the Programs &amp; Rates that will be listed under "Your Enrolled Programs."</li><li>○ Resolved - "Your Enrolled Programs" will list programs, but not rates. SmartRate is a program. PG&amp;E will provide a list of all</li></ul>

		<p>rates that can be listed in the supplemental Advice Letter.</p>
<ul style="list-style-type: none"> <li>○ Savings Alert – All statements should have a savings alert message. This can rotate from different programs and rates each month.</li> </ul>	<ul style="list-style-type: none"> <li>○ The Savings Alert will remain for actual CARE/FERA and other program savings in the current bill.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved - Residential bills will show a savings alert for other programs: PTR (if approved). PG&amp;E will List all residential programs and rates that will show a savings alert in their supplemental AL, including and “GHG dividends”. SmartRate customers get a letter at the end of the year summarizing if the customer “won” or “lost.”</li> </ul>
<ul style="list-style-type: none"> <li>○ Important Messages - Include notices about other rates and programs that can save the customer money. Add a savings teaser either in Savings Alert or here: Use AMI capabilities (after ~9 months of AMI data to proactively inform customers who would be savers on alternative programs like TOU/SmartRate.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will provide ED with a list of messages which appear on page 1. Messages which require shadow billing are not part of RCES. Note that the primary purpose of the Energy Statement is to communicate billing information: what do you owe, when, why, and how to pay.</li> </ul>	<ul style="list-style-type: none"> <li>○ After reviewing the list we note that there are some conservation messages. Therefore there should be a message that directs customers to my-energy to learn about savings opportunities at least annually. We also would like to see a message targeted to likely savers to learn more about SmartRate &amp; TOU. (PG&amp;E says this can’t be done.)</li> <li>○ Resolved – A general conservation and money-saving message (you may be eligible for a lower rate) will run at least once per year.</li> </ul>
<ul style="list-style-type: none"> <li>○ Important messages – Does the CARE message need to be in Spanish for everyone? If not then this could free up space to increase the graph size or include other messages.</li> </ul>	<ul style="list-style-type: none"> <li>○ PUCODE §739.4(b) requires multi-lingual CARE message on bills</li> </ul>	<ul style="list-style-type: none"> <li>○ Isn’t this a quarterly requirement? If yes, then what can you run instead?</li> <li>○ Resolved - CARE is a quarterly requirement. PG&amp;E will provide a list of messages and their frequency /prioritization as part of the supplement AL. These messages will appear in months</li> </ul>

<ul style="list-style-type: none"> <li>○ We cannot determine where it is indicated what climate zone a customer is in. This information should be readily apparent somewhere on the bill.</li> </ul>	<ul style="list-style-type: none"> <li>○ Climate Zone is on detail pages as is the daily baseline quantity for that zone with the calculation showing how to reach the total Tier 1 allowance.</li> </ul>	<p>when the CARE message does not run.</p> <ul style="list-style-type: none"> <li>○ A reasonable person would not be able to determine their climate zone or heat source based on the opaque coding. Surely PG&amp;E can provide simple language such as: "Your climate zone is X and your heat source is Y."</li> <li>○ PG&amp;E is strongly opposed to adding this explanation for space reasons and they say that it is not a concern of customers. PG&amp;E notes that the primary purpose of the RCES is to communicate billing information: what do you owe, when, why, and how to pay.</li> <li>○ Resolved: ED believes this is not the top priority of the RCES. However, providing this information helps a customer understand how and why their bill is calculated. PG&amp;E should provide a simple statement in plain English such as "Your climate zone is X and your heat source is Y." PG&amp;E provides other information that has nothing to do with billing such as "outage block" and "serial" etc..We are not suggesting eliminating this information, but are pointing out that climate zone and heat source are more relevant to a customer's understanding of the bill.</li> </ul>
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<ul style="list-style-type: none"> <li>○ The subject of each page of the statement should stand out more: <ul style="list-style-type: none"> <li>▪ Pg1 – “Your Account Summary”</li> <li>▪ Pg2 – new title: “Explanation of Bill and Important Phone Numbers”</li> <li>▪ Pg3 – “Details of Electric Charges”</li> <li>▪ Pg4 – “Details of Gas Charges”</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>○ Retain customer tested design.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved.</li> </ul>
<b>Page 2</b>		
<ul style="list-style-type: none"> <li>○ Instead of a table with % of baseline, consider a more user-friendly graphic like a funnel shaped bucket with lines across the bucket representing each tier.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will provide a revised BackofBill, possibly without the chart.</li> </ul>	<ul style="list-style-type: none"> <li>○ Keep the original table and add: “As you use more energy, you pay more for each tier of usage.” The rest of the new text is not needed.</li> <li>○ Resolved - Agreed by PG&amp;E.</li> </ul>
<ul style="list-style-type: none"> <li>○ Simplify language and increase text font.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E is open to suggestions.</li> </ul>	<ul style="list-style-type: none"> <li>○ DWR Bond Charge: cut last sentence which is not needed. PG&amp;E is opposed to cutting the sentence. In its Supplemental AL PG&amp;E shall provide a legal justification for retaining the sentence.</li> <li>○ ECRA: cut last 2 sentences which are not needed. Resolved – PG&amp;E proposed to cut the entire ECRA section.</li> </ul>
<ul style="list-style-type: none"> <li>○ Electric charges breakdown should be made bigger.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E is open to increasing the size if other text can be reduced or eliminated</li> </ul>	<ul style="list-style-type: none"> <li>○ With the above cuts it should be possible to increase the font.</li> <li>○ Resolved - Agreed by PG&amp;E.</li> </ul>
<b>Page 3</b>		
<ul style="list-style-type: none"> <li>○ Make the graph at the bottom bigger so it is more readable.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will enlarge to the extent possible within the same footprint. Note that the actual Energy Statement will be at a higher resolution than the samples.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved – We would like to see the hi-res samples with the enlargement as part of the supplemental Advice Letter is filing.</li> </ul>

<ul style="list-style-type: none"> <li>○ Right Column, in “Additional Messages” section – When a bill includes two calendar periods with different rates this should be explained in simple terms.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will provide ED with a list of messages which appear on pages 3 &amp; 4, including the electric seasonal crossover message.</li> </ul>	<ul style="list-style-type: none"> <li>○ Electric season crossover message is resolved.</li> </ul>
<ul style="list-style-type: none"> <li>○ Additional Messages - Have a fact each month, (or change it every three months) next to the graph to provide context for usage- a typical refrigerator uses x kWh per month. etc. (PG&amp;E has a great section online showing a bunch of household appliances, how much they use, and how a person can save energy and money- PG&amp;E can get its monthly fact from there.)</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will provide ED with a list of messages which appear on pages 3 &amp; 4. Note that the primary purpose of the Energy Statement is to communicate billing information: what do you owe, when, why, and how to pay.</li> </ul>	<ul style="list-style-type: none"> <li>○ After reviewing the list we note that there are some conservation messages. Therefore there should be a message that directs customers to my-energy to learn about savings opportunities at least annually. We also would like to see a message targeted to likely savers to learn more about SmartRate &amp; TOU.</li> <li>○ Resolved – A general conservation and money-saving message (i.e. you may be eligible for a lower rate) will run at least 1 time per year.</li> </ul>

**CARE (Format 2)**

<p><b>Page 1</b></p>		
<ul style="list-style-type: none"> <li>○ Important Messages - For customers already enrolled in CARE the Important Messages section should be used to encourage them to join other programs that can help them save money. It is confusing to use this section to encourage them to join a program they are already in. It also should periodically include information on how to remain in CARE and learn about CARE.</li> </ul>	<ul style="list-style-type: none"> <li>○ CARE message shown quarterly is legislative requirement. Billing system constraints make it difficult to present messages by rate schedule. Other changes to the Energy Statement make clearer to customers on page 1 that they are on the CARE program and receiving CARE discounts. In addition, the detail charges section tells customers by</li> </ul>	<ul style="list-style-type: none"> <li>○ Are you sure it is required to show the CARE message to already enrolled CARE customers? We note that some of the messages on the list you sent us are rate-specific, so it appears that PG&amp;E has the ability to run rate specific messages.</li> <li>○ Resolved – PG&amp;E will continue to run CARE messages quarterly to all customers regardless of whether they are enrolled in CARE. This is more of an operational issue than a regulatory requirement.</li> </ul>

	when they need to renew their CARE enrollment.	
<ul style="list-style-type: none"> <li>○ Account Information – Instead of “CARE Discount” make this more user-friendly: “You are enrolled in the CARE Discount.” Or “You receive the CARE Discount.”</li> </ul>	<ul style="list-style-type: none"> <li>○ The heading will be revised to show “Your Enrolled Programs” or similar wording.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved.</li> </ul>
<b>Page 3 &amp; 4</b>		
<ul style="list-style-type: none"> <li>○ Additional Messages Section (on right):</li> </ul>		
<ul style="list-style-type: none"> <li>▪ Show the different rate for each Tier on a separate line, to improve readability.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Agreed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resolved.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Show the CARE rates for both billing time periods if applicable. In the Gas CARE bill Additional Messages section you show the CARE rates for two billing time periods. The same should be done for the electric bill.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Agreed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resolved.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Ensure that the CARE Rates message is always the 1<sup>st</sup> message displayed if there are more than one messages in the Additional Messages section.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Agreed</li> </ul>	<ul style="list-style-type: none"> <li>▪ Resolved.</li> </ul>
<ul style="list-style-type: none"> <li>○ CARE discount line item should be more prominent.</li> </ul>	<ul style="list-style-type: none"> <li>○ Retain customer tested design.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved. No change.</li> </ul>

**Time of Use Residential (Format 5) – Also applicable to residential SmartRate**

<b>Page 1</b>		
<ul style="list-style-type: none"> <li>○ Need to indicate in “Special Account Information” that rate is Time of Use (or SmartRate) as you have on other statements.</li> </ul>	<ul style="list-style-type: none"> <li>○ Section will be used for programs including SmartRate, PDP, PTR if approved, On Bill Financing, etc. Rates (e.g. TOU) will be shown on pages 3 &amp; 4.</li> </ul>	<ul style="list-style-type: none"> <li>○ Why can't PG&amp;E show rate information like TOU as well? TOU and SmartRate are both rates. List all the Programs &amp; Rates that will be listed under “Your Enrolled Programs.”</li> <li>○ Resolved - “Your Enrolled Programs” will list programs, but not rates. SmartRate is a program. PG&amp;E will provide a list of all rates that will be listed in the supplemental Advice Letter.</li> </ul>

<ul style="list-style-type: none"> <li>○ Add a Savings Alert as you have for CARE. The message should say: “You saved \$X.XX this month by participating in NAME OF PROGRAM.” Rotate this savings message with other messages such as “By reducing your electricity use during peak hours (2pm-6pm) you can save money on your bill.”</li> </ul>	<ul style="list-style-type: none"> <li>○ The Savings Alert will appear for actual CARE/FERA and other program savings in the current bill and only actual savings in the current bill.</li> </ul>	<ul style="list-style-type: none"> <li>○ We accept this provided that residential bills show a savings alert for other programs: PTR (if approved), SmartRate, and TOU? List all residential programs and rates that will show a savings alert.</li> <li>○ Resolved - Residential bills will show a savings alert for other programs: PTR (if approved). PG&amp;E will List all residential programs and rates that will show a savings alert in their supplemental AL, including “GHG dividend” SmartRate customers get a letter at the end of the year summarizing if the customer “won” or “lost.”</li> </ul>
<ul style="list-style-type: none"> <li>○ Important Information – For SmartRate customers include event notification options.</li> </ul>	<ul style="list-style-type: none"> <li>○ SmartRate customers enroll or affirmatively decline notification as part of program enrollment.</li> </ul>	<ul style="list-style-type: none"> <li>○ What % enrolls in notification, and how do you reach those that decline an event notification option? → There needs to be somewhere on the bill to reach these customers about notification options.</li> <li>○ PG&amp;E states that very few SmartRate customers decline an event notification option and they are opposed to running any bill messages regarding notification options.</li> <li>○ Resolved – PG&amp;E should run a general SmartRate event notification option message at least 1 time per year. We recognize that there are many messages competing for bill time. This is a reasonable requirement.</li> </ul>
<p><b>Page 3</b></p>		
<ul style="list-style-type: none"> <li>○ Increase the size of the graph for improved readability.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will enlarge to the extent possible within the same footprint. Note that the actual ES</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved – We would like to see the hires samples with the enlargement as part of the supplemental Advice Letter filing.</li> </ul>

	will be at a higher resolution than the samples.	
<ul style="list-style-type: none"> <li>○ Upper left (below “Rate Schedule”) include: “Enrolled Programs: Time of Use” or the appropriate enrolled program. You do this for the commercial PDP statement.</li> </ul>	<ul style="list-style-type: none"> <li>○ The “Rate Schedule” line already identifies TOU for customers so adding it to enrolled programs would be duplicative.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved.</li> </ul>
<ul style="list-style-type: none"> <li>○ Right Column – provide simple clear explanation of time variant rates. Alternatively place this text near the TOU graphs.</li> </ul>	<ul style="list-style-type: none"> <li>○ There is no simple, clear, brief explanation of tiered TOU rates. Customers on TOU have a very high awareness of the characteristics of TOU. Note that the graphic includes the TOU hours specific to the customer’s rate schedule. PG&amp;E uses other channels to educate customers on TOU.</li> </ul>	<ul style="list-style-type: none"> <li>○ Actually, your sample bill shows an “Additional Message” that is targeted to residential TOU customers and informs them of peak hours and how to save money. How frequent does this run? This is what we were asking for.</li> <li>○ Resolved – this message will run at least 1 time per year. Please state this in the Supplemental AL.</li> </ul>

**ALL Commercial Formats**

<b>Page 1</b>		
<ul style="list-style-type: none"> <li>○ Important Information - Provide a bill comparison teaser: “If you were enrolled in NAME OF PROGRAM you would have saved \$x last month.” Or structure the message for the appropriate metric or time period. Include more information on TOU/PDP for customers not already enrolled in those programs.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will provide ED with a list of messages which appear on page 1. Messages which require shadow billing are not part of RCES.</li> </ul>	<ul style="list-style-type: none"> <li>○ We want to know which messages you plan to run that have relevancy to commercial customers. We don’t think you should run messages on commercial bills that are only relevant to residential customers.</li> <li>○ Resolved – PG&amp;E will only run commercially relevant messages and will include a list of these messages in its supplement AL.</li> </ul>
<ul style="list-style-type: none"> <li>○ Make graph bigger.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will enlarge to the extent possible within the same footprint. Note that the actual</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved – We would like to see the hi-res samples with the enlargement as part of the supplemental Advice Letter is</li> </ul>



	Energy Statement will be at a higher resolution than the samples.	
<b>Page 2</b>		
<ul style="list-style-type: none"> <li>Why are you using so much space to explain tiers and baselines to non-residential customers when they don't have tiers and baselines? This space could be better used to explain energy charges, demand charges, customer charges, and TOU/PDP, which are more relevant to non-residential customers.</li> </ul>	<ul style="list-style-type: none"> <li>PG&amp;E will use a different BackofBill for Residential and Non-Residential customers. Demand Charges will be defined on the Commercial BackofBill.</li> <li>Follow-up: Provide sample non-res BackofBill.</li> </ul>	<ul style="list-style-type: none"> <li>Demand Charge – resolved.</li> <li>If you make the back of bill text cuts we requested for residential bills you will free up some additional space.</li> <li>An explanation of TOU rates would make sense since soon all non-residential customers will be on TOU.</li> <li>Resolved – PG&amp;E agreed to include a TOU explanation on back of bill.</li> </ul>
<b>Page 3-4</b>		
<ul style="list-style-type: none"> <li>Make graphs bigger.</li> </ul>	<ul style="list-style-type: none"> <li>PG&amp;E will enlarge to the extent possible within the same footprint. Note that the actual Energy Statement will be at a higher resolution than the samples.</li> </ul>	<ul style="list-style-type: none"> <li>Resolved – We would like to see the hi-res samples with the enlargement as part of the supplemental Advice Letter is filing.</li> </ul>

**Commercial TOU and PDP (Format 13, 14)**

<b>Page 1</b>		
<ul style="list-style-type: none"> <li>Savings Alert – Include savings alerts based on successful reduction of peak usage during peak pricing events.</li> </ul>	<ul style="list-style-type: none"> <li>Messages which require shadow billing are not part of RCES.</li> </ul>	<ul style="list-style-type: none"> <li>The five savings alert messages you list are for residential customers only. We think you should run savings alerts that are relevant to commercial customers.</li> <li>Resolved – PG&amp;E will run commercially relevant savings alert messages and will provide a list of these messages in the</li> </ul>

		supplemental AL, including the GHG dividend.
<ul style="list-style-type: none"> <li>○ Make graph bigger</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will enlarge to the extent possible within the same footprint. Note that the actual Energy Statement will be at a higher resolution than the samples.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved – We would like to see the hi-res samples with the enlargement as part of the supplemental Advice Letter is filing.</li> </ul>
<ul style="list-style-type: none"> <li>○ List options for notification prior to peak pricing event days under important messages.</li> </ul>	<ul style="list-style-type: none"> <li>○ 86% of PDP customers, excluding billboards, are enrolled in notification.</li> </ul>	<ul style="list-style-type: none"> <li>○ How do you reach the other 14%?</li> <li>○ Resolved – PG&amp;E conducts extensive outreach through non-bill channels on PDP issues. No further change.</li> </ul>
<ul style="list-style-type: none"> <li>○ Include a reminder about saving money by reducing peak usage.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will provide ED with a list of messages which appear on page 1. In general, PG&amp;E uses other channels to educate customers on TOU</li> </ul>	<ul style="list-style-type: none"> <li>○ Highlight the messages and their frequency which are relevant to commercial TOU customers and reducing peak demand.</li> <li>○ Resolved – PG&amp;E conducts extensive outreach through non-bill channels on TOU issues. To the extent space is available messages will run that address TOU peak reduction.</li> </ul>
<b>Page 3</b>		
<ul style="list-style-type: none"> <li>○ Explain demand charge, energy charge, PDP event hours/notification/charges on right side or somewhere on the bill.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will provide ED with a list of messages which appear on page 3. Demand Charges will be defined on the Commercial BackofBill</li> </ul>	<ul style="list-style-type: none"> <li>○ Demand Charge – resolved.</li> <li>○ If you make the back of bill text cuts we requested for residential bills you will free up some additional space.</li> <li>○ An explanation of TOU rates would make sense since soon all non-residential customers will be on TOU.</li> <li>○ Resolved – PG&amp;E agreed to include a TOU</li> </ul>

		explanation on back of bill.
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**48 Hour Notice Format A (Tab 19)**

<ul style="list-style-type: none"> <li>○ Put text of letter above “ways to pay” section.</li> </ul>	<ul style="list-style-type: none"> <li>○ Retain current design.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved</li> </ul>
<ul style="list-style-type: none"> <li>○ 48 Hour Notice envelopes should be different than for 7 day, somehow reflecting urgency and importance of opening it.</li> </ul>	<ul style="list-style-type: none"> <li>○ PG&amp;E will pilot different envelopes and evaluate customer reaction.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved</li> </ul>

**7 Day Notice Format B (Tab 20)**

<ul style="list-style-type: none"> <li>○ Include same language as in format A regarding eligibility for financial assistance.</li> </ul>	<ul style="list-style-type: none"> <li>○ Financial Assistance to residential customers is different from that available to non-residential customers receiving the 7 day notice.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved</li> </ul>
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**Low Vision (Format 9)**

<ul style="list-style-type: none"> <li>○ Did this bill get tested with customers who need a large print bill? We want to confirm that it is big enough.</li> </ul>	<ul style="list-style-type: none"> <li>○ Yes. The Low Vision statement was tested with vision-impaired customers with help from the organization: Lighthouse for the Blind and Visually Impaired.</li> </ul>	<ul style="list-style-type: none"> <li>○ Resolved</li> </ul>
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