

Residential Rates OIR

Joint IOU Rates Market Research Initiative

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Joint IOU Rates Market Research Initiative Sampling Approach

Total Sample Size = 5,100

- Web-based panel survey:
 - General population in PG&E, SCE and SDG&E service territories (2,500):
 - To be completed in English: 1,950
 - To be completed in Spanish: 550
 - Other jurisdictions (1,000):
 - 200 per jurisdiction (5)
 - Other sub-groups (1,400):
 - Engaged Customers (opted in to other programs / rates): 400
 - Solar Customers: 400
 - Unexposed (not provided detailed explanation of rate options): 600

- Hard to Reach - those typically not on the internet or without a computer:
200 (~68 per IOU)
 - Considering two approaches:
 - Specialized online panel recruitment company which provides computer / internet access
 - Mailed survey

Joint IOU Rates Market Research Initiative Questionnaire Structure

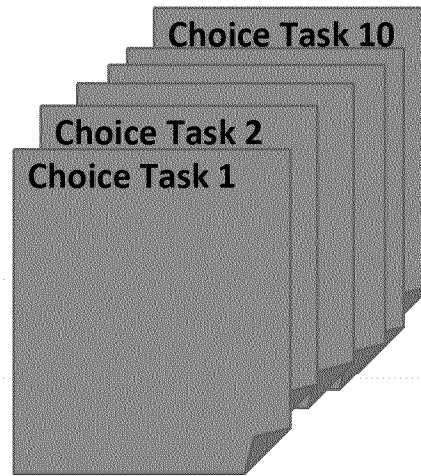
I. Introduction

- 1. Screening
- 2. Evaluation of Utility company
- 3. Current Rate Knowledge

II. Introduction to Rate Options - Education

- 1. Rate Structures
 - a. Time-of-Use
 - b. Tiered
 - c. Flat
- 2. Rate Components
 - a. Time Periods
 - b. Customer Charge
 - c. Demand Charge
 - d. Tiers
 - d. Price-ratios
- 3. Initial Preferences

III. Choice Exercise



IV. Relevance of principle that rates should be understandable, stable and provide choice.

- 1. Evaluation of rate options using principle (understandable, stable, choice, etc.)
- 2. Low-Income Preferences
- 3. Bill review habits
- 4. Demographic and Household characteristics





Joint IOU Rates Market Research Initiative Proposed Methodology

Discrete Choice Conjoint

- Conjoint analysis is a commonly used approach in product development for evaluating the importance to customers of different product attributes.
 - Each respondent is presented with several sets of product alternatives and asked to choose from each set which alternative best meets their needs.
 - Guides participants in the exploration of their preferences / trade-offs between product features and variations in the features in a way that can be measured quantitatively.
 - Statistical analysis of the data can provide estimates of changes in consumer choices with different product features / levels
- Discrete Choice Conjoint is by far the most preferred conjoint approach because it models real-life choices and customer behavior.

Joint IOU Rates Market Research Initiative Issues / Concerns from Dec 6 Workshop

Survey Design

1. Why aren't more focus groups the best way to begin the process of gathering customer input on rate structures?
2. Why is Discrete Choice Conjoint a good approach to gather customer input on rate structures?
3. Have we considered "Deliberative Polling" as a method for gathering customer input on rate options? Why wouldn't Deliberative Polling be the best method for gathering customer research.
4. How can we make sure that the wording of the survey is not ambiguous or leading?
5. How is the research designed so that people don't just pick the lowest cost option? How will customers be able to make an effective choice if they don't know what their personal bill impact will be from these different rate structures?

Sampling

6. How are we making sure we are getting sufficient input from groups such as hard to reach, and seniors? How can we be sure that our sample is representative of the IOU customer populations?
7. How will the research be designed to ensure that the answers will not be skewed towards the rate options preferred by each IOU?
8. How are societal costs and benefits of different rate structures going to be addressed in customer input on rate structures?

Timing of Research

9. Why should this research be completed before the rate proposals are submitted?