

## **New Municipal Departing Load (NMDL) Charges**

Customer Talking Points (English, Chinese and Spanish)

February 8, 2011

### **Background**

As part of California's energy industry restructuring in the late 1990s and energy crisis of 2000-2001, PG&E was authorized to collect certain charges from customers in its service territory who take electric service from another energy provider. Among the customers subject to these charges are New Municipal Departing Load (NMDL) customers; that is, customers who take service from a municipal utility and never receive electric service from PG&E.

PG&E began billing NMDL customers served by Modesto Irrigation District (ID) and Merced ID in June 2008. In June 2009, PG&E, Modesto ID, and Merced ID filed an application with the California Public Utilities Commission (CPUC) for approval of an agreement whereby the IDs would pay the charges on behalf of their NMDL customers.

On November 19, 2010, the CPUC approved the agreement proposed by the parties. PG&E will reverse all NMDL charges previously billed to NMDL customers and will refund any payments received to date from NMDL customers served by Modesto and Merced IDs.

### **Key Points**

- PG&E, Merced ID and Modesto ID worked jointly to reach a resolution to address customers' concerns, focusing efforts on finding the best solution possible for all parties involved.
- Our energies are now focused on communicating with those that have been affected and refunding NMDL charges that have been paid.
- On February 9, 2011, PG&E will begin issuing refunds to those customers that provided NMDL payments.

### **Communications with Customers**

#### Communications Letters to Customers

- Customers that paid NMDL bills and will receive refund
  - On February 14, 2011, PG&E will mail a letter explaining the NMDL agreement to all customers who made NMDL payments and have NMDL balances on their accounts, along with a refund check (with interest)

There are approximately 6,000 customers who will be receiving a refund check and letter



NMDL Refund Letter  
Draft.pdf

- Customers that will not receive a refund
  - On February 9, 2011, PG&E will mail letters to NMDL customers never made any NMDL payments to PG&E

- There are approximately 3,000 customers who will be receiving a letter



NMDL no- Refund  
Letter.pdf

- In-language communications

- NMDL refund letters are available to customers in Spanish or Chinese. Attached below are copies of these letters:



NMDL Refund Letter  
Spa.pdf



NMDL no- Refund  
Spa.pdf



NMDL Refund  
Letter\_ch.pdf



NMDL no- Refund  
Letter\_ch.pdf

- Copies of these letters are available in the following ways:
  - Electronic and downloadable at [www.pge.com/NMDL](http://www.pge.com/NMDL)
  - Electronic and downloadable at <http://www.pge.com/espanol/myhome/> and search for NMDL in the search box
  - Electronic and downloadable at <http://www.pge.com/chinese/myhome/> and search for NMDL in the search box
  - Hardcopy upon request (please see below for pre-formatted email request form)

**Preformatted Email:**

TO: dje1

Subject: In-Language NMDL Letter Request

Please complete all preformatted areas

CUSTOMER NAME:

MAILING ADDRESS:

MAILING ADDRESS CITY:

MAILING ADDRESS STATE:

MAILING ADDRESS ZIP:

REQUEST SPANISH OR CHINESE:

- In some cases (up to 109 customers) customers may see bill credits on their January 11 energy bill for the reversal of NMDL charges billed in 2008 and 2009, and an adjustment for the interest that will be paid to them. Note: if the customer does not see any refund and interest adjustment, it

means that they made no payments on their NMDL charges.

- Only customers with NMDL charges on their energy bills (vs. NMDL charges on their NMDL account) could receive bill credits on their January 2011 bill.
- Under the ACCOUNT SUMMARY section on page 1, there is Bill Corrections credit (credit of the NMDL charges) and the Adjustments credit (interest on the NMDL charges).
- Under the ELECTRIC NONBYPASSABLE CHARGES and ELECTRIC NONBYPASSABLE AMORTIZED CHARGES sections near the end of the bill, the Bill Corrections credit is itemized and listed as Cancelled and Adjustment credit is itemized.
- Customers should remit payment for their energy bill by the due date shown on their energy statement. Although they will receive a NMDL refund check and explanation letter in mid-February, bill credits were required to be issued on their January statement in order to process the corrections and adjustments, and issue the checks in February. This is a timing issue and part of the process.

**If Asked:**

- The approved agreement would have Merced ID and Modesto ID each pay PG&E mutually agreed amounts which PG&E will apply to the NMDL charges.
- Refunds for customers that may be involved in an active bankruptcy matter will be handled by PG&E's credit department, in conjunction with any existing bankruptcy court proceedings.