

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Own Motion to Conduct a
Comprehensive Examination of Investor
Owned Electric Utilities' Residential Rate
Structures, the Transition to Time Varying and
Dynamic Rates, and Other Statutory
Obligations

R.12-06-013 (Phase 1)

**RESPONSE OF PACIFIC GAS AND ELECTRIC
COMPANY (U 39 E) TO RATE DESIGN QUESTIONS
PURSUANT TO ASSIGNED COMMISSIONER'S RULING
(PHASE 1)**

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Dated: March 21, 2014

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Pursuant to the February 13, 2014, Assigned Commissioner's Ruling Requiring Utilities to Submit Phase 1 Rate Change Proposals, attached are Pacific Gas and Electric Company's (PG&E) responses to Rate Design Questions 26-38.

Respectfully Submitted,

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Date: March 21, 2014
Witness(es): Various

PACIFIC GAS AND ELECTRIC COMPANY

**LONG-TERM RESIDENTIAL ELECTRIC RATE DESIGN REFORM
PROPOSAL**

PHASE 1

RESPONSES TO RATE DESIGN QUESTIONS 26-38



PACIFIC GAS AND ELECTRIC COMPANY
RESPONSES TO ASSIGNED COMMISSIONER 'S RULING RATE
DESIGN QUESTIONS 26 -38

PACIFIC GAS AND ELECTRIC COMPANY
RESPONSES TO ASSIGNED COMMISSIONER'S RULING RATE DESIGN
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1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **RESPONSES TO ASSIGNED COMMISSIONER’S RULING RATE**
3 **DESIGN QUESTIONS 26-38**

4 **A. Introduction**

5 Pursuant to the February 13, 2014, Assigned Commissioner’s Ruling
6 Requiring Utilities to Submit Phase 1 Rate Change Proposals, below are Pacific
7 Gas and Electric Company’s (PG&E) answers to Rate Design Questions 26-38.

8 **B. Additional Details on Time-of-Use Rates, Time Periods and Seasons**

9 **Question 26**

10 Provide any analysis which demonstrates that the time periods and seasons
11 that you propose for your TOU and CPP rates are appropriate for at least
12 5 years.

13 **Response to Question 26**

14 PG&E proposed no new time periods or seasons for its Time-of-Use (TOU)
15 and Critical Peak Pricing (CPP) rates, other than to combine the summer
16 part-peak and off-peak periods into a single TOU period for its proposed
17 simplified non-tiered TOU rate. PG&E plans to evaluate potential changes in
18 seasons and TOU periods for its entire service territory across all customer
19 classes during 2014 and, depending on the results of its evaluation, will submit a
20 proposal in its upcoming 2015 Rate Design Window (RDW) proceeding to either
21 keep the TOU periods as is or request California Public Utilities Commission
22 (CPUC) approval for new TOU periods that would then be in effect for at least
23 five years. (The 2015 RDW is expected to be filed in late November 2014, per
24 the CPUC’s current Rate Case Plan.) PG&E believes that stability in TOU time
25 periods is important to avoid customer confusion; therefore, care should be
26 taken before recommending different TOU periods consistent with the direction
27 in Assembly Bill (AB) 327 to adopt periods that would be relevant for at least a
28 five-year period for a potential future default residential TOU. To the extent TOU
29 periods require change, all customer classes are likely to be affected. In this
30 event, PG&E expects that its proposal will include a timeframe to transition all
31 customer groups to new TOU periods that are consistent with the time required
32 for education and outreach for customer awareness.

1 **Question 27**

2 When should the Commission next modify TOU and CPP time periods and
3 seasons, and why?

4 **Response to Question 27**

5 PG&E recommends that the Commission consider revisions to TOU and
6 CPP time periods in the 2015 RDW. Revised TOU periods then could be in
7 place as early as 2016, consistent with customer education and outreach needs.
8 Although this statewide rulemaking is concerned primarily with residential rate
9 issues, PG&E anticipates that future TOU and CPP period changes (if
10 warranted) could affect all customer classes. A change of this scope will require
11 careful planning, coordination and communication of the new time periods to all
12 of PG&E's affected residential, commercial, industrial and agricultural
13 customers. Also, substantial efforts will likely be needed to adapt all of the
14 existing marginal cost, revenue allocation and rate design models to any new
15 TOU time periods or seasons. Successfully managing these changes will be a
16 complex undertaking. Consequently, PG&E will determine, as part of its
17 proposal in the 2015 RDW, the appropriate timeframe for changes to the TOU
18 periods for each customer class.

19 **Question 28**

20 What is the appropriate proceeding to address modifications to the TOU and
21 CPP time periods and seasons in a coordinated fashion, and the optimal
22 process and frequency of developing and approving subsequent changes
23 (including this proceeding)?

24 **Response to Question 28**

25 PG&E recommends using its upcoming 2015 RDW proceeding to address
26 any modifications to TOU and CPP time periods and seasons. A change of this
27 scope will require careful planning, coordination and communication of the new
28 time periods to all of PG&E's affected residential, commercial, industrial and
29 agricultural customers. It will also require substantial efforts to adapt all of the
30 existing marginal cost, revenue allocation and rate design models to any new
31 TOU time periods or seasons.

1 **Question 29**

2 If TOU time periods and seasons should be addressed in this proceeding
3 should they be part of Phase 1 and or a later subsequent phase of this
4 proceeding? Please explain your answer.

5 **Response to Question 29**

6 PG&E has not proposed that TOU time periods and seasons be addressed
7 in this proceeding, as this proceeding is limited to residential rate design issues.
8 As discussed in the response to Question 26, PG&E believes that any changes
9 to TOU periods due to changing cost conditions will most likely affect all
10 customer classes, not just residential. Therefore, PG&E proposes that any
11 changes to TOU periods be addressed in PG&E's upcoming 2015 RDW
12 proceeding, to allow PG&E time to study and determine the best TOU periods
13 and how they might be implemented going forward. As noted above, the best
14 approach for implementing these potential changes must include adequate
15 communication to all of its customers, some of which would require lead time as
16 these groups may need to make changes to their operations to accommodate
17 shifting seasons and/ or TOU period definitions. Consideration of potential
18 changes to each utility's different TOU time periods and seasons raises many
19 issues that are unique to each utility and may affect non-residential classes, thus
20 consideration in a consolidated proceeding is inadvisable and could lead to
21 unnecessary complexities and delays, or otherwise be administratively
22 inefficient.

23 **Question 30**

24 Regardless of when and where TOU time periods and seasons are
25 addressed, please comment¹ on the following potential list of issues and
26 questions and add any additional issues or questions that should be addressed:

- 27 a) What factors, in addition to high marginal energy costs, should determine
28 the selection of the peak hours for TOU rate design?
29 b) What is the optimal length of peak pricing periods that will induce peak
30 demand reduction and load shifting?

1 By comment we mean comment on the questions and issues themselves without attempting to answer the actual questions. If you are proposing that TOU time periods and seasons be addressed in Phase 1 of this proceeding then please answer the questions in substance as well.

- 1 c) Would offering multiple TOU rate options (e.g., a choice of shorter or longer
2 peak periods) increase the attractiveness of optional TOU rates?²
- 3 d) Whether to have a single peak period reflecting the highest marginal energy
4 costs in the day or two diurnal peaks (one peak reflecting the morning ramp
5 and the other the late afternoon/evening ramp);
- 6 e) Whether to include a super off-peak rate in general TOU rates to encourage
7 off-peak EV charging or to encourage electric vehicle (EV) owners to switch
8 to an EV-specific rate schedule;
- 9 f) How steeply differentiated to make the peak to off-peak and semi-peak to
10 off-peak ratios;
- 11 g) Whether TOU time periods and seasons should be consistent statewide for
12 all IOUs for the purpose of coordinating outreach and education and
13 customer awareness; and
- 14 h) How best to balance the need for technical precision around system needs
15 with consumer comprehension and ability to take action.

16 **Response to Question 30**

17 Pursuant to the guidance in footnote 1 above, because PG&E is proposing
18 that the CPUC address TOU periods in PG&E's 2015 RDW, PG&E's response
19 aims to "comment on the questions and issues themselves without attempting to
20 answer the actual questions."

- 21 a) PG&E agrees that high marginal energy costs are relevant to consider in
22 establishing TOU periods, but the CPUC should also consider the time in
23 which generation capacity is needed, since the generation capacity cost is a
24 fundamental component of peak pricing. Also, to the extent that distribution
25 costs vary by TOU period, any consideration of revised TOU periods will
26 need to include the timing of distribution peak loads. However, PG&E is not
27 proposing that TOU time periods and seasons be addressed in Phase 1 of
28 this proceeding.
- 29 b) This issue of determining the optimal length of peak pricing periods that will
30 induce peak demand reduction and load shifting is a relevant issue for
31 consideration. However, PG&E is not proposing that TOU time periods and
32 seasons be addressed in Phase 1 of this proceeding.

2 Arizona's Salt River Project has implemented such a strategy.

- 1 c) The issue of whether offering multiple TOU rate options (e.g., a choice of
2 shorter or longer peak periods) would increase the attractiveness of optional
3 TOU rates is a relevant issue for consideration. However, PG&E is not
4 proposing that TOU time periods and seasons be addressed in Phase 1 of
5 this proceeding.
- 6 d) The issue of whether to have a single peak period reflecting the highest
7 marginal energy costs in the day versus having two diurnal peaks is a
8 relevant issue for consideration. However, PG&E is not proposing that TOU
9 time periods and seasons be addressed in Phase 1 of this proceeding.
- 10 e) The issue of whether to include a super off-peak rate in general TOU rates to
11 encourage off-peak EV charging or to encourage EV owners to switch to an
12 EV-specific rate schedule is a relevant issue for consideration. However,
13 PG&E is not proposing that TOU time periods and seasons be addressed in
14 Phase 1 of this proceeding.
- 15 f) The issue of how steeply differentiated to make the peak to off-peak and
16 semi-peak to off-peak ratios is a relevant issue for consideration. However,
17 PG&E is not proposing that TOU time periods and seasons be addressed in
18 Phase 1 of this proceeding.
- 19 g) No, TOU time periods and seasons should not be consistent statewide for all
20 IOUs, because each utility's system is different, which results in marginal
21 energy and capacity (generation and distribution) costs by hour of the day
22 being different between each IOU. Therefore, consistent cost-based TOU
23 periods for all IOUs are not possible and would result in sub-optimal price
24 signals for some portion of customers. Consequently, any potential
25 coordination of outreach, education and customer awareness along
26 consistent time periods is not possible.
- 27 h) The issue of how best to balance the need for technical precision around
28 system needs with consumer comprehension and ability to take action is a
29 relevant issue for consideration. However, PG&E is not proposing that TOU
30 time periods and seasons be addressed in Phase 1 of this proceeding.

31 **C. Customer Communication, Outreach and Education, and Technology**

32 **Question 31**

33 Provide a year-by-year roadmap for customer communication, outreach and
34 education, and technology that addresses how you will prepare customers for

1 the changes in the residential rate design over the 2015-2018 period and
2 beyond. Discuss how your roadmap addresses rate design principle #10 in this
3 proceeding. Specifically, describe how your plan addresses each of following
4 groups:

- 5 • Elderly and vulnerable customers including Medical Baseline and third party
6 notification customers
- 7 • CARE and other low-income customers
- 8 • Customers from diverse cultural and linguistic communities
- 9 • Other hard to reach customers

10 **Response to Question 31**

11 Because the Commission's decision on PG&E's rate design proposals, the
12 associated transition period for these changes, and associated recovery of the
13 incremental costs of executing this roadmap will significantly affect the content
14 and scope of PG&E's activities, PG&E's roadmap for customer communication,
15 outreach and education, and technology to support its Phase 1 rate design
16 reforms is preliminary and subject to change and further revision in the future.
17 Nonetheless, PG&E already has begun preliminary planning for activities that
18 will be an integral part of implementation of PG&E's rate reform proposals if
19 approved by the Commission later this year. These activities are described in
20 more detail below and in response to Question 32. Once a decision is issued,
21 PG&E will update and revise as appropriate the details of its plans to implement
22 robust and targeted customer communication, outreach and education, and
23 technology to support the adopted rate changes.³ Because of lead-time
24 requirements, in order to be prepared to implement the changes soon after a
25 decision in Phase 1 of this proceeding, PG&E expects to begin efforts, including
26 the Information Technology (IT) programming necessary to implement the
27 proposed rate design changes prior to the issuance of a final decision in 2014. If
28 the CPUC adopts significant changes from PG&E's proposals for 2015, PG&E
29 may require additional time to implement such changes.

³ As described in response to Question 37, different communication, outreach and education, and technology efforts will be needed for the subset of customers involved in PG&E's proposed Time-of-Use pilot program, and may differ from the standard approach, as appropriate.

1 PG&E believes Principle #10 in this proceeding represents a critical step in
2 the success of the Residential Rate Reform.⁴ PG&E's outreach approach has
3 been informed by its experience and learnings from its successful residential
4 SmartRate™ program acquisition efforts, preparation to close Electric Vehicle
5 Schedule E-9 and transition customers to Schedule EV, and implementation of
6 default time varying pricing for non-residential customers. Therefore, PG&E
7 intends to engage customers through general awareness outreach plus outreach
8 to "most impacted" customers and provide training and tools for all of our
9 customer-facing employees. The preliminary roadmap described below
10 incorporates internal PG&E training and outreach to assist customers'
11 understanding and acceptance of new rates. The outreach also considers the
12 relative customer bill impacts associated with the transitions in each year. In
13 addition, preliminary plans for activities to support vulnerable and hard to reach
14 customers are described below, consistent with the estimated bill impacts
15 described in PG&E's Phase 1 proposals.

16 PG&E's preliminary roadmap, presented below, is organized by function:
17 (1) Customer Communications/Inquiry; (2) Customer Outreach and Education;
18 and (3) Technology including online tools, billing, and other information
19 functions.

20 **1. Customer Communication/Inquiry**

21 In 2014, prior to a Commission decision, PG&E will begin training
22 employees engaged in customer communications, billing, and credit. The
23 training will address PG&E's proposed changes to rate design, new rate
24 options, and rate schedules which are closing to new customers and being
25 eliminated. Training will be staged to take into account the scope and
26 schedule of the Commission's consideration of PG&E's Phase 1 proposals.
27 Training materials for employees will be created and existing reference
28 materials will be updated to incorporate changes. In addition, PG&E will
29 improve its Customer Service Representatives' (CSR) ability to help
30 customers choose their rate plan by creating a display in the Customer Care

4 Principle #10 states: "Transitions to new rate structures should emphasize customer education and outreach that enhances customer understanding and acceptance of new rates, and minimizes and appropriately considers the bill impacts associated with such transitions."

1 and Billing system (CC&B) that shows the alternate rate plans and savings
2 from changing rate plan. The training will include effective ways to use this
3 tool in conversations with customers.

4 PG&E's customer inquiry plan leverages its existing tools for
5 communicating with vulnerable and hard to reach customers. PG&E has a
6 dedicated phone line for California Alternate Rates for Energy (CARE) and
7 low income customers. PG&E also provides translation services in over
8 185 languages other than English for customers from diverse cultural and
9 linguistic communities. Customers calling into the Contact Centers that
10 need an interpreter are provided one while the customer remains on the line.
11 If a non-English speaking customer goes to a PG&E Customer Service
12 office and the CSR does not speak his or her language, the customer is
13 referred to the lobby phone that connects the customer to a Contact Center.
14 A contact center CSR can then handle the call using PG&E's language
15 service vendor if necessary to respond to the customer. All PG&E customer
16 service offices have lobby phones available for customers.

17 **a. Customer Communication/Inquiry by Year**

18 During each year of the 2015-2018 transition period, the focus of
19 training for personnel, including PG&E's CSRs, will be on the specific
20 rate changes that are occurring during that year.⁵ If PG&E's proposals
21 are adopted, PG&E expects that training would occur on the following
22 topics, subject to revision based on the content of the Commission's
23 final Phase 1 decision:

- 24 • **2014** – Prior to a decision and subject to appropriate cost recovery
25 PG&E would begin training on: the collapse of Tiers 2 and 3; the
26 impact of tier collapse on Family Electric Rate Assistance (FERA),
27 Medical Baseline above 200 percent baseline quantity (BQ), and
28 SmartRate; the initial new \$5 residential monthly service fee (\$2.50
29 for CARE) and how it reduces volumetric rates; the 2015 reduction
30 in the CARE discount to continue moving it toward the legislature's
31 required 30 percent – 35 percent range; the availability of a new

5 PG&E will begin training on these changes in the year prior to each January 1 implementation and so begin training in 2014.

1 non-tiered opt-in TOU rate; and closing of the Schedule E-6 tiered
2 TOU rate plan to new customers.

- 3 • **2015** –PG&E expects that it would complete training begun in 2014
4 and begin providing direct customer inquiry support to customers.
5 PG&E would begin training on the following changes to be
6 implemented January 1, 2016: The increase to a \$10 residential
7 monthly service fee (\$5 for CARE); the further reduction of the
8 CARE discount to continue moving toward the legislature’s required
9 30 percent – 35 percent range; and elimination of the tiered TOU
10 and seasonal rate schedules and migration of those customers to
11 their choice of PG&E’s open rate schedules as described in
12 Section C below.
- 13 • **2016** – PG&E would expect to provide customer inquiry support and
14 begin training for the following: the post-2016 increase to the
15 monthly service fee based on the Consumer Price Index as allowed
16 by statute, and the further reduction of CARE discount toward the
17 legislature’s required 30 percent – 35 percent range.
- 18 • **2017** – PG&E would expect to provide customer inquiry support and
19 begin training for the following: the post-2017 increase to the
20 monthly service fee based on the Consumer Price Index as allowed
21 by statute; the collapse of Tiers 2 and 3 resulting in a two-tiered rate
22 structure; and further reduction of the CARE discount toward the
23 legislature’s required 30 percent – 35 percent range.
- 24 • **2018** – PG&E would expect to complete training begun in 2017 and
25 provide customer inquiry support and training for the reduction in the
26 CARE discount to reach the legislature’s required 30 percent –
27 35 percent range and any other changes to be implemented in
28 2018.

29 **2. Customer Outreach and Education**

30 Once the new rate structure and transition approach is approved, PG&E
31 will begin to use a multi-touch strategy to provide customers with education
32 and outreach designed to drive awareness of the structural changes in the
33 standard residential rates that will occur during each year of the transition
34 (including driving awareness of changes to the tier structure and tier rate

1 differentials and the addition and increasing levels of monthly service fees
2 during the transition period). In addition, outreach will aim to educate
3 customers about the availability of optional rate plans, including acquisition
4 of customers choosing non-tiered TOU rate plans.

5 As discussed in detail further below, all residential customers will be
6 provided with general awareness outreach to provide information about the
7 new rate structures, however, PG&E will provide direct outreach to
8 segments requiring detailed information on the rate changes including: the
9 most impacted CARE and non-CARE customers, hard-to-reach
10 communities, and customers with discontinued rate schedules.

11 **a. General Awareness to All Residential Customers**

12 Each year general awareness of the changes to the tier structure
13 and monthly service fee will be provided to all residential customers by
14 utilizing bill inserts, articles in the residential energy newsletter, detailed
15 information on PG&E's website, articles included on PG&E's Currents
16 external news website, and through digital media and e-mail
17 communications to customers who have provided an email address.

18 **b. Direct Outreach to CARE Customers and the Most Impacted Non
19 CARE Customers**

20 Each year, additional targeted direct outreach efforts will be
21 provided to the CARE and non-CARE customers who, based on
22 PG&E's analysis of billing data, are projected to experience the largest
23 bill increases. PG&E expects that, subject to appropriate Commission
24 approval of incremental cost recovery, customers classified as most
25 impacted would be provided with multi-lingual direct mail or email that
26 provides specific information about the rate changes occurring during
27 that year, as well as a rate comparison report showing bill impacts of the
28 various rate plans they could choose.⁶ After the rate changes have
29 occurred, customers would receive a multi-lingual postcard in the mail
30 that provides additional information and tips on how to best perform

6 Customers with a SmartMeter™ and 9 months of data will receive a customized rate comparison, excluding Multi-Family, Direct Access/Customer Choice Aggregation (DA/CCA) and Net Energy Metering (NEM) customers.

1 under the changed rates. Customers would also receive automated
2 voice recording calls that provide information on the rate changes and
3 direct them to the PG&E website for more detailed information. The
4 additional outreach “touches” will provide the most impacted customers
5 with information that will help them further understand the rate changes
6 and provide ways to help them manage their bill through Energy
7 Efficiency (EE) Audits, “My Energy Home Checkup,” the Energy Savings
8 Assistance program, customized tips based on seasons, the Balanced
9 Payment Plan, and optional rate plans such as non-tiered TOU and
10 SmartRate and programs such as SmartAC™.

11 **c. Customers Enrolled in Discontinued Rate Schedules**

12 PG&E has proposed that, as of January 1, 2016, all customers on
13 Schedules E-6, EL-6, E-7, EL-7, E-8 and EL-8 will be moved to their
14 choice of PG&E’s open rate schedules. Prior to the elimination of these
15 schedules, customers will be notified and given a choice to move to
16 non-tiered TOU, Schedule E-1 or other rate plan options. In addition,
17 customers who have the necessary SmartMeter data will be guided to
18 their rate comparison in My Energy or mailed a rate comparison to help
19 them make a rate plan choice.

20 If the customer does not make an affirmative choice, PG&E will
21 transition TOU customers to the tariff which produces the lowest annual
22 bill for that specific customer based on the customer’s rate comparison.
23 (Customers on CARE will transition to the CARE version of the E-TOU
24 rate plan, or to Schedule EL-1, depending on which produces the lowest
25 annual bill.) Customers on Schedules E-6, EL-6, E-7 and EL-7 who do
26 not have the necessary SmartMeter data for a rate analysis, would be
27 migrated to E-TOU or E-TOU CARE. Customers on Schedule E-8 or
28 EL-8 will be migrated to Schedules E-1 or EL-1.

29 **d. Hard-to-Reach Communities**

30 PG&E plans to closely coordinate with a variety of community-based
31 organizations and use other outreach methods that can provide
32 awareness utilizing targeted channels for specific hard to reach
33 audiences. PG&E will partner with community-based organizations with

1 expertise in reaching diverse cultural and linguistic communities, the
2 elderly and vulnerable customers, and low income customers that may
3 or may not be on PG&E's CARE program. Outreach to these
4 communities will occur in a variety of ways which may include but are
5 not limited to: outreach through libraries, churches, and food banks,
6 partnerships with Medicaid, American Association for Retired Persons,
7 and Covered California, and conducting cultural outreach through mass
8 media, digital, newspapers, and radio through multi-cultural focused
9 media outlets.

10 **e. Optional Rate Plans**

11 PG&E is planning to leverage the targeted outreach model
12 developed and successfully employed for SmartRate acquisition efforts
13 in the last few years, based on earlier lessons learned.⁷ This approach
14 targets both CARE and non-CARE customers. As described in the
15 response to Question 34, PG&E will encourage customers to opt-in to
16 the new non-tiered TOU Rate Schedules beginning in 2015 through
17 general awareness of the rate plan and targeting outreach to customers
18 with a high propensity to shift load from the on-peak or critical peak
19 periods, and also a high propensity to enroll. PG&E will monitor the mix
20 of customers and adjust its targeting approach to mitigate revenue
21 recovery loss that might occur if only high consuming customers were to
22 enroll. To the extent revenue shortfalls occur due to migration of upper
23 tier consuming customers to the non-tiered TOU rate, they will be
24 recovered within the residential class over an appropriate period of time
25 and enrollment in Schedule E-TOU will be temporarily capped as
26 appropriate.

27 **f. Customer Outreach and Education by Year**

28 Similar to the expected schedule for Customer
29 Communication/Inquiry, each year of the 2015-2018 transition, PG&E
30 will provide outreach to drive general awareness of the specific rate

⁷ PG&E's General Rate Case (GRC) Phase I included a funding request for targeting residential Time Varying Pricing customer acquisition. PG&E includes a description of its plans here for completeness; however the funding request will not be included in this proceeding to the extent PG&E's plans are funded through the GRC.

1 changes that are occurring during that year, and provide additional
2 information to the customers most impacted in each year. In addition,
3 PG&E will provide outreach to customers migrating off of eliminated rate
4 schedules.

5 Prior to a decision and subject to staging and appropriate cost
6 recovery to reflect the status of the Phase 1 proceeding, such outreach
7 activities would address:

- 8 • **2014** – Customer research and preliminary development of
9 outreach.
- 10 • **2015** – General awareness of, and targeted outreach to the
11 customers most impacted by, the collapse of Tiers 2 and 3; the new
12 \$5 monthly service fee (\$2.50 for CARE); reduction of CARE
13 discount; and encouragement to adopt opt-in non-tiered TOU.
- 14 • **2016** – General awareness of, and targeted outreach to the
15 customers most impacted by, the increase to a \$10 monthly service
16 fee (\$5 for CARE), reduction of CARE discount, and elimination of
17 the tiered TOU and seasonal rate plans; and encouragement to
18 adopt opt-in non-tiered TOU.
- 19 • **2017** – General awareness of, and targeted outreach to the
20 customers most impacted by, the increases to the monthly service
21 fee amount based on Consumer Price Index and reduction of CARE
22 discount; and encouragement to adopt opt-in non-tiered TOU.
- 23 • **2018** – General awareness of, and targeted outreach to the
24 customers most impacted by, the collapse of Tiers 2 and 3 for a
25 two-tiered rate structure and reduction of the CARE discount; and
26 encouragement to adopt opt-in non-tiered TOU.

27 **3. Technology**

28 Changes to the actual rate structures will require updates to PG&E's
29 customer billing and customer information technology and programming,
30 including the resulting changes to PG&E's broad array of existing online bill
31 estimation, rate analysis, energy management, Demand Response (DR)
32 and energy efficiency tools available generally to all residential customers.
33 In addition, as discussed above, PG&E proposes to improve its CSRs' ability
34 to identify customers who would benefit from changing rate plans by

1 creating a dashboard tool that shows potential savings from alternate rate
2 plans.

3 **a. Technology by Year**

4 If PG&E's proposals are approved with appropriate cost recovery,
5 structural changes to its rate schedules would be expected to require
6 the following billing and information system changes:

- 7 • **2014** – Collapsing Tiers 2 and 3; revising FERA, Medical Baseline
8 above 200 percent BQ, and SmartRate participation credits; adding
9 a new monthly service fee; adding an optional non-tiered TOU rate;
10 and closing E-6 TOU rate plan to new customers. Usage greater
11 than 100 percent and less than 200 percent of baseline will be
12 charged the new Tier 2 rate. To enable these changes, PG&E will
13 need to modify its billing systems (CC&B and the Advanced Billing
14 System (ABS)) and other impacted systems to support approximate
15 30 interval and non--interval single family and multi-family residential
16 rate schedules as follows:
 - 17 – Enable changes in CC&B and ABS to modify rate calculation
18 routine to create new Tier 2 and Tier 3 threshold for CARE,
19 non-CARE and Medical Baseline customers.
 - 20 – Enable changes in CC&B and ABS to redefine and build the
21 new calculation rules to determine FERA Discount, Medical
22 Discount and SmartRate participation credits for non-CARE and
23 Medical Baseline customers.
 - 24 – Build a new non-tiered TOU rate and related calculation rules
25 for CARE, non-CARE, FERA and Medical Baseline customers.
26 Implement changes based on new business rules to handle
27 CARE, Medical and Employee discounts and SmartRate
28 participation credits.
 - 29 – Enhance energy statement presentment to display the new
30 Tier 2 and eliminate the Tier 4 usage threshold. The energy
31 statement will be displayed in English, Spanish or Chinese.
 - 32 – Modify CC&B to enable the energy alert program to identify the
33 new Tier 2 and 3 thresholds to alert customers when monthly
34 usage moves up to higher tiers.

- 1 – Modify rate analysis tools based on the new rate structure and
2 new non-tiered TOU rate to support inquiry from customers,
3 including CARE, FERA and Medical Baseline customers.
- 4 – Change the My Energy content displayed to customers
5 regarding new Tier 2 and Tier 3 thresholds and apply applicable
6 new Tier 2 and Tier 3 rate values for CARE, non-CARE and
7 Medical Baseline customers.
- 8 – Display changes in the My Energy CARE application for
9 rules/information regarding FERA Discount, Medical Baseline
10 and SmartRate participation credits.
- 11 – Build business logic that displays SmartRate participation
12 credits for the new non-tier TOU rate.
- 13 – Display new non-tier TOU rate to support inquiry for customers,
14 including CARE, FERA and Medical Baseline customers.
- 15 – Display content changes with regards to the rate changes.
- 16 – Enhance the capability of CSRs to view rate analysis results
17 online.
- 18 • **2015** – Eliminate Schedules E-6, E-7, and E-8 (and the CARE
19 versions thereof), and migrate those customers to their choice of
20 non-tiered TOU rate schedule or to Schedule E-1 or EL-1.
21 (Customers on CARE will transition to the CARE version of the rate
22 plan.) PG&E will need to modify CC&B and other impacted systems
23 to enable the following functionality:
 - 24 – Identify the eligible customers on Schedules E-6, E-7 and E-8
25 (and CARE versions thereof) based on business rules and
26 metering requirements.
 - 27 – Generate letters to inform customers about their eligible rate
28 options ahead of the rate change date, based on the customer
29 communication outreach plan.
 - 30 – Support the rate migration process.
 - 31 – Display changes in the My Energy CARE application for
32 rules/information regarding FERA Discount, Medical Baseline
33 and SmartRate participation credits.
 - 34 – Display content changes with regards to the rate changes.

- 1 • **2016** – None of PG&E’s 2017 proposals require incremental
2 structural changes to information technology systems.
- 3 • **2017** – PG&E proposes to further collapse its residential rate
4 structure from three to two tiers. To enable this structural change,
5 PG&E will need to modify CC&B and other impacted systems as
6 follows:
 - 7 – Modify billing system rate calculation routines to create a new
8 two-tiered rate structure for CARE, non-CARE and Medical
9 Baseline customers. Establish new business rules in CC&B and
10 ABS on how to calculate various discounts and exemptions.
 - 11 – Modify the energy alert program as a result of changes to the
12 tier threshold.
 - 13 – Modify rate analysis tools to support rate comparison options for
14 the various residential rates.
 - 15 – Modify My Energy rules/information regarding a new Tier 2 rate
16 structure for CARE, non-CARE and Medical Baseline
17 customers.
 - 18 – Display content changes with regards to the rate changes.

19 **Question 32**

20 What level of expenditure do you propose each year for customer
21 communication, outreach and education, and technology? How are these
22 expenditures broken out, and what is the justification for the level of budget?

23 **Response to Question 32**

24 PG&E is unable at this time to provide a specific proposed annual level of
25 expenditures for its preliminary plans for customer communication, outreach and
26 education, and technology described in response to Question 31, above. This is
27 because the scope and content of the Commission’s decision on PG&E’s
28 Phase 1 proposals is as yet unknown. However, PG&E has completed a
29 preliminary estimate of the likely range of incremental expenditures necessary to
30 implement its customer communication, outreach and education, and technology
31 plan, assuming approval of its Phase 1 proposals without change by the end of
32 2014. PG&E expects to revise this preliminary estimate in the next few months
33 as the Residential Rate Reform Phase 1 proceeding moves forward and upon
34 Commission approval of PG&E’s pending 2014 GRC Phase 1 overall request,

1 which does not include cost recovery for specific AB 327-related rate design
2 reform customer-related costs.

3 In order to ensure that PG&E's customer outreach and education,
4 communication and related technology costs are appropriately tracked and
5 recorded for appropriate cost recovery evaluation by the Commission and
6 interested parties, particularly incremental costs for training, customer outreach
7 and education, and technology systems activities that PG&E anticipates
8 conducting in 2014 prior to implementation of Phase 1 rate changes, PG&E
9 requests that the Commission, as soon as possible in 2014, approve a PG&E
10 memorandum account to track and record such costs for future review and
11 disposition by the Commission. This memorandum account would only include
12 costs incurred in 2014, 2015, and 2016, because PG&E would expect to include
13 its 2017 and 2018-related costs in its 2017 GRC Phase 1 request (expected to
14 be filed in December 2015), or other appropriate proceeding.

15 In light of the preliminary and uncertain nature of PG&E's customer-related
16 costs for its Phase 1 rate changes, Table 1 below provides preliminary ranges of
17 such expenditures by year and by category needed to implement PG&E's
18 Phase 1 proposals.⁸

TABLE 1
PACIFIC GAS AND ELECTRIC COMPANY
PHASE 1 RESIDENTIAL RATE REFORM IMPLEMENTATION INCREMENTAL COSTS
ESTIMATED RANGE (PRELIMINARY, AS OF MARCH 21, 2014)
(\$000s)

Line No.		2014	2015	2016	2017	2018	2014-2018
1	Customer Outreach and Education	\$414 to \$506	\$3,3615 to \$4,419	\$3,174 to \$3,880	\$3,174 to \$3,880	\$3,039 to \$3,715	\$13,417 to \$16,399
2	Customer Communications/ Inquiry	\$352 to \$430	\$1,068 to \$1,306	\$936 to \$1,144	\$936 to \$1,144	\$738 to \$902	\$4,030 to \$4,926
3	Billing System and Information Technology	\$3,484 to \$4,084	\$191 to \$241	\$0 to \$0	\$2,861 to \$2,861	\$0 to \$0	\$6,536 to \$7,186
4	Total Low	\$4,250	\$4,875	\$4,111	\$6,972	\$3,777	\$23,984
5	Total High	\$5,020	\$5,966	\$5,024	\$7,885	\$4,617	\$28,511

⁸ The range of preliminary costs estimated for PG&E's proposed TOU pilot project are provided in the response to Question 37.

1 The purpose and preliminary justification for the range of estimated
2 expenditures is discussed in the response to Question 31 and incorporated by
3 reference here. In addition, in a separate phase of this proceeding or new
4 application, PG&E intends to provide a more specific request for incremental
5 cost recovery for these categories of incremental costs, including those tracked
6 and recorded in the memorandum account PG&E requests above.

7 **Question 33**

8 Explain how rate-related customer communication, outreach and education,
9 and technology efforts will interface with similar efforts related to residential
10 demand response and energy efficiency programs.

11 **Response to Question 33**

12 PG&E's customer outreach will include coordinated education, information
13 and tools that can help customers manage their bill, including: EE Audits and
14 rebates, "My Energy Home Checkup," the Energy Savings Assistance program,
15 Home Energy Reports, My Energy tools, customized tips based on seasons, the
16 Balanced Payment Plan, and optional rate plans such as non-tiered TOU and
17 SmartRate, and programs such as SmartAC. For example, customers provided
18 with information to encourage enrollment in SmartRate will also be provided
19 information on the SmartAC program, and other programs/supporting devices as
20 they become available. Customers will also be encouraged to utilize the home
21 energy reports and other My Energy tools and services to better understand
22 their energy usage, learn about available appliance rebates, and get
23 money-saving tips for their home.

24 **Question 34**

25 How will your utility attract the maximum number of customers to opt-in to
26 time-variant rates prior to 2018? Describe your strategy and the methods you
27 will use to target and segment outreach to customers that maximizes
28 effectiveness of outreach efforts. During the transition period (2015-2017),
29 would financial incentives either as rebates or rate discounts, be appropriate as
30 a means to induce customers to experiment with TOU and CPP rates? Why or
31 why not? During the transition period (2015-2017) should customer outreach
32 and education about TOU and CPP rates, and possibly incentives to adopt
33 them, be targeted based any or all of the following:

- 1 • Geographic based on climate zones with greatest potential peak load to
- 2 shed.
- 3 • Low-income and hard to reach customers.
- 4 • Geographic based on highest avoided Transmission and Distribution (T&D)
- 5 cost areas.
- 6 • Other demographics that indicate greatest likelihood to reduce peak load.

7 **Response to Question 34**

8 PG&E is planning to leverage the targeted outreach model developed and
9 successfully employed for SmartRate acquisition efforts in the last few years
10 based on earlier lessons learned. This approach targets both CARE and
11 non-CARE customers.⁹ PG&E will encourage customers to opt in to the new
12 non-tiered TOU rates beginning in 2015 through general awareness of the rate
13 plan and targeted outreach to customers with a high propensity to shift load from
14 the on-peak or critical peak periods, and also a high propensity to enroll. PG&E
15 will monitor the mix of customers and adjust its targeting approach to mitigate
16 revenue recovery loss that might occur if only upper tier consuming customers
17 were to enroll. To the extent revenue shortfalls occur due to migration of upper
18 tier consuming customers to the non-tiered TOU rate, they will be recovered
19 within the residential class over an appropriate period of time and enrollment in
20 Schedule E-TOU will be temporarily capped as appropriate.

21 Regarding the question about outreach or incentives based on T&D high
22 avoided cost areas, PG&E does not plan to target based on T&D high avoided
23 cost areas. PG&E will explore testing a variety of incentives during the transition
24 period to drive higher response and adoption rates. Incentives can include
25 those with perceived value or with specific monetary value, such as debit cards.
26 Each type can be tested to see whether the incentive increases adoption and is
27 also cost-effective to maintain. Any incentives tested will be monitored, and
28 adjustments will be made base on those results.

29 In addition, PG&E's proposed non-tiered TOU rate is easier to understand
30 than the existing Schedule E-6 and EL-6 rates because it has fewer periods and
31 no tiers. Instead of facing the possibility of 9 different prices in any month on the

⁹ Currently, 22 percent of SmartRate customers are on CARE and 7 percent of TOU customers are on CARE.

1 proposed Schedules E-6/EL-6, customer would only have two possible prices in
2 each month. Because of its simplicity, PG&E expects better response to
3 marketing outreach for the non-tiered TOU rate than would occur if the E-6/EL-6
4 rate plan were promoted.

5 **Question 35**

6 Consistent with Sec. 745(a)(5) describe how the utility shall provide each
7 residential customer, not less than once per year, using a reasonable delivery
8 method of the customer's choosing, a summary of available tariff options with a
9 calculation of expected annual bill impacts under each available tariff. Describe
10 whether this rate comparison is currently offered online, will continue to be
11 offered online, and what, if any, improvements you will make to enhance
12 customers' understanding of their rate options in economic terms.

13 **Response to Question 35**

14 If the Commission were to adopt default TOU, consistent with Public Utilities'
15 Code Section 745(a)(5), each year beginning with the year prior to the default
16 date, PG&E would provide all eligible¹⁰ residential customers with a rate
17 analysis that shows the annual bill for each available rate plan option based on
18 the customer's usage data from the previous nine to twelve months. Customers
19 who have expressed preference for communications by email will receive email
20 notifications encouraging them to review their rate comparisons on My Energy.
21 All other customers will receive direct mail informing them they may register
22 and/or log into their My Energy account and review their rate comparison.
23 Customers may opt-out of receiving the rate analysis.

24 PG&E plans to use the same methodology as is used for the rate
25 comparisons which are currently available, and will continue to be available, in a
26 secure online environment, by logging into My Energy. These rate analyses are
27 available once a customer has at least nine months of SmartMeter™ data.
28 Customers currently are able to log into My Energy and access a customized
29 rate comparison that displays annual costs on their current rate plan versus what
30 annual costs might be on other eligible rate plans. Further, the My Energy rate

¹⁰ The set of customers eligible for default TOU excludes those with less than one year of interval usage data, those receiving Medical Baseline, those requesting third-party notification, and those whom the CPUC has ordered cannot be disconnected without an in-person visit, as well as other customers designated by the CPUC at its discretion.

1 analysis tool allows customers to test the forecast bill impacts of making
2 changes to their overall, peak, and/or critical peak day usage.¹¹

3 PG&E plans to improve CSR access to its current rate comparison tool by
4 developing a dashboard tool for CSRs. Customers who prefer telephone
5 communications then would have improved access and understanding in
6 economic terms of potential bill savings under various combinations of rate plan
7 and energy usage behavior scenarios. In addition, PG&E plans to drive
8 self-service customers who visit pge.com to the rate comparison tool through
9 pop-up messages and links in key locations such as the online bill pay site and
10 the My Energy home page.

11 **Question 36**

12 Given the evidence that enabling technologies such as communicating and
13 programmable thermostats¹² increase customer load response when coupled
14 with TOU and CPP rates, how would you propose to encourage adoption of
15 such devices in conjunction with the roll-out of new TVP rates? Describe
16 whether any of the following approaches are appropriate and reasonable as well
17 as other methods you propose:

- 18 • Incentives for the adoption of enabling technology either as rebates or rate
19 discounts.
- 20 • Targeting of incentives for technology based any or all of the following:
 - 21 – Geographic based on climate zones with greatest potential peak load to
22 shed
 - 23 – Low-income and hard to reach customers
 - 24 – Geographic based on highest avoided T&D cost areas
 - 25 – Other demographics that indicate greatest likelihood to reduce peak
26 load

27 **Response to Question 36**

28 As described in PG&E's response to Question 20 (included with its
29 February 28, 2014 testimony), PG&E is investigating the opportunity to launch a
30 residential programmable communicating thermostat (i.e. Smart Thermostat). If

11 Customers without SmartMeters™, DA/CCA customers, those on NEM rate plans or those who have not accumulated at least nine months of interval data are not able to see this comparison.

12 Some models are capable of connecting to smart meter data.

1 a programmable communicating thermostat is introduced, PG&E would
2 coordinate customer outreach to encourage adoption of non-tiered TOU and
3 SmartRate (PG&E's residential CPP rate) to customers targeted for enrollment
4 in PG&E's Smart Thermostat program. PG&E's response to Question 20 also
5 indicated that, pending approval by the Energy Division (ED), residential
6 customers would receive an energy efficiency rebate for installation of a
7 qualifying thermostat and would be eligible for an additional DR incentive if they
8 enroll in SmartRate and sign up for Automated Demand Response. Only
9 customers in inland climate zones 2, 4, 11, 12, 13¹³ will qualify for the incentives
10 in order to target the greatest potential peak load shed. All customers who are
11 eligible for SmartRate in these climate zones qualify for the Smart Thermostat
12 incentive, including low income and hard to reach customers. To encourage
13 adoption across all communities PG&E will utilize Community Based
14 Organizations to assist in outreach to the hard to reach communities with
15 strategies and messaging targeted for those specific audiences. Because
16 SmartRate is not dispatchable by location, there is no plan to solely focus on
17 customers that yield high avoided T&D cost in the near future. However,
18 targeted marketing can be explored to encourage program uptake in high impact
19 areas.

20 **Question 37**

21 Do you propose any pilot programs to measure customer load reduction and
22 the effectiveness of enabling technologies? If so what are some of the research
23 questions and objectives of these pilot programs? What is your proposed
24 timeline for implementing these pilot programs?

25 **Response to Question 37**

26 In its February 28, 2014 testimony, PG&E is proposing a pilot that would
27 measure customer load reduction and the effectiveness of enabling technologies
28 under residential TOU. In addition, a Home Area Network (HAN) Demand
29 Response Integration Project is being piloted this summer (see Advice
30 Letter 4119-E-A approved by ED by letter dated April 8, 2013).

13 The Smart Thermostat pilot program is using the California Energy Commission's (CEC) California Building Climate Zones, defined by CEC's Systems Assessment & Facilities Siting Division: See www.energy.ca.gov or call map line 916-654-4182.

1 As described in its February 28, 2014, testimony, PG&E's proposal is for a
2 pilot to measure customer load reduction and the effectiveness of enabling
3 technologies beginning in 2015, concluding with a report in 2017. The pilot's
4 objective would be to provide information necessary to evaluate whether
5 sustainable load shifting/reductions can be achieved only through a default
6 approach at a reasonable cost and be acceptable to customers, or whether
7 optional TOU could provide comparable results. The effectiveness of enabling
8 technologies to engage customers and produce load reduction would be
9 included in the pilot.

10 The key outstanding questions that need to be addressed before adoption of
11 a default, rather than opt-in, approach to transitioning residential customers to a
12 TOU rate plan for California IOUs, include:

- 13 • What are the costs of marketing outreach of each approach relative to the
14 benefits in peak reduction, customer satisfaction, etc.?
- 15 • What is the potential for load impacts over time of each approach?
- 16 • What is the best TOU rate design for engaging customers (number of
17 periods, length of peak period, price ratio)?
- 18 • What is the range and cost of enabling technologies that would improve
19 customer engagement when included in each approach?
- 20 • What is the impact on customer engagement of each approach?
- 21 • How applicable are the Sacramento Municipal Utility District default TOU
22 and other pilot results to PG&E's very large, unique and heterogeneous
23 service territory?

24 PG&E proposes that the pilot should include approximately three rate design
25 structures, be conducted in multiple climate zones, estimate load impacts over
26 two years, evaluate the impact of enabling technology, and include enough
27 customers to provide statistically significant results by treatment type. The
28 outline of the pilot design is as follows:

- 29 • Timeframe: 24 months
- 30 • Variables could include:
 - 31 – Opt-in vs. default approach
 - 32 – Rate Structure Simplicity, (Number of peak hours, Number of peak
33 periods, and Summer vs. Winter pricing differentials)
 - 34 – Presenting baseline as two tiers versus a "baseline credit"

- 1 – Ratio of peak to off-peak prices
- 2 • Enabling Technology
- 3 – Relative effectiveness of offerings such as In-Home Display, Smart
- 4 Phone App, Simple High/Low Price Magnet
- 5 • Outreach Strategy (scalable to service territory)
- 6 – Minimal (single mailer with reference to website), Low-Cost, High-Touch
- 7 – Media such as radio, direct mail, email campaigns
- 8 – Tactics such as number of touches, personalized usage/bill updates
- 9 • Sample appropriately sized to address:
- 10 – CARE/non-CARE
- 11 – Climate Zones
- 12 – Small/Medium/Large energy users

13 Costs for the TOU pilot are expected to be in the range of \$15 to \$20 million,
14 subject to the final pilot design.

15 Regarding the HAN Demand Response Integration Project, per PG&E
16 Advice Letter 4119-E-A, this project is already scheduled to be piloted this
17 summer per the parameters below, starting in June 2014 and ending in
18 December 2014:

- 19 • PG&E proposes to build upon the HAN infrastructure developed under
20 SmartMeter™ Upgrade Decision 09-03-026 to create and communicate load
21 control signals, such as price signals and Demand Response (DR) event
22 notification messages that can expand DR opportunities for residential and
23 small and medium business (SMB) customers. The HAN platform, used in
24 conjunction with third party devices, may help customers effectively manage
25 their response to time-varying electric rates by reducing or shifting load.
26 This effort will initially target customers on existing DR programs for
27 residential and small business customers (i.e., SmartRate and SMB Peak
28 Day Pricing customers). In light of the evolving role of the utility in the DR
29 marketplace, PG&E is prioritizing the implementation of notification and
30 pricing signals to the premise, whereby a customer can program an
31 automated response, over utility direct load control signals where the utility
32 determines the device response (e.g., switching a device on/off or ramping a
33 device temperature). By implementing signals to the premise, customers
34 can choose manual or automated actions in response to the signals and

1 have full control over how to respond to balance cost savings against
2 convenience.

- 3 • Upon successful completion of the enhancements to the IT infrastructure,
4 PG&E will use these systems to validate the enhanced HAN capabilities.
5 This pilot evaluation project will involve up to 2,000 residential and small
6 business customers with a variety of HAN devices that can be responsive to
7 load control signals. This limited scale roll out will be facilitated through the
8 project's User Acceptance Testing period and will enable PG&E to identify
9 issues, obtain feedback from its customers, and evaluate the effectiveness
10 of the solution before offering these capabilities more broadly to the larger
11 customer base. The feedback and results will be used to enhance the HAN
12 platform before making the load control signals (pricing and event
13 notification) available to all qualifying customers in 2015. The systems
14 developed as part of the HAN-DR Integration project will be scalable to
15 support customer demand for these capabilities beyond the 2014 timeframe.
16 The pilot results will be used to inform the development of a future HAN-DR
17 program offering.

18 **Question 38**

19 Should the Commission establish a parallel phase in this proceeding to
20 address particular aspects of Customer Communication, Outreach and
21 Education, and Technology that are best addressed outside of Phase 1? For
22 example, should co-ordination of TOU rollout with demand response and energy
23 efficiency outreach be considered in a separate phase? If yes, which topics
24 would you propose get addressed in a parallel phase and what should be
25 expected results of that phase?

26 **Response to Question 38**

27 Yes. The Commission should promptly establish a parallel phase in this
28 proceeding or separate proceeding to review and approve an appropriate,
29 reasonable level of utility expenditures for Customer Communication, Outreach
30 and Education, and Technology, as well as cost recovery for PG&E's proposed
31 pilot to address residential default TOU and adopt cost recovery as described in
32 PG&E's Phase 1 proposal and the response to Question 37. In the interim, the
33 Commission should approve PG&E's request for a memorandum account to
34 track and record incremental costs for Customer Communication, Outreach and

1 Education, and Technology that PG&E incurs beginning in 2014 to prepare for
2 and implement customer outreach and education and related billing and
3 customer information system changes including PG&E's proposed pilot.
4 Regarding the example posed in the question, coordination of TOU outreach
5 with demand response and energy efficiency does not require a separate phase
6 of this proceeding.

7 A result in this cost recovery phase of this proceeding should include
8 adoption of PG&E's proposed pilot as well as an incremental revenue
9 requirement for 2014 through 2016 for Residential Rate Reform incremental
10 costs for overall communications, outreach and education, and technology, as
11 well as pilot costs. PG&E plans to address in its 2017 GRC Phase 1 any
12 forecast revenue requirements for default residential TOU and other
13 customer-related costs anticipated for 2017-2018.

14 PG&E believes co-ordination of TOU rollout with demand response and
15 energy efficiency outreach need not be considered in a separate phase.
16 PG&E's education and outreach strategy, presented in this document, will
17 include educating the most impacted customers to drive awareness of the rate
18 change and will include ways to help them manage their bills through Energy
19 Efficiency Audits and "My Energy Home Checkup," as well as customized tips
20 based on seasons, opt-in programs such as SmartRate or SmartAC, energy
21 savings assistance, and balanced payment plan programs.