

2014 Agricultural Time of Use Default Impact Overview

April 18, 2014





Small Agriculture Transition to Time-of-Use Rates

Issue

3,704 agricultural customers (4,675 Service Agreements) were scheduled to transition from a flat rate to a time-of-use (TOU) rate starting March 1, 2014. The letters informing customers 60 days and 30 days in advance of the March 1 transition were not printed and mailed. Due to a miscommunication, the printing process was suppressed onsite in the Bill/Print/Mail center and not restarted.

Agricultural Transition Schedule

Annually, small and medium agriculture customers are scheduled to transition to TOU rates during their March billing cycle. Eligible customers must have a SmartMeter, at least 12 months of interval data and access to tools to analyze the impact of the transition.



Time-of-Use and Peak Day Pricing Transitions

Thousands of commercial and agriculture customers have successfully transitioned to time-of-use and Peak Day Pricing rates in the past few years.

The table below outlines the transitions completed to date and estimated future transitions across all non-residential customer classes.

Customer Segments	2010-2011	2012	2013	2014	2015	2016	Total
Small/Medium Business TOU (November transitions)		210,833	100,677	~80,000	~50,000		441,510
LCI/Large Ag Peak Day Pricing	4,733	207	566	253			5,759
Small/Med Ag Time-of-Use	-	-	17,309	4,675	~6,000	~7,000	34,984
Total	4,733	211,040	118,552	~84,928	~56,000	~7,000	482,253

* These customers will subsequently transition to a Peak Day Pricing rate plan two years after their time-of-use transition.



Outreach Completed for Small and Medium Agriculture Customers

The impacted customers received multiple forms of outreach regarding their March 2014 transition, but did not receive the final 60-day and 30-day notification letters.

TOU Outreach	2013								2014			
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Time Matters Postcard - Direct Mail	█											
My Energy Bill Insert				█								
Customized Support Letter - Direct Mail						█						
Customized Tools Bill Insert							█					
My Energy Rate Comparison - Bi-fold Direct Mail									█			
Agricultural Trade Print - Print Advertising							█					
Agriculture Trade Events	█											



Small/Medium Agriculture: Summer Impact (May 1 – Oct 31)

Impact Analysis

- 4,122 Service Agreements would have saved a combined \$1.62 million over Summer
- 553 Service Agreements would have a combined negative impact of \$23,302 over Summer
 → 1,004 Service Agreements would have a negligible impact (plus or minus \$10/month)

	\$1001<	\$901-1000	\$801-900	\$701-800	\$601-700	\$501-600	\$401-500	\$301-400	\$201-300	\$101-200	\$51-100	\$10-50	\$1-10	\$1-or-less	\$(0-9)	\$(10-24)	\$(25-49)	\$(50-99)	\$(100-499)	\$(500-999)	\$(1000-1499)	Total	
(5%<)																		5	18	41	2	1	67
(4-5%)																		3	4	11	5		23
(3-4%)																		7	13	5	11		36
(2-3%)																		7	11	11	9	4	42
(1-2%)																		14	19	8	5	4	50
(0-1%)																		90	8	6	1	105	
0																		230				230	
0-1%											1	3	27	250	187								468
1-2%											2	5	68	139									214
2-3%							1	2		3	11	17	83	62									179
3-4%									1	4	16	21	78	18									138
4-5%						1	1	1	2	9	21	20	112	6									173
5.5%<	392	43	59	82	107	142	172	250	341	593	406	362	1										2950
Total	392	43	59	82	108	144	175	253	357	644	472	730	476	187	341	48	47	48	66	2	1	4675	

**This analysis assumes usage is unchanged from 2013*

**Implications of the drought on energy usage patterns is difficult to predict and likely variable by customer; therefore, data has not been updated to reflect possible drought impacts*



Small/Medium Agriculture: July Impact

Impact Analysis

- 3,245 Service Agreements would have saved a combined \$315,560 over July
- 1,430 Service Agreements would have a combined negative impact of \$6,497 over July
 → 2,158 Service Agreements would have a negligible impact (plus or minus \$10/month)

	\$1001<	\$901-1000	\$801-900	\$701-800	\$601-700	\$501-600	\$401-500	\$301-400	\$201-300	\$101-200	\$51-100	\$10-50	\$1-10	\$1-or-less	\$(0-9)	\$(10-24)	\$(25-49)	\$(50-99)	\$(100-499)	Total
(5%<)															24	54	29	25	7	139
(4-5%)															10	12	6	2		30
(3-4%)															18	10	3	1		32
(2-3%)															40	6	5			51
(1-2%)															87	5				92
(0-1%)															115	2				117
0															969					969
0-1%												4	16	40						60
1-2%												11	40	75						126
2-3%												1	20	85	49					155
3-4%												1	3	32	97	20				153
4-5%												4	4	53	94	1				156
5-5%<	32	2	7	18	22	37	42	71	165	368	470	983	378							2595
Total	32	2	7	18	22	37	42	71	165	373	478	1103	710	185	1263	89	43	28	7	4675

**This analysis assumes usage is unchanged from 2013*

**Implications of the drought on energy usage patterns is difficult to predict and likely variable by customer; therefore, data has not been updated to reflect possible drought impacts*



Small/Medium Agriculture: August Impact

Impact Analysis

- 3,208 Service Agreements would have saved a combined \$280,736 over August
- 1,467 Service Agreements would have a combined negative impact of \$8,690 over August
 → 2,171 Service Agreements would have a negligible impact (plus or minus \$10/month)

	\$1001<	\$901-1000	\$801-900	\$701-800	\$601-700	\$501-600	\$401-500	\$301-400	\$201-300	\$101-200	\$51-100	\$10-50	\$1-10	\$1-or-less	\$(0-9)	\$(10-24)	\$(25-49)	\$(50-99)	\$(100-499)	Total
(5%<)															29	29	42	36	13	149
(4-5%)															27	11	3	2		43
(3-4%)															24	11	4			39
(2-3%)															44	13	4	1		62
(1-2%)															78	13	2	1		94
(0-1%)															150					150
0															930					930
0-1%												2	19	37						58
1-2%												17	70	72						159
2-3%											5	36	91	41						173
3-4%												37	110	18						165
4-5%										2	12	48	94	2						158
5.5%<	21	8	4	21	16	29	42	63	135	369	492	1119	719	170	1282	77	55	40	13	2495
Total	21	8	4	21	16	29	42	63	135	369	492	1119	719	170	1282	77	55	40	13	4675

**This analysis assumes usage is unchanged from 2013*

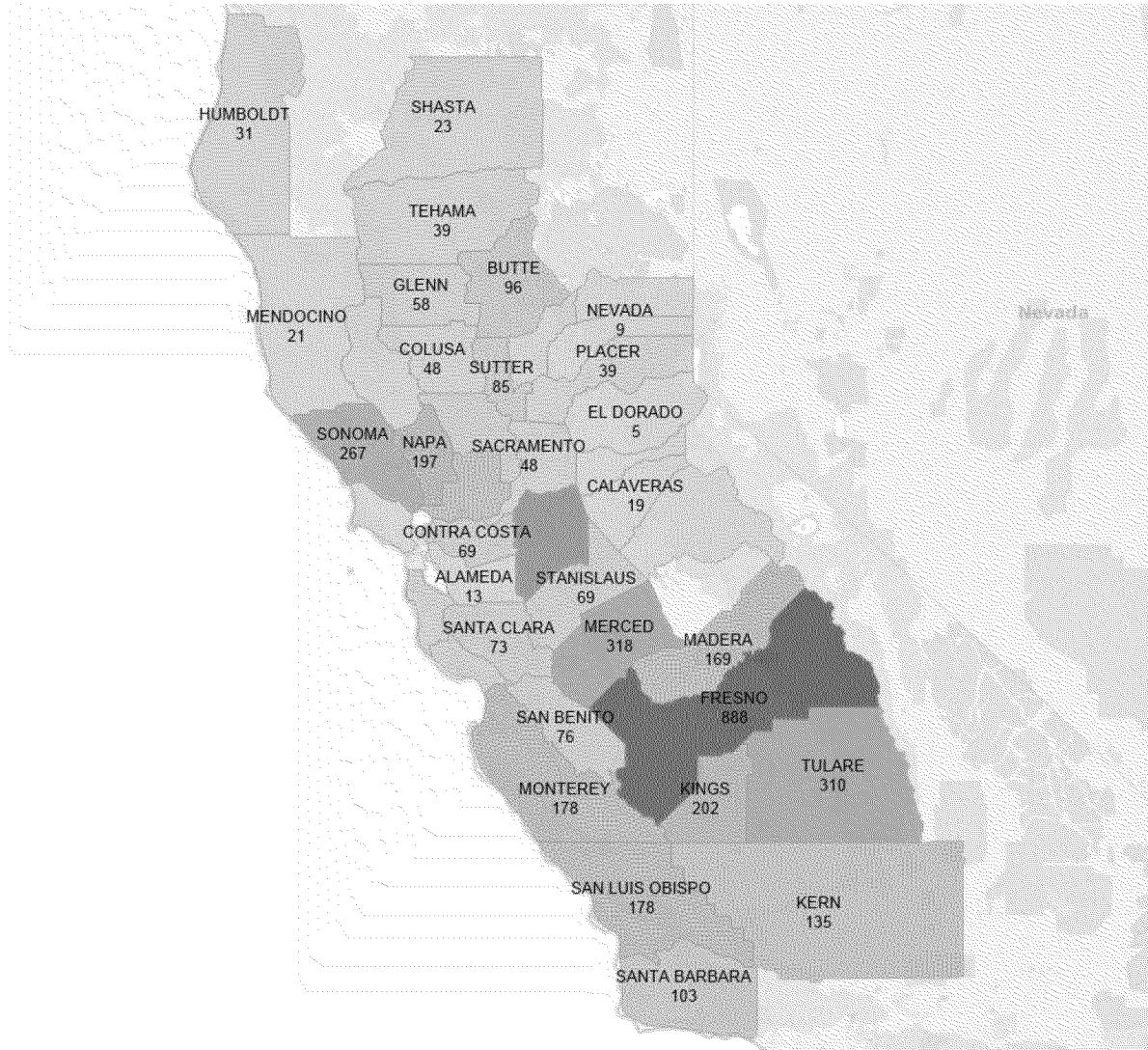
**Implications of the drought on energy usage patterns is difficult to predict and likely variable by customer; therefore, data has not been updated to reflect possible drought impacts*



Appendix



Geographical Distribution





Segmentation of Impacted Customers – Primary Assessment

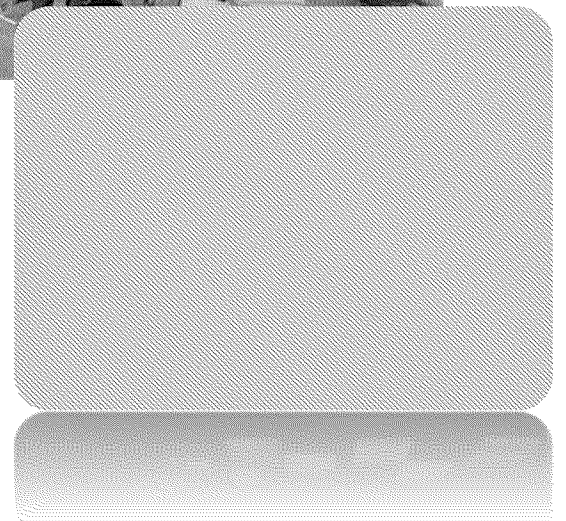
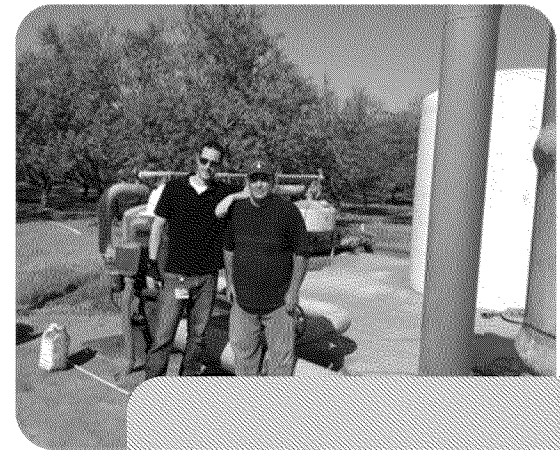
Sector	# Services	Sector	# Services	Sector	# Services
Sector: Agriculture, Forestry, Fishing and Hunting	1,810	Other Noncitrus Fruit Farming	86	Orange Groves	19
Grape Vineyards	577	Subsector: Crop Production	64	Industry Group: Greenhouse, Nursery, and Floriculture Production	16
All Other Miscellaneous Crop Farming	419	Postharvest Crop Activities (except Cotton Ginning)	51	Horse and Other Equine Production	15
Industry Group: Fruit and Tree Nut Farming	257	Nursery and Floriculture Production	50	Farm Product Warehousing and Storage	14
Tree Nut Farming	227	Subsector: Animal Production	32	Turkey Production	14
Hay Farming	151	Corn Farming	31	Industry Group: Oilseed and Grain Farming	13
Dairy Cattle and Milk Production	127	All Other Animal Production	30	Apple Orchards	11
Noncitrus Fruit and Tree Nut Farming	125	Cotton Farming	24	Industry Group: Cattle Ranching and Farming	10
Other Vegetable (except Potato) and Melon Farming	109	Industry Group: Other Crop Farming	23	Industry Group: Poultry and Egg Production	10
Beef Cattle Ranching and Farming	108	Rice Farming	22	Other	108
Water Supply and Irrigation Systems	102	Strawberry Farming	20		
				Total	4,675

* Based on Small Ag North American Industry Classification System (NAICS) Segmentation 2014 Ag TOU Default – April 18, 2014



Small and Medium Agriculture: Outreach

- Trade events and local workshops throughout the year played an important role in person-to-person outreach with agriculture customers across a variety of segments
- Several key events attended in 2014 include:
 - Colusa Farm Show
 - Unified Wine Symposium
 - World Ag Expo
 - California Farm Bureau Federation Annual Meeting
- Optimizations for 2014 include additional focus on energy efficiency opportunities and driving customers to utilize self-service tools





Small/Medium Agriculture: Mail

Customized Support Letter

Timeframe: October 2013

Target Audience: Approximately 5,500 Service Agreements (3,500 accounts) who are transitioning to time-of-use rates in March 2014.

Objective: Educate

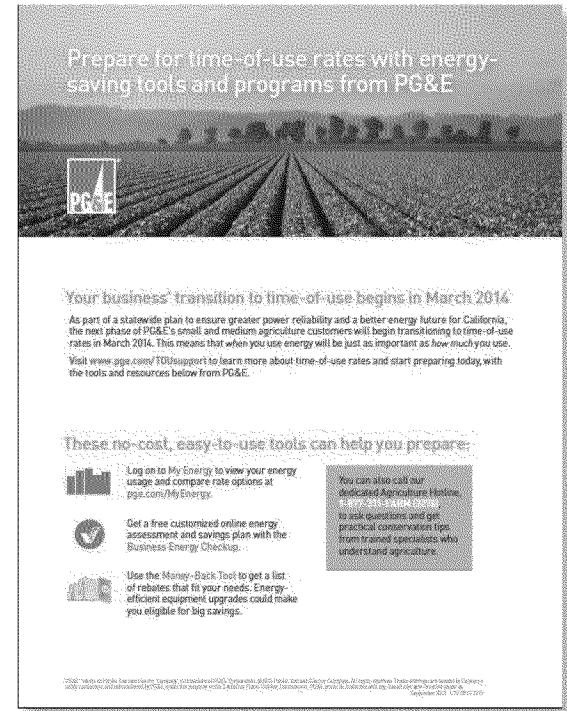
- Remind agriculture customers of the time-of-use rate change in simple terms
- Highlight PG&E's customized tools to help customers prepare for their transition to TOU

Description:

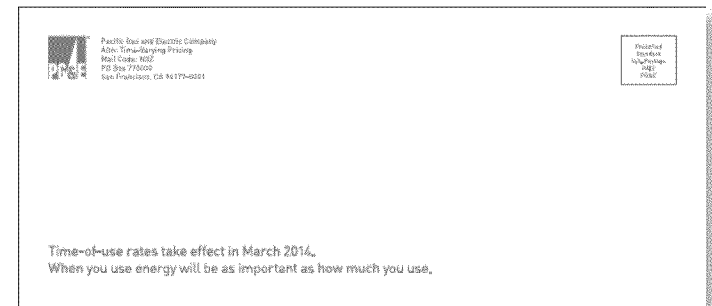
Focuses on PG&E online tools that customers can use to prepare for transition to time-of-use rates, including:

- **My Usage** - to view their energy use and rate options
- **Business Energy Checkup** - to get a customized energy assessment and savings plan
- **Money-Back Tool** – to identify available rebates and incentives

Letter



Envelope



2014 Ag TOU Default – April 18, 2014



Small/Medium Agriculture: Bill Insert

“Customized Tools” Bill Insert

Timeframe: November 2013

Target Audience: Approximately 5,500 Service Agreements (3,500 accounts) who are transitioning to time-of-use rates in March 2014.

Objective:

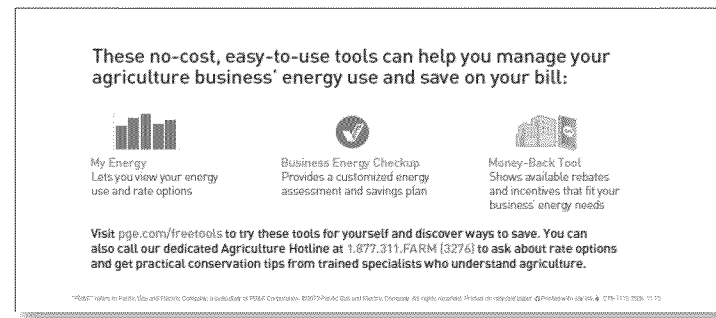
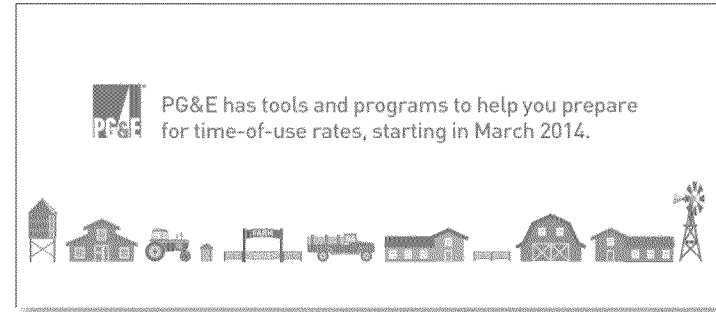
- Remind agriculture customers of the time-of-use rate change in simple terms
- Encourage engagement with My Energy to help them prepare and save

Description:

Focuses on PG&E online tools that customers can use to prepare for transition to time-of-use rates, including:

- **My Energy** - to view their energy use and rate options
- **Business Energy Checkup** - to get a customized energy assessment and savings plan
- **Money-Back Tool** – to identify available rebates and incentives

Bill Insert





Small/Medium Agriculture: Mail

My Energy Rate Comparison Mailer

Timeframe: January 2014

Target Audience: Approximately 5,500 Service Agreements (3,500 accounts) who are transitioning to time-of-use rates in March 2014.

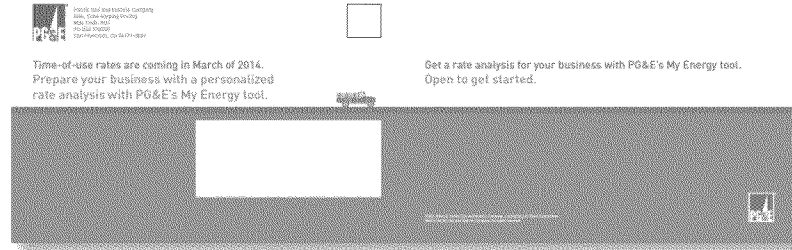
Objective:

- Provide customers with an online rate analysis so they understand that they have rate choices and the potential financial implications of each choice

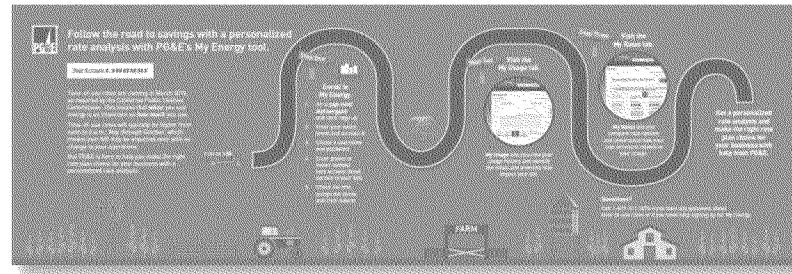
Description:

Bi-fold self-enclosed mailer that includes customer account number and guides customers through a step-by-step process of signing in to My Energy to conduct a rate analysis and see their rate options.

Exterior



Interior





Small/Medium Agriculture: Print Media

Timeframe:

- November 2013 and January 2014 in-market dates

Target Audience:

- Small and Medium Agriculture customers
- Total circulation 71K x 2

Objective:

- Encourage customers to engage with PG&E's customized support tools and prepare to save with time-of-use rates
- Engage with customers where and when they are already reading and thinking about their business
- Align with seasonal, transition and editorial calendars

Description:

- Full Page, 4-color ads in 6 Small Ag Trade Publications
 - Ag Alert
 - American Vineyard
 - California Dairy
 - California Fresh Fruit and Raisin News
 - Pacific Nut Producer
 - Vegetable West

ARE YOU PREPARED TO SAVE?

PG&E HAS TOOLS TO HELP YOUR BUSINESS

In March, many agriculture customers are transitioning to time-of-use rates. PG&E wants to help you prepare.

With time-of-use rates, when you use energy will be just as important as how much you use.

PG&E has a number of no-cost, easy-to-use tools that will make it easier than ever to manage your energy use.

TOOLS FOR AGRICULTURE CUSTOMERS

	My Energy Lets you view your energy use and rate options
	Business Energy Checkup Provides a customized energy assessment and savings plan
	The Money-Back Tool Shows available rebates and incentives that fit your business energy needs

Visit pge.com/TOU to try these tools for yourself and discover other ways to save. Or call us at 1.877.311.FARM [3276].



PG&E, My Energy, Business Energy Checkup, The Money-Back Tool, and other marks are trademarks of PG&E. ©2013 PG&E. All rights reserved. 07/13/14



Small/Medium Agriculture: 60 Day Letter

Timeframe:

- April/May 2014 on Account Bill Cycle

Target Audience:

- All eligible defaulting Ag Service Agreements

Objective:

- Inform customers of their pending default in June/July

Description:

- Full Page, B&W
- Identifies each transitioning SA and what rate they will default to

«DATE»

«Customer Name1»
«Customer Name2, if exists»
«Mailing Address1»
«Mailing Address2, if exists»
«Mailing City», «Mailing State» «ZIP»

**Important information
about your transition to a
time-of-use electric rate.
Please read to learn more.**

Dear «Customer Name»:

PG&E previously communicated that one or more of your agriculture accounts was scheduled to automatically transition from a flat electric rate to a time-of-use rate, beginning in March 2014. This transition is part of a plan mandated by the California Public Utilities Commission to ensure greater power reliability and a better energy future.

We would like to inform you that this automatic transition has been postponed and will not occur until June 2014. Your applicable Service ID(s) are referenced on the following page.

Why this transition was postponed

A technical issue prevented PG&E from sending you a required notification letter last month regarding the transition. As a result, the transition process was postponed to ensure agriculture customers receive sufficient notice before the move to a new electric rate.

What you need to know about your new electric rate

Once you have automatically transitioned in June 2014, your new time-of-use rate will be slightly higher during summer weekday afternoons when electric demand is higher, typically noon to 6 p.m., May through October. In return, you'll pay lower rates at all other times.

For over 90% of transitioning agriculture customers, switching from a flat rate to a time-of-use rate could mean lower electric bills. In addition, many customers could save even more by trying Peak Day Pricing, which is offered risk free for the first twelve months with PG&E's Bill Protection guarantee.

Want to learn more?

Get a personalized online rate analysis at pge.com/myrateanalysis

Want to enroll in Peak Day Pricing?

Call PG&E's Agriculture Customer Service Center at: 1-877-311-FARM (3276)

We value you as a customer and we look forward to continuing to serve you.

Sincerely,

Maril Pitcock
Director, Pricing Products
Pacific Gas and Electric Company

*PG&E refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation. ©2014, Pacific Gas and Electric Company. All rights reserved.
CTV-0414-2708 April 2014



Small/Medium Agriculture: 30 Day Letter

Timeframe:

- May/June 2014 on Account Bill Cycle

Target Audience:

- All eligible defaulting Ag SAIDs

Objective:

- Inform customers of their pending default in June/July

Description:

- Full Page, B&W
- Identifies each transitioning SA and what rate they will default to

«DATE»

«Customer Name1»
«Customer Name2, if exists»
«Mailing Address1»
«Mailing Address2, if exists»
«Mailing Address City, State, Zip»
«Mailing Address Country1»

Prepare for time-of-use rates and save with help from PG&E.

Re: 30-Day Notification of Switch to Time-of-Use Electric Rates for Agriculture

Dear «Customer Name»:

Last month, we sent a letter to notify you that starting this June, one or more of your agriculture accounts is scheduled to transition from a flat electric rate to a time-of-use rate. We are sending you a reminder of this upcoming move to a new electric rate.

This transition is part of a plan mandated by the California Public Utilities Commission to ensure greater power reliability and a better energy future. Time-of-use rates will be slightly higher during summer weekday afternoons when electric demand is higher, typically noon to 6 p.m., May through October. In return, you'll pay lower rates than the peak rate at all other times. This means that *when* you use energy, is just as important as *how much* you use.

This rate transition will affect the Service ID(s) referenced on the following page(s).

For over 90% of transitioning agriculture customers, switching from a flat rate to a time-of-use rate could mean lower electric bills. In addition, many customers could save even more by trying Peak Day Pricing, which is offered risk free for the first twelve months with PG&E's Bill Protection guarantee.

Want to enroll in Peak Day Pricing?

- Get a personalized rate analysis at: pge.com/myrateanalysis
- Call PG&E's Agriculture Customer Service Center at: 1-877-311-FARM (3276)

PG&E offers other resources to help you save, including:

- A customized energy assessment: pge.com/waysosave
- Energy efficiency programs and rebates: pge.com/moneybacksolutions

We value you as a customer and we look forward to continuing to serve you.

Sincerely,

Maril Pitcock
Director, Pricing Products
Pacific Gas and Electric Company

*PG&E® refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation. ©2014, Pacific Gas and Electric Company. All rights reserved. CTV-9414-2202...April 2014



Small/Medium Agriculture: Annual Impact (March 2013 – February 2014)

Impact Analysis

- 4,473 Services would have saved a combined \$2.28 million annually
- 202 Services would have a combined negative impact of \$11,705 annually
 → 496 Services would have a negligible impact (plus or minus \$10/month)

	\$1001<	\$901-1000	\$801-900	\$701-800	\$601-700	\$501-600	\$401-500	\$301-400	\$201-300	\$101-200	\$51-100	\$10-50	\$1-10	\$1-or-less	\$(0-9)	\$(10-24)	\$(25-49)	\$(50-99)	\$(100-499)	\$(500-999)	\$(1000-1499)	Total	
(5%<)																		1	7	15		1	24
(4-5%)																		1	6	2	1		10
(3-4%)																	1	4	5				10
(2-3%)															1	3	6	4	7				21
(1-2%)															8	6	13	6	2				35
(0-1%)															25	9	5						39
0															63								63
0-1%											2	13	60	16									91
1-2%									1	2	8	83	279										373
2-3%						1	2	1	5	12	13	268	41										343
3-4%					1			2	5	11	23	167	3										212
4-5%				1			2	2	9	26	28	106											174
5.5%<	551	74	79	99	170	163	216	293	465	590	512	862	383	16	97	18	27	27	31	1	1	3280	
Total	551	74	79	99	170	163	216	293	465	590	512	862	383	16	97	18	27	27	31	1	1	4675	

**This analysis assumes usage is unchanged from 2013*

**Implications of the drought on energy usage patterns is difficult to predict and likely variable by customer; therefore, data has not been updated to reflect possible drought impacts*



Small/Medium Agriculture: Summer Impact (May 1 – Oct 31) – Customer Level (as opposed to Service Agreement)

Impact Analysis

- 3,118 Customers would have saved a combined \$1.45 million over Summer
- 586 Customers would have a combined negative impact of \$20,352 over Summer
 → 720 Customers would have a negligible impact within the range of plus or minus \$10/mo

	\$1001-<	\$901-1000	\$801-900	\$701-800	\$601-700	\$501-600	\$401-500	\$301-400	\$201-300	\$101-200	\$51-100	\$10-50	\$1-10	\$1-or-less	\$ (0-9)	\$ (10-24)	\$ (25-49)	\$ (50-99)	\$ (100-499)	\$ (500-999)	\$ (1000-1499)	Total
(5%<)																	7	22	35	4	1	69
(4-5%)																5	7	5	4			21
(3-4%)																5	6	6	7			24
(2-3%)															5	6	12	8	2			33
(1-2%)															14	11	5	4	4			38
(0-1%)															170	12	5	2				189
0															212							212
0-1%										1	1	17	97	65								181
1-2%								1	4	8	59	90										162
2-3%	1				2		2	2	10	13	67	43										140
3-4%				1	1	1		2	3	14	18	75	17									132
4-5%			1		1	1	1	2	6	20	27	104	7									170
5.5%<	347	53	53	51	85	104	123	188	283	463	321	263										2333
	348	53	53	52	89	106	126	193	294	512	388	585	254	65	401	39	42	47	52	4	1	3704

**This analysis assumes usage is unchanged from 2013
 Implications of the drought on energy usage patterns is difficult to predict and likely variable by customer; therefore, data has not been updated to reflect possible drought impacts