

RESEND

STATE OF CALIFORNIA

GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES CPUC

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 10, 2020

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale St.
San Francisco, CA 94177

Subject: Pacific Gas and Electric Company’s Advice Letters 5637-E and 5637-E-A

Dear Mr. Jacobson:

Pacific Gas and Electric Company’s (PG&E) Advice Letter (AL) 5637-E, as supplemented by AL 5637-E-A requesting authority from the California Public Utilities CPUC (CPUC) on its proposed methodology for illustrative rate comparisons, is approved with an effective date of June 10, 2020.

Background

On July 11, 2019, the CPUC issued Decision (D.) 19-07-004 approving “PG&E’s Residential Rate Design Window Proposals, including to Implement a Residential Default Time-Of-Use Rate along with a Menu of Residential Rate Options, followed by addition of a Fixed Charge Component to Residential Rates.”¹

Ordering Paragraph (OP) 35 of D.19-07-004 directed PG&E and Southern California Edison Company (SCE) to “provide a rate comparison summary to each residential customer on at least an annual basis once their transitions to default time-of-use rates have begun consistent with the requirements set forth in Public Utilities (P.U.) Code Section 745(c)(5).”²

On September 17, 2019, PG&E filed AL 5637-E and made two proposals:

1. For customers only eligible to enroll in one type of rate and are not eligible to choose any other rate, customers on a standby or fuel cell rate option, and customers without an interval meter, PG&E proposes to exclude these classes from receiving a rate comparison summary.

¹ D.19-07-004 at 1.

² D.19-07-004, p. 221. P.U. Code Section 745(c)(5) directs the IOUs to provide all residential customers, not less than once per year a summary of available tariff options with a calculation of expected annual bill impacts under each available tariff.

2. For customers with less than 12 months of actual usage data, PG&E proposes to provide the customer with a “to-date” rate comparison once the customer has a minimum of six months of interval usage data. PG&E states that with this information, “the customer would understand that the data is incomplete and make their own decision as to whether to act on the incomplete information or wait for a full year of data.”³

Protest

On October 7, 2019, the Public Advocates Office (Cal Advocates) filed a protest of AL 5637-E that focuses on the second of PG&E’s proposals enumerated above. Cal Advocates asserts that PG&E’s proposal does not comply with the CPUC’s requirement that the IOUs should provide customers lacking sufficient usage data with illustrative rate comparisons based on illustrative usage “*for that customer’s particular location.*”⁴

Specifically, Cal Advocates protested PG&E’s approach for customers with less than 12 months of actual usage data, observing that it may contribute to customers receiving a bill comparison that excludes important information, such as usage on time-of-use (TOU) rates during the summer season. Cal Advocates asserts that PG&E is making assumptions regarding customer understanding when it receives incomplete information. Moreover, since PG&E provides no presentation of its bill comparison language, Cal Advocates concludes that Energy Division (ED) has no basis for evaluating the reasonableness of this assessment.⁵

Cal Advocates argues that PG&E should have provided a proposal for leveraging information from the customer’s location to provide a full 12-month illustrative rate comparison rather than using incomplete information, and that PG&E must send clear and concise messaging to ensure customers understand that the rate comparison is based on illustrative usage data and can decide whether or not to act.⁶

Consequently, on October 14, 2019, PG&E submitted a reply to Cal Advocates’ protest and agreed that it would submit a Supplemental AL to address its proposed “to-date” rate comparison. PG&E proposed to work with Cal Advocates and the Marketing, Education and Outreach (ME&O) Working Group⁷ stakeholders to develop language to more clearly communicate the limitations of the proposed estimation with customers with less than 12 months of usage.⁸

³ PG&E AL 5637-E, pp. 2 - 4.

⁴ CalPA Protest Letter to PG&E AL 5637-E at 2.

⁵ *Id.* at 3.

⁶ *Id.* at 2.

⁷ The ME&O Working Group was established in compliance with D.15-07-001, and is a stakeholder group that convenes regularly for the purpose of coordinating and implementing statewide and IOU marketing plans and communications to support the transition to default TOU.

⁸ PG&E Reply to CalPA Protest of AL5637-E at 2.

Disposition

Energy Division approves the first of PG&E's two proposals set forth in AL 5637-E, which seeks an exemption for the following small subset of customers: (1) those eligible to enroll in one type of rate, (2) those on a standby or fuel cell rate option, and/or (3) customers without an interval meter. D.19-07-004 does not explicitly address exemptions for this small subset of customers, and no parties protested this proposal. Energy Division agrees that these customer scenarios would make it difficult to perform an accurate rate comparison summary and finds that an exemption under these circumstances is reasonable.

Secondly, Energy Division has determined that the concerns raised in Cal Advocates' protest have been adequately addressed by PG&E in supplemental AL 5637-E-A.

As PG&E notes, cost and usage can vary by customer location, even within the same utility baseline territory or census geography. We concur with PG&E's observation that "creating load profiles that provide average household data is likely to result in rate comparisons whose recommendations might not be appropriate for any given specific customer's individualized usage patterns."⁹ Energy Division concludes that it would be preferable for PG&E to provide an estimate based on at least six months of individual usage data, but with an appropriate rationale. Furthermore, OP 35 clearly states that leveraging illustrative usage to create the rate comparison for such customers is optional:

In the event that an accurate rate comparison summary cannot be generated for a customer due to lack of sufficient usage data or due to the type of rate that the customer is on, SCE and PG&E **may** (emphasis added) generate the required rate comparison summary for that customer based on illustrative usage for that customer's location.

PG&E worked closely with Cal Advocates to develop appropriate disclaimer language for customers who have less than twelve months of usage data. PG&E AL 5637-E-A described price differentials and the effect of seasonal usage on a customer's bill while taking service on a time-of-use (TOU) rate plan, and proposed the following disclaimer language for inclusion in customer rate comparison mailers:

The rate comparison shown is based on your household's actual usage data to date, which is less than twelve months. The estimated costs shown on the different rate plans may be impacted by missing months of data in either the summer or winter months. Because cost and usage typically vary by season based on heating and cooling needs, missing month's usage data may cause the estimates to vary from what a full year of data would have shown. For a more up-to-date and personalized rate comparison, please visit <URL> after you have been at your current location for one year.¹⁰

⁹ AL 5637-E-A at 2.

¹⁰ *Id.* at 3.

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PG&E AL 5637-E, as supplemented by the above disclaimer language in AL 5637-E-A, proposes a reasonable estimation methodology in its “to-date” rate comparison for the modest subset of residential customers that either lack twelve months of usage data or take service on certain complex rates.

In summary, Energy Division has determined that PG&E’s proposals are in compliance with OP 35 of D.19-07-004. Accordingly, Cal Advocates’ protest is denied and AL 5637-E as supplemented by AL 5637-E-A is approved as filed, effective June 10, 2020.

If you have any questions, please contact Whitney Richardson at (415) 703-2108 or whitney.richardson@cpuc.ca.gov.

Sincerely,



Edward Randolph
Deputy Director for Energy and Climate Policy/
Director, Energy Division

cc: ED TariffUnit
Paul Phillips (ED)
Bruce Kaneshiro (ED)
Michael Campbell (CalPA)
Ryan Saraie (CalPA)



Erik Jacobson
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

September 17, 2019

Advice 5637-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: PG&E's Proposed Methodology for Illustrative Rate Comparisons, in Compliance with D.19-07-004

Purpose

In compliance with California Public Utilities Commission (CPUC or Commission) Decision (D.) 19-07-004, and pursuant to Ordering Paragraph (OP) 35 of that decision, Pacific Gas and Electric Company (PG&E) hereby submits its proposed approach to dealing with the limited number of cases where an accurate rate comparison summary cannot be generated for a customer due to lack of sufficient historical usage data or due to the type of rate plan on which the customer is enrolled. These proposals include methodologies for determining a customer's illustrative usage, where appropriate. These methodologies will be used to generate the required rate comparison summary for such customers on at least an annual basis once transitions to default Time-of-Use rates have begun consistent with the requirements set forth in Pub. Util. Code Section 745(c)(5).

Background

The Residential Rate Reform Order Instituting Rulemaking affirmed and interpreted Pub. Util. Code 745(c)(5)'s statutory requirement that each Investor Owned Utility (IOU) send a rate comparison summary on at least an annual basis to its customers, in order to increase awareness and understanding of rate choices and help customers to select the best rate plan for their household. The statutory requirement for an annual rate comparison summary is set forth in Pub. Util. Code Section 745(c)(5):

“Each electrical corporation shall provide each residential customer, not less than once per year, using a reasonable delivery method of the customer's choosing, a summary of available tariff options with a calculation of expected annual bill impacts under each available tariff. The summary shall not be provided to customers who notify the utility that they choose not to receive the summary. The reasonable costs of providing this service shall be recovered in rates.”

In D.19-07-004, the CPUC addressed this issue by directing Southern California Edison (SCE) and PG&E to send each residential customer (including customers subject to default and those not subject to default) a rate comparison on at least on an annual basis once the transition to default TOU has begun in October 2020. “[N]ew customers who establish service in a new location after October 2020 must receive at least one summary within one year of establishing service at that location.”¹ In the event that an accurate rate comparison cannot be generated, then the decision ordered that the required rate comparison summary for that customer should be developed based on *illustrative* usage for that customer’s location. That decision also directed PG&E and SCE, in such instances, to include a disclaimer that the rate comparison summary had been generated based on illustrative usage. Finally, that decision required PG&E and SCE to submit a Tier 2 Advice Letter setting forth their proposed methodology for determining a customer’s illustrative usage for that customer’s particular location. This Advice Letter presents PG&E’s proposed such methodology, in compliance with D.19-07-004.

PG&E’s Proposed Methodology for Illustrative Rate Comparison Summary

Because D.19-07-004 is directing PG&E and SCE to send a rate comparison summary to new customers *within* one year of establishing service, PG&E has developed a methodology for customers for whom it cannot currently generate an accurate rate comparison summary due to lack of sufficient historical usage data (i.e., less than twelve months of interval usage data at that residence). PG&E will apply this methodology to both Net Energy Metering (NEM) customers and non-NEM residential customers with less than twelve months of data.

Customers with less than twelve months of interval usage data. PG&E originally contemplated sending a rate comparison summary to newly-established electric service customers only after the customer had been at that premise for at least twelve months and had generated at least twelve months of interval data. PG&E’s reasoning was that this approach would have provided the customer with the most accurate, personalized rate comparison, which would have accounted for all seasonal influences on their usage behavior. In considering what methodology to implement the provisions of D.19-07-004, PG&E proposes to provide the customer with a to-date rate comparison once the customer has a minimum of six months of interval usage data. Under this methodology, the actual data to-date is used to generate an illustrative rate comparison. PG&E posits that the customer would understand that the data is incomplete and make their own decision as to whether to act on the incomplete information or wait for a full year of data. Thereafter, for that customer’s future annual rate comparisons, a full twelve months of interval data would be expected to be available. Thus, PG&E would be able to calculate such subsequent annual rate comparison summaries using the most recent twelve months of usage data.

¹ D19-07-00 at 122.

Customers who have less than six months of interval data would receive their rate comparison once they have at least 6 months of interval usage.

Proposed Exclusions from Rate Comparison Summaries

PG&E is proposing not to send a rate comparison summary to a specific and small subset of customers. For this constrained group of customers, a rate comparison, even an illustrative one, would not be informative or misleading, and/or redundant to other communications. The specific categories included in this limited group would be:

First, PG&E proposes not to send a rate comparison to **customers who are only eligible to enroll in one type of rate and are not eligible to choose any other rate.** Such customers include Master Meter customers on Schedules ET (Master Metered Mobilehome Park Service) and ES (Master Metered Multi-family) and ESR (Residential RV Park and Residential Marina Service) where the customer pays for usage at the master meter. Such master meter customers are not eligible for any other rates than the one master meter rate on which they are enrolled. Because there are no other applicable rates for that customer to choose, this renders the concept of a “rate comparison” ineffective. Currently, PG&E serves approximately 1,800 customers on these types of Master Meter rate plans. Please note that not all Master Meter rates would be excluded from the rate comparison. For example, PG&E currently offers the EM master metered rate schedule with a TOU option (EMTOU). For customers currently enrolled in the EM rate plan, there is a rate choice available to them. For those customers with a rate choice, PG&E will send a rate comparison summary; if these customers have less than 12 months of interval data, PG&E will use the same methodology outlined above for customers with inadequate interval data.

Second, PG&E proposes not to send a rate comparison to **customers on a standby rate option or a fuel cell rate option.** For these customers, their usage is so unpredictable and highly variable that even an illustrative load profile with clear disclaimers and caveats, would be misleading. These residential standby customers generate their own power, but unlike solar NEM, have more variation in net consumption because their generation is not limited by daylight hours. PG&E has approximately 15 residential standby customers, plus one fuel cell customer. PG&E would still provide these customers with information about available rates via its annual residential rate plan options bill insert (which describes qualitatively which rate is “best for you” by listing types of customers and usage patterns which tend to benefit on the various rate plans).

Third, PG&E proposes not to send a rate comparison to **customers without an interval meter.** These customers lack the interval data (and will not have such data for the foreseeable future) which is required for a rate comparison calculation. Using a typical load profile to generate a rate comparison would only provide customers with descriptions of available rate options, similar to those provided to customers starting

service and in the annual rate option bill insert. Since these customers already receive an annual rate option bill insert, a rate comparison summary would be duplicative.

As the remaining customers with analog meters transition to SmartMeters or current SmartMeter opt-out customers decide to opt-in, these customers would receive the rate comparison summaries once they have adequate interval usage data per the methodology described above.

Respectfully, PG&E requests that the above, limited number of customers be exempted from receiving an “individualized” rate comparison summary, because (1) they are on a rate that has no other option, or (2) they are a residential customer on a rate plan that inherently serves customers with volatile usage such as standby or (3) they have no interval data and the rate comparison summary would be duplicative of the existing rate option bill insert communication which provides qualitative information to help a customer choose the best rate plan for their household. Approval of these limited exemptions avoids a likely negative customer experience because any individualized rate comparison summary would either: (1) not be actionable (for Master Metered customers who are ineligible for any other rate option), or (2) not be useful because even an attempt at “illustrative” information would not be informative to the customer.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than October 7, 2019, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson

Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

Pursuant to General Order (GO) 96-B, Rule 5.2, and OP 35 of D.19-07-004, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, October 17, 2019 which is 30 calendar days after the date of submittal.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A. 17-12-011, A. 17-12-012, and A. 17-12-013. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Service List: A. 17-12-011, A. 17-12-012, and A. 17-12-013



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5637-E

Tier Designation: 2

Subject of AL: PG&E's Proposed Methodology for Illustrative Rate Comparisons, in Compliance with D.19-07-004

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.19-07-004

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 10/17/19

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
State: California Zip: 94177
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Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

**PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	
	Energy Management Service	
Alta Power Group, LLC	Engineers and Scientists of California	Redwood Coast Energy Authority
Anderson & Poole	Evaluation + Strategy for Social Innovation	Regulatory & Cogeneration Service, Inc.
	GenOn Energy, Inc.	SCD Energy Solutions
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz & Ritchie	
BART	Green Charge Networks	SCE
	Green Power Institute	SDG&E and SoCalGas
Barkovich & Yap, Inc.	Hanna & Morton	
P.C. CalCom Solar	ICF	SPURR
California Cotton Ginners & Growers Assn	International Power Technology	San Francisco Water Power and Sewer
California Energy Commission	Intestate Gas Services, Inc.	Seattle City Light
California Public Utilities Commission	Kelly Group	Sempra Utilities
California State Association of Counties	Ken Bohn Consulting	Southern California Edison Company
Calpine	Keyes & Fox LLP	Southern California Gas Company
	Leviton Manufacturing Co., Inc. Linde	Spark Energy
Cameron-Daniel, P.C.	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
Casner, Steve	Los Angeles Dept of Water & Power	Sunshine Design
Cenergy Power	MRW & Associates	Tecogen, Inc.
Center for Biological Diversity	Manatt Phelps Phillips	TerraVerde Renewable Partners
City of Palo Alto	Marin Energy Authority	Tiger Natural Gas, Inc.
	McKenzie & Associates	
City of San Jose	Modesto Irrigation District	TransCanada
Clean Power Research	Morgan Stanley	Troutman Sanders LLP
Coast Economic Consulting	NLine Energy, Inc.	Utility Cost Management
Commercial Energy	NRG Solar	Utility Power Solutions
County of Tehama - Department of Public Works		Utility Specialists
Crossborder Energy	Office of Ratepayer Advocates	
Crown Road Energy, LLC	OnGrid Solar	Verizon
Davis Wright Tremaine LLP	Pacific Gas and Electric Company	Water and Energy Consulting Wellhead Electric Company
Day Carter Murphy	Peninsula Clean Energy	Western Manufactured Housing Communities Association (WMA)
		Yep Energy
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		