

**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.

Rulemaking 12-06-013
(Filed June 21, 2012)

**QUARTERLY REPORT ON PROGRESS OF RESIDENTIAL RATE REFORM OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

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Dated: August 1, 2017

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Pursuant to Ordering Paragraph 16 of Decision No. 15-07-001, Pacific Gas and Electric Company provides its eighth Quarterly Report on Progress of Residential Rate Reform (PRRR Quarterly Report) in the Residential Rates OIR (R.12-06-013). The PRRR Quarterly Report is attached to this pleading as Appendix A.

Respectfully submitted,

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APPENDIX A

PACIFIC GAS AND ELECTRIC COMPANY

QUARTERLY REPORT
ON PROGRESS OF RESIDENTIAL RATE REFORM (PRRR)
RESIDENTIAL RATES OIR (R.12-06-013)

AUGUST 1, 2017



PACIFIC GAS AND ELECTRIC COMPANY
QUARTERLY REPORT
ON PROGRESS OF RESIDENTIAL RATE REFORM (PRRR)
RESIDENTIAL RATES OIR (R.12-06-013)

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PACIFIC GAS AND ELECTRIC COMPANY
QUARTERLY REPORT
ON PROGRESS OF RESIDENTIAL RATE REFORM (PRRR)
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**PACIFIC GAS AND ELECTRIC COMPANY
QUARTERLY REPORT
ON PROGRESS OF RESIDENTIAL RATE REFORM (PRRR)
RESIDENTIAL RATES OIR (R.12-06-013)**

I. Introduction

Pursuant to Decision (D.) 15-07-001, resolving Phase 1 of the Residential Rate Reform Order Instituting Rulemaking (RROIR Decision), Pacific Gas and Electric Company (PG&E) submits its eighth quarterly Progress on Residential Rate Reform (PRRR) report (Report), providing the California Public Utilities Commission (CPUC or Commission) and interested parties with information about PG&E's PRRR, including Time-of-Use (TOU) and other rate reform efforts. The RROIR Decision required that the primary topics of each PRRR report include:

...outreach strategies, metrics, pilot design and results, opt-in TOU results, budgets, and updates on other proceedings that will impact residential TOU rate design.

The Administrative Law Judge's (ALJ) Ruling of March 14, 2016, in this proceeding (March 14 Ruling) specified that, on a going forward basis, the investor-owned utilities (IOU) should include the following additional information in all future quarterly PRRR reports:

- Statistics on the number of customers already enrolled in opt-in rates,¹ including quarter-over-quarter, and year-over-year tracking statistics;
- Status of online bill tools (including bill comparison) and rate comparison outreach and information on any groups of customers that are excluded from the rate analysis tools and the reason why;
- Sample bill presentment for a typical customer, for default and opt-in rates schedules; and
- Residential Rate Reform Memorandum Account (RRRMA) summary, including a separate list of any amounts that the utility has agreed not to include in the memo account.

¹ See Southern California Edison Company's (SCE) February 1, 2016 PRRR report for an example.

Furthermore, the March 14 Ruling directed the IOUs to provide additional information regarding marketing and other expenditures to implement Residential Rate Reform changes:

The utilities must provide the information necessary for the Commission and parties to understand the marketing and other expenditures made to date to implement the rate changes. As stated above, the PRRR report must reference any marketing or other expenditures that the utility has indicated to the Commission will not be included in the RRRMA. For example, PG&E indicated in its February 23, 2016 supplemental information filing that it would not include certain costs related to the Schedule E-7 tariff transition in its RRRMA. In order to make review of cost recovery applications more transparent, this list of excluded amounts should also be footnoted in any future cost recovery application. Furthermore, any such expenditures excluded from the RRRMA must be itemized and labeled consistently in the PRRR report and may not be included, embedded, or recovered in any other memorandum or balancing account in any future cost recovery proceeding.

The ALJ Ruling of July 22, 2016, provided additional guidance on the bill comparisons (also known as rate comparison mailers) required by the RROIR Decision. D.16-09-016, *Decision on the Requirements of California Public Utilities Code §745 For Default Time-of-Use Rates for Residential Customers*, confirms the guidance provided in the July 22 ALJ Ruling, including:

Each IOU should include the details of its bill comparisons in its quarterly Progress on Residential Rate Reform (PRRR) report. The PRRR report should include information such as sample bill comparisons used to communicate with customers via mail and e-mail; number of mailings sent by mail and e-mail; and impacts on customer call centers.²

The sections of the Report below provide PG&E's update, covering the period April 1 to June 30, 2017, on the topics requested in the RROIR Decision and the directives included in the ALJ's March 14 and July 22 Rulings.

II. Marketing, Education and Outreach Efforts

A. Summer Campaign

PG&E's summer campaign launched on June 15, 2017 and will run through September 2017. This campaign is funded through PG&E's GRC and not the RRRMA. The primary objective of the campaign is to help over two million customers in hotter areas of the service territory better control and manage their higher seasonal energy bills.

Messaging for this bi-lingual, multi-channel campaign centers around higher seasonal energy bills and offers key solutions—including Bill Forecast Alert, Budget

² D.16-09-016, mimeo, p. 30.

Billing, Home Energy Checkup and energy savings tips – that can help customers better control and manage their bills. In addition, the California Alternate Rates for Energy (CARE) program and the Energy Savings Assistance (ESA) program are being promoted as solutions to income-qualified customers.

The campaign includes multiple tactics, such as bi-lingual messaging, program integration, Contact Center messaging, and direct outreach. Bi-lingual (Spanish/English) digital display, search, print and radio and English-only bill inserts seek to drive broad awareness and engagement with tools and solutions. In addition, relevant summer savings solutions were integrated into acquisition outreach for Energy Efficiency, Low Income and Demand Response programs during the summer months. Customers calling into the PG&E Contact Center this summer will continue to hear messages about summer savings solutions while they are on hold. Customers considered ‘high bill impact’ (defined as those who would see an increase of at least \$10/10 percent for CARE and at least \$20/10 percent for non-CARE) received a direct communication via email, direct mail or telephone outreach. All tactics drive customers to updated summer landing pages on pge.com that showcase the key solutions for summer and help them to learn more or sign-up for programs and services that can help them with their ongoing bill and energy management.

PG&E has a rigorous test-and-learn plan for the summer campaign. As outlined above, PG&E is leveraging several mass media and direct touch tactics to reach customers. Different areas/customers targeted for the summer campaign will be exposed to different combinations of tactics, as opposed to the same tactics. By testing several mixes of channels and monitoring the levels of customer engagement with the campaign in each of these areas, PG&E will learn more about the most cost-efficient and effective channel strategy for seasonal campaigns moving forward.

B. TOU Summer Rate Support

In June 2017, PG&E launched a summer rate support campaign for E-TOU-A and E-TOU-B customers. This campaign focused on reminders for peak and off-peak hours, tips on overall use reduction, ways to shift use, and other programs including PG&E’s Balanced Payment Plan (now known as Budget Billing). This timely reminder is designed to help customers be more successful on their TOU rate.

C. Integration Efforts

PG&E continues to leverage rate reform communications to integrate broader energy management solutions for customers. For the last quarter, these communications included:

- **Influencer Marketing (April):** PG&E engaged five online bloggers with large followings to help promote rate plan options and Home Energy Checkup to their followers. Blog audiences were provided with links to the Rate Analysis Tool and Home Energy Checkup.
- **Opt-in Pilot End of Bill Protection Notice (April):** Customers on an Opt-in Pilot TOU rate plan received an end of bill protection notice mailing that featured Budget Billing.
- **Time-of-Use Welcome Kits and Summer Rate Support (April/May/June):** 11,000 Customers who elected one of the available TOU rates received a welcome kit within two bill cycles of signup. Customers on those rates as of mid-May received a summer seasonal brochure (43,000 customers). Both pieces emphasize ways to save energy on TOU rate plans, including conservation tips, energy management tools, and rebates.
- **Residential Digital Newsletter (April/May/June):** During Q2, PG&E continued to inform the 1.7 million recipients of the digital newsletter about rate plans. These messages included: information about rate reform, information about rate plan options, and encouragement to visit the web to learn more.
- **Opt-in Pilot Summer Seasonal Campaign (May):** 12,000 customers on an Opt-in Pilot TOU rate received a summer seasonal mailing and email highlighting ways to shift energy usage and information on Balanced Payment Plan (now Budget Billing), Air Conditioning Quality Care, and energy savings tips online at pge.com/summer.
- **Energy Savings Assistance Program Web Updates (May):** In late May, the ESA webpage was updated on pge.com to include easy links to the Summer Heat landing page to help link customers interested in ESA to additional savings opportunities.
- **CARE Acquisition Outreach (June):** For the June acquisition campaign, 131,000 prospective CARE customers received a letter about CARE and an

insert offering information on additional ways to save energy and money this summer. The call to action drove to the Summer Heat landing page to learn more. In addition, the CARE webpage was updated on pge.com to include easy links to the Summer Heat landing page to help reinforce the additional savings opportunities.

D. Residential Rate Reform Webpages

PGE.com is one of the principal resources for residential customers to locate information regarding rate plans, learn about tools and programs, and access and pay bills.

In Q2 2017, PG&E worked on optimizing the most relevant pages for residential electric customers—the “Tiered Rate Plan” page, “Find my best rate plan” page, and “Time-of-Use Plans” page. PG&E’s emphasis was to provide clear and concise information about the different rate plans. As part of the optimization process, 12 moderator-led usability sessions were conducted. Half of the participants were on a TOU rate plan and half were on a tiered rate plan. In these sessions, customers provided feedback on the webpage content, navigation and calls-to-action.

Results from the usability sessions showed that the new webpages provided residential customers with a clear explanation of the rate plans so they could easily determine who can benefit from each plan. During the sessions, feedback from customers showed that they appreciated the bulleted layout of the webpages and simple language used to explain the plan details. Many customers planned to click the link for the Electric Rate Plan Comparison tool, and had the correct expectation that the tool would indicate which plan is the best match for them based on their past usage.

As part of supplementary educational efforts, PG&E developed a series of four videos that walk a customer through tools, programs and resources provided to help them:

- 1) Improve energy efficiency by explaining benefits of Home Energy Checkup and saving tips: <https://youtu.be/PexubHdziYA>
- 2) Evaluate rate plans by using Electric Rate Plan Comparison tool: <https://youtu.be/HRHcjGpRyhI>
- 3) Save money by considering the CARE and ESA programs: <https://youtu.be/tLD61yYjgcM>
- 4) Manage bills by explaining the benefits of Budget Billing, Paperless Bills, and Energy Alerts: https://www.youtube.com/watch?v=jZ1_AYe9-3Q

All four videos are available in different locations on the PG&E website and on the PG&E YouTube channel.

E. Rate Communications Focused on Hard-to-Reach Customers

For the purposes of this section, the term “hard-to-reach” refers to the following customer segments: low-income, under-served, non-English speaking, and limited internet/media access. PG&E annually trains over 70 CARE Community Outreach Contractors (COC) on the CARE program, the ESA program and other assistance programs. CARE COCs range from non-profit advocacy agencies to governmental agencies and reflect PG&E’s diverse territory, both ethnically and geographically. The purpose of this training is to ensure that all CARE COC staff members are up to date on program guidelines and eligibility. PG&E trained COC staff members in Q1 of 2017 on CARE, ESA, Medical Baseline and other assistance programs within PG&E’s low income portfolio of programs. In addition, PG&E layered in training on energy management and affordability tools.

In Q2 of 2017, the Community Engagement team implemented four mid-year refresher trainings, as new CARE program guidelines went into effect in June 1, 2017. This mid-year refresher training gave PG&E an opportunity to reiterate training on residential rates resources to help low-income customers with energy management and affordability (e.g., rate choices, Bill Forecast Alert, Budget Billing and Home Energy Checkup). ESA, Medical Baseline, and Solar Choice were also covered in the training. Additionally, PG&E incorporated additional modules on Relief for Energy Assistance through Community Help program and the Low Income Home Energy Assistance Program, and interactive customer scenarios. The customer scenarios were designed to engage the COC staff members in attendance by presenting issues they may be faced with when interacting with their client base. These scenarios gave PG&E an opportunity to highlight which programs would help customers given their unique situations.

F. Marketing, Education and Outreach Metrics

In March 2016, the Marketing, Education and Outreach (ME&O) Tracking Study baseline (Wave 1) was carried out to measure awareness, understanding and engagement with rate reform and the transition to TOU. In November 2016, a customer check-in or “proxy” wave was completed as part of the Rate Comparison Mailer Test-and-Learn. From April 25 through May 22, 2017, Wave 2 of the ME&O Tracking Survey

was completed among a general population sample of 1,000 residential customers, with oversamples of “high user” customers (350 percent baseline and above) and “low user” customers (up to 130 percent baseline usage).

Survey metrics and key results are shown below in Table 1. The six key metrics show few positive significant changes, except in the area of *customer understanding of the benefits of lowering their energy use* (metric #4), whereby more customers now understand that lowering or shifting energy use will allow them to save money, reduce impacts on the environment, improve the reliability of the grid, and help keep price increases manageable. The six key metrics reflect the *collective* effect of rate reform outreach, and do not highlight the results of *individual* outreach activities such as the recent High Usage Surcharge (HUS) implementation and the reduction in the number of tiers in the E-1 tiered rate plan. The results comparing Wave 1 (March 2016) to Wave 2 (Q2 2017), which are also in the table, include:

- *More customers are aware of upcoming rate changes:* Nearly a third of customers (31 percent) have heard of upcoming changes to rate plans—up from 27 percent in Wave 1. High users are very aware of upcoming rate changes, with half of all high users now aware of upcoming rate changes.
- *More customers are aware of the High Usage Surcharge:* 43 percent of residential customers are now aware of HUS, and 63 percent of high user customers are aware. Over a third of high users are also aware of Alerts, significantly more than low/moderate users.
- *More customers are aware of tier reduction:* Nearly a quarter (22 percent) of customers are aware of recent tier collapse, up from 13 percent a year ago.

Full results are currently being analyzed.

**TABLE 1
SURVEY RESULTS**

Metric	Key Measures	Baseline Wave 1 March 2016	Sig. Diff.?	Wave 2 April/May 2017
–	Aware of upcoming rate changes	27%	Yes	31%
–	Aware of High User Surcharge	34%	Yes	43%
–	Aware of tier reduction	13%	Yes	22%
–	Aware of TOU	55%	–	56%
–	Aware of rate choices	38%	–	39%
–	Customer satisfaction	(not measured)	–	53%
1	Aware of rate plans available that may help you better manage any price increases	34%	Yes	29%
2	Know where to get info about assistance offered by PG&E	63%	–	63%
3	Understand how to manage your electric bill using the rate plan that you are currently on	36%, ^(a) 5.79 (mean)	–	37%, ^(a) 5.89 (mean)
4	Understand lowering or shifting electricity use will: save money, improve reliability, help environment, manage price increases	41% to 51% ^(a) 6.26 to 6.89 (mean)	Yes	45% to 54% ^(a) 6.57 to 7.18 (mean)
5	Aware that PG&E provides rebates, energy efficiency programs & tips	72%	Yes	68%
6	Feel that information was useful (among those who recently received PG&E info)	44%, ^(a) 6.67 (mean)	–	47%, ^(a) 6.85 (mean)

(a) Indicates percent rating 8-10 (top box).

III. Residential Rate Reform Initiatives

A. E-7 Rate Transition

As detailed in PG&E’s August and November 2016 PRRR reports, 3,006³ customers—formerly enrolled in the E-7 rate plan—did not have a SmartMeter™ or programmable legacy TOU meter when the E-7 rate closure took place. As a result, they were automatically transitioned to E-1 starting on May 31, 2016. Since May 31,

³ Since the November 2016 PRRR report, the former population of 3,006 customers formerly on E-7 (now closed) who were transitioned to E-1 was reduced to 2,721 in March 2017 and continues to decrease as a result of account closures and changes to other rates.

2016, PG&E has continued to upgrade or reprogram meters to enable service on a TOU rate.

In early April, PG&E sent outreach to the final group of 1,487 customers who remained on E-1 with legacy meters, which require replacement or reconfiguration in order to be eligible for enrollment in a TOU rate. Of the 1,487 customers, 306 customers opted to remain on E-1, leaving 1,181 customers eligible for legacy meter upgrades. PG&E plans to complete work on the legacy meters by the third quarter of 2017. Once completed, these customers will be notified of the meter upgrade and transition to E-TOU-A. Separately, some customers will remain on E-1 (283 customers located in communities that opted out of SmartMeter™ devices and 21 customers with physical barriers preventing access to meter upgrades). Upon completing work on legacy meters, the E-7 rate transition will be complete.

B. Start/Transfer Service Enhancements

The July 22, 2016 ALJ Ruling directed the IOUs to include, in their ME&O plans, a detailed plan for integrating rate discussions into the start and transfer service process. In Q1 2017, PG&E developed a pilot decision tree tool for Customer Service Representatives (CSR) to help customers who are starting or transferring service select a rate plan. The tool identifies an optimal rate based on premise and energy usage questions. In addition to the tool, PG&E developed a script for CSRs to help support rate option conversations with customers. The script contains questions relating to a customer's premise and potential energy usage in order to help them identify an appropriate rate plan. In Q2 2017, a dedicated team of CSRs located in Sacramento began piloting the decision tree and script. The pilot is currently scheduled to run from June to August 2017. PG&E expects to analyze results in Q3 2017.

C. Tier Consolidation and High Usage Surcharge (formerly Super User Electric Surcharge)

Effective March 1, 2017, the number of tiers in the E-1 Tiered Rate Plan was reduced to two and a HUS was added. The HUS is applied to electricity usage exceeding 400 percent of the baseline allowance during the monthly billing cycle. From December 2016 through June 2017, a direct mail campaign, comprised of three waves of letters to "at risk" customers, was conducted to raise awareness of the HUS.

In June, PG&E communicated with those customers that were newly identified as "at risk" based on usage data from March 1, 2016, through February 28, 2017.

Approximately 23,000 customers were sent outreach material via direct mail and/or e-mail.

The “at-risk” group of customers is defined as:

- 1) Customers whose usage reached 400 percent of baseline at least once in a 12-month period, defined as March 1, 2016, through February 28, 2017; and
- 2) Customers whose usage reached between 350 and 399 percent of baseline at least three times during a 12-month period, defined as March 1, 2016 through February 28, 2017.

These two groups were further segmented by CARE, non-CARE, and “very high users” (those who reached over 400 percent of baseline every month during the 12-month period). Net Energy Metering (NEM) customers were also treated as a distinct segment.

The outreach materials included the following information:

- Explanation of the HUS;
- Reference to tips, tools and programs for reducing use (e.g., Home Energy Checkup, Medical Baseline, Energy Savings Assistance Program, rebates, and Energy Upgrade California® Home Upgrade);
- Actions available, such as signing up for High Usage Alerts (HUA);
- Where to find more information, such as the PG&E website; and
- NEM customers received NEM specific tips, tools, and instructions to conserve.
- CARE customers were provided with information on the ESA program and non-CARE customers were provided information on the Energy Upgrade California® Home Upgrade.

During Q2, approximately 13,000 customers visited the HUS website and approximately 13,200 customers called the Contact Center for more information about the HUS.

D. Energy Alerts

1. High Usage Alerts

In February 2017, PG&E provided the capability for customers to enroll in the HUA online. Customers interested in signing up for the HUA were able to do so via “Your Account” on www.pge.com, on the HUA page. Customers may receive the alert by e-mail, phone, or text, according to their preference.

The HUA is designed to help customers by providing a warning in advance of incurring the HUS, giving them the opportunity to take any appropriate action. All residential customers enrolled in PG&E's HUA receive an automated alert when they are forecasted to reach 400 percent of their baseline allowance, based on a single billing cycle's usage. A second alert is sent when the customer incurs the Surcharge.

As of the end of Q2 2017, approximately 45,850 customers signed up for PG&E's HUA.

2. Bill Forecast Alert

Customers can sign up for the Bill Forecast Alert to receive an alert (via e-mail, text, or phone call) when their energy bill (gas and electricity) is expected to exceed an amount specified by the customer.

As of Q2 2017, approximately 177,000 customers were enrolled in PG&E's Bill Forecast Alert.

E. Opt-In TOU Rates

PG&E has conducted a variety of marketing efforts in Q2 2017 to promote rates; as a result, PG&E has seen a continued increase in interest and enrollment in TOU rates. The table below shows the number of customers on TOU rate plan options, as of June 30, 2017:

**TABLE 2
CUSTOMERS ENROLLED IN TOU RATE PLANS**

TOU Rate Options	Number of TOU Customers as of March 31, 2017	Number of TOU Customers as of June 30, 2017	Change Since Last PRRR (March 2017) ^(a)
E-TOU-A	52,410	68,006	15,596
E-TOU-B	20,048	28,175	8,127
E-6 ^(a)	106,295	104,185	-2,110
EV-A	34,619	36,717	2,098
EV-B	381	578	197
Total	213,753	237,661	23,908
<p>(a) PG&E's TOU rate website can be found at www.pge.com/timeofday (b) The E-6 rate is closed to new customers, so enrollment can only decrease.</p>			

**TABLE 3
CUSTOMERS ENROLLED IN TOU RATE PLANS YEAR OVER YEAR**

TOU Rate Options	Number of TOU Customers as of June 30, 2016	Number of TOU Customers as of June 30, 2017
E-TOU-A	32,742	68,006
E-TOU-B	5,201	28,175
EV-A	27,285	36,717
EV-B	415	578
E-6 ^(a)	113,137	104,185
Total	178,780	237,661
(a) The E-6 rate is closed to new customers, so enrollment can only decrease.		

F. Opt-In TOU Pilot

Customer Communications

In late April, PG&E sent all opt-in participants in the treatment group (those who were on a TOU rate, which excludes the control group customers on the standard tiered rate plan) a letter reminding them that their bill protection was ending in June, along with other important information including when to expect their summer survey and information about tools to help manage their energy use. Customers also received a Summer Seasonal mailer and email in late May that provided them with seasonal tips for shifting and saving energy as well as a reminder about the end of bill protection.

Research Activities

PG&E also continued key research activities throughout Q2 of 2017. PG&E contributed to the development of the second survey, together with the vendor Research Into Action, the Energy Division and the Working Group. PG&E worked with the vendor to incorporate learnings from the fielding of the first survey so that the second survey fielding would go more smoothly and have less impact on PG&E's Contact Center. The survey invitations were mailed to PG&E's customers on June 19.

PG&E also conducted qualitative research on customers' experience on the TOU pilot rates during the winter season. PG&E interviewed 30 participants by phone in early May to learn more about customers' experience on the TOU rates, including their understanding of the rate, its impact on their energy use habits and bills, and the effectiveness of communications. PG&E plans to present the results at an upcoming Working Group meeting. In summary, the research found that participant understanding of TOU rates varies widely, although most participants report that TOU has increased

their ability to “do the right thing” with every day habits to shift or conserve. Communications were perceived as generally effective, with the “clock” visual sticker continuing to resonate well. However, there was limited awareness of Bill Protection at the time of the interviews even though a notification about the end of Bill Protection in June had recently been sent to all participants.

Ongoing Opt-In Pilot Implementation Activities

In June 2017, bill protection ended and PG&E processed bill protection calculations for all pilot participants who were on one of the opt-in TOU pilot rates. If the amount the customer paid on the TOU pilot rate was greater than the amount they would have paid on the standard tiered rate (E-1) over the course of the first 12 months of the pilot, then a credit for the difference will be applied to the customer’s next bill. If the customer paid less on the TOU pilot rate than they would have on E-1, the customer would keep the savings. Bill protection information was placed on customer accounts, enabling CSRs to answer questions for any customers inquiring about whether they paid more or less on a TOU rate compared to E-1 and if so, by how much. As of July 27, more than 98 percent of participants had their bill protection amount calculated. Of these, about 55 percent saved on the TOU rate and 45 percent would receive a credit on an upcoming energy statement.

On June 12, the Bidgeley HomeBeat app launched several new features. The new features include email messages designed to increase customer engagement with the app and enhanced breakdown of total energy usage into end-use categories.

As of June 30, 2017 a total of 641 customers had opted-out of the pilot and 3,587 customers had become ineligible, totaling 4,228 un-enrollments, leaving 16,773 participants in the pilot. The following tables provide more detail:

**TABLE 4
OVERVIEW OF PG&E'S OPT-IN TOU PILOT (ALL PILOTED RATES)
(AS OF JUNE 30, 2017)**

Climate Region	CARE/FERA	Total					
		Initial	Opt Out	Ineligible	Current	Total Unenrolled	Total Unenrolled (%)
Hot	N	3,773	194	459	3,120	653	17.3%
	Y	3,024	111	550	2,363	661	21.9%
Hot Targeted	N	1,145	40	97	1,008	137	12.0%
	Y	2,921	60	393	2,468	453	15.5%
Mild	N	2,375	95	456	1,824	551	23.2%
	Y	2,653	44	565	2,044	609	23.0%
Cool	N	2,573	69	565	1,939	634	24.6%
	Y	2,537	28	502	2,007	530	20.9%
Grand Total		21,001	641	3,587	16,773	4,228	20.1%

**TABLE 5
SUMMARY OF ACTIVE PARTICIPANTS IN PG&E'S OPT-IN TOU PILOT (CONTROL AND RATE 1)
(AS OF JUNE 30, 2017)**

Climate Region	CARE/FERA	Control				Rate 1			
		Initial	Opt Out	Ineligible	Current	Initial	Opt Out	Ineligible	Current
Hot	N	1,238	11	172	1,055	1,239	85	126	1,028
	Y	826	8	161	657	827	37	142	648
Hot Targeted	N	572	7	47	518	573	33	50	490
	Y	1,460	9	197	1,254	1,461	51	196	1,214
Mild	N	593	11	166	416	595	25	92	478
	Y	662	5	176	481	664	19	119	526
Cool	N	643	6	174	463	644	17	130	497
	Y	634	2	141	491	635	7	121	507
Grand Total		6,628	59	1234	5,335	6,638	274	976	5,388

**TABLE 6
SUMMARY OF ACTIVE PARTICIPANTS IN PG&E'S OPT-IN TOU PILOT (RATE 2 AND RATE 3)
(AS OF JUNE 30, 2017)**

Climate Region	CARE/FERA	Rate 2				Rate 3			
		Initial	Opt Out	Ineligible	Current	Initial	Opt Out	Ineligible	Current
Hot	N	648	46	81	521	648	52	80	516
	Y	686	35	120	531	685	31	127	527
Hot Targeted	N								
	Y								
Mild	N	594	36	98	460	593	23	100	470
	Y	664	10	132	522	663	10	138	515
Cool	N	643	20	137	486	643	26	124	493
	Y	634	11	108	515	634	8	132	494
Grand Total		3,869	158	676	3,035	3,866	150	701	3,015

**TABLE 7
UNENROLLMENT BY PG&E'S OPT-IN TOU PILOT RATE PLAN
(AS OF JUNE 30, 2017)**

	C	R1	R2	R3	Total
Opt-out rate	0.9%	4.1%	4.1%	3.9%	3.1%
Ineligibility rate (including movers/stopped service and other ineligibilities)	18.6%	14.7%	17.5%	18.1%	17.1%
Total Unenrollment	19.5%	18.8%	21.6%	22.0%	20.1%

**TABLE 8
UNENROLLMENT FROM PG&E'S OPT-IN TOU PILOT BY MONTH
(AS OF JUNE 30, 2017)**

Unenrollments		2016	Q1 '17	Apr	May	June	Total
Opt-Outs		508	74	14	29	16	641
Ineligible	<i>Moved/Stopped</i>	1,085	326	134	148	147	1,840
	<i>Other ineligibilities</i>	946	180	157	351	113	1,747
	Total ineligibles	2,031	506	291	499	260	3,587
Total Unenrollment		2,539	580	305	528	276	4,228

G. Default TOU Pilot

In Q2 2017, activities focused primarily on planning and preparing for the implementation of the Default TOU Pilot. One of the major activities included developing the requirements for billing system and on-line changes to support the

Default TOU Pilot. PG&E's Information Technology team is currently in the development phase for all aspects of work, such as rate modeling, billing, bill protection, online tools, and triggering of notifications.

On June 28, 2017, the CPUC issued a Draft Resolution (E-4846) adopting, with modifications, PG&E's residential Default TOU Pilot. Comments are due July 31 and the Draft Resolution is currently targeted to be decided at the August 10 Commission Meeting.

As a result of ongoing coordination between PG&E and the two Community Choice Aggregations (CCA) participating in the Default TOU Pilot (Marin Clean Energy and Sonoma Clean Power), parties have agreed on an approach for the Default TOU Pilot rate comparisons. PG&E will use PG&E's bundled rates as a proxy for CCA rates for the Default TOU Pilot. In preparation for the pilot, PG&E is working with its vendor, OPower, to assess the requirements and costs associated with enabling access to online rate comparison tools for CCA customers.

Customer Research, Measurement, and Evaluation

In Q2 2017, PG&E began preparation for Default TOU Pilot Communication Development research. This qualitative and quantitative research was focused on the 90 Day Notification, 60 Day Rate Comparison, and 30 Day Notification marketing materials and was designed to evaluate the following:

- Message clarity, relevance and engagement;
- Clarity, understanding, and familiarity with language used;
- Visual engagement of the communications; and
- Likelihood to read and actions considered.

The research utilized a web-based quantitative survey among a random sample of PG&E customers. Respondents evaluated one of the following nine notification versions:

- 30 Day Notification: Generic, Benefiter or Non Benefiter;
- 60 Day Rate Comparison Notification: Seasonal, Annual or Monthly; and
- 90 Day Notification: Generic, Benefiter or Non Benefiter.

PG&E's Proposed Default Time-of-Use Pilot Design advice letter, Advice 4979-E, noted using PG&E's Customer Voice panel for this research. In order to achieve more robust and sufficient sample sizes for each of the nine notification versions under

testing, PG&E ultimately decided to survey a random sample of customers reflective of those who meet current criteria for eligibility for the Default Pilot, rather than survey Customer Voice panel participants.

Fieldwork for this research was conducted June 22, 2017 through July 5, 2017. A report of the results is expected to be available in late August 2017. Research activities for an online discussion, in the form of an interactive bulletin board, are also being prepared. This qualitative research will further explore the nuances gathered from the quantitative research outlined above (e.g., suggestions for adjusting language for clarity and familiarity, suggestions for gaining attention to read, other opportunities for enhancing the communications).

H. CARE Restructuring

By the end of June, 2017, both external and IOU internal public data sets were provided by PG&E to Energy Division per the Motion to Extend and Revise the Procedural Schedule for the CARE Restructuring Working Group filed May 9, 2017. The Commission approved this Motion on June 23, 2017.

IV. Status of Online Bill Tools

A. Rate Comparison Mailer

Per the Prehearing Conference Statement filed by PG&E on February 3, 2017,⁴ PG&E proposed that the Spring rate mailer be replaced by a second “test-and-learn” effort, with the first large-scale rate comparison mailer to be sent in the fall. The proposal was subsequently approved by the CPUC on February 6, 2017.⁵

TOU Acquisition Test-and-Learn

In June 2017, PG&E deployed the next phase of its rate comparison “test and learn” activities by communicating to a select group of customers identified to be likely prospects for enrolling in TOU rate plans. The overall objective was to encourage customers to switch to E-TOU-A or E-TOU-B and help them succeed on these rates. Specific tactics included:

1. Incorporating best practices from the fall 2016 rate mailer Test-and-Learn effort, including the use of personalized savings data and high-performing email subject lines;

⁴ R.12-06-013, February 3, 2017 Prehearing Conference Statement of Pacific Gas and Electric Company (U 39 E).

⁵ R.12-06-013, February 6, 2017 Prehearing Conference, Transcript pp. 423-427.

2. Identifying the most cost-effective acquisition methods by testing direct mail only, email only, and both direct mail and email together; and
3. Encouraging enrollment in Budget Billing to help customers who switch to TOU in the summer months manage seasonal bill variation

PG&E identified a population of 200,000 customers, which included TOU “benefiters” and “neutrals,” including both CARE customers and those located in the Central Valley. These principal bill impact segments were defined by the following bill savings:

**TABLE 9
TOU ACQUISITION CAMPAIGN SEGMENT DEFINITIONS**

Bill Impact Segment	Bill Savings
CARE Benefiter	At least \$60 annually
Non-CARE Benefiter	At least \$120 annually
Non-CARE Neutral	Between \$0.01 and \$119.99 annually

The communications were developed with the target audiences in mind (see Table 10 below). For all direct mail, a one-page letter emphasized the customer’s ability to save money annually on a TOU rate plan. Three versions of the letter were developed for: benefiter, neutral, and solar customers. All communications included an estimated savings amount and a specific rate plan recommendation, based on the customer’s electricity usage over the last 12 months. For the email, a wider range of tests were conducted. The acquisition campaign was segmented by benefiters and neutrals, geography, channel (direct mail or email), and messaging. For direct mail, three types of messages were tested: benefiter, neutral, and solar. For email, six types of messages were tested: neutral, solar, a mobile friendly template, a previous 2016 test and learn template, and “gamification.”⁶ The “gamification” email was sent to a group of benefiter, neutral, and solar customers. This interactive experience was included in PG&E’s Marketing, Education & Outreach Plan for residential rate reform (Advice 4949-E). The email utilized a playful tone and the call-to-action directed customers to a 10-second animation, where a “robot” revealed their estimated savings on a TOU rate plan. They were then redirected to the PG&E website.

⁶ “Gamified” marketing strategies can encourage action by influencing behavior. Gamification is inspired by behavioral economics, leveraging a deep understanding of human psychology and data analysis to drive more efficient and effective customer engagement.

**TABLE 10
TOU ACQUISITION CAMPAIGN SUMMARY OF MESSAGING BY SEGMENT**

Bill Impact Segment	Geography	Channels	Quantity	Messaging – Creative Versions
CARE Benefiter	All Divisions	Direct Mail	85,102	• Financial Benefiter
		Email	12,382 12,486 6,206	• Mobile-Friendly Template • Old Template • Gamification
<i>Non-CARE Benefiter</i>	Central Valley	Direct Mail	18,913	• Financial Benefiter
	All Divisions	Email	16,912 17,053 8,572	• Mobile-Friendly Template • Old Template • Gamification
<i>Non-CARE Neutral</i>	Central Valley	Direct Mail	25,952	• Neutral
		Email	5,807 1,461	• Neutral • Gamification
<i>Solar</i> (drawn from all other segments)		Direct Mail	18,721	18,721
		Email	18,361 4,549	18,361 4,549

Unfortunately, a portion of the campaign targeted to a subset of the solar customers included incorrect savings information. The issue was discovered during a quality control check and both the email and the direct mail vendors were asked to not send the communications. All direct mail—approximately 18,721 letters—were removed from deployment, but the email vendor proceeded without authorization and sent approximately 22,910 emails to solar customers.

PG&E immediately took action and sent an apology email to the affected customers on the same day the erroneous emails were sent. The apology alerted customers to the error and encouraged them to log in to the on-line Electric Rate Comparison Tool, to verify current rate options and savings. The follow-up apology email was sent by PG&E’s vendor at no charge to PG&E.

PG&E’s Solar Customer Service Center (SCSC) was alerted to the situation and was provided with talking points. There were approximately 200 customers who took action and made a rate change on-line. The SCSC representatives made outbound calls to these customers and explained the situation. In most cases, impacted customers could still save on TOU, but it would be less than what was stated in the original email. The cost for this outbound effort was minimal and will not be charged to the RRRMA account.

Root-cause analysis determined the original source of the error occurred in the rate comparison data. This experience underscores the complexity and risks of providing

“moment in time,” personalized savings information to electric customers, especially solar customers. While the quality control procedures identified the issue, PG&E is developing additional controls with its vendors who proceeded without authorization and sent the erroneous emails.

All other campaign emails were deployed into the market between June 15 and June 17, 2017. Email customers who did not open the initial message received a second email on June 28, 2017. Direct mail was sent between June 30 and July 5, 2017.

PG&E will analyze and answer the following questions with the TOU acquisition test:

- 1) **Who is most likely to sign up for TOU rates?** PG&E will evaluate a wide range of customer profile data, including but not limited to income, geography, personas, and energy usage, as well as the projected bill savings presented to the customers, to identify trends regarding adoption.
- 2) **How can PG&E most cost-efficiently acquire customers on its optional TOU rates?** This includes an analysis of the costs and response rates of the different channel combinations: direct mail only, email only, or direct mail plus email. PG&E will also look at the performance of the different creative messaging versions.

Campaign results will be measured both by marketing data and by a customer survey. The research consists of an online and phone survey among approximately 1,000 customers, targeted for the TOU marketing, and 1,000 matched “control” customers, who did not receive the communications. The main objective is to understand the effect of being presented with rate options, more specifically a lower-cost rate plan. The study will also explore customer awareness, understanding, and engagement with TOU outreach, as well as reported interest in switching to a TOU rate. The results of this analysis are anticipated to be available in September 2017. Informed by these results, PG&E will make determinations regarding future phases of “voluntary” TOU activities. In addition, PG&E expects these results to influence planning for future RRR activities, including the spring 2018 rate comparison mailer and upcoming Default TOU initiatives.

Rate Comparison Presentment Research

Qualitative research of the rate comparison presentment, in the form of Individual Customer Interviews, was performed on June 5, 2017, in Fremont and Fresno, among CARE and non-CARE customers. Three presentments were explored: annual, seasonal and monthly presentments, with the objective of understanding clarity and

usefulness of the presentments. Customers were exposed to E-TOU-B benefiter presentments as well as an E-1 (non-benefiter) scenario.

Results indicated customers understood: (a) they had rate choices (something they were not previously aware of), (b) PG&E is recommending a “best” (meaning lowest-cost) rate plan, and (c) their total cost per rate plan (but customers kept trying to identify their savings). They also understood the presentment showed electric-only costs, and that they were able to switch rates if they so wished. However, customers found the rate comparison to be complex and confusing, with aspects of the presentments being unnoticed or misunderstood. Customers did not notice that the comparison was based on past usage, and also felt that the TOU benefiter scenario assumed some level of usage time shifting rather than no change in behavior. Most importantly, customers stated their reluctance to switch even in a benefiter scenario due to the evening peak time windows of the TOU rates.

There was no clear preference of one presentment type over another; the annual presentment was felt to be clearest by some while others appreciated the detailed breakdown of the monthly presentment, and respondents in Fresno rated the seasonal presentment highly because they focused on the change to hot weather and the implications for their bills.

PG&E is currently reviewing these findings in order to improve the rate comparison mailer. In the meantime the full report of this study is in progress.

B. Rate Enrollment Tools

In March 2016, PG&E updated its web enrollment form to include enrollment in the new TOU rate plans. Many customers use the online channel to enroll in rate plan options.

In Q2 2017, PG&E implemented a new tool for CSRs to enroll residential customers in optional rates (e.g., Time-of-Use, SmartRate™). The tool enables the CSRs to check customer eligibility (e.g., whether a customer has changed rate plans more than twice per year) and offer only eligible rate plans. The tool is helping to decrease the cost of rate changes by minimizing manual processing by PG&E’s Billing Operations team.

The CSR tool utilizes the same eligibility check and online platform as the customer-facing online enrollment tool. As of June 11, 2017, over 30,200 customers have enrolled in the new rate plans (E-TOU-A and E-TOU-B) via the online enrollment channel and CSR tool.

V. Sample Bill Presentment for Opt-In and Default Rate Schedules

PG&E has not made any modifications to bill presentment for opt-in or default TOU rate schedules. PG&E re-designed its Energy Statement in 2013, after an extensive collaborative process involving the CPUC and interested stakeholders.

VI. Expenditures for Residential Rate Reform

PG&E's RRRMA was approved effective July 22, 2015 (Advice Letter E-4672). The information provided below only includes expenditures from August 2015 through June 2017. Outreach and education expenses prior to August 2015 were part of PG&E's 2014 GRC. PG&E's expenditures that have been recorded in the RRRMA for those time periods are shown below in Table 11.

**TABLE 11
RATE REFORM COSTS AUGUST 2015 – JUNE 2017
(WHOLE DOLLARS)**

		2015 (Aug-Dec)	2016 Total	2017 Q1 Total	2017 Q2 Total	2015-2017 Total
Opt-in Pilot	IT	\$ 57,641	\$ 904,880	\$ 111,510	\$ 17,822	\$ 1,091,853
	ME&O	\$ 356,275	\$ 1,309,419	\$ 110,994	\$ 231,599	\$ 2,008,288
	Contact Center	\$ -	\$ 44,940	\$ 5,531	\$ 14,014	\$ 64,485
	Billing Ops	\$ -	\$ 17,740	\$ 9,728	\$ 12,689	\$ 40,158
	Operations	\$ 42,888	\$ 1,525,975	\$ 624,017	\$ (135,142)	\$ 2,057,738
	Consultant	\$ 209,328	\$ 774,837	\$ 560	\$ 17,342	\$ 1,002,067
	Incentive	\$ -	\$ 2,382,850	\$ 23,850	\$ 366,975	\$ 2,773,675
	Opt-in Total	\$ 666,132	\$ 6,960,641	\$ 886,191	\$ 525,299	\$ 9,038,263
Default Pilot	IT	\$ -	\$ 1,967	\$ 50,937	\$ 336,875	\$ 389,779
	ME&O	\$ -	\$ 158,195	\$ 185,164	\$ 57,717	\$ 401,075
	Contact Center	\$ -	\$ -	\$ -	\$ -	\$ -
	Billing Ops	\$ -	\$ -	\$ 5,742	\$ 15,855	\$ 21,596
	Operations	\$ -	\$ 152,851	\$ 177,952	\$ 382,159	\$ 712,963
	Consultant	\$ -	\$ 59,658	\$ (59,658)	\$ -	\$ -
	Default Total	\$ -	\$ 372,671	\$ 360,136	\$ 792,606	\$ 1,525,413
Default Implementation	Operations				\$ 1,108	\$ 1,108
		\$ -	\$ -	\$ -	\$ 1,108	\$ 1,108
Outreach	IT	\$ 901,664	\$ 3,059,017	\$ 877,410	\$ 483,699	\$ 5,321,791
	ME&O	\$ 114,895	\$ 5,531,125	\$ 327,697	\$ 359,225	\$ 6,332,941
	Contact Center	\$ 911	\$ 519,181	\$ 485,604	\$ 477,575	\$ 1,483,271
	Billing Ops	\$ -	\$ 107,757	\$ 188,615	\$ 270,770	\$ 567,142
	Operations	\$ -	\$ 2,299,871	\$ 704,871	\$ 596,807	\$ 3,601,549
	Consultant		\$ 147,084	\$ -	\$ -	\$ 147,084
	Outreach Total	\$ 1,017,470	\$ 11,664,034	\$ 2,584,197	\$ 2,188,077	\$ 17,453,779
Total 2015-2017 Expenditures (RRRMA)		\$ 1,683,602	\$ 18,997,346	\$ 3,830,524	\$ 3,507,090	\$ 28,018,563

The March 14, 2016 ALJ Ruling directed the IOUs to provide further information regarding certain marketing and other expenditures to implement Residential Rate Reform changes.⁷

As referenced in the March 14, 2016 ALJ Ruling, PG&E is not recording costs in the RRRMA related either to, the extension of the E-7 rate transition to May 31, 2016 or the changes required to implement revised March 1 rates. Actual costs incurred for such activities, which will not be recorded in the RRRMA and not recovered from ratepayers, have been separated out of the costs in Table 12:

**TABLE 12
NON-RATE REFORM COSTS FEBRUARY – DECEMBER 2016
(WHOLE DOLLARS)**

	2016 Q1	2016 Q2	2016 Q3	2016 Q4	Total
E-7 Extension	\$39,020	\$153,068	\$51,287	\$10,125	\$253,499
March 1 Rate Change	3,488	42,997	5,482	–	51,967
Total 2015-2016 Expenditures (Non-RROIR)	\$42,508	\$196,065	\$56,768	\$10,125	\$305,466

In order to ensure accurate recording of costs related to the extension of the date on which E-7 was to be eliminated and March 1, 2016 E-1 rate changes, and to allow these costs to be tracked separately from the RRRMA and not charged for future recovery from ratepayers, new charging order numbers were created for this purpose within each organization that was anticipated to incur any such costs (e.g., Solutions Marketing; Information Technology; Billing Operations; Contact Center; Pricing Products; Data Analytics and Governance; Rate Analysis). Costs recorded to these specific order numbers are monitored monthly. PG&E will not seek recovery from ratepayers of the costs in these new charging order numbers.

⁷ The ALJ’s March 14, 2016 Ruling in R.12-06-013 specifically provided that:

[t]he utilities must provide the information necessary for the Commission and parties to understand the marketing and other expenditures made to date to implement the rate changes. As stated above, the PRRR report must reference any marketing or other expenditures that the utility has indicated to the Commission will not be included in the RRRMA. For example, PG&E indicated in its February 23, 2016 supplemental information filing that it would not include certain costs related to the Schedule E-7 tariff transition in its RRRMA. In order to make review of cost recovery applications more transparent, this list of excluded amounts should also be footnoted in any future cost recovery application. Furthermore, any such expenditures excluded from the RRRMA must be itemized and labeled consistently in the PRRR report and may not be included, embedded, or recovered in any other memorandum or balancing account in any future cost recovery proceeding. (March 14, 2016 ALJ Ruling, emphasis added).

VII. Updates on Other Proceedings Impacting Residential Rate Reform

The following updates are provided regarding other Commission proceedings that are related to residential rate reform:

- 1) **PG&E's 2017 GRC Phase II Proceeding** – PG&E filed its 2017 GRC Phase II application and supporting testimony on June 30, 2016. This testimony included proposed changes to residential rates, along with a report proposing a methodology for estimating fixed costs and charges should the CPUC decide in the further future to add this feature to residential rates.⁸ PG&E has since served a number of amended versions of its testimony. On February 18, 2017, the Office of Ratepayer Advocates (ORA) filed its opening testimony on GRC Phase II marginal cost, revenue allocation and rate design issues, followed by the other parties, who filed their opening testimony on March 15, 2017. Settlement discussions among the parties began on March 24, 2017. On March 31, 2017, one of the assigned ALJs issued a ruling granting the parties' motion to suspend the schedule for rebuttal testimony and hearing to allow more time for settlement discussions. Settlement discussions are still ongoing, as summarized in the most recent Settlement Status Report to the ALJ, filed on July 13, 2017.
- 2) **TOU Periods OIR** – On January 23, 2017, the CPUC issued a final decision (D.17-01-006) in this proceeding, which provided limited grandfathering of PG&E's legacy TOU rate periods for certain customers with solar units. In compliance with D.17-01-006, on March 30, 2017 PG&E filed two advice letters: (a) Advice 5037-E, to propose a dead band tolerance range for determining when changing costs would trigger TOU period revisions more frequently than at five year intervals; and (b) Advice 5039-E, to propose administrative procedures for grandfathering eligible solar customers. ORA and the Solar Energy Industries Association (SEIA) protested Advice 5037-E, while the California Solar Energy Industries Association (CalSEIA) and the California Farm Bureau Federation protested Advice 5039-E. PG&E filed responses to these protests on April 26, 2017. Both advice letters are pending disposition. Separately, on March 2, 2017, SEIA and CalSEIA jointly filed a Petition to Modify that decision, seeking to broaden the grandfathering provisions of the decision. On April 3, 2017, PG&E, SCE and San Diego Gas & Electric Company (SDG&E) filed a joint response opposing the solar groups' petition for modification. The Commission has not yet ruled on this petition, but the assigned ALJ issued a Ruling on June 26, 2017, soliciting comments on the merits of adopting a limited modification of D.17-01-006. Opening Comments were filed on July 11, and Reply Comments were filed on July 18.
- 3) **ESA/CARE Proceeding** – Per D.16-11-022, PG&E filed a Marketing & Outreach Plan for Low Income on July 21, 2017, that includes PG&E's marketing strategy for outreach to low income customers regarding residential rate reform. This plan

⁸ In a November 5, 2015 ALJ Ruling the CPUC identified PG&E's 2017 GRC Phase II proceeding as the appropriate venue for considering, in a workshop process, a common methodology for the calculation of a potential future fixed monthly charge for residential customers of all three IOUs. Testimony and briefing on these issues was completed in Q1 2017, and the CPUC was expected to issue a proposed decision in or about June 2017.

addresses three phases to be implemented from 2017-2020 and targets the following low income audiences:

- High and low usage customers
- Low income and hard-to-reach customers
- Those impacted both positively and negatively by TOU rate plans leading up to default in 2019

In addition to the proceedings listed above, all proceedings categorized as rate-setting have the potential to impact PG&E's revenue requirement which, in turn, will impact the pricing of TOU rates. Examples of such proceedings include: PG&E's GRC Phase I; Energy Resource Recovery Account; Energy Efficiency; and Proposal for Retirement of the Diablo Canyon Power Plant applications.

VIII. Updates in RROIR Proceeding

In this RROIR proceeding, the CPUC issued a decision on July 19, 2017,⁹ granting in part the Joint Petition for Modification of Decision 15-07-001 by SDG&E, SCE and PG&E, allowing these three IOUs, under limited circumstances, to request a rate change, made pursuant to the glide path, that exceeds the cap on the amount by which the rate applicable to Tier 1 usage could increase at any one time, using a Tier 3 advice letter process. That decision also addressed SDG&E's current difficulties calculating the Super-User Electricity Charge (also known as the High Usage Surcharge).

IX. Conclusion

PG&E appreciates the opportunity to update the Commission and stakeholders on its progress towards providing residential customers with the tools, programs and information they need in order to better understand and manage changes in their energy bills during the multi-year residential rate reform "glidepath" approved in D.15-07-001. PG&E looks forward to further collaboration and coordination on both its TOU Pilots and its ME&O efforts relating to all of the rate changes resulting from the CPUC's RROIR decisions, including, but not limited to helping customers prepare for the full-scale implementation of default TOU rates targeted to begin in 2019. PG&E will continue to update the Commission and interested parties on its efforts and activities in future PRRR reports.

⁹ D. 17-07-006.