

Pacific Gas and Electric Company
2015 Solutions Marketing

Residential Rate Reform Residential Electric Rates Summit

November 17, 2015





Agenda

- **Summary of Summer 2015 Rate Impacts**
- **ME&O Updates**
 - Minimum Bill increase
 - Tier 1 & 2 Outreach
- **Coordination with Other Proceedings**
- **Status of RDW Application Requirements**
- **Bill Comparison Tools**
- **ME&O for SUE Surcharge**
- **ME&O Integration with Other Programs**



Summer 2015 Rate Impacts

Non-CARE March 2015 vs. September 2015: Total

Monthly kWh Strata	Customers	Monthly Bill Mar 2015	Monthly Bill Sep 2015	Average \$ Change	Average % Change	Average Rate Mar 2015	Average Rate Sep 2015
0 -< 100	193,008	\$9.61	\$12.18	\$2.58	26.8%	\$0.181	\$0.230
100 -< 500	1,596,239	\$53.81	\$54.55	\$0.74	1.4%	\$0.172	\$0.175
500 -< 1,000	1,047,600	\$147.39	\$144.98	-\$2.41	-1.6%	\$0.210	\$0.207
1,000 -< 1,500	218,089	\$288.94	\$280.92	-\$8.03	-2.8%	\$0.244	\$0.237
Over 1,500	71,983	\$644.10	\$620.65	-\$23.44	-3.6%	\$0.278	\$0.268

CARE March 2015 vs. September 2015: Total

Monthly kWh Strata	Customers	Monthly Bill Mar 2015	Monthly Bill Sep 2015	Average \$ Change	Average % Change	Average Rate Mar 2015	Average Rate Sep 2015
0 -< 100	20,060	\$7.84	\$8.05	\$0.21	2.6%	\$0.115	\$0.118
100 -< 500	563,056	\$36.02	\$35.73	-\$0.30	-0.8%	\$0.113	\$0.112
500 -< 1,000	425,115	\$89.41	\$88.77	-\$0.64	-0.7%	\$0.127	\$0.126
1,000 -< 1,500	91,033	\$162.25	\$160.81	-\$1.44	-0.9%	\$0.137	\$0.136
Over 1,500	22,900	\$304.05	\$300.74	-\$3.31	-1.1%	\$0.145	\$0.144



ME&O - Minimum Bill Outreach

What is it	Customers with bills that total less than \$10 will now see a minimum bill charge of \$10 (\$5 for CARE customers)
Implementation	September 1, 2015
Outreach Timing	Already took place, on September 1, 2015
Objective	Target residential customers who generally have bills less than \$10 to explain why they will now see a minimum bill charge
Target Audience	Approximately 533,000 residential customers; mainly NEM and second home owners
Marketing Objective	Informed customers about the minimum bill adjustment and how funds are used
Messaging	<ul style="list-style-type: none">• Inform customers about the new minimum bill charge• Drive customers online for further information about rate changes and energy management solutions
Tactics	<ul style="list-style-type: none">• Direct Mail to all customers; tailor message as appropriate, i.e. NEM, CARE• Drive to web for more rate and program information• Follow-up with customers who have contacted PG&E in response
Results	<ul style="list-style-type: none">• Received approximately 80 responses to the letter requesting more information, asking questions or complaint• Responded to each customer with FAQ and revised web to present further information• Responded directly to customer calls



ME&O - Tier 1 and 2 Outreach

Business Situation	As tier pricing changes in March 2016, customers in Tiers 1 and 2 will see higher bills.
Implementation	Summer 2015 December 2015
Objectives	Message 1 – Drive awareness of tips to help reduce energy usage/save money Message 2 – Provide awareness that rates will be changing and PG&E has tools to help customers better understand and manage their bill
Target Audience	Tier 1 and 2 Customers <ul style="list-style-type: none">• Income Qualified – 420,000• General Market - 1.1 Million• Most Impacted by these increases– 90,000
Strategy	Offer customers seasonally relevant targeted outreach with tips and tools to help them manage their energy and drive them to more information about rate changes
Messaging	<ul style="list-style-type: none">• PG&E is here to offer low-cost and no-cost tips, tools and direct incentive programs to help customers manage your energy usage and reduce their bills with emphasis on most impactful winter savings solutions.• PG&E rates are changing. Drive to web for information and tools to understand these changes.
Tactics	<ul style="list-style-type: none">• Direct Mail and Email
Metrics	<ul style="list-style-type: none">• Track customer awareness of outreach and adoption of energy management programs



Coordination with other proceedings

- **GRC and revenue requirement changes – Continue customer outreach based on high-impact analysis**
- **RDW 2015 Settlement with PG&E, ORA, and SEIA approved, includes:**
 - ETOU–A (with baseline credit): 3 - 8 pm peak period with 4-month summer season, moving to 4 – 9 pm peak by 2020
 - ETOU–B (with no baseline credit): 4 - 9 pm peak period with 4-month summer season
 - E-6: Frozen until 2020, glide path to 4 – 9pm with 4-month summer season by 2022



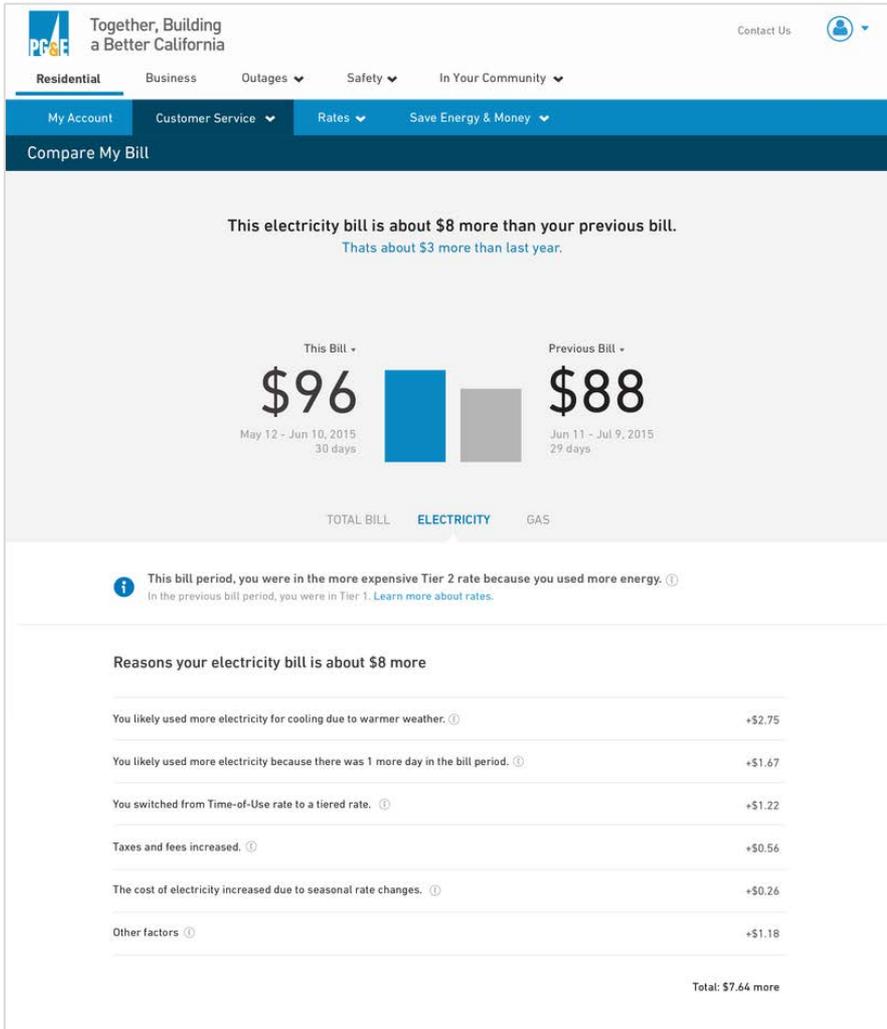
Status of 2018 RDW Application

PG&E is in planning stages to prepare for RDW 2018 proposals, in conjunction with progress by the TOU pilot Working Group. PG&E will leverage mid-2017 opt-in TOU pilot, surveys and study results to develop its application in Fall 2017

- **PG&E will propose a default TOU rate, and at least one optional TOU rate, using results of TOU pilot.**
- **Information supporting default TOU showing:**
 - Bill impact studies incl. income/usage, GHG reduction, cost savings
 - Data for required CPUC findings per P.U. Code § 745 (c)(2) and (d)
 - TOU rate design to maximize customer acceptance per RROIR
 - Load response data from TOU pilot
 - Alternative TOU option(s) designed for advanced customers



Enhanced Bill Comparison

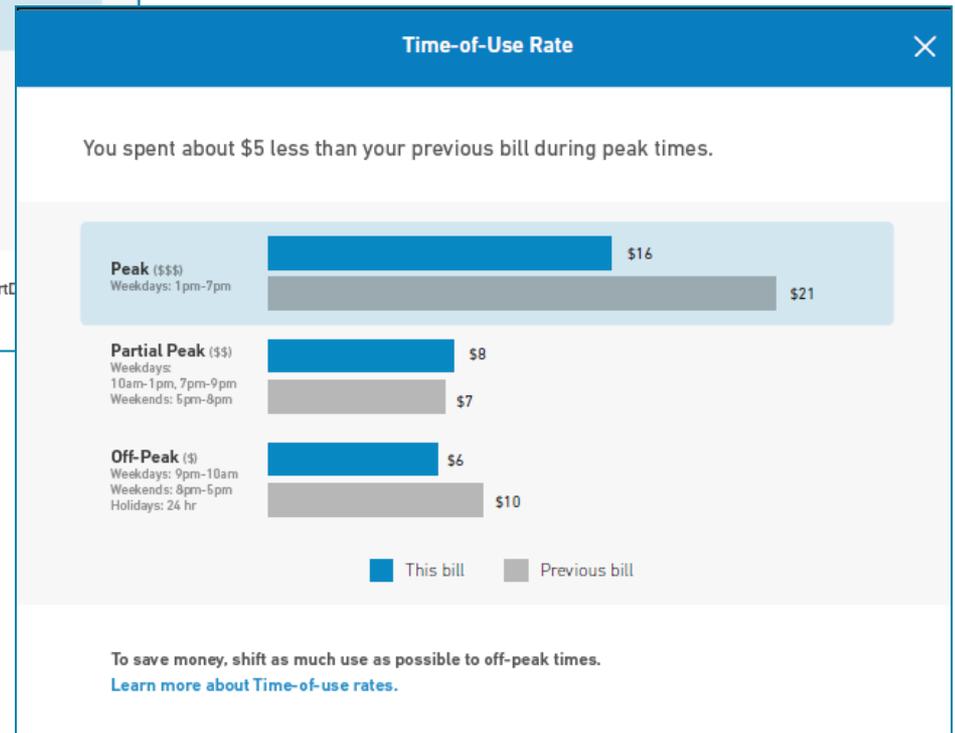
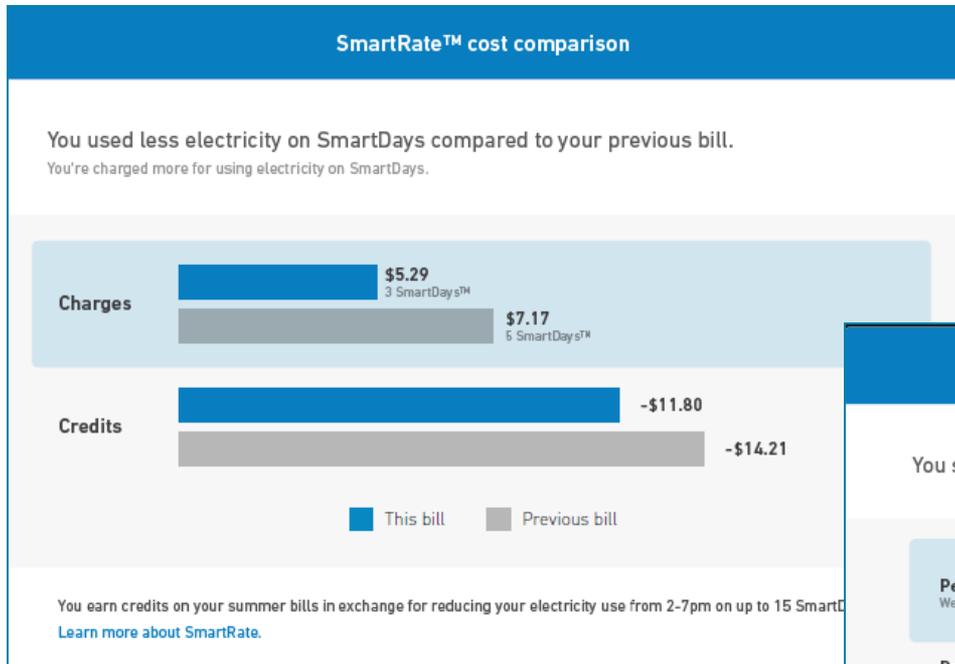


Key Enhancements:

- Combined and separate fuel view
- More accurate and relevant explanations
- Improved navigation
- Greater accuracy and detail



Enhanced Bill Comparison





Enhanced Bill Comparison

Reasons your electricity charges are about \$47 lower than

You likely used less electricity for cooling due to cooler weather.	- \$12.23
You likely used less electricity because this bill period was 1 day shorter.	- \$8.75
Due to decreased electricity use, your state and local taxes were lower.	- \$7.56
The cost of electricity decreased due to seasonal rate changes. ⓘ	- \$6.26
The cost of electricity increased.	- \$4.18
Your adjustment charges were higher. ⓘ	- \$3.12
You enrolled in the CARE program.	- \$2.43
You enrolled in the FERA program.	- \$1.06
You enrolled in the Community Choice Aggregation program.	- \$0.88
You enrolled in the Green Option program.	- \$0.38
Other reasons. ⓘ	- \$0.18

Total: \$47.14 less



Super User Electric (SUE) Charge

What is it?	Customers who use more than 400% of electricity over the baseline will be subject to a high usage energy charge
Implementation	Q1 2017
Outreach Timing	Q4 2016
Pre-Implementation Notification Process	<ul style="list-style-type: none">• All residential customers will bill Insert, web updates• Customers who have previously exceeded 400% of baseline:<ul style="list-style-type: none">○ Provide direct mail and email - separate Direct Mail notification for CARE and Non-CARE○ Default to Surcharge Alert
Implementation Notification Process	<ul style="list-style-type: none">• Customers enrolled in Surcharge Alert: customers projected to exceed 400% will receive Surcharge Alert via email, phone or txt• Customers exceeding 400%<ul style="list-style-type: none">○ Direct Mail (those not on Surcharge Alert)- encouraged to sign up for Surcharge Alert (customer to receive direct mail only 1x in 12 month period)○ Separate notification for CARE and Non-CARE; Existing CARE high usage process to continue○ On-bill message and surcharge line item on energy statement• All residential customers – annual bill insert, surcharge enrollment for new service, community outreach & education



Super User Electric (SUE) Charge

Target Audience	Approximately 330,000 residential customers – number of customers who have exceeded 400% at least once in the last 12 months
Marketing Objective	Inform customers about the high usage charge, steps they can take to reduce energy use, and default to surcharge alerts
Messaging	<ul style="list-style-type: none">• Inform customers about the new charge and how it is incurred• Inform customers how to determine if they are 400% of baseline• Provide ways customers can reduce usage to avoid the charge



ME&O integration with other programs

- **Low Income** – targeted messaging to lower income customers not currently on CARE or ESA
- **CARE** – targeted messaging to CARE customers not currently enrolled in ESA
- **Energy Efficiency** – targeted messaging and coordination:
 - Home Energy Check-up
 - Home Energy Reports
 - Product development to support TOU rates
- **Medical Baseline** - general program awareness
- **SmartRate** – targeted messaging in combination with optional rates

Outreach tailored to provide the energy management solutions and rate options based on usage data and customer profiles