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

Application of Pacific Gas and Electric Company for Approval of its 2009 Rate Design Window Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation U 39 E	Application 09-02-022 (Filed February 27, 2009; Amended March 13, 2009)

PACIFIC GAS AND ELECTRIC COMPANY'S ADDENDUM TO DECEMBER 2010 PEAK DAY PRICING SEMI-ANNUAL EDUCATION AND OUTREACH ASSESSMENT REPORT

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Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: February 4, 2011

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PACIFIC GAS AND ELECTRIC COMPANY'S
ADDENDUM TO DECEMBER 2010 PEAK DAY PRICING
SEMI-ANNUAL EDUCATION AND OUTREACH
ASSESSMENT REPORT

Pursuant to Ordering Paragraph 15, final bullet, of Decision 10-02-32, Pacific Gas and Electric Company (PG&E) serves its Addendum to its December 2010 Peak Day Pricing Semi-Annual Education and Outreach Assessment Report on the parties on the service list for Application 09-12-022. The Report accompanies this notice and also will be posted on the public internet website for this proceeding.

Respectfully Submitted,

SHIRLEY A. WOO

/s/

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On December 14, 2010, PG&E held its second Semi-Annual Presentation of the Peak Day Pricing December 2010 Semi-Annual Customer Education and Outreach Assessment Report, open to all parties on the service list. PG&E presented the following topics during the meeting:

- Recap of outreach objectives, strategy and execution for Large Commercial and Industrial customer transition
- Review of performance against key outreach goals
- Summary of key learnings following the first PDP season
- Overview of 2011 outreach and education plans for the Large Commercial and Industrial, Agriculture, and Small and Medium Business customer classes

The following people attended the presentation in person or telephonically:

- Drew Cheney, CPUC
- Michael Colvin, CPUC
- Chris Danforth, CPUC
- Stephanie Green, CPUC
- Aloke Gupta, CPUC
- Sommer Harvey, CPUC
- Louis Irwin, CPUC
- Dorris Lam, CPUC
- Lisa Orsaba, CPUC
- Tom Roberts, CPUC
- Lee-Whei Tan, CPUC
- Marzia Zafar, CPUC
- Norman Furuta, Counsel for Federal Executive Agencies – Dept of the Navy
- Dan Geis, Agricultural Energy Consumers Association
- Paul Liotsakis, SF Community Power
- Vincent Berg, PGE
- Tracy Cheung, PGE
- Robin Christensen, PG&E
- Craig Copp, PGE
- Erin Daley, PG&E

- Marianna Eyzerovich, PGE
- Jill Faubion, PGE
- Jennifer Galantini, PGE
- John Kaufman, PGE
- Dan Pease, PGE
- Andrew Scott, PGE
- Kevin Sharp, PG&E
- Jodi Stablein, PG&E
- Vanessa Volksen, PGE
- John Vu, PG&E
- Erika Wasmund, PG&E
- Shirley Woo, PGE
- Karen Zelmar, PGE

All questions and issues posed by meeting attendees were addressed by PG&E during the presentation and did not result in a change to PG&E's December 2010 Peak Day Pricing Semi-Annual Education and Outreach Assessment Report submitted on December 3, 2010. PG&E will proceed with its customer outreach according to the plans submitted in that report.

Several questions were submitted to PG&E by Jennifer Caron and Aloke Gupta after the meeting. Those questions and subsequent responses are listed below and also did not result in a change to PG&E's December 2010 Peak Day Pricing Semi-Annual Education and Outreach Assessment Report submitted on December 3, 2010.

Were the pre-event courtesy calls in addition to customers' notifications?
Yes

Did reps make courtesy calls prior to each event?
No. Reps were requested to make courtesy calls prior to the first two events; however, due to customer feedback that we were over-contacting after the 1st event call , the Account Managers were asked to use their best judgment based on the expressed needs of the customer.

Roughly, what percent of customers had post-event bill explanations?
Account Managers were encouraged to review with a customer their first bill on PDP. This included a discussion of the credits and explanation of what would happen after an event. These discussions happened in June (to review the May bill statement). This was typically done

as part of our Welcome Kit delivery. Following that review, 49% of customers received a post-event bill review. As with the pre-event calls, Account Managers (AMs) were given the discretion to perform this follow-up based on their prior interactions with customers. Many customers appreciated the phone call/additional outreach; others said they had been contacted sufficiently by PG&E and didn't need the follow-up.

Did the bill explanations include information about adopting new behaviors, best practices, and energy efficiency measures?
Reps were provided with talking points and instructions to review with customers regarding new behaviors, best practices, and energy efficiency measures. These topics are also covered in ongoing conversations with customers on an as-requested or needed basis.

What kinds of information did customers request when they called into the PDP information line?
Per call center feedback, customers were generally looking for information on the rate, or to opt out or affirm participation. Post default, the majority of calls were around event days or to change their notification preferences and contact information.

Results show that 72% of customers strongly agree they knew an event was coming. Were customers that knew event was coming more likely to respond to an event? *From the survey, we only know their claimed actions and response. We do not know the actual and specific load reduction data from the customers who claimed they knew an event was coming.*

Do you have any information from the customers that took action about the impact on their bills; were they surprised, satisfied?
We do not have "bill reaction" data on the 59% of survey respondents that said they took action to prepare for PDP in advance of Event Days as referenced in the report. However, we have a few anecdotal examples of customers being happy with the savings they've seen to date.

Is there any evidence in your research that customers need to receive information through a phased approach?
Two studies PG&E has conducted underscore the value of iterative communications through multiple channels:

- *PDP Education and Messaging Focus Group Research (July, 2010) concluded that "Successful launch of [time varying rate] plans will require a staged introduction."*
- *The PDP LC&I Experience Tracking Baseline Survey (Oct., 2010) revealed that nearly all PDP participants understood the main reasons behind the transition, and that relatively few (16%) felt the decision to participation was difficult, suggesting that the structure and content of our iterative approach to outreach provided sufficient information to make the decision.*

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Did individuals benefit from more than one type of communication about the rate?
Yes. The multi-touch, multi-channel outreach approach delivered key pieces of information customers needed about the transition, the reasons for it, when Event Days would be held, and how to perform on them; in turn, customers gave PG&E high marks for "understanding" and satisfaction measures related to outreach.

- *"Your company had the information it needed to make an informed decision about participating in the Peak Day Pricing Plan" achieved a mean score of 7.7 on a scale of 1 to 10 (LC&I Customer Experience Tracking Baseline Survey, October, 2010)*

Are customers that have a negative perception of PG&E more likely to opt out of PDP prior to default?
We do not have data that correlates customers' perception of PG&E and the timing of their opt-out decision (e.g. before or after their transition date). Our research demonstrates that the customer's decision to opt-out was most influenced by whether they felt they could shift load and/or benefit from the program.

Have you identified customers for case studies that can share their solutions to overcome barriers and shift or reduce load?
PG&E is developing a case study based on performance by a hotel in San Francisco and a department store with locations throughout the territory. We also just concluded a post event season bill analysis of all participants and are reviewing the data to discover possible additional case studies and/or best practices in other categories including schools, cities/municipalities, hospitals, food processors, etc. as we find successes.

Of the newly eligible C&I customers, when did you start educating them about PDP?
Account Managers are reaching out to these customers within 2 weeks of being identified by our customer billing system, approximately 45 days before the default date. In many cases, this is not the first introduction to PDP for the customer.

Are you educating customers that opted out, but are likely to be 'winners' about voluntarily getting on the rate for summer 2011?
Yes, PG&E Account Representatives will reach out to their assigned customers—where appropriate—to have these conversations.

Are reps talking to Large C&I customers already on the rate to let them know that bill protection ends for them this year?
Yes – reps have begun these discussions and will continue to do so as more and more customers approach their last month of Bill Protection.

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Do you have any focus groups or studies to learn how to make the web content more useful to customers? Do you have any studies to identify how to drive customers to the web site?
We made significant changes to the web content from feedback received from the LC&I/Large Ag focus groups. Recent qualitative research with trade groups and industry associations included some specific ideas on how third parties can help drive interest in PG&E's web site. Additional qualitative research planned for later this year on creative concepts and communications research will also address web content as well as ways to drive website traffic.

We are currently in the process of rearchitecting the customer facing portal currently labeled "My Account." The key drivers of the rearchitecture are to provide additional tools (i.e. rate analysis, relevant tips and program recommendations) and "My Account" redesign. The new portal will "go live" based on customer class pending successful User Acceptance Testing.

How important is it to customers to understand temperature triggers?
Feedback from some customers through ES&S has indicated a desire for further information on temperature triggers and how event days are called. PG&E will expand the general information on the website for what these triggers are and how they impact Event Days.

I [Aloke Gupta] spent 15 min on the website. I still couldn't figure out what my "plan options" were, especially if I wanted to opt-out of PDP, even when I clicked on the link that specifically says "review your plan options now".
"Plan options" (i.e. which rate you enroll on, setting capacity reservation, etc…) are available once a customer enters the application to affirm or opt out of PDP. Access is limited to only customers that are eligible for default.

I did not see a conceptual level comparison of PDP vs opting-out (advantages of one vs. other); some illustrative examples would have been useful to show the impact on bills.
Because the rate is revenue-neutral—meaning that roughly half the customers will benefit under PDP without any behavior changes—there is no universal bill impact or advantage common to all customers, other than lowering your energy use during Event Day hours. This is why our Account Managers actively perform rate analyses for their customers, and why it will be vital to provide similar information for our SMB customers.

On the main page, nowhere does it mention that a key motivation for PDP is that it costs substantially more to supply electricity during certain hours (or that there is much stranded capacity doing nothing most of the year)
PG&E agrees that customers need to be provided with context for the energy policy that is driving PDP. We will work on updating the copy articulate this concept in ways that are understandable and compelling for our customers.

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I found no slide deck that I could go thru at my own leisure. It would be nice to have video or audio clips with explanations.
We will explore adding these pieces in 2011.

In addition to the questions above, Jennifer Caron also asked for an update on SMB activities through year end 2010. Below is a summary of those activities.

Overall, PG&E conducted several foundational steps to help optimize SMB outreach.

Data and Analytics

- Commissioned internal team to run bill impact analysis on SMB segment using representative samples from across our territory. The analysis broke down results by industry, geography, and even by transition path (i.e. flat to TOU vs. flat to PDP). This work is being incorporated into our discussions around priority events, locations and materials.
- Began a drill-down analysis of "structural winners and losers" (i.e. who would see positive or negative bill changes without any behavior changes). This analysis is complementary to the other bill analysis, in that it quantifies the projected volumes of these customers, and helps us identify areas of potential focus per the final Decision to target the 10% most impacted.

Research

- Held SMB/Small Ag workshops over the summer, the findings of which were shared in September's quarterly report
- Commissioned qualitative research among Trade Groups and Industry Associations in November/December. The discussions provided insights on developing effective outreach strategies for communicating with and through this important constituency for SMB customers. This research also revealed important information about channels, tactics and overall approaches that are most likely to foment engagement with these organizations and their members.
- Social media focus groups were conducted among SMB customers. Although this research was commissioned using a separate Energy Efficiency budget, this was an integrated approach. We are leveraging key learnings. Specifically the research revealed useful insights about the potential for leveraging this channel to deliver information to SMB customers about rates, energy-efficiency and related information.

Web

- Implemented dedicated page for SMB customers as part of overall re-architecture of PDP pages
- Have been actively working to prioritize messaging, rate options and comparison tools of greatest relevance to SMB customers, so that they will be able to perform a rate comparison prior to their default dates.

Workshop Material

- Team is currently working on a presentation similar to what PG&E shared with CPUC for Ag customers, but this is specific to SMB customers. This piece will soon be completed, along with supporting collateral, in time for workshops and events we're scheduling for the first half of this year.

Customer 1:1s

- Energy Solutions and Service team have held meetings with SMB customers—specifically those who are connected with a larger Commercial, Industrial or Agricultural account—to inform them about PDP
- Participated in two SMB events
    1. Rexel Energy Seminar – 15 min presentation for Trade Professional Vendor
    2. Tri-City Mixer – Table-top exhibit at a tri-city Chamber of Commerce

Outreach Materials and Planning

- PG&E has held numerous meetings with internal team and agency partners to determine appropriate messaging strategy for PDP roll-out. Opportunities and challenges of messaging both PDP and TOU to SMB customers were shared with CPUC staff as part of our September quarterly report.
- Developed a robust, dedicated PDP and time varying rates keyword search campaign. This campaign, which is comprised of more than 3,000 keywords and approximately 100 unique ads, was put on hold to ensure we were making most efficient use of these dollars; however, this effort is ready to deploy pending budget approval.
- Created 60- and 30- day default notice letters for SMB customers
- Coordinated with internal Change Management group to outline the internal communication, education and training process for PDP roll-out affecting all customer classes, including SMBs.

CERTIFICATE OF SERVICE BY ELECTRONIC MAIL OR U.S. MAIL

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Law Department B30A, 77 Beale Street, San Francisco, California 94105.

I am readily familiar with the business practice of Pacific Gas and Electric Company for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On February 4, 2011, I served a true copy of:

PACIFIC GAS AND ELECTRIC COMPANY'S ADDENDUM TO DECEMBER 2010 PEAK DAY PRICING SEMI-ANNUAL EDUCATION AND OUTREACH ASSESSMENT REPORT

[XX] By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service list for **A. 09-02-022** with an e-mail address.

[XX] By U.S. Mail – by placing it for collection and mailing, in the course of ordinary business practice, with other correspondence of Pacific Gas and Electric Company, enclosed in a sealed envelope, with postage fully prepaid, addressed to all parties of record on the service lists for **A. 09-02-022** and who do not have an email address.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed in San Francisco, California on February 4, 2011

/s/

MARY B. SPEARMAN