PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION **RESOLUTION E-3775**
May 8, 2003

R E S O L U T I O N

Resolution E-3775. Pacific Gas and Electric (PG&E) requests Commission approval of meter data setup and access charges for customers who arrange for an interval meter installation on a voluntary basis.

By Advice Letter (AL) 2197-E filed on February 15, 2002, and AL 2197-E-A filed on July 2, 2002.

SUMMARY

This Resolution approves, on a temporary basis, the request by PG&E to charge TOU customers a monthly fee of $30 and a one-time set up fee of $25 for Internet-based access to their electric load data. This Resolution also finds that R.02-06-001, a rulemaking on demand response, advanced metering and dynamic pricing, is the appropriate forum to explore whether the recovery of costs associated with the service should continue through the approved fees or be recovered through rates. This Resolution also finds that R.02-06-001 is the forum to examine the issue of consistency among the utilities who offer energy data access services.

The protest of eMeter requesting clarification of issues concerning customers who receive AB 1X29 meters is denied because those issues go beyond the scope of this resolution.

The protests of Enerwise and Infotility requesting that the proposed data access service be open to competition are also denied as that issue goes beyond the scope of this resolution.

BACKGROUND

On August 8, 2001, PG&E submitted AL 2150-E to comply with D.01-08-021. AL 2150-E proposed a revenue neutral Time of Use (TOU) tariff for Schedule A-10 (Medium General Demand-Metered Service).

D.01-09-062 modified PG&E's TOU proposal by enabling PG&E's Schedule A-10 customers, who may not have been eligible for an interval meter under AB 1X29, to participate on a TOU schedule if the customer purchases an interval meter. On September 27, 2001 PG&E filed AL 2150-E-A in compliance with D.01-09-062. AL 2150-E-A also included an option for voluntary TOU customers on Schedule A-10 to pay $30 per month for Internet-based access to their electric load information recorded by their interval meter. Internet-based access to energy usage information is being provided at no cost through May 2003 to customers who have received interval meters through AB 1X29. [1]

At the request of Energy Division staff, PG&E separated the Internet access fee from the remainder of the proposed tariffs contained in AL 2150-E-A by filing two new advice letters: AL 2150-E-B, which offered Schedule A-10 customers the option of participating on a TOU rate schedule if they voluntarily arrange the installation of a PG&E-owned meter and AL 2197-E which proposed the monthly $30 Internet-access fee. These advice letters were filed on February 15, 2002. Energy Division approved AL 2150-E-B, effective September 20, 2001.

AL 2197-E deviated from PG&E's previously filed advice letters by expanding the optional monthly Internet-access fee for Schedule A-10 to three additional rate schedules: A-6, E-19 and E-20. Given the introduction of these schedules, Energy Division staff recommended that PG&E make a supplemental advice filing to provide additional information. PG&E filed AL 2197-E-A in response to Energy Division's recommendation on July 2, 2002.

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[1] The California Energy Commission (CEC) provides funds through AB 1X29 to cover the costs of providing the Internet service. When these funds are exhausted (anticipated to be May 31, 2003), PG&E shall seek to recover the costs for the remainder of 2003 through its General Rate Case, rather than charge AB 1X29 customers a fee (PG&E Data Response on April 4, 2003).

AL 2197-E-A proposes an optional $30 per month Internet access fee for customers on PG&E's rate schedules A-6, A-10, E-19 and E-20. PG&E requests that the charge be in effect until September 30, 2005. AL 2197-E-A also introduces a one-time meter data set-up charge of $25 per participating customer site. The meter data access service would be provided under contract by a third party and PG&E states that both the monthly ($30) and the one-time ($25) charges are the amounts the third party is charging PG&E.

NOTICE

Notice of AL 2197-E-A was made by publication in the Commission's Daily Calendar. PG&E states that a copy of the AL was mailed and distributed in accordance with Section III-G of General Order 96-A and also sent to the service list parties on A.00-11-056.

PROTESTS

AL 2150-E-A was timely protested by Enerwise and Infotility on October 17, 2001.

PG&E responded to the protests of Enerwise and Infotility on October 24, 2001.

AL 2197-E was timely protested by eMeter on March 6, 2002.

PG&E responded to the protest of eMeter on March 14, 2002.

The following is a detailed summary of the major issues concerning this advice letter.

DISCUSSION

Compliance with D.01-09-062 and the $30 Proposed Fee

Customers who received an interval meter through AB 1X29 currently receive Internet-based access to their load data at no cost. AL 2197-E-A provides an option for the same Internet-based access for customers on rate schedules A-6, A-10, E-19 and E-20.

D.01-09-062 made the following finding:

"PG&E's and Edison's (TOU) proposals should be modified to include:

a. Provision for customers on PG&E's Schedule A-10 and Edison's Schedule G-2 who are not eligible for an interval meter under AB1X 29 to choose the default TOU schedules if the customer purchases an interval meter." (Finding of Fact #5)

The finding specifies that customers on Schedule A-10 be allowed to participate on a TOU schedule if the customer chooses to pay for an interval meter. There is no mention in the finding or any other finding in the decision about customers on rate schedules A-6, E-19 or E-20. PG&E states that the additional rate schedules were included in AL 2197-E-A because customers on these rate schedules want the option of voluntarily paying for an interval meter and Internet-based access to their electric load data. PG&E also states that there are customers on these rate schedules that established electric service after D.01-09-062 was issued, and they desire the option of voluntarily paying for an interval meter and Internet-based access.

PG&E states that $30 is the monthly rate PG&E is currently paying to a third party (eMeter) to provide meter data access services through the Internet.[2] Based on the agreement between PG&E and eMeter, the $30 monthly charge is applicable to each installed and operational customer-paid, radio-based meter. For telephone-based meters, PG&E pays eMeter a monthly charge of $4.85. PG&E states it seeks a $30 charge for the telephone-based meter customer to cover PG&E's cost to perform daily data retrieval using the telephone line, telephone charges, the cost of performing daily meter data transfers to eMeter for website posting.[3]

We recognize that Internet-based access to electric load data is an essential service for TOU customers. Such access is an important tool for customers to understand their energy usage and to respond effectively to the design of their TOU rate structure. In R.02-06-001 the Commission is exploring various options

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[2] A "Metering and Information Services Agreement" between eMeter and PG&E entered into on August 6, 2001.

[3] PG&E data response dated April 4, 2003.

to develop demand-responsive capabilities, through dynamic pricing and providing customers with appropriate infrastructures, such as access to their energy usage information. Our interest is to enable customers to have greater demand response capabilities, so we are not opposed to the concept of offering customers the option to pay for Internet-based access to their load data.

Thus the $30 monthly fee and one-time fee of $25 for A-6, A-10, E-19 and E-20 customers is approved, but on a temporary basis. The long-term implications of how utilities recover the cost of providing energy data access services need further examination. Because the provision of energy usage data to customers is closely tied to the concept of demand response, R.02-06-001 is the proper forum to do that. Thus R.02-06-001 should fully explore the question of whether the costs of energy data access services should continue to be recovered through participation fees as temporarily adopted here or through rates.[4]

<u>eMeter's Protest</u>
eMeter's requests that the Commission clarify two issues that affect customers who receive AB 1X29 meters: eMeter asks the Commission to adopt a precise definition of the phrase "over 200 kW" and eMeter requests the Commission to clarify that customers who receive interval meters will not be automatically placed on hourly Power Exchange (PX) prices following the end of the rate freeze.

eMeter states that AB 1X29 and D.01-09-062 provide interval meters for those customers with demand "over 200 kW". eMeter notes that without further clarification, the statement is not precise because there are customers whose demand exceeds 200 kW every month, and other customers whose demand exceeds 200 kW only 3 months out of the year. According to eMeter, 500 to 1,000 PG&E customers fall into the range of imprecision. eMeter claims that PG&E is unable to rely on its current tariffs to determine if certain customers are qualified or not for a meter. eMeter suggests the Commission clarify that customers

[4] A decision in R.02-06-001 recently adopted a $12 million demand response pilot program for small commercial and residential customers (D.03-03-036). The costs associated with this pilot are recovered through memorandum accounts and balancing accounts rather than through fees charged to participants.

whose demand exceeds 200 kW for three consecutive months during the past 12 months are qualified to receive a meter via AB 1X29.

eMeter also requests that the Commission clarify that customers with interval meters not be automatically placed on hourly PX prices after the rate freeze ends (adopted in D.00-06-034). eMeter explains that while the PX no longer exists, a clarification on this question would reduce confusion and eliminate some perceived risk.

The clarifications requested by eMeter protest are outside of the scope of AL 2197-E-A and thus Energy Division declines to address eMeter's protest through this resolution. eMeter's protest is rejected.

Enerwise's and Infotility's Protests

The protests of Enerwise and Infotility were filed in response to AL 2197-E-A's predecessor, AL 2150-E-A. Enerwise and Infotility did not file protests to AL 2197-E-A, and thus we are not necessarily required to address those protests here. However, the substance of their protests speaks to the $30 proposed fee, which is relevant to this resolution.

Enerwise argues that embedding meter data service as part of PG&E's regulated rates denies customers choice, competition and innovation. Enerwise argues further that approval of the charge locks out companies that can provide competing services, and recommends that meter data services be open to competition.

Infotility raises similar concerns, and further states that the $30 proposed fee is a subsidized rate, which places businesses that sell energy information services at a competitive disadvantage. Infotility recommends that the fee be increased or that customer receives an equivalent monthly credit. Infotility also questions the basis for the fee, and recommends that PG&E be required to provide an additional option for bundled customers to access their hourly usage data.

As noted above, the basis for the fee is an agreement entered into by PG&E and the third-party provider, eMeter. We do not see the benefit of increasing the proposed fee when bundled customers are currently required to receive metering services through their utilities.

Both Enerwise and Infotility speak to the broader issue of allowing customers choice for metering services, such as access to usage data. D.97-05-039 and D.98-12-022 established a policy that bundled service customers receive metering services only through the utilities, rather than allowing meter service providers (MSPs) to compete for such service. Revisiting the Commission's current policy on metering services cannot be done through this resolution, as there is no record to assess the merits of allowing competition for such services. Thus, the protests are rejected.

Service Consistency

Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) also administer energy data access services. SCE customers who did not qualify for an AB 1X29 meter may receive Internet-access service at monthly rates ranging from $19.50 to $275 depending on the level of service selected.[5] SCE provides its Internet-access service at no charge to customers who qualify for an AB 1X29 meter.[6] SCE records these costs in its Real Time Energy Metering Memorandum Account.

Non-AB 1X29 customers in SDG&E's territory do not pay a separate fee for access to usage data, but rather are subject to Schedule NDA whose monthly maintenance / test / read fees range from $9 to $21. SDG&E provides its Internet-access service at no cost to its customers with AB 1X29 interval meters.[7] SDG&E records these costs in its Interval Metering Program Memorandum Account (IMPMA).

As noted earlier, PG&E's AB 1X29 customers will continue to receive energy data access service at no charge (at least for 2003), while our action in this resolution results in a fee of $30 per month for non-AB 1X29 customers for the same service.

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[5] SCE's Schedule CC-DSF Section 4.d.

[6] SCE's Energy Manager Basic program provides the customer 15-minute usage data updated daily.

[7] SDG&E's Governor Davis Metering Program (GDMP).

The utilities are consistent in the sense that customers who have not received AB 1X29 meters must pay a fee should they desire Internet-based access to their usage data. However the distinction in the treatment between customers who have received AB 1X29 meters and those who have not received such meters deserves a closer review. We also notice the variability in rates charged for energy usage data, and a closer review of these rates along with the quality of service provided also seems to be warranted. These are issues of consistency, and R.02-06-001 is the appropriate forum to further assess the utilities' provision of energy data access service.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

Comments were filed by eMeter, PG&E and TruePricing Inc. on April 23, 2003. A reply comment was filed by PG&E on April 30, 2003.

eMeter and PG&E express support for the temporary authorization of the $30 monthly charge and the $25 one-time charge. Both parties also support the finding that R.02-06-001 should fully explore the question of whether the costs of energy data access services should continue to be recovered through participation fees or through rates.

PG&E also suggests that Finding of Fact #6 be modified to specify that bundled service customers who opt to participate on a TOU rate schedule can arrange for installation of a PG&E-owned interval data meter, rather than customer-owned.

TruePricing makes three points: (1) that R.02-06-001 specifically address how non-utility providers could be employed to enhance the limited capabilities of utility metering and billing systems, (2) that the resolution allow for price and

product flexibility that the market will provide, and (3) that the resolution direct PG&E to solicit bids and proposals from other vendors to provide billing and metering services to under 200 kW customers who could offer more enhanced services for $30 per month, or who could provide comparable services at prices below $30 per month.

PG&E responded to TruePricing by stating that the resolution was not an appropriate venue to address the points made by TruePricing, but instead should be deferred to the advanced metering rulemaking (R.02-06-001).

We agree with PG&E that the TruePricing's points can be more appropriately addressed in R.02-06-001, and thus decline to adopt the recommendations made by TruePricing. We also will incorporate the correction PG&E suggests for Finding of Fact #6 as well as in the Background section of this resolution.

FINDINGS

1. D.01-08-021 directed PG&E to file a revenue neutral Time of Use (TOU) tariff for Schedule A-10 (Medium General Demand-Metered Service).

2. PG&E filed AL 2150-E in compliance with D.01-08-021.

3. D.01-09-062 modified PG&E's TOU proposal by enabling PG&E's Schedule A-10 customers, who may not have been eligible for an interval meter under AB 1X29, to participate on a TOU schedule if the customer purchases an interval meter.

4. PG&E filed AL 2150-E-A in compliance with D.01-09-062, which included an option for voluntary TOU customers on Schedule A-10 to receive Internet-based access to their electric load information recorded by their interval meter for $30 per month.

5. Internet-based access to energy usage information is being provided at no cost to customers who have received interval meters through AB 1X29.

6. PG&E separated the Internet access fee from the remainder of the proposed tariffs contained in AL 2150-E-A by filing two new advice letters: AL 2150-E-B, which offered Schedule A-10 customers the option of participating on a

TOU rate schedule if they voluntarily arrange the installation of a PG&E-owned meter and AL 2197-E which proposed the monthly $30 Internet access fee.

7. AL 2197-E deviated from PG&E's previously filed advice letters by expanding the optional monthly Internet-access fee for Schedule A-10 to three additional rate schedules: A-6, E-19 and E-20.

8. PG&E filed supplemental filing AL 2197-E-A in response to Energy Division's recommendation on July 2, 2002.

9. In addition to proposing the $30 monthly fee for optional Internet-based service for Schedules A-6, A-10, E-19 and E-20, AL 2197-E-A also introduces a one-time meter data set-up charge of $25 per participating customer site.

10. PG&E states that $30 is the monthly rate PG&E is currently paying to a third party (eMeter) to provide meter data access services through the Internet.

11. Internet-based access to electric load data is an essential service for TOU customers. Such access is an important tool for customers to understand their energy usage and to respond effectively.

12. PG&E's request to charge customers (who have not received an interval meter through AB 1X29) a monthly fee of $30 and a one-time fee of $25 for Internet access to their energy usage should be approved temporarily.

13. R.02-06-001 should fully explore the question of whether the costs of energy data access services should continue to be recovered through participation fees as temporarily adopted here or through rates.

14. eMeter suggests the Commission clarify that customers whose demand exceeds 200 kW for three consecutive months during the past 12 months are qualified to receive a meter via AB 1X29.

15. eMeter requests that the Commission clarify that customers with interval meters not be automatically placed on hourly PX prices after the rate freeze ends (adopted in D.00-06-034).

16. The clarifications requested by eMeter protest are outside of the scope of AL 2197-E-A.

17. eMeter's protest should be denied.

18. Enerwise argues that embedding meter data service as part of PG&E's regulated rates denies customers choice, competition and innovation.

19. Infotility raises similar concerns, and further states that the $30 proposed fee is a subsidized rate, which places businesses that sell energy information services at a competitive disadvantage.

20. The concerns raised by both Enerwise and Infotility speak to the broader issue of allowing customers choice for metering services, such as access to usage data.

21. Enerwise's and Infotility's protests should be denied.

22. R.02-06-001 is the appropriate forum to further assess the utilities' provision of energy data access service.

THEREFORE IT IS ORDERED THAT:

1. The request of the PG&E to charge customers (who have not received interval meters through AB 1X29) on schedules A-6, A-10, E-19 and E-20 $30 per month for optional Internet-based access to their electric load data as requested in AL 2197-E, supplemented by AL 2197-E-A is temporarily approved.

2. The request of the PG&E to charge customers (who have not received interval meters through AB 1X29) on schedules A-6, A-10, E-19 and E-20 a one-time set up charge of $25 for optional Internet-based access to their electric load data as requested in AL 2197-E-A is temporarily approved.

3. The protests filed by eMeter, Enerwise and Infotility are denied.

4. R.02-06-001 shall determine whether the cost of providing energy data access services should continue to be recovered through fees or through rates, and

should also examine if greater consistency among the utilities in administering this service is necessary.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on May 8, 2003; the following Commissioners voting favorably thereon:

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WILLIAM AHERN
Executive Director

MICHAEL R. PEEVEY
President
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners