

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-4053
January 25, 2007

R E S O L U T I O N

Resolution E-4053. Southern California Edison Company requests permission to implement a redesigned bill format consistent with Decision 05-11-009, and offer customers an optional simplified bill format.

By SCE Advice Letter 2058-E filed on November 15, 2006.

SUMMARY

This Resolution approves with modifications the request by Southern California Edison Company (SCE) to implement a redesigned bill format for its various Energy Statements and Notices, as well as authority to offer customers an optional simplified bill format only upon the customer's request. These redesigned bill formats are consistent with Decision (D.) 05-11-009.

SCE requests permission to implement a redesigned bill format with the goal to make bills less confusing and easier to understand for its residential and business customers. SCE developed a redesigned new bill format to address its concerns that the existing bill is too complex and does not easily promote good energy decisions by customers.

SCE also seeks authority to offer its customers an optional simplified format, which omits certain billing component details. This simplified billing format would be issued only upon the customer's request.

SCE's bill redesign project, including procurement of necessary equipment and development of software to implement the new bill format will begin following the effective date of this resolution. The redesigned bill formats are expected to be ready for customer use by the end of 2007. SCE will file a subsequent advice letter, subject to Energy Division staff disposition or Commission approval, prior

to switching to the redesigned bill formats and implementation of the simplified bill format.

Implementation of a new bill format will not affect SCE's customer rates at this time. SCE will request recovery of costs associated with revising its bill format in its 2009 General Rate Case (GRC).

SCE's proposed redesigned bill format is consistent with discussion noted in D.05-11-009 that more customer-friendly billing formats could assist in meeting demand response, energy efficiency, and other CPUC policy goals.

SCE Advice Letter (AL) 2058-E was timely protested by the Division of Ratepayer Advocates.

This Resolution approves SCE's AL 2058-E with the following modifications:

- Cost recovery associated with SCE's revised bill format is subject to a future Commission order. This Resolution does not prejudice or determine what costs the Commission will allow SCE to recover in rates associated with revising its bill format;
- Prior to switching to the redesigned bill formats and implementation of the simplified bill formats, SCE shall file a separate advice letter containing all finalized new bill formats and revised forms addressed by this Resolution, and all forms to be withdrawn by SCE. The advice letter shall become effective after review and disposition by the Energy Division or by Commission order.

BACKGROUND

SCE asserts that its current bill format has become increasingly complex over the years.

According to SCE, since 1997 its bill format has grown in complexity as a result of expanded requirements under the California Public Utilities Code and California Public Utilities Commission (CPUC or Commission) decisions. SCE states that many of these provisions imposed requirements on SCE and the other electric utilities to separately identify and define rate components on the bill in order to provide information that the California Legislature and the Commission determined at the time to be helpful in a restructured energy market.

Additionally, in response to the energy crisis of 2000-2001, the CPUC mandated that the energy bills display additional rate components such as those related to recovery of the Department of Water Resources bond and power contract costs. According to SCE, many of its residential and commercial customers find their SCE bill confusing and difficult to understand.

D.05-11-009 indicated that having a more customer friendly billing format could assist in meeting demand response, energy efficiency, and other CPUC policy goals.

In November 2005, the CPUC issued D.05-11-009 closing Rulemaking (R.) 02-06-001 on demand response. In that decision the CPUC recognized discussion in R.02-06-001 that current bill formats may not be the most effective way to convey energy usage information to promote demand response. D.05-11-009 directed the CPUC's Executive Director to explore opening a rulemaking to develop more customer friendly billing formats for energy bills. SCE states in AL 2058-E that at the January 26, 2006 Commission meeting during the Management Report agenda, the Executive Director informed the Commission that a generic rulemaking was not necessary because the utilities, including SCE, were already actively engaged in bill redesign efforts. According to SCE, the Executive Director encouraged the utilities to work with the CPUC staff on their bill redesign efforts.

By filing AL 2058-E, SCE proposes a new bill format and an optional simplified format.

On November 15, 2006 SCE filed AL 2058-E to request authority to implement a redesigned bill format for its various Energy Statements and collection and disconnection notices. SCE also requests authority in AL 2058-E to offer customers an optional simplified bill format, which omits certain billing component details only upon the customer's request.

SCE began an effort in February 2005 to redesign its bill format to improve the overall bill display, which would help customers better understand and manage their energy usage.

SCE worked on the bill redesign effort with a consulting firm experienced in utility bill format design to create bill prototypes, conduct customer focus

groups, and refine the prototype based on customer feedback. During 2005 and 2006, SCE conducted surveys of its residential, commercial, government, and direct access customers to obtain customer feedback and recommendations regarding SCE's bill.

Consistent with the goal of creating more customer-friendly bills expressed in D.05-11-009, SCE notes in AL 2058-E that its redesigned bill uses graphical information to display current and historical energy usage in an understandable manner. SCE states that its proposed redesigned bill format also allows customers to enroll and participate in various demand response programs. SCE also states that its proposed redesigned bill also provides customers with more specific information on how to better manage their energy usage, for example by simplifying the language depicting the rate tiers.

SCE notes that sampled customers have reacted favorably to the redesigned bill.

SCE notes in AL 2058-E that its market research indicates that almost all customers prefer the redesigned bill to the current bill. According to SCE, the customers prefer the redesigned bill for display of payment due date, amount due, providing useful information, and overall ease of reading the bill. SCE additionally states that a large majority preferred the redesigned bill in terms of prompting them to take measures to conserve energy as well as help them manage their energy usage.

NOTICE

Notice of SCE AL 2058-E was made by publication in the Commission's Daily Calendar. SCE states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

PROTESTS

SCE Advice Letter 1832-E was timely protested by the Division of Ratepayer Advocates (DRA) on December 5, 2006. SCE responded to the DRA protest on December 12, 2006.

DRA asserts that an application is required to address SCE's request.

While DRA supports SCE's goal of simplifying its customer bills, DRA objects to SCE's advice letter on procedural grounds, requesting that SCE use the application process rather than through an advice letter filing. DRA stated, "*The Commission's formal application process provides a fuller opportunity for parties to consider and comment on the issues raised by SCE's proposals ...*" DRA noted that Pacific Gas and Electric Company (PG&E), in a similar effort to simplify customer bills, sought Commission authorization through the on-going proceeding addressing Application (A.) 06-06-026.

In its December 12, 2006 reply to DRA's protest, SCE states that the advice letter is procedurally proper.

SCE states, "*DRA provides no factual basis or legal authority to support its claim. The advice letter process is a proper procedural vehicle through which SCE may seek the Commission's authorization to implement a redesigned bill format.*" SCE added, "*Advice 2058-E merely requests authority to redesign SCE's bill; it does not request a rate change, does not request any change in service, and does not request release from any regulatory requirements.*"

SCE indicates that its bill redesign proposal is not the same as PG&E's application.

In its reply to DRA's protest, SCE explains that its advice letter and PG&E's application are different. As explained by SCE, "*PG&E's Application requests that PG&E be relieved of the Commission's requirements regarding rate components, descriptions and other information that must appear on the customer bill. In contrast, SCE is not proposing to change the information contained in the bill, just how the information is presented to the customer. SCE's redesigned bill will continue to comply with all existing regulatory and statutory requirements.*"

SCE replies that it provided adequate information for the Commission and others to evaluate SCE's request, including redesigned bill form prototypes and results of customer research.

SCE states that AL 2058-E contains a detailed description of the redesigned bill; how the redesigned bill will provide useful information to assist customers in better managing their energy usage; and how it contains prototypes of the redesigned bill forms and examples of the current bill and bill inserts for comparative purposes. SCE also states, "*SCE based its redesigned bill formats on*

completed, extensive customer research and described the highlights of this customer research in Advice 2058-E.” Regarding the forms that are to be revised, SCE states, “SCE’s Advice 2058-E clearly states that once the Commission approves SCE’s proposed bill redesign formats, all the redesigned forms will be filed with the Commission in a separate compliance advice letter filing prior to implementation.”

DISCUSSION

Energy Division has reviewed SCE’s AL 2058-E. Attached to the Advice Letter are several appendices that include examples of SCE’s current bills for residential and commercial customers, current bill inserts, sample prototypes of SCE’s redesigned bill for residential and commercial customers, and an example of SCE’s proposed customer-requested simplified residential bill. Discussion of the relevant facts that lead to the approval of this advice letter, as modified, follows.

SCE’s redesigned bill format is easier to understand and may allow customers to better manage their energy usage.

SCE states in AL 2058-E that its redesigned bill format accomplishes the following:

- More clearly displays amount due and due date;
- Provides in simplified format key company contacts, customer service numbers, rotating outage information, and definitions;
- Provides historical usage data in a graphical visual format;
- Provides information on usage updates, tips, energy saving programs and services;
- Provides contact information for energy efficiency programs;
- Enables customers to use the bill to update account information, e.g. change mailing address or phone number;
- Enables customers to easily enroll in programs and services, e.g. Direct Payment, CARE - California Alternate Rates for Energy, Level Payment Plan, Summer Discount Plan;
- Allows for SCE to provide customized messaging such as payment notices, irregular usage patterns.

Based on Energy Division’s review, the sample bills provided in AL 2058-E generally appear to meet these criteria. We expect that customers will have a better opportunity to manage their energy needs through graphic display of

historic usage on bills and the inclusion of information on the bill about energy efficiency programs as SCE proposes.

Separately, Energy Division staff reviewed bill evaluation presentation material provided by SCE that summarizes the vendor-performed market research studies conducted in 2005 and 2006. The presentation material included: an overview of the research objectives and methodology; findings about customer usage and satisfaction with the current bill; findings about customer reaction to the redesigned bill; bill preferences; and customer perceptions about bill components and bill inserts. Based on Energy Division's review of documentation on SCE's customer surveys and market research studies, we are satisfied that SCE's survey methods were reasonable and that it has accurately reflected the results of these surveys and studies in AL 2058-E. These results support SCE's approach to its redesigned bill.

SCE shall continue to provide all detailed billing information currently required by the Commission and by statute.

SCE states in AL 2058-E that it will continue to provide on the redesigned bill all the definitions and rate components in the current bill that are required by the Commission and by statute. Separately, SCE provided a listing, which was reviewed and confirmed by Energy Division staff, of all charges, rates, and bill component information required by the CPUC or by statute to be displayed on customer bills. This information indicating the regulatory authority includes the following:

- DWR Generation - D.01-09-014
- SCE Generation - D.97-08-056
- Ongoing CTC - D.97-08-056
- DWR Bond Charge - D.02-12-082
- Transmission Charges - D.97-08-056
- Distribution Charges - D.97-08-056
- Nuclear Decommissioning Charges - D.97-08-056
- Public Purpose Program Charges - D.97-08-056
- Trust Transfer Amount - D.97-09-056
- Taxes and Other - D.98-03-072

Additional bill requirements are contained in Public Utilities Code Sections 392(a)(1)(A) and (B), 394.2, 394.4(e), 841(a), and 6354.1. These Codes include requirements to display total charges associated with generation, transmission, and distribution, research, environmental, low income funds, customer rights

information, late fees, local franchise fees, and telephone phone numbers for billing inquiries and for assistance.

In the finalized bills that SCE submits pursuant to this Resolution, SCE shall clearly show all the rate components and information listed. The bill design that we authorize herein shall comply with all current requirements stated in previous Commission decisions and orders and set forth by statute regarding information that must be shown on a customer's bill.

SCE is authorized to offer customers an optional simplified bill format only upon the customer's request.

SCE states in AL 2058-E that its simplified bill format will resemble the newly redesigned bill, but will omit the detailed breakdown of bill components including energy, distribution, and transmission.

SCE states that the simplified bill format will continue to provide customers with essential bill information including usage, amount owed, and information on programs and services to better manage their energy usage.

SCE points out that the simplified bill format is purely optional. According to SCE's proposal, the detailed bill component information will continue to be retained in SCE's billing system and will be provided to the customer upon request. SCE will allow customers who opt for the simplified billing statement to opt back into the full bill format option at any time.

We will allow SCE to offer a simplified bill with the following conditions:

1. A customer must initiate action to receive a simplified bill in lieu of the standard bill by contacting SCE. SCE may inform a customer that such an option is available;
2. SCE shall promptly provide at the customer's request at no charge a standard bill to any customer who has opted for a simplified bill for any billing period during which the customer received a simplified bill;
3. A customer may opt in or out of the simplified option at any time at no charge.

SCE may propose to revise certain forms and notices associated with the bill redesign effort, subject to Commission staff review, in a separate advice letter filing.

SCE states in AL 2058-E that its redesigned bill effort encompasses Form 14-574, Energy Statement, and the various associated bill Formats A through M and A.1 through M.1. SCE states that it intends to revise the following various forms related to collection and disconnect notices:

- Form 14-754-0, Energy Statement, Past Due Notice
- Form 14-579, All-Purpose form Backer
- Form 14-589, Closed Account Overdue Notice
- Form 14-590, Closed Account Collection Notice
- Form 14-591, Closed Account Final collection Notice
- Form 14-592, Closed Account Notice of Transfer
- Form 14-656, Request to Pay Deposit
- Form 14-657, Disconnection Notice, Past Due Security Deposit
- Form 14-658, Deposit Urgent Notice
- Form 14-659, Deposit Receipt
- Form 14-660, Request to Pay Deposit (ESP Consolidated Billing)
- Form 14-661, Deposit Final Call Notice
- Form 14-662, Deposit Urgent Notice
- Form 14-663, Deposit Receipt (ESP related)
- Form 14-664, Past Due Service Termination Notice (Bundled Service)
- Form 14-665, Disconnection Notice, Past Due Utility Service
- Form 14-666, Urgent Notice
- Form 14-667, Disconnect Notice, Returned Check
- Form 14-668, Past Due Service Termination Notice (ESP)
- Form 14-669, Final Call Notice
- Form 14-670, Urgent Notice
- Form 14-671, Returned Check Final Call Notice
- Form 14-672, Closed Account Past Due Notice
- Form 14-673, Disconnection Notice, Closed SCE Account

SCE did not provide any details in AL 2058-E on how it specifically proposes to revise all of these forms. Because SCE has not provided adequate information on how it intends to revise these forms, e.g., with redlined versions of the forms, and citing specific reasons for the changes, we do not authorize in this Resolution SCE's request to revise these forms. SCE may request approval for revising these forms in a subsequent advice letter that we require by this Resolution. In that

advice letter, SCE shall give details on how the forms will be revised and why the changes are necessary.

SCE proposes to withdraw the following forms because they have been replaced by another form or are no longer necessary:

- Form 14-85, Customer Deposit Receipt (Last revised 1981) Replaced by current Form 14-659;
- Form C-299, Disconnect Order (Last revised 1975) Outdated multi-layered paper form replaced by current Form 14-458;
- Form 14-175-C, Final Call Notice (Last revised 1992) Outdated multi-layered paper form replaced by Form 14-456;
- Form CSD-386, Notice to Comply (Last revised 1974) Outdated form that supported SCE's former Rule 14.1 that is no longer in existence.
- Form EDP-122, Reminder (Last revised 1982) No longer used. SCE's current bill Form 14-574-0 has a Past Due notation across the upper portion of the bill and specific information in the payment stub area;
- Form 14-200, Statement of Energy Delivered (Last revised 1989) Outdated form. Replaced by current Form 14-574.

SCE may propose to withdraw these forms in the advice letter required pursuant to this Resolution. SCE shall provide these forms and explain in that advice letter the specific reasons why these forms are no longer necessary.

SCE is not requesting any cost recovery for its bill redesign project at this time.

This Resolution does not prejudice what costs associated with SCE's bill redesign effort that Commission may subsequently authorize SCE to recover in rates.

SCE stated in AL 2058-E that it will request the recovery of ongoing operation and maintenance (O&M) costs of approximately \$1 million annually associated with rendering the redesigned bill in its 2009 General Rate Case (GRC) for Test Year 2009 and going forward.

Cost recovery associated with SCE's revised bill format is subject to a future Commission order. This Resolution does not prejudice or determine what costs the Commission will allow SCE to recover in rates associated with revising its bill format.

SCE is authorized to proceed with its bill redesign efforts.

SCE's bill redesign project, including procurement of necessary equipment and development of software to implement the new bill format and the simplified bill format as proposed in Advice Letter 2058-E, may begin; SCE's final bill redesign and revisions to forms are subject to a subsequent filing.

SCE states in AL 2058-E that its redesigned bill formats are expected to be ready for customer use in the fourth quarter of 2007.

SCE proposes in AL 2058-E to make a subsequent compliance filing, subject to Energy Division staff review and approval, prior to switching to the redesigned bill formats and implementation of the simplified bill formats. SCE proposes that this compliance filing will include samples of the finalized versions of the redesigned bills, all associated revised forms, and the simplified bill formats. SCE shall file a subsequent advice letter, subject to review and disposition by the Energy Division, or by a Commission order, as specified herein.

Energy Division has reviewed SCE's proposal and additional information provided by SCE on its proposed bill redesign. We believe that the actions proposed by SCE in its bill redesign effort are consistent with discussion noted in D.05-11-009; i.e., that having more customer friendly billing formats could assist in meeting demand response, energy efficiency, and other policy goals. SCE is authorized to proceed with its bill redesign efforts and implement the optional simplified bill format for customers who request this bill presentation option as outlined in AL 2058-E subject to the conditions of this Resolution.

SCE's proposed redesigned bill format and optional simplified bill is appropriately addressed through the advice letter process.

During the pre-hearing conference for A.06-06-026 held on October 5, 2006, SCE indicated that it would be filing an advice letter rather than using the application process. As stated in the Assigned Commissioner's Ruling and Scoping Memo for A.06-06-026, issued on October 25, 2006, "*SDG&E and Southern California Edison Company also attended the pre-hearing conference and stated their intent to redesign their own customer bills; however, neither plans to file a related application at this time, believing their plans for bill redesign would not implicate past Commission orders or rules.*"

In AL 2058-E SCE states, “All detailed billing information (i.e., rate components) currently required by the PU Code and Commission decisions will continue to be included on the redesigned bill.” Unlike SCE, PG&E was requesting exemption for certain PU Code and Commission decision requirements, which necessitated PG&E’s need to file an application. Since no required detailed billing information will be eliminated by SCE, Staff agrees that filing the advice letter is appropriate.

In its protest, DRA stated that SCE’s advice letter filing provides an insufficient basis for the review and approval of its proposals. DRA requested that SCE provide prototypes or samples of SCE’s proposed collection and disconnection notices, as well as all data results on market research, surveys and focus groups that SCE conducted and used to determine all changes made to its customer’s bills.

AL 2058-E states, “SCE worked closely on the bill redesign effort with a consulting firm experienced in utility bill format design to create bill prototypes, conduct customer focus groups, and refine the prototypes based on customer feedback.” It should be noted that SCE retained the services of the same consulting firm used by PG&E for their bill redesign effort as well.

As stated in AL 2058-E, SCE indicated that it will submit samples of its revised forms and notices to the CPUC in a subsequent filing prior to switching to the redesigned bill formats. In its advice letter, SCE provided a summary of the results of its market research for the proposed changes by category for residential and business customers. These results indicated to SCE that, “Customers have reacted favorably to the redesigned bill.” Energy Division staff has reviewed reports provided by SCE on its customer surveys and market research referenced by SCE in AL 2058-E, and has confirmed that SCE has accurately reflected in its advice letter the results of this research.

Since: 1) no required detailed billing information will be eliminated by SCE; 2) SCE is not proposing to modify prior Commission orders or decisions relating to information required on a customer’s bill; 3) SCE is not proposing to increase rates or reduce service; and 4) no hearings are required in regards to SCE’s request, filing an advice letter is appropriate in this case. Accordingly, we deny DRA’s protest that SCE’s request filed in AL 2058-E be addressed by an application.

DRA and parties in A.06-06-026 will have an opportunity to review and provide input on SCE's finalized bill formats and related forms.

We authorize SCE to proceed with its bill redesign efforts and require SCE to file a separate advice letter prior to switching to the redesigned bill formats to provide all finalized redesigned bills, simplified bills, and revised forms prior to implementation. SCE shall file this advice letter no later than September 1, 2007. In this advice letter filing, SCE shall provide copies of all bills in both their current form and as SCE proposes to revise the bills. Additionally, SCE shall include all forms that it proposes to revise, both in their current state and as SCE proposes to revise these forms. SCE shall also include in this advice letter all forms that it proposes to withdraw, with explanations why the forms are being revised or withdrawn.

SCE shall serve this advice letter on DRA and all parties in PG&E's bill redesign application A.06-06-026. Parties may protest the advice letter to raise any concerns according to applicable rules governing advice letter review. This advice letter shall become effective no earlier than 30 days after filing, and shall be subject to any necessary further action and disposition by the Energy Division, or by a Commission order if necessary.

COMMENTS

Public Utilities Code section 311(g) (1) generally requires resolutions to 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) (3) provides that this 30-day period may be reduced or waived pursuant to Commission adopted rule.

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 the date the draft resolution was issued for comment.

Timely comments were received by PG&E on January 16, 2007, by SCE on January 17, 2007, and by the Division of Ratepayer Advocates on January 19, 2007.

PG&E supports Resolution E-4053.

In its comments, PG&E indicated it supports the Commission's proposed endorsement of SCE's customer friendly bill redesign initiative. PG&E stated, *"SCE is using the same highly experienced consultant and standard methodologies that PG&E is using in its parallel bill redesign effort."* PG&E also stated that it *"acknowledges the Commission's agreement that the Advice Letter remains the appropriate regulatory review for the submission of modified sample forms for bill redesign"*

DRA requests the opportunity to review and comment on SCE's finalized redesigned billing format, revised forms, and the optional simplified bill format.

While generally in support of draft Resolution E-4053, DRA stated that it, *"requests the opportunity to review and comment (within the timeframe allowed by General Order 96) on SCE's ... advice letter for approval of its finalized redesigned billing format and revised forms, including finalized versions of the Optional Simplified Bill format with details of any billing components SCE considers prudent to omit."*

DRA also stated, *DRA requests the opportunity to make sure substantial aspects of the redesigned billing format are properly addressed. Such aspects include bill statement readability, text fonts, and language content which are easily understood by Limited English Proficient persons, seniors, and persons with (visually impaired) disabilities".*

SCE's request that protests to its advice letter filing should be limited to only new information provided in the advice letter filing is implicitly understood and not necessary for a modification to an Order in this Resolution.

In its comments on draft Resolution E-4053, SCE indicated that DRA and other parties already had an opportunity to comment on SCE's newly redesigned bill format and the optional simplified bill. SCE stated that, *"protests to the (Advice Letter) filing should be limited to only new information provided in the (Advice Letter) filing. This will prevent rehashing or relitigating matters already addressed in Advice (Letter) 2058-E and the draft Resolution ..."*

SCE requests that Order 6 be modified to limit protests to new information presented in the advice letter, and not address matters already addressed in its Advice Letter 2058-E or Resolution E-4053.

Staff finds that SCE's request to modify Order 6 is not necessary. Protests and comments upon review of an advice letter should not be restricted or limited except as those governing advice letter filing. To avoid wasting time and resources on matters that the parties have already reviewed and addressed, it is understood that protests and comments on new information not previously presented or addressed would be considered.

Draft Resolution E-4053 is modified to clarify that DRA will be afforded the opportunity for review and comment it requests.

Staff finds that DRA's request to review and provide comments, within the time frame allowed for protests on advice letters, on the finalized redesigned bill format, revised forms, finalized version of the optional simplified bill format, details of billing components that will be omitted, and aspects on bill statement readability, text fonts, and language content is reasonable.

Draft Resolution E-4053 is modified to clarify that DRA will be afforded the opportunity to review and comment it requests.

FINDINGS

1. SCE filed AL 2058-E on November 15, 2006 to propose a redesigned bill format.
2. SCE states in this AL that its current bill format has become increasingly complex.
3. Discussion in D.05-11-009 indicated that having a more customer friendly billing format could assist in meeting demand response, energy efficiency, and other CPUC policy goals.
4. In February 2005, SCE began an effort to redesign its bill format to improve the overall bill display.
5. SCE worked on the bill redesign effort with an experienced consulting firm to create bill prototypes, conduct surveys and customer focus groups, and refine the prototype based on customer feedback.
6. The redesigned bill uses graphical information to display current and historical usage in an understandable manner.

7. The redesigned bill format allows customers to enroll and participate in various demand response programs.
8. SCE's proposed redesigned bill simplifies the language depicting the rate tiers.
9. Documentation on SCE's customer surveys show that sampled customers have reacted favorably to the redesigned bill.
10. According to SCE, the redesigned bill format is easier to understand and should allow customers to better manage their energy usage.
11. All detailed billing information currently required by the Commission and by statute will continue to be included on the redesigned bill.
12. SCE proposes to offer customers an optional simplified bill format only upon the customer's request.
13. The simplified bill format is purely optional and SCE will retain all detailed bill information for all customers who request a simplified bill.
14. SCE will also be revising several Forms and Notices associated with the bill redesign effort, and withdrawing several forms it determined as no longer necessary. These revised forms and the forms to be withdrawn will be subject to review in a separate advice letter filing pursuant to this Resolution.
15. SCE's AL 2058-E filing will not create an increase in any rate or charge at this time, cause the reduction or withdrawal of service, or conflict with any other schedule or rule.
16. Cost recovery associated with SCE's revised bill format is subject to a future Commission order.
17. SCE will request the recovery of ongoing O&M costs associated with rendering the redesigned bill in its 2009 GRC for Test Year 2009 and going forward.
18. This Resolution does not prejudge what costs the Commission will allow SCE to recover in rates associated with revising the bill format.
19. SCE's bill redesign project should proceed following the effective date of this Resolution.
20. The redesigned bill formats are expected to be ready for customer use in the fourth quarter of 2007.
21. SCE should file a subsequent advice letter filing prior to switching to the redesigned bill formats and implementation of the simplified bill formats. This filing should include samples of all the finalized versions of the redesigned bills, all associated revised and withdrawn Forms, and the simplified bill formats.
22. The actions proposed by SCE in its bill redesign effort are consistent with discussion in D.05-11-009.

23. SCE should be authorized to implement the bill redesign formats as proposed in AL 2058-E, as modified, and implement the optional simplified bill format for customers who request this bill presentation option, subject to the conditions of this Resolution.
24. SCE Advice Letter 2058-E was timely protested by DRA on December 5, 2006.
25. SCE responded to DRA's protest on December 12, 2006.
26. DRA's protest that SCE's redesigned bill be addressed in an application is denied.
27. Timely comments on draft Resolution E-4053 were received by PG&E, SCE, and DRA on January 16, 2007, January 17, 2007, and January 19, 2007, respectively.
28. DRA shall be afforded the opportunity to review and comment on SCE's advice letter that it requests, within the time frame allowed for protests to advice letters.

THEREFORE IT IS ORDERED THAT:

1. The request of SCE, in its Advice Letter 2058-E, to implement a redesigned bill format is approved with modifications.
2. SCE's redesigned bills shall include all billing components and information currently required by Commission orders and by statute.
3. The request of SCE to implement the optional simplified bill format for customers who request this bill presentation option is approved with modifications on the following conditions:
 - a. A customer must initiate action to receive a simplified bill in lieu of the standard bill by contacting SCE. SCE may inform customers of the simplified bill option.
 - b. SCE shall promptly provide at the customer's request at no charge a standard bill to any customer who has opted for a simplified bill for any billing period during which the customer received or receives a simplified bill.
 - c. A customer may opt in or out of the simplified bill option at any time and at no charge.
4. Cost recovery associated with creation of SCE's redesigned bill and optional simplified bill is subject to a future Commission order. This Resolution does not prejudice or determine what costs the Commission will allow SCE to

recover in rates associated with revising its customer bill design or creating its optional simplified bill.

5. On or before September 1, 2007, SCE shall file an advice letter prior to switching to the redesigned bill formats and implementation of the simplified bill formats. This advice letter shall include samples of all current bills and the finalized versions of all redesigned bills. This advice letter shall also include samples of all simplified bill formats that SCE proposes to implement. SCE shall explain in this advice letter the specific reasons for the revision or withdrawal of any Forms. SCE shall also include in this advice letter redlined versions of all Forms that it proposes to revise.
6. SCE shall serve the advice letter it files in compliance with this Order on DRA and all parties in PG&E's bill redesign application A.06-06-026. Parties may protest the advice letter to raise any concerns according to applicable rules governing advice letter review. This advice letter shall become effective no earlier than 30 days after filing, and shall be subject to any necessary further action through Energy Division staff disposition or by an order of the Commission.

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 January 25, 2007; the following Commissioners voting favorably thereon:

STEVE LARSON
Executive Director

MICHAEL R. PEEVEY
PRESIDENT
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
Commissioners