BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for	
Approval of its Residential Rate Design Window	Application 17-12-011
Proposals, including to Implement a Residential Default	
Time-Of-Use Rate along with a Menu of Residential Rate	
Options, followed by addition of a Fixed Charge	
Component to Residential Rates (U39E)	
And Related Matters.	Application 17-12-012 Application 17-12-013
Exhibit No. SDG&E	1

PREPARED SUPPLEMENTAL TESTIMONY OF HORACE TANTUM IV ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

June 7, 2018



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PREPARED SUPPLEMENTAL TESTIMONY OF

HORACE TANTUM IV

I. INTRODUCTION AND PURPOSE

My Direct Testimony for San Diego Gas & Electric Company's ("SDG&E") 2018
Residential Rate Design Window ("RDW") Application, submitted on December 20, 2017,
focuses on the Marketing, Education, and Outreach ("ME&O") Plan for SDG&E's 2019 Mass
Time-Of-Use ("TOU") Default. The purpose of this Supplemental Testimony is to update my
Direct Testimony with additional information regarding the marketing research currently
ongoing as part of SDG&E's Default TOU Pilot participant survey. It should be noted that the
Default TOU Pilot is on-going and it is expected that final results of the first participant survey
will be available June 13, 2018. Accordingly, this Supplemental Testimony can only report on
currently available preliminary results. That said, SDG&E is committed to reporting the final
results to all the various stakeholders and considering all the feedback prior to implementing its
ME&O Plan for purposes of the transition to mass TOU Default.

II. RESIDENTIAL TOU DEFAULT PILOT – PARTICIPANT SURVEY

SDG&E customers who have transitioned to a TOU rate as part of the Default TOU Pilot received an initial participant survey approximately 2-6 weeks after they received their TOU welcome materials. SDG&E collaborated with the research firm Hiner & Partners to conduct the survey, which was administered using a multi-mode methodology (online and phone), with a goal of 3,000 completed surveys. The primary objective of this survey is to understand which groups of customers have the highest levels of awareness and knowledge of their pricing plan

¹ This Supplemental Testimony is being served pursuant to the schedule adopted in the *Amended Scoping Memo and Ruling of Assigned Commissioner for Phases II and III of the Proceeding and Joint Ruling with Administrative Law Judges* ("Amended Scoping Memo"), dated April 10, 2018, at 12.

1	transition.	One of the outcomes of this research will be to identify and/or enhance optimal ways	
2	to commun	cicate to customers about the TOU transition and the choices that are available to	
3	them. Rese	earch questions addressed in this survey include:	
4	•	Do customers know what pricing plan they are on?	
5	•	Do customers know what their plan options are?	
6	•	Do customers know that they don't have to stay on TOU; that they can opt out?	
7 8	•	Which communications do they recall receiving (notifications, welcome brochure)	
9	•	If recalled, how clear/useful was that information?	
10	•	Do customers know what the peak hours are?	
11 12	•	Do customers plan to shift or change any of their energy use, and if so, how difficult would that be?	
13 14	•	Do customers know where they can get more information about how to manage their energy use on TOU?	
15	Below are some survey details and high-level initial findings observed by SDG&E:		
16	SDG&E Default TOU Pilot Participant Survey – Wave 1 Sample Results:		
17	>	Survey fielded: April 16 – May 18, 2018	
18	>	Number of responses: 3,292	
19		• 1,153 from mail only group;	
20		■ 1,111 from email only group; and	
21		• 1,028 from the group receiving the survey by mail and email.	
22	>	High-level Summary:	
23		 80% of the customers indicate they have heard of TOU pricing; 	
24		 49% indicate they are currently on a TOU rate; 	
25 26		• 61% indicate that they recall being part of the recent transition to TOU pricing;	

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- 79% indicate that they are aware they have a choice in pricing plans, in that they can select a different TOU pricing plan or choose to go back to their previous tiered pricing plan; and
- 72% of the participants stayed on assigned Default TOU Pilot rate (i.e., took no action), 19% chose a different TOU pricing plan, and 4% chose to go back to a standard tiered pricing plan.

This preliminary data appears to support SDG&E's current ME&O approach. Once the surveys have been completed and final data is available, additional analysis can be provided, including comparisons between subgroups of customers (e.g., CARE vs. non-CARE, Hot vs. Cool zones, and customer profile segments). A full report for this first round of SDG&E surverys will be presented by Hiner & Partners at the Rate Reform ME&O Working Group meeting on June 13, 2018. Customers remaining on TOU pricing plans during the Default TOU Pilot will be surveyed again in the fall of 2018. The objective of this later survey will be to learn (1) how satisfied customers are on their TOU pricing plan, (2) how engaged they are in modifying their electricity usage, and (3) which types (mode and content) of communications and offers/incentives lead to higher levels of satisfaction and engagement.

As noted above, SDG&E is committed to using all the survey information to make refinements to its mass TOU Default ME&O Plan, where necessary.

This concludes my Supplemental Testimony.