

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

Order Instituting Rulemaking on the
Commission's Own Motion to Conduct a
Comprehensive Examination of Investor Owned
Electric Utilities' Residential Rate Structures, the
Transition to Time Varying and Dynamic Rates,
and Other Statutory Obligations.

R.12-06-013
(Filed June 21, 2012)

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) EIGHTH QUARTERLY
REPORT ON PROGRESS OF RESIDENTIAL RATE REFORM**

FADIA RAFEEDIE KHOURY
CONNOR J. FLANIGAN

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-6411
Facsimile: (626) 302-6693
E-mail: connor.flanigan@sce.com

Dated: **August 1, 2017**

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

Order Instituting Rulemaking on the
Commission's Own Motion to Conduct a
Comprehensive Examination of Investor Owned
Electric Utilities' Residential Rate Structures, the
Transition to Time Varying and Dynamic Rates,
and Other Statutory Obligations.

R.12-06-013
(Filed June 21, 2012)

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) EIGHTH QUARTERLY
REPORT ON PROGRESS OF RESIDENTIAL RATE REFORM**

Pursuant to Ordering Paragraph 16 of Decision No. 15-07-001, Southern California Edison Company hereby timely provides its Eighth Quarterly Report on the Progress of Residential Rate Reform, attached hereto as Attachment A.

Respectfully submitted,

FADIA RAFEEDIE KHOURY
CONNOR J. FLANIGAN

/s/ Connor J. Flanigan

By: Connor J. Flanigan

Attorneys for
SOUTHERN CALIFORNIA EDISON COMPANY

2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Telephone: (626) 302-6411
Facsimile: (626) 302-6693
E-mail: connor.flanigan@sce.com

August 1, 2017

**SOUTHERN CALIFORNIA EDISON COMPANY'S
EIGHTH QUARTERLY REPORT
ON PROGRESS OF RESIDENTIAL RATE REFORM**

August 1, 2017

**Southern California Edison Company’s Eighth Quarterly Report
On Progress of Residential Rate Reform**

Table of Contents

<u>Section</u>	<u>Page</u>
I. Introduction.....	1
II. Marketing, Education & Outreach (ME&O) Campaign.....	1
A. Summer 2017 Campaign	1
B. Outreach for High Usage Charge (HUC).....	2
III. Metrics	3
A. ME&O Tracking Survey – Wave 3 - Spring 2017.....	3
IV. Update on Online Bill Comparison Tool and Paper Bill Comparisons	4
A. Online Bill Comparison Tool	4
B. Rate Comparisons.....	4
C. Overall Bill Presentment.....	5
V. TOU pilots.....	6
A. Opt-in TOU Pilot.....	6
a. Marketing, Education and Outreach (ME&O).....	6
b. Seasonal Outreach	7
c. Text Messages	7
d. Notice of Ineligibility Letters.....	7
e. End of Bill Protection Letters	7
f. “True-Up” Letter.....	8
g. Pilot Research.....	8
B. TOU Default Pilot	8
VI. TEXT ALERT TRIAL	8
VII. Application for Transition of Customers To Default TOU.....	9
VIII. Current Opt-In Residential Time-of-Use Rate Enrollments	10
IX. Medical Baseline.....	11

**Southern California Edison Company's Eighth Quarterly Report
On Progress of Residential Rate Reform**

Table of Contents (Continued)

<u>Section</u>	<u>Page</u>
X. Budget Update.....	13
A. Residential Implementation Memorandum Account (RRIMA) Summary	13
B. Marketing, Education & Outreach (ME&O) Budget Summary	14
XI. Conclusion.....	15

I. INTRODUCTION

Pursuant to California Public Utilities Commission (Commission) Decision (D.)15-07-001 (the Decision), the Investor-Owned Utilities (the IOUs, Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) must provide quarterly updates on the progress of residential rate reform efforts and the transition to default time-of-use (TOU) rates. This update is the eighth quarterly report on the progress of residential rate reform (PRRR).

As directed by the Assigned Commissioner and Assigned Administrative Law Judges' (ALJ) previous Rulings, SCE's 8th Quarterly PRRR includes updates on its Marketing, Education and Outreach (ME&O) plan; metrics, goals and strategies for residential rate reform; statistics on the number of customers currently enrolled in opt-in TOU rates; statistics on the number of customers enrolled on medical baseline, as well as outreach activities; a status update of paper rate comparison and online bill tools; information on bill presentment for typical customers on default and opt-in rate schedules; progress on Default TOU plans; information on ME&O expenditures and a summary of the status of the Residential Rate Implementation Memorandum Account (RRIMA) as required by the Decision.

II. MARKETING, EDUCATION & OUTREACH (ME&O) CAMPAIGN

A. Summer 2017 Campaign

SCE launched its Rate Options Campaign in mid-July with radio and digital banner advertisements, social media and outdoor billboards utilizing a creative strategy of "lifestyles" in support of Residential Rate Reform.

The ads are directed to residential customers and intended to increase awareness and understanding of rate options. The campaign is designed to achieve key metrics that have been established by the ME&O Working Group as part of residential rate reform, and will advance the rates-related "conversation" with customers in preparation for their eventual transition default to TOU rates.¹

In preparation for the campaign, three sample online ads were produced to test which messages and creative "look and feel" would resonate most with customers and what facets of each might be used to create a final campaign.

Featured below is a single panel of each of the three multi-panel animated digital banner ads that were tested:

¹ On July 24, 2017, ALJ Park issued a Proposed Decision (PD) in SCE's Default TOU Application (A.)17-04-015 proposing to dismiss SCE's Application and its proposed Wave 1 implementation plan. It would order SCE to file another TOU implementation plan via its January 1, 2018 Rate Design Window Application. SCE is evaluating the PD and its potential implications for SCE's TOU rollout plans.



Option 1: Lifestyle



Option 2: Choice



Option 3: Costs

In order to evaluate which of these versions performed best, a survey was conducted using the SCE Customers Plugged-In Online Panel and results were used to help craft a final version of the advertisements. 655 customers participated in the survey between May 31 and June 7, 2017.

Overall, the results of the study did not produce an overwhelming “winner,” but Version 1 (Lifestyle) had a general advantage in the ratings over the other two versions across most measures. It especially outperformed the others on the attributes of providing new information, being understandable and clear, and driving awareness that SCE now has rate options.

The campaign’s radio and digital banner ads and social media began the week of July 17; outdoor billboards will follow in early August. All advertising will run through mid-October and ads have been translated into Spanish and Asian languages.

B. Outreach for High Usage Charge (HUC)

As of June 2017, SCE has mailed 185k HUC letters to customers at 349%-400% of baseline, and 209k HUC letters to customers exceeding 400% of baseline. For the second quarter of 2017, SCE mailed 83k HUC letters to customers at 349%-400% of baseline, and 51k HUC letters to those exceeding 400% of baseline.

The HUC communications have generated 17k calls between mid-Dec 2016 and June 30, 2017. SCE’s call center representatives have described that customers are generally calling-in asking why their usage so high. The call volume has decreased over the last quarter, primarily due to less customers exceeding 349% of baseline for the first time in 2017. Approximately 2% of customers who receive the letter call the phone center.

Web traffic to the HUC web page has been 31k visits since tracking began in mid-Dec 2016. This volume has also decreased over the last quarter. Based on customer feedback, SCE is in the process of revamping the High Usage web page to add more information on energy audits and ways to reduce energy. The changes are expected to go into effect by August 2017. SCE will also be conducting a study on a subset of HUC customers to determine if load conservation has occurred as a result of the letters. SCE anticipates these results being available by the end of 2017.

III. METRICS

SCE continues to use the primary metrics listed below for goal-tracking to assess customers' overall experience with and acceptance of default TOU based on their awareness, understanding, and engagement. SCE completed a third tracking study this spring (May-June 2017) to track these metrics and other survey measures – and found that results were generally unchanged from Wave 2 2016.

Metric #	SCE's ME&O Metrics	Goal vs. Tracking
1	Customers are aware that there are rate plans that may help them mitigate electricity expenditures.	Goal
2	Customers know where to go to get more information about how to manage their energy use	Goal
3	Customers understand how energy use can impact bills	Goal
4	Customers understand the benefits of lowering their energy use	Goal
5	Customers are aware of the rebates, energy efficiency programs, and tips offered by their utility that can help them manage their energy bill.	Goal
6	Customers feel they were provided useful info explaining their bills	Goal
8	Customers were provided with information and services to help reduce their energy bill	Tracking / Goal

A. ME&O Tracking Survey – Wave 3 - Spring 2017

In March 2016, SCE conducted an initial baseline survey of customer awareness and understanding of rate reform and specifically TOU rates and the planned default transition. In November-December 2016, SCE completed a second round of ME&O tracking research to assess progress, followed by the most recent third wave of telephone interviews with 1,000 Residential customers from May 1 to June 4, including customers with low usage, medium usage, and high usage. At the halfway point in 2017, SCE Residential customers continue to show moderate awareness and understanding of many of the key metrics – but the results are essentially unchanged from Wave 2 (November-December 2016); (Note: Wave 2 registered some gains over the Baseline study.) See table below for a summary of results across the three waves.

Metric	Key Measures	Baseline Spring 2016	Wave 2 Fall 2016	Wave 3 Spring 2017
-	Aware of TOU Rate Plan	41%	45% ↑	46%
-	Have Tiered Rate Plan	40%	46% ↑	40% ↓
-	Heard of rate plan changes	23%	21%	24%
Key Metrics				
1	Rate plans are available that could help you save money	50%	48%	48%
-	Each customer is given a monthly “baseline” that is charged at the lowest tier	54%	57%	52% ↓
-	The difference in electricity price between tiers has been reduced *	10%	13% ↑	16% ↑
-	By 2019, most residential customers will be transitioned onto TOU rate plan	10%	12%	8% ↓
-	A personalized rate plan comparison is available to help you choose . . .	23%	25%	25%
3	How to manage your electric bill using the rate plan that you are currently on	36% 5.86	38% 6.15 ↑	36% 5.94
3	How changes to current rate plans mean you could be paying more unless you can adjust your electricity use	33% 5.58	32% 5.72	34% 5.65
-	Aware of reasons for transition	21%	24%	19% ↓
4	Lowering or shifting electricity use will: reduce bill & save money, improve reliability, help environment, manage price increases	45% to 55% 6.59 to 7.13	46% to 53% 6.77 to 7.07	49% to 54% 6.83 to 7.19
6	Information was useful	46% 7.11	55% ↑ 7.49 ↑	58% 7.24
5	Aware SCE provides rebates, energy efficiency programs & tips	65%	68%	66%
2	Know where to get info about assistance offered by SCE	58%	58%	58%
Actions Taken				
-	Took steps to reduce electricity use	2%	7% ↑	5%
-	Switched rate plans	2%	2%	< 1%
-	Signed up for an SCE program	1%	2%	1%
-	Shifted electricity use to a lower price time of day	1%	3% ↑	1% ↓

The fourth survey will be conducted between November and December 2017.

IV. UPDATE ON ONLINE BILL COMPARISON TOOL AND PAPER BILL COMPARISONS

A. Online Bill Comparison Tool

The volume of usage to the tool since inception in June 2016 has been 97k visits. Traffic to the site continues to increase, with 34k visits in the second quarter of 2017. Rate comparison Test and Learns campaigns and the relaunch of the High Usage letter have contributed to a portion of the observed growth.

In January, SCE issued a Request for Proposal (RFP) to provide an enhanced rate analysis tool which will provide timelier, automated rate analysis with increased functionality. SCE has reviewed the proposals and expects to select a vendor in the third quarter of 2017. SCE anticipates this new tool with its enhancements will be available by the third quarter of 2018.

B. Rate Comparisons

In spring 2017, SCE conducted a Test and Learn of approximately 150,000 customers. Results were similar to the fall 2016 Test and Learn. The channels

available for customers to make a rate change are a business reply card (BRC), online, and telephone. Additionally, SCE implemented an integrated voice response (IVR) unit capability where customers can request the rate change through the IVR unit. Overall, there were 1708 rate change requests, and about half the responses received were through sending back a reply card. The online channel mix of 38% was lower than 48% in the fall. Of the 1708 rate change requests, 382 (22%) requested enrollment in the Text Alert Pilot.

SCE also conducted a spring test and learn with 5,000 net energy metering (NEM) customers. Results for this group are limited due to the small number of survey respondents in the key sample sub-groups: 103 Benefitters, 33 Neutrals, and 59 Non-Benefitters. However, NEM Benefitters are more likely to recall receiving the bill comparison communications and to have taken action in response to the TOU campaign. Approximately one in four Benefitters who recall receiving the campaign communications claim to have decided to switch to a TOU rate versus none of the Neutrals or Non-Benefitters. NEM customer recall of the campaign was low among NEM customers, ranging between 32% for Benefitters to 18% for Neutrals and 19% for Non-Benefitters. SCE concluded the campaign generated little recall, thus constraining its potential for broader impact.

However, when analyzing the results, SCE determined the communication was sent to a non-randomized sample. The target audience was skewed to older customers. A root cause analysis and lessons learned were conducted and showed that the Fall Test and Learn and the Spring campaign had a similar issue.

As a result, a Summer Test and Learn² was launched on June 20, to a randomized sample of 150k customers. SCE also sent customized bill comparisons to approximately 6,000 residential (NEM) customers (2,000 benefitters, 2,000 neutrals, and 1,870 non-benefitters).

SCE will conduct a survey in July 2017 for NEM and non-NEM customers to gain insights on customer recall and communications preference. The results will be available in August and will be shared with the ME&O Working Group in addition to recommendations for the fall 2017 bill comparison campaign.

C. Overall Bill Presentment

SCE is preparing to update its bill formats to increase residential customer awareness and understanding of TOU rates, in support of the residential default TOU pilot implementing in March 2018. To better understand best practices in bill design and obtain customer feedback and preferences about design changes, SCE conducted benchmarking, as well as primary and secondary research. The proposed design was

² SCE communicated the issue and resulting plan to launch the summer test and learn during the DATE webinar report-out of the 7th Quarterly PRRR.

shared with various stakeholders³ over the past few months to obtain and incorporate feedback. SCE is currently preparing an Advice Letter filing to formally propose these bill changes.

V. TOU PILOTS

A. Opt-in TOU Pilot

As of July 5, 2017, 16,670 customers remain on the pilot. Of the 4,864 customers who are no longer on the pilot, 683 are due to opt-outs, 4,181 are due to account closures and the remaining accounts are mostly due to customers signing up for an ineligible rate or program (i.e., net energy metering, medical baseline, TOU rate, etc.) that is not supported by the pilot. The table below provides an update on the 16,670 customers that remain on the pilot by rate assignment and segment.

TOU Opt-In Pilot Participants as of July 5, 2017

Segment Description	Rate 1	Rate 2	Rate 3	Control	Total
Hot Climate Zones, Non-CARE Customers	505		411		916
Hot Climate Zones, CARE Customers	539		395		934
Hot Climate Zones, General		1,615		1,679	3,294
Hot Climate Zones, Seniors below FPL		286		308	594
Hot Climate Zones, Seniors above FPL		289		303	592
Hot Climate Zones, Non-Senior CARE Customers below FPL		119		129	248
Hot Climate Zones, Non-Senior CARE Customers above FPL		187		199	386
Moderate Climate Zones, Non-CARE Customers	565	549	494	567	2,175
Moderate Climate Zones, CARE Customers	566	573	456	598	2,193
Cool Climate Zones, Non-CARE Customers	652	651	516	626	2,445
Cool Climate Zones, CARE Customers	614	611	495	615	2,335
Technology	276			282	558
Total	3,717	4,880	2,767	5,306	16,670

a. Marketing, Education and Outreach (ME&O)

SCE has been conducting ongoing education and outreach in an effort to increase customers' awareness of TOU periods and how to take advantage of their TOU rate while continuing on the pilot. The table below provides a high level overview of the ME&O activities completed/planned for SCE's TOU Opt-in Pilot in 2017.

³ Stakeholders include: TURN, Center for Accessible Technology, CPUC Consumer Affairs Branch, CPUC Public Advisors Office, ORA, CALSEIA, Lancaster Choice Energy, Apple Valley Choice Energy

ACTIVITY	2017											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Pre-Test Recruitment												
Confirmation Postcard												
Full Recruitment												
Welcome Kit												
Pilot Rate Begins												
Decline Letter												
Ineligible Letter												
Rate 3 Education/Monthly Bill												
Seasonal Newsletter												
Summer Postcard												
Social Media Event												
Text Messages												
Surveys												
End of Bill Protection												
12-Month Cost Analysis												
Thank You/Conclusion												

b. Seasonal Outreach

A summer seasonal newsletter was sent to pilot participants beginning with the English version mailed July 10th, followed by the in-language versions later in July. The newsletter contains reminders that customers are now on their summer peak periods and pricing, bill protection has ended, the second survey is in flight, and additional information about their rate and tips for managing their energy use in the summer.

c. Text Messages

Opt-in pilot participants in the “enhanced” ME&O customer group who opted in for text messages continued to receive TOU Pilot text messages the second and fourth week of each month. The text messages included reminders about how TOU works, which season currently applies for their rate, and additional tips. SCE has sent 20 text messages to date to select pilot participants who have opted to receive text messages. 138 customers or 4.6% of customers have opted out of the text message pilot and customer feedback has been minimal.

d. Notice of Ineligibility Letters

In the month of June, 303 ineligibility letters were sent to pilot participants. The letters continue to go out monthly.

e. End of Bill Protection Letters

Throughout the month of May, SCE sent letters to all pilot participants on a TOU rate informing them of the end of Bill Protection. The letter explained the bill protection calculation that would be completed after their 12th bill. The letter also informed customers that while bill protection was ending, the pilot itself will be continuing through the end of 2017.

The letters prompted a minor increase in customer calls. The communications created some confusion as most of the calls were from customers who thought the letter

meant the pilot was over, rather than bill protection ending. Customer opt-out numbers however, did not increase significantly as a result of the letters.

f. “True-Up” Letter

SCE is targeting the middle of August to begin sending customers a 12-month cost summary letter that will show customers how they performed on the first 12 months of the pilot. The letters will be staggered to account for the six weeks it took to get customers onto their TOU rates. SCE is targeting mid-August to coincide when customers can start to see their bill protection credits appear on their bills.

g. Pilot Research

The second survey of the Opt-in TOU Pilot being administered by Research into Action launched on June 21. Survey participation has reached 50% as of July 17, 2017. Data synthesis and reporting will occur in August and September. The Second Interim Report will be released by Nexant and Research Into Action by November 1. The report will provide the first full year of data on Opt-in TOU Pilot findings from survey data as well as load and bill impacts.

B. TOU Default Pilot

Resolution E-4847 was issued on May 12, 2017 approving AL 3531-E and 3531-E-A, adopting SCE’s Residential Default TOU Pilot with the following modifications:

- Summer seasonal communications must test persona based targeted messaging against non-targeted messaging;
- SCE is to consult with Energy Division and the TOU Working Group to finalize its ME&O strategies;
- SCE is to file a Tier 2 advice letter with the final testing plan by November 1, 2017;
- SCE is to include copies of all marketing collateral in its quarterly PRRR reports;
- SCE is to consult with Energy Division, the TOU Working Group, PG&E and SDG&E to refine and harmonize the metrics and M&E activities required to assess the various ME&O approaches; and
- SCE must track its actual expenditures to date against its estimated costs in its PRRR reports.

VI. TEXT ALERT TRIAL

In further preparation for the launch of the default pilot, SCE has continued research on more impactful communications to customers including text message alerts and reminders to customers new to a TOU rate. Customers who have opted-into TOU Options A or B in Q1 2017 and customers part of the Spring test and learn were offered the option to enroll in a text message pilot to help them become adjusted to TOU. Every

weekday, half of the customers are provided an alert at 2pm warning of the on-peak periods and others received a text message at 8pm notifying them of the beginning of the off-peak time.

The text alert trial was conducted in two phases. The first phase included a solicitation to participate in the text alert trial directly to customers who had switched to a TOU rate between January and March 2017. This phase received 452 enrollments from customers (a 13% enrollment rate) and launched on April 17. Customers were then split into two groups, either receiving the alert at the beginning or end of the on-peak period. After the two months of the trial there were 49 opt outs from customers receiving the reminders for the start of the on-peak, and 28 for the start of the off-peak, a 17% opt out rate.

A survey was sent to customers by email or text who stayed on for the entire trial in early July. Based on the survey results, customer response to the text alert trial has been largely positive. Approximately 85% of customers responded that the text alerts were somewhat or very helpful, and 70% said that they changed the way they used electricity based on receiving the text alerts. A survey to customers who opted-out of the trial is currently being conducted through phone interviews.

The second phase of the text alert trial included solicitation into the trial with the spring “Test and Learn” Rate Comparison mailers. Customers could sign up with the trial along with confirming the rate change. From this mailing, there were 336 customers who started receiving the alerts June 1. All customers in this phase are receiving the text message at the beginning of the off-peak period. The trial recently concluded at the end of July and surveys will soon be administered.

There are an additional number of customers (approximately 100) who have requested the alerts but who were not yet on a TOU rate as of June 1, 2017. These customers started receiving alerts on July 20th.

As a result of the positive feedback, SCE intends to include these text alerts as part of the default pilot. SCE intends to include additional details of the plan through the November 1, 2017 ‘Testing Plan,’ as required by Resolution E-4847.

VII. APPLICATION FOR TRANSITION OF CUSTOMERS TO DEFAULT TOU

SCE filed its Default TOU Application (A.17-04-015) on April 14, 2017 requesting Commission approval to implement default TOU via a “rolling process” *i.e.*, two “waves” in order to accommodate SCE’s Customer Service Re-Platform (CSRP) project. Specifically, SCE requested to transition approximately 1.6 million residential customers to default TOU, from November 2018 to February 2019, before it initiates a “system freeze” associated with CSRP testing and deployment. The system freeze will prevent SCE from undertaking significant initiatives, like transitioning customers to default TOU. SCE filed this application ahead of the January 1, 2018 deadline for the IOUs to submit

their respective RDW applications and requested a Commission decision by November 2017 in order to begin preparations for its proposed Wave 1 implementation plan.

On July 24, ALJ Park issued a Proposed Decision (PD) that, if approved, would dismiss SCE’s Application. The PD states that Wave 1 “would not allow sufficient time for completion of the implementation steps required by the Commission prior to the rollout of default TOU”; these required steps include:

- Incorporating findings from the Opt-in and Default TOU Pilots;
- Implementing statewide rate reform ME&O plan, including alignment with other IOUs; and
- Resolving Section 745 issues pertaining to potential exclusion of certain customers

SCE is reviewing the PD and its potential impacts on SCE’s TOU implementation plans going forward.

VIII. CURRENT OPT-IN RESIDENTIAL TIME-OF-USE RATE ENROLLMENTS

As of June 30, 2017, SCE has approximately 43,289 residential customers enrolled on optional TOU rate plans, as shown in the table below.

2017 Opt-In Residential TOU Enrollments

TOU Rate Option	Number of Customer 2017 - Q1	Number of Customers 2017 - Q2
TOU-D Option-A	9,046	9,643
TOU-D Option-B	16,957	18,630
TOU-D-T	14,520	14,206
TOU-EV-1	749	810
Total	41,272	43,289

2016 Opt-In Residential TOU Enrollments

TOU Rate Option	Number of Customers 2016 - Q1	Number of Customers 2016 - Q2	Number of Customers 2016 - Q3	Number of Customers 2016 - Q4
TOU-D Option-A	6,247	6,798	7,087	7,334
TOU-D Option-B	8,657	9,672	10,306	10,914
TOU-D-T	15,696	14,909	14,675	14,586
TOU-EV-1	785	789	782	771
Total	31,385	32,168	32,850	33,605

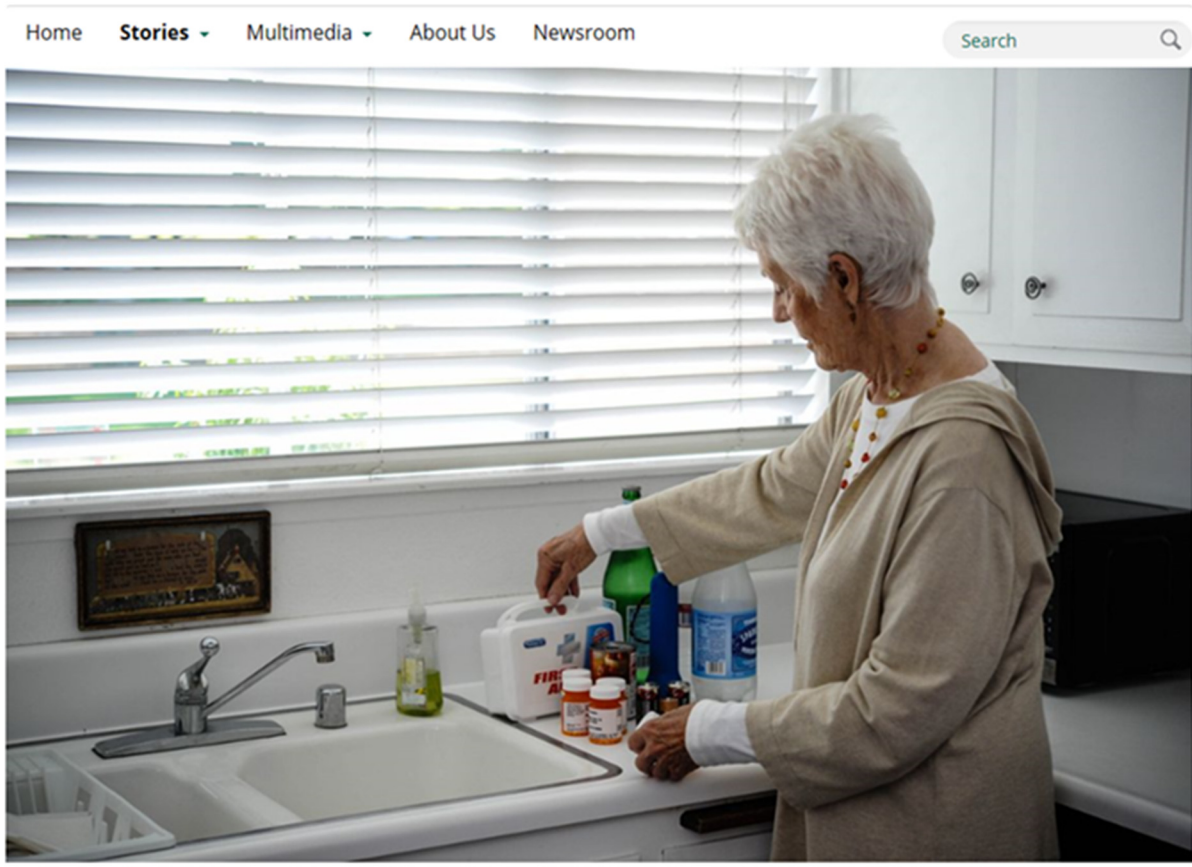
IX. MEDICAL BASELINE

As requested by Assigned ALJs McKinney and Park, SCE is providing updates on its current Medical Baseline (MBL) enrollment numbers and related activities in its quarterly PRRR report.

In December 2016, SCE began providing HUC communications to at-risk customers ahead of the introduction of the HUC beginning in January 2017. Customers who have usage over 349% of baseline receive a companion communication to their bills to call attention to their usage level, the possible bill impacts resulting from the HUC, and solutions that are available to mitigate or avoid these changes. With the relaunch of the HUC letters beginning in April, SCE integrated the MBL program as a solution in its HUC communications since high usage may result from a medical condition that requires additional cooling or use of an electrical medical device. SCE also has a dedicated HUC landing page that includes information on the MBL program.

In accordance with California Public Utilities Code Section 745(c)(1), customers enrolled in the MBL program, as well as customers who are subject to third party notification and or who require an in-person visit from a utility representative before being disconnected, are exempt from default TOU. As stated in SCE's Default Pilot Advice Letter (AL) 3531-E, approved in Resolution 4847-E, SCE will be partnering with Community Based Organizations and Local Governments, as well as exploring other opportunities and partnerships, to increase customer awareness of SCE's MBL program. SCE is continuing to explore and develop other outreach tactics to enhance customer awareness of its MBL program and other Section 745(c)(1) exemptions from default TOU. These tactics will be incorporated into SCE's pre-default TOU pilot communications, which are targeted to begin in December 2017 and continue through February 2018.

SCE recently updated its website with informational tips targeted toward MBL customers stressing the importance of being prepared and having an emergency back-up plan in the event of an unexpected heat related power outage.



RELATED STORIES

STORIES > SAFETY

[Heat Wave Safety Tips](#)

SCE Prescribes Outage Preparedness for Medical Baseline Customers

Have a plan in place when heat-related service interruptions occur.

Twitter Facebook 2 Comments Print Email

SCE also has a Mobile Energy Unit (MEU), which is a large vehicle that attends various customer facing events and provides customers with current literature and educational information on SCE programs, such as Medical Baseline, CARE/FERA and Low Income Energy Efficiency programs. SCE’s MEU in partnership with its trained third party vendors attend major events throughout its service territory promoting both residential and non-residential programs.

As of June 30, 2017, SCE has approximately 89,312 residential customers enrolled in its MBL program, as shown in the table below.

MBL Customer Class	Number of Customer 2017 - Q1	Number of Customers 2017 - Q2
Critical Care	16,069	16,043
Non-Critical	73,410	73,269
Total	89,479	89,312

X. BUDGET UPDATE

A. Residential Implementation Memorandum Account (RRIMA) Summary

Pursuant to Ordering Paragraph (OP) 12 of D.15-07-001, SCE filed Advice 3251-E on July 29, 2015 establishing the Residential Rate Implementation Memorandum Account (RRIMA), Preliminary Statement Part N.61.⁴ The RRIMA allows SCE to track its verifiable incremental costs associated with: (i) TOU pilots, (ii) TOU studies, including hiring of a consultant or consultants to assist in developing study parameters, (iii) ME&O costs associated with the rate changes approved in the Decision, and (iv) other reasonable expenditures as required to implement D.15-07-001. In Advice Letter 3335-E-A filed on March 17, 2016, SCE modified the RRIMA to also include bill protection credits if bill protection is offered.⁵

SCE has established guidelines to ensure that only appropriate incremental costs are charged to the RRIMA. As part of these guidelines, incremental costs are defined for labor and non-labor expenses, and capital expenditures, therefore providing clarity on what costs can appropriately be charged to this account and avoiding the possibility of double recovery of costs.

All costs that are tracked in the RRIMA are verified and confirmed under the RRIMA charging guidelines. There are certain costs that are incurred to support Residential Rate Reform that are not deemed incremental and therefore are not tracked in the RRIMA. Examples of such costs include, but are not limited to, General Rate Case (GRC)-funded labor hours of an employee working on Residential Rate Reform related activities, or pre-approved Residential Rate GRC funds set aside for marketing or other non-labor related activities. SCE has taken the initiative to proactively identify

⁴ Advice Letter 3251-E was approved by letter dated September 15, 2015 from the Director of the Energy Division, effective July 29, 2015.

⁵ Advice Letter 3335-E-A was approved by letter dated March 30, 2016 from the Director of the Energy Division, effective February 29, 2016.

and exclude these costs from our 2016-2017 RROIR budget forecast, and therefore these costs will not be tracked in the RRIMA.

Starting in Q1 2017, SCE has refined its RRIMA reporting to better align with the other IOUs. SCE is tracking all recorded costs in three categories, TOU Opt-In Pilot, TOU Default Pilot, and Non-TOU Pilot, with sub-categories in each (i.e., ME&O, Consultant, etc.). Below is the summary table of RRIMA operating expenses from October 2015 through June 2017.⁶

RRIMA		2015 Oct - Dec	2016 Total	2017 Q1	2017 Q2	2015-2017 TOTAL
TOU Opt-In Pilot	ME&O	\$ 49,604	\$ 746,033	\$ 285	\$ 15,924	\$ 811,846
	IT	\$ -	\$ -	\$ -	\$ -	\$ -
	Consultant	\$ 175,382	\$ 426,320	\$ 46,843	\$ 63,246	\$ 711,792
	Operations	\$ -	\$ 102,377	\$ -	\$ 86,892	\$ 189,269
	Incentives	\$ -	\$ 2,888,550	\$ 23,600	\$ -	\$ 2,912,150
	Other	\$ 24,595	\$ 263,613	\$ -	\$ -	\$ 288,208
TOU Default Pilot	ME&O	\$ -	\$ -	\$ 7,596	\$ 54,718	\$ 62,314
	IT	\$ -	\$ -	\$ 7,473	\$ 295,367	\$ 302,840
	Consultant	\$ -	\$ -	\$ 117,734	\$ 82,452	\$ 200,186
	Operations	\$ -	\$ -	\$ -	\$ -	\$ -
	Other	\$ -	\$ -	\$ 31,083	\$ 142,048	\$ 173,132
Non-TOU Pilot (Rate Communications)	ME&O	\$ -	\$ 4,509,001	\$ 54,509	\$ 320,577	\$ 4,884,086
	IT	\$ -	\$ -	\$ 38,482	\$ 184,351	\$ 222,833
	Consultant	\$ -	\$ -	\$ 35,088	\$ -	\$ 35,088
	Operations	\$ -	\$ 50,949	\$ 35,420	\$ 7,836	\$ 94,205
	Other	\$ -	\$ 1,113,151	\$ 104,856	\$ 47,612	\$ 1,265,619
Total Operating Expenses		\$ 249,581	\$10,099,993	\$ 502,968	\$ 1,301,024	\$ 12,153,566
Bill Protection		\$ -		\$ 21,027	\$ 58,313	\$ 79,340
Total RRIMA 2015-2017		\$ 249,581	\$10,099,993	\$ 523,995	\$ 1,359,336	\$ 12,232,905

While not noted in the above table, SCE has incurred capital-related expenses to support the residential rate reform decision. This work included system changes to modify SCE's tier structure, including the development of the HUC, the building of new rates for TOU Pilots, and the development of the short-term Online Bill Comparison Tool. While no new capital charges have been incurred in Q2 2017, SCE will continue to track and record these costs in the RRIMA when appropriate. Currently, SCE has incurred \$2,189,619 in capital-related expenses through June 30, 2017.

B. Marketing, Education & Outreach (ME&O) Budget Summary

The following table provides a revised budget estimate for SCE's RROIR ME&O activities in 2017-2020. The final budget may vary based on a variety of factors such as the final rate design, lessons learned from the TOU pilots and Section 745 exclusion

⁶ Summary table includes costs recorded in the RRIMA as of June 30, 2017. SCE may have incurred other costs during this time, which have not yet been recorded due to processing delays, and those costs will appear in the next reporting period.

criteria. SCE has not updated these forecasts to recognize the Proposed Decision recommending dismissal of its Default TOU Application

As requested by ORA in response to SCE’s Advice Letter 3500-E, SCE will update the below table with the recorded ME&O expenditures each quarter. Through June 30, 2017, SCE has recorded approximately \$423,000 in ME&O costs.

SCE's RROIR ME&O Budget Estimates for years 2017 - 2020						
Tactic	2017 Budget	2017 Budget Q1 Actuals	2017 Budget Q2 Actuals	2018 Budget	2019 Budget	2020 Budget
TOU Marketing & Education (Mass Media)	\$6,117,600	(\$16,591)	\$81,147	\$11,051,600	\$4,546,100	\$8,142,400
Bill Comparisons	\$1,500,000	\$13,642	\$183,037	\$2,600,000	\$2,600,000	\$2,600,000
Default TOU Pilot	\$213,592	\$6,118	\$54,718	\$2,456,058	\$213,675	\$0
Default TOU	\$859,272	\$0	\$0	\$7,796,995	\$4,552,835	\$10,278,798
Web Development (Inclusive of all activities)	\$82,800	\$20,580	\$188	\$35,080	\$37,588	\$41,347
Contact Center	\$123,000	\$0	\$0	\$0	\$0	\$0
Customer Research	\$250,000	\$18,518	\$46,520	\$250,000	\$300,000	\$300,000
Outreach (CBO's, Public Relations, Employees)	\$229,031	\$0	\$0	\$247,000	\$247,000	\$247,000
Marketing Automation	\$268,000	\$0	\$0	\$186,625	\$55,000	\$40,000
High Usage Charge	\$770,000	\$4,944	\$9,684	\$750,000	\$750,000	\$750,000
Total	\$10,413,295	\$47,211	\$375,295	\$25,373,358	\$13,302,198	\$22,399,545

ME&O expenditures for 2015 and 2016 are captured and reported out in the memorandum account table included in Section A. above.

XI. CONCLUSION

SCE and the other IOUs continue to collaborate with both the TOU Pilot and ME&O Working Groups along with the consultants and look forward to continuing to work towards the successful development of the TOU Pilot and the proposals that will assist in the success of the default TOU implementation and best practices to effectuate the letter and intent of Decision 15-07-001.