

may differ. Customers are also notified that they are generally eligible for Bill Protection for the first year, which refunds customers the difference should their costs with the new rate exceed what they would have paid on the basic rate.

As of February 28, 2018, 9.24% of MCE customers selected for the pilot declined to participate. Approximately 40% of these customers declined because they instead selected a different TOU rate. MCE's participation figures are similar to SCP's (9.15% decline rate), but are significantly lower than PG&E's total decline rate of 11.96%. Staff is working with PG&E to determine if this difference is due to the timing of mailers or other causes.

**Proposed Rates**

As of March 1, 2018, MCE's E-1 (basic residential) rate is \$0.00579/kWh less than PG&E's, resulting in a typical cost savings of about 2.5%. Staff recommends setting a rate for each E-TOU-C3 time-of-use period which is as close as reasonably possible to this cost savings. Proposed rates are as follows (using the most current PCIA and Franchise Fee vintage, for all usage below baseline):

<b>E-1 BASIC RESIDENTIAL</b>	GENERATION	NON-GEN	PCIA & FF	TOTAL RATE	VS. PGE RATE	Average Home Savings: 509 kWh per month * x \$0.00579 = \$2.95 per month savings.
MCE	\$0.06800	\$0.10389	\$0.03401	\$0.20590	<b>\$0.00579</b>	
PG&E	\$0.10780	\$0.10389	n/a	\$0.21169		

  

<b>E-TOU-C3 PILOT RATE</b>	GENERATION	NON-GEN	PCIA & FF	TOTAL RATE	VS. PGE RATE	* 509 kWh per month source from MCE's annual "Understanding your energy choices" (rec'd 7/2/2018) Current rates as of June 1, 2018.
<b>MCE</b>						
- SUM. PEAK	<b>\$0.12700</b>	\$0.12343	\$0.03401	\$0.28444	<b>\$0.00544</b>	
- SUM. OFF PK	<b>\$0.06300</b>	\$0.12343	\$0.03401	\$0.22044	<b>\$0.00600</b>	
- WIN. PEAK	<b>\$0.07000</b>	\$0.09280	\$0.03401	\$0.19681	<b>\$0.00598</b>	
- WIN. OFF PK	<b>\$0.05300</b>	\$0.09280	\$0.03401	\$0.17981	<b>\$0.00565</b>	
<b>PG&amp;E</b>						
- SUM. PEAK	<b>\$0.16645</b>	\$0.12343	n/a	\$0.28988		
- SUM. OFF PK	<b>\$0.10301</b>	\$0.12343	n/a	\$0.22644		
- WIN. PEAK	<b>\$0.10999</b>	\$0.09280	n/a	\$0.20279		
- WIN. OFF PK	<b>\$0.09266</b>	\$0.09280	n/a	\$0.18546		

Staff also requests that this rate be made retroactive to March 1. While staff is not aware of any customers yet on the E-TOU-C3 rate, customers may be eligible to actively switch to the rate as soon as the rate is published, before the pilot commences April 1, 2018. Making this rate retroactively effective March 1 limits potential challenges with billing these accounts correctly for their usage.

**Rate Name**

PG&E is currently describing the pilot rate by its full name of "E-TOU-C3 RESIDENTIAL TIME-OF-USE (PEAK PRICING 4 – 9 p.m. EVERY DAY)", but has indicated that this may be a placeholder for a more permanent rate description. To avoid customer confusion staff recommends initially establishing the rate as E-TOU-C3, but adjusting the name should it be changed in future PG&E filings.

**Recommendation**

Adopt the Residential Time-Of-Use generation rates set forth above, retroactive to March 1, 2018.