

ADVICE LETTER (AL) SUSPENSION NOTICE
ENERGY DIVISION

Utility Name: Southern California Edison	Date Utility Notified: April 20, 2018
Utility Number/Type: U 338-E	<input checked="" type="checkbox"/> E-Mailed to: Darrah.Morgan@sce.com and
Advice Letter Number(s): 3777-E	AdviceTariffManager@sce.com
Date AL(s) Filed: March 30, 2018	ED Staff Contact: Bridget Sieren-Smith
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INITIAL SUSPENSION (up to 120 DAYS from the expiration of the initial review period)

This is to notify that the above-indicated AL is suspended for up to 120 days beginning **May 1, 2018** for the following reason(s) below. If the AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division extends beyond the expiration of the initial suspension period, the advice letter will be automatically suspended for up to 180 days beyond the initial suspension period.

A Commission Resolution is Required to Dispose of the Advice Letter

Advice Letter Requests a Commission Order

Advice Letter Requires Staff Review

The expected duration of initial suspension period is 120 days

FURTHER SUSPENSION (up to 180 DAYS beyond initial suspension period)

The AL requires a Commission resolution and the Commission's deliberation on the resolution prepared by Energy Division has extended beyond the expiration of the initial suspension period. The advice letter is suspended for up to 180 days beyond the initial suspension period.

If you have any questions regarding this matter, please contact Bridget Sieren-Smith at bridget.sieren-smith@cpuc.ca.gov.

cc:
EDTariffUnit
Laura Fernandez, Braun Blaising Smith Wynne, P.C.

March 30, 2018

**ADVICE 3777-E
(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Residential Rate Reform Marketing Education and Outreach
Plan for Default Time-of-Use Pursuant to Resolution E-4895

I. PURPOSE

In compliance with ordering paragraphs (OP) 3 and 4 of California Public Utilities Commission (CPUC or Commission) Resolution E-4895 (the Resolution), Southern California Edison Company (SCE) submits this advice letter (AL) to provide various proposals and requested information relating to SCE's marketing, education and outreach (ME&O) plan for residential default time-of-use (TOU).

II. BACKGROUND

Decision (D.)15-07-001 directed Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E) and SCE (collectively the IOUs) to begin the process of migrating eligible residential customers to default TOU rates. As part of that process, D.15-07-001 discussed the importance of providing ME&O to residential customers and directed the IOUs to work with other parties to establish a ME&O Working Group (WG)¹ and examine ME&O strategies to increase customer awareness and understanding of changes to the tiered rate structure and transition to default TOU rates.

On December 17, 2015, the Assigned Commissioner and Administrative Law Judge (ALJ) issued a ruling that described the Commission's desire for greater integration of marketing activities between rate reform, demand side management (DSM) and other IOU programs, and also directed the IOUs to hire a consultant to advise the ME&O WG on the metrics, goals, and strategies, along with a statewide ME&O plan. Additionally, the ruling directed the IOUs to file a comprehensive ME&O plan by September 1, 2016.²

¹ D.15-07-001, OP 14.

² The May 26, 2016 ALJ Ruling extended the advice filing due date to November 1, 2016.

Greenberg, Inc. (Greenberg) was selected as the ME&O consultant to create an omnibus ME&O strategic plan (Blueprint). Following consultation with the ME&O WG, Greenberg delivered the Blueprint on August 20, 2016. A September 12, 2016 workshop was held by the Commission to determine the role of the Blueprint in relation to the November 1, 2016 IOU ME&O plans. The September 30, 2016 ALJ Ruling provided a common outline for the IOUs' respective November 1, 2016 ME&O advice letters.

SCE submitted AL 3500-E on November 1, 2016 providing its proposed residential default TOU ME&O strategies, tactics, metrics, timelines and budgets. In response to the February 6, 2017 ALJ Ruling requesting additional information, SCE submitted AL 3500-E-A on March 15, 2017. In addition to the information requested by the ALJ, Advice 3500-E-A also included updates and revisions to reflect SCE's proposed revised residential default TOU timeline due to SCE's proposed Customer Service Re-platform (CSRP) project schedule.³

On February 8, 2018, through the Resolution, the Commission approved SCE's Advice 3500-E with modifications, and partially approved Advice 3500-E-A. In Ordering Paragraph (OP) 3 of the Resolution, SCE was directed to file this tier 2 AL by March 30, 2018 to propose the following:

1. How SCE intends to engage with Community Choice Aggregators (CCAs) in its service territory; regarding the development of default TOU ME&O materials (see Section III.A);
2. Targets for the seven goal metrics adopted by the Resolution (see Section III.B);
3. Presentation of budget expenditures for 2018 – 2019⁴ in a comparable manner to the budgets of the other IOUs (see Section III.C);
4. Revisions to SCE's ME&O plan resulting from the hiring of a consultant⁵ to align the work between default TOU and statewide ME&O (section III.D); and

³ SCE provided its CSRP project proposal in its 2018 GRC Application (A.)16-09-001 (Exhibit SCE-04, Volume 3). To accommodate the CSRP implementation timeline, SCE formally proposed a two wave residential default TOU migration plan in A.17-04-015, which was dismissed by the Commission in D.17-08-024. As a result of the Commission's dismissal of A.17-04-015, parts of SCE's ME&O plan that were proposed in Advice 3500-E-A were rejected by the Resolution.

⁴ Due to SCE's proposal in A.17-12-011 *et al*/[Rate Design Window Application] for its Initial Default TOU Migration (IDTM) period to take place October 2020 through December 2021, SCE provides in this AL an updated and expanded budget for ME&O activities expected to take place in 2018 through 2022.

⁵ The Blueprint recommended the hiring of a consultant to implement and administer a statewide residential rate reform (RRR) ME&O program. D.17-12-023 expanded the role of DDB San Francisco (DDB), the consultant implementing statewide outreach for energy

5. An implementation plan for full marketing automation, to be completed by the end of 2018 (see Section III.E).

Additionally, OP 4 of the Resolution requested the following additional information:

1. A comparison of ME&O strategies across TOU and DSM programs (see Section IV.A);
2. Descriptions of strategies for aligning funding streams for default TOU and DSM programs (see Section IV.C);
3. Descriptions of ME&O cost allocation methods across programs (see Section IV.C); and
4. Descriptions of examples of integrated marketing strategies across programs (see Section IV.B).

III. Proposals

A. Engagement with CCAs

As filed in SCE's 2018 Rate Design Window (RDW) Application, SCE will work with active and future CCAs⁶ in its territory to develop TOU Default ME&O material that ensures consistent, timely, acceptable messaging, and provides a positive experience for shared customers. SCE seeks to learn from the experience of PG&E and the CCAs participating in its Default TOU Pilot to help refine SCE's approach for coordination with CCAs.⁷

To develop ME&O material for CCA customers, SCE commits to collaborating with CCAs on topics such as bill protection, rate comparison, the rate selection process, and other operational details such as default TOU rollout timing. In advance of the IDTM period,⁸ SCE will organize meetings with CCAs to, among other things, coordinate and obtain input on default TOU ME&O material. Initially, these coordination meetings will start with periodic check-in meetings. Approximately six months prior to the CCA's scheduled default period, the meeting frequency will be adjusted to at least monthly meetings to address more tactical topics.

efficiency (EE) under the Energy Upgrade California (EUC) brand, to align and integrate residential rate reform related ME&O tasks under the EUC brand.

⁶ Currently, three CCAs operate within SCE's service area: Lancaster Choice Energy, Apple Valley Choice Energy, and Pico Rivera Innovative Municipal Energy. SCE expects additional CCAs to operate by September 1, 2018 in San Jacinto, Rancho Mirage, Desert Cities, Palmdale, Riverside County Unincorporated, and Santa Monica.

⁷ A.17-12-011 et al, SCE-01, p. 40.

⁸ As proposed in A.17-12-011 et al, SCE's IDTM period will begin October 2020 and extend through December 2021.

To provide as consistent a message as feasible, and to improve the customer experience throughout the SCE territory, SCE plans to inform CCA customers about their transition to default TOU using the same communications approach it will use for its bundled-service customers with a 90/60/30-day cadence leading to the default date.⁹ This will mean leveraging SCE ME&O material developed for SCE bundled customers as the basis for CCA customer communications. To manage costs and potential for confusion, SCE foresees the importance of limiting version proliferation related to the various ME&O communication materials for different CCAs. The coordination meetings will be utilized to establish a reasonable process and time frame to allow the CCAs to review material and provide feedback in order to balance collaborative contributions with maintaining ME&O development project timelines.

B. Targets for the Seven Goal Metrics Adopted by the Resolution

The Resolution approved seven primary goal metrics for determining the overall effectiveness of SCE’s RRR ME&O efforts leading up to the full rollout of default TOU rates for SCE’s eligible residential customers that is proposed to begin in October 2020. SCE’s seven approved primary goal metrics are listed in Table A, below.

*Table A
SCE’s RRR ME&O Seven Primary Goal Metrics*

Metric #	Description
1	Customers are aware that there are rate plans that may help them mitigate electricity expenditures
2	Customers know where to go to get more information about how to manage their energy use
3	Customers understand how energy use can impact their bills
4	Customers understand the benefits of lowering their energy use
5	Customers are aware of the rebates, energy efficiency programs, and tips offered by their utility that can help them manage their energy bill
6	Customers feel they were provided useful information explaining their bills
7	Customers were provided with useful information and services to help reduce their energy bill

Tracking of these ME&O metrics and numerous other questions related to residential customers’ awareness, understanding, and engagement of rate reform and the

⁹ A.17-12-011 et al, pg. 40.

transition to TOU rates began with a baseline survey in 2016, and will continue with biannual surveys (spring and fall) through 2021. To date, four customer tracking surveys or waves have been conducted: two in 2016 and two in 2017.

To establish targets for the seven primary goal metrics, SCE used the most recent Wave 4 (Fall 2017) survey results. Wave 4 survey participants consisted of a random sample of SCE's residential population. SCE then determined the subset of customers who meet the characteristics of customers eligible for default TOU¹⁰ (Default Eligible).¹¹ While SCE will continue to survey all Residential customers, it will examine the approximately 70% of the sample that make up customers that are Default Eligible, which will be used to measure the metrics targets, shown in Table A. These goal metrics will be used to measure ME&O effectiveness for the remaining pre-transition years through the full default TOU rollout and post-transition periods. The assumption is that these targets are SCE-specific, and do not take into consideration other statewide ME&O efforts that might complement SCE's performance in these areas. Targets are structured to show varying levels of improvement over time by accounting for the current performance level of a particular metric,¹² and the nature of the ME&O activities planned to impact customer experiences and perceptions.

SCE's targets are then calculated against the most recent Wave 4 survey results for Default Eligible Residential customers, and will be measured for these residential customers in both our on-going biannual¹³ tracking surveys and the three Default TOU Pilot surveys in 2018.¹⁴ Note that as part of the on-going ME&O tracking, SCE will continue to survey all residential customers throughout its service territory on these same measures and other survey questions about TOU awareness, understanding, and engagement.

Shown in Table B, below, are SCE's proposed targets for its seven rate reform ME&O goal metrics.

¹⁰ See A.17-12-011 et al, SCE-01 for SCE's proposal for customers eligible for default TOU rates beginning in October 2020.

¹¹ Results of the Wave 4 survey population compared to the Default Eligible subset were nearly identical.

¹² For example, already high-scoring metrics are typically more difficult to move.

¹³ A survey in both spring and fall seasons with a total of about 1,250 Residential customers completing each survey.

¹⁴ Default Pilot surveys include the March 2018 Default TOU Pilot launch (Survey 1a), a second one during the summer of 2018 (Survey 1b), and another in winter 2018 (Survey 2) with 2,000 respondents in each.

Table B
SCE's Seven Proposed Rate Reform ME&O Goal Metrics

#	Metrics	Baseline Survey Spring 2016 Total Residential	Wave 4 Survey Fall 2017 Default Eligible	Target Improvement from ME&O*	Target Performance in 2021*
1	Awareness of rate plans to mitigate electricity expenditures - "Could help you save money"	50%	45%	+33%	60%
2	Awareness of where to go to get information about managing energy use	58%	57%	+9%	62%
3**	Understanding how energy use can impact bills	5.72	5.75	+13%	6.5
4**	Understanding benefits of lowering energy use	6.85	6.93	+8%	7.5
5	Awareness of rebates, EE programs [DR programs, energy management technologies], and tips to help manage bill	65%	64%	+5%	67%
6**	Provided useful information explaining bills	7.11	7.52	+6%	8.0
7	Provided with info / services to help reduce bill	30%	31%	+29%	40%

* Increases calculated in relation to Wave 4 (Fall 2017) Survey Default Eligible results.

**Scores are based on mean ratings to 10-point scale questions.

Improvement levels range from a low of 5% for Metric 5 (with already strong awareness) to a high of 33% for Metric 1 (a key component of SCE's ME&O efforts).

All of the metrics with percentages are based on "yes" answers to the survey questions, while the mean ratings are based on questions with a 1-10 rating scale as the basis for the answer choices.

Additional points to note regarding the metrics include the following. For Metric 1, SCE is using "help you save money" as a surrogate for "mitigate electricity expenditures." Metrics 3 and 4 are composite average ratings for multiple attributes related to customers' understanding of "how energy use can impact bills" and "benefits of lowering energy use." SCE proposes adding "Demand Response (DR) programs, energy management technologies" to the wording of Metric 5 which matches the wording that the other IOUs have for the same metric.

C. 2018 – 2022 Budget Expenditures

Resolution E-4895 directed SCE to present in this advice letter its "budget expenditures for 2018 – 2019 in a comparable manner to the budgets of the other IOUs."¹⁵ The Resolution also directed SCE to include any adjustments to the timing of its proposed activities¹⁶ and "acknowledge[d] that changes to SCE's ME&O Plan and associated budget may be necessary."¹⁷

¹⁵ Resolution E-4895, p. 45.

¹⁶ *Id.*, p. 26.

¹⁷ *Id.*, p. 27.

In SCE's pending 2018 Rate Design Window (RDW) Application,¹⁸ it requested authorization to transition approximately 3.3 million eligible residential customers to default TOU rates, beginning in October 2020. This transition plan accounts for the installation, testing, and stabilization phases of SCE's new technology platform, the Customer Service Re-Platform (CSRP), which is scheduled to take place in 2019 and 2020.

The budget provided in the following Table C provides budget expenditures for 2018 - 2019 and also includes proposed budget expenditures through 2022 to reflect the expected timing of marketing activities as outlined in SCE's pending 2018 RDW Application. This budget includes marketing costs for SCE's Default TOU Pilot Program and Default TOU full rollout, and takes into account Greenberg Blueprint budget recommendations. The activities outlined in Table C are designed to promote enhanced awareness of the Default TOU Full Rollout based on baseline metrics and are subject to change based upon the final marketing plan from the Blueprint Revision due in late April 2018.

Given the ALJ ruling to suspend semi-annual Rate comparison letters,¹⁹ SCE has decided to implement a more cost-effective tactic in the interim of communicating by email to select customers who benefit on TOU. However, Table C does reflect a proposed budget of \$10.2 million should the Commission direct SCE to resume its Rate Comparison letters in the fall of 2018.

¹⁸ 2018 Residential Rate Design Window Application of Southern California Edison Company (U 338-E) Requesting Authorization to Implement Residential Default Time-of-Use Rates and Increase Fixed Charges (filed December 21, 2017) in A.17-12-011 et al.

¹⁹ Administrative Law Judge's Ruling Noticing Workshop On Marketing, Education, And Outreach And Suspending Requirement For Semi-Annual Rate Comparison Mailers (filed September 5, 2017) in Rulemaking (R.)12-06-013.

Table C
SCE's RRR ME&O Budget Estimates for Years 2018-2022

Tactic	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	Totals
Mass Media	\$16,631,000	\$4,250,000	\$9,000,000	\$12,128,000	\$3,000,000	\$45,009,000
Creative Development & Production	\$450,000	\$750,000	\$1,000,000	\$1,000,000	\$450,000	
Media Buy	\$2,550,000	\$3,500,000	\$8,000,000	\$11,128,000	\$2,550,000	
Statewide	\$13,631,000	TBD	TBD	TBD	TBD	
Bill Comparisons	\$1,700,000	\$3,200,000	\$2,700,000	\$2,600,000		\$10,200,000
Default TOU Pilot	\$2,740,013	\$286,675				\$3,026,688
Communications Development	\$982,269					
30 / 60 / 90 Communications (DM / EM)	\$561,611					
Telephone Outreach	\$96,962					
New Rate Welcome Kit	\$461,285					
Seasonal Education (Winter/Summer)	\$498,306					
Bill Protection		\$213,675				
Text Alerts	\$74,500	\$73,000				
Collateral	\$25,000					
Social Videos	\$15,000					
Website Updates	\$25,080					
Default TOU		\$540,000	\$8,096,000	\$15,267,000	\$1,842,000	\$25,745,000
Communications Development						
30 / 60 / 90 Communications (DM / EM)			\$4,005,000	\$1,827,000		
New Rate Welcome Kit			\$2,095,000	\$2,921,000		
Seasonal Education (Winter/Summer)				\$6,133,000	\$1,206,000	
Bill Protection				\$1,353,000	\$266,000	
Telephone Outreach			\$733,000	\$1,240,000		
Video Bill			\$198,000	\$395,000		
Text Alerts			\$60,000	\$243,000		
Experiential Marketing		\$500,000	\$650,000	\$800,000	\$300,000	
Collateral		\$25,000	\$25,000	\$25,000	\$25,000	
Pre-Default Social Media			\$270,000	\$270,000		
Post Default Social Media			\$45,000	\$45,000	\$45,000	
Social Videos		\$15,000	\$15,000	\$15,000		
CCA Versioning						
Web Development (Inclusive of all activities)	\$24,920	\$47,412	\$85,000	\$85,000	\$85,000	\$327,332
Customer Research	\$600,000	\$250,000	\$200,000	\$250,000	\$150,000	\$1,450,000
ME&O Experience and Tracking Surveys for Default Pilot	\$350,000					
Experience Evaluation Research for Default Pilot	\$50,000					
Pulse Surveys / Experience Evaluation Research for Default TOU	\$50,000					
Communications Development / Message Testing		\$100,000				
Semi-Annual ME&O Tracking Surveys (2 waves -- Spring and Fall)	\$150,000	\$150,000	\$150,000	\$150,000	\$75,000	
Pulse Surveys / Experience Evaluation Research			\$50,000	\$100,000	\$75,000	
Community-Based Organizations	\$75,000	\$200,000	\$200,000	\$200,000	\$200,000	\$875,000
Marketing Automation	\$200,000	\$150,000	\$53,209	\$53,208	\$53,208	\$509,625
High Usage Surcharge (Super User)	\$377,578	\$440,514	\$440,493	\$196,975	\$120,852	\$1,576,412
Consultant for Alignment of ME&O Campaigns		\$210,000				\$210,000
Total	\$22,348,511	\$9,364,601	\$20,774,702	\$30,780,183	\$5,451,060	\$88,929,057

D. ME&O Blueprint Revisions and the Consultant Hired to Align the Work Between Default TOU and Statewide ME&O

SCE expects to spend approximately \$13.6M on Phase 1 statewide marketing, planning and strategy conducted by DDB, and an additional \$210,000 towards Coleman and Associates, the consultant hired to align the work between the IOUs' default TOU and Statewide ME&O campaigns. The Phase 1 budget of \$13.6 million is reflected above in Table C, but the Phase 2 Media budget is still being finalized and will be part of the Blueprint Revision expected in late April. SCE will update its statewide rate reform ME&O plan and budget as necessary through a supplemental to this advice letter.

E. Marketing Automation and Implementation Plan

SCE's marketing automation is delivered through SCE's agency of record, POSSIBLE WORLDWIDE INC., as well as standard in-house services. SCE continues to estimate marketing automation costs at \$509,625.

SCE is executing marketing automation functionalities which will enable a personalized customer experience that aligns with the three-phased ME&O approach that SCE proposed in A.17-12-011 et al: 1) Awareness and Understanding; 2) Action; and 3) Retention. Marketing automation will allow SCE to achieve its overall objective of delivering the right communication on the right channel at the right time.

SCE's marketing automation plan covers three major areas of online marketing that can be automated: 1) email marketing; 2) social media; and 3) landing pages. While the marketing automation plan covers these three areas, the overall marketing approach will include additional channels as outlined in the ME&O plan filed in A.17-12-011 et al.

SCE will establish a series of timely targeted communications that will be sent to customers at regular intervals. Example communications may include information on rate options, EE tips and programs, and "welcome" notices providing customers information on their new rates. In order to target communications, customers will be segmented based on demographics, psychographics and behavioral factors.

Aligning with the right channel at the right time approach, these communications may be delivered through direct mail, email, SMS, web, social or outbound calling – based on a customer's preference.

SCE will enable the use of dynamic content in email messages and social campaigns in order to target calls to action that vary based on customer segmentation.

SCE will also create a personalized experience on sce.com. Rate option pages will guide customers through a personalized conversion funnel, providing customers with tailored information regarding the TOU rate that they will be defaulted to. Automated emails will also align with this experience so that when a customer clicks on a personalized email, they will be redirected to a landing page according to their segmentation, *i.e.*, beneficiaries vs. non-beneficiaries.

As part of the Retention phase, SCE will develop a nurture campaign which allows customers to choose their own journey through our pre-planned automated email campaigns. SCE will further segment customers based on their interactions with our communications, automatically sending them different email messages based on their own interests.

SCE's implementation will include:

- Discovery
- Data structure setup
- Execution plan
- Development of processes (*i.e.* targeting, engagement, conversion analytics)
- Defining customer journeys Measuring and refining

Task deadlines and project timelines will be formally set in the execution plan phase.

Key Milestones	Date
Data structure design and setup	May 2018
Execution plan finalized	Aug 2018
Marketing automation functionalities enabled	Dec 2018
Measuring and refining	2019+

With changes in marketing automation best practices, technology modifications and customer’s changing behaviors, SCE may amend it’s marketing automation plan to align with these and other potential factors.

IV. Additional Information

A. Comparison of ME&O Strategies Across TOU and Demand Side Management (DSM) Programs

SCE routinely markets a suite of offerings to residential customers that range from rate plans, rebates and low-income programs to energy management tools and conservation tips. While all of these marketing efforts have different objectives, SCE coordinates and aligns its efforts so they work together to support conservation, behavior change and customer satisfaction by reaching the right person, in the right place, at the right time, and with the right message.

SCE’s overarching ME&O strategy is consistent across programs and is as follows:

1. **Customer Journey.** It relies on the marketing funnel²⁰ as a tool that helps put into perspective the customer journey, or the path that a customer takes to become familiar with SCE’s offerings, from awareness and education to trial and advocacy.

Today, SCE’s research indicates that few customers understand how their rates work (or what rate they’re on), including tier pricing. Many customers have the perception that they are on a TOU-like rate structure where they benefit from using appliances in the evening.²¹

²⁰ Marketing Funnel or purchasing funnel, is a consumer focused marketing model that illustrates the theoretical customer journey towards the purchase of a product or service.

²¹ According to the latest Wave 4 (Fall 2017) Rate Reform / TOU Transition ME&O Tracking survey, 64% of SCE’s Residential customers have heard of a Tiered rate plan and 46% have heard of a Time-of-Use or TOU rate plan. Only 35% say they have a Tiered rate plan, 8% TOU, 9% NEM, and 52% are not sure what rate plan they are on.

In preparation for broad-scale residential transition to TOU rates in 2020, SCE implemented an awareness campaign (upper funnel) that utilizes mass media to reach a broad audience to begin the process of educating customers about their rate options so that they can make informed decisions when it's time for their transitions to TOU.

This mass awareness approach is in contrast with SCE's ME&O for DSM programs which is designed to reach customers who are further within the marketing funnel where driving action is key using much more targeted communications channels that include direct mail and email. For instance, in preparation for the summer season, SCE isolates those customers who have a swimming pool, educates them about the benefits of a variable speed pump and encourages their enrollment. This call-to-action is doable and meaningful, and represents one-to-one customer engagement.

2. **Customer Data.** SCE routinely uses internal customer data and external demographic data to develop propensity models to identify those customers that may be most likely to respond to specific offer types, e.g. low-income program enrollment, EE programs and rebates, etc. Most recently, SCE created a propensity model to identify Family Electric Rate Assistance (FERA) program eligible customers who may benefit from enrollment in the program. ME&O that utilizes this new model will be deployed within the next month and will help to efficiently and effectively target specific customer segments.
3. **Cohesive Look and Feel.** To create a cohesive experience across all channels, the look and tone of all communications materials are consistent, and our messages are crafted with clear, simple language.

To that end, SCE projects an attitude that is caring, responsive, expert and visionary, and our brand, "Energy for What's Ahead," represents a foundation of energy progress that better serves customers, communities and the environment.

4. **Integration of Multiple Offerings.** SCE combines multiple programs and offerings within its communications, using strategic selection (rather than a random laundry list) that considers the targeted audience and SCE objectives.

This integrated approach encourages customers to move beyond one-time "single energy actions" (e.g., one program sign-up) and drives customers toward multiple, ongoing, behavior changes that are paramount to effective energy management. (Specific examples of this integration can be found in Section IV.B of this AL).

SCE's ME&O strategies and integrated approach are customer-centric and will lead to a more personalized experience and more efficient and effective communications. The new TOU rates and DSM programs are complementary to each other, and DSM and

low income programs may help customers to better manage their energy use after they enroll on the new TOU rates.

B. Examples of Integrated Marketing Strategies Across Programs

As stated in Section IV.A, above, SCE's marketing strategy encourages customers to move beyond one-time "single energy actions" and drives customers towards ongoing permanent behavior changes that are paramount to living an "energy management lifestyle." This strategic approach provides customers with general education and awareness of DSM options and encourages customers to go online at SCE.com or to contact SCE for more information on all of their energy related options.

This overarching consistent marketing strategy spans SCE's program offerings. Following are examples of these program offerings:

1. First, for Rate Reform and specifically TOU, SCE will incorporate messaging related to EE tools and tips, including the use of Smart Thermostats, in TOU Welcome Kits and seasonal newsletters to participants in the Default TOU Pilot to help customers reduce their use during peak periods.
2. Another example is the Residential Rates fact-sheet and brochure. These incorporate messages on Low Income programs (CARE/FERA), Medical Baseline, and Residential Rates.
3. The Welcome Postcard sent to all new customers provides information on online tools to assist customers in making energy decisions. These tools include MyAccount, Budget Assistant, Paperless Billing, as well as information to assist them as they decide on their choice of rate plans.
4. SCE's High Usage Charge letters also promote TOU rates, Budget Assistant, My Account, Medical Baseline, and income-qualified programs to help make monthly bills more manageable for customers. SCE also promotes Home Energy Advisor and distributed generation programs on its High Usage Charge web page.

SCE also references rate options and other online tools available to customers in DSM and other program marketing materials. For example:

1. In Advice 3753-E,²² SCE proposes a Programmable Communicating Thermostat (PCT) TOU Pilot to explore and evaluate whether using a PCT paired with a mobile phone application will affect the behavior of TOU low income, high energy usage customers in SCE hot climate zones. Attachment 1 of AL 3753-E provides details about the PCT TOU Pilot and its respective implementation plan and coordination with default TOU rollout efforts, which entails leveraging existing TOU ME&O materials. Additionally, SCE is discussing how to expand the

²² SCE filed AL 3753-E on March 1, 2018 which is pending Commission approval.

benefits of smart thermostat functionality to additional customers as they begin to transition to TOU.

2. Home Energy Reports offer customers information related to how they may be currently using energy and how to make changes to reduce their usage, as well as other online tools available to them to help them understand their bill and their rates.
3. As part of the Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs' ME&O Plans submitted on July 23, 2017, ESA and CARE will seek opportunities to integrate and coordinate efforts with residential rate reform, as appropriate. These opportunities include educational campaigns on the availability of rate options, and TOU educational efforts over the transition period. SCE has begun some of this integration by including ESA as a way to manage energy use on educational rate brochures, and is exploring additional opportunities for highlighting CARE and ESA in relevant communications.

C. Strategies for Aligning Funding Streams for Default TOU and DSM Programs and ME&O Cost Allocation Methods Across Programs

The marketing of rate options, tips, and tools will be cross-promoted in conjunction with programs such as EE, DR, CARE, ESA, and other SCE program communications, where applicable. Marketing costs associated with DSM programs' outreach efforts are tracked and recorded to the respective DSM program or activity's funding mechanism or balancing account. This allows SCE to leverage the budgets authorized in other proceedings to co-fund and support integrated outreach efforts and cross-promotion opportunities. For instance, marketing costs that communicate specific information about SCE's DR programs will be paid for by that DR program's marketing budget and recorded in SCE's Demand Response Program Balancing Account. The DR program's marketing materials may also note or explain that the DR program can help the customer manage their energy use during high cost TOU periods.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

TIER DESIGNATION

As ordered by the Resolution, this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

This advice filing will become effective on April 29, 2018, the 30th calendar day after the date filed.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be submitted to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Gary A. Stern, Ph.D.
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Telephone: (626) 302-9645
Facsimile: (626) 302-6396
E-mail: AdviceTariffManager@sce.com

Laura Genao
Managing Director, State Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with General Rule 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and R.12-06-013 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-3719. For changes to

all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Andre Ramirez at (626) 302-5738 or by electronic mail at andre.ramirez@sce.com.

Southern California Edison Company

/s/ Gary A Stern
Gary A. Stern, Ph.D.

GAS:ar:cm
Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Darrah Morgan

Phone #: (626) 302-2086

E-mail: Darrah.Morgan@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3777-E

Tier Designation: 2

Subject of AL: Residential Rate Reform Marketing Education and Outreach Plan for Default Time-of-Use Pursuant to Resolution E-4895

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Resolution E-4895

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required? Yes No

Requested effective date: 4/29/18 No. of tariff sheets: -0-

Estimated system annual revenue effect: (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: None

¹ Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

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