



Direct Access Reopening Final Ruling
Adopting Enrollment Procedures for the Phase-In Period
March 11, 2010

1. As described more fully below, the phase-in period for direct access (DA) will begin on April 11, 2010 (the "Effective Date") with notices of intent (NOIs) being accepted five (5) business days later on April 16, 2010 at 9 a.m. PST. The transition will continue for four calendar years, with the annual limits on direct access load increases over the phase-in period as described in step 2 below, up to the maximum DA cap for each investor-owned utility's (IOU's) service territory (the DA cap). Any kilowatt-hours (kWh) not used in one year will be rolled over to the subsequent years as part of the cumulative increasing annual limits.
2. The annual kWh limits are as follows (with a 10% of each year's cap being accepted above cap (i.e. Y1 = 38.5%, etc) :
 - Y1 (2010):** 35% of the current room available under the DA cap.
 - Y2 (2011):** An additional 35% of the current room available under the cap (or 70% of the available room under the DA cap).
 - Y3 (2012):** An additional 20% of the current room available under the cap (or 90% of the available room under the DA cap).
 - Y4 (2013):** An additional 10% of the current room available under the cap (or 100% of the available room under the DA cap).
3. The same switching rules will apply to all customers eligible to switch to DA service under SB 695 (DA-eligible customers).
4. To facilitate implementation as of the Effective Date, the IOU will notify all DA-eligible customers prior to the Effective Date of the terms and conditions for participation in the partial DA reopening under SB 695. Specifically, the IOU will use a bill insert or onsert¹ to notify all DA-eligible customers as early as March 2010 to visit the IOU's website for details on the partial DA reopening. The website will be updated to ensure accurate information based on the Commission's final decision implementing the DA reopening.
5. To facilitate implementation as of the Effective Date, an Open Enrollment Window (OEW) will be established as of the Effective Date, during which all DA-eligible customers will be allowed to submit a notice of intent (NOI)² to transfer to DA service.

¹ A bill onsert is a message imprinted on the customer's bill, as distinguished from a bill insert, which is a separate insertion included in the bill's envelope. The bill onsert may be a more cost-effective way to provide customers with notice of the partial DA reopening, because it can be included only on DA-eligible customers' bills and does not increase the weight of the bills (and thereby should not increase bill mailing costs).

² The parties will work together cooperatively in advance of the Open Enrollment Window to develop a uniform NOI in a timely fashion, which shall be filed as part of the IOUs' advice letters implementing changes to their direct access tariffs in compliance with this decision. Customers wishing to authorize their ESP or other third party to submit the NOI on their behalf may do so by providing the IOU with a signed "Authorization to Receive Customer Information or Act on a Customer's Behalf" (CISR) form, Box 6, indicating that the ESP or other third party is authorized to "Request Rate Changes" for the customer.

6. The OEW will begin on the fifth business day after the Effective Date and end ninety (90) calendar days thereafter or on June 30, 2010, whichever comes first. The OEW will occur in Y1 of the phase-in period only.
7. Enrollment during the OEW:
 - a. A temporary, one-time waiver of the 6-month advance notice requirement for all DA-eligible customers will be granted so that all DA-eligible customers may begin to enroll in DA service as of the Effective Date if they wish to do so, pursuant to the process described herein.
 - b. A one-time waiver of the current Bundled Portfolio Service (BPS) commitment periods (per Rule 25.1) will be granted so that all DA-eligible customers may begin to enroll in DA service as of the Effective Date if they wish to do so, pursuant to the process described herein.³
 - c. All load-serving entities (LSEs) (those that currently serve load and those that do not) will file forecasts of new customers that they expect to gain via the OEW and other periods for RA compliance years 2010 and 2011, according to the rule set forth by Energy Division for the RA process. The Energy Division will issue an amended RA Guide and reporting template for the 2010 compliance year, as well as an RA Guide and reporting template for 2011 compliance year.
 - d. The IOU will begin accepting NOIs up to the Y1 limit as of 9:00 a.m. PST on the fifth business day after the Effective Date—which is April 16, 2010. The methods for submitting NOIs will be specified by each utility on its website, provided that all methods shall allow for a time and date stamping to determine precedence. The daily batch process for accepting NOIs during the OEW (described in 7d below) will allow for up to a 10 percent (10%) threshold above the Y1 limit.
 - e. The IOU will process NOIs in daily (12:00 a.m. to 11:59 p.m.) batches. Each daily batch of NOIs will, within 20 days of its receipt, be accepted unless and until the Y1 limit is reached. A daily batch that causes the Y1 limit to be exceeded will nevertheless be accepted, provided that such daily batch does not exceed the Y1 limit by more than 10%. Should a daily batch cause the Y1 limit to be exceeded by more than 10%, NOIs in that particular daily batch will be accepted on a first-come, first-served basis (based on the date/time stamp of the NOI) up to the Y1 limit plus a threshold of no more than 10%. All other NOIs in that particular daily batch will be rejected.⁴

³ The one-time waiver will apply to all non-residential customers under current BPS commitments, even if they do not elect to take DA service during the OEW. After the end of the OEW, these customers may elect DA service at any time with the required 6-month advance notice, assuming there is room under the annual limits or overall cap. However, the 3-year BPS commitment period will continue to apply anytime a DA customer returns to BPS.

⁴ The threshold is only used for purposes of processing daily batches of NOIs. It is not intended as an increase in the annual limits.

- f. NOIs submitted during the OEW will be rejected only if the Y1 limit has been reached. Any NOI that is found to have a deficiency (e.g., incorrect service account number) will be accepted on the condition that it is corrected by the customer within two business days after the IOU notifies the customer of such deficiency. NOIs will be void in the event that a Direct Access Service Request (DASR) is not timely submitted, as described in 7h below, or in the event a deficiency in the NOI is not corrected by the customer within two business days.
- g. For any NOI accepted during the OEW, the IOU will notify the customer of NOI acceptance within 20 days of NOI receipt and will instruct the customer to notify its electric service provider (ESP) that a DASR to switch customer's service account(s) to DA service must be submitted to the IOU within 60 calendar days of the date the IOU's notice of NOI acceptance is sent to the customer.
- h. The customer will have 60 calendar days from the IOU's notice of NOI acceptance to cause its ESP to submit a DASR.⁵ DASRs will be processed using existing processes and timelines in accordance with Rule 22 (or equivalent rule),⁶ and eligible service accounts will be switched to DA service on their next scheduled meter read date, or the date specified on the DASR (if different from the next meter read date), depending on when the IOU receives the DASR. Although Rule 22/Section E18 allows the IOU, the customer and the ESP to mutually agree to a different service change date for the service changes requested in a DASR, the IOUs may be unable to accommodate special service change dates during the OEW. Nothing in this Appendix 2 is intended to rescind Section E18 of Rule 22; however, it may not be operable during the OEW.
- i. If a DASR is not received by the IOU for an accepted NOI by the end of the 60-day period, the customer's NOI will be void.
- j. Any NOIs voided for failure to submit a DASR within the 60-day period will not be subject to a 3-year minimum BPS commitment period as a result such failure. This exception will apply only to NOIs accepted during the OEW.

⁵ In accordance with the IOUs' current procedures, rejected DASRs must be corrected and resubmitted by the ESP and be acceptable to the IOU no later than 20 days following the conclusion of the 60-day period. DASRs not corrected by the ESP within this time period will be cancelled by the IOU.

⁶ The DA Rules for SDG&E are Rules 25 and 25.1. The IOUs' DA Rules generally require that DASRs received by the IOU on or before the 15th of the month will be switched over no later than the next month's scheduled meter reading date for that service account. Under SCE and SDG&E's current DASR process, DASRs that are received by SCE or SDG&E five (5) business days before the customer service account's next scheduled meter reading date will be switched over on its next scheduled meter reading date.

- k. If the Y1 limit is reached during the OEW, the IOU will stop accepting NOIs and will begin placing submitted NOIs on a wait-list on a first-come, first-served basis. The wait-list shall have a maximum capacity equal to 25% of the Y1 limit, and will be maintained until the last day of the OEW. Should any room under the Y1 limit become available during the OEW as a result of any voided NOIs, within one (1) business day of any room becoming available, the IOU will notify eligible customers on the wait-list by email of the acceptance of their NOIs. The IOU will continue to issue such email notices, on a 1-business day basis as room becomes available during the OEW, through the last day of the OEW. A customer coming off the OEW wait-list will have 60 days after the IOU's notice of the NOI acceptance to cause its ESP to submit a DASR to the IOU. If a DASR is not received by the IOU by the end of the 60-day period, the customer's NOI will be void, and the exception under Section 7k for the three-year BPS commitment will apply. The wait-list will end on the last day of the OEW. Any NOIs on the wait-list that were not accepted during the OEW will be void, and customers will be notified that they can begin submitting 6-month advance NOIs as early as July 1, 2010 to switch to DA in 2011. No wait-list will be used after the OEW.
 - l. The OEW will close 90 calendar days after the Effective Date, or on June 30, 2010, whichever comes first. There will be no OEW in subsequent years of the phase-in period.
 - m. All LSEs that intend to serve load during 2011 will re-file load forecasts for 2011 RA compliance year by May 26, 2010. This revised forecast shall account both for customer migration up to that date but also to forecast expected customer migration during the second phase of DA access that commences in January of 2011. The updated load forecasts due by May 26, 2010 will be used by the Energy Division and California Energy Commission (CEC) to develop Local Resource Adequacy (RA) obligations, inclusive of adjustments, as accurately as possible within the constraints of the 2011 RA filing cycle.
8. Enrollment after the OEW closes:
- a. **In 2010:**
 - Customers may submit 6-month advance NOIs starting July 1, 2010 to switch to DA in 2011 (Y2). The IOU will accept 6-month advance NOIs up to the Y2 limit. The daily batch process for accepting NOIs (described in 7.d above) will allow for up to a 10 % threshold above the Y2 limit.
 - A customer with an accepted NOI will be switched to DA starting in January 2011, provided the customer's 6-month advance notice period has been satisfied and a DASR has been timely received.
 - DASRs will be processed using existing processes and timelines in accordance with Rules 22 and 22.1 (or equivalent rules), and eligible service accounts will be switched to DA service on their next scheduled meter read date, or the date specified on the DASR, if different from the next meter read date, depending on when the IOU receives the DASR. Customers who fail to meet the time limitations and DASR requirements set forth in Rules 22 and 22.1 will be subject to a three-year minimum BPS period as provided for in Rule 22.1 (or equivalent IOU rules).

- Once the Y2 limit is reached, the IOU will stop accepting 6-month advance notices.
- If room under the Y2 limit subsequently becomes available, the IOU will update its website to notify customers that it is accepting 6-month advance notices. The IOU will use the same daily batch process described above for accepting NOIs for any room under the Y2 limit.

b. In 2011:

- Customers may continue to submit 6-month advance notices after Jan. 1, 2011 to switch to DA in 2011 or 2012, depending on whether there is room available under the Y2 limit. The IOU will accept 6-month advance notices up to the Y3 limit. The daily batch process for accepting NOIs (described in 7d above) will allow for up to a 10 percent (10%) threshold above the Y3 limit.
- A customer with an accepted NOI will be switched to DA as soon as possible (depending on whether there is room under the Y2 limit), in January 2012, provided the customer's 6-month advance notice period has been satisfied and a DASR has been timely received. If there is no room available under the Y2 limit, customers who submit 6-month advance NOIs prior to July 2011 may need to remain on bundled service for up to 12 months before being able to switch to DA. In other words, they may have to wait for the Y3 allotment to open up in January 2012 before they can switch to DA. If room under the Y2 limit subsequently becomes available in 2011, some customers may be able to switch to DA prior to 2012, provided the 6-month advance notice period has been satisfied and a DASR has been timely received.
- DASRs will be processed using existing processes and timelines in accordance with Rules 22 and 22.1 (or equivalent rules), and eligible service accounts will be switched to DA service on their next scheduled meter read date, depending on when the IOU receives the DASR. A customer failing to meet the time limitations and DASR requirements set forth in Rules 22 and 22.1 will be subject to a three-year minimum BPS period as provided for in Rules 22 and 22.1 (or equivalent rules).⁷
- Once the Y3 limit is reached, the IOU will stop accepting 6-month advance NOIs.
- If room under the Y3 limit subsequently becomes available, the IOU will update its website to notify customers that it is accepting 6-month advance NOIs. The IOU will use the same daily batch process described above for accepting NOIs for any room under the Y3 limit.

⁷ With the exception that customers who submit 6-month advance NOIs prior to July 2011 may be required to remain on bundled service for longer than 6 months (but not more than 12 months) before switching to DA service, if there is no room under the Y2 limit. In other words, they may have to wait for the Y3 allotment to open up in January 2012 before they can switch to DA.

c. In 2012 and 2013:

- The IOU will use the same enrollment process as described above for 2011, using the applicable annual limits, except that a threshold for daily batch processing will not apply to the Y4 limit (because it represents the overall cap).
9. During the phase-in period, the IOU will indicate on its public website whether NOIs (during OEW) or 6-month advance NOIs are being accepted, and update this information regularly, as reasonably necessary, but in no event less frequently than monthly. This information should be sufficient to inform customers and ESPs whether there is room available under the annual limits during the phase-in or the overall cap after the phase-in. The IOU will provide notice on its public website when the level of annualized sales for customers electing DA service approaches a certain percentage of the annual limit or overall cap (e.g., 95%).
 10. Changes in the 12-month usage of DA accounts will be reflected in order to determine the room available under the cap. No customer taking DA service while room was available under the cap will be removed from DA service as a result of growth in DA load.