City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: May 4, 2010

SUBJECT: Council Communications

Report in Brief

Attached is a communication received for which Council should be made aware:

1. Notification from Pacific Gas and Electric of an undisclosed amount of an increase in rates

This item is for your information only.

Prepared by: Sue Vannucci, Director of Administrative Services

_____
Mark G. Deven
City Manager

Attachment: Notice

March 26, 2010
TO: STATE, COUNTY AND CITY OFFICIALS

NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S PHASE II 2011 GENERAL RATE CASE APPLICATION (GRC PHASE II)

On March 22, 2010, Pacific Gas and Electric Company (PG&E) filed its application with the California Public Utilities Commission (CPUC) for Phase II of its 2011 GRC.

In the GRC Phase II application, PG&E is asking the CPUC to allocate or divide its authorized revenue among different customer classes and to design electric rates for these classes. In addition, PG&E is requesting authority to recover approximately $53.1 million in costs associated with $12.6 million in revenue requirements for 2011–2013, which includes the cost of implementing a new real time pricing rate option, and a revised customer energy statement for electric and gas customers.

Does this mean electric rates could change?
Yes. In the GRC Phase II application, PG&E is seeking CPUC authority to change electric rates for all customer classes. PG&E makes this request to better align current electric rates with current costs of serving its various customer classes. PG&E proposes decreases for some customers and increases for others, with such rate changes to take effect by mid-2011.

The rate changes proposed in the GRC Phase II will affect bundled customers (those customers who receive electric generation, transmission and distribution service from PG&E) and customers that purchase electricity from other suppliers (direct access and community choice aggregation customers). PG&E's proposals will also affect departing load customers (customers that receive electric generation, transmission and distribution services from non-PG&E suppliers) that are required to pay certain utilities charges (in this case, the Public Purpose Program charge).

PG&E will provide an illustrative table of the proposed rate changes among customer classes in a bill insert to be mailed directly to customers beginning in mid-April, 2010

The actual increase or decrease to each customer class depends on how the CPUC ultimately decides all the issues in the GRC Phase II.

Real time pricing and revised customer energy statement
In this application, PG&E is also seeking CPUC authority to approve the second phase of its dynamic pricing rates, or optional Real Time Pricing rates, as ordered by the Commission in July 2008. PG&E is requesting recovery of $17 million in costs associated with $7 million in revenue requirements to implement this new real time pricing rate option. In addition, in compliance with the CPUC order, PG&E needs to revise its customer energy statement, and is requesting cost recovery of $36.1 million in costs associated with $5.6 million in revenue requirements to implement the changes. These costs are not included above, but will increase rates for all electric and gas customers that take transmission and distribution service from PG&E (bundled, direct access and community choice aggregation customers) by a small amount. For electric customers, the maximum rate increase would occur in 2014 and would be $6.5 million, or an increase of approximately 0.05 percent to system average bundled electric rates. The maximum increase for gas customers is expected to occur in 2013 and would be $4.8 million, or an average increase of 0.1 percent. Departing load electric customers will not be affected by this cost recovery request.

THE CPUC PROCESS
The CPUC's Division of Ratepayer Advocates (DRA) will review this application. The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRA's views do not necessarily reflect those of the CPUC. Other parties of record will also participate.

The CPUC may hold evidentiary hearings where parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in, these hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of PG&E's request, amend or modify it, or deny the application. The CPUC's final decision may be different from PG&E's application.

FOR FURTHER INFORMATION
For more details call PG&E at **1-800-PGE-5000**.
For TDD/TTY(speech-hearing impaired) call **1-800-652-4712**.
Para más detalles llame al **1-800-660-6789**
詳情請致電 **1-800-893-9555**

If you have questions regarding PG&E's GRC Phase II application, please contact PG&E at the phone numbers noted above. If you would like a copy of the application and exhibits, please write to PG&E at the address listed below:

Pacific Gas and Electric Company
GRC Phase II Application
P.O. Box 7442, San Francisco, CA 94120

You may also contact the CPUC's Public Advisor with comments or questions:

Public Advisor's Office
505 Van Ness Avenue, Room 2103
San Francisco, CA 94102
1-415-703-2074 or **1-866-849-8390** (toll free)
TTY 1-415-703-5282, TTY **1-866-836-7825** (toll free)
E-mail to **public.advisor@cpuc.ca.gov**

If you are writing a letter to the Public Advisor's Office, please include the name of the application to which you are referring. All comments will be circulated to the Commissioners, the assigned Administrative Law Judge and the Energy Division staff.

A Copy of PG&E's GRC Phase II application and exhibits is also available for review at the California Public Utilities Commission, 505 Van Ness Avenue San Francisco, CA 94102, Monday-Friday, 8 a.m.–noon.