

June 25, 2010

To: Andrew Campbell, Advisor to Commissioner Nancy Ryan
Sepideh Khosrowjah, Chief of Staff to Commissioner Nancy Ryan

From: John Hughes,
Director-Regulatory Relations

Re: Correction of Information to PG&E's March 25, 2010 Ex parte Communication
(PG&E's 2011 GRC Phase 2 Application (A.10-03-014))

During a previous Ex Parte meeting on March 25, 2010 between Dennis Keane, Brian Cherry and John Hughes of PG&E and Andrew Campbell and Sepideh Khosrowjah, Advisors to Commissioner Nancy Ryan, PG&E provided information that PG&E has subsequently learned was incorrect. In comparing PG&E's residential rates to those of SCE and SDG&E, PG&E erroneously represented SDG&E's California Alternate Rates for Energy (CARE) electric rates due to tariff ambiguities. (At the time of the meeting, calculating SDG&E's CARE rates required combining information from three separate tariffs, Schedules DR-LI, EECC, and DWR-BC. Subsequently, SDG&E has updated its tariffs and now shows CARE rates in a single DR-LI tariff page.)

The original and corrected January 1, 2010 SDG&E CARE rates are summarized in the table below:

	SDG&E	
	<u>Original</u>	<u>Corrected</u>
Tier 1	\$0.127	\$0.100
Tier 2	\$0.148	\$0.117
Tier 3 - Summer	\$0.222	\$0.176
Tier 3 - Winter	\$0.208	\$0.165

PG&E is providing you an updated version of the table it shared with the Commissioner advisors on March 25, with the SDG&E rates corrected. We apologize for any inconvenience or misunderstanding this may have caused. Although these corrections show reduced SDG&E rates from what was presented on March 25, PG&E's point remains the same: Even with the introduction of a new CARE Tier 3 rate of \$0.125 per kWh, PG&E's proposed CARE rates in Phase 2 of its GRC will remain below those of SDG&E and SCE.

Please telephone Dennis Keane at (415) 973-3109 should you have any questions regarding this correction.

Attachment

**Comparison of PG&E's Current and Proposed Residential Rates to
SCE's and SDG&E's Current Rates**

Non-CARE Schedule E-1 Tier	PG&E Current	PG&E Proposed	SCE Current	SDG&E Current (Summer)	SDG&E Current (Winter)
1	\$0.119	\$0.119	\$0.125	\$0.134	\$0.134
2	\$0.135	\$0.135	\$0.145	\$0.155	\$0.155
3	\$0.286	\$0.298	\$0.238	\$0.280	\$0.263
4	\$0.425	\$0.298	\$0.273	\$0.300	\$0.283
5	\$0.498	\$0.298	\$0.308	\$0.300	\$0.283
Customer Charge	NA	\$3.00	\$0.88	NA	NA
Minimum Bill	\$4.50	\$0.00	\$0.67	\$5.17	\$5.17

CARE Schedule EL-1 Tier	PG&E Current	PG&E Proposed	SCE Current	SDG&E Current (Summer)	SDG&E Current (Winter)
1	\$0.083	\$0.083	\$0.086	\$0.100	\$0.100
2	\$0.096	\$0.096	\$0.108	\$0.117	\$0.117
3	NA	\$0.125	\$0.182	\$0.176	\$0.165
Customer Charge	NA	\$2.40	\$0.70	NA	NA
Minimum Bill	\$3.60	\$0.00	\$0.52	\$5.17	\$5.17