

PG&E E-1 Tiered Rates Revenue 1996-2010

Revenue Collection

<u>Rate Class</u>	<u>1996</u>	<u>2001</u>	<u>2010</u>	<u>% Revenue Collection</u>	<u>% kWh Usage</u>
T 1 & 2	\$3 Bil	\$2.2 Bil	\$2.2 Bil	48%	75%
T 3 - 5	-	\$1.2 Bil	\$2.4 Bil	52%	25%
Total	\$3 Bil	\$3.4 Bil	\$4.6 Bil		

Average Rate - \$/kWh

<u>Rate Class</u>	<u>1996*</u>	<u>2001**</u>	<u>2010</u>	<u>% Revenue Collection</u>	<u>% kWh Usage</u>
T 1 & 2	\$0.122	\$0.122	\$0.122	65%	75%
T 3 - 5	-	\$0.204	\$0.381	204%	25%
Rev Rqmt	\$0.110	\$0.148	\$0.187		

* AB1890 froze Tier 1 & 2 rates

** AB1X created 5 Tier structure and required all future revenue increases be collected from Tiers 3-5

Estimates Based on 2009 Revenue Requirement Filing

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13

PG&E Residential Electric Tiered Rates

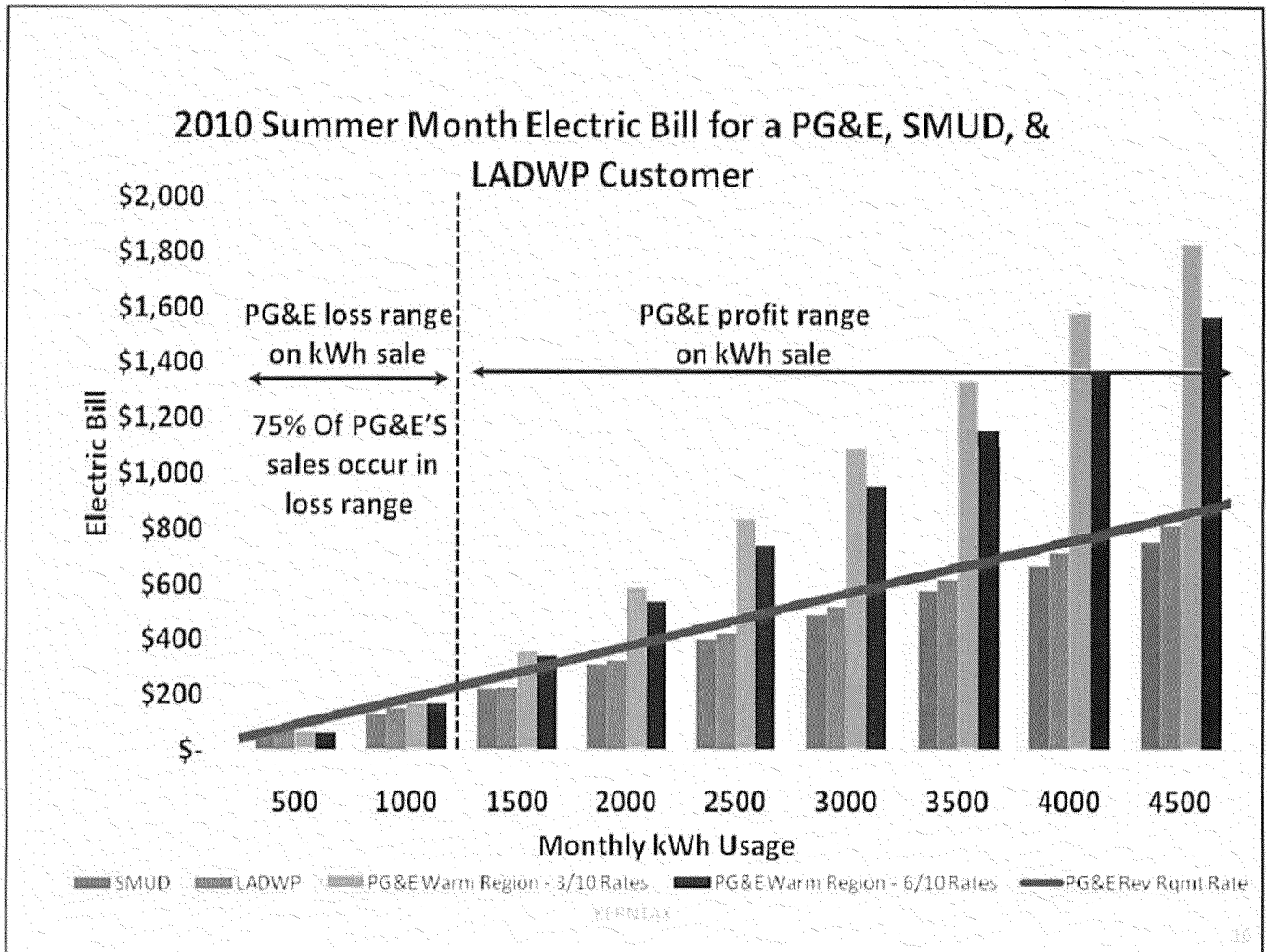
The following table illustrates how dramatically PG&E's proposed tiered rates for 2010 have changed since 2001:

	2001 Rates	March 2010 Rates	% Rate Increase	% Recovery of 2010 Cost	
Tier 1	\$ 0.116	\$ 0.119	2.5%	64%	75% of kWh sold at these rates
Tier 2	\$ 0.133	\$ 0.135	1.4%	72%	
Tier 3	\$ 0.133	\$ 0.286	114.4%	153%	25% of kWh sold loaded with 100% of cost increases
Tier 4	\$ 0.133	\$ 0.425	218.9%	227%	
Tier 5	\$ 0.133	\$ 0.498	273.7%	266%	

	2001 Rates	June* 2010 Rates	% Rate Increase Since 2001	% Recovery of 2010 Cost	
Tier 1	\$ 0.116	\$ 0.119	2.5%	64%	75% of kWh sold at these rates
Tier 2	\$ 0.133	\$ 0.135	1.4%	72%	
Tier 3	\$ 0.133	\$ 0.314	135.7%	168%	25% of kWh sold loaded with 100% of cost increases
Tier 4	\$ 0.133	\$ 0.364	173.3%	195%	
Tier 5	\$ 0.133	\$ 0.414	210.8%	221%	

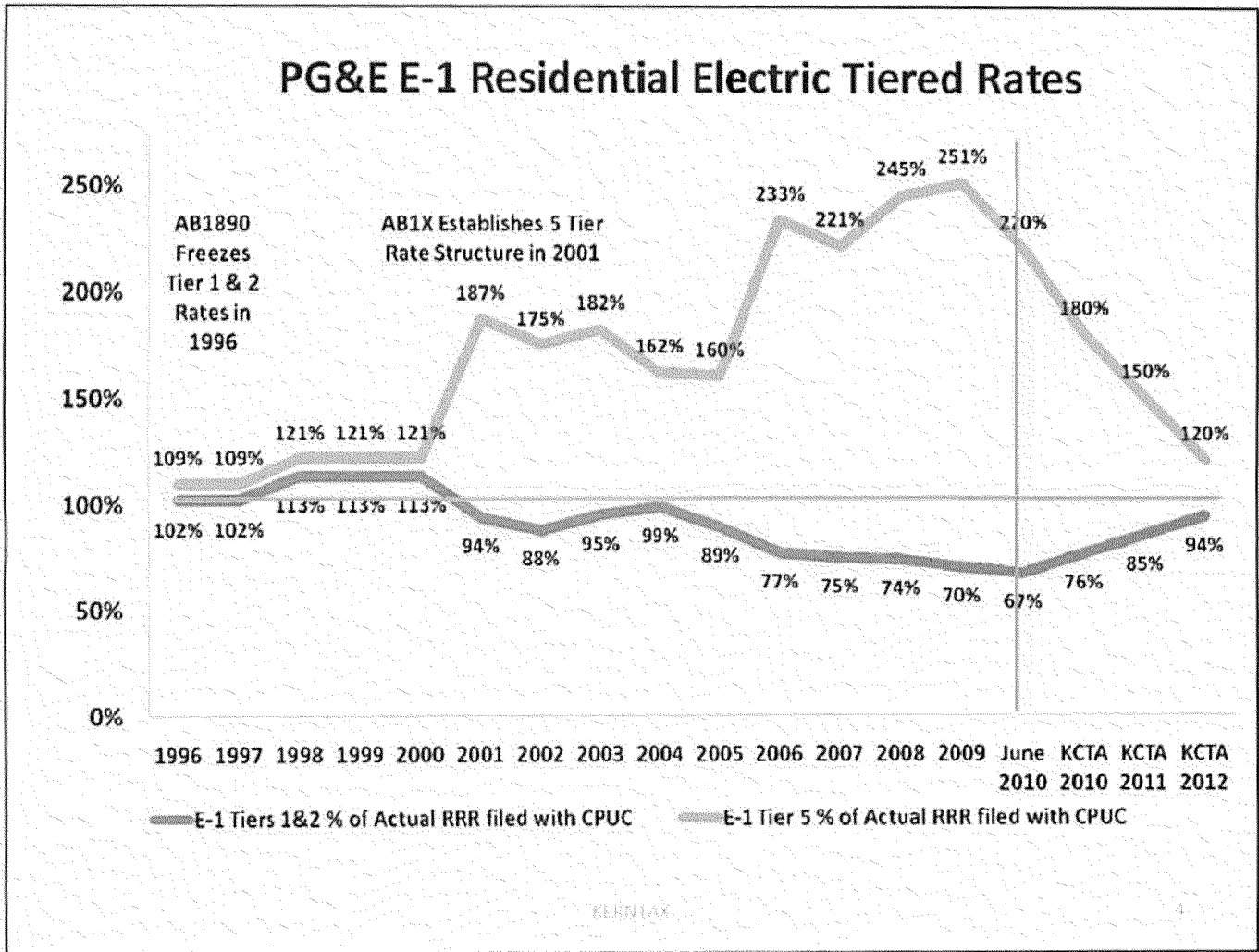
* Rate Filing Submitted to CPUC 2/26/2010

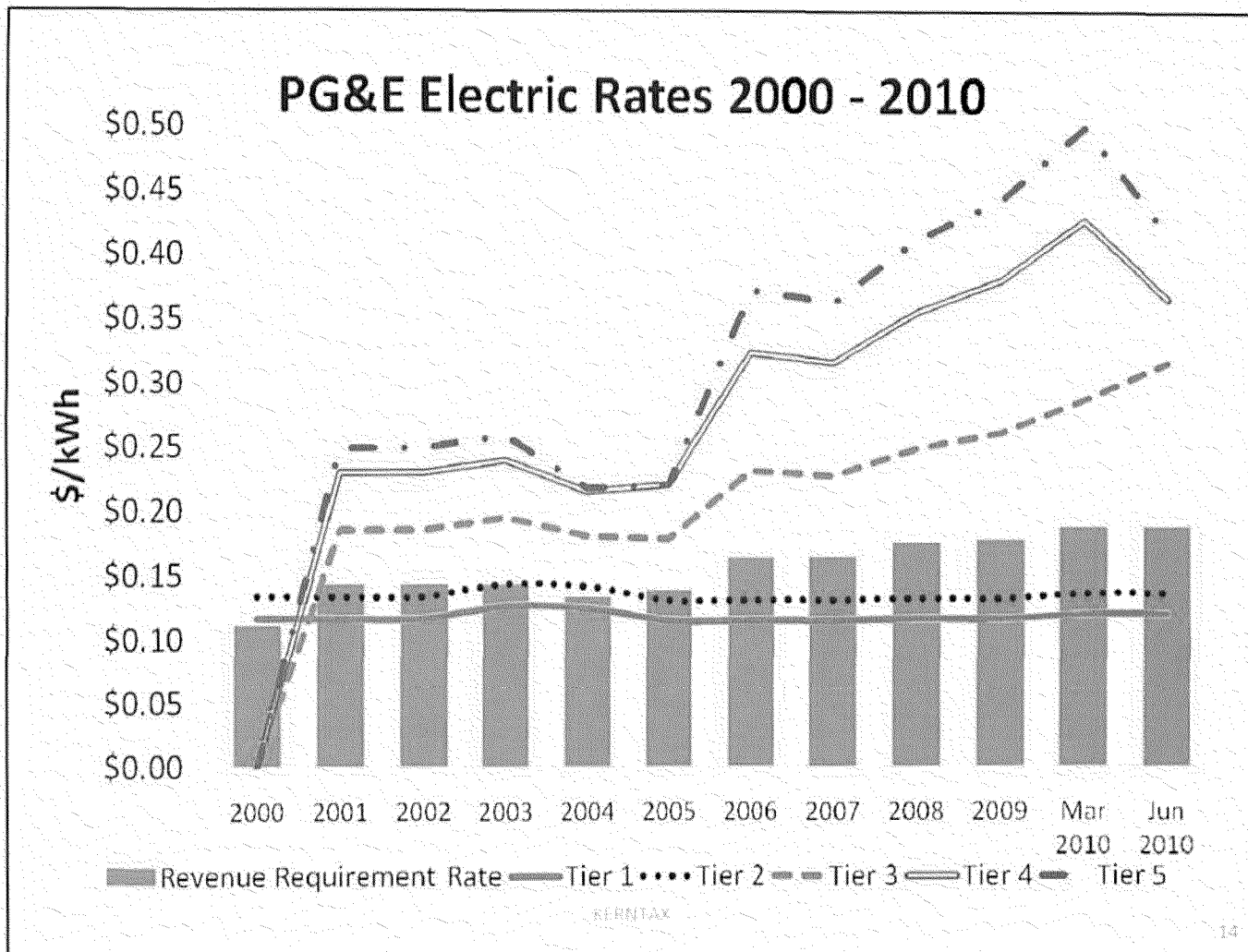
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Tier 1 - 5 Load - gWh	24,600
Tier 1 - 5 Revenue - \$B	4.49
Revenue Rqm't Rate - c/kWh	18.259
General Rate Case Increase - \$B	0.50
Proposed Revenue Rqm't Rate - c/kWh	20.29

AS-IS LOAD			AS-IS REVENUE & RATE			AS-IS COST SHIFT		
1.	E-1 Load - 24,600 gWh		2.	Rev Rqm't - \$4.5 Billion		3.	Tier Load Cost/Revenue - \$4.5 Billion	
	T 1/2	T 3/4/5		T 1/2	T 3/4/5		T 1/2	T 3/4/5
Load - gWh	18,450	6,150	Revenue Billed - \$B	\$ 2.21	\$ 2.28	Cost to Serve Load - \$B	\$ (3.37)	\$ (1.12)
% of load	75%	25%	% of Rev Billed	49%	51%	Revenue Billed - \$B	\$ 2.21	\$ 2.28
			Avg Rate - c/kWh	12.00	37.04	(Under)/Over Cost Shift - \$B	\$ (1.15)	\$ 1.15
			Revenue to Load Ratio	66%	203%			
			System Average Rate - c/kWh		18.26			
PROPOSED LOAD			PROPOSED REVENUE & RATE			PROPOSED COST SHIFT		
4.	\$0.5 Billion Rate Case w/ Tier 1/2 3% Rate Limit		5.	Rev Rqm't - \$5.0 Billion		6.	Tier Load Cost/Revenue - \$5.0 Billion	
	T 1/2	T 3/4/5		T 1/2	T 3/4/5		T 1/2	T 3/4/5
Base Revenue Billed - \$B	\$ 2.21	\$ 2.28	Revenue Billed - \$B	\$ 2.28	\$ 2.71	Cost to Serve Load - \$B	\$ (3.74)	\$ (1.25)
Rate Case Increase - \$B	\$ 0.07	\$ 0.43	% of Rev Billed	46%	54%	Revenue Billed - \$B	\$ 2.28	\$ 2.71
New Revenue Billed - \$B	\$ 2.28	\$ 2.71	Avg Rate - c/kWh	12.36	44.09	(Under)/Over Cost Shift - \$B	\$ (1.46)	\$ 1.46
Avg Rate - c/kWh	12.36	44.09	Avg Rate % Increase	3.0%	19.0%			
			System Average Rate - c/kWh		20.29			
			System Average Rate % Increase		11.1%			





Unintended Consequences of AB 1890 and AB1X

Year	First class postage rate, cents (current)	First class postage rate, cents (2009 \$)	CPI	% Increase from 1996	1996 E-1 Tiers 1&2 Adjusted by CPI Inflation	E-1 Tiers 1&2 Average filed with CPUC	1996 E-1 RRR Adjusted by CPI Inflation	E-1 RRR filed with CPUC	E-1 Tiers 1&2 % of Actual RRR filed with CPUC	E-1 Tier 5 % of Actual RRR filed with CPUC
1996	32	43.5	156.9		\$ 0.12455	\$ 0.12455	\$ 0.12229	\$ 0.12229	102%	AB1890
1997	32	42.5	160.5	2.29%	\$ 0.12741	\$ 0.12455	\$ 0.12510	\$ 0.12229	102%	109%
1998	32	41.9	163.0	3.89%	\$ 0.12939	\$ 0.12455	\$ 0.12704	\$ 0.11006	113%	121%
1999	33	42.3	166.6	6.18%	\$ 0.13225	\$ 0.12455	\$ 0.12985	\$ 0.11006	113%	121%
2000	33	40.9	172.2	9.75%	\$ 0.13670	\$ 0.12455	\$ 0.13422	\$ 0.11006	113%	121%
2001	34	40.9	177.1	12.87%	\$ 0.14059	\$ 0.12455	\$ 0.13803	\$ 0.13275	94%	AB1X
2002	37	43.9	179.9	14.66%	\$ 0.14281	\$ 0.12455	\$ 0.14022	\$ 0.14182	88%	175%
2003	37	42.9	184.0	17.27%	\$ 0.14606	\$ 0.13455	\$ 0.14341	\$ 0.14182	95%	182%
2004	37	41.8	188.9	20.40%	\$ 0.14995	\$ 0.13247	\$ 0.14723	\$ 0.13415	99%	162%
2005	37	40.4	195.3	24.47%	\$ 0.15503	\$ 0.12210	\$ 0.15222	\$ 0.13683	89%	160%
2006	39	41.3	201.6	28.49%	\$ 0.16003	\$ 0.12210	\$ 0.15713	\$ 0.15883	77%	233%
2007	41	42.2	207.3	32.12%	\$ 0.16456	\$ 0.12210	\$ 0.16157	\$ 0.16350	75%	221%
2008	42	41.6	215.3	37.22%	\$ 0.17091	\$ 0.12341	\$ 0.16781	\$ 0.16742	74%	245%
2009	44	44	213.3	35.95%	\$ 0.16932	\$ 0.12320	\$ 0.16625	\$ 0.17564	70%	251%
June 2010			216.0	37.67%	\$ 0.17146	\$ 0.12690	\$ 0.16835	\$ 0.18824	67%	220%
KCTA 2010			216.0	37.67%	\$ 0.17146	\$ 0.14399	\$ 0.16835	\$ 0.18824	76%	180%
KCTA 2011			221.0	40.85%	\$ 0.17543	\$ 0.16442	\$ 0.17225	\$ 0.19260	85%	150%
KCTA 2012			227.0	44.68%	\$ 0.18020	\$ 0.18598	\$ 0.17693	\$ 0.19783	94%	120%

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