

From: St. Marie, Stephen
Sent: 8/4/2011 3:04:14 PM
To: Keane, Dennis (/O=PG&E/OU=Corporate/cn=Recipients/cn=DMK5)
Cc: Singh, Amrit P (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=APS5);
Hughes, John (Reg Rel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=J8HS)
Bcc:
Subject: RE: Information You Requested on PG&E Residential Sales and Revenue by Tier

Dennis,

Thank you for sending. This is very revealing of the issue of revenue imbalance from small and large users. And important for understanding the price structure.

-- Steve.

Stephen St Marie
Advisor to Commissioner Catherine Sandoval
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From: Keane, Dennis [mailto:DMK5@pge.com]
Sent: Wednesday, August 03, 2011 12:24 PM
To: St. Marie, Stephen
Cc: Hughes, John (Reg Rel); Singh, Amrit P
Subject: Information You Requested on PG&E Residential Sales and Revenue by Tier

Steve-

Attached is a table with the information you requested at our meeting last Friday. It shows, for each tier (for both non-CARE and CARE), sales and revenues. You were interested in comparing sales shares for non-CARE upper tiers (i.e., Tier 3 and 4) with their corresponding revenue shares. As expected, the results (see yellow shaded cells) show quite starkly how customers with sales in these tiers are bearing a disproportionate share of the burden. While Tier 3 and 4 sales represent just 23.2 percent of total residential sales, these sales currently contribute 46.7 percent of the revenue. When the CARE Tier 3 rate is implemented in November, the revenue contribution from Tier 3 and 4 sales will drop, but just a bit to 45.3 percent.

If you have any questions or would like any additional information, let me know. Again, we appreciated you taking the time to meet with us.

Dennis