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Sent: 9/9/2011 2:20:39 PM
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Bcc:
Subject: 4 Month Baseline Study

Sepideh:

Today you asked for the change in rates that would result from going from a 6 month summer season to a 4 month summer season for purposes of determining residential baseline quantities and rates. A couple of things to note: Since this initiative would not involve a change to the percent of usage to be collected as baseline (for example, with the change to 4 month summer, we would still collect 55% of usage in Tier 1), usage by tier for the system would be about the same. As a result the rates would change very little as a result of going to a 4 month summer (perhaps less than .1 cent per kWh in the upper tiers). PG&E's E-1 rates do not vary by season and the rates in Tiers 1 through 4 are currently 12.2, 13.9, 30.2 and 34.2 cents per kWh, respectively.

Similarly, we would expect the annual average rate in each baseline territory would stay about the same for the same reasons - that is, usage in each tier would change very little so the average rate in each territory would stay at about the same level. What would change is the baseline quantities by season. As a result, the seasonality of bills can change by going to a 4 month summer season depending on the customer's level of use.

Hopefully this helped address your question.

[Redacted]