

From: Cherry, Brian K
 Sent: 6/29/2012 3:21:33 PM
 To: Mark Ferron (fer@cpuc.ca.gov) (fer@cpuc.ca.gov)
 Cc:
 Bcc:
 Subject: FW: PG&E Jul 2 NOI Filing

Mark:

On Monday, July 2, PG&E will be filing its Notice of Intent (NOI) to file its 2014 General Rate Case (GRC). In its 2014 GRC Application that will be filed in December, PG&E will request that the Commission increase gas and electric distribution and generation base revenue requirements by a total of \$1.25 Billion, effective January 1, 2014. PG&E's request represents a 5.6 percent increase over the projected 2013 total combined gas and electric revenue of \$16.106 Billion.

Notwithstanding this request, the rates of approximately 49 percent of PG&E's electric customers either covered under the California Alternative Rates for Energy (CARE) program or whose usage is at or below 130 percent of baseline will not, pursuant to current law, increase as a result of this request. The table below shows the bill impact for non-CARE electric customers using 550 kWh and 850 kWh per month and for non-CARE gas residential customers using 37 therms per month.

Table 1

Monthly Residential Customer Usage	Impact on Non-CARE Customer Bills			
	Current 2012 Avg. Bill	2012 to 2014 Bill Increase	Increase Per Month	2012 to 2014 Percent Increase
Electric:				
550 kWh	\$ 89.73	\$ 94.37	\$ 4.64	5.17%
850 kWh	\$185.92	\$204.32	\$18.40	9.90%
Gas:				
37 Therms	\$ 46.13	\$ 52.80	\$6.67	14.46%

PG&E will provide detailed support for its 2014 GRC Application in the prepared testimony and work-papers that support the filing. The key reasons for the requested increase in revenue requirements are:

- Increases in the cost of delivering energy safely to customers, maintaining reliability and providing responsive customer service;
- Need for substantial capital investments to replace aging infrastructure;
- Need for capacity-driven additions;
- Recovery of costs for depreciation associated with PG&E's plant investments; and
- Costs of complying with governmental regulations and orders applicable to PG&E's extensive electric and gas systems and facilities.

Once the NOI is filed, we would be happy to come in a brief you and your staff in greater detail.

Brian