

From: Kauss, Kent  
Sent: 11/30/2012 3:28:20 PM  
To: Randolph, Edward F. (edward.randolph@cpuc.ca.gov)  
Cc: Horner, Trina (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC);  
Hughes, John (Reg Rel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=J8HS);  
Murtishaw, Scott (scott.murtishaw@cpuc.ca.gov)

Bcc:

Subject: RE: Moderate Democrats Retreat - PG&E Presentation on Rate Reform Issue

Thanks. That makes sense. We are still finalizing Chris' slides with updated numbers but attached is what the basic outline looks like. We gave a similar presentation at the Independent Voter Project gathering in Maui a couple weeks back. I agree with you on the rate design focus vs increasing costs issue. We are working on an additional slide to show the total increased cost issue that does not specifically target RPS, GHG, GRC or any other particular item but instead just providing the background. Costs are rising but if the design appropriately allocated those costs, the increases basically track CPI. The rate design creates the problem as you note. The current slides are attached but given the audience, but we may need to cut it down.

Expanding on the message a bit I would suggest we need to set the table with a brief history of what led us to where we are, basic overview of what makes up the rates we have, current projection on rates without reform and finally recognition that this is not an income issue where only the rich will benefit. I don't necessarily want to get into it especially with our President presenting our piece but the more financially stable customers have the option to install solar under NEM to avoid upper tier rates. Lower income folks don't generally have that luxury.

Below is the text of a note I received from the New Dem staff who is developing the agenda which includes the current RSVP list. I have told staff that we are still developing the presentation materials with a goal of finalizing by the middle of next week.

Interested in your reaction to this deck especially in light of the comments below about the varying degrees of knowledge in this space by the attendees. Perea, Buchanan, and Wright and already pretty well versed and we can work with them leading up to this discussion to help things along.

Ed - if you are available, I also like to talk about the language and related issues I e-mailed you about the other day.

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I haven't heard from anyone from the CPUC regarding Peevey or the presentation, FYI.

To confirm the details of the event, though, the rate reform panel will be on Tuesday, Dec. 11 from 3 to 4 PM the Four Seasons Hotel in San Francisco. We'll have a laptop and projector in the event they want to do a PowerPoint. Just let me know if they plan to use it.

We've got a great list of legislators who have RSVP'd for the event. Among those expected to be present for the presentation are:

Asm. Henry Perea      Asm. Luis Alejo      Asm. Norma Torres      Asm. Tom Daly      Asm. Susan  
Eggman

Asm. Jim Frazier            Asm. Rich Gordon      Asm. Susan Bonilla      Asm. Joan Buchanan      Asm. Jose Medina

Asm. V. Manuel Perez    Asm. Kevin Mullin      Asm. Mike Gatto    Asm. Ken Cooley    Asm. Adam Gray  
Sen. Jerry Hill          Sen. Marty Block      Sen. Rod Wright

Something to keep in mind as they prepare the presentation - over a third of the participating legislators will have just started their second week on the job. There will definitely be varying degrees of background knowledge on the topic.

We'll be in the Veranda Prefunction B Room. They are welcome to come into the room 15 to 30 minutes in advance of their start time. I'll also have my phone and will be responding to texts and e-mails should anyone need to reach me.

Let me know if you have any questions.

- Chris

-----Original Message-----

From: Randolph, Edward F. [<mailto:edward.randolph@cpuc.ca.gov>]

Sent: Tuesday, November 27, 2012 10:48 PM

To: Kauss, Kent

Cc: Murtishaw, Scott

Subject: RE: Moderate Democrats Retreat - PG&E Presentation on Rate Reform Issue

In terms of coordination of presentation/ material lets include Scott Murtishaw, who is Peevey's Advisor on the rates issue, in these discussions.

I think we just need to see what Chris is planning on doing and we can build Peevey's comments accordingly.

My initial thought is that Peevey will only have few slides that show projected increase in the system average rates (about 2% a year) and projected increase in upper tier and C&I customers to show that the problems are issues of rate design and not dramatically increasing costs. From there it might work best if he his mainly answering questions.

I hope in Chris' presentation you emphasize that RPS and NEM are not major drivers of increasing revenue needs. This point could be important with this crowd if you want them focused on rate reform -- at least with Wright.

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From: Kauss, Kent [[KWK3@pge.com](mailto:KWK3@pge.com)]

Sent: Tuesday, November 27, 2012 5:44 PM

To: Randolph, Edward F.

Subject: Re: Moderate Democrats Retreat - PG&E Presentation on Rate Reform Issue

Will get you that info in the next day or two.

How do you want to coordinate presentations? You and I talk and work thru it or did you envision Mike and Chris talking?

Chris' calendar is a nightmare. He is out until Dec 10 but I am working on getting some briefing time with him.

As for you or Clanon attending, that is all set and approved.

On Nov 27, 2012, at 4:28 PM, "Randolph, Edward F." <edward.randolph@cpuc.ca.gov<<mailto:edward.randolph@cpuc.ca.gov>>> wrote:

I do need a confirmation on who will be there or at least how many.

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From: Kauss, Kent [<mailto:KWK3@pge.com>]  
Sent: Tuesday, November 27, 2012 6:47 AM  
To: Randolph, Edward F.  
Subject: RE: Moderate Democrats Retreat - PG&E Presentation on Rate Reform Issue

Any word yet on President Peevey's availability? I want to get back to the organizers today if possible.

Thanks

From: Kauss, Kent  
Sent: Tuesday, November 20, 2012 12:46 PM  
To: Randolph Ed  
Subject: Fwd: Moderate Democrats Retreat - PG&E Presentation on Rate Reform Issue

Ed - the Moderate Democratic Caucus has scheduled a policy retreat for Dec 10-11 at the Four Seasons in San Francisco to prepare for the 2013-2014 Legislative session.

Assm Perea, as chair of the caucus has set aside time from 3-4pm on Dec 11 where we would have an hour to present the tiered rate reform issue and answer questions.

I am 95% sure we will get Chris Johns to present and in talking with Mod Caucus staff thought it would be great to include Pres Peevey.

Let me know your thoughts and potential availability of Pres Peevey that afternoon. Thanks

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