

The results presented are preliminary and for illustrative purposes only.



Residential Rate OIR  
PG&E Rate Design Scenario Results  
Using the Bill Calculator Model

December 5 & 6, 2012

**DRAFT**

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<b>Summary of Rate Design Scenarios</b>				
	Scenario I	Scenario II	Scenario III	Scenario IV
<b>Customer Charge</b>	\$20/month	\$10/month	\$5/month	\$5/month
<b>TOU</b>	None	On-peak/Part-peak price = Part-peak/Off-peak price = 1.50	None	On-peak/Part-peak price = Part-peak/Off-peak price = 1.50
<b>Tiers</b>	Flat, Volumetric	None	Two Tiers with 20% differential	None
<b>Demand Differentiated Fixed Charge</b>			Fixed charge with \$10/month for 3kW or above annual peak demand, \$5/month otherwise	Fixed charge with \$10/month for 3kW or above annual peak demand, \$5/month otherwise
<b>CARE Discount</b>	20%	20%	20%	20%
<b>Revenue Requirement</b>	Approximately same as 2011 GRC submission.			

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**Scenario Description**

Scenario - I  
 Customer Charge: \$20/month  
 Flat Volumetric Rate

**Result-1: Summary of Rates**

Resulting Flat Rate					
Non-CARE	Tier	Forecast	% of	Jul-12	Flat Rate
		Sales (GWh)	Sales	Rate	Rate
	1	11.59	61%	12.8	13.5
	2	2.20	12%	14.6	13.5
	3	2.92	15%	29.6	13.5
	4	1.47	8%	33.6	13.5
	5	0.79	4%	33.6	13.5
		Cust \$/Mo.		0.0	20.0
		Fixed Charge High Demand \$/Mo.		-	0.0
		Fixed Charge Low Demand \$/Mo.			0.0
		Min Charge \$/Mo.		0.0	0.0
CARE	Tier	Sales (GWh)	% of Sales	Jul-12 Rate	Flat Rate Rate
	1	7.05	69%	8.3	10.8
	2	1.10	11%	9.6	10.8
	3	1.30	13%	12.5	10.8
	4	0.53	5%	12.5	10.8
	5	0.24	2%	12.5	10.8
		Cust \$/Mo.		0.0	16.0
		Fixed Charge High Demand \$/Mo.		0.0	0.0
		Fixed Charge Low Demand \$/Mo.		0.0	0.0
		Min Charge \$/Mo.		0.0	0.0

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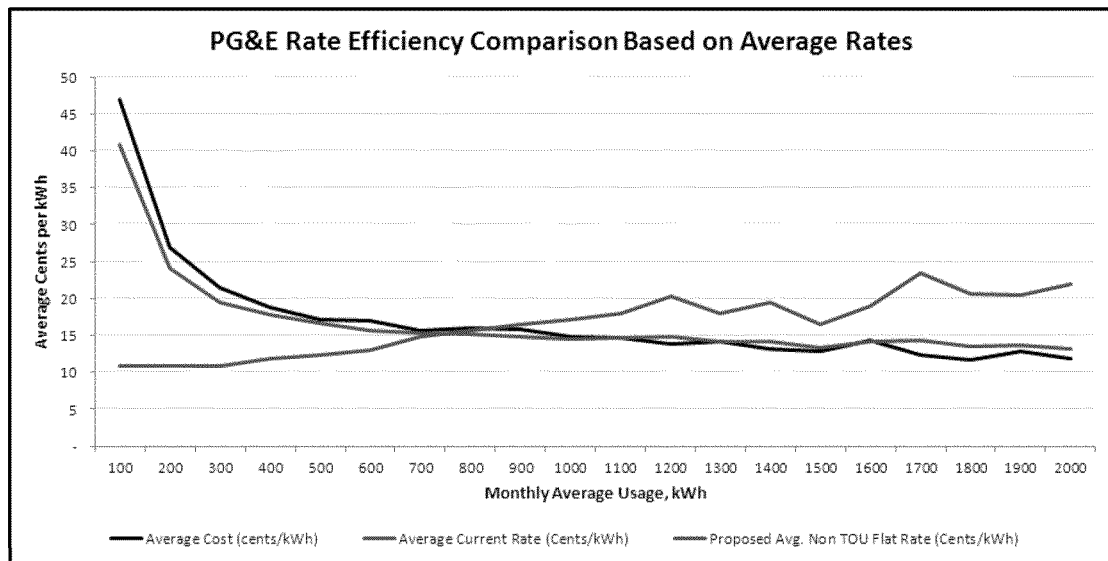
**Scenario Description**

Scenario - I  
 Customer Charge: \$20/month  
 Flat Volumetric Rate

**Result-2a: Average Rate Impact Summary**

Average Rate Impact Summary (Cents / kWh) by Zone				
NON-CARE				
Baseline Region	Cost Base Rate	Jul-12 Rate	Proposed Non-TOU Rate	
Coast (Q, T, V)	15.9	18.3	18.5	
Hills (X)	16.5	18.1	17.1	
Inner Valley (S, P)	16.7	18.0	16.4	
Outer Valley (R, W, Y, Z)	16.8	17.9	16.2	
Non-CARE System	16.5	18.1	17.1	
CARE				
Baseline Region	Cost Base Rate	Jul-12 Rate	Proposed Non-TOU Rate	
Coast (Q, T, V)	16.3	9.3	15.5	
Hills (X)	17.0	9.2	14.5	
Inner Valley (S, P)	17.1	9.3	13.5	
Outer Valley (R, W, Y, Z)	17.3	9.3	13.3	
CARE System	17.0	9.3	14.1	
Rate Design Measures		Current Rate Levels	Non-TOU Rate	
Residential CARE Subsidy (\$M) =>		\$ 717,000,000	\$ 259,000,000	
Residential CARE subsidy funded by non-residential class (\$M) =>		\$ 501,900,000	\$ 181,300,000	
Effective CARE Discount % =>		49%	20%	
Percent of Fixed Costs Recovery =>		0%	22%	
Percent Fixed Cost Not Recovered		22%	0%	

**Result 2b: Rate Efficiency**



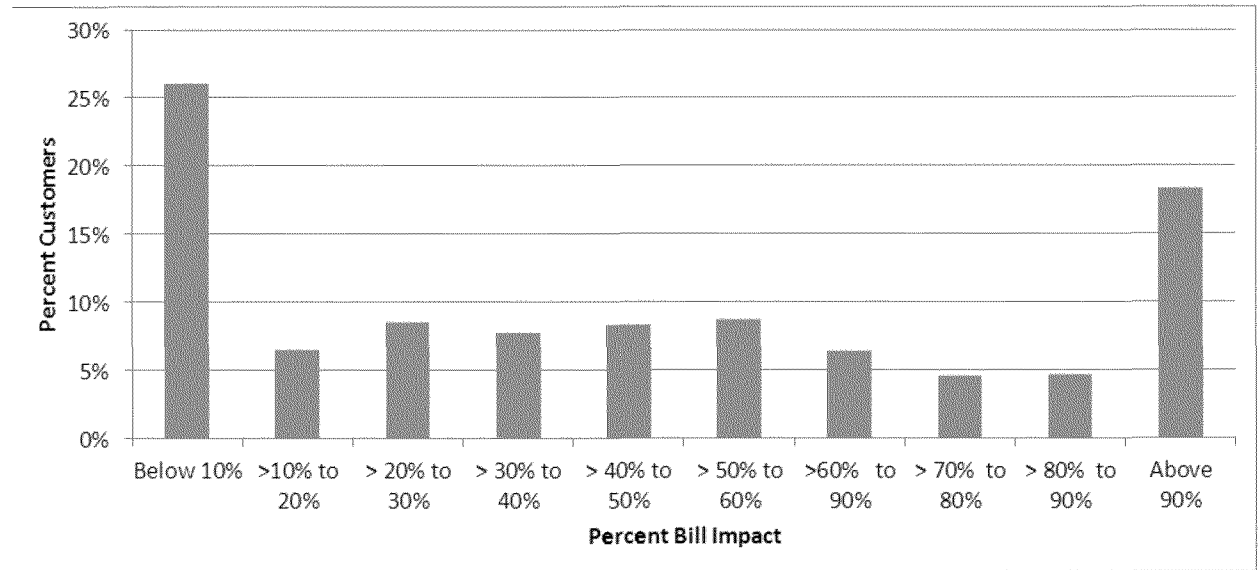
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**Scenario Description**

Scenario - I  
 Customer Charge: \$20/month  
 Flat Volumetric Rate

**Result-3: Bill Impact**

**Non TOU Flat Rate Design Impacts All Customers**



Non TOU Flat Rate Design Impacts All Customers												
Impact	Customer		Average		Average Cents/kWh			Monthly \$			Average Bill to Income Ratio	
	Number	Percent	Monthly kWh	LF	Jul-12	Proposed	Change	Jul-12	Proposed	Change	Jul-12	Proposed
Below 10%	1,204,236	26%	876	15%	20.12	15.60	-22%	176.23	136.67	(39.55)	2.0%	1.5%
>10% to 20%	302,034	7%	649	15%	13.57	15.66	15%	88.04	101.55	13.51	1.0%	1.2%
> 20% to 30%	393,808	9%	628	15%	11.90	14.91	25%	74.71	93.59	18.88	1.1%	1.4%
> 30% to 40%	359,956	8%	548	14%	11.38	15.35	35%	62.39	84.16	21.78	1.0%	1.4%
> 40% to 50%	385,864	8%	464	13%	11.12	16.07	45%	51.60	74.57	22.96	0.9%	1.2%
> 50% to 60%	403,482	9%	428	13%	10.28	15.86	54%	44.02	67.93	23.91	0.9%	1.4%
>60% to 90%	298,390	6%	368	13%	9.95	16.38	65%	36.59	60.27	23.68	0.8%	1.3%
> 70% to 80%	210,750	5%	345	13%	9.28	16.18	74%	31.99	55.79	23.80	0.9%	1.5%
> 80% to 90%	216,696	5%	288	12%	9.42	17.38	85%	27.12	50.03	22.92	0.7%	1.3%
Above 90%	846,364	18%	167	11%	9.45	21.81	131%	15.78	36.43	20.65	0.4%	1.0%
Group Total	4,621,580	100%	527	14%	15.01	16.03	7%	79.03	84.39	5.36	1.3%	1.4%

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**Scenario Description**

Scenario - II

Customer Charge: \$10/month

Flat TOU with on-peak/part-peak price = part-peak/off-peak price = 1.5

**Result-1: Summary of Rates**

Resulting TOU Rate				
Non-CARE	Period	Forecast	% of	Rate
		Sales (GWh)	Sales	
	Summer On-Peak	1.99	10%	28.3
	Summer Part-Peak	2.35	12%	18.9
	Summer Off-Peak	4.99	26%	12.6
	Winter Part-Peak	1.11	6%	13.2
	Winter Off-Peak	8.54	46%	13.2
	Cust \$/Mo.			10.0
	Fixed Charge High Demand \$/Mo.			0.0
	Fixed Charge Low Demand \$/Mo.			0.0
	Min Charge \$/Mo.			0.0
CARE	Period	Sales (GWh)	% of Sales	Rate
	Summer On-Peak	1.14	11%	22.7
	Summer Part-Peak	1.32	13%	15.1
	Summer Off-Peak	2.79	27%	10.1
	Winter Part-Peak	0.57	6%	10.6
	Winter Off-Peak	4.41	43%	10.6
	Cust \$/Mo.			8.0
	Fixed Charge High Demand \$/Mo.			0.0
	Fixed Charge Low Demand \$/Mo.			0.0
	Min Charge \$/Mo.			0.0

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**Scenario Description**

Scenario - II

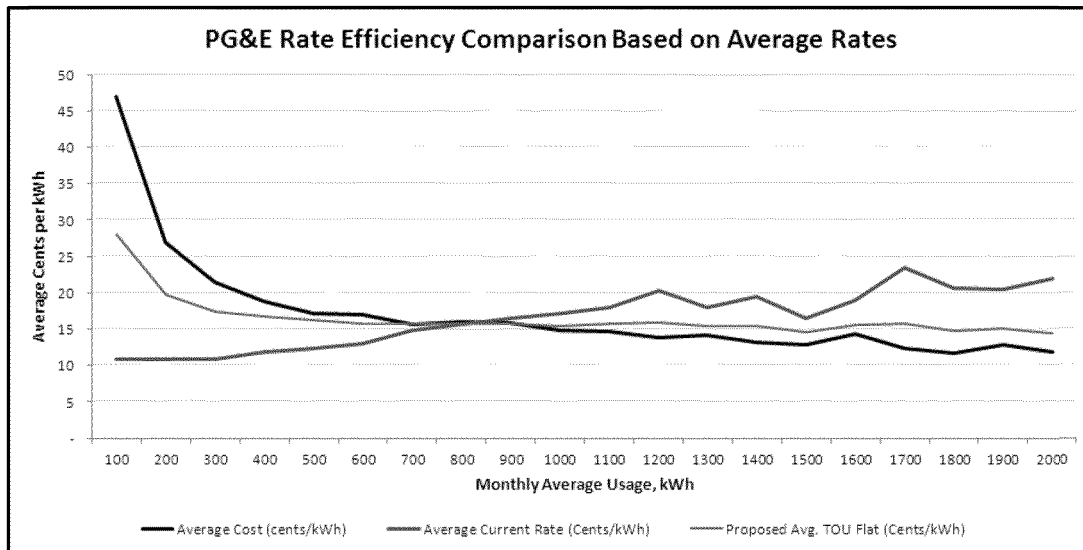
Customer Charge: \$10/month

Flat TOU with on-peak/part-peak price = part-peak/off-peak price = 1.5

**Result-2a: Average Rate Impact Summary**

Average Rate Impact Summary (Cents / kWh) by Zone				
NON-CARE				
Baseline Region	Cost Base Rate	Jul-12 Rate	Proposed TOU Rate	
Coast (Q, T, V)	15.9	18.3	17.5	
Hills (X)	16.5	18.1	17.1	
Inner Valley (S, P)	16.7	18.0	17.0	
Outer Valley (R, W, Y, Z)	16.8	17.9	17.2	
Non-CARE System	16.5	18.1	17.2	
CARE				
Baseline Region	Cost Base Rate	Jul-12 Rate	Proposed TOU Rate	
Coast (Q, T, V)	16.3	9.3	14.3	
Hills (X)	17.0	9.2	14.1	
Inner Valley (S, P)	17.1	9.3	13.8	
Outer Valley (R, W, Y, Z)	17.3	9.3	14.0	
CARE System	17.0	9.3	14.0	
Rate Design Measures		Current Rate Levels		TOU
Residential CARE Subsidy (\$M) =>		\$ 717,000,000	\$	247,000,000
Residential CARE subsidy funded by non-residential class (\$M) =>		\$ 501,900,000	\$	172,900,000
Effective CARE Discount % =>		49%		20%
Percent of Fixed Costs Recovery =>		0%		11%
Percent Fixed Cost Not Recovered		22%		11%

**Result 2b: Rate Efficiency**





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**Scenario Description**

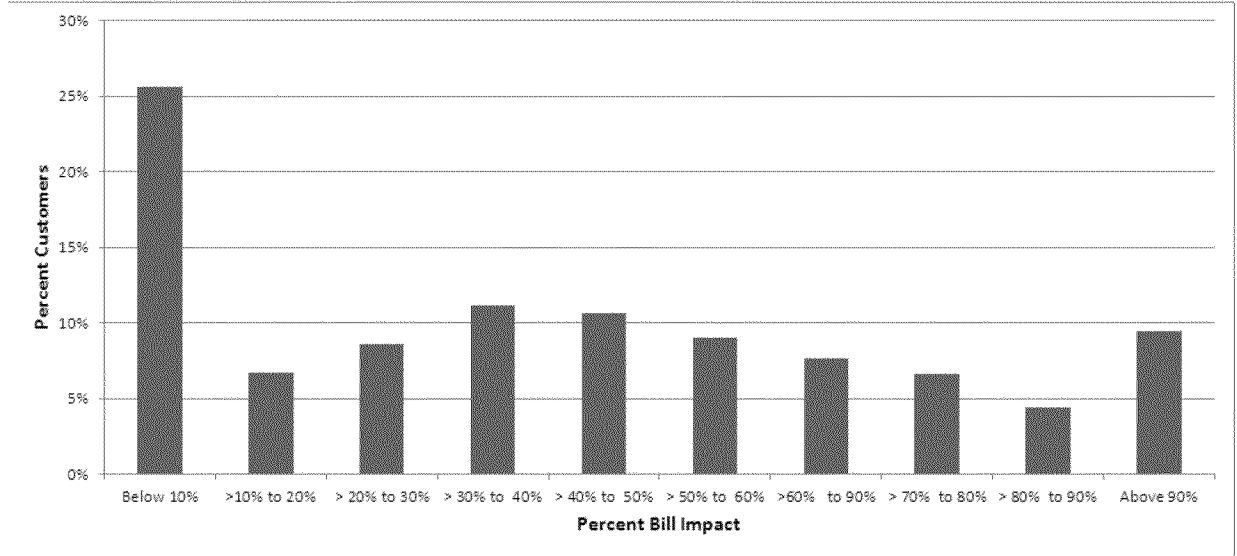
Scenario - II

Customer Charge: \$10/month

Flat TOU with on-peak/part-peak price = part-peak/off-peak price = 1.5

**Result-3: Bill Impact**

**TOU Rate Design Impacts All Customers**



**TOU Rate Design Impacts All Customers**

Impact	Customer		Average		Average Cents/kWh			Monthly \$			Average Bill to Income Ratio	
	Number	Percent	Monthly - kWh	LF	Jul-12	Proposed	Change	Jul-12	Proposed	Change	Jul-12	Proposed
Below 10%	1,182,604	26%	859	15%	20.45	16.49	-19%	175.72	141.71	(34.01)	1.9%	1.6%
>10% to 20%	309,642	7%	611	14%	14.08	16.26	15%	86.09	99.38	13.29	1.0%	1.1%
> 20% to 30%	398,883	9%	589	14%	12.49	15.66	25%	73.52	92.20	18.67	1.0%	1.3%
> 30% to 40%	517,094	11%	547	14%	11.42	15.51	36%	62.51	84.90	22.39	0.9%	1.3%
> 40% to 50%	492,277	11%	426	13%	11.01	15.94	45%	46.89	67.90	21.01	0.9%	1.3%
> 50% to 60%	415,406	9%	434	13%	9.59	14.83	55%	41.60	64.33	22.74	0.9%	1.5%
>60% to 90%	354,348	8%	366	14%	9.09	14.99	65%	33.31	54.89	21.59	0.9%	1.5%
> 70% to 80%	307,443	7%	290	12%	8.89	15.47	74%	25.76	44.80	19.04	0.7%	1.3%
> 80% to 90%	205,140	4%	223	13%	8.90	16.48	85%	19.87	36.78	16.91	0.6%	1.0%
Above 90%	438,743	9%	127	10%	8.94	19.25	115%	11.35	24.45	13.10	0.4%	0.8%
Group Total	4,621,580	100%	527	14%	15.01	16.05	7%	79.09	84.54	5.50	1.3%	1.4%



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**Scenario Description**

Scenario - III

Customer Charge: \$5/month

Two Tiers with 20% differential

Fixed charge with \$10/month for 3kW or above annual peak demand, \$5/month otherwise

**Result-1: Summary of Rates**

Resulting 2-Tier Rate					
Non-CARE	Tier	Forecast	% of	Jul-12	2-Tier Rate
		Sales (GWh)	Sales	Rate	Rate
	1	11.59	61%	12.8	13.6
	2	2.20	12%	14.6	16.3
	3	2.92	15%	29.6	16.3
	4	1.47	8%	33.6	16.3
	5	0.79	4%	33.6	16.3
		Cust \$/Mo.		0.0	5.0
		Fixed Charge High Demand \$/Mo.		-	10.0
		Fixed Charge Low Demand \$/Mo.			5.0
		Min Charge \$/Mo.		0.0	0.0
CARE	Tier	Sales (GWh)	% of Sales	Jul-12 Rate	2-Tier Rate Rate
	1	7.05	69%	8.3	10.9
	2	1.10	11%	9.6	13.0
	3	1.30	13%	12.5	13.0
	4	0.53	5%	12.5	13.0
	5	0.24	2%	12.5	13.0
		Cust \$/Mo.		0.0	4.0
		Fixed Charge High Demand \$/Mo.		0.0	8.0
		Fixed Charge Low Demand \$/Mo.		0.0	4.0
		Min Charge \$/Mo.		0.0	0.0

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**Scenario Description**

Scenario - III

Customer Charge: \$5/month

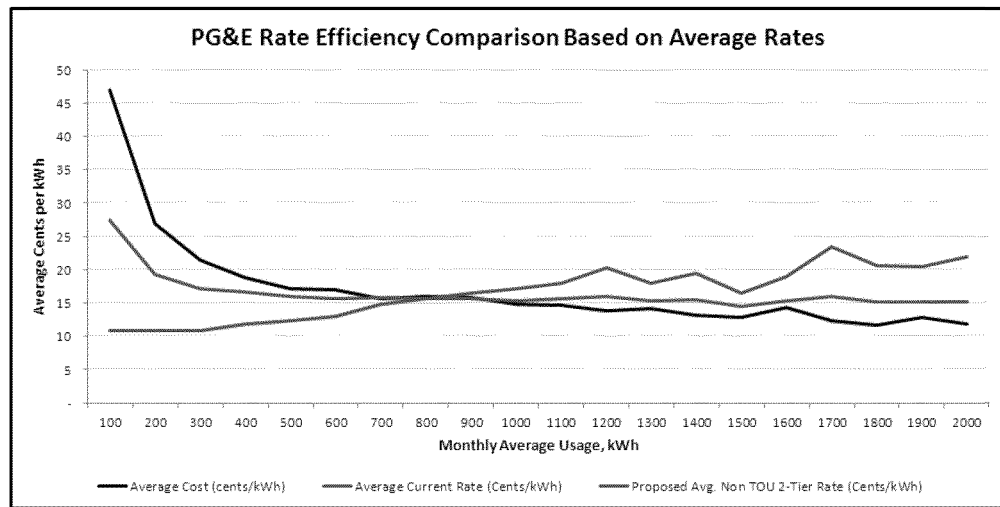
Two Tiers with 20% differential

Fixed charge with \$10/month for 3kW or above annual peak demand, \$5/month otherwise

**Result-2a: Average Rate Impact Summary**

Average Rate Impact Summary (Cents / kWh) by Zone				
NON-CARE				
Baseline Region	Cost Base Rate	Jul-12 Rate	Proposed Non-TOU Rate	
Coast (Q, T, V)	15.9	18.3	18.0	
Hills (X)	16.5	18.1	17.3	
Inner Valley (S, P)	16.7	18.0	16.8	
Outer Valley (R, W, Y, Z)	16.8	17.9	16.6	
Non-CARE System	16.5	18.1	17.2	
CARE				
Baseline Region	Cost Base Rate	Jul-12 Rate	Proposed Non-TOU Rate	
Coast (Q, T, V)	16.3	9.3	14.5	
Hills (X)	17.0	9.2	14.0	
Inner Valley (S, P)	17.1	9.3	13.5	
Outer Valley (R, W, Y, Z)	17.3	9.3	13.4	
CARE System	17.0	9.3	13.8	
Rate Design Measures		Current Rate Levels	Non-TOU Rate	
Residential CARE Subsidy (\$M) =>		\$ 717,000,000	\$ 271,000,000	
Residential CARE subsidy funded by non-residential class (\$M) =>		\$ 501,900,000	\$ 189,700,000	
Effective CARE Discount % =>		49%	20%	
Percent of Fixed Costs Recovery =>		0%	5%	
Percent Fixed Cost Not Recovered		22%	17%	

**Result 2b: Rate Efficiency**



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**Scenario Description**

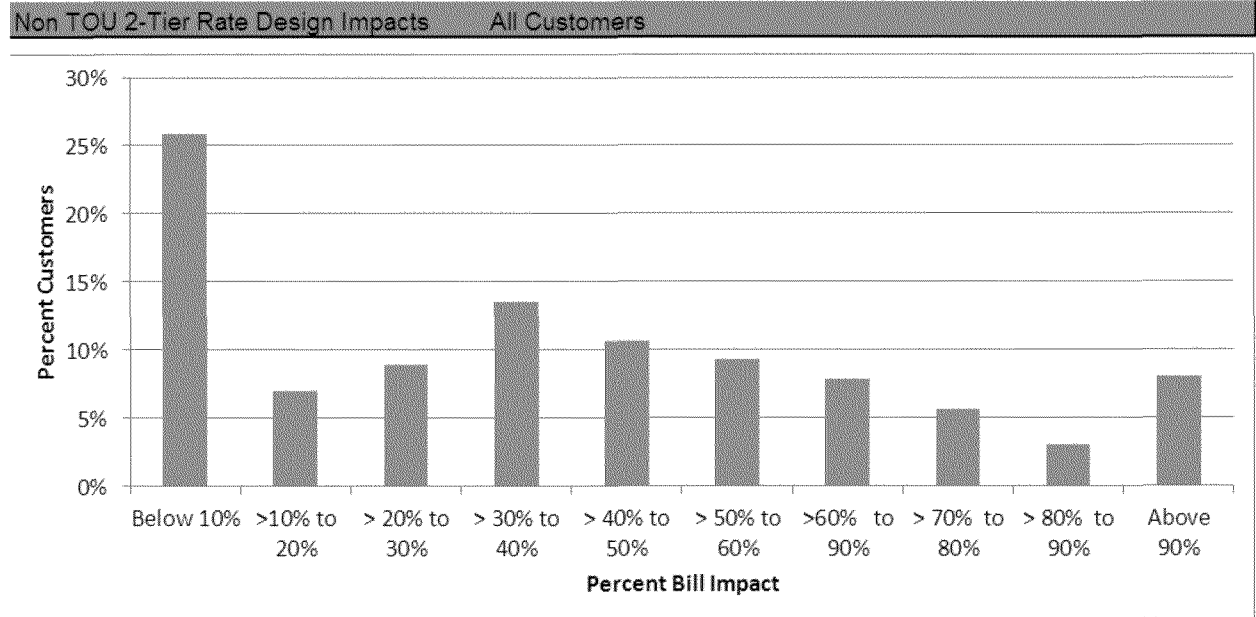
Scenario - III

Customer Charge: \$5/month

Two Tiers with 20% differential

Fixed charge with \$10/month for 3kW or above annual peak demand, \$5/month otherwise

**Result-3: Bill Impact**



Impact	Customer		Average		Average Cents/kWh			Monthly \$			Average Bill to Income Ratio	
	Number	Percent	Monthly kWh	LF	Jul-12	Proposed	Change	Jul-12	Proposed	Change	Jul-12	Proposed
Below 10%	1,196,700	26%	847	15%	20.52	16.76	-18%	173.78	141.94	(31.84)	1.9%	1.6%
>10% to 20%	325,272	7%	611	14%	14.14	16.26	15%	86.38	99.35	12.97	1.0%	1.1%
> 20% to 30%	410,179	9%	565	14%	12.61	15.79	25%	71.33	89.27	17.94	1.0%	1.2%
> 30% to 40%	626,690	14%	535	14%	11.20	15.10	35%	59.93	80.83	20.90	1.0%	1.3%
> 40% to 50%	494,337	11%	451	14%	10.28	14.90	45%	46.34	67.16	20.82	0.9%	1.3%
> 50% to 60%	431,329	9%	403	14%	9.38	14.50	55%	37.78	58.39	20.60	0.9%	1.4%
>60% to 90%	363,319	8%	322	13%	9.04	14.89	65%	29.07	47.88	18.80	0.8%	1.4%
> 70% to 80%	259,430	6%	263	11%	8.84	15.39	74%	23.24	40.47	17.23	0.8%	1.3%
> 80% to 90%	140,425	3%	201	12%	8.85	16.34	85%	17.81	32.88	15.07	0.6%	1.2%
Above 90%	373,900	8%	118	9%	9.25	20.28	119%	10.90	23.92	13.02	0.3%	0.6%
Group Total	4,621,580	100%	527	14%	15.01	16.00	7%	79.03	84.23	5.20	1.3%	1.4%

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**Scenario Description**

Scenario - IV

Customer Charge: \$5/month

TOU

Fixed charge with \$10/month for 3kW or above annual peak demand, \$5/month otherwise

**Result-1: Summary of Rates**

Resulting TOU Rate				
Non-CARE	Period	Forecast	% of	Rate
		Sales (GWh)	Sales	
	Summer On-Peak	1.99	10%	26.9
	Summer Part-Peak	2.35	12%	18.0
	Summer Off-Peak	4.99	26%	12.0
	Winter Part-Peak	1.11	6%	12.6
	Winter Off-Peak	8.54	46%	12.6
	Cust \$/Mo.			5.0
	Fixed Charge High Demand \$/Mo.			10.0
	Fixed Charge Low Demand \$/Mo.			5.0
	Min Charge \$/Mo.			0.0
CARE	Period	Sales (GWh)	% of Sales	Rate
	Summer On-Peak	1.14	11%	21.5
	Summer Part-Peak	1.32	13%	14.4
	Summer Off-Peak	2.79	27%	9.6
	Winter Part-Peak	0.57	6%	10.1
	Winter Off-Peak	4.41	43%	10.1
	Cust \$/Mo.			4.0
	Fixed Charge High Demand \$/Mo.			8.0
	Fixed Charge Low Demand \$/Mo.			4.0
	Min Charge \$/Mo.			0.0

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**Scenario Description**

Scenario - IV

Customer Charge: \$5/month

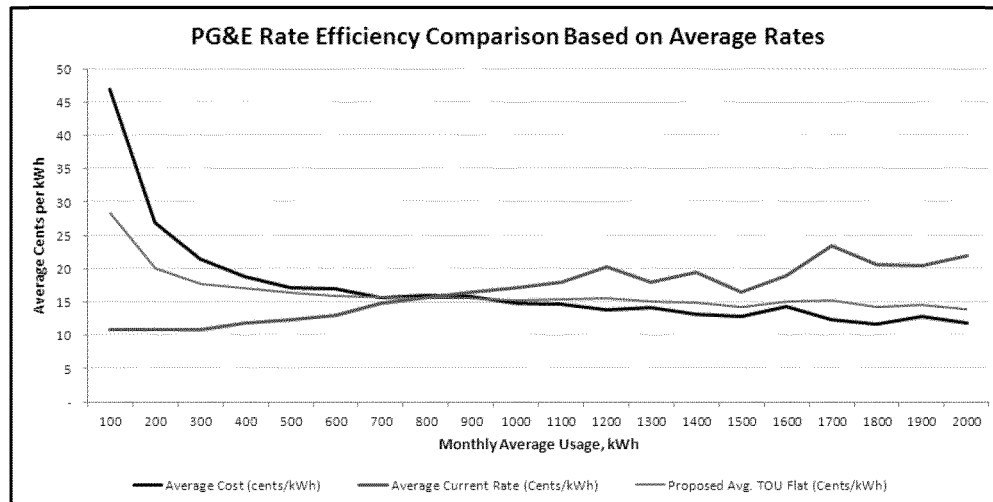
TOU

Fixed charge with \$10/month for 3kW or above annual peak demand, \$5/month otherwise

**Result-2a: Average Rate Impact Summary**

Average Rate Impact Summary (Cents / kWh) by Zone				
NON-CARE				
Baseline Region	Cost Base Rate	Jul-12 Rate	Proposed TOU Rate	
Coast (Q, T, V)	15.9	18.3	17.5	
Hills (X)	16.5	18.1	17.1	
Inner Valley (S, P)	16.7	18.0	17.0	
Outer Valley (R, W, Y, Z)	16.8	17.9	17.0	
Non-CARE System	16.5	18.1	17.2	
CARE				
Baseline Region	Cost Base Rate	Jul-12 Rate	Proposed TOU Rate	
Coast (Q, T, V)	16.3	9.3	14.3	
Hills (X)	17.0	9.2	14.2	
Inner Valley (S, P)	17.1	9.3	13.8	
Outer Valley (R, W, Y, Z)	17.3	9.3	13.9	
CARE System	17.0	9.3	14.0	
Rate Design Measures		Current Rate Levels		TOU
Residential CARE Subsidy (\$M) =>		\$ 717,000,000	\$	247,000,000
Residential CARE subsidy funded by non-residential class (\$M) =>		\$ 501,900,000	\$	172,900,000
Effective CARE Discount % =>		49%		20%
Percent of Fixed Costs Recovery =>		0%		5%
Percent Fixed Cost Not Recovered =>		22%		17%

**Result 2b: Rate Efficiency**





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**Scenario Description**

Scenario - IV

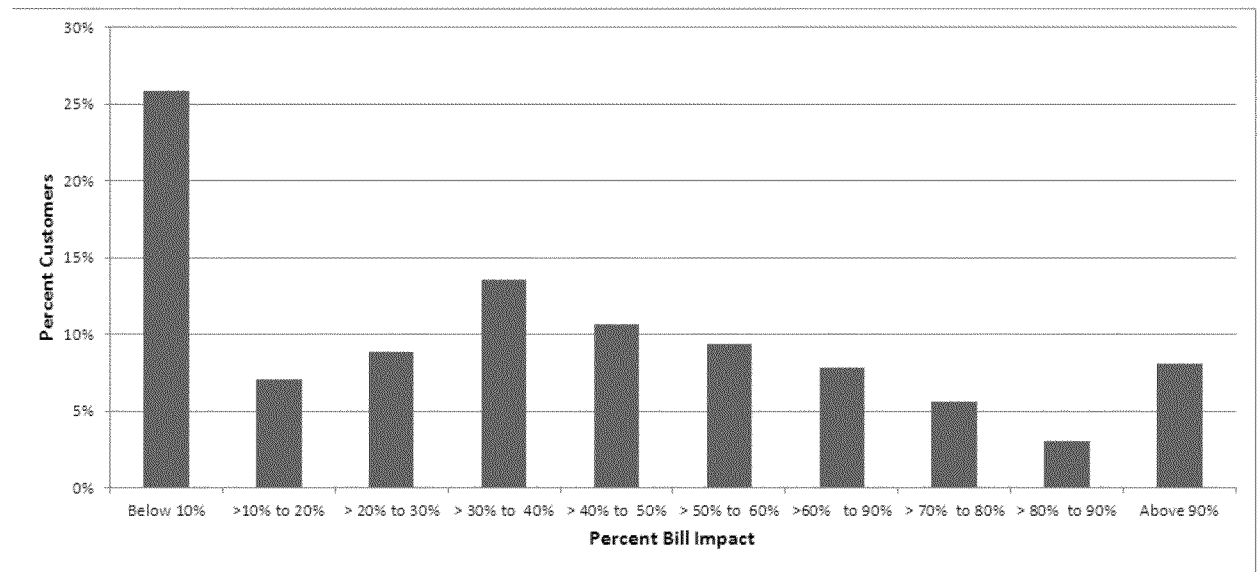
Customer Charge: \$5/month

TOU

Fixed charge with \$10/month for 3kW or above annual peak demand, \$5/month otherwise

**Result-3: Bill Impact**

**TOU Rate Design Impacts All Customers**



**TOU Rate Design Impacts All Customers**

Impact	Customer		Average		Average Cents/kWh			Monthly \$			Average Bill to Income Ratio	
	Number	Percent	Monthly kWh	LF	Jul-12	Proposed	Change	Jul-12	Proposed	Change	Jul-12	Proposed
Below 10%	1,196,700	26%	847	15%	20.52	16.38	-20%	173.78	138.73	(35.05)	1.9%	1.5%
>10% to 20%	325,272	7%	611	14%	14.14	16.38	16%	86.38	100.08	13.70	1.0%	1.1%
> 20% to 30%	410,179	9%	565	14%	12.61	15.98	27%	71.33	90.37	19.04	1.0%	1.2%
> 30% to 40%	626,690	14%	535	14%	11.20	15.39	37%	59.93	82.37	22.44	1.0%	1.4%
> 40% to 50%	494,337	11%	451	14%	10.28	15.31	49%	46.34	69.00	22.66	0.9%	1.4%
> 50% to 60%	431,329	9%	403	14%	9.38	15.05	60%	37.78	60.61	22.83	0.9%	1.5%
>60% to 90%	363,319	8%	322	13%	9.04	15.49	71%	29.07	49.82	20.75	0.8%	1.4%
> 70% to 80%	259,430	6%	263	11%	8.84	16.06	82%	23.24	42.23	18.99	0.8%	1.4%
> 80% to 90%	140,425	3%	201	12%	8.85	17.10	93%	17.81	34.40	16.59	0.6%	1.2%
Above 90%	373,900	8%	118	9%	9.25	21.01	127%	10.90	24.78	13.87	0.3%	0.7%
Group Total	4,621,560	100%	527	14%	15.01	16.05	7%	79.03	84.53	5.50	1.3%	1.4%