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Sent: 6/11/2013 5:26:40 PM
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Bcc:
Subject: GHG Cost Comparison Issue

Dear Karen and Redac

I'm happy to provide additional information on the GHG cost comparison issue.

The Proposed Decision of ALJ Semcer in R.11-03-012 (dated May 28, 2013) provides an addition to Ordering Paragraph 20 of D.12-12-033. Specifically the proposed Ordering Paragraph 20 states:

PG&E, SCE, SDG&E, PacifiCorp, and CalPeco must accurately disclosure to customers shared by the utility and a Community Choice Aggregator or Energy Service Provider their respective deferred greenhouse gas costs in order to provide a direct comparison across rates.

MCE is concerned that the existing language within the cost comparison does not meet this requirement, which requires not only disclosing the deferred GHG costs – which PG&E has done – but also to have those costs presented in a way for customers to make a direct comparison across rates – which PG&E has not done. Rather, PG&E's cost reflects an amortization, not a cost.

To correct this, MCE proposes the following solution:

Generation Rate is the cost of creating electricity to power your home. The Generation Rate varies based on your energy provider. PG&E Generation Rates do not include \$180 million of temporarily deferred costs associated with greenhouse gas (GHG) compliance under the California Cap-and-Trade Program. The deferred cost is estimated to be ~~between \$0.00120 to \$0.00241~~ per kWh in 2013 and will be added to PG&E's Generation Rates in 2014. MCE Generation Rates currently include these costs and MCE customers will not pay deferred costs in 2014.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home. The PG&E Delivery Rate depends on your electricity usage, but is charged equally to both MCE and PG&E customers.

To be most useful to customers, customers should be able to look at 2013 PG&E rates versus 2013 MCE rates. If we use PG&E's amortized figures, we're not giving customers this apples to apples comparison.

If you have any questions, please feel free to reach out to us.

Beth

Elizabeth Kelly

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MCE is committed to protecting customer privacy. Learn more
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