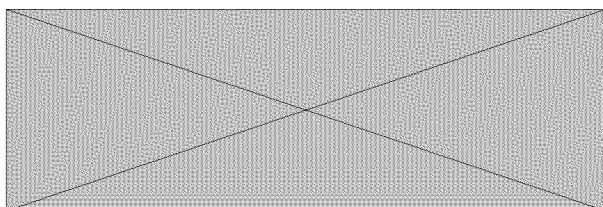


From: Cherry, Brian K
Sent: 10/3/2013 11:00:44 AM
To: Michael Colvin (michael.colvin@cpuc.ca.gov)
Cc:
Bcc:
Subject: Fwd: CPUC Approves Significant Energy Rate Reduction to Attract Jobs

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Begin forwarded message:

From: Ashley Swearengin <Ashley.Swearengin@fresno.gov>
Date: October 3, 2013, 10:57:22 AM PDT
To: Ashley Swearengin <Ashley.Swearengin@fresno.gov>
Subject: CPUC Approves Significant Energy Rate Reduction to Attract Jobs



Contact: Michael Lukens (559) 999-5108

Forty Local Governments Hail Significant Energy Rate Reduction to Attract Jobs

Two-Year Process Ends with Substantial Victory

The California Public Utilities Commission (CPUC) today, in the culmination of a 19-month proceeding, approved two new PG&E rates especially designed to attract jobs to California. An unprecedented 40 California cities and counties (the Local Government Parties or LGP) who have supported PG&E throughout this process applauded the CPUC for this decision.

“For us, this process has always been about jobs,” Fresno Mayor Ashley Swearengin said. “Areas of high unemployment in a state that is perceived as wealthy pose a particular problem for local policy makers. With this substantial step forward by the Public Utilities Commission and PG&E, we see not only the addition of a significant new tool to combat joblessness, but also meaningful new engagement by the PUC and PG&E with our communities.”

The Rates

In today’s vote, the CPUC approved a PG&E application for two economic development rates: a Standard-EDR to apply in any part of the PG&E service area and an Enhanced-EDR targeted at areas of high unemployment.

High unemployment here means at least 125% of the state average unemployment level. These new rates can only be offered to a business locating new jobs in California or a struggling business that would otherwise move out-of-state or close operations altogether because of high power costs. The Governor’s Office of Business and Economic Development (GO-Biz) will be directly involved in determining customer eligibility.

The Enhanced-EDR offers a 30% reduction in qualifying businesses’ electric bills for 5 years. (The Standard-EDR offers a guaranteed 12% reduction, itself an improvement over past incentive rates.) This reduction is aimed squarely at locations outside California that compete with California for jobs.

“We have higher headline rates than neighboring states,” said Bobby Kahn, executive director of the Madera County Economic Development Corporation. “While there may be good reasons for that, the headline still hurts us when

competing for new jobs.” He added: “That’s why this significant reduction was so important. It helps to level the playing field.”

During this process, the CPUC held hearings and the LGP provided expert witness testimony that “only a meaningful reduction in electric rates would be effective as an incentive for new businesses.” The LGP supported PG&E’s calculations that resulted in the 30% reduction, for the target high-unemployment areas, as both meaningful and affordable.

The Process

This long process began with visits by Fresno Mayor Swarengin and her team to PG&E and the CPUC in 2011 and was followed up by PG&E’s Application.

Approval for the Enhanced-EDR took time because the CPUC process had to make sure that the reductions would be “self-funding” and not pass costs on to non-participating ratepayers. The new rates will, in fact, benefit all ratepayers by adding new customers who will share in paying for the fixed costs of the PG&E system.

Thanks

The Fresno Mayor thanked the CPUC Commissioners for their work: “On behalf of Fresno and the other LGP local governments, I want to thank Commissioner Ferron for his significant work in learning about the challenges we face in the Central Valley and taking the time to travel to Fresno to understand first-hand how the CPUC might help. I also want to thank Commission President Peevey for bringing the Commission to Fresno and for his strong support of all the Valley communities that was key in this process. And I want to thank Commissioner Sandoval who traveled to Fresno and whose interest in our region we greatly appreciate.”

Mayor Swarengin added, “All of us in the LGP, from the Central Valley to the Northern Counties, hope that this is merely the start of a stronger engagement with the vital work of the CPUC.”

Mayor Swearengen also thanked PG&E for its advocacy of this vital proposal: “PG&E has been a strong partner to our communities in the process, and we appreciate every bit of that.”

Detail

Local Government Parties (or LGP) is a designation adopted by those municipalities acting together before the CPUC to support the PG&E proposal to establish economic development electric rates, especially for areas of high-unemployment. The following cities and counties, mostly from the Central Valley and California’s Northern Counties, together represent the LGP: the Cities of Atwater, Avenal, Chowchilla, Clovis, Coalinga, Colusa, Corning, Dinuba, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Lemoore, Live Oak, Livingston, Madera, Mendota, Merced, Orange Cove, Red Bluff, Reedley, San Joaquin, Sanger, Selma, Shafter, Stockton and Willows and Counties of Fresno, Kings, Kern, Madera, Merced, San Benito, San Joaquin, Shasta, Tehama and Yuba. The LGP include some of California’s fastest growing populations, most economically challenged communities, highest jobless rates and greatest areas of economic opportunity.