



California Public Utilities Commission
Division of Ratepayer Advocates
505 Van Ness Avenue, San Francisco, CA 94102-3298

PG&E's 2007 General Rate Case (GRC)
Public Participation Hearings

**DRA RECOMMENDS REDUCTIONS TO PG&E'S
REQUEST FOR A GENERAL RATE CASE INCREASE STARTING IN 2007, AND
OPPOSES PG&E'S PROPOSAL TO CLOSE LOCAL OFFICES**

On April 14, 2006, the Division of Ratepayer Advocates (DRA) issued its reports addressing the request of Pacific Gas and Electric Company (PG&E) to increase electric distribution and gas distribution charges (together which primarily compose the wires and pipes that transport electricity and gas locally), as well as electric generation revenues and rates for 2007, 2008 and 2009. PG&E's request was filed with the California Public Utilities Commission (PUC) on December 2, 2005 and would take effect starting in 2007. A summary comparison of DRA's and PG&E's proposals is provided below:

**DRA Recommends a \$550 Million Reduction to PG&E's 2007 Request
(All Numbers in Millions of Dollars)**

Utility Function	DRA Proposed Base Revenue	PG&E Proposed Base Revenue	DRA Proposed Increase	PG&E Proposed Increase
Electric Distribution	\$2,784	\$3,055	\$136	\$407
Gas Distribution	\$990	\$1,099	-\$37	\$72
Electric Generation	\$921	\$1,092	-\$118	\$53
Total	\$4,695	\$5,246	-\$18	\$532

For the combined utility functions, DRA also recommends an inflation-driven revenue increase of \$98 million in 2008, and an increase of \$51 million in 2009 to the 2008 rates, compared to PG&E's requested increases of \$145 million and \$146 million. DRA also opposes PG&E's request to close all 84 of its local offices in 2007, where customers can make payments and request services.

DRA is an independent arm of the PUC, created by the Legislature to represent the interests of all public utility customers throughout the state to obtain the lowest possible rates for service consistent with reliable and safe service levels. DRA has a multidisciplinary staff with expertise in economics, finance, accounting and engineering that is charged with reviewing various proposals of investor-owned utilities, especially general requests to increase rates. The DRA report on PG&E's GRC request is available on its website at www.dra.ca.gov.