



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Notice Of Application From Pacific Gas & Electric Company For Increases In Electric Revenues And Gas Rates

MEETING DATE: February 17, 1999

PREPARED BY: City Clerk

RECOMMENDED ACTION: Information only, no action required.

BACKGROUND INFORMATION: The City Clerk's Office has received a notice of application from Pacific Gas & Electric Company for increases in electric revenues and gas rates (Exhibit A). This is information only, no Council action is required.

FUNDING: None

Alice M. Reimche
Alice M. Reimche
City Clerk

APPROVED: _____

H. Dixon Flynn -- City Manager



**Pacific Gas and
Electric Company**

EXHIBIT A

Robert B. McLennan
Attorney at Law

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San Francisco, CA
Mailing Address
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San Francisco, CA 94120

415 973 2069
Telecopier 415 543 7813
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January 25, 1999

RECEIVED
TO: JAN 28 AM 10:00
CITY CLERK
CITY OF LOS ANGELES

TO STATE, COUNTY AND CITY OFFICIALS

NOTICE OF APPLICATION FOR INCREASES IN ELECTRIC REVENUES AND GAS RATES

Pacific Gas and Electric Company (PG&E) filed Application No. 99-01-011 on January 7, 1999, with the California Public Utilities Commission (CPUC) to increase PG&E's electric revenues and gas rates to allow PG&E to recover the costs of repairs of facilities following declared disasters. If this application is approved by the CPUC, PG&E's proposal would result in an electric revenue requirement increase of \$60.1 million (0.8 percent) and a gas rate increase of \$15.8 million (0.88 percent). After hearings, changes will become effective January 1, 2000.

WHAT WE ARE REQUESTING

We are asking that, beginning January 1, 2000, we be allowed to increase our electric revenues by \$60.1 million and gas rates by \$15.8 million. State law and CPUC decisions allow utilities to request to recover the reasonable costs of restoring utility services to customers; repairing, replacing, or restoring damaged utility facilities; and complying with governmental agency orders following events declared disasters by state or federal authorities.

Since mid-1991, there have been nine declared disasters affecting PG&E. In this application, PG&E is seeking recovery of costs related to seven of the nine declared disasters: the (1) February 1998 storms, (2) 1997 New Year's flood, (3) March 1995 storms, (4) January 1995 storms, (5) 1994 Northridge earthquake, (6) 1992 Calaveras and Shasta County fires, and (7) 1991 Oakland/Berkeley Hills fire.

However, by law PG&E's electric rates are frozen at their current levels until March 31, 2002, or when PG&E's approved transition costs are fully recovered, whichever comes first. Therefore, the change in electric revenues requested in this proceeding will not change the total electric rate charged to customers until the electric rate freeze ends, but may result in a rate increase after the freeze ends. If the CPUC approves our application



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and the resulting change is an increase, then there will be less revenue left over to cover transition costs.

THE EFFECT ON CUSTOMERS

The effect of the application, including interest, results in a net electric revenue requirement increase of \$60.1 million (0.8 percent) and a \$15.8 million (0.88 percent) increase compared to present gas revenues. However, as described above, state law requires that the electric revenue requirement increase will not result in an increase in your rates at this time, but may increase rates in the future.

Here is how the application would affect each gas customer class:

<i>Gas Customer Class</i>	<i>Revenue Increase (thousands)</i>	<i>% Increase</i>
Residential	\$9,792	0.84%
Small Commercial	\$3,686	0.84%
Large Commercial	\$ 338	1.54%
Industrial	\$1,116	1.11%
Cogeneration	\$ 260	0.84%
Utility Electric Generation	\$ 537	0.84%
Wholesale	\$ 22	1.60%
Total Revenue Change	\$15,751	0.88%

For average bundled monthly residential gas use of 50 therms, the monthly bill would increase by \$0.24, from \$28.77 to \$29.02. This example does not include any change in current rates due to pending CPUC cases such as PG&E's 1999 General Rate Case. Individual bills would vary from this example, depending on how much energy is used.

PUBLIC HEARINGS

Before acting on this application, the CPUC will hold evidentiary hearings. At these hearings, which are open to the public, the CPUC will receive the testimony of PG&E, the CPUC's Office of Ratepayer Advocates, and other interested parties. Participants at these hearings may offer proposals that differ from those of PG&E. In addition, during the proceedings, updated information may be introduced that could change the amount of the rate changes requested. After considering all proposals presented during the hearing process, the CPUC will issue a decision. Rates adopted by the CPUC may differ from those requested by PG&E, and may result in an increase or decrease in individual rates. If you want to participate in this proceeding and need advice or more information, including information on the hearings, or wish to obtain copies of the Office of Ratepayer Advocates' rate proposals when they are available, you may write to:

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The Public Advisor
California Public Utilities Commission
505 Van Ness Avenue, Room 5303
San Francisco, CA 94102
or via electronic mail to: public.advisor@cpuc.ca.gov

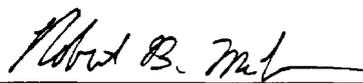
Mention you are writing about PG&E's Application No. 99-01-011 and indicate if you would like a written response, otherwise no reply will be sent. Your letter will be sent to the Commissioners and become part of the formal correspondence file for this application.

FOR FURTHER INFORMATION

You can get more information from PG&E by writing to: PG&E, P.O. Box 7442, San Francisco, CA 94120, Attention: CEMA Application. You may review a copy of our application and related exhibits at our corporate headquarters (77 Beale Street, Room 3120, San Francisco, CA 94105), at any of our division offices, or at the San Francisco office of the CPUC.

This notice is given in accordance with the requirements of Rule 24 of the CPUC's Rules of Practice and Procedure.

PACIFIC GAS AND ELECTRIC COMPANY

By: 

ROBERT B. McLENNAN