

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**Application of Pacific Gas and Electric  
Company for Approval of the 2012-2014  
Energy Savings Assistance and California  
Alternate Rates for Energy Programs and  
Budget**

**Application No. 11-05-\_\_\_**

**(U 39 M)**

**APPLICATION OF  
PACIFIC GAS AND ELECTRIC COMPANY**

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**I. SUMMARY OF APPLICATION AND REQUESTS**

Pacific Gas and Electric Company (PG&E) respectfully submits this application seeking approval of its proposed Energy Savings Assistance (ESA) program (formerly the Low Income Energy Efficiency (LIEE) program) and California Alternate Rates for Energy (CARE) administrative activities and budgets for 2012-2014. The ESA and CARE programs are statutorily established programs that provide assistance to qualifying low-income customers. This application is being submitted in compliance with the directive of the California Public Utilities Commission's ("Commission") Guidance Document for CARE/ESAP Budget Applications PY 2012-2014, issued on March 30, 2011 and Decision 08-11-031.<sup>1/</sup>

**A. PG&E's Recommendations and Requested Relief**

PG&E's application proposes the following specific recommendations:

- Approval of PG&E's proposed 2012-2014 application no later than October 6, 2011 to ensure no interruption of ESA programs and services.
- Continuation of its expanded installation cycle established in the 2009-2011 application process. In this regard, PG&E proposes to treat more than 41 percent

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1/ See Section 18.4.5.2 of D.08-11-031 "...the new three-year cycle for budget applications."

of its outstanding low-income customers (approximately 375,000 homes). PG&E proposes to treat 110,000 homes in 2012 and 132,500 homes in 2013 and 2014. This represents a 10 percent increase over the 2009-2011 goal of 340,884 homes treated.

- Coordination of its ESA program efforts with the other Investor Owned Utilities (IOUs) and Class A and Class B Water Companies. PG&E also proposes continuing to leverage with its internal CARE, Energy Efficiency (EE), California Solar Initiative (CSI), Demand Response, and SmartMeter™ programs.
- Further integration of its ESA marketing and outreach with its highly successful CARE outreach.
- A combined three-year budget for the ESA program, which continues the accelerated installation pace established in the last application cycle. In the last budget cycle, spending was increased an average of \$77 million per year to an average of \$110 million per year over the course of a three year cycle. PG&E proposes \$478.9 million for the 2012-2014 cycle, broken down as follows: \$138 million in 2012, \$167.5 million in 2013, and \$173.4 million in 2014.
- The IOUs propose a method to determine the calculation of the eligible low-income population. Twenty-five (25) percent of the outstanding low-income population will be treated by the end of the cycle if this proposal is adopted.
- Approval of a PG&E CARE program budget of \$12,081,000 for PY 2012, \$11,287,000 for PY 2013 and \$11,650,000 for PY 2014. The total program budget for PY 2012-2014 is \$35,018,000. This will allow for continued direct mail, community events, grassroots media, automatic enrollment with other utilities, and leveraging with sister programs and partnerships with Community Outreach Contractors (COCs) and public assistance agencies and increased communication participation status and rates, IT programming costs, increased

capitation fee and creation of a fee for Post Enrollment Verification(PEV) assistance.

- Approval of PG&E's proposal to ensure that the highest one percent of CARE energy consumers conserve energy in a reasonable fashion and that there has been additional confirmation that such individuals truly qualify for the CARE program. Specifically, PG&E proposes:
  - Adoption of a more rigorous post-enrollment verification process of those customers with usage in excess of 400% of annual baseline allowance.
  - Adoption of a requirement that CARE customers with annual electric usage over 400% of baseline agree to participate in PG&E's ESA program as a condition of remaining on the CARE program.
  - Adoption of a requirement that customers over 600% of baseline reduce usage to below the 600% level within 180 days. If a customer fails to reduce this egregious level of usage to below 600% of baseline they shall be removed from the CARE program until usage drops below such level.
  - Authority to make minor modifications to the ESA program, via Tier 2 Advice Letters, where such modifications will not impact program budget, following the issuance of the decision approving the 2012-2014 program.
  - Authority to establish a pilot program to address the needs of the low income multi-family housing sector.

#### **B. Energy Savings Assistance (ESA) Program Summary**

The objective of the ESA program is to help income-qualified customers reduce their energy consumption and costs while increasing their comfort, health and safety. The ESA program utilizes a "whole house" approach to provide free home weatherization, energy efficient appliances and energy education services to income-qualified PG&E customers throughout the Company's service area. To qualify for the ESA program, the total customer household income

must be equal to or less than 200 percent of the Federal Poverty Guidelines, with income adjustments for family size.

PG&E's 2012-2014 ESA Application has been developed in conjunction with the Commission's directive to develop a state-wide comprehensive energy efficiency program. PG&E's application and supporting testimony are specifically designed to address the concerns noted by the Commission in Decision 07-10-032, Decision 07-12-051, Decision 08-11-031 and the Guidance Document issued on March 30, 2011.

PG&E's LIEE program, which commenced in 1983, will have treated approximately 1,260,000 homes through the end of this year with approximately 25% treated during the present three-year cycle. During the 27 years PG&E has been participating in this program, customers have saved over \$594 million on their energy bills, reduced electric use by over 447,619 megawatt-hours (MWh), and reduced natural gas use by over 43 million therms. In 2010, the ESA program was responsible for the treatment of over 133,000 homes with a mix of measures and services, including energy education, energy efficient appliances, and home weatherization. For 2012-2014, PG&E plans to treat approximately 375,000 (more than one quarter of the Commission's target total for 2020) homes through a multifaceted approach.

### **C. California Alternate Rates for Energy (CARE) Program Summary**

PG&E's CARE program has in the past provided substantial rate discounts to all participating low-income households, as well as ensuring that the CARE enrollment process is streamlined and convenient for all applicants. Since January 1, 2001, when only 350,194 customers were enrolled in CARE, PG&E has expanded the program dramatically. As of April 1, 2011, over 1.5 million households are enrolled, or 91% of those estimated eligible for the CARE program.

Further, PG&E employees, agency personnel, outreach workers and volunteers have worked throughout PG&E's service area to ensure that new CARE enrollments are distributed equitably in all 48 counties of our service area. For 2012-2014, PG&E expects it will enhance its

highly successful interaction with Community Based Organizations (CBOs) that focus on English as a Second Language (ESL). The state-wide Community Help and Awareness with Natural Gas and Electricity Services (CHANGES) pilot program, which is in effect from February 2011 to October 2011, will be reviewed at the end of that trial period. If it is determined that this program has been successful, it will likely be continued to allow for enhanced penetration in the ESL communities.

In this 2012-2014 CARE application, PG&E proposes specific initiatives to ensure eligible customers are able to receive CARE program benefits while mitigating impacts to non-CARE customers. To do this, PG&E proposes to implement participation requirements to address CARE households with extremely high energy usage levels which are inconsistent with the typical CARE households usage profile, broaden local support for enrolling potential CARE customers by further utilizing Community Outreach Contractors, expand in-language communications to households and recommend that the Commission revisit the categorical programs accepted for automatic eligibility for CARE. In 2010, the CARE subsidy was approximately \$725 million, with the top 1% of households - those using greater than 400% of baseline - receiving approximately 10% of the subsidy.

## **II. LEGAL FRAMEWORK OF ESA AND CARE**

### **A. ESA Is a Statutorily-Mandated Program Regulated by The CPUC**

Public Utilities Code Section 2790 orders the Commission to require electric or gas corporations to perform home weatherization services for low-income customers if the Commission determines that a significant need for those services exists in the corporations' service area, taking into consideration both the cost-effectiveness of the services and the policy of reducing hardships facing low-income households. Low income customers are provided free home weatherization, energy-efficient appliances and energy education under PG&E's ESA program.



**B. CARE Is a Statutorily-Mandated Program Regulated by The CPUC**

The CARE program is established by statute, codified in Public Utilities Code Sections 739.1 and 739.2. This program assists qualifying low-income customers in that it mandates a discount of no less than 20 percent be provided on monthly gas and electric charges. As a practical matter, the discount PG&E provides is greater than 20 percent. In fact, based on PG&E's proposed GRC Phase 2 rates, CARE households will be receiving discounts on their electric charges that range from approximately 30% for Tier 1 usage to 55% for Tiers 3-5 usage. Electric households with higher tier usage are not subject to any Tier 4 or Tier 5 charges and receive no rate signal to conserve energy.

The program has been expanded under section 739.2 to allow for subsidies to be provided to non-profit group living facilities when the residents therein substantially meet the Commission's low-income eligibility requirements. Specifically, to receive this subsidy, the group living facilities must be to support low-income migrant farm worker housing centers, low-income agricultural employee housing and Employee housing, as defined in Section 17008 of the Health and Safety Code. In 2005, the Commission increased the CARE income eligibility from 175 to 200 percent of the Federal Poverty Guidelines for all customers. Also, in May of each year, the Commission provides new income eligibility information that is used to establish income qualification criteria for the following year. This process was mandated by Resolution E-3524, adopted in February of 1998.

**C. Statute Requires Funding of LIEE and CARE Programs**

AB 1890 was passed in 1996, establishing the framework for deregulating the California energy industry. Section 382 of the Public Utilities Code, which was part of that bill, addresses funding for the LIEE and CARE programs, stating: "Programs provided to low-income electricity customers, including, but not limited to, targeted energy-efficiency services and the California Alternate Rates for Energy Program shall be funded at not less than 1996 authorized levels based on an assessment of customer need. The commission shall allocate funds necessary

to meet the low-income objectives in this section.” For gas customers, Public Utilities Code section 890 establishes a natural gas surcharge to fund the gas LIEE and CARE programs.

### **III. 2012-2014 PROGRAM DISCUSSION**

#### **A. The 2012-2014 ESA Proposed Program is Designed to Meet The Objectives Set Forth in Decision 07-12-051 and Decision 08-11-031 as Well as The Guidance Document Issued on March 30, 2011.**

##### **1. Decision 07-12-051**

Decision 07-12-051 established certain priorities and objectives for the IOUs, as part of a long-term strategic plan. The most significant objectives established by the Decision involve offering all interested low-income households an opportunity to participate by 2020. The decision also established the additional following priorities:

- Provide an energy resource for California while concurrently providing low-income customers with ways to reduce their bills and improve their quality of life;
- Take advantage of all cost-effective energy efficiency opportunities;
- Include measures that may not be cost-effective but may promote the quality of life of participating customers.

##### **2. Decision 08-11-031**

Decision 08-11-031 also established some very important parameters for the most recent three-year cycle. Those parameters included the following:

1. The IOUs should focus on treating the home rather than the customer;
2. The IOUs should enhance their coordination with local government agencies to better understand which strategies are the most effective in each neighborhood;
3. More aggressive outreach should be utilized to target high energy users;
4. The IOUs should ensure that the LIEE marketing program is consistent with and furthers the objectives of the statewide Marketing Education & Outreach (ME&O) program.

## **B. Program Measures**

PG&E expects to continue with the installation of most of the program measures which were approved in D.08-11-031 for PY 2009-2011 for the next PY 2012-2014. ESA Program participants receive all feasible measures for which they qualify. Feasibility criteria may include: housing type, climate zone, homeownership, building infrastructure and code criteria, and age/efficiency of current measures to be replaced. The ESA Program proposed to continue all of the 2009-2011 measures that passed the proposed 0.25 cost effectiveness threshold, with the addition of three new measures and one measure piloted during the 2009-2011 program cycle that passed the proposed 0.25 cost effectiveness threshold. The 2012-2014 ESA Program continues the 2009-2011 Program's objective of helping income-qualified customers reduce their energy consumption and costs while increasing their comfort, health and safety.

The program measures which PG&E expects to install in 2012-2014 include the following:

Hard-Wired Compact Fluorescent Porch lights

Interior Hardwire Compact Fluorescent lamps

Screw-in Compact Fluorescent lamps

Occupancy Sensors

Torchieres

Refrigerator Replacement

Evaporative Coolers

Central AC Tune Up

Energy Education

Hot Water Conservation Measures

Faucet Aerators

Pipe Wrap

Low Flow Showerheads

Water Heater Blankets

Air Infiltration Measures

Door Weather-stripping

Caulking

Outlet Gaskets

Evaporative Cooler Covers

Minor Home Repairs

Attic Insulation

Microwaves (2009-2011 pilot measure)

Homeowners will also be eligible for two additional measures:

Furnace repair/replacement

Water Heater repair/replacement

PG&E, along with SCE, SoCalGas and SDG&E, proposes two studies:

1. An additional impact evaluation study to that performed in 2009-2011
2. Energy education practices study

**C. Integration with Other Programs**

PG&E customers are provided an opportunity to learn about the ESA program through a variety of energy-efficiency marketing and delivery channels, such as its Energy Solutions and Sales staff, Third-Party programs, and Partnership programs.

Consistent with recent Commission directives in D. 07-12-051 and D. 08-11-031, PG&E has organized service and delivery teams that integrate EE and the ESA Program, as well as Demand Response and Distributed Generation (DG, which includes the CSI and Self Generation Incentive Program (SGIP)). Additionally, PG&E has developed an internal integration team comprised of staff from these various programs and marketing and delivery channels that collaborates with the other IOUs on the statewide Integrated Demand Side Management (IDSM) Task Force. This task force's mission is to leverage ideas and opportunities that have been

identified internally. Taken together, these efforts increase the existing integration between ESA Program and EE.

PG&E has taken integration of EE and ESA Program in several directions—from coordinating between programs and conducting joint marketing efforts to establishing pilots that can serve as examples for the state and the other IOUs.

**D. PG&E's Proposed ESA Budget for 2012-2014 is Reasonable and Will Permit PG&E to Achieve the Target Goals Established for 2020**

For the 2012-2014 ESA program, PG&E proposes a total combined budget of approximately \$478.9 million. This is generally projected to equate to the following expected annual expenditures: \$138 million in 2012, \$167.5 million in 2013, and \$173.4 million in 2014.

PG&E also requests authority to update its ESA program cost apportionment between electric and gas customers to reflect the proposed program budgets for 2012-2014. The current expense ratio for the 2009-2011 program between gas and electric ESA measures is 59/41 electric/gas ratio. The 59/41 expense ratio was established in AL 2979-G/3375-E and was approved by the Commission on February 6, 2009. Based on PG&E's proposed budget for the 2012-2014 ESA program, the electric revenue requirement, net of franchise fees and uncollectible (FF&U), is \$80 million and the gas funding requirement is \$57.92 million for 2012. Consequently, PG&E's ESA Program expense electric/gas ratio for 2012-2014 is 58/42.

On March 17, 2011, the Senate passed Budget Bill SB 69 that if enacted into law would allow for a transfer of up to \$155 million by the Controller from the Gas Consumption Surcharge Fund to the General Fund. In the event that SB 69 is enacted into law and insufficient Gas PPP surcharge funds are returned to PG&E from the Board of Equalization, such that all or a portion of the ESA program is impacted, PG&E requests authorization to suspend or modify the gas portion of the ESA program in a manner consistent with Section K, Revenue Requirements and Rate Impacts, in the ESA testimony submitted herewith.

PG&E proposes to increase Public Purpose Program (PPP) electric rates to reflect the increased revenue requirement for ESA funding, consistent with the current Commission-

approved methods to determine the ESA component of PPP rates for each rate group and the resulting changes to total rates. A change in PPP rates will affect total charges paid by direct access customers and Community Choice Aggregation customers, as well as bundled customers and departing load customers that are not otherwise exempt from PPP charges. PG&E will consolidate the electric revenue requirement authorized in this proceeding into electric rates in the Annual Electric True-up (AET) with other rate changes effective January 1 of each year in the program budget period, or as soon thereafter as possible.

PG&E proposes to increase the PPP gas rate surcharge to reflect the increased revenue requirement for ESA funding consistent with the then current Commission-approved method to allocate the ESA funding to each customer group and the resulting changes to the PPP surcharge. A change in the surcharge will affect customers who are not exempt from the PPP surcharge. PG&E will consolidate the gas funding requirement authorized in this proceeding into gas rates in the annual gas PPP surcharge advice letter and the Annual Gas True-up (AGT) filings with other rate changes effective January 1 of each year in the program budget, or as soon thereafter as possible. If a decision is not issued in time for the October 31, 2011 PPP surcharge filing, PG&E requests the authority to supplement its PPP surcharge advice letter to incorporate changes adopted in this proceeding.

If the Commission should be delayed in issuing a decision on PG&E's 2012-2014 low-income program budget application, PG&E requests interim authorization from the Commission to continue ESA activities into 2012. If a decision adopting the 2012-2014 program is delayed, PG&E's contract for ESA services will also be delayed. In other words, delaying the final decision will prevent PG&E from finalizing its contractual arrangements for program years 2012-2014. Given the aggressive installation schedule proposed by PG&E, any delay could have a significant impact on PG&E's ultimate ability to achieve the 375,000 home target for calendar years 2012-2014.

**E. For PG&E's 2012-2014 CARE Program, PG&E Proposes Certain Modifications to the CARE Program to Ensure that Only Qualified Customers Continue to Participate.**

PG&E continues to develop its CARE program outreach efforts and customer enrollment processes in an effort to provide the maximum level of accessibility and ease of enrollment to eligible households. Since 2008, the CARE program has successfully enrolled and recertified an average of nearly 885,000 households per year. In 2009-2011, the CARE program enrollment reached historically high levels. In 2012-2014, PG&E plans to continue its successful outreach initiatives including: direct mail, community events, grassroots media, automatic enrollment with other utilities, and leveraging with sister programs and partnerships with COCs and public assistance agencies.

PG&E anticipates that the enrollment levels will be relatively stable during the next three-year cycle. However, there will be an increased focus in ensuring that participating households are in fact eligible for the program and its subsidies. PG&E will be requesting approval from the Commission to take significant steps to ensure that the program is being utilized only in a manner that is consistent with the overall objectives of Public Utility Code sections 382, 739.1 and 739.2. This involves a new approach to address the top 1 percent of CARE households with extremely high usage that is atypical and inconsistent with usage consumption of typical CARE households. As detailed in testimony, PG&E proposes a process to limit participation of egregious users - those households with greater than 600% of baseline. Further, PG&E proposes to ensure that extreme users – those households with usage between 400% and 600% of baseline - demonstrate they are indeed income-qualified by providing standardized income eligibility documentation, and show a commitment to becoming more energy efficient by agreeing to participate in the Energy Savings Assistance Program as a condition of continued participation in the CARE program. Lastly, PG&E requests that the Commission revisit the categorical programs accepted for automatic eligibility for CARE to ensure those permitted are in alignment with the CARE income guidelines and household income qualification view.

PG&E also will be facing challenges with the recertification of an annual average of over 600,000 CARE customers which is expected to become due in 2012, 2013 and 2014. This represents an annual increase of 68 percent over the average number of re-certifications that occurred during the 2009-2011 timeframe.

PG&E will continue to work to improve recertification retention via a variety of methods, such as billing notices, reminder letters, and reminder phone calls for customers due to recertify. In the last program cycle, PG&E implemented Automated Voice Messaging (AVM), which allows customers to recertify by phone. This is in addition to the recertification through PG&E's website, which is also now available.

**F. PG&E Will Share Information with the Class A and Class B Water Utilities and is Not Seeking Additional Cost Recovery at this Time.**

PG&E expects that the implementation of data sharing agreements with the water utilities will be a continuation and slight expansion of existing processes. PG&E's existing data sharing processes generally entail smaller volume exchanges and are only semi-automated. Nevertheless, PG&E believes that the costs incurred to implement these agreements will be minimal, provided that there are not new parameters added. Maintaining existing costs will be based on PG&E's ability to utilize existing processes and procedures without a significant increase in the frequency and complexity of exchanges required with the individual Class A and Class B water utilities. Thus, PG&E anticipates that the proposed budget for the IT Programming category will be sufficient to recover these costs. However, PG&E requests that the Commission allow the IOUs to seek additional funding in this area through a Tier 2 Advice Letter, in the event that any unforeseen substantial costs are incurred.

**G. PG&E's Proposed CARE Administrative Budget and Rate Recovery Proposal are Reasonable**

PG&E proposes an annual administrative budget of \$12,081,000 for PY 2012, \$11,287,000 for PY 2013 and \$11,650,000 for PY 2014. The entire administrative budget for



PY 2012-2014 is \$35,018,000. In PY 2009-2011, the approved administrative budget was \$27.8 million. The increase in this budget cycle is due to the following items:

1. General Administration budget increases for increased customer notification (annual notice to current CARE customers and notice when a customer is enrolled in or removed from CARE).
2. Increased capitation fee and creation of fee for PEV assistance.
3. Cooling Center budget decreases to align with budget spent in 2009 and 2011.
4. Increase in IT Programming costs for enhancements and updates to CARE online application and for additional data sharing requirements as well as adding a customer designation flag in the billing system.
5. Cost for communicating a Tier 3 CARE rate increase to CARE customers.

By this Application, PG&E proposes no change to the adopted method for incorporating in rates the gas and electric CARE balancing account balances for 2012- 2014. Consistent with the currently adopted practice from Decision 89-07-062, PG&E allocates the CARE administrative costs between electric and gas in proportion to the discounts received by CARE customers in the previous year. Consequently, for 2012-2014, PG&E will assign 81 percent of the CARE administrative costs to electric customers and 19 percent to gas customers.<sup>2/</sup> Therefore, based on the \$35 million CARE administrative cost budget proposed for the 2012-2014 program years, PG&E proposes to record \$28.36 million of CARE administrative costs to its electric CARE balancing account, exclusive of FF&U charges, and up to \$6.65 million to its gas CARE balancing account.

Absent a Commission Decision by November 10, 2011, PG&E requests interim funding to ensure continuity of the existing CARE program. PG&E proposes to increase PPP electric rates to reflect the increased revenue requirement for CARE funding, consistent with the current Commission approved methods to determine the CARE component of PPP rates for each rate group and the resulting changes to total rates. PG&E will consolidate the electric revenue

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<sup>2/</sup> The current electric/gas ratio approved in D. 08-11-031 is 80/20, respectively.

requirement authorized in this proceeding into electric rates in the AET with other rate changes effective January 1 of each year in the program budget period, or as soon thereafter as possible.

As indicated in discussion of the ESA program above, the senate recently passed SB 69. In the event that that SB 69 is enacted into law and insufficient Gas PPP surcharge funds are returned to PG&E from the Board of Equalization, such that all or a portion of the CARE program is impacted, PG&E requests authorization to make necessary amendments in accordance with Section I, Revenue Requirements and Rate Impacts, in the CARE testimony to ensure the continued funding of the CARE program.

PG&E proposes to increase the PPP gas rate surcharge to reflect the increased funding requirement for CARE consistent with the then current Commission approved method to allocate the CARE funding to each customer group and the resulting changes to the PPP surcharge. A change in the surcharge will affect customers who are not exempt from the PPP surcharge. PG&E will consolidate the gas funding requirement authorized in this proceeding into gas rates in the annual gas PPP surcharge advice letter and the AGT filings with other rate changes effective January 1 of each year in the program budget, or as soon thereafter as possible. If a decision is not issued in time for the November 10, 2011 PPP surcharge filing, PG&E requests that the authority to supplement its PPP surcharge advice letter to incorporate changes adopted in this proceeding. Also, if the Commission should be delayed in issuing a decision on the 2012-2014 program budget application, PG&E requests interim authorization from the Commission to continue CARE program administration activities into 2012 at the current levels.

#### **IV. INFORMATION REQUIRED BY THE COMMISSION'S RULES OF PRACTICE AND PROCEDURE**

##### **A. Legal Name of Applicant and Related Information (Rule 2.1(a))**

Pacific Gas and Electric Company is, and has been since October 10, 1905, an operating public utility corporation organized under the laws of the state of California. It is engaged principally in the business of furnishing electric and gas service in northern and central

California. PG&E/s principal place of business is 77 Beale Street, San Francisco, California, 94105.

**B. Correspondence and Communications (Rule 2.1(b))**

Correspondence and communications regarding this application should be addressed to the following:

Daniel F. Cooley  
Pacific Gas and Electric Company  
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Post Office Box 7442 (B30A)  
San Francisco, CA 94120  
Telephone: (415) 973-6646  
Facsimile: (415) 973-5520  
E-mail: dfc2@pge.com

**C. Articles of Incorporation (Rule 2.2)**

A certified copy of PG&E's Restated Articles of Incorporation, effective April 12, 2004, was filed with the Commission on May 3, 2004 with PG&E's Application 04-05-005. These articles are incorporated herein by reference.

**D. Statutory and Other Authority (Rule 2.1)**

This Application is made pursuant to Sections 701 and 702 of the Public Utilities Code of the State of California, the Commission's Rules of Practice and Procedure and prior decisions, orders and resolutions of the Commission.

**E. Balance Sheet and Income Statement (Rule 3.2(a)(1))**

A copy of PG&E's most recent balance sheet and income statement are attached to this application as Appendix A.

**F. Present (Rule 3.2(a)(2)) and Proposed Rates (Rule 3.2(a)(3))**

A description of PG&E's presently effective rates and charges for electric and gas service is contained in Appendix B. The revenue changes proposed in this application from present revenues is less than one percent. Therefore, pursuant to Rule 3.2(a)(3), changes by rate classification are not required. The percentage of increase in revenue is less than one percent.

**G. Summary of Earnings (Rule 3.2(a)(5) and Rule 3.2(a)(6))**

A summary or recorded year 2006 revenues, expenses, rate cases and rate of return for PG&E's Electric and Gas Departments is contained in Appendix C.

**H. Notice and Service of Application (Rules 3.2(b)-(d))**

In compliance with Rules 3.2(b)-(d) of the Commission's Rules of Practice and Procedure, PG&E will promptly, on receipt of an Application number, send notices, which generally state the proposed revenues, rate changes, and ratemaking mechanisms requested in this Application, to the parties listed in Appendix D including the State of California and cities and counties served by PG&E. In addition, PG&E will include notices with the regular bills mailed to customers affected by the proposed increases.

PG&E will also publish in newspapers notice of the proposed increase in rates in compliance with Rule 3.2(c) of the Commission's Rules of Practice and Procedure. PG&E will serve a copy of this Application and all attachments via e-mail on all parties of record in this proceeding.

**I. Accompanying Exhibits and Appendices**

PG&E's Exhibits accompany this filing and are incorporated herein by reference.

**J. Proposed Category**

Since this application may have an effect on PG&E's funding requirement, the application should be categorized as rate setting.

**K. Need for Hearing**

PG&E believes that no hearings will be required on the issues presented herein.

**L. Issues To Be Considered (Rule 2.1(c))**

Should PG&E's proposed CARE and ESA programs and activities for PY 2012 through PY 2014 be authorized?

Should PG&E's requested CARE and ESA budget and revenue requirements for PY 2012 through PY 2014 be authorized?

Should PG&E's proposed modifications to the CARE program be adopted in accordance with PG&E's request?

**M. Proposed Schedule**

The utilities have conferred regarding the schedule in the event that hearings are necessary. PG&E is also proposing a separate schedule, as it does not believe that such hearings will be required.

**SCHEDULE**

Application Filed	May 16, 2011
Workshop (with Report/Summary)	May 26, 2011
Intervenor Testimony/Protests/Responses	June 15, 2011
Prehearing Conference	June 22, 2011
Rebuttal Testimony/Replies (if necessary)	June 30, 2011
Concurrent Opening Briefs	August 1, 2011
Evidentiary Hearings (if necessary)	August 15-17, 2011
Proposed Decision	September 2, 2011
Comments on Proposed Decision	September 22, 2011
Replies on Proposed Decision	September 27
Final Decision	October 6, 2011

**V. CONCLUSION**

For the reasons set forth above, Pacific Gas and Electric Company respectfully requests approval of its proposed 2012-2014 ESA and CARE program activities and budgets.

Dated this 16<sup>th</sup> day of May, 2011 at San Francisco, California.

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# ATTACHMENTS

**EXHIBIT A**

**PG&E'S CONSOLIDATED STATEMENTS OF INCOME  
AND BALANCE SHEETS**



**Pacific Gas and Electric Company**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(in millions)

	<b>Year ended December 31,</b>		
	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Operating Revenues</b>			
Electric	\$ 10,644	\$ 10,257	\$ 10,738
Natural gas	3,196	3,142	3,890
<b>Total operating revenues</b>	<u>13,840</u>	<u>13,399</u>	<u>14,628</u>
<b>Operating Expenses</b>			
Cost of electricity	3,898	3,711	4,425
Cost of natural gas	1,291	1,291	2,090
Operating and maintenance	4,432	4,343	4,197
Depreciation, amortization, and decommissioning	1,905	1,752	1,650
<b>Total operating expenses</b>	<u>11,526</u>	<u>11,097</u>	<u>12,362</u>
<b>Operating Income</b>	2,314	2,302	2,266
Interest income	9	33	91
Interest expense	(650)	(662)	(698)
Other income, net	22	59	28
<b>Income Before Income Taxes</b>	1,695	1,732	1,687
Income tax provision	574	482	488
<b>Net Income</b>	1,121	1,250	1,199
Preferred stock dividend requirement	14	14	14
<b>Income Available for Common Stock</b>	<u>\$ 1,107</u>	<u>\$ 1,236</u>	<u>\$ 1,185</u>

**Pacific Gas and Electric Company**  
**CONSOLIDATED BALANCE SHEETS**  
(in millions)

	Balance at December 31,	
	2010	2009
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 51	\$ 334
Restricted cash (\$38 and \$39 related to energy recovery bonds at December 31, 2010 and 2009, respectively)	563	633
Accounts receivable		
Customers (net of allowance for doubtful accounts of \$81 at and \$68 at December 31, 2010 and 2009, respectively)	944	859
Accrued unbilled revenue	649	671
Regulatory balancing accounts	1,105	1,109
Other	856	751
Regulatory assets	599	427
Inventories		
Gas stored underground and fuel oil	152	114
Materials and supplies	205	200
Income taxes receivable	48	138
Other	190	235
<b>Total current assets</b>	<b>5,362</b>	<b>5,471</b>
<b>Property, Plant, and Equipment</b>		
Electric	33,508	30,481
Gas	11,382	10,697
Construction work in progress	1,384	1,888
<b>Total property, plant, and equipment</b>	<b>46,274</b>	<b>43,066</b>
Accumulated depreciation	(14,826)	(14,175)
<b>Net property, plant, and equipment</b>	<b>31,448</b>	<b>28,891</b>
<b>Other Noncurrent Assets</b>		
Regulatory assets (\$735 and \$1,124 related to energy recovery bonds at December 31, 2010 and 2009, respectively)	5,846	5,522
Nuclear decommissioning trusts	2,009	1,899
Income taxes receivable	614	610
Other	400	316
<b>Total other noncurrent assets</b>	<b>8,869</b>	<b>8,347</b>
<b>TOTAL ASSETS</b>	<b>\$ 45,679</b>	<b>\$ 42,709</b>

**Pacific Gas and Electric Company**  
**CONSOLIDATED BALANCE SHEETS**  
(in millions, except share amounts)

	<b>Balance at December 31,</b>	
	<b>2010</b>	<b>2009</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term borrowings	\$ 853	\$ 833
Long-term debt, classified as current	809	95
Energy recovery bonds, classified as current	404	386
Accounts payable		
Trade creditors	1,129	984
Disputed claims and customer refunds	745	773
Regulatory balancing accounts	256	281
Other	390	363
Interest payable	857	813
Income taxes payable	116	223
Deferred income taxes	118	334
Other	1,349	1,307
<b>Total current liabilities</b>	<b>7,026</b>	<b>6,392</b>
<b>Noncurrent Liabilities</b>		
Long-term debt	10,557	10,033
Energy recovery bonds	423	827
Regulatory liabilities	4,525	4,125
Pension and other postretirement benefits	2,174	1,717
Asset retirement obligations	1,586	1,593
Deferred income taxes	5,659	4,764
Other	2,008	2,073
<b>Total noncurrent liabilities</b>	<b>26,932</b>	<b>25,132</b>
<b>Commitments and Contingencies (Note 15)</b>		
<b>Shareholders' Equity</b>		
Preferred stock	258	258
Common stock, \$5 par value, authorized 800,000,000 shares, 264,374,809 shares outstanding at December 31, 2010 and 2009	1,322	1,322
Additional paid-in capital	3,241	3,055
Reinvested earnings	7,095	6,704
Accumulated other comprehensive loss	(195)	(154)
<b>Total shareholders' equity</b>	<b>11,721</b>	<b>11,185</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 45,679</b>	<b>\$ 42,709</b>

**EXHIBIT B**

**PG&E'S PRESENTLY EFFECTIVE ELECTRIC AND GAS RATES**

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

RESIDENTIAL RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE E-1			1
2	MINIMUM BILL (\$/MONTH)	\$4.50	\$4.50	2
3	ES UNIT DISCOUNT (\$/UNIT/MONTH)	\$3.22	\$3.22	3
4	ET UNIT DISCOUNT (\$/UNIT/MONTH)	\$11.54	\$11.54	4
5	ES/ET MINIMUM RATE LIMITER (\$/KWH)	\$0.04892	\$0.04892	5
6	ENERGY (\$/KWH)			6
7	TIER 1	\$0.12233	\$0.12233	7
8	TIER 2	\$0.13907	\$0.13907	8
9	TIER 3	\$0.29385	\$0.29385	9
10	TIER 4	\$0.40352	\$0.40352	10
11	TIER 5	\$0.40352	\$0.40352	11
12	SCHEDULE EL-1 (CARE)			12
13	MINIMUM BILL (\$/MONTH)	\$3.60	\$3.60	13
14	ENERGY (\$/KWH)			14
15	TIER 1	\$0.08316	\$0.08316	15
16	TIER 2	\$0.09563	\$0.09563	16
17	TIER 3	\$0.09563	\$0.09563	17
18	TIER 4	\$0.09563	\$0.09563	18
19	TIER 5	\$0.09563	\$0.09563	19

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

RESIDENTIAL RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE E-6			1
2	MINIMUM BILL (\$/MONTH)	\$4.50	\$4.50	2
3	E-6 METER CHARGE (\$/MONTH)	\$7.70	\$7.70	3
4	ON-PEAK ENERGY (\$/KWH)			4
5	TIER 1	\$0.31046		5
6	TIER 2	\$0.32718		6
7	TIER 3	\$0.48196		7
8	TIER 4	\$0.59163		8
9	TIER 5	\$0.59163		9
10	PART-PEAK ENERGY (\$/KWH)			10
11	TIER 1	\$0.15311	\$0.10629	11
12	TIER 2	\$0.16983	\$0.12300	12
13	TIER 3	\$0.32461	\$0.27778	13
14	TIER 4	\$0.43428	\$0.38745	14
15	TIER 5	\$0.43428	\$0.38745	15
16	OFF-PEAK ENERGY (\$/KWH)			16
17	TIER 1	\$0.08961	\$0.09385	17
18	TIER 2	\$0.10634	\$0.11058	18
19	TIER 3	\$0.26112	\$0.26536	19
20	TIER 4	\$0.37079	\$0.37503	20
21	TIER 5	\$0.37079	\$0.37503	21
*****				
22	SCHEDULE EL-6			22
23	MINIMUM BILL (\$/MONTH)	\$3.60	\$3.60	23
24	EL-6 METER CHARGE(\$/MONTH)	\$6.16	\$6.16	24
25	ON-PEAK ENERGY (\$/KWH)			25
26	TIER 1	\$0.20776		26
27	TIER 2	\$0.22023		27
28	TIER 3	\$0.22023		28
29	TIER 4	\$0.22023		29
30	TIER 5	\$0.22023		30
31	PART-PEAK ENERGY (\$/KWH)			31
32	TIER 1	\$0.10223	\$0.07082	32
33	TIER 2	\$0.11470	\$0.08329	33
34	TIER 3	\$0.11470	\$0.08329	34
35	TIER 4	\$0.11470	\$0.08329	35
36	TIER 5	\$0.11470	\$0.08329	36
37	OFF-PEAK ENERGY (\$/KWH)			37
38	TIER 1	\$0.05964	\$0.06249	38
39	TIER 2	\$0.07211	\$0.07496	39
40	TIER 3	\$0.07211	\$0.07496	40
41	TIER 4	\$0.07211	\$0.07496	41
42	TIER 5	\$0.07211	\$0.07496	42
*****				

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

RESIDENTIAL RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE E-7			1
2	MINIMUM BILL (\$/MONTH)	\$4.50	\$4.50	2
3	E-7 METER CHARGE (\$/MONTH)	\$3.51	\$3.51	3
4	RATE W METER CHARGE (\$/MONTH)	\$1.17	\$1.17	4
5	ON-PEAK ENERGY (\$/KWH)			5
6	TIER 1	\$0.31550	\$0.12294	6
7	TIER 2	\$0.31550	\$0.12294	7
8	TIER 3	\$0.47028	\$0.27772	8
9	TIER 4	\$0.57995	\$0.38739	9
10	TIER 5	\$0.57995	\$0.38739	10
11	OFF-PEAK ENERGY (\$/KWH)			11
12	TIER 1	\$0.09273	\$0.09598	12
13	TIER 2	\$0.09273	\$0.09598	13
14	TIER 3	\$0.24751	\$0.25076	14
15	TIER 4	\$0.35718	\$0.36043	15
16	TIER 5	\$0.35718	\$0.36043	16
17	BASELINE DISCOUNT (\$/KWH)	\$0.01729	\$0.01729	17
18	SCHEDULE EL-7			18
19	MINIMUM BILL (\$/MONTH)	\$4.50	\$4.50	19
20	EL-7 METER CHARGE(\$/MONTH)	\$0.00	\$0.00	20
21	ENERGY (\$/KWH)			21
22	ON-PEAK	\$0.28372	\$0.10472	22
23	OFF-PEAK	\$0.07664	\$0.07966	23
24	BASELINE DISCOUNT (\$/KWH)	\$0.01559	\$0.01559	24
25	SCHEDULE E-8			25
26	CUSTOMER CHARGE (\$/MONTH)	\$12.53	\$12.53	26
27	ENERGY (\$/KWH)			27
28	TIER 1	\$0.12638	\$0.08092	28
29	TIER 2	\$0.12638	\$0.08092	29
30	TIER 3	\$0.28116	\$0.23570	30
31	TIER 4	\$0.39083	\$0.34537	31
32	TIER 5	\$0.39083	\$0.34537	32
33	SCHEDULE EL-8 (CARE)			33
34	CUSTOMER CHARGE (\$/MONTH)	\$10.02	\$10.02	34
35	ENERGY CHARGE (\$/KWH)	\$0.08624	\$0.05234	35

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

RESIDENTIAL RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE E-A7			1
2	MINIMUM BILL (\$/MONTH)	\$4.50	\$4.50	2
3	E-A7 METER CHARGE (\$/MONTH)	\$3.51	\$3.51	3
4	RATE Y METER CHARGE (\$/MONTH)	\$1.17	\$1.17	4
5	ON-PEAK ENERGY (\$/KWH)			5
6	TIER 1	\$0.34657	\$0.12209	6
7	TIER 2	\$0.34657	\$0.12209	7
8	TIER 3	\$0.50135	\$0.27687	8
9	TIER 4	\$0.61102	\$0.38654	9
10	TIER 5	\$0.61102	\$0.38654	10
11	OFF-PEAK ENERGY (\$/KWH)			11
12	TIER 1	\$0.08826	\$0.09607	12
13	TIER 2	\$0.08826	\$0.09607	13
14	TIER 3	\$0.24304	\$0.25085	14
15	TIER 4	\$0.35271	\$0.36052	15
16	TIER 5	\$0.35271	\$0.36052	16
17	BASELINE DISCOUNT (\$/KWH)	\$0.01729	\$0.01729	17
*****				
18	SCHEDULE EL-A7			18
19	MINIMUM BILL (\$/MONTH)	\$4.50	\$4.50	19
20	EL-A7 METER CHARGE(\$/MONTH)	\$0.00	\$0.00	20
21	ON-PEAK ENERGY (\$/KWH)	\$0.31260	\$0.10393	21
22	OFF-PEAK ENERGY (\$/KWH)	\$0.07248	\$0.07974	22
23	BASELINE DISCOUNT (\$/KWH)	\$0.01559	\$0.01559	23
*****				
24	SCHEDULE E-9: RATE A			24
25	MINIMUM BILL (\$/MONTH)	\$4.50	\$4.50	25
26	E-9 METER CHARGE (\$/MONTH)	\$6.66	\$6.66	26
27	ON-PEAK ENERGY (\$/KWH)			27
28	TIER 1	\$0.30470		28
29	TIER 2	\$0.30470		29
30	TIER 3	\$0.45948		30
31	TIER 4	\$0.56915		31
32	TIER 5	\$0.56915		32
33	PART-PEAK ENERGY (\$/KWH)			33
34	TIER 1	\$0.11135	\$0.11123	34
35	TIER 2	\$0.11135	\$0.11123	35
36	TIER 3	\$0.26613	\$0.26601	36
37	TIER 4	\$0.37580	\$0.37568	37
38	TIER 5	\$0.37580	\$0.37568	38
39	OFF-PEAK ENERGY (\$/KWH)			39
40	TIER 1	\$0.05294	\$0.06186	40
41	TIER 2	\$0.05294	\$0.06186	41
42	TIER 3	\$0.14802	\$0.14802	42
43	TIER 4	\$0.18853	\$0.18853	43
44	TIER 5	\$0.18853	\$0.18853	44
45	BASELINE DISCOUNT (\$/KWH)	\$0.01729	\$0.01729	45
*****				



PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

RESIDENTIAL RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
*****				
1	SCHEDULE E-9: RATE B			1
2	MINIMUM BILL (\$/MONTH)	\$4.50	\$4.50	2
3	E-9 METER CHARGE (\$/MONTH)	\$6.66	\$6.66	3
4	ON-PEAK ENERGY (\$/KWH)			4
5	TIER 1	\$0.30039		5
6	TIER 2	\$0.30039		6
7	TIER 3	\$0.45517		7
8	TIER 4	\$0.56484		8
9	TIER 5	\$0.56484		9
10	PART-PEAK ENERGY (\$/KWH)			10
11	TIER 1	\$0.10704	\$0.10740	11
12	TIER 2	\$0.10704	\$0.10740	12
13	TIER 3	\$0.26182	\$0.26218	13
14	TIER 4	\$0.37149	\$0.37185	14
15	TIER 5	\$0.37149	\$0.37185	15
16	OFF-PEAK ENERGY (\$/KWH)			16
17	TIER 1	\$0.05995	\$0.06814	17
18	TIER 2	\$0.05995	\$0.06814	18
19	TIER 3	\$0.21473	\$0.22292	19
20	TIER 4	\$0.32440	\$0.33259	20
21	TIER 5	\$0.32440	\$0.33259	21
22	BASELINE DISCOUNT (\$/KWH)	\$0.01729	\$0.01729	22
*****				

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

SMALL L&P RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE A-1			1
2	CUSTOMER CHARGE: SINGLE-PHASE (\$/MO.)	\$9.00	\$9.00	2
3	CUSTOMER CHARGE: POLYPHASE (\$/MO.)	\$13.50	\$13.50	3
4	ENERGY (\$/KWH)	\$0.19712	\$0.14747	4
*****				
5	SCHEDULE A-1 TOU			5
6	CUSTOMER CHARGE: SINGLE-PHASE (\$/MO.)	\$9.00	\$9.00	6
7	CUSTOMER CHARGE: POLYPHASE (\$/MO.)	\$13.50	\$13.50	7
8	ENERGY (\$/KWH)			8
9	ON-PEAK	\$0.22231		9
10	PART-PEAK	\$0.19644	\$0.15284	10
11	OFF-PEAK ENERGY	\$0.18101	\$0.14179	11
*****				
12	SCHEDULE A-6			12
13	CUSTOMER CHARGE: SINGLE-PHASE (\$/MO.)	\$9.00	\$9.00	13
14	CUSTOMER CHARGE: POLYPHASE (\$/MO.)	\$13.50	\$13.50	14
15	METER CHARGE (\$/MONTH)	\$6.12	\$6.12	15
16	METER CHARGE - RATE W (\$/MONTH)	\$1.80	\$1.80	16
17	METER CHARGE - RATE X (\$/MONTH)	\$6.12	\$6.12	17
18	ENERGY (\$/KWH)			18
19	ON-PEAK	\$0.44703		19
20	PART-PEAK	\$0.20182	\$0.16794	20
21	OFF-PEAK ENERGY	\$0.12183	\$0.12503	21
*****				
22	SCHEDULE A-15			22
23	CUSTOMER CHARGE (\$/MONTH)	\$9.00	\$9.00	23
24	FACILITY CHARGE (\$/MONTH)	\$20.00	\$20.00	24
25	ENERGY (\$/KWH)	\$0.19712	\$0.14747	25
*****				
26	SCHEDULE TC-1			26
27	CUSTOMER CHARGE (\$/MONTH)	\$9.00	\$9.00	27
28	ENERGY (\$/KWH)	\$0.13571	\$0.13571	28
*****				

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

MEDIUM L&P RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE A-10			1
2	CUSTOMER CHARGE (\$/MONTH)	\$120.00	\$120.00	2
3	MAXIMUM DEMAND CHARGE (\$/KW/MO)			3
4	SECONDARY VOLTAGE	\$11.05	\$7.02	4
5	PRIMARY VOLTAGE	\$10.39	\$6.49	5
6	TRANSMISSION VOLTAGE	\$7.96	\$4.58	6
7	ENERGY CHARGE (\$/KWH)			7
8	SECONDARY VOLTAGE	\$0.13666	\$0.10643	8
9	PRIMARY VOLTAGE	\$0.13007	\$0.10142	9
10	TRANSMISSION VOLTAGE	\$0.11470	\$0.09101	10
11	SCHEDULE A-10 TOU			11
12	CUSTOMER CHARGE (\$/MONTH)	\$120.00	\$120.00	12
13	MAXIMUM DEMAND CHARGE (\$/KW/MO)			13
14	SECONDARY VOLTAGE	\$11.05	\$7.02	14
15	PRIMARY VOLTAGE	\$10.39	\$6.49	15
16	TRANSMISSION VOLTAGE	\$7.96	\$4.58	16
17	ENERGY CHARGE (\$/KWH)			17
18	SECONDARY			18
19	ON PEAK	\$0.15633		19
20	PARTIAL PEAK	\$0.13692	\$0.11110	20
21	OFF-PEAK	\$0.12536	\$0.10182	21
22	PRIMARY			22
23	ON PEAK	\$0.14785		23
24	PARTIAL PEAK	\$0.13055	\$0.10513	24
25	OFF-PEAK	\$0.11982	\$0.09784	25
26	TRANSMISSION			26
27	ON PEAK	\$0.13193		27
28	PARTIAL PEAK	\$0.11498	\$0.09457	28
29	OFF-PEAK	\$0.10487	\$0.08759	29

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

E-19 FIRM RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
*****				
1	SCHEDULE E-19 T FIRM			1
2	CUSTOMER CHARGE > 500 KW (\$/MONTH)	\$1,200.00	\$1,200.00	2
3	CUSTOMER CHARGE < 500 KW (\$/MONTH)	\$120.00	\$120.00	3
4	TOU METER CHARGE - RATES V & X (\$/MONTH)	\$5.40	\$5.40	4
5	TOU METER CHARGE - RATE W (\$/MONTH)	\$1.08	\$1.08	5
6	DEMAND CHARGE (\$/KW/MONTH)			6
7	ON-PEAK	\$7.88		7
8	PARTIAL PEAK	\$1.78	\$0.00	8
9	MAXIMUM	\$6.24	\$6.24	9
10	ENERGY CHARGE (\$/KWH)			10
11	ON-PEAK	\$0.10854		11
12	PARTIAL-PEAK	\$0.08958	\$0.08270	12
13	OFF-PEAK	\$0.07824	\$0.07487	13
*****				
14	SCHEDULE E-19 P FIRM			14
15	CUSTOMER CHARGE > 500 KW (\$/MONTH)	\$600.00	\$600.00	15
16	CUSTOMER CHARGE < 500 KW (\$/MONTH)	\$120.00	\$120.00	16
17	TOU METER CHARGE - RATES V & X (\$/MONTH)	\$5.40	\$5.40	17
18	TOU METER CHARGE - RATE W (\$/MONTH)	\$1.08	\$1.08	18
24	DEMAND CHARGE (\$/KW/MONTH)			24
25	ON-PEAK	\$10.86		25
26	PARTIAL PEAK	\$2.51	\$0.92	26
27	MAXIMUM	\$8.07	\$8.07	27
28	ENERGY CHARGE (\$/KWH)			28
29	ON-PEAK	\$0.14472		29
30	PARTIAL-PEAK	\$0.10111	\$0.08873	30
31	OFF-PEAK	\$0.08243	\$0.07920	31
32	AVERAGE RATE LIMIT (\$/KWH)	\$0.23657		32
*****				
33	SCHEDULE E-19 S FIRM			33
34	CUSTOMER CHARGE > 500 KW (\$/MONTH)	\$412.50	\$412.50	34
35	CUSTOMER CHARGE < 500 KW (\$/MONTH)	\$120.00	\$120.00	35
36	TOU METER CHARGE - RATES V & X (\$/MONTH)	\$5.40	\$5.40	36
37	TOU METER CHARGE - RATE W (\$/MONTH)	\$1.08	\$1.08	37
38	DEMAND CHARGE (\$/KW/MONTH)			38
39	ON-PEAK	\$12.11		39
40	PARTIAL PEAK	\$2.81	\$1.22	40
41	MAXIMUM	\$9.27	\$9.27	41
42	ENERGY CHARGE (\$/KWH)			42
43	ON-PEAK	\$0.14581		43
44	PARTIAL-PEAK	\$0.10333	\$0.09345	44
45	OFF-PEAK	\$0.08611	\$0.08372	45
46	AVERAGE RATE LIMIT (\$/KWH)	\$0.23657		46
*****				

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

E-20 FIRM RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE E-20 T FIRM			1
2	CUSTOMER CHARGE (\$/MONTH)-FIRM	\$1,500.00	\$1,500.00	2
3	DEMAND CHARGE (\$/KW/MONTH)			3
4	ON-PEAK	\$9.55		4
5	PARTIAL PEAK	\$2.14	\$0.00	5
6	MAXIMUM	\$4.79	\$4.79	6
7	ENERGY CHARGE (\$/KWH)			7
8	ON-PEAK	\$0.10115		8
9	PARTIAL-PEAK	\$0.08356	\$0.07719	9
10	OFF-PEAK	\$0.07307	\$0.06995	10
*****				
11	SCHEDULE E-20 P FIRM			11
12	CUSTOMER CHARGE (\$/MONTH)	\$1,000.00	\$1,000.00	12
13	DEMAND CHARGE (\$/KW/MONTH)			13
14	ON-PEAK	\$10.98		14
15	PARTIAL PEAK	\$2.57	\$0.80	15
16	MAXIMUM	\$7.95	\$7.95	16
17	ENERGY CHARGE (\$/KWH)			17
18	ON-PEAK	\$0.14160		18
19	PARTIAL-PEAK	\$0.09939	\$0.08718	19
20	OFF-PEAK	\$0.08128	\$0.07800	20
21	AVERAGE RATE LIMIT (\$/KWH)	\$0.23094		21
*****				
22	SCHEDULE E-20 S FIRM			22
23	CUSTOMER CHARGE (\$/MONTH)	\$750.00	\$750.00	23
24	DEMAND CHARGE (\$/KW/MONTH)			24
25	ON-PEAK	\$11.79		25
26	PARTIAL PEAK	\$2.65	\$1.21	26
27	MAXIMUM	\$9.44	\$9.44	27
28	ENERGY CHARGE (\$/KWH)			28
29	ON-PEAK	\$0.13965		29
30	PARTIAL-PEAK	\$0.09979	\$0.09056	30
31	OFF-PEAK	\$0.08351	\$0.08125	31
32	AVERAGE RATE LIMIT (\$/KWH)	\$0.23094		32
*****				

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

OIL AND GAS EXTRACTION RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE E-37			1
2	CUSTOMER CHARGE (\$/MONTH)	\$30.00	\$30.00	2
3	TOU METER CHARGE - RATE W (\$/MONTH)	\$1.20	\$1.20	3
4	TOU METER CHARGE - RATE X (\$/MONTH)	\$6.00	\$6.00	4
5	ON PEAK DEMAND CHARGE (\$/KW/MO)	\$7.02		5
6	MAXIMUM DEMAND CHARGE (\$/KW/MO)			6
7	SECONDARY VOLTAGE	\$10.75	\$4.09	7
8	PRIMARY VOLTAGE DISCOUNT	\$1.24	\$0.14	8
9	TRANSMISSION VOLTAGE DISCOUNT	\$8.00	\$3.52	9
10	ENERGY (\$/KWH)			10
11	ON-PEAK	\$0.16525		11
12	PART-PEAK		\$0.08860	12
13	OFF-PEAK	\$0.07315	\$0.06676	13

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

STANDBY RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
*****				
1	SCHEDULE S - TRANSMISSION			1
2	CONTRACT CAPACITY CHARGE (\$/KW/MO.)	\$0.95	\$0.95	2
3	EFFECTIVE RESERVATION CHARGE (\$/KW/MO.)	\$0.81	\$0.81	3
4	ENERGY (\$/KWH)			4
5	ON-PEAK	\$0.11100		5
6	PART-PEAK	\$0.09686	\$0.09175	6
7	OFF-PEAK	\$0.08844	\$0.08591	7
*****				
8	SCHEDULE S - PRIMARY			8
9	CONTRACT CAPACITY CHARGE (\$/KW/MO.)	\$2.73	\$2.73	9
10	EFFECTIVE RESERVATION CHARGE (\$/KW/MO.)	\$2.32	\$2.32	10
11	ENERGY (\$/KWH)			11
12	ON-PEAK	\$0.29575		12
13	PART-PEAK	\$0.18106	\$0.15953	13
14	OFF-PEAK	\$0.13771	\$0.13543	14
*****				
15	SCHEDULE S - SECONDARY			15
16	CONTRACT CAPACITY CHARGE (\$/KW/MO.)	\$2.75	\$2.75	16
17	EFFECTIVE RESERVATION CHARGE (\$/KW/MO.)	\$2.34	\$2.34	17
18	ENERGY (\$/KWH)			18
19	ON-PEAK	\$0.29655		19
20	PART-PEAK	\$0.18031	\$0.16005	20
21	OFF-PEAK	\$0.13646	\$0.13418	21
*****				

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

STANDBY RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE S CUSTOMER AND METER CHARGES			1
2	RESIDENTIAL			2
3	CUSTOMER CHARGE (\$/MO)	\$5.00	\$5.00	3
4	TOU METER CHARGE (\$/MO)	\$3.90	\$3.90	4
5	AGRICULTURAL			5
6	CUSTOMER CHARGE (\$/MO)	\$16.00	\$16.00	6
7	TOU METER CHARGE (\$/MO)	\$6.00	\$6.00	7
8	SMALL LIGHT AND POWER (less than or equal to 50 kW)			8
9	SINGLE PHASE CUSTOMER CHARGE (\$/MO)	\$9.00	\$9.00	9
10	POLY PHASE CUSTOMER CHARGE (\$/MO)	\$13.50	\$13.50	10
11	METER CHARGE (\$/MO)	\$6.12	\$6.12	11
12	MEDIUM LIGHT AND POWER (>50 kW, <500 kW)			12
13	CUSTOMER CHARGE (\$/MO)	\$120.00	\$120.00	13
14	METER CHARGE (\$/MO)	\$5.40	\$5.40	14
15	MEDIUM LIGHT AND POWER (>500kW)			15
16	TRANSMISSION CUSTOMER CHARGE (\$/MO)	\$1,200.00	\$1,200.00	16
17	PRIMARY CUSTOMER CHARGE (\$/MO)	\$600.00	\$600.00	17
18	SECONDARY CUSTOMER CHARGE (\$/MO)	\$412.50	\$412.50	18
19	LARGE LIGHT AND POWER (> 1000 kW)			19
20	TRANSMISSION CUSTOMER CHARGE (\$/MO)	\$1,500.00	\$1,500.00	20
21	PRIMARY CUSTOMER CHARGE (\$/MO)	\$1,000.00	\$1,000.00	21
22	SECONDARY CUSTOMER CHARGE (\$/MO)	\$750.00	\$750.00	22
23	REDUCED CUSTOMER CHARGES (\$/MO)			23
24	SMALL LIGHT AND PWR ( < 50 kW)	\$11.90	\$11.90	24
25	MED LIGHT AND PWR (Res Capacity >50 kW and <500 kW)	\$57.32	\$57.32	25
26	MED LIGHT AND PWR (Res Capacity > 500 kW and < 1000 kW)	\$851.00	\$851.00	26

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PACIFIC GAS AND ELECTRIC COMPANY  
PRESENT ELECTRIC RATES  
AS OF MARCH 1, 2011

AGRICULTURAL RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE AG-1A			1
2	CUSTOMER CHARGE (\$/MONTH)	\$14.40	\$14.40	2
3	CONNECTED LOAD CHARGE (\$/KW/MONTH)	\$5.29	\$0.99	3
4	ENERGY CHARGE (\$/KWH)	\$0.21295	\$0.16833	4
*****				
5	SCHEDULE AG-RA			5
6	CUSTOMER CHARGE - RATES A & D (\$/MONTH)	\$14.40	\$14.40	6
7	METER CHARGE - RATE A (\$/MONTH)	\$6.80	\$6.80	7
8	METER CHARGE - RATE D (\$/MONTH)	\$2.00	\$2.00	8
9	CONNECTED LOAD CHARGE (\$/KW/MONTH)	\$4.75	\$0.76	9
10	ENERGY (\$/KWH)			10
11	ON-PEAK	\$0.37597		11
12	PART-PEAK		\$0.13905	12
13	OFF-PEAK	\$0.13608	\$0.11629	13
*****				
14	SCHEDULE AG-VA			14
15	CUSTOMER CHARGE - RATES A & D (\$/MONTH)	\$14.40	\$14.40	15
16	METER CHARGE - RATE A (\$/MONTH)	\$6.80	\$6.80	16
17	METER CHARGE - RATE D (\$/MONTH)	\$2.00	\$2.00	17
18	CONNECTED LOAD CHARGE (\$/KW/MONTH)	\$4.77	\$0.79	18
19	ENERGY (\$/KWH)			19
20	ON-PEAK	\$0.35096		20
21	PART-PEAK		\$0.13978	21
22	OFF-PEAK	\$0.13360	\$0.11697	22
*****				
23	SCHEDULE AG-4A			23
24	CUSTOMER CHARGE - RATES A & D (\$/MONTH)	\$14.40	\$14.40	24
25	METER CHARGE - RATE A (\$/MONTH)	\$6.80	\$6.80	25
26	METER CHARGE - RATE D (\$/MONTH)	\$2.00	\$2.00	26
27	CONNECTED LOAD CHARGE (\$/KW/MONTH)	\$4.74	\$0.69	27
28	ENERGY (\$/KWH)			28
29	ON-PEAK	\$0.28712		29
30	PART-PEAK		\$0.13922	30
31	OFF-PEAK	\$0.13466	\$0.11667	31
*****				
32	SCHEDULE AG-5A			32
33	CUSTOMER CHARGE - RATES A & D (\$/MONTH)	\$14.40	\$14.40	33
34	METER CHARGE - RATE A (\$/MONTH)	\$6.80	\$6.80	34
35	METER CHARGE - RATE D (\$/MONTH)	\$2.00	\$2.00	35
36	CONNECTED LOAD CHARGE (\$/KW/MONTH)	\$7.82	\$1.40	36
37	ENERGY (\$/KWH)			37
38	ON-PEAK	\$0.22282		38

PACIFIC GAS AND ELECTRIC COMPANY  
PRESENT ELECTRIC RATES  
AS OF MARCH 1, 2011

39	PART-PEAK		\$0.12404	39
40	OFF-PEAK	\$0.11835	\$0.10656	40
*****				

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011  
 AGRICULTURAL RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE AG-1B			1
2	CUSTOMER CHARGE (\$/MONTH)	\$19.20	\$19.20	2
3	MAXIMUM DEMAND CHARGE (\$/KW/MONTH)			3
4	SECONDARY VOLTAGE	\$8.00	\$1.60	4
5	PRIMARY VOLTAGE DISCOUNT	\$0.87	\$0.22	5
6	ENERGY CHARGE (\$/KWH)	\$0.18241	\$0.14463	6
7	SCHEDULE AG-RB			7
8	CUSTOMER CHARGE - RATES B & E (\$/MONTH)	\$19.20	\$19.20	8
9	METER CHARGE - RATE B (\$/MONTH)	\$6.00	\$6.00	9
10	METER CHARGE - RATE E (\$/MONTH)	\$1.20	\$1.20	10
11	ON-PEAK DEMAND CHARGE (\$/KW/MONTH)	\$2.61		11
12	MAXIMUM DEMAND CHARGE (\$/KW/MONTH)			12
13	SECONDARY VOLTAGE	\$6.60	\$1.32	13
14	PRIMARY VOLTAGE DISCOUNT	\$0.57	\$0.21	14
15	ENERGY CHARGE (\$/KWH)			15
16	ON-PEAK	\$0.35625		16
17	PART-PEAK		\$0.12493	17
18	OFF-PEAK	\$0.13267	\$0.10637	18
19	SCHEDULE AG-VB			19
20	CUSTOMER CHARGE - RATES B & E (\$/MONTH)	\$19.20	\$19.20	20
21	METER CHARGE - RATE B (\$/MONTH)	\$6.00	\$6.00	21
22	METER CHARGE - RATE E (\$/MONTH)	\$1.20	\$1.20	22
23	ON-PEAK DEMAND CHARGE (\$/KW/MONTH)	\$2.59		23
24	MAXIMUM DEMAND CHARGE (\$/KW/MONTH)			24
25	SECONDARY VOLTAGE	\$6.64	\$1.30	25
26	PRIMARY VOLTAGE DISCOUNT	\$0.62	\$0.20	26
27	ENERGY CHARGE (\$/KWH)			27
28	ON-PEAK	\$0.32831		28
29	PART-PEAK		\$0.12348	29
30	OFF-PEAK	\$0.12934	\$0.10514	30

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

AGRICULTURAL RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE AG-4B			1
2	CUSTOMER CHARGE - RATES B & E (\$/MONTH)	\$19.20	\$19.20	2
3	METER CHARGE - RATE B (\$/MONTH)	\$6.00	\$6.00	3
4	METER CHARGE - RATE E (\$/MONTH)	\$1.20	\$1.20	4
5	ON-PEAK DEMAND CHARGE (\$/KW/MONTH)	\$3.49		5
6	MAXIMUM DEMAND CHARGE (\$/KW/MONTH)			6
7	SECONDARY VOLTAGE	\$6.38	\$1.43	7
8	PRIMARY VOLTAGE DISCOUNT	\$0.71	\$0.22	8
9	ENERGY CHARGE (\$/KWH)			9
10	ON-PEAK	\$0.21163		10
11	PART-PEAK		\$0.11962	11
12	OFF-PEAK	\$0.11966	\$0.10250	12
*****				
13	SCHEDULE AG-4C			13
14	CUSTOMER CHARGE - RATES C & F (\$/MONTH)	\$64.80	\$64.80	14
15	METER CHARGE - RATE C (\$/MONTH)	\$6.00	\$6.00	15
16	METER CHARGE - RATE F (\$/MONTH)	\$1.20	\$1.20	16
17	DEMAND CHARGE (\$/KW/MONTH)			17
18	ON-PEAK	\$8.23		18
19	PART-PEAK	\$1.57	\$0.35	19
20	MAXIMUM	\$3.20	\$1.55	20
21	PRIMARY VOLTAGE DISCOUNT	\$0.93	\$0.19	21
22	TRANSMISSION VOLTAGE DISCOUNT	\$5.53	\$1.45	22
23	ENERGY CHARGE (\$/KWH)			23
24	ON-PEAK	\$0.19328		24
25	PART-PEAK	\$0.11853	\$0.10065	25
26	OFF-PEAK	\$0.09222	\$0.08902	26
*****				
27	SCHEDULE AG-5B			27
28	CUSTOMER CHARGE - RATES B & E (\$/MONTH)	\$30.00	\$30.00	28
29	METER CHARGE - RATE B (\$/MONTH)	\$6.00	\$6.00	29
30	METER CHARGE - RATE E (\$/MONTH)	\$1.20	\$1.20	30
31	ON-PEAK DEMAND CHARGE (\$/KW/MONTH)	\$7.02		31
32	MAXIMUM DEMAND CHARGE (\$/KW/MONTH)			32
33	SECONDARY VOLTAGE	\$10.75	\$4.09	33
34	PRIMARY VOLTAGE DISCOUNT	\$1.24	\$0.14	34
35	TRANSMISSION VOLTAGE DISCOUNT	\$8.00	\$3.52	35
36	ENERGY CHARGE (\$/KWH)			36
37	ON-PEAK	\$0.16525		37
38	PART-PEAK		\$0.08860	38
39	OFF-PEAK	\$0.07315	\$0.06676	39
*****				

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011

AGRICULTURAL RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
1	SCHEDULE AG-5C			1
2	CUSTOMER CHARGE - RATES C & F (\$/MONTH)	\$160.00	\$160.00	2
3	METER CHARGE - RATE C (\$/MONTH)	\$6.00	\$6.00	3
4	METER CHARGE - RATE F (\$/MONTH)	\$1.20	\$1.20	4
5	DEMAND CHARGE (\$/KW/MONTH)			5
6	ON-PEAK	\$11.74		6
7	PART-PEAK	\$2.44	\$0.60	7
8	MAXIMUM	\$4.58	\$3.06	8
9	PRIMARY VOLTAGE DISCOUNT	\$1.76	\$0.17	9
10	TRANSMISSION VOLTAGE DISCOUNT	\$10.77	\$2.23	10
11	ENERGY CHARGE (\$/KWH)			11
12	ON-PEAK	\$0.12216		12
13	PART-PEAK	\$0.08562	\$0.07609	13
14	OFF-PEAK	\$0.07200	\$0.06989	14
*****				
15	SCHEDULE AG-ICE			15
16	CUSTOMER CHARGE (\$/MONTH)	\$40.00	\$40.00	16
17	METER CHARGE (\$/MONTH)	\$6.00	\$6.00	17
18	ON-PEAK DEMAND CHARGE (\$/KW/MO)	\$2.64		18
19	MAXIMUM DEMAND CHARGE (\$/KW/MO)			19
20	SECONDARY	\$3.52	\$0.00	20
21	PRIMARY	\$2.94	\$0.00	21
22	TRANSMISSION	\$1.55	\$0.00	22
23	ENERGY CHARGE (\$/KWH)			23
24	ON-PEAK	\$0.12022		24
25	PART-PEAK	\$0.09377	\$0.09618	25
26	OFF-PEAK	\$0.04809	\$0.04809	26
*****				

PACIFIC GAS AND ELECTRIC COMPANY  
 PRESENT ELECTRIC RATES  
 AS OF MARCH 1, 2011  
 STREETLIGHTING RATES

LINE NO.		3/1/11 RATES SUMMER	3/1/11 RATES WINTER	LINE NO.
*****				
1	SCHEDULE LS-1			1
2	ENERGY CHARGE (\$/KWH)	\$0.12153	\$0.12153	2
*****				
3	SCHEDULE LS-2			3
4	ENERGY CHARGE (\$/KWH)	\$0.12153	\$0.12153	4
*****				
5	SCHEDULE LS-3			5
6	SERVICE CHARGE (\$/METER/MO.)	\$6.00	\$6.00	6
7	ENERGY CHARGE (\$/KWH)	\$0.12153	\$0.12153	7
*****				
8	SCHEDULE OL-1			8
9	ENERGY CHARGE (\$/KWH)	\$0.13006	\$0.13006	9
*****				

## Comparison of Transportation Rate Changes

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Rate Schedules	11/1/2010 (1)	Average Rate No PPP	1/1/2011 (1)	% Chg from Nov 2010	Average Rate No PPP	% Chg from Nov 2010
<b>Residential (G-1, GM, GS, GT)</b>						
<u>Transportation Charge (\$/Therm)</u>						
Tier 1	\$0.44411	\$0.57322	\$0.43232	-2.65%	\$0.54915	-4% Avg. Summer (Apr-Oct)
Tier 2	\$0.71057	\$0.52872	\$0.69171	-2.65%	\$0.51469	-3% Avg. Winter (Jan-Mar, Nov-Dec)
Average Rate from RTP		\$0.54838			\$0.53095	-3% Avg. Annual
<b>Residential Natural Gas Vehicle (G1-NGV)</b>						
Customer Charge	\$0.41425		\$0.41425	0.00%		
Transportation Charge (\$/therm) implemented 2/1/06	\$0.19705		\$0.18216	-7.55%		
<b>Small Commercial (G-NR1)</b>						
Customer Charge 0 - 5.0 therms (\$/day)	\$0.27048		\$0.27048	0.00%		
Customer Charge 5.1 - 16.0 therms (\$/day)	\$0.52106		\$0.52106	0.00%		
Customer Charge 16.1 - 41.0 therms (\$/day)	\$0.95482		\$0.95482	0.00%		
Customer Charge 41.1 - 123.0 therms (\$/day)	\$1.66489		\$1.66489	0.00%		
Customer Charge >123.1 therms (\$/day)	\$2.14936		\$2.14936	0.00%		
<u>Transportation Charge (\$/Therm)</u>						
Summer (1st 4,000)	\$0.29985	\$0.35008	\$0.29032	-3.18%	\$0.34253	-2% Avg. Summer
Summer (Excess)	\$0.10553		\$0.10947	3.73%		
Winter (1st 4,000)	\$0.36817	\$0.37292	\$0.35524	-3.51%	\$0.36280	-3% Avg. Winter
Winter (Excess)	\$0.12957		\$0.13395	3.38%		
		\$0.36297			\$0.35397	-2% Avg. Annual
<b>Large Commercial (G-NR2)</b>						
Customer Charge (\$/Day)	\$4.95518		\$4.95518	0.00%		
<u>Transportation Charge (\$/Therm)</u>						
Summer (1st 4,000)	\$0.29985	\$0.13065	\$0.29032	-3.18%	\$0.13316	2% Avg. Summer
Summer (Excess)	\$0.10553		\$0.10947	3.73%		
Winter (1st 4,000)	\$0.36817	\$0.15626	\$0.35524	-3.51%	\$0.15903	2% Avg. Winter
Winter (Excess)	\$0.12957		\$0.13395	3.38%		
		\$0.14131			\$0.14393	2% Avg. Annual
<b>Residential Transport-Only (G-CT)</b>						
<u>Transportation Charge (\$/Therm)</u>						
Tier 1	\$0.44411		\$0.43232	-2.65%		
Tier 2	\$0.71057		\$0.69171	-2.65%		
<b>Small Commercial Transport-Only (G-CT)</b>						
<u>Transportation Charge (\$/Therm)</u>						
Summer (1st 4,000)	\$0.29985		\$0.29032	-3.18%		
Summer (Excess)	\$0.10553		\$0.10947	3.73%		
Winter (1st 4,000)	\$0.36817		\$0.35524	-3.51%		
Winter (Excess)	\$0.12957		\$0.13395	3.38%		
<b>Large Commercial Transport-Only (G-CT)</b>						
<u>Transportation Charge (\$/Therm)</u>						
Summer (1st 4,000)	\$0.29985		\$0.29032	-3.18%		
Summer (Excess)	\$0.10553		\$0.10947	3.73%		
Winter (1st 4,000)	\$0.36817		\$0.35524	-3.51%		
Winter (Excess)	\$0.12957		\$0.13395	3.38%		
<b>G-PPP CORE CUSTOMERS</b>						
Residential Non-Care	0.07664		\$0.08400	9.60%		
Residential CARE	0.05332		\$0.05959	11.76%		
Small Commercial	0.04875		\$0.05078	4.16%		
Large Commercial	\$0.08352		\$0.09366	12.14%		

## Comparison of Transportation Rate Changes

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Rate Schedules	11/1/2010 (1)	Average Rate No PPP	1/1/2011 (1)	% Chg from Nov 2010	Average Rate No PPP	% Chg from Nov 2010
<b>Industrial (G-NT)</b>						
<u>Customer Access Charge (\$/Day)</u>						
0 to 5,000 therms	\$2.03342		\$2.03342	0.0%		
5,001 to 10,000 therms	\$6.05688		\$6.05688	0.0%		
10,001 to 50,000 therms	\$11.27310		\$11.27310	0.0%		
50,001 to 200,000 therms	\$14.79485		\$14.79485	0.0%		
200,001 to 1,000,000 therms	\$21.46586		\$21.46586	0.0%		
1,000,001 therms and above	\$182.08603		\$182.08603	0.0%		
<u>Transportation Charge (\$/Therm)</u>						
Backbone	0.00491	\$0.00706	0.00587	19.55%	\$0.00802	14%
Transmission	\$0.02630	\$0.02844	\$0.02785	5.89%	\$0.03000	5%
Distribution (Summer) Tier 1	\$0.14660	\$0.11958	\$0.14478	-1.24%	\$0.11757	-2%
Distribution (Summer) Tier 2	\$0.10165		\$0.09959	-2.03%		
Distribution (Summer) Tier 3	\$0.09247		\$0.09036	-2.28%		
Distribution (Summer) Tier 4	\$0.08529		\$0.08314	-2.53%		
Distribution (Summer) Tier 5	\$0.02630		\$0.02785	5.89%		
Distribution (Winter) Tier 1	\$0.18999		\$0.18841	-0.83%		
Distribution (Winter) Tier 2	\$0.12932		\$0.12741	-1.47%		
Distribution (Winter) Tier 3	\$0.11692		\$0.11494	-1.69%		
Distribution (Winter) Tier 4	\$0.10723		\$0.10520	-1.89%		
Distribution (Winter) Tier 5	\$0.02630		\$0.02785	5.89%		
<b>G-PPP Noncore Customers</b>						
Backbone/Transmission	\$0.03298		\$0.03489	5.79%		
Distribution	\$0.04106		\$0.04314	5.07%		
<b>Electric Generation G-EG</b>						
<u>Transportation Charge:</u>						
Backbone Transportation Charge (\$/therm)	0.00612	\$0.00706	0.00701	14.54%	\$0.00795	13%
Distribution/Transmission Charge (\$/Therm)	\$0.02155	\$0.02249	\$0.02326	7.94%	\$0.02420	8%
<b>Wholesale G-WSL</b>						
<u>Customer Access Charge (\$/Day)</u>						
Palo Alto	\$161.58016		\$161.58016	0.00%		
Coalinga	\$48.46126		\$48.46126	0.00%		
West Coast Gas-Mather	\$25.72603		\$25.72603	0.00%		
West Coast Gas - Castle	\$28.15101		\$28.15101	0.00%		
Island Energy	\$32.83430		\$32.83430	0.00%		
Alpine Natural Gas	\$10.95715		\$10.95715	0.00%		
<u>Transportation Charge (\$/Therm)</u>						
Palo Alto	\$0.01880	\$0.02054	\$0.02053	9.20%	\$0.02227	8%
Coalinga	\$0.01880	\$0.02726	\$0.02053	9.20%	\$0.02899	6%
West Coast Gas - Mather (Transmission)	\$0.01880	\$0.02815	\$0.02053	9.20%	\$0.02988	6%
West Coast Gas - Mather (Distribution)	\$0.09778	\$0.10713	\$0.11241	14.96%	\$0.12176	14%
West Coast Gas - Castle (Distribution)	\$0.07893	\$0.10924	\$0.08992	13.92%	\$0.12023	10%
Island Energy	\$0.01880	\$0.04790	\$0.02053	9.20%	\$0.04963	4%
Alpine Natural Gas	\$0.01880	\$0.02808	\$0.02053	9.20%	\$0.02981	6%



## Comparison of Transportation Rate Changes

The forecast rates provided herein are for discussion purposes only. The actual rates, when approved by the CPUC, can be different. These rates are for transportation service only and exclude the commodity cost of natural gas. PG&E Co. will not accept responsibility for any use of the rates provided in this document.

Rate Schedules	11/1/2010 (1)	Average Rate No PPP	1/1/2011 (1)	% Chg from Nov 2010	Average Rate No PPP	% Chg from Nov 2010
<b>Natural Gas Vehicle - Uncompressed (G-NGV1)</b>						
Customer Charge (\$/Day)	\$0.44121		\$0.44121	0.00%		
Transportation Charge (\$/Therm)	\$0.06038	\$0.10500	\$0.04302	-28.75%	\$0.10929	4%
<b>Natural Gas Vehicle - Compressed (G-NGV2)</b>						
Customer Charge (\$/Day)	\$0.00		\$0.00	0.00%		
Transportation Charge (\$/Therm)	\$1.34466	\$1.38809	\$1.27245	-5.37%	\$1.33752	-4%
<b>Natural Gas Vehicle - Uncompressed (G-NGV4)</b>						
<u>Customer Access Charge (\$/Day)</u>						
0 to 5,000 therms	\$2.03342		\$2.03342	0.0%		
5,001 to 10,000 therms	\$6.05688		\$6.05688	0.0%		
10,001 to 50,000 therms	\$11.27310		\$11.27310	0.0%		
50,001 to 200,000 therms	\$14.79485		\$14.79485	0.0%		
200,001 to 1,000,000 therms	\$21.46586		\$21.46586	0.0%		
1,000,001 therms and above	\$182.08603		\$182.08603	0.0%		
<u>Transportation Charge (\$/Therm)</u>						
Transmission	\$0.02034	\$0.02249	\$0.02212	8.75%	\$0.02427	8%
Distribution (Summer) Tier 1	\$0.14660	\$0.11958	\$0.14478	-1.24%	\$0.11757	-2%
Distribution (Summer) Tier 2	\$0.10165		\$0.09959	-2.03%		
Distribution (Summer) Tier 3	\$0.09247		\$0.09036	-2.28%		
Distribution (Summer) Tier 4	\$0.08529		\$0.08314	-2.53%		
Distribution (Summer) Tier 5	\$0.02034		\$0.02212	8.75%		
Distribution (Winter) Tier 1	\$0.18999		\$0.18841	-0.83%		
Distribution (Winter) Tier 2	\$0.12932		\$0.12741	-1.47%		
Distribution (Winter) Tier 3	\$0.11692		\$0.11494	-1.69%		
Distribution (Winter) Tier 4	\$0.10723		\$0.10520	-1.89%		
Distribution (Winter) Tier 5	\$0.02034		\$0.02212	8.75%		
<b>Liquefied Natural Gas (G-LNG)</b>	\$0.15966		\$0.16144	1.11%		
<b>G-PPP Natural Gas Vehicle/Liquid Natural Gas</b>	\$0.02579		\$0.02674	3.68%		

Notes:

- 1) Implementation of the removal of WGSP from residential rates AL 3159-G
- 2) Implementation of 2011 AGT and Gas Accord IV escalation of LT 2% plus line 406 adder AL 3165-GA/AL 3179-G

**EXHIBIT C**

**PG&E'S 2009 RECORDED REVENUES, EXPENSES, RATE BASES AND  
RATES OF RETURN FOR ELECTRIC AND GAS DEPARTMENTS**

PACIFIC GAS AND ELECTRIC COMPANY  
 ALL OPERATING DEPARTMENTS  
 REVENUES, EXPENSES, RATE BASES AND RATES OF RETURN  
 YEAR 2009 RECORDED  
 ADJUSTED FOR RATEMAKING  
 (000\$)

Line No.		Electric Operations	Gas Operations	Total Utility Operations
1	Operating Revenue	10,095,743	3,273,991	13,369,734
2	Operation Expenses	6,117,502	2,192,173	8,309,675
3	Maintenance Expenses	611,429	168,158	779,586
4	Depreciation Expense	917,938	317,514	1,235,452
5	Amortization & Depletion of Utility Plant	123,406	29,663	153,069
6	Regulatory Debits amd Credits	195,773	0	195,773
7	Taxes Other Than Income Taxes	277,589	80,047	357,636
8	Income Taxes	472,953	130,386	603,339
9	Gains from Disposition of Utilty Plant	(448)	0	(448)
10	Subtotal	8,716,142	2,917,941	11,634,082
11	Operating Income	1,379,601	356,051	1,735,652
12	Weighted Average Rate Base	15,694,208	4,316,216	20,010,424
13	Rate of Return	8.79%	8.25%	8.67%

**EXHIBIT D**

**PG&E'S MAILING LIST FOR SERVICE OF NOTICE OF APPLICATION  
IN ACCORDANCE WITH RULE 3.2(b)-(d)**

SERVICE OF NOTICE OF APPLICATION

In accordance with Rule 3.2(b), Applicant will mail a notice to the following, stating in general terms its proposed change in rates.

State of California

To the Attorney General and the Department of General Services.

State of California  
Office of Attorney General  
1300 I St Ste 1101  
Sacramento, CA 95814

and

Department of General Services  
Office of Buildings & Grounds  
505 Van Ness Avenue, Room 2012  
San Francisco, CA 94102

Counties

To the County Counsel or District Attorney and the County Clerk in the following counties:

Alameda  
Alpine  
Amador  
Butte  
Calaveras  
Colusa  
Contra Costa  
El Dorado  
Fresno  
Glenn  
Humboldt  
Kern  
Kings  
Lake  
Lassen  
Madera  
Marin

Mariposa  
Mendocino  
Merced  
Modoc  
Monterey  
Napa  
Nevada  
Placer  
Plumas  
Sacramento  
San Benito  
San Bernardino  
San Francisco  
San Joaquin  
San Luis Obispo  
San Mateo

Santa Barbara  
Santa Clara  
Santa Cruz  
Shasta  
Sierra  
Siskiyou  
Solano  
Sonoma  
Stanislaus  
Sutter  
Tehama  
Trinity  
Tulare  
Tuolumne  
Yolo  
Yuba

Municipal Corporations

To the City Attorney and the City Clerk of the following municipal corporations:

Alameda	Concord	Hercules
Albany	Corcoran	Hillsborough
Amador City	Corning	Hollister
American Canyon	Corte Madera	Hughson
Anderson	Cotati	Huron
Angels	Cupertino	Ione
Antioch	Daly City	Isleton
Arcata	Danville	Jackson
Arroyo Grande	Davis	Kerman
Arvin	Del Rey Oakes	King City
Atascadero	Dinuba	Kingsburg
Atherton	Dixon	Lafayette
Atwater	Dos Palos	Lakeport
Auburn	Dublin	Larkspur
Avenal	East Palo Alto	Lathrop
Bakersfield	El Cerrito	Lemoore
Barstow	Emeryville	Lincoln
Belmont	Escalon	Live Oak
Belvedere	Eureka	Livermore
Benicia	Fairfax	Livingston
Berkeley	Fairfield	Lodi
Biggs	Ferndale	Lompoc
Blue Lake	Firebaugh	Loomis
Brentwood	Folsom	Los Altos
Brisbane	Fort Bragg	Los Altos Hills
Buellton	Fortuna	Los Banos
Burlingame	Foster City	Los Gatos
Calistoga	Fowler	Madera
Campbell	Fremont	Manteca
Capitola	Fresno	Maricopa
Carmel	Galt	Marina
Ceres	Gilroy	Martinez
Chico	Gonzales	Marysville
Chowchilla	Grass Valley	McFarland
Citrus Heights	Greenfield	Mendota
Clayton	Gridley	Menlo Park
Clearlake	Grover Beach	Merced
Cloverdale	Guadalupe	Mill Valley
Clovis	Gustine	Millbrae
Coalinga	Half Moon Bay	Milpitas
Colfax	Hanford	Modesto
Colma	Hayward	Monte Sereno
Colusa	Healdsburg	Monterey

Moraga  
Morgan Hill  
Morro Bay  
Mountain View  
Napa  
Newark  
Nevada City  
Newman  
Novato  
Oakdale  
Oakland  
Orange Cove  
Orinda  
Orland  
Oroville  
Pacific Grove  
Pacifica  
Palo Alto  
Paradise  
Parlier  
Paso Robles  
Patterson  
Petaluma  
Piedmont  
Pinole  
Pismo Beach  
Pittsburg  
Placerville  
Pleasant Hill  
Pleasanton  
Plymouth  
Point Arena  
Portola Valley  
Red Bluff  
Redding  
Redwood City  
Reedley  
Richmond  
Ridgecrest  
Rio Dell  
Rio Vista  
Ripon  
Riverbank  
Rocklin  
Rohnert Park  
Roseville  
Ross  
Sacramento

Saint Helena  
Salinas  
San Anselmo  
San Bruno  
San Carlos  
San Francisco  
San Joaquin  
San Jose  
San Juan  
Bautista  
San Leandro  
San Luis Obispo  
San Mateo  
San Pablo  
San Rafael  
San Ramon  
Sand City  
Sanger  
Santa Clara  
Santa Cruz  
Santa Maria  
Santa Rosa  
Saratoga  
Sausalito  
Scotts Valley  
Seaside  
Sebastopol  
Selma  
Shafter  
Shasta Lake  
Soledad  
Solvang  
Sonoma  
Sonora

South  
San Francisco  
Stockton  
Suisun City  
Sunnyvale  
Sutter Creek  
Taft  
Tehama  
Tiburon  
Tracy  
Trinidad  
Turlock  
Ukiah  
Union City  
Vacaville  
Vallejo  
Victorville  
Walnut Creek  
Wasco  
Waterford  
Watsonville  
West Sacramento  
Wheatland  
Williams  
Willits  
Willows  
Windsor  
Winters  
Woodland  
Woodside  
Yountville  
Yuba City

**VERIFICATION**

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to the matters which are herein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at San Francisco, California this 16<sup>th</sup> day of May, 2011.

\_\_\_\_\_  
/s/  
HELEN BURT  
Sr. Vice President-Chief Customer Officer  
PACIFIC GAS AND ELECTRIC COMPANY