

When do we get to vote on PG&E's latest rate hike?

Rebecca Bowe , *SF Bay Guardian*
03.24.10

The Chronicle's David Baker reported today that Pacific Gas & Electric Co. has proposed a new fee structure that would raise the average residential customer bill by \$10.73 more each month, bringing it to a total of \$88.13.

This new rate-hike proposal comes as the utility prepares to spend \$35 million on Proposition 16, a ballot initiative that would essentially lock in its monopoly against competition by requiring a two-thirds vote before local governments could set up alternative power providers. John Geesman, former executive director of the California Energy Commission, called PG&E's current rates "excessive" when he blasted Prop 16 before a joint hearing of the California Legislature. Geesman commented that the California Public Utilities Commission (CPUC) doesn't set rates "at a level calculated to provide a \$35 million slush fund for sole-sponsored political adventurism."

"PG&E says it will spend up to \$35 million, and insists all of that money will come from its shareholders," he noted. "You and I know that every nickel that passes through PG&E's books comes from its captive customers -- its regulated utility is the only business PG&E has! It ought to be illegal to take ratepayer money and use it politically against ratepayer interests. If PG&E's making an excessive return, it ought to give the money back."



Dan Berman, an energy expert who has worked as an analyst for the CPUC, highlighted this point when speaking before the CPUC March 17. In 2008, PG&E charged an average of 13.6 cents per kilowatt-hour, while the Sacramento Municipal Utility District (SMUD) charged 10.7 cents, he noted. "That means PG&E charged 27.3 percent more than SMUD, the largest publicly owned utility in Northern California," Berman said.

On March 20, the San Jose Mercury News published an editorial shooting down Prop 16. Here's an excerpt:

"If [PG&E CEO Peter Darbee] is looking for a cheaper way to hold onto his customers, here's a suggestion: Instead of spending tens of millions of ratepayer dollars on political campaigns, PG&E could use that money to lower rates and find more sources of renewable energy — the main reasons cities consider breaking

away in the first place.

"But don't hold your breath. And don't miss the opportunity to send PG&E an unequivocal message by ignoring the barrage of misleading advertising and voting no on Proposition 16. The constitution of the state of California should not be for sale."

<http://www.sfbg.com/politics/2010/03/24/when-do-we-get-vote-pge%E2%80%99s-latest-rate-hike>