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PG&E requests another rate hike

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By Carol Ferguson, Eyewitness News February 25, 2011

BAKERSFIELD, Calif. — It looks like Pacific Gas and Electric wants to raise rates again.

A notice published Friday shows the utility is asking for a rate boost of 0.40 percent to be effective January 2012.

Even a small boost makes local customers mad.

"I think that's really awful," Rhaya Lemons said. "Isn't it bad enough already?"

And Bob Weidner says if a rate hike is approved, the timing is terrible in the current tough economy. "People are going to start struggling," he said. "They're struggling as it is."

The half-page notice was published in the Bakersfield Californian's February 25 edition. The notice calls this an application for "recovery of costs of the market redesign and technology upgrade (MRTU) initiative."

PG&E spokeswoman Christine Corder responded to questions from Eyewitness News by e-mail. Corder said this is a normal public notice that is required by law when they file a revenue request with the California Public Utilities Commission.

"In this case, we have filed but are in the early stages of review so no decision on any rate change has been made by the CPUC," Corder wrote.

According to the notice, the reason for the proposed hike is to recover costs in 2010 to "upgrade the initially deployed system to include greater functionality."

If the rate hike is for technology, local customers are not impressed.

"For technology?" Lemons asked. "They can't even get the "smart meters" right."

Requests for higher rates for the so-called MRTU initiative have gone out before. In a

notice to customers in 2010, the company also requested a boost. In that year, PG&E wanted an increase of 0.15 percent to bring in \$18.3 million.

The latest request is to bring in \$47.2 million.

One paragraph in the published notice it titled "Will rates increase as a result of this application?" It concludes, "If approved, the revenue requirement request of \$47.2 million will increase PG&E's bundled system average rates, relative to current rates, by 0.40 percent in 2012."

A watchdog group is also not impressed. From The Utility Reform Network (TURN) Mindy Spatt told Eyewitness News her group looks over rate hike requests like this, and they challenge anything they believe is unwarranted.

Spatt also said, while PG&E can request large rate hikes every three years, every year the utility averages 10 smaller rate-increase requests.

The PG&E spokeswoman said more information will be released on Monday regarding changes in rates on March 1. She said that would be a slight forecasted increase to what the company announced in January.

However, the separate "technology" rate increase is still in the request process before the Public Utilities Commission. "In this case, we have filed but are in the early stages of review so no decision on any rate change has been made by the CPUC. The regulators have options of approving, rejecting and modifying our request, like all revenue request filings we make."

Eyewitness News found a Wall Street Journal article showing PG&E reported fourth-quarter profits of \$250 million. Some observers ask why the utility can't pay for technology costs with profits, instead of asking customers to pay more.

"Are they putting (the rate increase) in their pocket, or is it for better energy?" Bob Weidner asks. "Are we going to benefit in the end? Or when are we going to see it?"