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Public Participation Hearings Summary

A wide range of views were expressed at the PPHs by approximately 450 speakers. Customers ranged from individual residential customers to chambers of commerce, other business organizations, social service agencies, activists for various philosophies, and advocates for all forms of electricity generation and conservation. For residential customers, the biggest concerns were over their ability to cope with the rising rates, and the impact on their families' budgets. They also pointed out the difficulty of achieving usage within baseline levels. Many questioned how baseline levels were set, indicating that they were never able to get close to baseline usage, irrespective of how much they felt they conserved. They also felt that the baseline levels were outdated and should not be used as a benchmark for spreading the surcharge. Some also believed that the CARE discount should be increased.

Many residential customers also felt that assigning more of the rate increase to commercial and industrial customers would not effectively shield them from it because these businesses would simply raise prices for their products.

Members of the clergy and representative of social service organizations expressed great concern for both the impacts on the poor and their own ability to provide for them. The impacts of rolling blackouts in extremely warm climate areas as well as rate increases were of concern. Representatives of handicapped persons, particularly those that must rely on intensive electricity using products such as life support

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devices, electric battery chargers for wheelchairs, as well as in home care persons suggested that such customers should be exempt from the increase.

Small business owners decried the imposition of a substantial portion of the rate increase on their businesses. These business owners cautioned against imposing a heavy burden on business because they now have narrow margins, which could be eliminated by this increase. They also predicted that overall prices would increase, and California would no longer be able to successfully compete in the global economy.

Agricultural interests were very concerned with both pricing issues and the impacts of rolling blackouts. Representatives of cold storage facilities indicted that prolonged outages could lead to food spoilage on a massive scale. Some suggested that if sufficient advance knowledge of outages was available, they could move stock to another facility to avoid the blackout. This was particularly a problem in the Edison territory where customers are not yet aware of their outage block numbers. Growers themselves complained bitterly about the impact that higher rates would have on their pumping and other costs, driving up their cost of production. As one grower said, expenses are set locally but prices we get are set globally. If their costs rise sufficiently they may not be able to market their crops.

Many came not to speak about the rate changes themselves, but to express dismay or anger at the energy crises and question how the Commission and the legislature could have let such a debacle occur. Some

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offered their own theories of how various interests had created the crisis but most were just frustrated with such a huge crises that they felt powerless to deal with. They advised the Commission and Governor to courageously lead the state, to investigate manipulation of energy prices, and to take strong steps to bring California power plants back under regulatory control.

Speakers were also incensed with the short notice they received of the PPHs, some less than 48 hours. Greater frustration was expressed that their comments would not be considered by the Commission or affect the ultimate decision.

Finally there were current and former employees of PG&E and Edison who discussed both personal impacts from the loss of their stock values and upset at the demise of two utilities that had previously been so well run.

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