



# California City-County Street Light Association

Energy Conference #56  
Northern California

## Update on CPUC Rate Cases

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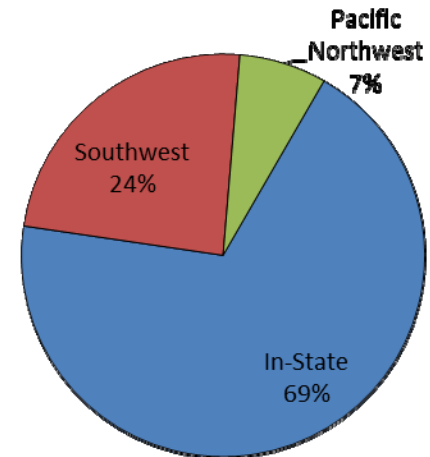
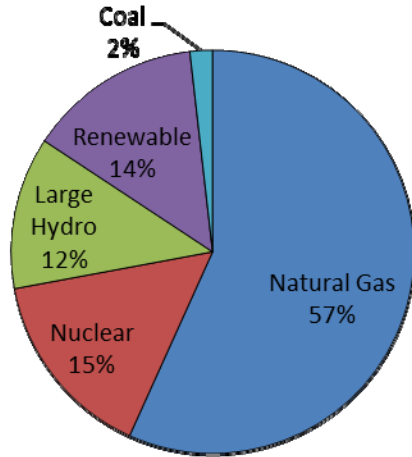
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# In-State Electric Generation 2009



# Hot Electric Issues at CPUC

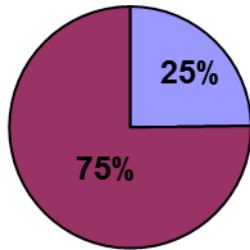
- Smart Meters
- Long-term procurement plan (AB 57)
- Renewable energy planning and supply
  - 33% Goal (SB 2x)
  - Renewable energy credits
- Demand response and critical peak pricing
- Residential customer charge
- Global warming and greenhouse gas emissions (AB 32)

# Utility Comparison Number of Street Lights

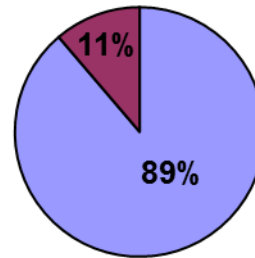
<b>PG&amp;E</b>	<b>747,105</b>
<b>SCE</b>	<b>780,070</b>
<b>SDG&amp;E</b>	<b>142,713</b>

# Utility Comparison Street Light Ownership

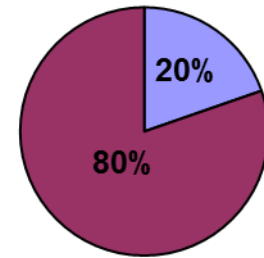
**PG&E**



**SCE**



**SDG&E**



-  Customer-Owned
-  Utility-Owned

# Utility Comparison

## Street Lighting Revenue - 2010

<b>Utility</b>	<b>Revenues (million)</b>	<b>Sales (MWh)</b>	<b>Avg Rate (\$/kWh)</b>
PG&E	\$70.7	430.0	\$0.164
SCE	\$134.4	699.5	\$0.192
SDG&E	\$17.5	111.0	\$0.158

# General Rate Cases

## ■ Phase 1

Decides the revenue requirement for generation (non-fuel) and distribution.

## ■ Phase 2

Designs rates based on the revenue requirement decided in the first phase, which is allocated to customer classes and rate schedules using marginal costs of service.

# CAL-SLA's Work at CPUC

- General Rate Cases
  - Phase 1 sets revenue requirement; CAL-SLA has intervened in PG&E's Phase 1 rate case
  - Phase 2 designs rates to collect revenue requirement; CAL-SLA intervenes and actively participates
- Work Tasks
  - Analyze utility's application, exhibits, and workpapers
  - Submit expert witness testimony
  - Negotiate with other parties any settlement
  - Cross-exam utility witnesses
  - Prepare opening and reply briefs
  - Comment on draft decision proposed by ALJ
  - Present oral argument to Commissioners
- Monitor other CPUC proceedings
- File Protests of Advice Filings

# Street Light Rate Structure

- Energy Charge (\$/kWh)

Recovers cost of generating, transmitting, and distributing electricity to the street light

- Non-Energy Charge (\$/lamp/month)

- Customer accounting and billing
- Maintenance of street lights
- Rental of street light facilities

# Pacific Gas & Electric

## Street Light Rates - 70watt HPSV

### Current March 1, 2011

Facilities Charge  
(\$/lamp/month)

LS-1A \$6.465

LS-2A \$0.187

Energy charge  
(\$/kWh) \$0.12153

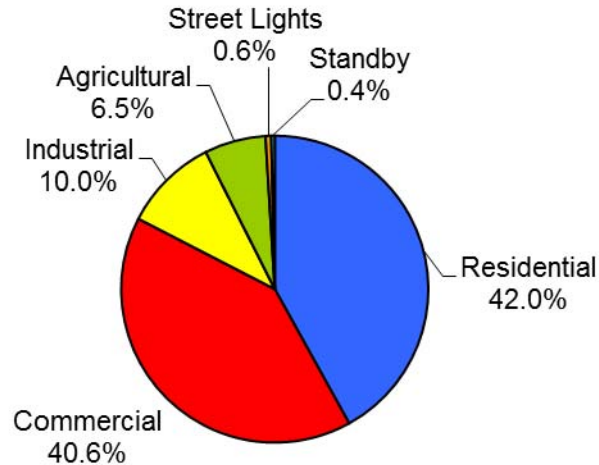
Total rate  
(\$/lamp/month)

LS-1A \$9.989

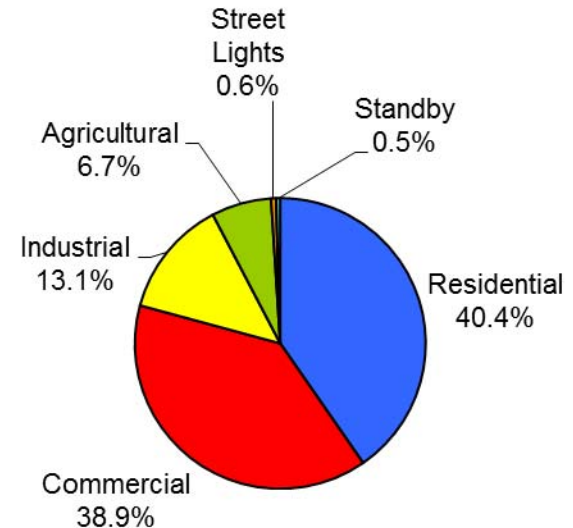
LS-2A \$3.711

# PG&E Revenues and Sales 2011 Customer Classes

## Revenues



## Sales



# Pacific Gas & Electric

## Phase 1 General Rate Case 2011

- Requested increase of \$1.05 billion (18.6%) in electric generation, electric distribution and gas distribution
- Application filed in December 2009
- Requested to replace all utility-owned street lights with LED -- \$20.5 million each year for five years
- CAL-SLA submitted testimony in May 2010 opposing PG&E's LED conversion program.
- Settlement: eliminated LED conversion program
- Decision on May 5, 2011 adopted settlement
- Revenue requirement increase \$450 million (8.1%)
- Revenue increases effective January 1, 2011

# Pacific Gas & Electric

## Phase 2 Issues

- Allocation of generation and distribution revenue requirements to customer classes, including street lighting
- Use marginal costs to do the revenue allocation
  - Generation marginal costs
  - Transmission marginal costs
  - Distribution marginal costs
  - Customer access marginal costs
- Rate Design

# Pacific Gas & Electric Phase 2

- Application filed on March 22, 2010
- States at “full cost of service” 25% increase in street lighting revenues -- \$17.8 million
- But proposes to cap increase at 7.5%, or \$5.3 million
- No change in the overall electric system revenue requirement
- CAL-SLA intervened and has submitted testimony.
- New rates probably effective October, 2011

# Pacific Gas & Electric

## PG&E's Initial Request Street Lights

- Facilities charges would not significantly change from prior levels.
- Universal charge proposed increase from \$0.187 per lamp per month to \$0.215. Increase by 15%.
- Energy charge proposed increase from \$0.12486 per kWh to \$0.13378. Increase by 7%.
- LS-2 rates would increase by 7.5%; LS-1 by 1-2%.
- Reason for increase: More of the distribution revenue requirement is allocated to street lighting than in prior General Rate Case.

# Pacific Gas & Electric CAL-SLA's Testimony

- Revenue increase to street light class would be only 0.1%.
- Use simplified model to design universal, facilities and energy charges.
- Energy charge would decrease by 12.0%.
- LS-2 rates would increase by 3.5%; LS-1 by 0.5%.
- Propose new Schedule LS-4 that applies to LED and other emerging technologies that could be dimmed.

# Pacific Gas & Electric Settlements in Phase 2

- Revenue allocation settlement filed with ALJ. Overall revenue increase to the street light class would be 1.5% or \$1.0 million.
- Small Light & Power settlement filed with ALJ. Revenue from traffic control signals would increase by 3.6% rather than 27.7% as indicated by PG&E in its initial rate design.
- Still negotiating street light rate design and a new rate schedule for dimmable, network street lights. Hope to reach a settlement this month.
- PG&E and CAL-SLA are working on how to allow customers to take advantage of dimmable, network street lights.