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PG&E's rate changes affects customers differently

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Friday, December 31, 2010

(12-31) 16:09 PST San Francisco -- Starting Saturday, some Pacific Gas and Electric Co. customers will pay a little more to light their homes, while others will pay a little less.

Residential customers who use relatively little power will see their electricity rate go up 3 percent in the new year, PG&E reported Thursday. Those who use large amounts of electricity - typically, people with big homes or residents of California's hot interior valleys - will get a 2.6 percent rate cut.

The changes are the result of a 2009 law that let California's utilities raise electricity rates for many low-usage customers whose rates hadn't changed since the energy crisis of 2000 and 2001. PG&E's low-usage customers saw rate changes again in January 2010.

A PG&E spokeswoman said that for all customers, those facing an increase as well as those getting a cut, the impact on monthly bills will be slight. The average residential customer using 550 kilowatt hours of electricity in a month will pay \$78.86 in January, according to PG&E's forecast.

"Basically, rates are flat, and bills won't change much," said spokeswoman Christine Corder.

She added, however, that more changes could be on the way.

Another increase

State regulators have not yet voted on a PG&E proposal to raise the company's revenue by \$1.73 billion over the next three years. If the California Public Utilities Commission approves the request, rates could rise by another 1.1 percent, on average.

"They could approve it as is, or they could go in another direction," Corder said. "We just don't know yet."

PG&E's rates are based on the amount of electricity each customer uses, with usage ranked in four tiers.

During the energy crisis, the California legislature froze rates for the bottom two tiers - those customers who used the least power. As a result, customers in the upper tiers bore the brunt of



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every rate hike in the years that followed. Central Valley residents, heavily reliant on air conditioning, seethed.

Even with the changes that take effect on Saturday, those homeowners will still pay a far higher rate than homeowners who use less power.

Residential customers in the bottom two tiers will see their rates rise 3 percent, to 12.2 cents per kilowatt hour for people in tier one and 13.9 cents per kilowatt hour for those in tier two. Tier 3 customers will receive a 3.6 percent cut, dropping their rate to 28.0 cents per kilowatt hour. People in tier four will pay 39.0 cents per kilowatt hour, a drop of 2.6 percent.

Natural gas increase

PG&E natural gas bills, meanwhile, are expected to rise 2.2 percent in January, averaging \$86.03 for a typical home, as cold weather settles over the state. But the rate PG&E charges for gas will be almost unchanged from last January, at \$1.147 for every therm of gas.

The gas rate will stay flat despite a dramatic drop this year in natural gas prices nationwide. Although prices for the commodity have tumbled 24 percent in 2010, PG&E's costs for operating and maintaining its sprawling network of gas pipelines have grown.

"It just shows that there's a lot of drivers of costs, other than the price of raw materials," said Mindy Spatt, spokeswoman for The Utility Reform Network, a consumer watchdog group. "Obviously, from the customer's perspective, we always want to see rates go down."

Cordner said the increased costs do not reflect any of PG&E's emergency inspections and maintenance in the wake of the fatal Sept. 9 explosion of one of the company's gas transmission lines in San Bruno.

"There are no costs in our current rates reflecting San Bruno-related costs," she said.

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