

# Lifetime Solar Information Booklet

**INFLATION RATE INCREASE**



**LIFETIME SOLAR**

520 S. Auburn Street, Colfax California 95713

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# ENERGY SCENARIO

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## PG&E seeks 6.4% rate increase in 2011

San Francisco Business Times - by Lindsay Riddell

Date: Tuesday, December 22, 2010

Pacific Gas & Electric Corp. today filed paperwork seeking approval to charge customers 6.4 percent more in 2011 than they will pay in 2010 for electricity — and possibly more for the following two years.

The San Francisco-based utility said it needs \$1 billion more in 2011 than it should need in 2010 to deliver electricity and gas to customers. PG&E said in an SEC filing that it will need to spend an average of \$2.7 billion each year to replace aging electrical and gas infrastructure, and to maintain and upgrade power plants.

PG&E also asked the California Public Utilities Commission, which will rule on PG&E's request, to establish a more flexible rate system that will allow utilities to charge customers more money in 2012 and 2013 based on changes in franchise, payroll, income or property taxes, instead of picking a set increase that applies to all three years.

PG&E said a flexible rate-determining system would likely result in an increase of \$275 million and \$343 million in 2012 and 2013 for PG&E customers.



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## San Francisco Chronicle

NORTHERN CALIFORNIA'S LARGEST NEWSPAPER

### **PG&E, citing infrastructure, seeks rate hikes**

July 21, 2010 | By David R. Baker, Chronicle Staff Writer

Pacific Gas and Electric Co. wants to raise its electricity rates 6.5 percent in 2011 to fund repairs to its aging power grid, the utility said Monday.

The proposed rate hikes need the approval of state regulators to take effect. PG&E took the first step toward that approval on Monday, notifying the California Public Utilities Commission that the company will make a formal rate request in December. The commission is expected to vote on the request late this year.

Some categories of customers would see a larger increase than others. But starting in January 2011, a typical homeowner's monthly electricity bill would rise \$2.20 to reach \$76.27. People with larger houses that use more power would pay \$16.80 more per month than they do today, for a total of \$180.48.

#### **Grid maintenance**

The extra cash would help PG&E increase the amount of money it spends maintaining its vast web of power lines and electrical equipment, a system that covers 70,000 square miles of Northern and Central California.

Grid upkeep and repairs cost the utility \$2.2 billion each year, and PG&E wants to increase that figure to \$2.7 billion per year.



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## **PGE seeks 7.4 percent rate increase for 2011**

February 17, 2010 9:30 AM | Associated Press

PGE asked the commission Tuesday to start reviewing the utility's cost of doing business and approve an overall rate increase of 7.4 percent starting in January 2011.

In a statement, PGE president and CEO Jim Piro said the utility needs the rate increase to pay for "key infrastructure improvements," including a major investment in renewable energy resources.

The request starts what is typically a 10-month review process in which the commission will either accept or modify PGE's proposal.

Bob Jenks of the Citizens' Utility Board, which represents the interests of residential ratepayers, says PGE's request is too much.



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## THE SACRAMENTO BEE

### **EDITORIAL: PG&E MAKES A NEW POWER GRAB**

by Editors, Sacramento Bee January 19th, 2010

...PG&E's motives in this effort are obvious. Northern California's largest investor-owned utility has among the highest electricity rates of any power provider in the country, and those rates will likely go a lot higher soon. Currently PG&E has some 10 rate hike requests worth more than \$5 billion pending before the California Public Utilities Commission. Increasingly, customers straining to pay those high electric bills are turning to public power for relief. PG&E charges its average customers 15.2 cents per kilowatt-hour for electricity. Sacramento Municipal Utility District customers pay 11.4 cents per kilowatt-hour, 25 percent less. Roseville's rates are comparable to SMUD's....



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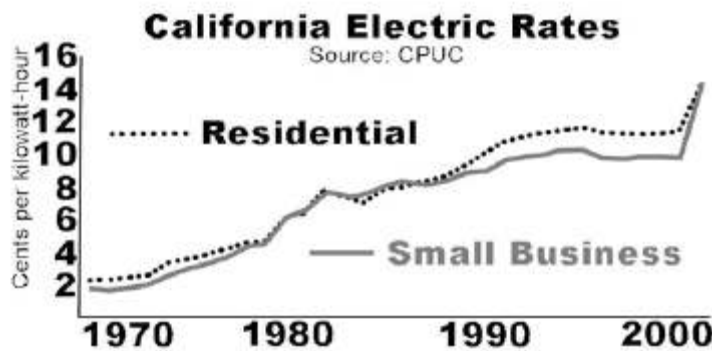
# ENERGY SCENARIO



ACCORDING TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION 1, CALIFORNIA ELECTRIC RATES HAVE INCREASED AT THE RATE OF 6.7% PER YEAR ON A AVERAGE SINCE 1970 UNTIL PRESENT.

	\$100	\$150.00	\$200.00	\$250.00	\$300.00	\$350.00	\$400.00	\$450.00	\$500.00
Yearly Total	\$1,200.00	\$1,800.00	\$2,400.00	\$3,000.00	\$3,600.00	\$4,200.00	\$4,600.00	\$5,400.00	\$6,000.00
Year 1	\$1,280.00	\$1,920.00	\$2,560.00	\$3,201.00	\$3,841.00	\$4,481.00	\$4,908.00	\$5,761.00	\$6,402.00
Year 2	\$1,366.00	\$2,049.00	\$2,732.00	\$3,415.00	\$4,098.00	\$4,781.00	\$5,237.00	\$6,147.00	\$6,830.00
Year 3	\$1,457.00	\$2,186.00	\$2,915.00	\$3,644.00	\$4,373.00	\$5,102.00	\$5,587.00	\$6,559.00	\$7,288.00
Year 4	\$1,555.00	\$2,333.00	\$3,110.00	\$3,888.00	\$4,666.00	\$5,443.00	\$5,962.00	\$6,999.00	\$7,776.00
Total years 1 thru 5	<b>\$8,527.00</b>	<b>\$12,777.00</b>	<b>\$17,036.00</b>	<b>\$21,296.00</b>	<b>\$25,556.00</b>	<b>\$29,815.00</b>	<b>\$32,655.00</b>	<b>\$38,334.00</b>	<b>\$42,592.00</b>
Year 6	\$1,770.00	\$2,656.00	\$3,541.00	\$4,426.00	\$5,312.00	\$6,197.00	\$6,788.00	\$7,968.00	\$8,853.00
Year 7	\$1,809.00	\$2,834.00	\$3,770.00	\$4,723.00	\$5,668.00	\$6,613.00	\$7,242.00	\$8,502.00	\$9,447.00
Year 8	\$2,016.00	\$3,024.00	\$4,032.00	\$5,040.00	\$6,048.00	\$7,056.00	\$7,728.00	\$9,072.00	\$10,080.00
Year 9	\$2,151.00	\$3,226.00	\$4,302.00	\$5,377.00	\$6,453.00	\$7,528.00	\$8,245.00	\$9,679.00	\$10,755.00
Total years 1 thru 10	<b>\$18,648.00</b>	<b>\$27,959.00</b>	<b>\$37,279.00</b>	<b>\$46,600.00</b>	<b>\$55,927.00</b>	<b>\$65,243.00</b>	<b>\$71,456.00</b>	<b>\$83,883.00</b>	<b>\$93,203.00</b>
Year 11	\$2,449.00	\$3,673.00	\$4,898.00	\$6,122.00	\$7,347.00	\$8,571.00	\$9,387.00	\$11,020.00	\$12,245.00
Year 12	\$2,613.00	\$3,919.00	\$5,226.00	\$6,523.00	\$7,839.00	\$9,145.00	\$10,016.00	\$11,758.00	\$13,065.00
Year 13	\$2,788.00	\$4,182.00	\$5,576.00	\$6,970.00	\$8,364.00	\$9,758.00	\$10,687.00	\$12,546.00	\$13,940.00
Year 14	\$2,974.00	\$4,462.00	\$5,949.00	\$7,437.00	\$8,924.00	\$10,412.00	\$11,404.00	\$13,387.00	\$14,874.00
Total years 1 thru 15	<b>\$32,646.00</b>	<b>\$48,956.00</b>	<b>\$65,276.00</b>	<b>\$81,587.00</b>	<b>\$97,918.00</b>	<b>\$114,239.00</b>	<b>\$125,118.00</b>	<b>\$146,878.00</b>	<b>\$163,198.00</b>
Year 16	\$3,386.00	\$5,080.00	\$6,773.00	\$8,467.00	\$10,160.00	\$11,854.00	\$12,983.00	\$15,241.00	\$16,934.00
Year 17	\$3,613.00	\$5,420.00	\$7,227.00	\$9,034.00	\$10,841.00	\$12,648.00	\$13,853.00	\$16,262.00	\$18,069.00
Year 18	\$3,856.00	\$5,784.00	\$7,712.00	\$9,640.00	\$11,568.00	\$13,496.00	\$14,781.00	\$17,351.00	\$19,280.00
Year 19	\$4,114.00	\$6,171.00	\$8,228.00	\$10,285.00	\$12,343.00	\$14,400.00	\$15,771.00	\$18,514.00	\$20,571.00
Total years 1 thru 20	<b>\$52,005.00</b>	<b>\$77,996.00</b>	<b>\$103,996.00</b>	<b>\$129,988.00</b>	<b>\$156,000.00</b>	<b>\$182,002.00</b>	<b>\$199,334.00</b>	<b>\$234,000.00</b>	<b>\$260,002.00</b>

As shown in Figure 1, electricity rates in California have gone up an average of 6.7% per year for the last 30 years (CPUC *Electric Rate Compendium*, Nov 2001). There is no indication that this increase will not continue; in fact, many industry observers feel that given the current economic climate, financial instability in the utility industry, and unrest in the Middle East, electricity rates will likely continue to rise in the future.



Courtesy NCSEA

Fig 1. California Electricity Rates, 1970-2000



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