

**NOTIFICATION OF FILING OF PACIFIC GAS & ELECTRIC COMPANY (PG&E) APPLICATION  
FOR APPROVAL OF ITS 2009-2011 DEMAND RESPONSE  
PROGRAMS AND BUDGET**

The California Public Utilities Commission (CPUC), requires PG&E to file an application for approval of its Demand Response Programs and Budget. PG&E filed an application on June 2, 2008, requesting said approval ("Application").

**What are Demand Response Programs?**

Demand response programs increase electric reliability and reduce PG&E's total power purchase costs by motivating electric customers to reduce electric usage during high-demand, or peak usage, periods and/or shift electric usage to other periods when electric demand is lower.

PG&E's Application proposes a total [1] demand response related revenue [2] requirement of \$148.4 million (\$48.9 million in 2009; \$49.5 million in 2010; and \$50.0 million in 2011). PG&E proposes to recover these costs in electric distribution rates from both bundled and direct access customers. The annual revenue requirement increase (as compared to 2008 revenue requirement) is approximately \$10.1 million. Bundled customers are customers who receive electric generation as well as transmission and distribution service from PG&E. Direct Access customers are customers who receive transmission and distribution service from PG&E, but purchase electric generation service from third-party energy service providers.

**Will Electric Rates Increase if the Application is Approved?**

Yes. Approval of PG&E's proposed 2009-2011 demand response program revenue requirement will increase electric distribution rates paid by all electric bundled and direct access customers. PG&E expects any rate changes associated with its Application will be consolidated with electric rate changes in other CPUC proceedings. The eventual net change in rates is difficult to predict. Absent other electric rate changes, PG&E's revenue requirement request resulting from this Application would increase average bundled electric rates less than approximately 0.1 percent and would not have a significant impact on individual customers' rates.

**THE CPUC PROCESS**

The CPUC's independent Division of Ratepayer Advocates (DRA) will review this Application, analyze the proposal, and present an independent analysis and recommendations for the CPUC's consideration. Other parties of record will also participate.

The CPUC may hold evidentiary hearings where parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record are allowed to present evidence or cross-examine witnesses during evidentiary hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this Application, it may adopt all or part of PG&E's request, amend or modify it, or deny the Application. The CPUC's final decision may be different from PG&E's proposed Application filing.

**FOR FURTHER INFORMATION**

For more details, call PG&E at 1-800-PGE-5000.

Para más detalles llame 1-800-660-6789.

詳情請致電 1-800-893-9555

For TDD/TTY (speech-hearing impaired), call 1-800-652-4712.

You may contact the CPUC's Public Advisor with comments or questions as follows:

Public Advisor's Office  
505 Van Ness Avenue, Room 2103  
San Francisco, CA 94102

1-415-703-2074 or 1-866-849-8390 (toll free) TTY 1-415-703-5282, TTY 1-866-836-7825 (toll free)

E-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

If you are writing a letter to the Public Advisor's Office, please include the name of the application to which you are referring. All comments will be circulated to the Commissioners, the assigned ALJ and the CPUC's Energy Division staff.

[1] The revenue requirement total includes charges for franchise fees (fees that PG&E pays to cities and counties for the right to use or occupy public streets, roads and ways) and uncollectibles (billed revenues that are unpaid by customers).

[2] Revenue is a technical term used to describe the total amount of money customers pay in rates for the electric and gas service they receive.

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