



# CALIFORNIA FARM BUREAU FEDERATION



## **Hearings to begin on electricity rate hikes for PG&E**

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Assistant Editor

Rate increases proposed by Pacific Gas and Electric Co. could bring double-digit jumps in electricity costs for thousands of farmers and ranchers in Northern and Central California. Farm organizations say utility costs represent a significant portion of a farm's monthly expenses, and that they will oppose the rate request before the California Public Utilities Commission.



"Considering the size of this increase, every PG&E customer should be concerned about how this will affect their bottom line," said California Farm Bureau Federation Associate Counsel Ron Liebert, who is following the case.

PG&E is proposing one of the largest general rate increases in the history of California—a revenue increase of more than \$1 billion for 2011, with additional increases of \$275 million in 2012 and \$343 million in 2013. The CPUC, the state agency responsible for regulating privately owned electric companies, will hold public meetings beginning this month to hear comments about the rate proposal.

Farm Bureau will actively oppose PG&E's "massive" revenue request and rate proposals before the CPUC, Liebert said.

"PG&E claims these large increases are necessary to cover costs and to pay for substantial upgrades to its infrastructure.

In phase 2 of its general rate case, PG&E proposes a variety of rate changes to collect the requested revenue increase," Liebert said. "If the PG&E phase 1 and 2 proposals are approved, average agricultural rates could increase between 13.5 percent and 19.4 percent."

He said the size of the rate increase in the utility's proposal could vary based on how rate increases would be apportioned among various classes of electricity ratepayers—such as residential, commercial, industrial, agricultural and street lighting—and within the agricultural rate class itself.

The 2011 rate increases could rise even further, he said, once the results of other PG&E proceedings are factored in, such as its recently approved \$1.4 billion solar photovoltaic program and a pending \$2 billion program to upgrade distribution lines, substations and switching devices. Liebert said PG&E could receive additional rate increases to pay for those programs. California's cotton sector has also come out opposed to the proposed PG&E rate increases.

"Any increase in the cost of production today is of great concern to our industry," said Earl Williams, president and CEO of the California Cotton Ginners and Growers Associations. "Water shortages have driven growers to more reliance on underground pumping and with so many of the pumps using electricity, any increases in the rates are extremely troublesome and will drive production costs even higher. We will be strongly opposing them."

The PUC has scheduled a number of public participation hearings throughout the PG&E service territory, which the utility describes as extending roughly from Eureka in the north to Bakersfield in the south and from the Pacific coast on the west to the Sierra Nevada in the east.

"These public participation hearings are an excellent opportunity for Farm Bureau members to tell the CPUC about their particular concerns with the PG&E revenue and rate increase proposals, as well as to comment on other PG&E-related issues such as operations, service and billing," Liebert said. "This is a chance for our members to provide the CPUC with a more personal view of the issues and concerns of PG&E agricultural customers."

The CPUC has scheduled public participation hearings on the following dates and locations:

- May 24, San Francisco, Commission Auditorium, State Office Building, 505 Van Ness Ave., 2 p.m. and 7 p.m.
- May 26, Fresno, Hugh M. Burns State Building auditorium, 2550 Mariposa Mall, Room 1036, 2 p.m. and 7 p.m.
- May 27, Bakersfield, Bakersfield City Council Chambers, 1501 Truxtun Ave., 2 p.m. and 7 p.m.
- June 2, Ukiah, Ukiah Valley Conference Center, Cabernet 1 room, 200 S. School St., 1 p.m.
- June 2, Santa Rosa, Santa Rosa City Council Chambers, 100 Santa Rosa Ave., 7 p.m.
- June 7, Oakland, Elihu Harris State Building auditorium, 1515 Clay St., 2 p.m. and 7 p.m.
- June 9, Woodland, Hampton Inn & Suites, 2060 Freeway Dr., 10 a.m. and 7 p.m.
- June 10, Red Bluff, Hampton Inn & Suites, 520 Adobe Road, 2 p.m. and 7 p.m.
- June 14, San Jose, San Jose Scottish Rite Center auditorium, 2455 Masonic Dr., 2 p.m. and 7 p.m.
- June 15, Salinas, Salinas Community Center, 940 N. Main St., 1 p.m.
- June 15, San Luis Obispo, Meadow Park Building, 2333 Meadow St., 7 p.m.

For more information about the PG&E rate proposal and Farm Bureau's response, contact Liebert: 916-561-5657 or [rliebert@cbbf.com](mailto:rliebert@cbbf.com).

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