

1 [Urging the California Public Utilities Commission to reduce PG&E's rates and deny PG&E's  
2 request for a rate increase.]

3 **Resolution urging the California Public Utilities Commission to reduce PG&E's rates as**  
4 **soon as possible, deny PG&E's request for \$15.5 million to install Selective Catalytic**  
5 **Reduction equipment on Hunters Point power plant, and deny any ratepayer funding**  
6 **for costs related to PG&E's opposition to public power initiatives, and urging the City**  
7 **Attorney to advocate these positions before the California Public Utilities Commission.**  
8

9 WHEREAS, Pacific Gas & Electric Company (PG&E) has requested an increase in gas  
10 and electric rates of approximately \$700 million; and

11 WHEREAS, The California Public Utilities Commission (CPUC) is reviewing and  
12 conducting evidentiary hearings on PG&E's request in docket A.02-11-017; and,

13 WHEREAS, During 2001 the CPUC approved rate increases for PG&E that increased  
14 rates by as much as 40%, making PG&E's rates well-above the national average; and,

15 WHEREAS, PG&E's current rate request includes \$15.5 million to install Selective  
16 Catalytic Reduction (SCR) equipment at the Hunters Point power plant to reduce emissions of  
17 nitrogen oxide; and,

18 WHEREAS, PG&E states that it needs to install this equipment to comply with stricter  
19 air emissions requirements that will take effect January 1, 2004; and,

20 WHEREAS, PG&E reached a settlement agreement on October 22, 2002 with certain  
21 community and environmental groups under which it would use emission reduction credits to  
22 operate Hunters Point power plant without installing SCR equipment, if approved by the Bay  
23 Area Air Quality Management District; and,  
24

1           WHEREAS, In 1998 PG&E and San Francisco entered an agreement to shutdown  
2 Hunters Point power plant as soon as it is not needed for electric reliability, which was  
3 approved in Ordinance 288-98; and,

4           WHEREAS, PG&E states that it expects to shutdown Hunters Point power plant as  
5 early as the end of 2005; and,

6           WHEREAS, The Office of Ratepayer Advocates at the CPUC has opposed PG&E's  
7 request for this \$15.5 million because it is unlikely the work will actually be needed; and,

8           WHEREAS, Installation of SCR equipment could extend the life of Hunters Point power  
9 plant; and,

10          WHEREAS, PG&E's current rate request includes millions of dollars for the costs of  
11 media relations, governmental relations and communications, including costs related to  
12 PG&E's opposition to public power initiatives in San Francisco; and,

13          WHEREAS, The Office of Ratepayer Advocates and The Utility Reform Network have  
14 proposed that portions of these costs should be allocated to shareholders rather than  
15 ratepayers; and,

16          WHEREAS, The record shows that PG&E used its utility resources to oppose San  
17 Francisco's public power initiatives; and,

18          WHEREAS, The Utility Reform Network states that ratepayers should not be "forced to  
19 subsidize political views with which they may disagree"; now, therefore, be it

20          RESOLVED, That the Board of Supervisors urges the California Public Utilities  
21 Commission to reduce PG&E's rates as soon as possible, deny PG&E's request for \$15.5  
22 million in funding for Hunters Point power plant, and deny any ratepayer funding for costs  
23 related to PG&E's opposition to public power initiatives; and, be it

24          FURTHER RESOLVED, That the Board of Supervisors urges the City Attorney to  
25 advocate these positions before the California Public Utilities Commission.