



Fact Sheet

PUBLIC PARTICIPATION HEARING

Pacific Gas and Electric Company Gas Cost Allocation Proceeding
(A.17-09-006)

The California Public Utilities Commission (CPUC) is evaluating Pacific Gas and Electric Company's (PG&E) request to change how natural gas costs are allocated among customer types. The information in this fact sheet is directly from PG&E's Gas Cost Allocation Proceeding (GCAP) application, and GCAP related filings and testimony.

Under PG&E's proposal, the natural gas bill for a typical CARE residential customer in San Jose would see a decrease of \$0.60 or -1.4 percent in 2019. A typical non-CARE residential customer would see an increase of \$2.42 or 5.6 percent. CARE is the California Alternate Rates for Energy financial assistance program.

What Goes into PG&E's Gas Rates:

Residential and small commercial natural gas rates are comprised of three main components:

- **Commodity Costs:** What the utility spends to procure natural gas for its customers. The utility does not earn a profit on the actual natural gas except an incentive designed to keep those costs low for customers.
- **Transportation and Storage Costs:** these costs pay for the transmission, storage and distribution services that PG&E provides to its natural gas customers.
- **Public Purpose Programs:** Funds for programs such as the California Alternate Rates for Energy (CARE), Energy Savings Assistance (ESA) and low-income energy efficiency for people needing assistance paying their bills.

Customer Class	Class Average Rate Impacts						
	7/1/2017 GRC & SGIP	First Year Impacts Implementation of GCAP and PPPS			Second Year Impact Structural Core Undercollection Ended (1)		
		2018 / 2019	\$ Change	% Change	1-Jan-20	\$ Change	% Change
BUNDLED—RETAIL CORE*							
Residential Non-CARE**	\$1.59	\$1.65	\$0.05	3.30%	\$1.61	(\$0.04)	-2.40%
Small Commercial Non-CARE**	\$1.13	\$1.21	\$0.08	6.70%	\$1.19	(\$0.02)	-1.90%
Large Commercial**	\$0.88	\$0.84	(\$0.04)	-4.00%	\$0.84	(\$0.01)	-1.00%
Uncompressed Core NGV	\$0.73	\$0.87	\$0.14	18.70%	\$0.86	(\$0.01)	-1.20%
Compressed Core NGV	\$2.20	\$2.49	\$0.29	13.30%	\$2.41	(\$0.08)	-3.40%

What is Being Considered in this Gas Cost Allocation Proceeding:

Cost allocation proceedings such as this one do not change the overall amount PG&E is authorized to collect from its gas customers. Instead, this proceeding allows the CPUC to determine if PG&E's request to allocate costs between different customer groups is equitable. PG&E is proposing:

- To use an updated – and therefore more accurate – sales forecast
- To allocate costs among customer classes to better reflect the utility's costs of serving those customers
- To reduce bill volatility in cold winter months by:
 - reducing the number of months in the winter season when rates are higher;
 - increasing certain fixed monthly charges, making bills more predictable.

Further Information on the Proceeding (A.17-09-006):

- 2018 Gas Cost Allocation Proceeding (A.17-09-006):
https://apps.cpuc.ca.gov/apex/?p=401:56:0:NO:RP:57,RIR:P5_PROCEEDING_SELECT:A1709006