**GAS RATE INCREASE EFFECTIVE January 1, 2022**

**PG&E –** The Annual Gas True-Up (AGT) allows PG&E to update its gas rates to reflect changes in its consolidated gas ratemaking accounts to reflect changes approved by the Commission. This process enables PG&E to reflect the actual costs incurred during the year in its gas rates. On December 23, 2021, PG&E filed its Consolidated AGT Advice Letter (AL), for new rates effective January 1, 2022. The Consolidated AGT AL reflects an increase of $390 million in revenues that PG&E is authorized to collect for gas transportation services, which is estimated to result in a 12.1% increase to the average monthly residential non-CARE gas bill and a 12.8% increase to the average monthly residential CARE gas bill. The increase is mainly due to PG&E’s General Rate Case (GRC) adjustments and the annual regulatory account balance update including Green House Gas (GHG) program costs and gas customers’ share of wildfire expenses. The GHG program costs will be partially offset when PG&E residential non-CARE and CARE customers receive the GHG climate credit in April 2022.

The percentage increases in the table below are total bill impact based on estimated commodity prices, with commodity prices held constant in order to calculate the isolated impact of these transportation and delivery rate increases. Gas commodity prices this winter will be much more expensive than last winter, potentially close to 70% more on a per therm basis which will lead to more increases in customer bills over the winter months.[[1]](#footnote-1)

**Estimated residential bill impacts effective January 1, 2022:**

|  |  |
| --- | --- |
| Estimated Bill Impact[[2]](#footnote-2) – Consolidated Rate Update | PG&E Jan 1, 2022 |
| * Average monthly residential non-CARE gas bill[[3]](#footnote-3)
 |  $67.33 |
| * Average monthly residential non-CARE gas bill increase
 | $7.25 or 12.1% |
| * Average monthly residential CARE gas bill
 | $53.16 |
| * Average monthly residential CARE gas bill increase
 | $6.02 or 12.8% |

**Summary**

PG&E’s AGT AL filing will consolidate several previously approved advice letters and decisions that reflect authorized gas revenue and gas changes, and are estimated as follows:

* $4,413 million in total transportation revenues, resulting in a $390 million increase compared to present rates – AL 4543-G
* 2022 GRC Adjustment: $105.9 million increase – D.20-12-005
* Sale of transmission Line 306 to SoCalGas, $1.2 million decrease – D.20-03-018, AL 4437-G
* Revenue Fees and Uncollectible (RF&U), $4.4 million increase – AL 4512-G/6373-E
* Wildfire Mitigation Balancing Account (WMBA), $2.7 million increase – D.20-15-005
* San Francisco General Office Sale, $54.3 million decrease related to gain on sale – D.21-08-027, AL 4538-G
* Wildfire Expense Memorandum Account Proceeding, 155.8 million increase –
D.21-10-22, AL 4529-G/6407-E
* Annual Regulatory Account Balance Update, $186.3 million increase – AL 4543-G[[4]](#footnote-4)
1. General volatility in the natural gas market resulting in seasonal high prices is caused by expanding global demand with supply being unable to keep up with the demand. [↑](#footnote-ref-1)
2. The bill impacts include updated Public Purpose Program (PPP) surcharge rates: PG&E AL 4519-G [↑](#footnote-ref-2)
3. Average Monthly Residential Gas Bill $ (32 therms) [↑](#footnote-ref-3)
4. PG&E’s regulatory account balance updates include revenue requirement adjustments of year-end regulatory account balances for core and non-core customers: Core Fixed Cost Account (CFCA), Noncore Customer Class Charge Account (NCA), Assembly Bill 32 Cost of Implementation Fee (AB32), Core Brokerage Fee Balancing Account (CBFBA), Hazardous Substance Mechanism (HSM), Balancing Charge Account (BCA), Customer Energy Efficiency Incentive Account (CEEIA), California Solar Initiative Thermal Program Memorandum Account (CSITPMA), Adjustment Mechanism for Costs Determined in Other Proceedings (AMCDOP), Non-Tariffed Products and Services Balancing Account (NTBA-G), Gas Pipeline Expense and Capital Balancing Account (GPECBA), New Environmental Regulations Balancing Account (NERBA), Pension Contribution Balancing Account (PCBA), Gas Transmission & Storage Revenue Sharing Mechanism (GTSRSM), Risk Transfer Balancing Account (RTBA), Residential Uncollectible Balancing Account (RUBA), and Mobile Home Park Balancing Account – Gas (MHPBA). [↑](#footnote-ref-4)