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NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES TO MAKE TARGETED INVESTMENTS FOR A SAFE, RELIABLE, CLEAN ENERGY FUTURE AS PART OF ITS 2023 GENERAL RATE CASE APPLICATION (A.21-06-021)

Why am I receiving this notice?

On June 30, 2021, PG&E filed its 2023 General Rate Case (GRC) application with the California Public Utilities Commission (CPUC). To address increasing energy challenges, we are proposing to adopt innovations and new technologies, and to make targeted investments to provide a safe, reliable, and clean energy future for the 16 million customers we serve across northern and central California.

PG&E requests revenues for the following:

- Investments in the electric distribution system, including critical
 wildfire mitigation activities such as PG&E's: (1) System Hardening
 Program, which involves replacing electric distribution lines with
 spark-resistant materials in high fire-risk areas or relocating them
 underground; and (2) Vegetation Management Program, which
 involves removing vegetation away from electric distribution lines
 to reduce fire risk. PG&E's proposal also includes other upgrades
 to its electric distribution system and investments in Electric
 Vehicle infrastructure, energy storage programs and grid
 modernization programs.
- Investments in gas distribution, transmission and storage assets
 to improve safety, including activities such as: (1) increasing the
 mileage of gas transmission pipe that can be inspected by remote
 device; (2) replacing PG&E's highest risk gas transmission pipeline
 segments near communities that could be impacted as a result of
 ground movement; (3) inspecting and repairing locations where
 gas mains or services run through sewer systems; and (4) reducing
 the risk of large overpressure events due to equipment failure at
 gas regulator stations.
- Investments in power generation assets, including work to increase safety and reliability such as: (1) hydroelectric dam improvements to reduce the risk of an uncontrolled water release; (2) operations and maintenance activities to safely and reliably operate PG&E's natural gas, hydroelectric and solar generation assets; and (3) operation of the Diablo Canyon Power Plant until 2025.

This application also includes ongoing costs of supporting Customer Care, Shared Services, Information Technology, as well as employee and insurance costs.

If approved by the CPUC, PG&E's request would result in a revenue increase of \$3.56 billion for 2023 and additional increases of \$930 million (2024), \$590 million (2025), and \$381 million (2026) respectively.

Why is PG&E requesting this rate increase?

The safety of our customers and the communities we are privileged to serve is PG&E's most important responsibility. Customers pay for gas and electric service through rates set by state regulators after extensive review and with full public input. Every four years, PG&E is required to file a GRC application with the CPUC. The CPUC determines the amount of money PG&E is allowed to collect through the GRC, which is incorporated into customer rates and used for operating and upgrading the electric distribution, electric generation, and gas distribution, transmission, and storage systems for the benefit of our customers. If the CPUC approves this application, beginning January 1, 2023, PG&E will recover these costs through electric and gas customer rates over the four-year period of 2023 to 2026.

How could this affect my monthly electric rates?

Many customers receive bundled electric service from PG&E, meaning they receive electric generation, transmission and distribution services. A summary of the rate impact for these customers is provided below.



PROPOSED ELECTRIC RATE CHANGE

| Customer Class | Current Average (¢/kWh) as of 3/1/2021 | Proposed Average (¢/kWh) as of 1/1/2023 | Total Change (¢/kWh) | Total Percentage Change |
|-------------------------------|---|--|----------------------------|-------------------------------|
| Bundled Service | | | | |
| Residential | 24.58 | 29.02 | 4.43 | 18.0% |
| Small Commercial | 27.35 | 32.39 | 5.04 | 18.4% |
| Medium Commercial | 24.17 | 27.40 | 3.23 | 13.4% |
| Large Commercial | 20.84 | 23.40 | 2.56 | 12.3% |
| Streetlights | 30.10 | 32.82 | 2.72 | 9.0% |
| Standby | 17.33 | 18.85 | 1.52 | 8.8% |
| Agriculture | 24.95 | 29.63 | 4.68 | 18.7% |
| Industrial | 15.94 | 17.08 | 1.14 | 7.2% |
| Average System Rate Change | 23.19 | 26.92 | 3.74 | 16.1% |

Based on rates currently in effect, the bill for a typical nonCARE bundled residential customer using 500 kWh per month would increase from \$138.86 to \$164.05 or 18.1%.

Direct Access (DA) and Community Choice Aggregation (CCA) customers only receive electric transmission and distribution services from PG&E. These customers also receive the benefit of the California Climate Credit. In addition, eligible nonresidential DA and CCA customers receive the benefit of the greenhouse gas allowance returns. On average, these customers would see an increase of 21.5%.

Another category of nonbundled customers is Departing Load. These customers do not receive electric generation, transmission or distribution services from PG&E. However, these customers are required to pay certain charges by law or CPUC decision. On average, these customers would see an increase of 7.6%.

Actual impacts will vary depending on energy usage.

How will PG&E's application affect gas rates?

A summary of the rate impact for PG&E gas customers is provided below.



PROPOSED GAS RATE CHANGE

| Customer Class | Current Average (\$ per therm) | Proposed Average (\$ per therm) | Percent Change |
|---|--------------------------------|------------------------------------|-------------------|
| Core bundled customers who r | eceive gas suppli | es from PG&E | |
| Residential | 1.816 | 2.143 | 18.0% |
| Small Commercial | 1.326 | 1.563 | 17.9% |
| Large Commercial | 0.937 | 1.112 | 18.7% |
| Natural Gas Vehicle Customer Compression | 0.914 | 1.091 | 19.4% |
| Natural Gas Vehicle PG&E Compression | 2.474 | 2.574 | 4.1% |
| Core customers who purchase | gas from a third p | arty | |
| Residential | 1.439 | 1.778 | 23.5% |
| Small Commercial | 0.970 | 1.217 | 25.4% |
| Large Commercial | 0.618 | 0.801 | 29.6% |
| Natural Gas Vehicle Customer Compression | 0.599 | 0.783 | 30.7% |
| Natural Gas Vehicle PG&E Compression | 2.159 | 2.267 | 5.0% |
| Noncore customers who purcha | ase gas from a thi | rd party | |
| Industrial Distribution | 0.525 | 0.646 | 23.0% |
| Industrial Transmission | 0.268 | 0.333 | 24.2% |
| Industrial Backbone | 0.150 | 0.149 | -0.2% |
| Electric Generation: distribution/transmission | 0.199 | 0.254 | 27.8% |
| Electric Generation: backbone | 0.089 | 0.081 | -9.1% |
| Natural Gas Vehicle: distribution | 0.492 | 0.613 | 24.6% |
| Natural Gas Vehicle: transmission | 0.249 | 0.311 | 25.2% |
| Wholesale transport services | | | |
| Alpine Natural Gas | 0.124 | 0.180 | 45.4% |
| Coalinga | 0.124 | 0.181 | 45.4% |
| Island Energy | 0.133 | 0.193 | 45.4% |
| Palo Alto | 0.121 | 0.177 | 45.3% |
| West Coast Gas: Castle | 0.414 | 0.542 | 31.0% |
| West Coast Gas: Mather distribution | 0.617 | 0.794 | 28.7% |
| West Coast Gas: Mather transmission | 0.125 | 0.182 | 45.4% |

Based on rates currently in effect, the gas bill for a typical residential nonCARE customer averaging 33 therms per month of gas usage would increase from \$59.92 to \$70.73, or 18%. Actual impacts will vary depending on energy usage across months.

How does the rest of this process work?

This application will be assigned to a CPUC Administrative Law Judge and CPUC Commissioner who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt PG&E's application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding are currently reviewing PG&E's application, including the Public Advocates Office, which is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information about the Public Advocates Office, please call 1-415-703-1584, email PublicAdvocatesOffice@cpuc.ca.gov, or visit PublicAdvocates.cpuc.ca.gov.

Where can I get more information? CONTACT PG&E

If you have questions about PG&E's filing, please contact PG&E at 1-800-743-5000. For TTY, call 1-800-652-4712.

If you would like a copy of the filing and exhibits, please write to the address below:

Pacific Gas and Electric Company 2023 GRC Application (A.21-06-021) P.O. Box 7442 San Francisco, CA 94120

CONTACT CPUC

Please visit apps.cpuc.ca.gov/c/A2106021 to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding. Your participation by providing your thoughts on PG&E's request can help the CPUC make an informed decision.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Email: Public.Advisor@cpuc.ca.gov

Mail: CPUC

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

Call: 1-866-849-8390 (toll-free) or 1-415-703-2074

For TTY, call 1-866-836-7825 (toll-free)

Please reference 2023 GRC Application (A.21-06-021) in any communications you have with the CPUC regarding this matter.

