REVISED NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR ITS 2023 GENERAL RATE CASE APPLICATION (A.21-06-021)

Acronyms you need to know

PG&E: Pacific Gas and Electric Company **CPUC:** California Public Utilities Commission

Why am I receiving this notice?

On February 25, 2022, PG&E provided supplemental testimony in its 2023 General Rate Case (GRC) proposing actions to reduce wildfire risk in 2022 and beyond. The proposals in this application aim to provide safe and reliable energy amid a changing climate and evolving wildfire threat.

This filing replaces the original filing amounts and is not incremental. In this filing, the revenue requirement for the 2023 test year was reduced compared to the original filing from \$15.46 billion to \$15.34 billion. PG&E provided its original testimony on June 30, 2021. In accordance with CPUC direction, PG&E provided supplemental testimony on its proposal to underground 10,000 miles of electric distribution powerlines in High Fire Threat Districts, which reduces the ignition risk to nearly zero for overhead electric distribution powerlines that have been placed underground.

PG&E also proposes a new Enhanced Powerline Safety Settings program with electrical equipment settings re-engineered, so that if an object comes into contact with an electric distribution powerline, power is automatically shut off to minimize any risk of ignition.

The supplemental testimony also reflects cost reductions of \$1 billion in Vegetation Management compared to PG&E's original testimony as well as operational changes to PG&E's Vegetation Management programs.

The supplemental testimony also includes ongoing costs supporting Electric Distribution, Gas Operations, Electric Generation, Customer Care, Shared Services and 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 \$3.125 billion for 2023 and additional increases of \$1.018 billion in 2024, \$755 million in 2025 and \$561 million in 2026.

Why is PG&E requesting this rate change?

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. That amount is incorporated into customer rates and used for operating and upgrading the electric distribution, electric generation, and gas distribution, transmission and storage systems.

If approved, PG&E will recover these costs through electric and gas rates starting January 1, 2023, through 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 proposed rate increase for these customers is provided below.



PROPOSED ELECTRIC RATE INCREASE

| Customer Class | Current Average (¢/kWh) as of 1/1/2022 | Proposed Average (¢/kWh) as of 1/1/2023 | Total Change (¢/kWh) | Total Percentage Change |
|-------------------------------|---|--|----------------------------|-------------------------------|
| Bundled Service | | | | |
| Residential | 26.82 | 30.97 | 4.16 | 15.5% |
| Small Commercial | 29.60 | 34.45 | 4.85 | 16.4% |
| Medium Commercial | 26.10 | 29.14 | 3.04 | 11.6% |
| Large Commercial | 22.36 | 24.70 | 2.35 | 10.5% |
| Streetlights | 31.66 | 34.14 | 2.48 | 7.8% |
| Standby | 17.15 | 18.49 | 1.34 | 7.8% |
| Agriculture | 27.00 | 31.42 | 4.43 | 16.4% |
| Industrial | 17.26 | 18.17 | 0.90 | 5.2% |
| Average System Rate Change | 25.14 | 28.63 | 3.49 | 13.9% |

Based on rates currently in effect, the bill for a typical residential customer using 500 kWh per month would increase from \$151.53 to \$175.17, or 15.6%.

Direct Access (DA) and Community Choice Aggregation (CCA) customers only receive electric transmission and distribution services from PG&E. PG&E transmission and distribution charges for these customers would increase by 18.0% if this application is approved. DA providers and CCAs set their own rates. Check with your DA provider or CCA to learn how this would impact your overall bill.

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 5.9%.

Actual impacts will vary depending on usage.

How could this affect my monthly gas rates?

Bundled gas customers receive transmission, distribution, and procurement services from PG&E. A summary of the proposed rate increase for these customers is provided below.

PROPOSED GAS RATE INCREASE

| Customer Class | Current Average (\$ per therm) as of 1/1/2022 | Proposed Average (\$ per therm) as of 1/1/2023 | Percent Change |
|---|---|--|-------------------|
| Core bundled customers who r | eceive gas suppli | es from PG&E | |
| Residential | 2.104 | 2.340 | 11.2% |
| Small Commercial | 1.537 | 1.700 | 10.6% |
| Large Commercial | 1.136 | 1.252 | 10.2% |
| Natural Gas Vehicle Customer Compression | 1.117 | 1.234 | 10.5% |
| Natural Gas Vehicle PG&E Compression | 2.686 | 2.732 | 1.7% |
| Core customers who purchase | gas from a third p | arty | |
| Residential | 1.602 | 1.859 | 16.1% |
| Small Commercial | 1.058 | 1.241 | 17.3% |
| Large Commercial | 0.701 | 0.832 | 18.7% |
| Natural Gas Vehicle Customer Compression | 0.686 | 0.818 | 19.2% |
| Natural Gas Vehicle PG&E Compression | 2.256 | 2.316 | 2.7% |
| Noncore customers who purcha | ase gas from a thi | rd party | |
| Industrial Distribution | 0.590 | 0.680 | 15.3% |
| Industrial Transmission | 0.320 | 0.363 | 13.4% |
| Industrial Backbone | 0.192 | 0.187 | -2.2% |
| Electric Generation: distribution/transmission | 0.255 | 0.292 | 14.7% |
| Electric Generation: backbone | 0.136 | 0.128 | -6.0% |
| Natural Gas Vehicle: distribution | 0.571 | 0.661 | 15.8% |
| Natural Gas Vehicle: transmission | 0.304 | 0.345 | 13.5% |
| Wholesale transport services | | | |
| Alpine Natural Gas | 0.152 | 0.190 | 25.3% |
| Coalinga | 0.152 | 0.190 | 25.3% |
| Island Energy | 0.160 | 0.203 | 26.5% |
| Palo Alto | 0.149 | 0.186 | 24.9% |
| West Coast Gas: Castle | 0.467 | 0.566 | 21.3% |
| West Coast Gas: Mather distribution | 0.688 | 0.828 | 20.4% |
| West Coast Gas: Mather transmission | 0.153 | 0.192 | 25.5% |

Based on rates currently in effect, the bill for a typical residential customer averaging 33 therms per month would increase from \$65.17 to \$72.94, or 11.9%.

Actual impacts will vary depending on usage.

How does the rest of this process work?

This application was assigned to a CPUC Administrative Law Judge 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 may review PG&E's application, including the Public Advocates Office. The Public Advocates Office 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 an electronic copy of the filing and exhibits, please write to the address below:

Pacific Gas and Electric Company 2023 General Rate Case 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

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



