



## CPUC Fact Sheet – PG&E General Rate Case

# PUBLIC PARTICIPATION HEARING

Pacific Gas and Electric Company (PG&E)

Application (A.21-06-021)

(updated as of March 9, 2022)

### What is this PG&E Rate Application About?

Every four years, the California Public Utilities Commission (CPUC) requires Pacific Gas and Electric Company (PG&E) to file an application, referred to as the General Rate Case (GRC) application. This application allows the CPUC to take an in-depth look at PG&E’s forecasted costs, its quality of service, and other factors, and to decide whether to modify the rates PG&E is authorized to charge its customers and whether to require other changes in PG&E’s operations.<sup>1</sup>

In this application, PG&E is requesting the CPUC to approve of rate increases for its electric and gas customers for the years 2023 through 2026. The following information is from PG&E’s June 30, 2021 application and supplemental testimony filed since then. The CPUC will receive comments from the public and hold evidentiary hearings prior to making its decision.

### What Will PG&E’s Requested Rate Increase Mean to You?

Under PG&E’s proposal, the monthly PG&E bill for a typical residential customer and a typical customer enrolled in the California Alternate Rates for Energy (CARE) program is estimated to **increase by roughly 14.6%** in 2023 as shown in the following table:

Proposed 2023 Monthly Residential Bill Impact				
Customer and Typical Monthly Usage <sup>2</sup>	Current Bill <sup>3</sup>	Proposed Increase	Proposed 2023 Bill	% Increase
<u>Residential Customer</u>				
Electric: 500 kWh per month	\$151.53	\$23.64	\$175.17	<b>15.6%</b>
Gas: 33 therms per month	\$65.17	\$7.77	\$72.94	<b>11.9%</b>
Combined Bill Total	\$216.70	\$31.41	\$248.11	<b>14.5%</b>
<u>CARE Residential Customer</u>				
Electric: 500kWh per month	\$97.56	\$15.36	\$112.93	<b>15.7%</b>
Gas: 29 therms per month	\$43.91	\$5.37	\$49.28	<b>12.2%</b>
Combined Bill Total	\$141.47	\$20.73	\$162.21	<b>14.7%</b>

The monthly electric bill for a typical residential customer would increase by an additional \$4.61 in 2024, \$3.77 in 2025, \$2.32 in 2026. The monthly gas bill for a typical residential customer would increase by an additional \$5.68 in 2024, \$5.10 in 2025, and \$5.41 in 2026.

<sup>1</sup> This GRC case reviews PG&E’s expected costs for gas and electric distribution, gas transmission and storage, and electric generation. PG&E electric customer rates include other costs, including those for fuel, purchased power, and electric transmission, which are not addressed in this case. For PG&E gas customers, this GRC does not address the costs of gas or costs associated with the Gas Public Purpose Programs.

<sup>2</sup> Residential customers are billed by PG&E based primarily on their energy usage. Electric usage is measured in kilowatt-hours (kWh) and gas usage is measured in therms.

<sup>3</sup> The estimated provided for the “Current Bill” is based on residential average rates in effect January 1, 2022.

The monthly electric bill for a typical CARE residential customer would increase by an additional \$3.30 in 2024, \$2.69 in 2025, and \$1.65 in 2026. The monthly gas bill for a typical CARE residential customer would increase by an additional \$3.91 in 2024, \$3.51 in 2025, and \$3.72 in 2026.

PG&E's proposed rate increase for Direct Access and Community Choice Aggregation are shown in PG&E's customer notice at [PG&E Notice of Proposed Rate Increase](#).

### What Type of Electric Costs Does PG&E Request to Recover?

For 2023, PG&E is requesting a reduction of revenue for anticipated operations and maintenance (O&M) expenses and an increase of revenue for administration costs, for proposed new capital investments to replace and upgrade its facilities, and for wildfire risk mitigation activities to allow its electric system to better withstand fire dangers.

#### Operations & maintenance (O&M) Expenses

- \$40 million decrease in distribution costs driven by reduced vegetation management expenses, offset by an expansion of the wildfire mitigation program for Enhanced Powerline Safety Settings
- \$44 million decrease in generation costs driven by the pending retirement of the Diablo Canyon Power Plant

#### Capital Investments

- \$1,064 million increase for wildfire risk reduction and system-wide undergrounding of 170 miles and Butte County (Paradise) undergrounding of 25 miles.
- \$220 million increase for utility pole and SmartMeter replacements.
- \$172 million increase for new customer connections and electric vehicle driven load growth.
- \$168 million increase for relicensing and risk mitigation at PG&E's hydropower plants.

#### Other:

- Diablo Canyon Power Plant Units 1 and 2 will be removed from service in 2024 and 2025, resulting in zero operations & maintenance and capital costs in 2026. This does not include Diablo Canyon Power Plant decommissioning costs, which will be addressed separately.
- Administrative and general (A&G) cost increases allocated between electric and gas customers, including a \$892 million increase for PG&E's new headquarters in Oakland.

### What Type of Gas Costs Does PG&E Request to Recover?

PG&E is also requesting the CPUC approve additional expenses and capital costs for its Gas Department. PG&E's Gas Department costs are related to its gas distribution system as well as its gas transmission and storage systems.

- Gas Distribution expense increase of \$156.7 million, or 37.3%, driven by increases in the Locate and Mark, Meter Protection and Leak Repair programs.
- Gas Transmission and Storage expense increase of \$165.5 million, or 33.9%, driven by increases in the In-Line Inspection, Direct Assessment and Strength Testing program areas.
- Gas Distribution capital spending increase of \$248.8 million, or 24.9%, driven by increases for Main Replacement.
- Gas Transmission and Storage capital spending increase of \$322.0 million, or 44.0%, driven by increases in the Strength Test Capital, Shallow and Exposed Pipe, and Over Pressure Protection Enhancement program areas.

### How Can My Voice Be Heard?

The CPUC's Public Advisor's Office at [www.cpuc.ca.gov/PAO](http://www.cpuc.ca.gov/PAO) provides information to help the public participate in proceedings. Specifically:

- Customers can remotely attend and speak from their homes by phone or computer at any of the six upcoming remote Public Participation Hearings (PPHs) the CPUC will hold in March 2022. These

hearings will be transcribed by a court reporter and placed into the formal record for this proceeding. During the hearing, you can make comments and raise concerns to the CPUC's Administrative Law Judge overseeing this application. A list of dates, times, and how to participate is at [CPUC Public Participation Hearings \(ca.gov\)](#).

- Customers can submit electronic public comments specific to this proceeding and review all other public comments submitted by using the “Add Public Comment” button on the Public Comment tab of the Docket for A.21-06-021 at: [CPUC-Public Comments](#).
- Customers can mail a letter to the CPUC Public Advisor and include this proceeding number, A.21-06-021, to public.advisor@cpuc.ca.gov or CPUC, Public Advisor, 505 Van Ness Ave., San Francisco, CA 94102.
- The Public Advisor's Office may be reached by phone at 866-849-8390.

#### Further Information on the Proceeding:

- To view the PG&E June 30, 2021 application and other filings in this proceeding, as well as hearing transcripts and the proposed decision when it is issued, go to [PG&E GRC Documents](#) and select the “Documents” tab at the top of the page.
- PG&E's GRC testimony and other PG&E documents are available at [PG&E Document Search](#) and selecting “GRC 2023 Ph1 [A.21-06-021]” from the “Case” drop-down menu.
- To subscribe to receive notice of all formal documents when they are filed in A.21-06-021, go to [Welcome to the CPUC Subscription Service \(ca.gov\)](#).
- The CPUC Public Advisor's Office provides information to help the public get involved in proceedings at: [Public Advisor's Office](#).
- The CPUC Public Advocates Office is an independent consumer advocate within the CPUC that will review, audit, and submit formal testimony on PG&E's application. Its website is: [Public Advocates Office](#).
- The CPUC Energy Division provides information on this proceeding as well as other major proceedings related to PG&E at [CPUC Energy Division - PG&E](#). In addition, the division provides information on the general rate case process at [CPUC - GRC](#) and information on natural gas in California at [CPUC - Natural Gas](#).
- The CPUC's April 2021 *Affordability Report* highlights trends in affordability of combined essential services and can be viewed at [CPUC - Affordability Report](#). For information on the separate CPUC proceeding developing a framework and processes for assessing the affordability of utility services, see <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability>.
- A CPUC decision is pending in rulemaking proceeding R.20-08-020 to revise the current Net Energy Metering (NEM) tariff referred to as NEM 2.0. For information on this proceeding go to <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/net-energy-metering/nem-revisit>.
- To implement CPUC policy, PG&E offers a variety of assistance to assist residents and small businesses in analyzing their usage, rebate and other savings programs, and programs to help pay your bills. For information on these programs go to [www.pge.com](http://www.pge.com) under residential or small and medium business.

- For more information on the wide variety of CPUC proceedings impacting customer rates see the 2021 CPUC Annual Report to the legislature at [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/reports/annual-reports/annual\\_report\\_2021\\_web.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/reports/annual-reports/annual_report_2021_web.pdf).