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 forecasted services and projects, 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 future operations.¹

In this application, PG&E is requesting the CPUC to approve rate increases for its electric and gas customers for the calendar years 2023 through 2026. The following information is from PG&E’s June 30, 2021 application and March 10, 2022 amended application. The CPUC will receive comments from the public and hold evidentiary hearings during 2022-2023 prior to making its decision.

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

Under PG&E’s request, 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 approximately 14.6% in 2023 (as compared to January 1, 2022 rates), as shown in the following table:

<table>
<thead>
<tr>
<th>Customer and Typical Monthly Usage³</th>
<th>Current Bill</th>
<th>Proposed Increase</th>
<th>Proposed 2023 Bill</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Customer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric: 500 kWh per month</td>
<td>$151.53</td>
<td>$23.64</td>
<td>$175.17</td>
<td>15.6%</td>
</tr>
<tr>
<td>Gas: 33 therms per month</td>
<td>$65.17</td>
<td>$7.77</td>
<td>$72.94</td>
<td>11.9%</td>
</tr>
<tr>
<td>Combined Bill Total</td>
<td>$216.70</td>
<td>$31.41</td>
<td>$248.11</td>
<td>14.5%</td>
</tr>
<tr>
<td>CARE Residential Customer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric: 500kWh per month</td>
<td>$97.56</td>
<td>$15.36</td>
<td>$112.93</td>
<td>15.7%</td>
</tr>
<tr>
<td>Gas: 29 therms per month</td>
<td>$43.91</td>
<td>$5.37</td>
<td>$49.28</td>
<td>12.2%</td>
</tr>
<tr>
<td>Combined Bill Total</td>
<td>$141.47</td>
<td>$20.73</td>
<td>$162.21</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

For 2024-2026, the monthly electric and gas bill for a typical residential customer would increase by an additional $10.29 in 2024, $8.87 in 2025, $7.73 in 2026.

¹ This GRC case reviews PG&E’s expected costs for gas and electric distribution, gas transmission and storage, and electric generation. PG&E’s overall electric rates include other costs, such as costs for fuel, purchased electric power, and electric transmission, which are not addressed in this case. This GRC also does not address the costs of gas or costs associated with the gas public purpose programs.

² A comparison between the March 2021 rates (used in PG&E’s June 30, 2021 Application) and the projected average rate increase as a result of PG&E’s amended request on March 10, 2022 results in a larger estimated rate increase for average residential customers. This increase accounts for the CPUC’s approval to incorporate electric procurement and other costs into PG&E’s rates in Decision (D.) 22-02-002. For information on recent PG&E rate changes, see the Energy Division Rate Change Advisory here: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/rate-change-advisories/20220101rate-alertpge-updated.pdf.

³ 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.
Based on PG&E’s GRC Application, PG&E’s requested 2023-2026 rate increase for Direct Access and Community Choice Aggregation customers are shown in PG&E’s customer notice at [PG&E Notice of Proposed Rate Increase](https://www.cpuc.ca.gov/pao/).

### 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. These changes are relative to PG&E’s recorded spending in 2020 and do not include additional requests for 2024-2026.

**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.
- $16 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 357 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. These changes are for 2023 relative to PG&E’s recorded spending in 2020 and do not include additional requests for 2024-2026.

- 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 [https://www.cpuc.ca.gov/pao/](https://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 this GRC Proceeding and Related Proceedings:

• To view the PG&E June 30, 2021 application, the March 10, 2022 amended application, and other filings in this proceeding, as well as hearing transcripts and the proposed decision when it is issued in 2023, 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 rules and 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 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 California Legislature at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/reports/annual-reports/annual_report_2021_web.pdf.

• Because regional restructuring has the potential to improve PG&E’s safety performance and responsiveness to local communities, the CPUC ordered PG&E to file an application for regional restructuring in proceeding A.20-06-011. More information on this proceeding is at: https://www.cpuc.ca.gov/industries-and-topics/pge/pge-regionalization.