FACTSHEET

CPUC Decision Authorizing Interim Rate Recovery in PG&E's 2027 General Rate Case

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Nov. 19, 2026

On Nov. 19, 2026, the California Public Utilities Commission (CPUC) authorized partial interim rate recovery for Pacific Gas and Electric Company (PG&E). The Decision allows PG&E to collect 51.5 percent, or $456 million, of its requested revenue requirement increase from customers beginning on Jan. 1, 2027, with the aim of minimizing risk to customers by smoothing rates, preventing costs from accumulating in interest-bearing accounts, and better aligning cost recovery with the period in which the utility will incur costs. The Decision does not guarantee a revenue requirement of any amount, as all interim rates collected will be subject to refund with interest.

The interim Decision approves a lower percentage increase for electric rates than PG&E's original request to avoid overcollecting rates and issuing refunds. It approves a larger percentage decrease for gas rates, so customers see savings sooner.

Why this Matters

- **Minimizing risk and ensuring fairness:** The Decision helps PG&E cover forecasted operational costs while significantly reducing the amounts recorded in interest-bearing accounts. avoiding the need to record certain costs in interest-bearing accounts to be recovered after the final Decision is adopted. Additionally, authorizing *partial* interim recovery, below the minimum amount requested by PG&E, helps smooth rates by creating a predictable cash inflow mechanism, while also minimizing the risk of customers fronting costs that will not be incurred.
- **Supporting rate stability:** Adopting interim rate recovery provides a gradual and predictable rate impact for customers, rather than creating the possibility of volatility after a final revenue requirement is adopted. Without interim rate recovery, a revenue requirement decision a few months into 2027 would leave the utility with less than 12 months to collect the required revenue. These layered costs of undercollected rates, interest charges, and a potential increase in PG&E's revenue requirement may enter customer rates during the summer period, when total customer energy use and bills are typically higher.
- **Aligning costs with services:** The Decision promotes the ratemaking principle of allocating costs to those customers that will benefit from the services.

How Interim Rate Recovery Impacts Customer Bills

The total additional bill impact of the interim Decision in January 2027 will be approximately 1.3 percent. This percentage change reflects the approval of interim rate recovery below PG&E's requested level and the reduction in rates for natural gas. Any amount of the interim charge is subject to refund pending approval of a final revenue requirement.

Background

PG&E filed its General Rate Case (GRC) application with the CPUC in May 2025, requesting the CPUC to authorize a rate increase to cover anticipated costs in its electric and natural gas businesses for calendar years 2027 through 2030. The CPUC is expected to adopt a revenue requirement (the total amount PG&E is authorized to collect from customers to cover anticipated costs) in the Spring of 2027. In May 2026, PG&E filed a motion requesting interim authorization to recover 55, 75, or 85 percent of its requested combined total $885 billion revenue requirement increase for 2027, beginning Jan. 1, 2027, to remain in effect until implementation of a final CPUC decision.

The final decision in PG&E's Phase 1 GRC is expected to be adopted by the CPUC in the second quarter of 2027.

Balancing Safety, Reliability, and Affordability in PG&E's 2027 GRC

As in all GRCs, the CPUC's process is rigorous and transparent, with customer affordability as a key consideration. Every request is analyzed by staff and tested by intervenors. In recent GRCs, the CPUC approved only a fraction of the utilities' initial requested revenue requirement, with final approved revenue requirements ranging from 32-57 percent of the utilities' initially requested amount. The decision to authorize interim rate recovery reflects the CPUC's goal of balancing safety, reliability, and affordability.

More Information

- Proposal Approved
- Docket Card
- PG&E's 2027 GRC
- What is a General Rate Case (GRC)?