Understanding the CPUC's General Rate Case Process

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Energy rates for California's large investor-owned utilities are determined through a public proceeding known as a "General Rate Case" (GRC). GRC proceedings involve input from formal parties and the public. Here's everything you need to know to get involved in your utility's GRC.

What is a General Rate Case?

The GRC process sets rates for the investor-owned electric and natural gas utilities in the state. Through a rigorous public process, the CPUC determines the total costs a utility is allowed to spend to maintain, operate, and invest in the energy system and how these costs will be shared among different customer classes. The goal of a GRC is to balance safety, reliability, and affordability. The CPUC requires large investor-owned utilities to file a GRC application every four years.

What types of costs are considered in a GRC?

Most costs to maintain, operate, and invest in the utility system ultimately flow to customers through rates. The GRC process considers costs including for the following utility activities:

- Generating electricity
- Building and maintaining utility infrastructure
- Wildfire prevention and safety programs
- Utility operations

Through the GRC process, the CPUC determines which costs are just and reasonable to deliver on the goals of safety, reliability, and the need to meet legislative goals and connect new customers to the grid, making reductions where costs are unsupported.

How are costs shared between customers?

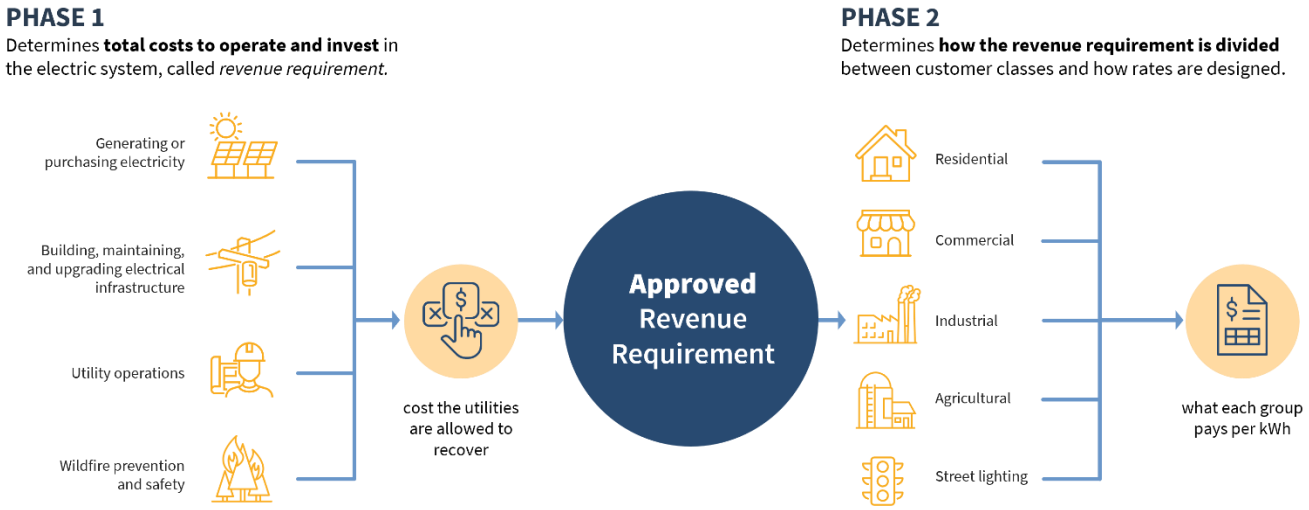
Costs approved through the GRC process are divided based on customer classes. Examples of these classes include:

- Residential
- Commercial
- Agricultural
- Industrial
- Street Lighting

Rates are designed to reflect the costs the utility incurs when serving each customer class. Depending on the customer class, rates may include a monthly fixed charge, charges based on electricity usage, or other charges related to a customer's demand on the electric system.

The GRC Process

Phases of a GRC



The GRC process is divided into two phases. Phase 1 determines the total costs utilities are allowed to recover, known as the "revenue requirement." Phase 2 determines how these costs are shared among different customer classes.

The Proceeding Process

Phases 1 and 2 of a GRC follow the same open proceeding process:

- **Filing:** The utility files a GRC application with the CPUC. The application includes the requested amount the utility wants to collect from customers as well as historical data and other evidence to support the request.
- **Intervenor Testimony and Analysis**: Formal parties to the GRC proceeding, such as consumer advocates, local governments, environmental organizations, large customer representatives, and other parties, all known as "intervenors," review the proposals and may support, oppose, or recommend changes to specific requests. They can provide testimony, participate in Evidentiary Hearings, and cross-examine the utilities for the public record.
- **Public Comment**: In a GRC proceeding, comments from the public can help the CPUC make an informed decision. The CPUC typically holds Public Forums for GRCs, which provide opportunities for the public to be heard without becoming a party. Public Forums may include virtual and in-person options. The public can also make comments at any time, and read the comments of others, on the Docket Card of the proceeding.
- **Proposed Decision**: CPUC staff carefully analyze the full record, testing utility assumptions and forecasts, to determine the most cost-effective way to meet system needs. Based on the record developed during the course of the GRC proceeding, the Administrative Law Judge assigned to the

proceeding issues a Proposed Decision. Intervenors and the public can make comments on the Proposed Decision before the Commissioners vote on a Final Decision.

- **Final Decision**: The Commissioners vote to adopt a final Decision.

How to Participate

You don't need to be an energy expert to participate in a GRC. Throughout the proceeding, there are numerous opportunities to make your voice heard:

- **Attend a Public Forum:** For an energy GRC, the CPUC may hold several public forums that give customers an opportunity to express their opinion on issues being considered in the GRC. Public Forums (formally called Participation Hearings (PPHs)) are free, open to the public and may be held in-person or remotely. You can find information on the CPUC's Events Calendar and notices are provided on the CPUC's Public Participation Hearing webpage.
- **Submit Comments on the Docket Card:** You can also share input directly with the CPUC by submitting comments on the Docket Fard for GRC proceedings. Comments can be submitted by visiting the Docket Card and entering the proceeding Alpha-numeric code (with no spaces or dashes). Proceeding numbers can be found on the webpage for the relevant active GRC proceeding. Under the "Public Comment" tab of the proceeding Docket Card, click "Add Public Comment" to enter your comment and read the comments of others.
- **Speak at a Voting Meeting:** The public can make comments in-person or by phone at a CPUC Voting Meeting. Voting Meetings take place approximately two times a month and are attended by all Commissioners. Voting Meeting information and dates are on the CPUC's website.

More Resources

- Understanding Electric Rates
- What is a General Rate Case (GRC)?