



Frequently Asked Questions

How Your Electricity Bill is Calculated

The California Public Utilities Commission (CPUC) wants you to understand how your electricity bill is calculated. You may know that the more you use, the more you pay, but here are a few frequently asked questions to explain how this works and help you learn more about how you are charged for your electricity use.

Who sets rates and how are rates structured?

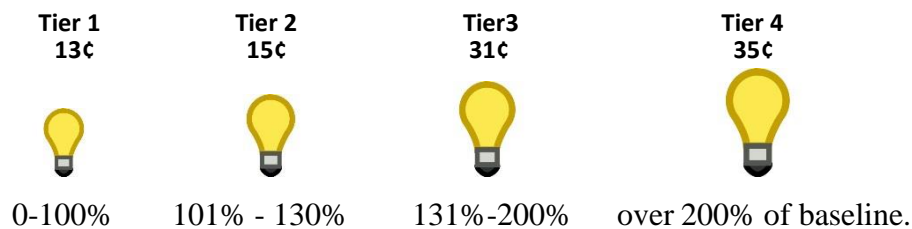
The CPUC sets rates after a lengthy review of utility costs and with full public input. Rates include costs to provide electricity generation, transmission, and distribution services and a fair rate of return to the utilities. The rate structure is divided into tiers with a baseline as the basic allocation.

What is baseline and how is it determined?

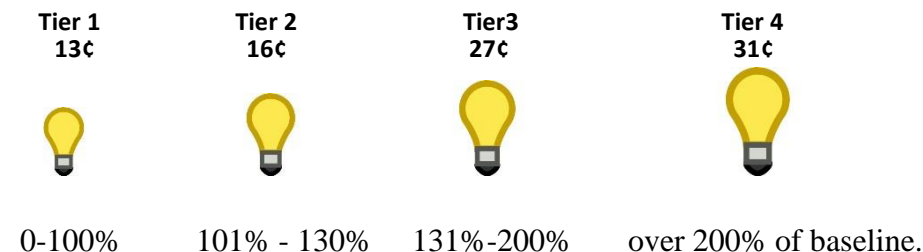
Baseline is your energy allowance for basic needs and is billed at the lowest rate. It is determined by the average amount of energy consumed by households in the climate zones where your house is located and varies by season. To learn more about your baseline, you may contact your utility or visit their website.

The tiered-rate structure for the state’s three largest investor-owned utilities up to baseline and over baseline is as follows:

Pacific Gas and Electric Company







Southern California Edison



Note: Edison has a fixed customer charge of about \$1 per month that is not reflected in the rates shown above.



San Diego Gas and Electric Company

Tier 1 15¢	Tier 2 17¢	Tier 3 27¢	Tier 4 29¢
			
0-100%	101% - 130%	131%-200%	over 200% of baseline

Save Energy, Save Money

To save energy, be aware of your kWh usage and understand that the more energy you use, the more you pay.

Like a full bucket, there is a limit to the kWh you get in each tier. When you use more than what is available in the first “bucket”, you move to the next “bucket” which has a higher cost per kWh.

Tier 1, which is your baseline, provides electricity at the lowest cost per kWh.

Tiers 4 and 5 are the most expensive and minimizing usage at this level can help you lower your bill.

Save Money Through Assistance Programs

Depending on your household income, you may qualify for discounted natural gas and electric services.

- **Save 20 percent on your energy bill:** The [CARE program](#) provides a 20 percent discount on your energy bill.
- **Lower the rate you pay for electricity:** The [Family Electric Rate Assistance \(FERA\) program](#) bills some of your electricity at a lower rate.
- **Get emergency payment assistance:** Many natural gas and electric utilities also offer [cash assistance and special payment plans](#) to consumers facing financial hardship.
- **Get extra allowances of energy at the lowest rate:** [Medical Baseline](#) is available for customers who rely on medical-related equipment.
- **No-cost weatherization services:** Low Income Energy Efficiency helps you become more energy efficient!

Contact your utility to learn about these programs, or visit the CPUC’s Consumer Information Center at www.cpuc.ca.gov.

For more information on the CPUC, please visit www.cpuc.ca.gov.

