



# PUBLIC PARTICIPATION HEARING

## Pacific Gas and Electric Company General Rate Case (A.18-12-009)

Every three years most energy companies undergo a “General Rate Case” at the California Public Utilities Commission (CPUC). A General Rate Case, or GRC, allows the CPUC to take a broad, in-depth look at an energy company’s revenues and expenses and consider quality of service and other factors to arrive at just and reasonable rates.

The GRC includes most of the costs to generate and distribute electricity and gas to serve its customers. These “base” costs do not include commodity costs or energy efficiency programs which are reviewed in other proceedings. As part of a GRC proceeding, an energy company requests the amount of revenue it believes it will need for a three-year period and must justify the proposed rate increase. Parties to the proceeding then examine the request in a public process before the CPUC.

### What is PG&E Requesting in A.18-12-009?

#### **Increases in 2020 Revenue Above Current Levels to be Recovered:**

- Gas Distribution: \$134 million (6.8%)
- Electric Distribution: \$749 million (17.2%)
- Electric Generation: \$175 million (8.0%)
- Total: 1,058 million (12.4%)

#### **Increase in 2021 and 2022 Revenue Above Proposed Levels:**

- Gas Distribution: \$121 million (5.8%) and \$122 million (5.5%)
- Electric Distribution: \$331 million (6.5%) and 342 million (6.3%)
- Electric Generation: \$2 million (0.1%) and 22 million (0.9%)
- Total: \$454 million (4.7%) and \$486 million (4.8%)

The amount of revenue to be recovered is determined based on the operating and capital costs of doing business. It is a combination of increases in rates and expected sales.

### What Are the Main Reasons PG&E Cites for Needing to Increase Revenue?

- Community Wildfire Safety Program (\$580 million or 6.8% in 2020)
  - Wildfire prevention, risk reduction, and additional safety enhancements.
- Liability Insurance (\$273 million or 3.2% in 2020)
  - Insurance costs due to the increased risk of wildfire.
- Core Gas and Electric Operations (\$205 million or 2.4% in 2020)
  - Gas main replacement, construction of pressure regulator stations, and corrosion management.
  - Reduced costs associated with nonrenewal of the Diablo Canyon Power Plant.

How will PG&E's Request Impact Me?

The bill for an average residential customer using 500 kWh and 34 therms per month would increase on average by \$10.57 per month (\$8.73 electric and \$1.84 gas), or 6.4 percent.

Monthly Residential Customer Usage	Current 2018 Bill	Proposed 2020 Bill	Increase	2018 to 2020 Percent Increase
<b>Electric:</b> 500 kWh	\$113.64	\$122.37	\$8.73	7.7%
<b>Gas:</b> 34 Therms	\$52.30	\$54.13	\$1.84	3.5%
<b>Total Average Bill:</b>	<b>\$165.94</b>	<b>\$176.50</b>	<b>\$10.57</b>	<b>6.4%</b>

Where Can I Go for Further Information on the Proceeding?

- Information is available on the CPUC's website at <http://www.cpuc.ca.gov/proceedings/> and search by proceeding number (A1812009) or subscribe to receive documents at <http://subscribecpuc.cpuc.ca.gov/>
- To access GRC materials, please visit PG&E's website at [https://www.pge.com/en\\_US/about-pge/company-information/regulation/general-rate-case/grc.page](https://www.pge.com/en_US/about-pge/company-information/regulation/general-rate-case/grc.page)
- To review Public Advocates Office's testimony, go to: <http://www.publicadvocates.cpuc.ca.gov/egy.aspx>
- The Public Advisor's Office provides information for the public to get involved in proceedings: <http://www.cpuc.ca.gov/pao/>
- The CPUC's Energy Division provides information on the regulatory process for energy utilities: <http://www.cpuc.ca.gov/energy/>

