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NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR ITS ERRA TRIGGER MECHANISM APPLICATION (A.23-07-012)

Acronyms you need to know

PG&E: Pacific Gas and Electric Company

CPUC: California Public Utilities Commission

Why am I receiving this notice?

On July 28, 2023, PG&E filed its Energy Resource Recovery Account (ERRA) Trigger Mechanism Application with the CPUC. The ERRA is used to record fuel costs needed to produce electricity as well as buying electricity from third parties to serve customers.

The application seeks to recover the actual recorded ERRA Trigger balance as of September 2023, up to a cap of \$256 million which is based on PG&E's current forecast. If approved, it will be recovered over a six-month period beginning in November 2023. However, the actual amount recovered will depend both on what the CPUC approves as well as the final balance upon implementation.

Why is PG&E requesting this rate increase?

The application is being filed because as of this past June, the difference between costs and revenue exceeded the state's threshold and an expedited application is required to address forecast variances that exceed a certain threshold and will not self-correct in 120 days.¹

This difference is primarily driven by two factors. First, unusually high market price volatility this past winter caused electricity costs to be much higher than expected. Second, customer electricity demand has been much lower than expected through the first half of the year, which has led to less than is needed to cover certain costs that PG&E incurs as part of providing reliable generation service to customers. The combined impact of these factors has led PG&E to file an application to recover these additional costs from customers as is required by the state.

The costs will be recovered through the generation portion of customer bills. This part of the bill reflects actual costs and does not include any markup for profit or return.

¹ Compliance with the Public Utilities Code Section 454.5(d)(3) as well as CPUC decisions D.02-10-062, D.08-08-011, and D. 22-01-023.

How could this affect my monthly electric rates?

Many customers receive bundled electric service from PG&E, meaning they receive electric generation, transmission and distribution services. A summary of the proposed rate impact for bundled customers is provided below.



PROPOSED ELECTRIC RATE INCREASE

Customer Class	Current Average (¢/kWh) as of 7/1/2023	Proposed Average (¢/kWh) as of 11/1/2023	Increase Total (¢/kWh)	Increase Percentage
Bundled Service				
Residential	31.63	33.62	1.99	6.3%
Small Commercial	35.66	37.66	2.01	5.6%
Medium Commercial	33.44	35.56	2.11	6.3%
Large Commercial	28.90	30.88	1.99	6.9%
Streetlight	47.63	49.34	1.71	3.6%
Standby	18.99	20.45	1.46	7.7%
Agriculture	32.58	34.45	1.87	5.7%
Industrial	22.76	24.54	1.78	7.8%
Average System Rate Increase	30.87	32.81	1.95	6.3%

The bill for a typical bundled residential customer using 500 kWh per month would increase from \$187.74 to \$199.43 or 6.2% compared to rates currently in effect.

Direct Access (DA) and Community Choice Aggregation (CCA) customers only receive electric transmission and distribution services from PG&E. Rates for these customers will not change if PG&E's request is approved.

Another category of nonbundled customers is Departing Load. These customers do not receive electric generation, transmission or distribution services from PG&E. However, these customers are required to pay certain charges by law or CPUC decision. Rates for these customers will not change if PG&E's request is approved.

For all customer classes, actual impacts will vary depending on usage and final CPUC decision.

How does the rest of this process work?

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt PG&E's application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding may review PG&E's application, including the Public Advocates Office. The Public Advocates Office is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information about the Public Advocates Office, please call **1-415-703-1584**, email: PublicAdvocatesOffice@cpuc.ca.gov or visit PublicAdvocates.cpuc.ca.gov.

Where can I get more information?

CONTACT PG&E

If you have questions about PG&E's filing, please contact PG&E at **1-800-743-5000**. For TTY, call **1-800-652-4712**.

If you would like an electronic copy of the filing and exhibits, please write to the address below:

Pacific Gas and Electric Company
ERRA Trigger Mechanism Application (A.23-07-012)
P.O. Box 1018
Oakland, CA 94604-1018

CONTACT CPUC

Please visit apps.cpuc.ca.gov/c/A2307012 to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding. Your participation by providing your thoughts on PG&E's request can help the CPUC make an informed decision.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Email: Public.Advisor@cpuc.ca.gov

Mail: CPUC
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Call: **1-866-849-8390** (toll-free) or **1-415-703-2074**

Please reference the **ERRA Trigger Mechanism Application A.23-07-012** in any communications you have with the CPUC regarding this matter.