



2020-2022 General Rate Case Settlement Agreement

Quick Facts

- Proposal would fund important safety investments including efforts to reduce wildfire risk.
- Proposal does not request funding for potential wildfire claims for 2017/2018 fires, nor request recovery of PG&E Corporation or Utility officer compensation.
- CPUC has a thorough, open, transparent and public review process.
- If approved, would result in 3.4 percent monthly bill increase, or \$5.69, for typical residential customer using both gas and electric.
- Would go into effect following CPUC decision in 2020.

General Rate Case

On December 20, 2019, PG&E submitted to the California Public Utilities Commission (CPUC) a settlement agreement with a number of parties, including those representing customers, labor and safety, regarding its 2020 General Rate Case (GRC), which seeks approval of revenues for the period 2020-2022. The parties agree that the CPUC should approve funding for PG&E's ongoing wildfire prevention efforts, risk monitoring, emergency response, vegetation management, hardening of the electric system and other new and enhanced measures to further reduce wildfire risk. The settlement agreement also includes funding for electric and gas distribution safety and reliability and power generation.

While the GRC settlement agreement will help fund a series of important safety investments, this agreement does not request funding for claims resulting from the 2017 and 2018 Northern California wildfires. The agreement also does not seek recovery of PG&E Corporation or Utility officer compensation.

How It Works

PG&E is required to submit a formal proposal to the CPUC every three years. PG&E's GRC helps fund efforts to fulfill our responsibility to keep our customers and communities safe. The Commission conducts an open and transparent review of PG&E's GRC proposal, including public participation hearings. The CPUC will determine which investments are approved, and this forms the basis for customer rate changes.

Addressing Our Changing Climate – The Energy Grid of Tomorrow

PG&E's proposed grid hardening investments are driven by our commitment to help keep our customers and communities safe. Some of these proposed investments are additional precautionary measures implemented following the 2017 and 2018 wildfires intended to further reduce wildfire threats. These include:

Hardening Wires and Poles: Installing stronger and more resilient poles and covered power lines in high fire-threat areas.

Enhanced Vegetation Management: Increasing ongoing work to keep power lines clear of branches from an estimated 120 million trees with the potential to grow or fall into overhead power lines, including annual vegetation inspection of approximately 81,000 miles of electric distribution lines.

Wire-down Technology: Expanding the use of SmartMeter™ technology in a new, innovative way to more quickly identify and respond to fallen power lines

Weather Stations Network: Expanding the network of weather stations to enhance weather forecasting and modeling by adding 1,300 new weather stations in high fire-risk areas by 2022.

High-Definition Cameras: Installing over 600 high-definition cameras over the next four years to increase coverage across high fire-risk areas to more than 90 percent by 2022.



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The Bottom Line

If the CPUC approves the settlement agreement, the average monthly bill for a typical residential electric and gas customer would increase by \$5.69 a month, or 3.4 percent. This includes \$4.90 for electric and \$0.79 for gas service. The resulting rate change would occur in 2020 following the CPUC's decision and revise rates through 2022.

PG&E's commitment is to keep customer costs as low as possible while meeting our responsibilities to safely serve customers, even as our changing climate presents significant new challenges and risks.

Other parties will have an opportunity to provide feedback. The settlement agreement will be reviewed by the assigned administrative law judges, who will issue a proposed decision for Commissioners to vote on in 2020. PG&E hopes for a decision to be approved in the first half of the year to help provide revenue certainty as PG&E works to exit the Chapter 11 process by the state's statutory deadline under Assembly Bill 1054 June 2020.