

NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR THE WILDFIRE EXPENSE MEMORANDUM ACCOUNT (A. 20-02-004)

Summary

On February 7, 2020, Pacific Gas and Electric Company (PG&E) filed its Wildfire Expense Memorandum Account (WEMA) application No. A. 20-02-004 with the California Public Utilities Commission (CPUC).

The application seeks recovery of certain costs recorded in the WEMA, including \$498.7 million for insurance costs incurred between July 26, 2017, and December 31, 2019. These costs exceed previously authorized rates for the same period.

If the CPUC approves this application, PG&E will recover costs in electric and gas rates over a one-year period beginning January 1, 2021.

Background

PG&E purchases excess liability insurance to protect against claims that may arise in connection with business operations. The program is designed to protect PG&E from significant losses, which could ultimately lead to increased rates for customers. PG&E renews this excess liability insurance on or about August 1 each year.

The cost of this insurance has increased dramatically due to high wildfire liabilities in California.

How will the application affect electric rates?

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



PROPOSED ELECTRIC RATE INCREASE

Customer Class	Current Average (¢/kWh) As of 1/1/20	Proposed Average (¢/kWh) As of 1/1/21	Total Change (¢/kWh)	Percentage Change
Bundled Service				
Residential	22.65	23.29	0.64	2.8%
Small Commercial	25.93	26.63	0.70	2.7%
Medium Commercial	23.12	23.71	0.59	2.5%
Large Commercial	20.33	20.85	0.52	2.5%
Streetlight	26.63	27.10	0.47	1.8%
Standby	16.66	17.02	0.37	2.2%
Agriculture	22.02	22.62	0.59	2.7%
Industrial	16.25	16.64	0.40	2.4%
Average System Rate Change	21.55	22.12	0.58	2.7%

Based on rates currently in effect, the bill for a typical residential nonCARE customer using 500 kWh per month would increase from \$124.41 to \$127.88 or 2.8%.

Direct Access and Community Choice Aggregation customers only receive electric transmission and distribution services from PG&E. On average, these customers would see an increase of 1.8%.

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. These customers will not be impacted by this application.

Actual impacts will vary depending on usage.

How will the application affect gas rates?

Bundled gas customers receive transmission, distribution, and procurement services from PG&E. A summary of the proposed rate impact for these customers is provided at right.



PROPOSED GAS RATE INCREASE

Customer Class	Current Average (\$ per therm) As of 1/1/20	Proposed Average (\$ per therm) As of 1/1/21	Percent Increase
Core bundled customers who receive gas supplies from PG&E			
Residential	1.590	1.646	3.5%
Small Commercial	1.150	1.183	2.9%
Large Commercial	0.804	0.820	2.0%
Natural Gas Vehicle Customer Compression	0.691	0.703	1.7%
Natural Gas Vehicle PG&E Compression	2.225	\$2.319	4.2%
Core customers who purchase gas from a third party			
Residential	1.271	1.327	4.4%
Small Commercial	0.848	0.880	3.9%
Large Commercial	0.530	0.547	3.1%
Natural Gas Vehicle Customer Compression	0.420	0.432	2.8%
Natural Gas Vehicle PG&E Compression	1.954	2.048	4.8%
Noncore customers who purchase gas from a third party			
Industrial Distribution	0.359	0.377	4.9%
Industrial Transmission	0.202	0.209	3.6%
Industrial Backbone	0.092	0.099	7.0%
Electric Generation: Distribution/Transmission	0.154	0.161	4.4%
Electric Generation: Backbone	0.053	0.059	12.7%
Natural Gas Vehicle: Distribution	0.329	0.347	5.3%
Natural Gas Vehicle: Transmission	0.184	0.191	3.5%
Wholesale Transport Service			
Alpine Natural Gas	0.101	0.108	6.4%
Coalinga	0.102	0.108	6.4%
Island Energy	0.111	0.117	5.9%
Palo Alto	0.099	0.105	6.6%
West Coast Gas: Castle	0.282	0.302	7.1%
West Coast Gas: Mather Distribution	0.337	0.361	7.2%
West Coast Gas: Mather Transmission	0.103	0.109	6.4%

Based on rates currently in effect, the gas bill for a typical residential customer averaging 32 therms per month would increase from \$50.88 to \$52.68, or 3.5%.

Actual impacts will vary depending on usage.

How do I find out more about PG&E's proposals?

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 a copy of PG&E's filing and exhibits, please write to PG&E at the address below:

Pacific Gas and Electric Company
 WEMA Application (A. 20-02-004)
 P.O. Box 7442
 San Francisco, CA 94120

A copy of PG&E's filing and exhibits is also available for review at the CPUC's Central Files office by appointment only. For more information, contact aljcentralfilesid@cpuc.ca.gov or **1-415-703-2045**. PG&E's application (without exhibits) is available on the CPUC's website at www.cpuc.ca.gov.

CPUC process

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related information necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings (EHs) may be held where parties will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are formal parties in the case can participate.

After considering all proposals and evidence presented during the hearings, the assigned Judge will issue a proposed decision which may adopt PG&E's proposal, modify it or deny it. Any of the five CPUC Commissioners may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted on at a scheduled CPUC Voting Meeting that is open to the public.

The California Public Advocates Office (CalPA) may review this application. CalPA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. CalPA has a multidisciplinary staff with expertise in economics, finance, accounting and engineering. For more information about CalPA, please call **1-415-703-1584**, email PublicAdvocatesOffice@cpuc.ca.gov or visit CalPA's website at www.publicadvocates.cpuc.ca.gov.

Stay informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov>. If you would like to learn how you can participate in the proceeding, have informal comments about the application or have questions about the CPUC processes, you may access the CPUC's Public Advisor Office (PAO) webpage at <http://consumers.cpuc.ca.gov/pao/>.

You may also contact the PAO as follows:

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**

TTY: **1-866-836-7825** (toll-free) or **1-415-703-5282**

Please reference **PG&E's WEMA Application (A. 20-02-004)** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review by the assigned Judge, Commissioners and appropriate CPUC staff.