



**PG&E Advice Letters** – PG&E submits consolidated rate and tariff change advice letters occasionally throughout the year. PG&E Advice Letter (AL) 6863-E provides information on the implementation of new electric rates and their associated tariffs from previously authorized decisions, resolutions, and advice letters, most significantly the recent General Rate Case (GRC) Phase 1 decision on Wildfire Self-Insurance and the Wildfire Mitigation and Catastrophic Events decision for PG&E issued in February 2023. The changes set forth in this AL will result in an electric rate and bill increase beginning on March 1, 2023.

**Estimated Bill Impacts of All Requested Electric Rate Changes Effective March 1, 2023:**

Estimated Electric Bill Impacts <sup>1</sup>	PG&E as of January 1, 2023	Bill Change as of March 1, 2023	PG&E as of March 1, 2023
➤ Average Residential Non-CARE electric bill	\$179.24	\$8.26 (4.6%)	\$187.50
➤ Average Residential CARE <sup>2</sup> electric bill	\$116.56	\$5.38 (4.6%)	\$121.94

Below are the primary drivers of PG&E's March 1, 2023, electric rate changes, which involve a revenue increase for its electric utility operations and capital investments.

The primary drivers of the March 1<sup>st</sup> rate increase are:

- ✚ GRC Phase I Wildfire Insurance Settlement Decision – D.23-01-005
  - PG&E, TURN and Cal Advocates filed a joint settlement motion for approval and adoption creating a wildfire liability self-insurance program for PG&E. Under the approved agreement, PG&E is authorized to include \$400 million in rates to be used 100% for self-insurance.
  - The self-insurance program is \$307 million less in than PG&E's \$707 million proposal to continue procuring third-party insurance in 2023 and roughly \$326 million lower than PG&E's recorded 2021 wildfire liability insurance costs.<sup>3</sup>

<sup>1</sup> Based on a "typical" residential bundled customer using, on average, 500 kilowatt-hours per month.

<sup>2</sup> The California Alternate Rates for Energy (CARE) program provides discounts to qualifying low-income residents on their utility bills.

<sup>3</sup> The electric rate increase due to wildfire insurance costs will be offset by cost decreases that will be reflected in rates after the Commission approves PG&E's GRC revenue requirement for 2023 - 2026.



- The decision raises PG&E's average residential bills by 2.3%, which is equivalent to a bill impact of \$2.73 for the average CARE customer and \$4.21 for the average non-CARE customer.
- ✚ 2020 Wildfire Mitigation and Catastrophic Event (WMCE) Decision – D.23-02-017
  - On February 2, 2023, the CPUC approved the recovery of \$1.04 billion in 2020 WMCE revenue requirement. For the electric distribution revenue requirement, PG&E has calculated interest of \$59.3 million, resulting in a total electric distribution revenue requirement of \$1.08 billion. Of this amount, \$447 million had already been approved for interim recovery, with the remaining \$632.9 million to be amortized over two years.
    - The WMCE recovery will increase PG&E's average residential bills by 1.6%, which is equivalent to \$1.84 for the average CARE customer and \$2.83 for the average non-CARE customer.
- ✚ Transmission Access Charge Balance Account Adjustment (TACBAA)
  - On February 13, 2023, FERC approved PG&E's TACBAA filing in a letter with a March 1, 2023 effective date.
  - The revenue associated with PG&E's TACBAA will raise the average residential bills by 0.7%, which is equivalent to a bill impact of \$0.81 for the average CARE customer and \$1.24 for the average non-CARE customer.
- ✚ In addition to the increases noted above, the combined effect of updating regulatory account balances, implementation of authorized revenue requirements, bond charge refund elimination, and a minor rate design change, resulted in revenue reductions with a corresponding residential bill decrease of 0.1% for CARE residential customers and non-CARE residential customers. These reductions are incorporated into the overall rate/bill impacts in the table above illustrating the overall increase.