

**BUSINESS**

# PG&E bills to rise amid electricity upgrades to combat wildfires

PG&E electric bills are rising in January but gas bills will drop



A helicopter hovers above large electrical towers while inspecting the lines in Orinda, Calif., on Thursday, Oct. 10, 2019. Business continue to be closed due to the recent PG&E shutdown. PG&E began restoring power to Bay Area residents Thursday, taking the first steps in what could be a days-long process to end an outage that left more than 700,000 homes and businesses in the dark. (Jose Carlos Fajardo/Bay Area News Group)

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PG&E customers can expect an increase in their monthly bills during January, partly to help finance wide-ranging upgrades to PG&E's electricity system, according to the utility.

Bills for the typical PG&E customer who receives both electricity and gas services from the utility are rising by an average of \$5.15 a month, effective Jan. 1, the company said.

PG&E noted that the revenue from the increase isn't being used to bankroll an array of financial obligations incurred by the utility as a result of the conclusion of its bankruptcy filing.

Electricity bills are rising an average of \$6.13 a month for the typical customer, while gas bills will decrease 98 cents a month for the typical ratepayer, according to estimates provided to this news organization by PG&E.

The changes mean the monthly PG&E bill for electricity and gas services combined will be an average of \$186.67 starting in January compared with the October average of \$181.52 a month, according to the utility.

The monthly PG&E bill for electricity services will average \$133.84 a month, up from the October level of \$127.71, PG&E said.

Gas bills will average \$52.83 a month starting in January, down from \$53.81 in October, PG&E estimated.

"The electricity revenue is being used for past, present, and planned safety work, including wildfire mitigation and hardening the electric system," said Lynsey Paulo, a spokesperson for PG&E. "We are trying to reduce the chance of catastrophic wildfires."

Revenue from the monthly gas bills is being used to maintain and operate the company's gas infrastructure, including its natural gas storage facilities and pipelines. The money is also being used for mandated programs, including low-income customer discounts and energy efficiency programs.

PG&E also hopes to generate additional savings from multiple real estate transactions connected to the company's decision to relocate its headquarters from San Francisco to an office tower in downtown Oakland on the shores of Lake Merritt. Oakland's real estate costs are considerably lower than the expense of renting, owning, and buying commercial properties in San Francisco, realty experts believe.

"We're working to reduce overall customer costs, by identifying an estimated average savings of \$1 billion per year in operational cost-savings through 2025 through various initiatives," PG&E stated.

Those initiatives include the headquarters relocation and the sale of several office properties in San Francisco that PG&E now owns, including its headquarters complex on Beale Street. Plus, PG&E is attempting to sell at least some power-generating facilities such as a hydroelectric plant along Bass Lake in Madera County.

PG&E emphasized that the change in monthly bills will be specifically focused on electricity and gas system improvements and won't be diverted to help the company meet bankruptcy-linked expenses.

"While the rate changes will fund important safety investments, the rates will not fund claims or settlements from PG&E's Chapter 11 case," the company said.

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Tags: **PG&E**, **Wildfires**



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