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PG&E electric and gas monthly bills hop over \$290 mark to start 2024

Utility titan's monthly bills rise far faster than Bay Area inflation rate



(Doug Duran/Bay Area News Group)

PG&E power lines in San Jose, September 2023.





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OAKLAND — PG&E customers are ringing in 2024 by paying a fresh round of skyrocketing electric and gas monthly bills that are rising far faster than the Bay Area inflation rate.

The increases in monthly PG&E charges officially became effective on New Year's Day and are slated to begin appearing during the January billing cycles for the utility's ratepayers.

PG&E monthly bills are expected to average roughly \$294.50 a month for the typical residential customer who receives combined electricity and gas services from the utility behemoth, according to estimates provided by the company to this news organization.

That combined bill is 22.3% higher than the average monthly charges that went into effect about a year ago, at the start of January 2023, when combined bills were \$240.73 for the typical residential customer.

The increase of 22.3% over the one year for an average combined electric and gas bill greatly exceeds the 2.8% rise in the Bay Area inflation rate as measured by consumer prices during the 12-month period that ended in October.

PG&E claims that its goal is to bring annual increases in combined electricity and gas bills close to the annual inflation rate.

"We're aggressively focused on finding new ways to work so that we can keep future bill increases at or below a broader, long-term inflation rate of 2% to 4%,"

At present, however, PG&E appears to have failed to even come close to its stated goal of reining in yearly increases in monthly bills so that annual increases are in the 2% to 4% range.

That's because PG&E's combined gas and electric bills are rising about eight times faster than the annualized increase in Bay Area consumer prices.

Oakland-based PG&E believes that higher charges are necessary because of an array of upgrades and improvements to its electricity and gas systems that the utility has launched to potentially reduce the chances that the company's equipment might unleash disastrous fires or catastrophic explosions.

"PG&E plans substantial investments in its energy system in coming years to pay for permanent wildfire risk reduction, critical gas and electric safety and reliability work, and capacity upgrades to support new business connections and California's bold clean energy goals," PG&E stated in a post on the company's Currents website.

The higher monthly bills arose from the company's annual "true up" filing with the state Public Utilities Commission. This filing is a regulatory disclosure that sketches out the cumulative effects of decisions by the company's regulators on PG&E rates and the monthly bills that result from the rate changes.

Regulators, and potentially lawmakers, must act to rein in soaring PG&E bills and take steps to ensure they are in line with the overall inflation rate, in the view of Mark Toney, executive director of The Utility Reform Network, or TURN, a consumer group.

"The current system that sets no limits on rate increases, needs to be replaced by a cap on annual bills, set at the cost of living adjustment provided by Social Security," TURN, a consumer group, states on its website. Adjustments for the cost of living are typically tied to a benchmark for inflation.

Monthly electricity bills for the typical PG&E electricity customer are expected to average roughly \$222 a month. That's 28.4% higher than the monthly electricity bill of \$172.84 in January 2023.

Gas bills are slated to average \$72 a month starting in early 2024. That's 6.1% higher than the average monthly gas bill of \$67.89 in January 2023.

PG&E has launched several endeavors that are being financed by money extracted from customers. PG&E is:

- burying 1,230 miles of powerlines in areas imperiled by high fire risks.
- replacing 139 miles of plastic gas distribution pipelines and 24 miles of steel distribution pipelines for natural gas.
- deploying advanced tools to inspect gas transmission pipelines
- using mobile leak detection technology to spot and repair gas leaks.

Monthly bills are headed for hefty increases, even when comparing them to the bill levels in December. The anticipated average bill of \$294.50 a month that starts this month is 13.3% higher than the bills at the end of 2023, according to PG&E.

“The greed of utility executives and Wall Street investors may have no limits, but customers who are falling behind in their bills need a cap to unlimited bill increases,” TURN states on its website.



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