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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for Authority to Establish Its Authorized Cost of Capital for Utility Operations for 2022 and to Reset the Cost of Capital Adjustment Mechanism or, in the Alternative, for Suspension of Cost of Capital Adjustment Mechanism for 2021. (U 39 M)	Application No. 21-08-______

APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) FOR TEST YEAR 2022 COST OF CAPITAL OR, IN THE ALTERNATIVE, FOR SUSPENSION OF COST OF CAPITAL ADJUSTMENT MECHANISM FOR 2021

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Pursuant to California Public Utilities Commission ("Commission") Decision (D.) 08-05-035, which established the Cost of Capital Mechanism, and D.19-12-056, which continued the Cost of Capital Mechanism through the 2020 to 2022 cost of capital ("COC") cycle, Pacific Gas and Electric Company ("PG&E" or the "Company") respectfully submits this application to establish its COC for Test Year ("TY") 2022. While PG&E's next COC application would be due in the normal course in April 2022 for TY2023, the Cost of Capital Mechanism ("CCM") explicitly preserves the utilities' right to file an off-cycle COC application "upon an extraordinary or catastrophic event that materially impacts their respective cost of capital and/or capital structure and impacts them differently than the overall financial markets."[1] As set forth herein and in the supporting testimony, the COVID-19 pandemic and related government response constitutes such an event that has resulted in low interest rates but, unlike the overall

[1] D.08-05-035 at 19.

financial markets, not a corresponding reduction in the cost of capital for utilities including PG&E. PG&E hereby files this off-cycle application asking the Commission to establish its COC for TY2022 (the "Application").

PG&E further requests that the Commission affirm that this Application resets the three-year CCM cycle such that PG&E's next regularly scheduled COC application would be due in April 2024 for TY2025.

In the alternative, PG&E requests that the Commission suspend the operation of the CCM's formula adjustment mechanism ("Formula Adjustment Mechanism") in 2021 because that mechanism is not a reliable proxy for PG&E's cost of equity and overall cost of capital in the present financial markets. PG&E would then maintain its current Return on Equity ("ROE") for 2022 and proceed in the regular course to submit a full COC application in April 2022 for TY2023.[2]

PG&E submits that the filing of this Application suspends operation of the Formula Adjustment Mechanism pending a decision of the Commission on the Application.[3] In connection with the Application, PG&E will file a motion for authorization to modify existing memorandum accounts to preserve the ability to implement in rates any change in the revenue requirements resulting from the Commission's resolution of this Application as of January 1, 2022.

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[2] As part of this alternative, PG&E would update its cost of long-term debt and preferred stock using the methodology provided in the Formula Adjustment Mechanism set forth in the CCM.

[3] *See* A.19-04-015 at 8 (noting formula adjustment mechanism "may be superseded in its normal operation by a new cost of capital application"); *see also* D.08-05-035 at 15-16 (describing formula adjustment mechanism and recognizing utilities' right to file off-cycle applications to establish COC based on "an extraordinary or catastrophic event"); D.96-06-055, 66 CPUC 2d 568, 576 (recognizing that an off-cycle application is an appropriate means of addressing things like "extreme interest rate changes" which can "impair the integrity" of a COC adjustment mechanism).

This Application provides key support for PG&E's ability to make important safety and reliability improvements on behalf of the 16 million people it serves in Northern and Central California. Such investments will strengthen PG&E's ability to meet the growing challenge presented by climate change and create an improved, sustainable energy future for its customers.

In the next five years, from 2022 to 2026, PG&E expects to fund between $39 and $48 billion in essential energy infrastructure investments for the benefit of our customers and communities, a level of capital expenditure roughly equivalent to PG&E's entire current rate base.[4] PG&E's ongoing commitment to enhance electric grid resilience and reduce climate-related risk will account for a substantial portion of this total. These critical large-scale infrastructure projects will require significant amounts of external investment from the capital markets. PG&E's cost of capital proposal reflects the necessity to set its ROE at a level that matches the return with the risks. Doing so will allow PG&E to competitively obtain the significant funds needed to execute its safety and reliability improvement plans on reasonable and cost effective terms.

Setting PG&E's COC at an appropriate level will help the people PG&E serves, the future of the planet, and California's prosperity. California's future prosperity depends on financially healthy utilities that provide safe, reliable, and clean energy to customers in a sustainable fashion. PG&E's proposal will help it attract the necessary financing to deliver on this fundamental mandate. In order to make California's energy system more resilient and ready for the challenges to come, investments in the electric and gas system infrastructure depend on the support of a financially healthy utility. These investments benefit our customers by reducing

[4] *See* PG&E Corporation 2021 Second Quarter Earnings (July 29, 2021), at p. 12, available at https://investor.pgecorp.com/financials/quarterly-earnings-reports/default.aspx.

costs while maintaining appropriate levels of debt and equity capital, and also the economic growth in California.

I. BACKGROUND AND PROCEDURAL HISTORY

A. Adoption of Cost of Capital Mechanism

In D.89-01-040, the Commission established annual cost of capital proceedings for the major investor-owned energy utilities, effective January 1, 1990.[5] In D.08-05-035, the Commission established a uniform CCM to replace annual cost of capital proceedings for PG&E, Southern California Edison Company ("SCE"), and San Diego Gas & Electric Company ("SDG&E").[6] Pursuant to the CCM, COC proceedings proceed on a three-year cycle, with full COC applications due every third year for the following test year and a Formula Adjustment Mechanism operating in the interim years to adjust the authorized COC either upward or downward if interest rates change by a specified amount as compared to the relevant utility bond index.[7] The CCM also preserves the utilities' right to file full COC applications in "off-cycle" years.

The Formula Adjustment Mechanism is premised on a formulaic relationship between a utility's cost of debt and its cost of equity, and is designed to serve as a reasonable proxy for the utility's COC between three-year applications. Specifically, it calls for a comparison between an adopted benchmark interest rate and the current 12-month average of the applicable utility bond index from October through September.[8] Moody's Investors Service ("Moody's") Aa utility

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[5] *See* D.89-01-040, 30 CPUC 2d 576, 594 (1989).

[6] The Commission subsequently approved adoption of the CCM for Southern California Gas Company ("SoCalGas"), which had previously used the Market-Indexed Capital Adjustment Mechanism ("MICAM"). *See* D.13-03-015 at 10 (Ordering Paragraph 3).

[7] D.08-05-035 at 20-22 (Ordering Paragraphs 1 and 2).

[8] *Id.*

bond index is used for utilities with credit ratings of AA or higher, Moody's A utility bond index is used for utilities with A ratings, and Moody's Baa utility bond index is used for utilities rated BBB or lower.[9] In any year where the difference between the 12-month average of the applicable index and the adopted benchmark exceeds the 100 basis point deadband,[10] the Formula Adjustment Mechanism adjusts the utility's ROE either upward or downward by one-half the difference between the index average and the benchmark interest rate.[11] As articulated by the Commission in D.08-05-035, "[t]he purpose of an interest rate benchmark is to gauge changes in interest rates that also indicate changes in the equity costs of utilities."[12] If the Formula Adjustment Mechanism operates, long-term debt and preferred stock costs are updated to reflect actual August month-end embedded costs in that year and forecasted interest rates.[13]

If the Formula Adjustment Mechanism operates, the adjustments to the ROE and costs of long-term debt and preferred stock are made via a Tier 2 advice letter submitted by October 15, with rate adjustments effective on January 1 of the following year.[14] The 12-month average of the applicable index is adopted as the new benchmark for the subsequent 12-month period.[15]

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[9] D.08-05-035 at 20 (Conclusion of Law 11).

[10] One basis point equals one one-hundredth (0.01) of a percent. In D.08-05-035, the Commission defined the deadband as "a range of change in interest rates that may occur without automatically triggering a change in embedded long-term debt and preferred stock costs and ROEs." D.08-05-035 at 18 (Findings of Fact 12).

[11] *Id.* at 21-22 (Ordering Paragraph 2).

[12] *Id.* at 18 (Findings of Fact 16).

[13] *Id.*

[14] *Id.*

[15] In any year in which the Formula Adjustment Mechanism does not operate, the adopted benchmark rate remains the same until reset in connection with a full COC application. *See* D.08-05-035, at 16, 21 (Ordering Paragraph 2), App. A at 3, 4.

The CCM was designed to streamline the COC process by eliminating the need for annual COC proceedings and providing greater predictability of the utilities' COC.[16] The Commission also explicitly preserved the utilities' right to file a COC application between three-year regularly scheduled applications "upon an extraordinary or catastrophic event that materially impacts their respective cost of capital and/or capital structure and impacts them differently than the overall financial markets."[17] In that event, the COC is set through a full COC application off-cycle instead of through the Formula Adjustment Mechanism (if applicable) or the regularly scheduled three-year application.

Prior to adopting the CCM in 2008, the Commission had adopted the Market-Indexed Capital Adjustment Mechanism ("MICAM") to replace annual COC proceedings for SDG&E.[18] The MICAM operated similarly to the CCM, with SDG&E required to file full COC applications periodically (every five years pursuant to D.03-09-008) and a formula adjustment mechanism operating in the interim years to adjust SDG&E's COC if the difference between the average interest rate index and an adopted benchmark rate exceeded a 100 basis point deadband.[19] The MICAM also included an "off-ramp" in the event of extreme interest rate changes that "could impair the integrity" of the adjustment mechanism.[20] Use of the off-ramp suspended operation

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[16] *See id.* at 16.

[17] *Id.* at 19 (Conclusion of Law 6). The utilities' right to file off-cycle COC applications based on an extraordinary or catastrophic event was preserved in D.13-03-015 and D.19-12-056, which continued the operation of the CCM without modification. *See* D.13-03-015 at 10 (Ordering Paragraph 2) ("The Cost of Capital Mechanism established for [SCE, SDG&E, and PG&E] by Decision 08-05-035 shall continue unchanged"), and D.19-12-056 at 55 (Ordering Paragraph 7) ("The Cost of Capital Mechanism shall continue to be in effect through the 2020 Cost of Capital cycle for [SCE, PG&E, SDG&E, and SoCalGas]").

[18] *See* D.96-06-055, 66 CPUC 2d 568.

[19] D.96-06-055, 66 CPUC 2d 568.

[20] *Id*. The MICAM's off-ramp was originally set at a 400 basis-point swing in the six-month average of the applicable utility bond rate. D.96-06-055 at 576, 582. Subsequently, in 2003, SDG&E, the Federal

of the MICAM, in which case SDG&E was required to file a full COC application in the following year.[21] Similar to the off-cycle COC applications contemplated by the CCM in the event of an extraordinary or catastrophic event, this "off-ramp permit[ted] a complete re-examination of cost of capital (i.e., a full cost of capital proceeding rather than a MICAM adjustment) when it is needed most."[22]

B. Operation of Cost of Capital Mechanism

In the early years of the CCM's operation, changes in the utility bond indexes exceeded the 100 basis point deadband during an unusually turbulent period caused by the global financial crisis that developed in 2008. As a result, the CCM's Formula Adjustment Mechanism would have operated in 2009 to adjust the utilities' ROEs upward in 2010. Recognizing that the operation of the Adjustment Mechanism was attributable to a transitory economic shock, and that any increase in COC could be reversed in a year's time as financial markets stabilized, PG&E and SCE, joined by the Division of Ratepayer Advocates[23] ("DRA"), filed petitions for modification of D.08-05-035 requesting to forgo the increase to the utilities' COC that would otherwise have been implemented in 2010 from operation of the CCM's Formula Adjustment Mechanism.[24] In D.09-10-016, the Commission granted that request, and also postponed the due date for the utilities' next regularly scheduled COC applications from 2010 to 2012.[25]

Executive Agencies, and the Office of Ratepayer Advocates (ORA) entered into a settlement regarding SDG&E's MICAM that adopted ORA's position by reducing the off-ramp to 260 basis points, among other modifications. D.03-09-008 at 5. The Commission accepted this settlement, noting that in comparison to the original 400 basis-point off-ramp, a 260 basis-point off-ramp "promotes the public interest because it is more sensitive to significant economic changes than the current off-ramp."

[21] D.08-05-035 at 2 & n.5.

[22] D.03-09-008 at 5.

[23] The Division of Ratepayer Advocates is now called the Public Advocates Office, or "Cal Advocates."

[24] *See* D.09-10-016 at 3.

[25] *Id.* at 5.

The utilities filed their next COC applications in 2012, for TY2013.[26] In D.13-03-015, the Commission adopted a joint stipulation among the utilities and DRA to resolve the previously-contested Phase 2 issues related to the CCM ("CCM Joint Stipulation").[27] The CCM Joint Stipulation explicitly affirmed that "[i]n the year of cost of capital filings the CCM would not be used, because the cost of capital proceeding will set new rates for the following year."[28] SDG&E had initially proposed that the Commission add a MICAM-style off-ramp to the CCM to allow the utilities to "voluntarily suspend" the Formula Adjustment Mechanism in the event of extreme interest rate changes, but the parties subsequently agreed that such an off-ramp was unnecessary given that the CCM preserved the utilities' right to file full off-cycle COC applications based on an extraordinary or catastrophic event, as reflected in the CCM Joint Stipulation.[29] Ultimately, the Commission continued the CCM unchanged, reset the benchmark interest rates, and directed the utilities to file their next COC applications in April 2015 for TY2016.[30]

Following the COC proceeding for TY2013, the utilities and The Utility Reform Network ("TURN") filed joint petitions for modification that had the result of postponing the next regularly scheduled COC proceeding until 2019 for TY2020.[31] During that time period, the Commission adopted the parties' request to suspend the CCM's Formula Adjustment Mechanism

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[26] *See* D.13-03-015 at 3.

[27] *See id.*, Appendix A (Joint Stipulation Exhibit of the Phase 2 Parties Resolving Issues).

[28] *Id.*, Appendix A at 3-4. In this context, CCM refers to the regularly scheduled three-year application cycle and the Formula Adjustment Mechanism.

[29] *Id.*

[30] *See id.* at 10-11 (Ordering Paragraphs 2, 4, 6 and 7).

[31] *See* D.16-02-019 and D.17-07-005.

for two consecutive years, in 2016 and 2017.[32] The Formula Adjustment Mechanism went back into effect in 2018, but did not operate that year. In fact, changes in the applicable utility bond indexes did not exceed the 100 basis point deadband in any year between D.13-03-015 and the utilities' regularly scheduled filing of COC applications in April 2019 for TY2020.[33]

C. TY2020 COC Proceeding and Potential Operation of Formula Adjustment Mechanism

The utilities' last COC application was filed in April 2019 for TY2020.[34] At that time, PG&E was in Chapter 11 bankruptcy. In D.19-12-056, the Commission set PG&E's ROE at 10.25 percent and maintained its equity ratio at 52 percent. The Commission set PG&E's cost of long-term debt at 5.16 percent based on the debtor-in-possession financing then in place. The Commission also continued the CCM through the COC cycle running from 2020 to 2022, and reset the benchmark index rates to the most recent Moody's utility bond yearly averages.[35] As directed by the Commission in D.20-05-053,[36] the decision approving PG&E's Plan of Reorganization, PG&E submitted an Advice Letter following its emergence from Chapter 11 to update its cost of long-term debt from 5.16 percent to 4.17 percent, effective as of July 1, 2020.[37]

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[32] *See* D.16-02-019 and D.17-07-005

[33] *See* PG&E Cost of Capital 2020, Prepared Testimony, Chapter 6.

[34] *See* A.19-04-015, filed April 22, 2019. SCE, SDG&E and SoCalGas also filed full COC applications at that time.

[35] D.19-12-056 at 55 (Ordering Paragraph 7). While D.19-12-056 is not explicit, PG&E has interpreted that decision as resetting the benchmark to the average of the Moody's long-term Baa rated utility bond index for the 12-month period ending September 2019 (4.50 percent), per Ordering Paragraph 6 of D.13-03-015.

[36] D.20-05-053 at 111 (Ordering Paragraph 6).

[37] *See* Advice 4275-G/5887-E, submitted July 22, 2020.

Because PG&E presently has issuer credit ratings of BB- from S&P Global ("S&P") and Ba2 from Moody's, the utility bond index applicable to PG&E is Moody's Baa utility bond index,[38] and the current applicable benchmark interest rate is 4.50 percent.[39]

PG&E has been tracking the behavior of the 12-month average of the Moody's Baa utility bond index during the 2021 adjustment period, encompassing the 12-month period starting in October 2020 and running through September 2021. Based on the current average of 3.34 percent for the Baa utility bond index from October 1, 2020 through August 17, 2021, PG&E expects that the index average for October 1, 2020 through September 30, 2021 will exceed the 100 basis point deadband. For illustrative purposes, if the 12-month average ends at 3.34 percent, the Formula Adjustment Mechanism, if not superseded by this Application, would decrease PG&E's ROE by 0.58 percent (one-half of the 1.16 percent difference between the index average of 3.34 percent and the current benchmark of 4.50 percent), to 9.67 percent, as compared to the 10.25 percent currently authorized. PG&E also expects that the latest forecast value of its embedded cost of long-term debt (4.14 percent) would be slightly lower than its current authorized value (4.17 percent).[40] When combined with the ROE adjustment in this illustrative example, if the Formula Adjustment Mechanism were not superseded by this Application, it would reduce PG&E's rate of return from 7.34 percent to 7.03 percent.[41]

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[38] In D.13-03-015, the Commission directed that the benchmark applicable to utilities with credit ratings of BBB or lower is the Moody's Baa utility bond index. *See* D.13-03-015 at 2-3.

[39] *See supra* note 34.

[40] PG&E's currently authorized embedded cost of long-term debt of 4.17 percent was reduced from 5.16 percent in August 2020 due to the interest cost savings resulting from PG&E's plan of reorganization. *See* Advice Letter 4275-G/5887-E, submitted July 22, 2020.

[41] PG&E's cost of preferred does not change because PG&E is no longer issuing preferred stock.

II. LEGAL STANDARDS

The legal standard for setting a fair rate of return was established by the United States Supreme Court in the *Bluefield* and *Hope* cases.[42] As articulated by the Commission in D.19-12-056:

> The Bluefield decision states that a public utility is entitled to earn a return upon the value of its property employed for the convenience of the public . . . such return should be equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings attended by corresponding risks and uncertainties . . . [and] should also be reasonably sufficient to ensure confidence in the financial soundness of the utility, and adequate, under efficient management, to maintain and support its credit and to enable it to raise the money necessary for the proper discharge of its public duties.[43]

The Commission describes *Hope* as reinforcing this standard and "emphasiz[ing] that such returns should be sufficient to cover capital costs of the business," which "include[] debt service and equity dividends."[44]

In applying the *Bluefield* and *Hope* standards, the Commission "attempt[s] to set the ROE at a level of return commensurate with market returns on investments having corresponding risks and adequate to enable a utility to attract investors to finance the replacement and expansion of a utility's facilities to fulfill its public utility service obligation."[45] In establishing a reasonable and appropriate COC for PG&E, the Commission supports investor confidence in PG&E's

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[42] *See, e.g.*, D.19-12-056 at 15-16 (citing *Bluefield Water Works & Improvement Company v. Public Service Commission of the State of Virginia*, 262 U.S. 679 (1923) and *Federal Power Commission v. Hope Natural Gas Company*, 320 U.S. 591 (1944)); D.00-06-040 at 9-10 (same).

[43] See D.19-12-056 at 15-16.

[44] *Id.* at 16.

[45] D.19-12-056 at 16.

financial soundness and minimizes long-term debt costs. Ultimately, PG&E is responsible for managing itself prudently and efficiently to earn the authorized rate of return.

III. PG&E MEETS THE EXTRAORDINARY EVENT STANDARD THAT JUSTIFIES AN OFF-CYCLE COC APPLICATION

PG&E is exercising its right to file an off-cycle COC application at this time based on the material and utility-specific impacts of the COVID-19 pandemic and the related government response, as described more fully in Chapter 2 – Extraordinary Event (M. Vilbert). The extraordinary economic impact of the pandemic and related government response has disrupted the relationship between PG&E's cost of debt and equity that underlies the CCM's Formula Adjustment Mechanism, justifying an off-cycle COC application to establish PG&E's cost of capital for TY2022. The projected operation of the Formula Adjustment Mechanism is a direct result of the low interest rates resulting from the government's financial response to the COVID-19 pandemic. Critically, during this same time period, equity costs for both utilities in general and PG&E in particular have not declined with the cost of debt and have, in fact, increased relative to the overall financial markets as a result of the pandemic and other ongoing risks, as discussed in more detail in Chapter 2 – Extraordinary Event (M. Vilbert) and Chapter 3 – Return on Equity (M. Vilbert).

A. The COVID-19 Pandemic And Related Government Response Is an Extraordinary Event

On March 4, 2020, Governor Newsom declared a State of Emergency in response to the first known cases of COVID-19 in the state.[46] Such a declaration requires that there be the "existence of conditions of disaster or of extreme peril to the safety of persons and property

[46] *See* https://www.gov.ca.gov/wp-content/uploads/2020/03/3.4.20-Coronavirus-SOE-Proclamation.pdf (declaring a state of emergency under Government Code Section 8625).

within the state."[47] As of August 16, 2021, California has reported over 4,000,000 confirmed cases of COVID-19, resulting in more than 64,000 deaths.[48]

The COVID-19 pandemic is a public health crisis of a magnitude not seen in this country for over a century. As the spread of the virus accelerated in the first several months of 2020, Americans went into extended periods of lockdown and isolation, while bans on in-person gathering and wide-scale shutdowns of business activity were put into place across the country. The extremity of the collective nationwide response required to keep the country's health care system from becoming overwhelmed by the virus caused a massive shock to the U.S. economy. Businesses were forced to pare down significantly or even close their doors, supply chains were severely disrupted, unemployment skyrocketed, and many found it impossible to pay rent, mortgages, or other bills, sending GDP into major decline and the country into a sharp recession.

The response of the U.S. government to these events has also been extraordinary. Congress initiated a massive stimulus effort, pumping money throughout various sectors of the economy to counteract the worst effects of the pandemic. An unprecedented sum—amounting to approximately $3 trillion through May 2021[49]—was provided to Americans and American businesses, in the form of direct cash payments and indirect aid programs. Meanwhile, the Federal Reserve set the federal funds rate at nearly zero and ramped up the program of

[47] Government Code § 8558(b). Notably, the Commission previously defined a catastrophic event in connection with Resolution No. E-3238, authorizing the establishment of catastrophic event memorandum accounts. In that resolution, the Commission defined a catastrophic event as "one which results in the official declaration of a disaster by competent state or federal authority." Res. No. E-3238 at 4 (Finding of Fact 3) (July 24, 1991). Under that definition, the March 4, 2020 declaration of a State of Emergency by Governor Newsom would make the pandemic a catastrophic event. For purposes of an off-cycle COC application, it is sufficient that the pandemic and government response be either an extraordinary or a catastrophic event. For convenience, PG&E uses the term extraordinary event in the Application to refer to either an extraordinary or a catastrophic event.

[48] *See* https://covid19.ca.gov/state-dashboard/.

[49] https://www.usaspending.gov/disaster/covid-19.

"quantitative easing"—i.e., the purchase of long-term debt securities—that it first utilized on a broad scale to stimulate the economy in the wake of 2008's financial crisis. These purchases of Treasury bonds, mortgage-backed securities, corporate debt, and other long-term credit instruments have increased the Federal Reserve's assets from around $4 trillion at the end of 2019 to $8 trillion by year-end 2020.[50]

B. The COVID-19 Pandemic and Related Government Response Has Materially Impacted Electric Utilities' and PG&E's Cost of Capital, and Has Impacted Them Differently than the Overall Financial Markets

The government's response to the COVID-19 pandemic has led to explosive growth in the money supply and, consequently, historically low interest rates. In February 2020, the total money stock in the U.S. economy stood at roughly $15.5 trillion; twelve months later, it had risen to roughly $19.7 trillion.[51] As explained by PG&E's economic expert, Dr. Michael Vilbert, in Chapter 2 – Extraordinary Event, this major increase in the liquidity of the system has had the effect of driving down interest rates. Quantitative easing, in particular, is intended to keep interest rates lower than they otherwise would be, by increasing the price of debt securities and decreasing their yields. And all of this government spending has had its intended effect: For the first time ever, the yield on a 10-year treasury bond dropped below 1 percent in March of 2020,[52] and stayed at that level for the rest of the year. Interest rates throughout the rest of the economy followed suit, sinking to new lows as the pandemic spread during the summer of 2020.

The deflation of interest rates caused by the pandemic and the accompanying government response directly implicates the CCM's Formula Adjustment Mechanism, which is premised on

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[50] *See* PG&E Testimony Ch. 2: Extraordinary Event (M. Vilbert), at Figure 2-2.

[51] https://fred.stlouisfed.org/series/M2SL.

[52] https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldAll.

a correlated relationship between interest rates and ROE that underlies the cost of capital. As the Commission explained in D.08-05-035, there is a historical "sensitivity of equity returns to sustained long-run movements in interest rates, all else equal," such that "a major change in bond rates impacts equity investments."[53] A sustained decline in interest rates lowers the cost of debt, which in turn is expected to lower the opportunity cost (and acceptable return) of an equity investment. Thus, based on "long-standing practice," the Formula Adjustment Mechanism uses an equity adjustment ratio of one-half of the change in interest rates, which is "automatically applied to the utilities' authorized ROE in the same direction as the interest rate changes," in order to "mitigate the volatility impact of interest rates on equity investments."[54]

As the economy has recovered and the most severe impacts of the COVID-19 pandemic have lessened, this expected linkage between interest rates and ROE has been observed in the overall financial markets—but not for electric utilities in general and PG&E in particular. Dr. Vilbert's testimony illustrates this divergence for utilities in general and PG&E in particular from the overall financial markets through three key financial indicators.

First, while major stock market indices have surged upward over the last 16 months, including a 37 percent rise in the S&P 500 index—an overall rise in the average public company's valuation that is consistent with falling interest rates and with the expected relationship between the costs of debt and equity—the index of utility stocks has increased only 1 percent over this period, and PG&E's stock price has declined. Similarly, the price-to-earnings ratio for the S&P 500 index has risen during this time period while the ratio for utility stocks has decreased, and PG&E's ratio has continued to lag well behind. Second, since the start of the

[53] D.08-05-035, at 14.

[54] *Id.* at 15 n.20, 14, and 20 (Conclusions of Law 15).

pandemic, stock price beta—a key measurement of a company's systemic risk relative to the market as a whole, which serves as a multiplier for the cost of capital in standard ROE modeling[55]—has jumped for both the comparable set of utilities as well as for PG&E. Specifically, the beta for the comparable utilities has increased from approximately 0.55 to approximately 0.94 as of May 2021 and for PG&E has similarly increased from approximately 0.74 (indicating less risk than the overall market) to approximately 1.12 (indicating greater than average risk, and a higher ROE) as of May 2021. In and of itself, this major rise in beta signifies the cost of capital for utilities in general, and PG&E in particular, has been impacted differently by the pandemic than the overall financial markets, because a shift in beta necessarily represents a shift relative to the market. Third, Dr. Vilbert's COC estimates for a sample of comparable regulated electric utilities are unchanged or higher from estimates taken prior to the pandemic, further indicating that PG&E's cost of equity has not moved in tandem with the decline in interest rates.

In sum, the COVID-19 pandemic and accompanying government response have disrupted the expected relationship between interest rates and the cost of equity for PG&E and other electric utilities. Despite low interest rates, PG&E is now perceived as a *riskier* equity investment compared to the overall financial market. This constitutes a material impact to PG&E's cost of capital, and one that has affected PG&E and other electric utilities differently than the overall financial markets. While interest rates have rebounded somewhat in recent months, the pandemic has continued, as evidenced by the rise of the Delta variant during the summer of 2021. The government's utilization of the full range of its monetary policy tools has

[55] In the Capital Asset Pricing Model, traditionally used by all parties in COC proceedings, ROE is derived by multiplying beta by the market premium, then adding this product to the interest rate.

also continued in 2021, and the increased cost of equity that PG&E faces is not expected to change in the near term. It is therefore appropriate to set PG&E's COC for TY2022 at a level that accurately reflects the current economic environment, as requested in this Application.

C. Filing an Extraordinary Event Application Suspends Operation of the CCM's Formula Adjustment Mechanism

As set forth above, the CCM provides for the utilities to file full COC applications every third year for the following test year.[56] In the interim years, the CCM contemplates two methods for adjusting the utilities' COC—adjustments and updates based on operation of the Formula Adjustment Mechanism or a new COC established by a full off-cycle COC application based on an extraordinary or catastrophic event.[57] Because the Formula Adjustment Mechanism is intended to serve as a reasonable proxy for the utilities' COC in lieu of a full COC application, its operation is superseded in any year in which such applications are filed, regardless of whether the applications are regularly scheduled or off-cycle.

This conclusion is supported by the history and structure of the CCM, and the MICAM that preceded it. For example, after the utilities filed COC applications in April 2012 for TY2013, they did not subsequently submit advice letters on October 15 of that year when there was a decrease in the utility bond index that would otherwise have led the Formula Adjustment Mechanism to operate.[58] Among other reasons, the TY2013 application would set the COC as of January 1, 2013, eliminating the need to set it via the Formula Adjustment Mechanism. The result is no different for an off-cycle COC application. This off-cycle application will set the

[56] D.08-05-035 at 20-21 (Ordering Paragraph 1).

[57] *Id.*

[58] The 12-month average of the Moody's Baa utility bond index settled at 5.00 percent for the 2012 measurement period, which was more than 100 basis points below the benchmark of 6.26 percent. *See* D.13-03-015 at 10, Ordering Paragraph 6; D.08-05-035 at 13.

COC as of January 1, 2022, eliminating the need to set it via the Formula Adjustment Mechanism.

By preserving the utilities' right to file a full COC application at any time based on an extraordinary or catastrophic event, the Commission effectively maintained the off-ramp that served to suspend the MICAM's formula adjustment mechanism and "permit[] a complete re-examination of cost of capital . . . when it is needed most"—that is, "when a significant financial change occurs."[59] Like the MICAM's off-ramp, an off-cycle COC application initiates a comprehensive determination of a utility's COC and therefore supersedes operation of the Formula Adjustment Mechanism pending resolution of that proceeding.

The continuation of this aspect of the MICAM was confirmed by the CCM Joint Stipulation in Phase 2 of the TY2013 COC proceeding.[60] The CCM Joint Stipulation described the benefit of COC formula adjustment mechanisms as conserving resources by "*potentially* replacing annual cost of capital proceedings,"[61] and explicitly affirmed that "[i]n the year of cost of capital filings the CCM would not be used, because the cost of capital proceeding will set new rates for the following year."[62] As set forth above, while SDG&E had initially proposed adding a MICAM-like off-ramp to the CCM that would suspend operation of the Formula Adjustment Mechanism and require the filing of a full COC application,[63] DRA asserted that such an off-ramp was "redundant and unnecessary as D.08-05-035 already includes a provision for utilities

[59] D.03-09-008 at 5.

[60] *See* D.13-03-015, Appendix A.

[61] *Id.*, Appendix A at 2 (emphasis added).

[62] *Id.*, Appendix A at 3.

[63] *See id.*, Appendix A at 6.

to file a cost of capital application outside of the CCM process."[64] SDG&E subsequently agreed, "acknowledging that the current CCM allows utilities to file a COC application outside of the current CCM process."[65]

Consistent with this history, PG&E will not file a Tier 2 Advice Letter by October 15, 2021, to implement any adjustment that would otherwise occur if the 12-month utility bond index average exceeds the deadband. To preserve the Commission's jurisdiction, PG&E will file a motion for authorization to modify existing memorandum accounts to enable PG&E to implement in rates as of January 1, 2022 the Commission's decision on this Application. The use of such memorandum accounts will ensure that no party is prejudiced by the pendency of this Application, and is appropriate given the Application may be resolved subsequent to January 1, 2022. If the Commission grants this Application and sets a new COC for PG&E, or determines that the CCM's Formula Adjustment Mechanism should operate in 2021 (which PG&E submits would not be consistent with the history of the CCM or the factual record), the memorandum accounts will allow PG&E to implement the new COC revenue requirements as of January 1, 2022.[66]

IV. COST OF CAPITAL PROPOSALS

PG&E's requests for its authorized cost of capital are set forth below and described in more detail in the supporting testimony. The requested ROE and cost of long-term debt and

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[64] A.12-04-015, Exhibit DRA-03 at 9–10.

[65] D.13-03-015 at 5 and Appendix A at 6.

[66] If the Commission adopts the alternative request, described in Section VI of the Application, to suspend the operation of the Formula Adjustment Mechanism in 2021, PG&E's ROE will be maintained, its cost of long-term debt or preferred stock will be updated using the methodology provided in the Formula Adjustment Mechanism, and the Commission will establish PG&E's COC for Test Year 2023 through the regularly scheduled COC application due in April 2022. Any change to PG&E's revenue requirements for 2022 as a result of updating the cost of long term debt under the alternative request will be tracked in the memorandum accounts.

preferred equity would increase PG&E's overall rate of return from its currently authorized 7.34 percent to 7.72 percent. The change in the COC would increase PG&E's 2022 revenue requirements by approximately $201 million, spread over electric generation, electric distribution, gas distribution, and gas transmission and storage rates. PG&E also requests a premium of 159 basis points above the three-month non-financial commercial paper rate as reported in the Federal Reserve Statistical Release H.15 (Commercial Paper Rate) that is presently authorized for the under-collected and over-collected balances in PG&E's balancing and memorandum accounts. PG&E estimates that the proposed interest rate premium would increase PG&E's annual revenue requirements by approximately $58.7 million.[67]

A. Rate of Return on Equity

PG&E's ROE proposal is based on the financial modeling results of PG&E witness Dr. Michael Vilbert, as set forth in Chapter 3 – Return on Equity. Dr. Vilbert, using data from a proxy group of utilities generally comparable to PG&E, estimates the ROE for these utilities using three general methodologies: (1) risk positioning, which includes the Capital Asset Pricing Model ("CAPM") and the empirical CAPM ("ECAPM"), (2) risk premium, and (3) discounted cash flow ("DCF"). To corroborate his electric utility proxy results, Dr. Vilbert also applies these methodologies using a group of water and gas utilities, which are viewed as less risky than electric utilities.

Based on the application of these methodologies to the relevant proxy groups, Dr. Vilbert estimates the ROE for an average-risk regulated electric utility with a 52 percent equity ratio to

[67] This estimate is based on applying the 159 basis point premium to an average of 2019 and 2020 memorandum and balancing account balances that are subject to the short-term debt rate return, as described in Chapter 5 – Cost of Short-Term Debt (M. Becker). The figure of $58.7 million is an estimate; the actual impact will depend on the actual balances in the balancing and memorandum accounts, which vary over time and are updated monthly.

be 10.5 percent, with a reasonable range of 10 to 11 percent. Due to the above-average risk faced by PG&E as compared to the sample of investment grade and dividend paying utilities, Dr. Vilbert concludes that an authorized ROE at the top of this range, or 11.0 percent, represents a fair and reasonable ROE for PG&E. The presence of the asymmetric, operational risks discussed in Chapter 1 – Introduction and Cost of Capital Proposal (M. Becker), which impact PG&E's opportunity to earn its authorized COC, are further reason that placing PG&E at the top end of the reasonable range of ROE, as recommended by Dr. Vilbert, is conservative and appropriate.

**B.	Capital Structure**

PG&E is not requesting any change to its currently authorized regulatory capital structure of 52 percent common equity, 47.5 percent long-term debt, and 0.5 percent preferred stock.[68] The Commission previously approved a regulatory capital structure with 52 percent common equity for all three of the major electric utilities, indicating that a regulatory capital structure with at least that level of equity can represent an appropriate balance between the need to ensure the utilities maintain reasonable credit ratings and attract capital and the need to adequately protect ratepayers. Additionally, as PG&E explained in connection with its Test Year 2020 COC application, an equity ratio of at least 52 percent is needed to support an "A" credit rating from the rating agencies, the optimal credit rating for both PG&E and its ratepayers.[69] Maintaining the current authorized regulatory capital structure is thus critical to facilitate PG&E's long-term

[68] PG&E currently has less than 52 percent equity on its financial books, primarily because PG&E issued debt in connection with its July 1, 2020 emergence from Chapter 11 to pay a portion of the $25.5 billion in wildfire liabilities satisfied and discharged by PG&E's Plan of Reorganization. In D.20-05-053, the Commission granted PG&E a five-year waiver of the capital structure requirement for "financing in place upon PG&E's exit from bankruptcy." D.20-05-053 at 84. Consistent with D.20-05-053, PG&E is executing on its plan to deleverage and return to its authorized capital structure over time.

[69] *See* PG&E Cost of Capital 2020, Prepared Testimony, Chapter 4.

goal of returning to the optimal A category credit rating, which PG&E achieved prior to the devastating wildfires in 2017 and 2018 and resulting Chapter 11 proceeding.[70]

C. Cost of Long-Term Debt and Preferred Stock

In July of 2020, PG&E updated its cost of long-term debt to 4.17 percent following its emergence from Chapter 11, reducing it from 5.16 percent as authorized.[71] Based on its current forecast, PG&E's cost of long-term debt is projected to decrease slightly for TY2022, to 4.14 percent. This forecast represents the average of PG&E's current forecasts for the cost of long-term debt at the conclusion of 2021 and 2022, using the methodology described in Chapter 4 – Cost of Long-Term Debt and Preferred Stock (M. Cruz). PG&E's embedded cost of preferred stock is projected to remain unchanged from the COC 2020 proceeding, at its contract price of 5.52 percent. No preferred stock transactions have occurred since PG&E's prior COC filing, and PG&E does not expect any issuances or redemptions of preferred stock for the remainder of 2021 or in 2022.

D. Cost of Short-Term Debt

Because PG&E's current credit ratings preclude it from issuing commercial paper now or in the near term, PG&E requests a premium of 159 basis points above the Commercial Paper Rate presently applicable to the under-collected and over-collected balances in PG&E's balancing and memorandum accounts. This premium reflects the average difference between the Commercial Paper Rate and PG&E's actual cost of short-term debt over the last twelve months, as described in more detail in Chapter 5 – Cost of Short-Term Debt (M. Becker). As described therein, PG&E has incurred approximately $83 million in revenue shortfalls over the last twelve

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[70] *See RatingsDirect: PG&E Corp.*, S&P GLOBAL (May 20, 2021), at 15.

[71] Advice 4275-G/5887-E, submitted July 22, 2020.

months because of this difference between its actual and authorized financing costs for memorandum and balancing accounts.

PG&E's request is consistent with prior Commission decisions adopting interest rate premiums for periods of time when SDG&E and SCE had actual short-term financing costs that were materially higher than the Commercial Paper Rate.[72] Consistent with the Commission's previous determination that deviations from the Commercial Paper Rate should balance shareholder and ratepayer interests, PG&E proposes to implement the same premium for under-collected and over-collected balances in its balancing and memorandum accounts. The premium would end at such time as PG&E is able to issue Tier 1 commercial paper.[73]

As further detailed in Chapter 5 – Cost of Short-Term Debt (M. Becker), PG&E proposes to submit a Tier 2 advice letter to adjust the interest rate premium on an annual basis, to capture any changes in PG&E's short-term debt cost that may result from changes in PG&E's credit ratings or changes with respect to PG&E's short-term debt facilities. In addition, in the next regularly scheduled COC application, proposed to be due in April 2024, PG&E will update the Commission on its access to the commercial paper market.

E. Cost of Capital Mechanism

At this time, PG&E does not propose any change to the CCM or the Formula Adjustment Mechanism. Unless the Commission adopts the alternative request to suspend operation of the Formula Adjustment Mechanism in 2021, PG&E requests that the Commission affirm that this

[72] *See* D.91269, 3 CPUC 2d 197, 1980 Cal. PUC LEXIS 90, at *6 (Jan. 29, 1980) (granting SDG&E's request for 50 basis point premium over three-month commercial paper rate "to reflect SDG&E's higher borrowing costs associated with its lower financial credit rating"); D.04-01-048 at 2 (authorizing SCE to recover "temporary premium of three-fourths the difference between the three-month commercial paper rate and SCE's actual cost of short-term financing for ERRA undercollected balances").

[73] Under the rating methodology used by S&P and Moody's, PG&E would need a short-term credit rating of A1 from S&P and P1 from Moody's to issue Tier 1 commercial paper.

Application resets the three-year CCM cycle such that PG&E's next regularly scheduled COC application will be due in April 2024 for TY2025. PG&E further requests that the Commission reset the applicable benchmark interest rate for the CCM's Formula Adjustment Mechanism to the October 2020 through September 2021 monthly average of Moody's Baa utility bond index, consistent with the standard operation of the CCM.[1]

I. RATE IMPLEMENTATION

A. Revenue Requirement Changes

On a 2022 test year basis, the proposed COC will produce revenue requirement increases of approximately $122 million and $47.7 million from present rates for PG&E's electric generation and distribution and gas distribution operations, respectively, assuming the currently authorized rate bases. The revenues for the gas transmission and storage operations will increase by approximately $31.6 million.

As discussed in Section IV, PG&E requests a short-term debt interest rate premium for its memorandum and balancing accounts. If this proposal is adopted, PG&E estimates the revenue requirement would increase by approximately $58.7 million.

B. PG&E's Present Rates

PG&E's current rates and charges for electric utility generation and distribution, and for gas distribution, transmission and storage service, are contained in PG&E's electric and gas tariffs, schedules, and special contracts, which are on file with the Commission. These tariffs, schedules, and contracts were filed with and made effective by the Commission in its decisions, orders, resolutions, and acceptances of advice letter filings.

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[1] *See* D.13-03-015 at 10–11 (Ordering Paragraphs 6 and 7) (resetting the Moody's A and Baa utility bond benchmarks to the index averages for the 12-month period ending September 2012).

C. PG&E's Rate Proposal

PG&E proposes to implement any revenue requirements change resulting from a decision in this proceeding in gas and electric rates beginning as of January 1, 2022.

In connection with this Application, PG&E will file a motion for authorization to modify existing memorandum accounts to preserve the ability to implement the Commission's decision in this proceeding as of January 1, 2022. As a result of the filing of this off-cycle application based on an extraordinary or catastrophic event, PG&E's current COC will remain in effect pending the Commission's decision in this proceeding. The memorandum accounts will record the authorized revenue requirements based on the current COC. Upon a decision of the Commission in this proceeding, PG&E proposes to compute the revenue requirements from January 1, 2022 using the rates of return authorized in this proceeding and to record an entry in the memorandum accounts reflecting those new revenue requirements. The difference, positive or negative, between what was collected and the new revenue requirements will be recovered or refunded in rates.

To effectuate the above, PG&E requests authorization to (1) use the existing Cost of Capital Subaccount of the Adjustment Mechanism for Costs Determined in Other Proceedings ("AMCDOP") for gas transmission and storage ("GT&S"), and (2) establish new Cost of Capital subaccounts within the existing General Rate Case Memorandum Accounts ("GRCMAs") for its electric and gas business lines established in connection with A.18-12-009. Pro forma tariff language for these subaccounts will be presented in the motion.

VI. A ONE-YEAR SUSPENSION OF THE FORMULA ADJUSTMENT MECHANISM IS AN APPROPRIATE ALTERNATIVE FORM OF RELIEF

The Commission, in the alternative, could suspend operation of the CCM's Formula Adjustment Mechanism in 2021 such that there would be no ROE adjustment in 2022. PG&E submits that suspension of the Formula Adjustment Mechanism would be appropriate. As set forth above and in more detail in the supporting testimony, the COVID-19 pandemic and related government response have led to a breakdown of the expected relationship between the utilities' cost of debt and cost of equity that underlies the CCM's Formula Adjustment Mechanism. Because of this breakdown, the Formula Adjustment Mechanism is not a reasonable proxy for PG&E's cost of equity under current economic conditions.

A one-year suspension of the Formula Adjustment Mechanism would be an appropriate and proportionate response based on these economic conditions. This alternative would provide stability by maintaining the currently authorized ROE and would allow the utilities and the Commission to remain on the current COC proceeding cycle, with a regularly scheduled application to be filed in April 2022 for TY2023. Importantly, if the Commission adopts this alternative relief, PG&E agrees to update the cost of long-term debt and preferred stock using the methodology provided in the Formula Adjustment Mechanism, which would have the effect of lowering rates for PG&E's customers in 2022.

Further support for suspension of the Formula Adjustment Mechanism in 2021 is found in the decision that suspended operation of the CCM's Formula Adjustment Mechanism during the financial crisis in 2009.[75] Because the Adjustment Mechanism failed to capture economic reality during the 2008–09 financial crisis, the utilities and the Public Advocates Office settled

[75] D.09-10-016.

on the solution of suspending the mechanism from operating to increase ROR in 2010. Likewise, because the Adjustment Mechanism has again failed to capture economic reality under present market conditions, an appropriate solution would be to suspend the mechanism from operating to decrease ROE in 2022.

If the Commission adopts this alternative request to suspend the operation of the Formula Adjustment Mechanism in 2021, PG&E's ROE will be maintained pending the Commission's decision on the regularly scheduled COC application due in April 2022 for Test Year 2023. Any change to PG&E's revenue requirements for 2022 as a result of updating the cost of long-term debt or preferred stock using the methodology provided in the Formula Adjustment Mechanism will be tracked in the memorandum accounts, if authorized by the Commission.

VII. COMPLIANCE WITH THE COMMISSION'S RULES OF PRACTICE AND PROCEDURE

A. Legal Name and Principal Place of Business (Rule 2.1(a))

PG&E is, and since October 10, 1905, has been, an operating public utility corporation organized under California law. It is engaged principally in the business of furnishing electric and gas service in northern and central California.

PG&E's principal place of business is in San Francisco, California. Its address is 77 Beale B30A, San Francisco, CA, 94105. Its telephone number is (415) 973-7950 and its attorney contact is Tessa M.G. Carlberg.

B. Correspondence and Communication (Rule 2.1(b))

All correspondence, communications and service of papers regarding this Application should be directed to:

Tessa M.G. Carlberg
Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105

Telephone: (415) 973-7950
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Kimberly Chang
Pacific Gas and Electric Company
77 Beale Street, San Francisco, CA 94105
Telephone: (415) 972-5472
E-Mail: Kimberly.Chang@pge.com

C. Articles of Incorporation (Rule 2.2)

A certified copy of PG&E's Amended and Restated Articles of Incorporation, effective June 22, 2020, was filed with the Commission on July 1, 2020, in A.20-07-002. These Articles are incorporated herein by reference.

D. Balance Sheet and Income Statement (Rule 3.2(a)(2))

PG&E's most recent balance sheet and income statement are attached as Exhibit A to this Application.

E. Statement of Presently Effective Rates (Rule 3.2(a)(2))

PG&E's presently effective electric rates are attached as Exhibit B to this Application. PG&E's presently effective gas rates were filed with the Commission on June 30, 2021, in A.21-06-021, and are incorporated herein by reference.

F. Statement of Proposed Changes (Rule 3.2(a)(3)

The proposed changes are set forth in Exhibits C and D of this Application.

G. General Description of Property and Equipment (Rule 3.2(a)(4)

As of June 30, 2021, PG&E's operative plant and equipment, and applicable depreciation reserves, consistent with PG&E's 2023 GRC filing, are as follows:

A detailed description of PG&E's properties and equipment was included in PG&E's exhibits submitted in support of PG&E's 2023 GRC filing, A.21-06-021, filed on June 30, 2021, which is incorporated herein by reference.

H. Summary of Earnings and Revenues (Rule 3.2(a)(5) and Rule 3.2(a)(6))

A summary of 2020 recorded revenues, rate bases, expenses and rate of return for PG&E's Electric Department, Gas Department, and all operating departments was filed with the Commission on June 30, 2021, in A.21-06-021, and is incorporated herein by reference.

PG&E also presents Table 1 below, an estimate of returns as currently authorized.

Table 1 – Estimated Returns at Present Rates

2022					
	Electric Distribution Non AB1054	Electric Distribution AB 1054	Generation	Gas Distribution	Gas Transmission
Return on Rate Base	**1.56%**	**5.20%**	**8.16%**	**6.37%**	**5.29%**
Return on Common Equity	**(0.87%)**	**0.00%**	**11.83%**	**8.39%**	**6.31%**

PG&E used the authorized cost of capital rates adopted in D.19-12-056 in its earnings calculations, consistent with Commission requirements "to use the most recently authorized rate of return in its calculations supporting its results of operations presentation."[76]

I. Statement of Election of Method of Computing Depreciation Deduction for Federal Income Tax (Rule 3.2(a)(7))

A statement of the method of computing the depreciation deduction for federal income tax purposes was included in Attachment J to PG&E's 2023 GRC Phase I Application, A.21-06-021, which is incorporated herein by reference.

J. Most Recent Proxy Statement (Rule 3.2(a)(8))

PG&E's most recent proxy statement, dated April 8, 2021, was filed with the Commission on June 1, 2021, in A.21-06-001, and is incorporated herein by reference.

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76 D.07-07-004, *mimeo*, Appendix A, p. A-30, ¶ 2.

K. Type of Rate Change Requested (Rule 3.2(a)(10))

The proposed rate change reflects changes in PG&E's cost of capital for equity and debt, and maintenance of the currently authorized capital structure.

L. Categorization (Rule 2.1(c))

PG&E proposes that this Application be categorized as a "ratesetting proceeding" within the meaning of Rule 1.3(g) of the Commission's Rules of Practice and Procedure.

M. Need for Hearing (Rule 2.1(c))

PG&E anticipates that evidentiary hearings will be requested. PG&E's proposed schedule is set forth in subsection R, below.

N. Statutory Authority

PG&E submits this Application pursuant to Public Utilities Code sections 451, 454, 728, 729, 740.4, and 795, the Commission's Rules of Practice and Procedure, and Commission Decisions 08-05-035 (Conclusion of Law 6) and 19-12-056 (Ordering Paragraph 7).

O. Issues to Be Considered (Rule 2.1(c))

The principal issues to be considered are:

1. What should PG&E's authorized rate of return on equity capital be for its electric distribution and generation operations, and its gas distribution, transmission, and storage operations in Test Year 2022?

2. What should PG&E's authorized cost of long-term debt and preferred stock be for Test Year 2022?

3. Should PG&E's regulatory capital structure for Test Year 2022 remain at 52 percent equity, 47.5 percent debt, and 0.5 percent preferred stock?

4. Should the Commission continue the Cost of Capital Mechanism and Formula Adjustment Mechanism as currently constituted for 2023 and 2024?

5. Should a premium over the three-month commercial paper rate applicable to PG&E's balancing and memorandum accounts be authorized based on PG&E's actual cost of short-term debt?

6. Instead of proceeding with a cost of capital application for Test Year 2022, should operation of the Cost of Capital Mechanism's Formula Adjustment Mechanism be suspended in 2021 based on the recent and current economic conditions, so as to maintain PG&E's current ROE in 2022, to update PG&E's cost of long-term debt and preferred stock using the methodology provided in the Formula Adjustment Mechanism, and to proceed with PG&E's regularly scheduled application in April 2022 for Test Year 2023?

P. Relevant Safety Considerations (Rule 2.1(c))

In D.16-01-017, the Commission adopted an amendment to Rule 2.1(c) requiring utilities' applications to clearly state the relevant safety considerations. The Commission has previously explained that the "safe and reliable provision of utilities at predictable rates promotes public safety." D.14-12-053, at pages 12–13. Safety is the highest priority for PG&E in all its activities. PG&E has considered safety in connection with the 2022 Cost of Capital Application and proposal. Because this Application is to authorize a cost of capital sufficient to attract capital, which PG&E must do to provide safe and reliable utility service, PG&E believes its proposals will support the provision of safe and reliable service.

Q. Notice and Service of Application (Rule 3.2(b)-(d))

Within 20 days after filing this Application, PG&E will mail a notice stating in general terms the proposed revenues, rate changes and ratemaking mechanisms required in this Application to the parties listed in Exhibit E, including the State of California and cities and counties served by PG&E. The application and testimony are also being served on the parties of record in PG&E's 2023 GRC I, (A.21-06-021), PG&E's 2020 GRC I (A.18-12-009), PG&E's most recent Cost of Capital case (A.19-04-015), and PG&E's most recent GT&S case (A.17-11-009).

PG&E will publish in newspapers of general circulation in each county in its service area a notice of filing this Application. Within 45 days of filing this Application, PG&E will also include notices with the regular bills mailed to all customers affected by the proposed changes.

R. Proposed Schedule (Rule 2.1(c))

Activity	**Date**
Application Filed	August 23, 2021
Motion Requesting Memorandum Accounts filed Motion to Consolidate filed	August 23, 2021
Responses to motions	15 days after filing of motions
Protests and Responses Due (approximate deadline, depending on notice in Daily Calendar)	September 22, 2021
Reply to Protests / Responses Due (approximate deadline, depending on notice in Daily Calendar)	October 4, 2021
Prehearing Conference	October 7, 2021
Public Advocates/Intervenor Testimony	November 17, 2021
Rebuttal Testimony	December 20, 2021
Evidentiary Hearings	Mid-January 2022
Opening Briefs	Late-February 2022
Reply Briefs	Mid-March 2022
Proposed Decision	April 2022
Final Decision	May 2022

VIII. RELIEF REQUESTED

PG&E has served this Application, as stated in the accompanying certificate of service. PG&E is also serving its testimony with this Application or providing access through a notice of availability. PG&E is ready to proceed with its showing in support of its proposals set forth herein.

WHEREFORE, Pacific Gas & Electric Company respectfully requests the Commission to issue appropriate orders:

1. Establishing PG&E's cost of capital for Test Year 2022 as follows:

    - Authorizing 11 percent as the cost of equity capital for PG&E's electric distribution and generation operations, and its gas distribution, transmission and storage operations in 2022.

    - Authorizing 4.14 percent as PG&E's cost of long-term debt for 2022.

    - Authorizing 5.52 percent as PG&E's cost of preferred stock for 2022.

    - Authorizing a 2022 utility capital structure for PG&E of 52 percent equity, 47.5 percent debt, and 0.5 percent preferred stock, consistent with its current utility capital structure.

    - Authorizing continuation of the Cost of Capital Mechanism, including the Formula Adjustment Mechanism for 2023 and 2024.

    - Resetting the applicable benchmark to the average of the Moody's Investors Service long-term Baa rated utility bond index for the 12-month period ending September 30, 2021.

    - Resetting the three-year Cost of Capital Mechanism cycle such that PG&E's next regularly scheduled cost of capital application is due in April 2024 for Test Year 2025.

2. Authorizing a premium for PG&E of 159 basis points over the three-month commercial paper rate to be applicable to under- and over-collections in PG&E's balancing and memorandum accounts, which will be adjusted on an annual basis and will end when PG&E is able to issue Tier 1 commercial paper.

3. Instead of proceeding with a cost of capital application for Test Year 2022:

    - Suspending the Cost of Capital Mechanism's Formula Adjustment Mechanism from operating in 2021.

    - Maintaining PG&E's current ROE for 2022.

    - Updating PG&E's cost of long-term debt and preferred stock for 2022 using the methodology provided in the Formula Adjustment Mechanism.

    - Proceeding with PG&E's regularly scheduled cost of capital application in April 2022 for Test Year 2023.

4. Granting PG&E such other and further relief as the Commission finds to be just and reasonable.

Respectfully submitted,

TESSA M.G. CARLBERG

/s/ Tessa M.G. Carlberg
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Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Dated: August 23, 2021

VERIFICATION

I, the undersigned, say:

I am an officer of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, and am authorized to make this verification for that reason; I have read the foregoing "Application of Pacific Gas and Electric Company (U 39 M) for Test Year 2022 Cost of Capital or, in the Alternative, for Suspension of Cost of Capital Adjustment Mechanism for 2021," and I am informed and believe the matters therein are true and on that ground I allege that the matters stated therein are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at San Francisco, California this 23 day of August 2021.

/s/ Margaret K. Becker

MARGARET K. BECKER
Vice President and Treasurer
Pacific Gas and Electric Company

EXHIBIT A

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	(Unaudited)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2021**	**2020**	**2021**	**2020**
Operating Revenues				
Electric	$ 3,951	$ 3,435	$ 7,346	$ 6,475
Natural gas	1,264	1,098	2,585	2,364
Total operating revenues	**5,215**	**4,533**	**9,931**	**8,839**
Operating Expenses				
Cost of electricity	847	759	1,437	1,304
Cost of natural gas	187	134	494	418
Operating and maintenance	2,581	2,145	4,912	4,110
Wildfire-related claims, net of insurance recoveries	(5)	170	167	170
Wildfire Fund expense	118	173	237	173
Depreciation, amortization, and decommissioning	851	874	1,739	1,729
Total operating expenses	**4,579**	**4,255**	**8,986**	**7,904**
Operating Income	**636**	**278**	**945**	**935**
Interest income	15	12	17	28
Interest expense	(342)	(189)	(690)	(441)
Other income, net	124	93	257	186
Reorganization items, net	(10)	(111)	(12)	(204)
Income Before Income Taxes	**423**	**83**	**517**	**504**
Income tax provision (benefit)	(17)	556	(100)	526
Net Income (Loss)	**440**	**(473)**	**617**	**(22)**
Preferred stock dividend requirement	4	4	7	7
Income (Loss) Attributable to Common Stock	**$ 436**	**$ (477)**	**$ 610**	**$ (29)**

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	(Unaudited)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2021	2020	2021	2020
Net Income (Loss)	$ 440	$ (473)	$ 617	$ (22)
Other Comprehensive Income				
Pension and other post-retirement benefit plans obligations (net of taxes of $0, $0, $0, and $0, respectively)	—	—	—	—
Total other comprehensive income	—	—	—	—
Comprehensive Income (Loss)	$ 440	$ (473)	$ 617	$ (22)

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited) Balance At	
(in millions)	**June 30, 2021**	**December 31, 2020**
ASSETS		
Current Assets		
Cash and cash equivalents	$ 233	$ 261
Restricted cash	12	143
Accounts receivable:		
Customers (net of allowance for doubtful accounts of $304 million and $146 million at respective dates) (includes $1.67 billion and $1.63 billion related to VIEs, net of allowance for doubtful accounts of $304 million and $143 million at respective dates)	1,909	1,883
Accrued unbilled revenue (includes $1.03 billion and $959 million related to VIEs at respective dates)	1,134	1,083
Regulatory balancing accounts	2,759	2,001
Other	1,324	1,180
Regulatory assets	622	410
Inventories:		
Gas stored underground and fuel oil	44	95
Materials and supplies	521	533
Wildfire Fund asset	464	464
Other	1,181	1,321
Total current assets	**10,203**	**9,374**
Property, Plant, and Equipment		
Electric	69,239	66,982
Gas	25,082	24,135
Construction work in progress	2,778	2,757
Other	18	18
Total property, plant, and equipment	**97,117**	**93,892**
Accumulated depreciation	(28,773)	(27,756)
Net property, plant, and equipment	**68,344**	**66,136**
Other Noncurrent Assets		
Regulatory assets	8,914	8,978
Nuclear decommissioning trusts	3,697	3,538
Operating lease right of use asset	1,474	1,736
Wildfire Fund asset	5,584	5,816
Income taxes receivable	67	66
Other	1,962	1,818
Total other noncurrent assets	**21,698**	**21,952**
TOTAL ASSETS	**$ 100,245**	**$ 97,462**

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	Balance At	
(in millions. except share amounts)	**June 30, 2021**	**December 31, 2020**
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings	$ 2,119	$ 3,547
Long-term debt, classified as current	4,488	—
Accounts payable:		
Trade creditors	2,249	2,366
Regulatory balancing accounts	1,067	1,245
Other	660	624
Operating lease liabilities	413	530
Interest payable	429	444
Disputed claims and customer refunds	245	242
Wildfire-related claims	1,668	2,250
Other	2,079	2,248
Total current liabilities	**15,417**	**13,496**
Noncurrent Liabilities		
Long-term debt (includes $1.0 billion related to VIEs at respective dates)	31,361	32,664
Regulatory liabilities	11,218	10,424
Pension and other post-retirement benefits	2,256	2,328
Asset retirement obligations	6,554	6,412
Deferred income taxes	1,820	1,570
Operating lease liabilities	1,061	1,206
Other	4,465	3,886
Total noncurrent liabilities	**58,735**	**58,490**
Shareholders' Equity		
Preferred stock	258	258
Common stock, $5 par value, authorized 800,000,000 shares; 264,374,809 shares outstanding at respective dates	1,322	1,322
Additional paid-in capital	28,286	28,286
Reinvested earnings	(3,768)	(4,385)
Accumulated other comprehensive loss	(5)	(5)
Total shareholders' equity	**26,093**	**25,476**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 100,245**	**$ 97,462**

See accompanying Notes to the Condensed Consolidated Financial Statements.

EXHIBIT B

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

RESIDENTIAL RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE E-1			1
2	MINIMUM BILL ($/MONTH)	$10.12	$10.12	2
3	ES UNIT DISCOUNT ($/UNIT/MONTH)	$0.95	$0.95	3
4	ET UNIT DISCOUNT ($/UNIT/MONTH)	$1.88	$1.88	4
5	ES/ET MINIMUM RATE LIMITER ($/KWH)	$0.04892	$0.04892	5
6	ENERGY ($/KWH)			6
7	TIER 1 (Baseline Quantity - BQ)	$0.26071	$0.26071	7
8	TIER 2 > 100% of BQ	$0.32751	$0.32751	8
10	High User Surcharge (HUS) > 400% of BQ	$0.40939	$0.40939	9
10	SCHEDULE E-TOU-C			10
11	MINIMUM BILL ($/MONTH)	$10.12	$10.12	11
12	ENERGY ($/KWH)			12
13	ON-PEAK	$0.41972	$0.32264	13
14	OFF-PEAK	$0.35628	$0.30531	14
15	BASELINE CREDIT (APPLIED TO BASELINE USAGE ONLY)	($0.07575)	($0.07575)	15
16	SCHEDULE E-TOU-D			16
17	MINIMUM BILL ($/MONTH)	$10.12	$10.12	17
18	ENERGY ($/KWH)			18
19	ON-PEAK	$0.37809	$0.30422	19
20	OFF-PEAK	$0.28313	$0.28684	20

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

RESIDENTIAL RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE E-6 / EM-TOU			1
2	MINIMUM BILL ($/MONTH)	$10.12	$10.12	2
3	E-6 METER CHARGE ($/MONTH)	$7.70	$7.70	3
4	ON-PEAK ENERGY ($/KWH)			4
5	TIER 1 (Baseline Quantity - BQ)	$0.42186		5
6	TIER 2 > 100% of BQ	$0.49761		6
7	PART-PEAK ENERGY ($/KWH)			7
8	TIER 1 (Baseline Quantity - BQ)	$0.30343	$0.24937	8
9	TIER 2 > 100% of BQ	$0.37918	$0.32512	9
10	OFF-PEAK ENERGY ($/KWH)			10
11	TIER 1 (Baseline Quantity - BQ)	$0.22820	$0.23254	11
12	TIER 2 > 100% of BQ	$0.30395	$0.30829	12
13	SCHEDULE EV: RATE A			25
14	MINIMUM BILL ($/MONTH)	$10.12	$10.12	26
15	ON-PEAK ENERGY ($/KWH)	$0.56483	$0.41127	27
16	PART-PEAK ENERGY ($/KWH)	$0.30869	$0.24932	28
17	OFF-PEAK ENERGY ($/KWH)	$0.14427	$0.14769	29
18	SCHEDULE EV: RATE B			30
19	EV-B METER CHARGE ($/MONTH)	$1.50	$1.50	31
20	ON-PEAK ENERGY ($/KWH)	$0.55885	$0.40490	32
21	PART-PEAK ENERGY ($/KWH)	$0.30570	$0.24613	33
22	OFF-PEAK ENERGY ($/KWH)	$0.14384	$0.14723	34
23	SCHEDULE EV: RATE 2A			23
24	MINIMUM BILL ($/MONTH)	$10.12	$10.12	24
25	ON-PEAK ENERGY ($/KWH)	$0.49781	$0.37070	25
26	PART-PEAK ENERGY ($/KWH)	$0.38732	$0.35400	26
27	OFF-PEAK ENERGY ($/KWH)	$0.18530	$0.18531	27

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

SMALL L&P RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE A-1			1
2	CUSTOMER CHARGE: SINGLE-PHASE ($/MO.)	$10.00	$10.00	2
3	CUSTOMER CHARGE: POLYPHASE ($/MO.)	$25.00	$25.00	3
4	ENERGY ($/KWH)	$0.28607	$0.22909	4
5	SCHEDULE A-1 TOU			5
6	CUSTOMER CHARGE: SINGLE-PHASE ($/MO.)	$10.00	$10.00	6
7	CUSTOMER CHARGE: POLYPHASE ($/MO.)	$25.00	$25.00	7
8	ENERGY ($/KWH)			8
9	ON-PEAK	$0.28871		9
10	PART-PEAK	$0.28871	$0.24112	10
11	OFF-PEAK	$0.26400	$0.24054	11
12	SCHEDULE A-6			12
13	CUSTOMER CHARGE: SINGLE-PHASE ($/MO.)	$10.00	$10.00	13
14	CUSTOMER CHARGE: POLYPHASE ($/MO.)	$25.00	$25.00	14
15	METER CHARGE ($/MONTH)	$6.12	$6.12	15
16	METER CHARGE - RATE W ($/MONTH)	$1.80	$1.80	16
17	METER CHARGE - RATE X ($/MONTH)	$6.12	$6.12	17
18	ENERGY ($/KWH)			18
19	ON-PEAK	$0.44386		19
20	PART-PEAK	$0.30363	$0.24532	20
21	OFF-PEAK	$0.25437	$0.24428	21
22	SCHEDULE A-15			22
23	CUSTOMER CHARGE ($/MONTH)	$10.00	$10.00	23
24	FACILITY CHARGE ($/MONTH)	$25.00	$25.00	24
25	ENERGY ($/KWH)	$0.28607	$0.22909	25
26	SCHEDULE TC-1			26
27	CUSTOMER CHARGE ($/MONTH)	$15.00	$15.00	27
28	ENERGY ($/KWH)	$0.20565	$0.20565	28

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

SMALL L&P RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE B-1			1
2	CUSTOMER CHARGE: SINGLE-PHASE ($/MO.)	$10.00	$10.00	2
3	CUSTOMER CHARGE: POLYPHASE ($/MO.)	$25.00	$25.00	3
4	ENERGY ($/KWH)			4
5	ON-PEAK	$0.33479	$0.25937	5
6	PART-PEAK	$0.28556		6
7	OFF-PEAK	$0.26475	$0.24325	7
8	SUPER OFF-PEAK		$0.22683	8
9	SCHEDULE B1-ST			9
10	CUSTOMER CHARGE: SINGLE-PHASE ($/MO.)	$10.00	$10.00	10
11	CUSTOMER CHARGE: POLYPHASE ($/MO.)	$25.00	$25.00	11
12	DEMAND CHARGE ($/KW/MONTH ASSESSED FROM	$4.28	$4.28	12
13	2PM - 11PM ONLY)			13
14	ENERGY ($/KWH)			14
15	ON-PEAK	$0.39816	$0.30021	15
16	PART-PEAK	$0.25686	$0.27071	16
17	OFF-PEAK	$0.20953	$0.18166	17
18	SUPER OFF-PEAK		$0.16524	18
9	SCHEDULE B-6			9
10	CUSTOMER CHARGE: SINGLE-PHASE ($/MO.)	$10.00	$10.00	10
11	CUSTOMER CHARGE: POLYPHASE ($/MO.)	$25.00	$25.00	11
12	ENERGY ($/KWH)			12
13	ON-PEAK	$0.36517	$0.25756	13
14	OFF-PEAK	$0.24723	$0.23781	14
15	SUPER OFF-PEAK		$0.22140	15

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

MEDIUM L&P RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE A-10			1
2	CUSTOMER CHARGE ($/MONTH)	$168.54	$168.54	2
3	MAXIMUM DEMAND CHARGE ($/KW/MO)			3
4	SECONDARY VOLTAGE	$15.82	$15.82	4
5	PRIMARY VOLTAGE	$15.54	$15.54	5
6	TRANSMISSION VOLTAGE	$10.72	$10.72	6
7	ENERGY CHARGE ($/KWH)			7
8	SECONDARY VOLTAGE	$0.19211	$0.15450	8
9	PRIMARY VOLTAGE	$0.18022	$0.14502	9
10	TRANSMISSION VOLTAGE	$0.13345	$0.11633	10
11	SCHEDULE A-10 TOU			11
12	CUSTOMER CHARGE ($/MONTH)	$168.54	$168.54	12
13	MAXIMUM DEMAND CHARGE ($/KW/MO)			13
14	SECONDARY VOLTAGE	$15.82	$15.82	14
15	PRIMARY VOLTAGE	$15.54	$15.54	15
16	TRANSMISSION VOLTAGE	$10.72	$10.72	16
17	ENERGY CHARGE ($/KWH)			17
18	SECONDARY			18
19	ON PEAK	$0.20536		19
20	PARTIAL PEAK	$0.20536	$0.15489	20
21	OFF-PEAK	$0.17857	$0.15418	21
22	PRIMARY			22
23	ON PEAK	$0.19452		23
24	PARTIAL PEAK	$0.19452	$0.14540	24
25	OFF-PEAK	$0.16920	$0.14473	25
26	TRANSMISSION			26
27	ON PEAK	$0.14861		27
28	PARTIAL PEAK	$0.14861	$0.11672	28
29	OFF-PEAK	$0.12396	$0.11606	29
30	SCHEDULE B-10			30
31	CUSTOMER CHARGE ($/MONTH)	$168.54	$168.54	31
32	MAXIMUM DEMAND CHARGE ($/KW/MO)			32
33	SECONDARY VOLTAGE	$14.43	$14.43	33
34	PRIMARY VOLTAGE	$14.15	$14.15	34
35	TRANSMISSION VOLTAGE	$10.86	$10.86	35
36	ENERGY CHARGE ($/KWH)			36
37	SECONDARY			37
38	ON-PEAK	$0.27142	$0.19515	38
39	PART-PEAK	$0.20973		39
40	OFF-PEAK	$0.17716	$0.15967	40
41	SUPER OFF-PEAK		$0.12333	41
42	PRIMARY			42
43	ON-PEAK	$0.25611	$0.18325	43
44	PART-PEAK	$0.19781		44
45	OFF-PEAK	$0.16697	$0.14961	45
46	SUPER OFF-PEAK		$0.11327	46
47	TRANSMISSION			47
48	ON-PEAK	$0.19763	$0.14458	48
49	PART-PEAK	$0.14089		49
50	OFF-PEAK	$0.11082	$0.11174	50
51	SUPER OFF-PEAK		$0.07540	51

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

E-19 FIRM RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE E-19 T FIRM			1
2	CUSTOMER CHARGE > 500 KW ($/MONTH)	$1,589.75	$1,589.75	2
3	CUSTOMER CHARGE < 500 KW ($/MONTH)	$168.54	$168.54	3
4	TOU METER CHARGE - RATES V & X ($/MONTH)	$168.54	$168.54	4
5	TOU METER CHARGE - RATE W ($/MONTH)	$168.54	$168.54	5
6	DEMAND CHARGE ($/KW/MONTH)			6
7	ON-PEAK	$8.90		7
8	PARTIAL PEAK	$8.90	$0.00	8
9	MAXIMUM	$12.38	$12.38	9
10	ENERGY CHARGE ($/KWH)			10
11	ON-PEAK	$0.09649		11
12	PARTIAL-PEAK	$0.09649	$0.08840	12
13	OFF-PEAK	$0.09083	$0.08774	13
14	SCHEDULE E-19 P FIRM			14
15	CUSTOMER CHARGE > 500 KW ($/MONTH)	$1,294.11	$1,294.11	15
16	CUSTOMER CHARGE < 500 KW ($/MONTH)	$168.54	$168.54	16
17	TOU METER CHARGE - RATES V & X ($/MONTH)	$168.54	$168.54	17
18	TOU METER CHARGE - RATE W ($/MONTH)	$168.54	$168.54	18
19	DEMAND CHARGE ($/KW/MONTH)			19
20	ON-PEAK	$11.63		20
21	PARTIAL PEAK	$9.72	$0.00	21
22	MAXIMUM	$20.82	$20.82	22
23	ENERGY CHARGE ($/KWH)			23
24	ON-PEAK	$0.10377		24
25	PARTIAL-PEAK	$0.10377	$0.09558	25
26	OFF-PEAK	$0.09805	$0.09491	26
27	SCHEDULE E-19 S FIRM			27
28	CUSTOMER CHARGE > 500 KW ($/MONTH)	$848.47	$848.47	28
29	CUSTOMER CHARGE < 500 KW ($/MONTH)	$168.54	$168.54	29
30	TOU METER CHARGE - RATES V & X ($/MONTH)	$168.54	$168.54	30
31	TOU METER CHARGE - RATE W ($/MONTH)	$168.54	$168.54	31
32	DEMAND CHARGE ($/KW/MONTH)			32
33	ON-PEAK	$13.68		33
34	PARTIAL PEAK	$11.14	$0.00	34
35	MAXIMUM	$25.17	$25.17	35
36	ENERGY CHARGE ($/KWH)			36
37	ON-PEAK	$0.11325		37
38	PARTIAL-PEAK	$0.11325	$0.10468	38
39	OFF-PEAK	$0.10727	$0.10397	39

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

B-19 FIRM RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE B-19 T FIRM			1
2	CUSTOMER CHARGE ($/MONTH)	$1,589.75	$1,589.75	2
3	TOU METER CHARGE - RATE V ($/MONTH)	$168.54	$168.54	3
4	DEMAND CHARGE ($/KW/MONTH)			4
5	ON-PEAK	$9.66	$0.93	5
6	PARTIAL PEAK	$2.42		6
7	MAXIMUM	$12.38	$12.38	7
8	ENERGY CHARGE ($/KWH)			8
9	ON-PEAK	$0.13019	$0.13141	9
10	PARTIAL-PEAK	$0.12105		10
11	OFF-PEAK	$0.10159	$0.10184	11
12	SUPER OFF-PEAK		$0.05836	12
13	SCHEDULE B-19 P FIRM			13
14	CUSTOMER CHARGE ($/MONTH)	$1,294.11	$1,294.11	14
15	TOU METER CHARGE - RATE V ($/MONTH)	$168.54	$168.54	15
16	DEMAND CHARGE ($/KW/MONTH)			16
17	ON-PEAK	$23.52	$1.25	17
18	PARTIAL PEAK	$5.01		18
19	MAXIMUM	$18.61	$18.61	19
20	ENERGY CHARGE ($/KWH)			20
21	ON-PEAK	$0.13897	$0.12726	21
22	PARTIAL-PEAK	$0.11736		22
23	OFF-PEAK	$0.09857	$0.09870	23
24	SUPER OFF-PEAK		$0.05806	24
25	SCHEDULE B-19 S FIRM			25
26	CUSTOMER CHARGE ($/MONTH)	$848.47	$848.47	26
27	TOU METER CHARGE - RATE V ($/MONTH)	$168.54	$168.54	27
28	DEMAND CHARGE ($/KW/MONTH)			28
29	ON-PEAK	$26.69	$1.72	29
30	PARTIAL PEAK	$5.63		30
31	MAXIMUM	$22.98	$22.98	31
32	ENERGY CHARGE ($/KWH)			32
33	ON-PEAK	$0.15666	$0.13831	33
34	PARTIAL-PEAK	$0.12776		34
35	OFF-PEAK	$0.10733	$0.10725	35
36	SUPER OFF-PEAK		$0.06557	36

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

LARGE L&P RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE E-20 T FIRM			1
2	CUSTOMER CHARGE ($/MONTH)-FIRM	$1,473.46	$1,473.46	2
3	DEMAND CHARGE ($/KW/MONTH)			3
4	ON-PEAK	$11.37		4
5	PARTIAL PEAK	$11.37	$0.00	5
6	MAXIMUM	$10.90	$10.90	6
7	ENERGY CHARGE ($/KWH)			7
8	ON-PEAK	$0.09343		8
9	PARTIAL-PEAK	$0.09343	$0.08534	9
10	OFF-PEAK	$0.08777	$0.08468	10
11	SCHEDULE E-20 P FIRM			11
12	CUSTOMER CHARGE ($/MONTH)	$1,536.75	$1,536.75	12
13	DEMAND CHARGE ($/KW/MONTH)			13
14	ON-PEAK	$13.80		14
15	PARTIAL PEAK	$11.39	$0.00	15
16	MAXIMUM	$22.55	$22.55	16
17	ENERGY CHARGE ($/KWH)			17
18	ON-PEAK	$0.10462		18
19	PARTIAL-PEAK	$0.10462	$0.09638	19
20	OFF-PEAK	$0.09885	$0.09571	20
21	SCHEDULE E-20 S FIRM			21
22	CUSTOMER CHARGE ($/MONTH)	$1,539.76	$1,539.76	22
23	DEMAND CHARGE ($/KW/MONTH)			23
24	ON-PEAK	$13.87		24
25	PARTIAL PEAK	$10.90	$0.00	25
26	MAXIMUM	$24.83	$24.83	26
27	ENERGY CHARGE ($/KWH)			27
28	ON-PEAK	$0.10793		28
29	PARTIAL-PEAK	$0.10793	$0.09942	29
30	OFF-PEAK	$0.10201	$0.09871	30

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

LARGE L&P RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE B-20 T FIRM			1
2	CUSTOMER CHARGE ($/MONTH)-FIRM	$1,473.46	$1,473.46	2
3	DEMAND CHARGE ($/KW/MONTH)			3
4	ON-PEAK	$17.33	$2.31	4
5	PARTIAL PEAK	$4.13		5
6	MAXIMUM	$10.90	$10.90	6
7	ENERGY CHARGE ($/KWH)			7
8	ON-PEAK	$0.12466	$0.12385	8
9	PARTIAL-PEAK	$0.10788		9
10	OFF-PEAK	$0.08915	$0.08577	10
11	SUPER OFF-PEAK		$0.04773	11
12	SCHEDULE B-20 P FIRM			12
13	CUSTOMER CHARGE ($/MONTH)	$1,536.75	$1,536.75	13
14	DEMAND CHARGE ($/KW/MONTH)			14
15	ON-PEAK	$26.80	$1.78	15
16	PARTIAL PEAK	$5.32		16
17	MAXIMUM	$20.70	$20.70	17
18	ENERGY CHARGE ($/KWH)			18
19	ON-PEAK	$0.14484	$0.12734	19
20	PARTIAL-PEAK	$0.11735		20
21	OFF-PEAK	$0.09816	$0.09822	21
22	SUPER OFF-PEAK		$0.05690	22
23	SCHEDULE B-20 S FIRM			23
24	CUSTOMER CHARGE ($/MONTH)	$1,539.76	$1,539.76	24
25	DEMAND CHARGE ($/KW/MONTH)			25
26	ON-PEAK	$26.51	$1.80	26
27	PARTIAL PEAK	$5.61		27
28	MAXIMUM	$23.03	$23.03	28
29	ENERGY CHARGE ($/KWH)			29
30	ON-PEAK	$0.14893	$0.13347	30
31	PARTIAL-PEAK	$0.12298		31
32	OFF-PEAK	$0.10249	$0.10233	32
33	SUPER OFF-PEAK		$0.06061	33

PACIFIC GAS AND ELECTRIC COMPANY
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STANDBY RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE S - TRANSMISSION			1
2	CONTRACT CAPACITY CHARGE ($/KW/MO.)	$1.06	$1.06	2
3	EFFECTIVE RESERVATION CHARGE ($/KW/MO.)	$0.90	$0.90	3
4	ENERGY ($/KWH)			4
5	ON-PEAK	$0.12718		5
6	PART-PEAK	$0.11193	$0.11433	6
7	OFF-PEAK	$0.09175	$0.09883	7
8	SCHEDULE S - PRIMARY			8
9	CONTRACT CAPACITY CHARGE ($/KW/MO.)	$8.37	$8.37	9
10	EFFECTIVE RESERVATION CHARGE ($/KW/MO.)	$7.11	$7.11	10
11	ENERGY ($/KWH)			11
12	ON-PEAK	$0.70722		12
13	PART-PEAK	$0.30774	$0.14208	13
14	OFF-PEAK	$0.10795	$0.11649	14
15	SCHEDULE S - SECONDARY			15
16	CONTRACT CAPACITY CHARGE ($/KW/MO.)	$8.37	$8.37	16
17	EFFECTIVE RESERVATION CHARGE ($/KW/MO.)	$7.11	$7.11	17
18	ENERGY ($/KWH)			18
19	ON-PEAK	$0.70661		19
20	PART-PEAK	$0.30713	$0.14147	20
21	OFF-PEAK	$0.10734	$0.11588	21

PACIFIC GAS AND ELECTRIC COMPANY
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STANDBY RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE S CUSTOMER AND METER CHARGES			1
2	RESIDENTIAL			2
3	CUSTOMER CHARGE ($/MO)	$5.00	$5.00	3
4	TOU METER CHARGE ($/MO)	$3.90	$3.90	4
5	AGRICULTURAL			5
6	CUSTOMER CHARGE ($/MO)	$27.60	$27.60	6
7	TOU METER CHARGE ($/MO)	$6.00	$6.00	7
8	SMALL LIGHT AND POWER (less than or equal to 50 kW)			8
9	SINGLE PHASE CUSTOMER CHARGE ($/MO)	$10.00	$10.00	9
10	POLY PHASE CUSTOMER CHARGE ($/MO)	$25.00	$25.00	10
11	METER CHARGE ($/MO)	$6.12	$6.12	11
12	MEDIUM LIGHT AND POWER (>50 kW, <500 kW)			12
13	CUSTOMER CHARGE ($/MO)	$168.54	$168.54	13
14	METER CHARGE ($/MO)	$5.40	$5.40	14
15	MEDIUM LIGHT AND POWER (>500kW)			15
16	TRANSMISSION CUSTOMER CHARGE ($/MO)	$1,589.75	$1,589.75	16
17	PRIMARY CUSTOMER CHARGE ($/MO)	$1,294.11	$1,294.11	17
18	SECONDARY CUSTOMER CHARGE ($/MO)	$848.47	$848.47	18
19	LARGE LIGHT AND POWER (> 1000 kW)			19
20	TRANSMISSION CUSTOMER CHARGE ($/MO)	$1,473.46	$1,473.46	20
21	PRIMARY CUSTOMER CHARGE ($/MO)	$1,536.75	$1,536.75	21
22	SECONDARY CUSTOMER CHARGE ($/MO)	$1,539.76	$1,539.76	22
23	REDUCED CUSTOMER CHARGES ($/MO)			23
24	SMALL LIGHT AND PWR (< 50 kW) SINGLE PHASE	$10.00	$10.00	24
25	MED LIGHT AND PWR (Res Capacity >75 kW and <500 kW) S	$37.57	$37.57	25
26	MED LIGHT AND PWR (Res Capacity > 500 kW and < 1000 kW) S	$240.93	$240.93	26

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STANDBY RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE SB - TRANSMISSION			1
2	CONTRACT CAPACITY CHARGE ($/KW/MO.)	$0.87	$0.87	2
3	EFFECTIVE RESERVATION CHARGE ($/KW/MO.)	$0.74	$0.74	3
4	ENERGY ($/KWH)			4
5	ON-PEAK	$0.13012	$0.12562	5
6	PART-PEAK	$0.11866		6
7	OFF-PEAK	$0.10590	$0.10709	7
8	SUPER OFF-PEAK		$0.06475	8
9	SCHEDULE SB - PRIMARY			9
10	CONTRACT CAPACITY CHARGE ($/KW/MO.)	$8.67	$8.67	10
11	EFFECTIVE RESERVATION CHARGE ($/KW/MO.)	$7.37	$7.37	11
12	ENERGY ($/KWH)			12
13	ON-PEAK	$0.70801	$0.15336	13
14	PART-PEAK	$0.37785		14
15	OFF-PEAK	$0.12791	$0.12903	15
16	SUPER OFF-PEAK		$0.08657	16
17	SCHEDULE SB - SECONDARY			17
18	CONTRACT CAPACITY CHARGE ($/KW/MO.)	$8.67	$8.67	18
19	EFFECTIVE RESERVATION CHARGE ($/KW/MO.)	$7.37	$7.37	19
20	ENERGY ($/KWH)			20
21	ON-PEAK	$0.70740	$0.15275	21
22	PART-PEAK	$0.37724		22
23	OFF-PEAK	$0.12730	$0.12842	23
24	SUPER OFF-PEAK		$0.08596	24

PACIFIC GAS AND ELECTRIC COMPANY
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STANDBY RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE SB CUSTOMER CHARGES			1
2	RESIDENTIAL			2
3	CUSTOMER CHARGE ($/MO)	$5.00	$5.00	3
4	AGRICULTURAL			4
5	CUSTOMER CHARGE ($/MO)	$27.87	$27.87	5
6	SMALL LIGHT AND POWER (less than or equal to 50 kW)			6
7	SINGLE PHASE CUSTOMER CHARGE ($/MO)	$10.00	$10.00	7
8	POLY PHASE CUSTOMER CHARGE ($/MO)	$25.00	$25.00	8
9	MEDIUM LIGHT AND POWER (>50 kW, <500 kW)			9
10	CUSTOMER CHARGE ($/MO)	$168.54	$168.54	10
11	MEDIUM LIGHT AND POWER (>500kW)			11
12	TRANSMISSION CUSTOMER CHARGE ($/MO)	$1,589.75	$1,589.75	12
13	PRIMARY CUSTOMER CHARGE ($/MO)	$1,294.11	$1,294.11	13
14	SECONDARY CUSTOMER CHARGE ($/MO)	$848.47	$848.47	14
15	LARGE LIGHT AND POWER (> 1000 kW)			15
16	TRANSMISSION CUSTOMER CHARGE ($/MO)	$1,473.46	$1,473.46	16
17	PRIMARY CUSTOMER CHARGE ($/MO)	$1,536.75	$1,536.75	17
18	SECONDARY CUSTOMER CHARGE ($/MO)	$1,539.76	$1,539.76	18
19	REDUCED CUSTOMER CHARGES ($/MO)			19
20	SMALL LIGHT AND PWR (< 50 kW) SINGLE PHASE	$10.00	$10.00	20
21	MED LIGHT AND PWR (Res Capacity >75 kW and <500 kW) S	$37.57	$37.57	21
22	MED LIGHT AND PWR (Res Capacity > 500 kW and < 1000 kW) S	$240.93	$240.93	22

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
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AGRICULTURAL RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE AG-1A			1
2	CUSTOMER CHARGE ($/MONTH)	$17.47	$17.47	2
3	CONNECTED LOAD CHARGE ($/hp/MONTH)	$7.77	$5.84	3
4	ENERGY CHARGE ($/KWH)	$0.25106	$0.20403	4
5	SCHEDULE AG-RA			5
6	CUSTOMER CHARGE - RATES A & D ($/MONTH)	$17.47	$17.47	6
7	METER CHARGE - RATE A ($/MONTH)	$6.80	$6.80	7
8	METER CHARGE - RATE D ($/MONTH)	$2.00	$2.00	8
9	CONNECTED LOAD CHARGE ($/hp/MONTH)	$6.57	$5.11	9
10	ENERGY ($/KWH)			10
11	ON-PEAK	$0.39665		11
12	PART-PEAK		$0.19180	12
13	OFF-PEAK	$0.22557	$0.19109	13
14	SCHEDULE AG-VA			14
15	CUSTOMER CHARGE - RATES A & D ($/MONTH)	$17.47	$17.47	15
16	METER CHARGE - RATE A ($/MONTH)	$6.80	$6.80	16
17	METER CHARGE - RATE D ($/MONTH)	$2.00	$2.00	17
18	CONNECTED LOAD CHARGE ($/hp/MONTH)	$6.45	$4.91	18
19	ENERGY ($/KWH)			19
20	ON-PEAK	$0.38507		20
21	PART-PEAK		$0.19660	21
22	OFF-PEAK	$0.22974	$0.19589	22
23	SCHEDULE AG-4A			23
24	CUSTOMER CHARGE - RATES A & D ($/MONTH)	$17.47	$17.47	24
25	METER CHARGE - RATE A ($/MONTH)	$6.80	$6.80	25
26	METER CHARGE - RATE D ($/MONTH)	$2.00	$2.00	26
27	CONNECTED LOAD CHARGE ($/hp/MONTH)	$7.05	$5.53	27
28	ENERGY ($/KWH)			28
29	ON-PEAK	$0.37672		29
30	PART-PEAK		$0.21574	30
31	OFF-PEAK	$0.25183	$0.21502	31
32	SCHEDULE AG-5A			32
33	CUSTOMER CHARGE - RATES A & D ($/MONTH)	$17.47	$17.47	33
34	METER CHARGE - RATE A ($/MONTH)	$6.80	$6.80	34
35	METER CHARGE - RATE D ($/MONTH)	$2.00	$2.00	35
36	CONNECTED LOAD CHARGE ($/hp/MONTH)	$11.41	$7.23	36
37	ENERGY ($/KWH)			37
38	ON-PEAK	$0.26971		38
39	PART-PEAK		$0.17671	39
40	OFF-PEAK	$0.19477	$0.17600	40

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AGRICULTURAL RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE AG-1B			1
2	CUSTOMER CHARGE ($/MONTH)	$23.23	$23.23	2
3	MAXIMUM DEMAND CHARGE ($/KW/MONTH)			3
4	SECONDARY VOLTAGE	$11.62	$8.43	4
5	PRIMARY VOLTAGE DISCOUNT	$1.03	$0.76	5
6	ENERGY CHARGE ($/KWH)	$0.19305	$0.14085	6
7	SCHEDULE AG-RB			7
8	CUSTOMER CHARGE - RATES B & E ($/MONTH)	$23.23	$23.23	8
9	METER CHARGE - RATE B ($/MONTH)	$6.00	$6.00	9
10	METER CHARGE - RATE E ($/MONTH)	$1.20	$1.20	10
11	ON-PEAK DEMAND CHARGE ($/KW/MONTH)	$4.20		11
12	MAXIMUM DEMAND CHARGE ($/KW/MONTH)			12
13	SECONDARY VOLTAGE	$10.24	$8.06	13
14	PRIMARY VOLTAGE DISCOUNT	$0.39	$0.44	14
15	ENERGY CHARGE ($/KWH)			15
16	ON-PEAK	$0.35586		16
17	PART-PEAK		$0.18429	17
18	OFF-PEAK	$0.20582	$0.18358	18
19	SCHEDULE AG-VB			19
20	CUSTOMER CHARGE - RATES B & E ($/MONTH)	$23.23	$23.23	20
21	METER CHARGE - RATE B ($/MONTH)	$6.00	$6.00	21
22	METER CHARGE - RATE E ($/MONTH)	$1.20	$1.20	22
23	ON-PEAK DEMAND CHARGE ($/KW/MONTH)	$3.90		23
24	MAXIMUM DEMAND CHARGE ($/KW/MONTH)			24
25	SECONDARY VOLTAGE	$10.30	$8.28	25
26	PRIMARY VOLTAGE DISCOUNT	$0.53	$0.51	26
27	ENERGY CHARGE ($/KWH)			27
28	ON-PEAK	$0.33208		28
29	PART-PEAK		$0.17273	29
30	OFF-PEAK	$0.19696	$0.17202	30

PACIFIC GAS AND ELECTRIC COMPANY
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AGRICULTURAL RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE AG-4B			1
2	CUSTOMER CHARGE - RATES B & E ($/MONTH)	$23.23	$23.23	2
3	METER CHARGE - RATE B ($/MONTH)	$6.00	$6.00	3
4	METER CHARGE - RATE E ($/MONTH)	$1.20	$1.20	4
5	ON-PEAK DEMAND CHARGE ($/KW/MONTH)	$4.29		5
6	MAXIMUM DEMAND CHARGE ($/KW/MONTH)			6
7	SECONDARY VOLTAGE	$10.72	$7.98	7
8	PRIMARY VOLTAGE DISCOUNT	$1.14	$0.49	8
9	ENERGY CHARGE ($/KWH)			9
10	ON-PEAK	$0.37672		10
11	PART-PEAK		$0.21574	11
12	OFF-PEAK	$0.25183	$0.21502	12
13	SCHEDULE AG-4C			13
14	CUSTOMER CHARGE - RATES C & F ($/MONTH)	$65.44	$65.44	14
15	METER CHARGE - RATE C ($/MONTH)	$6.00	$6.00	15
16	METER CHARGE - RATE F ($/MONTH)	$1.20	$1.20	16
17	DEMAND CHARGE ($/KW/MONTH)			17
18	ON-PEAK	$9.07		18
19	PART-PEAK	$3.73	$1.09	19
20	MAXIMUM	$7.53	$7.53	20
21	PRIMARY VOLTAGE DISCOUNT			21
22	ON-PEAK	$0.94		22
23	MAXIMUM		$0.32	23
24	TRANSMISSION VOLTAGE DISCOUNT			24
25	ON-PEAK	$4.42		25
26	PART-PEAK	$0.98	$1.09	26
27	MAXIMUM	$5.64	$5.64	27
28	ENERGY CHARGE ($/KWH)			28
29	ON-PEAK	$0.20635		29
30	PART-PEAK	$0.15172	$0.14113	30
31	OFF-PEAK	$0.13262	$0.14042	31
32	SCHEDULE AG-5B			32
33	CUSTOMER CHARGE - RATES B & E ($/MONTH)	$36.36	$36.36	33
34	METER CHARGE - RATE B ($/MONTH)	$6.00	$6.00	34
35	METER CHARGE - RATE E ($/MONTH)	$1.20	$1.20	35
36	ON-PEAK DEMAND CHARGE ($/KW/MONTH)	$8.93		36
37	MAXIMUM DEMAND CHARGE ($/KW/MONTH)			37
38	SECONDARY VOLTAGE	$15.09	$9.88	38
39	PRIMARY VOLTAGE DISCOUNT	$1.99	$0.34	39
40	TRANSMISSION VOLTAGE DISCOUNT	$7.45	$4.60	40
41	ENERGY CHARGE ($/KWH)			41
42	ON-PEAK	$0.19449		42
43	PART-PEAK		$0.13871	43
44	OFF-PEAK	$0.13549	$0.13803	44

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AGRICULTURAL RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE AG-5C			1
2	CUSTOMER CHARGE - RATES C & F ($/MONTH)	$161.58	$161.58	2
3	METER CHARGE - RATE C ($/MONTH)	$6.00	$6.00	3
4	METER CHARGE - RATE F ($/MONTH)	$1.20	$1.20	4
5	DEMAND CHARGE ($/KW/MONTH)			5
6	ON-PEAK	$14.02		6
7	PART-PEAK	$7.63	$1.41	7
8	MAXIMUM	$6.00	$6.00	8
9	PRIMARY VOLTAGE DISCOUNT			9
10	ON-PEAK	$1.79		10
11	MAXIMUM		$0.53	11
12	TRANSMISSION VOLTAGE DISCOUNT			12
13	ON-PEAK	$7.45		13
14	PART-PEAK	$1.75	$0.00	14
15	MAXIMUM	$5.77	$5.77	15
16	ENERGY CHARGE ($/KWH)			16
17	ON-PEAK	$0.14780		17
18	PART-PEAK	$0.12250	$0.12742	18
19	OFF-PEAK	$0.11308	$0.12671	19

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AGRICULTURAL RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE AG-A1			1
2	CUSTOMER CHARGE ($/MONTH)	$20.97	$20.97	2
3	DEMAND CHARGE ($/KW/MONTH)			3
4	MAXIMUM	$6.55	$6.55	4
5	ENERGY CHARGE ($/KWH)			5
6	ON-PEAK	$0.40737	$0.23106	6
8	OFF-PEAK	$0.24143	$0.20177	8
1	SCHEDULE AG-A2			1
2	CUSTOMER CHARGE ($/MONTH)	$20.97	$20.97	2
3	DEMAND CHARGE ($/KW/MONTH)			3
4	MAXIMUM	$11.85	$11.85	4
5	ENERGY CHARGE ($/KWH)			5
6	ON-PEAK	$0.40737	$0.23106	6
8	OFF-PEAK	$0.24143	$0.20177	8

AGRICULTURAL RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE AG-B			1
2	CUSTOMER CHARGE ($/MONTH)	$27.87	$27.87	2
3	DEMAND CHARGE ($/KW/MONTH)			3
4	MAXIMUM	$6.73	$6.73	4
5	PRIMARY VOLTAGE LEVEL SERVICE			5
6	MAXIMUM	$5.82	$5.82	6
7	TRANSMISSION VOLTAGE LEVEL SERVICE			7
8	MAXIMUM	$2.26	$2.26	8
9	ENERGY CHARGE ($/KWH)			9
10	ON-PEAK	$0.39966	$0.22274	10
11	OFF-PEAK	$0.22681	$0.19348	11
12	SCHEDULE AG-C			12
13	CUSTOMER CHARGE ($/MONTH)	$43.63	$43.63	13
14	DEMAND CHARGE ($/KW/MONTH)			14
15	PEAK	$18.65		15
16	MAXIMUM	$12.08	$12.08	16
17	PRIMARY VOLTAGE LEVEL SERVICE			17
18	PEAK	$18.65		18
19	MAXIMUM	$10.82	$10.82	19
20	TRANSMISSION VOLTAGE LEVEL SERVICE			20
21	PEAK	$18.65		21
22	MAXIMUM	$3.12	$3.12	22
21	ENERGY CHARGE ($/KWH)			21
22	ON-PEAK	$0.17786	$0.15007	22
23	OFF-PEAK	$0.13842	$0.12438	23

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AGRICULTURAL RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE AG-F			1
2	CUSTOMER CHARGE ($/MONTH)			2
3	RATE A	$20.97	$20.97	3
4	RATE B	$27.87	$27.87	4
5	RATE C	$43.63	$43.63	5
6	DEMAND CHARGE ($/KW/MONTH)			6
7	RATE A			7
8	MAXIMUM	$6.55	$6.55	8
7	RATE B			7
8	MAXIMUM	$6.73	$6.73	8
9	PRIMARY VOLTAGE LEVEL SERVICE			9
10	MAXIMUM	$5.82	$5.82	10
11	TRANSMISSION VOLTAGE LEVEL SERVICE			11
12	MAXIMUM	$2.26	$2.26	12
13	RATE C			13
14	PEAK	$18.65		14
15	MAXIMUM	$12.08	$12.08	15
16	PRIMARY VOLTAGE LEVEL SERVICE			16
17	PEAK	$18.65		17
18	MAXIMUM	$12.08	$12.08	18
19	TRANSMISSION VOLTAGE LEVEL SERVICE			19
20	PEAK	$18.65		20
21	MAXIMUM	$3.12	$3.12	21
22	ENERGY CHARGE ($/KWH)			22
23	RATE A			23
24	ON-PEAK	$0.44760	$0.27850	24
25	OFF-PEAK	$0.24399	$0.19808	25
26	RATE B			26
27	ON-PEAK	$0.42213	$0.25919	27
28	OFF-PEAK	$0.23130	$0.19086	28
29	RATE C			29
30	ON-PEAK	$0.20224	$0.17121	30
31	OFF-PEAK	$0.15751	$0.14326	31

ELECTRIC VEHICLE CHARGING RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE BEV-1			1
2	SUBSCRIPTION CHARGE ($/10 KW)	$12.41	$12.41	2
3	ENERGY CHARGE ($/KWH)			3
4	ON-PEAK	$0.32475	$0.32475	4
5	OFF-PEAK	$0.13274	$0.13274	5
6	SUPER OFF-PEAK	$0.10608	$0.10608	6
7	OVERAGE FEE ($/KW)	$2.48	$2.48	7
8	SCHEDULE BEV-2			8
9	SUBSCRIPTION CHARGE ($/50 KW)			9
10	PRIMARY VOLTAGE	$85.98	$85.98	10
11	SECONDARY VOLTAGE	$95.56	$95.56	11
12	ENERGY CHARGE ($/KWH)			12
13	PRIMARY VOLTAGE			13
14	ON-PEAK	$0.33215	$0.33215	14
15	OFF-PEAK	$0.12327	$0.12327	15
16	SUPER OFF-PEAK	$0.10061	$0.10061	16
17	SECONDARY VOLTAGE			17
18	ON-PEAK	$0.33994	$0.33994	18
19	OFF-PEAK	$0.12671	$0.12671	19
20	SUPER OFF-PEAK	$0.10344	$0.10344	20
21	OVERAGE FEE ($/KW)			21
22	PRIMARY VOLTAGE	$3.44	$3.44	22
23	SECONDARY VOLTAGE	$3.82	$3.82	23

PACIFIC GAS AND ELECTRIC COMPANY
PRESENT ELECTRIC RATES as of
Sunday, August 1, 2021

STREETLIGHTING RATES

LINE NO.		8/1/21 RATES SUMMER	8/1/21 RATES WINTER	LINE NO.
1	SCHEDULE LS-1			1
2	ENERGY CHARGE ($/KWH)	$0.18838	$0.18838	2
3	SCHEDULE LS-2			3
4	ENERGY CHARGE ($/KWH)	$0.18838	$0.18838	4
5	SCHEDULE LS-3			5
6	SERVICE CHARGE ($/METER/MO.)	$7.50	$7.50	6
7	ENERGY CHARGE ($/KWH)	$0.18838	$0.18838	7
8	SCHEDULE OL-1			8
9	ENERGY CHARGE ($/KWH)	$0.19874	$0.19874	9

EXHIBIT C

EXECUTIVE SUMMARY OF RATE CHANGE
PACIFIC GAS AND ELECTRIC COMPANY
PROPOSED 2022 COST OF CAPITAL BASED ON $88.9 MILLION RRQ ALLOCATED TO GAS
Class Average Bundled and Transportation/PPPS Rates ($/th)

Line No.	Customer Class	Present June 1, 2021	Proposed 2022 Cost of Capital	$ Change	% Change
1	**BUNDLED—RETAIL CORE***				
2	Residential Non-CARE**	$1.817	$1.847	$0.029	1.6%
3	Small Commercial Non-CARE**	$1.311	$1.330	$0.019	1.4%
4	Large Commercial**	$0.935	$0.947	$0.011	1.2%
5	Uncompressed Core NGV	$0.913	$0.924	$0.011	1.3%
6	Compressed Core NGV	$2.461	$2.470	$0.008	0.3%
7	**TRANSPORT ONLY—RETAIL CORE**				
8	Residential Non-CARE**	$1.441	$1.470	$0.029	2.0%
9	Small Commercial Non-CARE**	$0.955	$0.974	$0.019	2.0%
10	Large Commercial**	$0.616	$0.628	$0.011	1.8%
11	Uncompressed Core NGV	$0.598	$0.610	$0.011	1.9%
12	Compressed Core NGV	$2.147	$2.155	$0.008	0.4%
13	**TRANSPORT ONLY—RETAIL NONCORE (NONCOVERED ENTITIES)**				
14	Industrial – Distribution	$0.520	$0.531	$0.011	2.1%
15	Industrial – Transmission	$0.269	$0.274	$0.006	2.1%
16	Industrial – Backbone	$0.150	$0.152	$0.002	1.1%
17	Uncompressed Noncore NGV – Distribution	$0.487	$0.498	$0.011	2.3%
18	Uncompressed Noncore NGV – Transmission	$0.249	$0.254	$0.005	2.1%
19	Electric Generation – Distribution/Transmission	$0.199	$0.204	$0.005	2.7%
20	Electric Generation – Backbone	$0.089	$0.091	$0.002	1.9%
21	**TRANSPORT ONLY—RETAIL NONCORE (COVERED ENTITIES)**				
22	Industrial – Distribution	$0.447	$0.458	$0.011	2.5%
23	Industrial – Transmission	$0.195	$0.201	$0.006	2.8%
24	Industrial – Backbone	$0.076	$0.078	$0.002	2.2%
25	Uncompressed Noncore NGV – Distribution	$0.413	$0.424	$0.011	2.7%
26	Uncompressed Noncore NGV – Transmission	$0.175	$0.180	$0.005	3.0%
27	Electric Generation – Distribution/Transmission	$0.125	$0.131	$0.005	4.3%
28	Electric Generation – Backbone	$0.015	$0.017	$0.002	11.2%
21	**TRANSPORT ONLY—WHOLESALE**				
22	Alpine Natural Gas (T)	$0.124	$0.129	$0.005	4.3%
23	Coalinga (T)	$0.125	$0.130	$0.005	4.3%
24	Island Energy (T)	$0.133	$0.139	$0.005	4.0%
25	Palo Alto (T)	$0.122	$0.127	$0.005	4.4%
26	West Coast Gas – Castle (D)	$0.413	$0.425	$0.012	2.9%
27	West Coast Gas – Mather (D)	$0.615	$0.632	$0.017	2.8%
28	West Coast Gas – Mather (T)	$0.125	$0.131	$0.005	4.2%

* Illustrative Bundled Rates incorporate an illustrative procurement revenue requirement as filed in PG&E's 2021 AGT.

(1) CARE Customers receive a 20% discount off of PG&E's total bundled rate and are exempt from the CARE portion of PG&E's Public Purpose Program Surcharge (G-PPPS) rates and cost recovery of the California Solar Initiative Thermal Program.

(2) Transportation rates paid by all customers include an additional GHG Compliance and obligation Cost Recovery component of $0.07198 per therm.

(3) Covered Entities (i.e.customers that currently have a direct obligation to pay for allowances directly to the Air Resources Board) will pay a GHG Compliance Recovery Cost component of $-0.00168 per therm to cover PG&E allowance costs associated with lost & unaccounted for (LUAF) gas and compression costs. Covered entities will see a line item credit on their bill equal to $0.07366 ($0.07198 minus $-0.00168) per therm times their monthly billed volumes.

EXECUTIVE SUMMARY OF REVENUES
PACIFIC GAS AND ELECTRIC COMPANY
PROPOSED 2022 COST OF CAPITAL BASED ON $88.9 MILLION RRQ ALLOCATED TO GAS

Line No.	Customer Class	Class Average Illustrative Revenues Allocated By Customer Class ($000) June 1, 2021	Proposed 2022 Cost of Capital	$ Change	% Change
1	**BUNDLED—RETAIL CORE (1)**				
2	Residential Non-CARE	*$1,992,943*	*$2,028,106*	$35,163	1.8%
3	Residential CARE (2)	*$712,489*	*$725,060*	$12,571	1.8%
4	Small Commercial	*$596,404*	*$604,783*	$8,379	1.4%
5	Large Commercial	*$34,587*	*$35,001*	$414	1.2%
6	Core NGV	*$36,429*	*$36,795*	$366	1.0%
7	**TRANSPORT ONLY—RETAIL CORE**				
8	Residential Non-CARE	*$181,280*	*$185,498*	$4,218	2.3%
9	Residential CARE (2)	*$64,809*	*$66,317*	$1,508	2.3%
10	Small Commercial Non-CARE	*$315,920*	*$322,116*	$6,197	2.0%
11	Large Commercial	*$19,493*	*$19,853*	$360	1.8%
12	Core NGV	*$0*	*$0*	$0	0.0%
13	**TRANSPORT ONLY—RETAIL NONCORE**				
14	Industrial – Distribution	*$130,890*	*$133,733*	$2,842	2.2%
15	Industrial – Transmission	*$346,627*	*$356,542*	$9,915	2.9%
16	Industrial – Backbone	*$1,463*	*$1,494*	$31	2.1%
17	Uncompressed Noncore NGV	*$2,052*	*$2,096*	$44	2.2%
18	Electric Generation	*$100,478*	*$107,146*	$6,667	6.6%
19	**TRANSPORT ONLY—WHOLESALE**				
20	Alpine Natural Gas	*$66*	*$68*	$3	4.3%
21	Coalinga	*$264*	*$276*	$11	4.3%
22	Island Energy	*$58*	*$61*	$2	4.0%
23	Palo Alto	*$3,668*	*$3,828*	$161	4.4%
24	West Coast Gas – Castle	*$258*	*$265*	$8	2.9%
25	West Coast Gas – Mather	*$390*	*$401*	$11	2.9%
26	**Unbundled Gas Transmission & Storage (3)**	*$357,689*	*$357,689*	$0	0.0%
		4,898,257	4,987,128	$88,871	1.8%

(1) Due to procurement rates changing monthly, present and propose revenue requirements include an illustrative procurement revenue requirement as filed in PG&E's 2021 AGT.

(2) CARE Customers receive a 20% discount off of PG&E's total bundled rate and are exempt from the CARE portion of PG&E's Public Purpose Program Surcharge (G-PPPS) rates and cost recovery of the California Solar Initiative Thermal Program.

(3) The portion of PG&E's gas backbone storage revenue requirement not allocated to PG&E's bundled core customer classes are provided to the marketplace and not specifically to any customer class.

EXHIBIT D

PACIFIC GAS AND ELECTRIC COMPANY
ELECTRIC DEPARTMENT
SUMMARY OF REVENUES BY CUSTOMER CLASS
(THOUSANDS OF NOMINAL DOLLARS)

Customer Class Bundled	Total Revenue at 8/1/21 Rates ($000s)	Proposed Illustrative Class Revenue ($000s)	Revenue Change ($000s)	Percentage Change
Residential	$3,251,046	$3,285,996	$34,950	1.1%
Small L&P	$686,364	$694,107	$7,743	1.1%
Medium L&P	$602,986	$608,611	$5,625	0.9%
B-19 Total	$716,667	$723,141	$6,474	0.9%
Streetlights	$23,199	$23,339	$140	0.6%
Standby	$42,978	$43,387	$409	1.0%
Agriculture	$1,237,456	$1,251,701	$14,245	1.2%
B-20 Total	$670,951	$675,763	$4,812	0.7%
Total Bundled	$7,231,647	$7,306,045	$74,398	1.0%

Customer Class DA/CCA	Total Revenue at 8/1/21 Rates ($000s)	Proposed Illustrative Class Revenue ($000s)	Revenue Change ($000s)	Percentage Change
Residential	$2,971,335	$3,013,482	$42,147	1.4%
Small L&P	$962,552	$976,964	$14,413	1.5%
Medium L&P	$852,847	$864,049	$11,203	1.3%
B-19 Total	$1,248,992	$1,265,198	$16,206	1.3%
Streetlights	$30,839	$31,110	$270	0.9%
Standby	$6,980	$7,079	$100	1.4%
Agriculture	$184,999	$187,704	$2,705	1.5%
B-20 Total	$854,258	$863,757	$9,499	1.1%
Total DA/CCA	$7,112,801	$7,209,344	$96,543	1.4%

Regulation & Rates Communication

Filled out by Electric Rates

Filing Name: 2022 Cost of Capital — 8/23/2021

ELECTRIC RATES

Average Rate (cents/kWh)(1)

	Bundled					Direct/Community Choice Access				
	8/1/2021 Present (A)	8/1/2021 Forecast Adj (B)	1/1/2022 Proposed (C)	Rate Change (C) - (B)	% Change	8/1/2021 Present (D)	8/1/2021 Forecast Adj (E)	1/1/2022 Proposed (F)	Rate Change (F) - (E)	% Change
Customer Class										
Residential	24.73	24.73	25.00	0.27	1.1%	19.99	19.99	20.28	0.29	1.4%
CARE	17.84	17.84	18.04	0.20	1.1%	10.26	10.26	10.45	0.18	1.8%
Non-CARE	28.47	28.47	28.78	0.31	1.1%	21.86	21.86	22.17	0.31	1.4%
Small Commercial	27.49	27.49	27.81	0.31	1.1%	20.45	20.45	20.76	0.31	1.5%
Medium Commercial	24.27	24.27	24.50	0.23	0.9%	16.85	16.85	17.07	0.22	1.3%
Large Commercial (E-19)	20.92	20.92	21.11	0.19	0.9%	13.08	13.08	13.25	0.17	1.3%
E-19 T	17.01	17.01	17.11	0.11	0.6%	10.45	10.45	10.55	0.10	1.0%
E-19 P	18.79	18.79	18.95	0.16	0.9%	12.69	12.69	12.85	0.16	1.2%
E-19 S	21.25	21.25	21.44	0.20	0.9%	13.12	13.12	13.29	0.17	1.3%
Streetlight	30.19	30.19	30.37	0.18	0.6%	20.30	20.30	20.48	0.18	0.9%
Standby	13.09	13.09	13.21	0.13	1.0%	14.28	14.28	14.48	0.21	1.4%
Agriculture	25.08	25.08	25.37	0.29	1.2%	17.05	17.05	17.30	0.25	1.5%
Industrial (E-20)	15.94	15.94	16.06	0.12	0.7%	8.51	8.51	8.61	0.10	1.1%
E-20 T	13.37	13.37	13.44	0.07	0.5%	5.33	5.33	5.37	0.04	0.8%
E-20 P	17.67	17.67	17.82	0.15	0.8%	10.16	10.16	10.28	0.12	1.2%
E-20 S	19.60	19.60	19.78	0.18	0.9%	11.20	11.20	11.34	0.14	1.3%
Average System Rate	23.25	23.25	23.49	0.24	1.0%	15.63	15.63	15.85	0.21	1.4%

RESIDENTIAL TI

	Non-CARE (cents/kWh) 8/1/2021	01/01/22	% Change	CARE (cents/kWh) 8/1/2021	1/1/2022	% Change
Tier 1	26.07	26.35	1.1%	16.96	17.14	1.1%
Tier 2	32.75	33.10	1.1%	21.30	21.53	1.1%
HUS	40.94	41.38	1.1%	26.63	26.91	1.1%

ELECTRIC BILLS

	Average Monthly Non-CARE Bill ($) Bundled				Average Monthly CARE Bill ($) Bundled			
	8/1/2021	1/1/2022	Bill Change	% Change	8/1/2021	1/1/2022	Bill Change	% Change
Customer								
Residential								
350 kWh	$90.55	$91.55	$1.00	1.1%	$57.90	$58.55	$0.65	1.1%
500 kWh	$139.68	$141.20	$1.52	1.1%	$89.86	$90.85	$0.99	1.1%
700 kWh	$205.18	$207.40	$2.22	1.1%	$132.47	$133.91	$1.44	1.1%
Small Commercial	$229.88	$232.50	$2.62	1.1%	N/A	N/A	N/A	N/A

Notes:

(1) Rates are rounded to two decimal places for presentation purposes. % Change based on rates carrying additional digits.

EXHIBIT E

SERVICE OF NOTICE OF APPLICATION

In accordance with Rule 3.2(b), Applicant will mail a notice to the following, stating in general terms its proposed change in rates.

State of California

To the Attorney General and the Department of General Services.

State of California
Office of Attorney General
1300 I St Ste 1101
Sacramento, CA 95814

and

Department of General Services
Office of Buildings & Grounds
505 Van Ness Avenue, Room 2012
San Francisco, CA 94102

Counties

To the County Counsel or District Attorney and the County Clerk in the following counties:

Alameda
Alpine
Amador
Butte
Calaveras
Colusa
Contra Costa
El Dorado
Fresno
Glenn
Humboldt
Kern
Kings
Lake
Lassen
Madera
Marin
Mariposa
Mendocino
Merced
Modoc
Monterey
Napa
Nevada
Placer
Plumas
Sacramento
San Benito
San Bernardino
San Francisco
San Joaquin
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Shasta
Sierra
Siskiyou
Solano
Sonoma
Stanislaus
Sutter
Tehama
Trinity
Tulare
Tuolumne
Yolo
Yuba

Municipal Corporations

To the City Attorney and the City Clerk of the following municipal corporations:

Alameda
Albany
Amador City
American Canyon
Anderson
Angels Camp
Antioch
Arcata
Arroyo Grande
Arvin
Atascadero
Atherton
Atwater
Auburn
Avenal
Bakersfield
Barstow
Belmont
Belvedere
Benicia
Berkeley
Biggs
Blue Lake
Brentwood
Brisbane
Buellton
Burlingame
Calistoga
Campbell
Capitola
Carmel
Ceres
Chico
Chowchilla
Citrus Heights
Clayton
Clearlake
Cloverdale
Clovis
Coalinga
Colfax
Colma
Colusa
Concord
Corcoran
Corning
Corte Madera
Cotati
Cupertino
Daly City
Danville
Davis
Del Rey Oakes
Dinuba
Dixon
Dos Palos
Dublin
East Palo Alto
El Cerrito
Elk Grove
Emeryville
Escalon
Eureka
Fairfax
Fairfield
Ferndale
Firebaugh
Folsom
Fort Bragg
Fortuna
Foster City
Fowler
Fremont
Fresno
Galt
Gilroy
Gonzales
Grass Valley
Greenfield
Gridley
Grover Beach
Guadalupe
Gustine
Half Moon Bay
Hanford
Hayward
Healdsburg
Hercules
Hillsborough
Hollister
Hughson
Huron
Ione
Isleton
Jackson
Kerman
King City
Kingsburg
Lafayette
Lakeport
Larkspur
Lathrop
Lemoore
Lincoln
Live Oak
Livermore
Livingston
Lodi
Lompoc
Loomis
Los Altos
Los Altos Hills
Los Banos
Los Gatos
Madera
Manteca
Maricopa
Marina
Mariposa
Martinez
Marysville
McFarland
Mendota
Menlo Park
Merced
Mill Valley

Millbrae
Milpitas
Modesto
Monte Sereno
Monterey
Moraga
Morgan Hill
Morro Bay
Mountain View
Napa
Newark
Nevada City
Newman
Novato
Oakdale
Oakland
Oakley
Orange Cove
Orinda
Orland
Oroville
Pacific Grove
Pacifica
Palo Alto
Paradise
Parlier
Paso Robles
Patterson
Petaluma
Piedmont
Pinole
Pismo Beach
Pittsburg
Placerville
Pleasant Hill
Pleasanton
Plymouth
Point Arena
Portola
Portola Valley
Rancho Cordova
Red Bluff
Redding
Redwood City
Reedley
Richmond
Ridgecrest
Rio Dell
Rio Vista
Ripon
Riverbank
Rocklin
Rohnert Park
Roseville
Ross
Sacramento
Saint Helena
Salinas
San Anselmo
San Bruno
San Carlos
San Francisco
San Joaquin
San Jose
San Juan Bautista
San Leandro
San Luis Obispo
San Mateo
San Pablo
San Rafael
San Ramon
Sand City
Sanger
Santa Clara
Santa Cruz
Santa Maria
Santa Rosa
Saratoga
Sausalito
Scotts Valley
Seaside
Sebastopol
Selma
Shafter
Shasta Lake
Soledad
Solvang
Sonoma
Sonora
South San Francisco
Stockton
Suisun City
Sunnyvale
Sutter Creek
Taft
Tehama
Tiburon
Tracy
Trinidad
Turlock
Ukiah
Union City
Vacaville
Vallejo
Victorville
Walnut Creek
Wasco
Waterford
Watsonville
West Sacramento
Wheatland
Williams
Willits
Willows
Windsor
Winters
Woodland
Woodside
Yountville
Yuba City