

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2027. (U 39 M)

Application 25-05-009

**PROTEST OF THE PUBLIC ADVOCATES OFFICE TO
PACIFIC GAS & ELECTRIC COMPANY'S APPLICATION
TO INCREASE RATES AND CHARGES FOR ELECTRIC
AND GAS SERVICE EFFECTIVE ON JANUARY 1, 2027**

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I. INTRODUCTION

Pursuant to Rule 2.6(a) of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this Protest¹ to Pacific Gas and Electric Company's (PG&E) application for approval to increase rates and charges for electric and gas service, effective January 1, 2027 (Application).

Cal Advocates has a statutory obligation to represent and advocate on behalf of the interests of public utility customers before the Commission.² Cal Advocates' mission is to obtain the lowest possible rate for service consistent with safe and reliable service levels, and the state's environmental goals.

PG&E seeks authorization for a \$16.637 billion³ base revenue requirement for gas and electric services to become effective on January 1, 2027. PG&E states that this amount is a \$1.237 billion increase over PG&E's 2026 adopted revenue requirement

¹ Notice of the filing of Application (A.) 25-05-009, *2027 General Rate Case Application of Pacific Gas and Electric Company (U 39 M)*, May 15, 2025 (Application) first appeared in the Commission's Daily Calendar on May 19, 2025. Therefore, this Protest is timely filed.

² See Pub. Util. Code § 309.5.

³ Application at 22.

which, according to PG&E, would translate to an 8 percent⁴ increase over currently authorized and requested base rates for 2026.

PG&E seeks authorization for a Post Test Year (PTY) Ratemaking (PTYR) mechanism that would be used to adjust authorized revenue requirements to provide additional funds to cover the costs of doing business in 2028, 2029 and 2030 (attrition years).⁵ PG&E claims the PTYR mechanism will result in additional increases of 6.1 percent for each attrition year or \$1.014 billion in 2028, \$1.075 billion in 2029 and \$1.143 billion in 2030.⁶ This would result in a cumulative increase of \$11.283 billion over currently authorized revenues for years 2027 through 2030.⁷

The Application asserts PG&E is actively addressing affordability and that its GRC represents a “lower increase” compared to its revenue requirements authorized in prior GRCs.⁸ However, in this context of affordability, this claim doesn’t tell the whole story because PG&E is explicitly not including costs in this GRC application that have been included in prior GRCs.⁹ PG&E’s claims of “bend[ing] the curve on its forecast”¹⁰ with a lower request in 2027 (the first year of the GRC period) glosses over its higher than typical attrition year increases for 2028, 2029, and 2030. Moreover, PG&E’s assertions about overall future rates ignore the potential for future funding requests the utility may seek in the next five years.

⁴ Application at 1.

⁵ PG&E Exhibit 11 at 1-1.

⁶ Application at 1, 2, 22 and 23; Pacific Gas and Electric Company 2027 General Rate Case Post Test-Year Ratemaking Workpapers Supporting Prepared Testimony Chapters 2-3, Exhibit PG&E-11, at WP 2-1.

⁷ Cal Advocates calculated the cumulative increase of \$11.283 billion over currently authorized revenues for years 2027 through 2030 from PG&E’s 2027 GRC revenue requirement request shown in its Application on p.22 and Post Test Year Ratemaking Exhibit 11 at 2-2.

⁸ Application at 3 and 4.

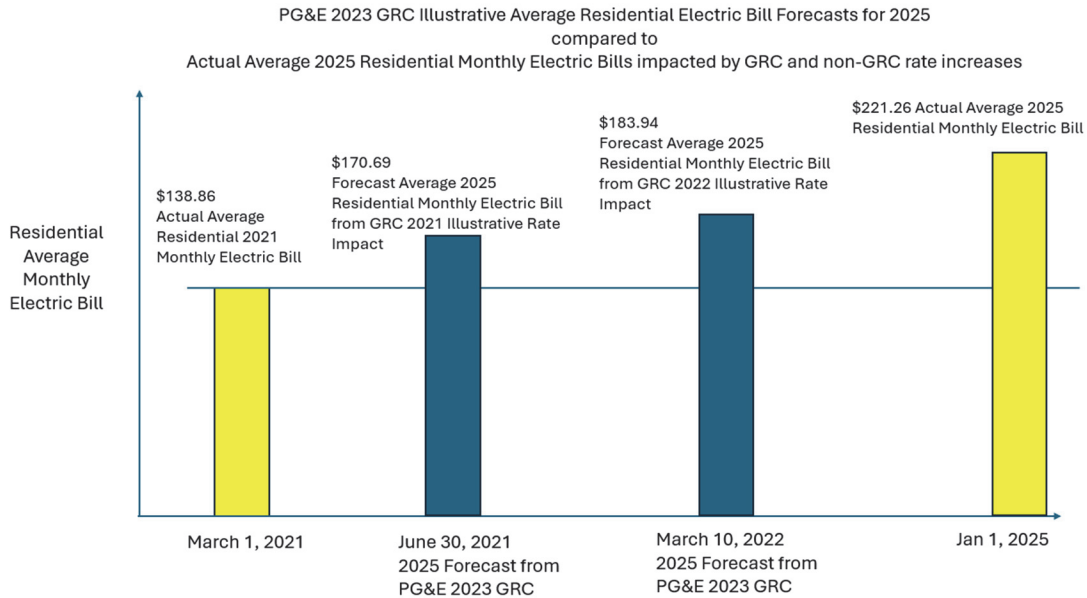
⁹ Examples of costs considered in prior PG&E GRCs include: plans for undergrounding, now in a separate 10 year undergrounding application, Exhibit PG&E-04 at 2-13; operations of Diablo Canyon Power Plant, Exhibit PG&E-05 at 1-18; and depreciation costs that it may elect to recover in future applications, Exhibit PG&E-10 at 8-10.

¹⁰ Application at 3.

In evaluating this GRC Application, it is important to keep in mind the cumulative effect of all PG&E’s requests for ratepayer funding, and the considerable strain PG&E customers face.

Figure 1, shows increases in typical monthly bills comparing actual rate impacts with amounts forecasted at the time of the GRC filing.¹¹

Figure 1¹²



¹¹ Typical bills are based on non-CARE bundled residential customer electric usage of 500 kWh per month.

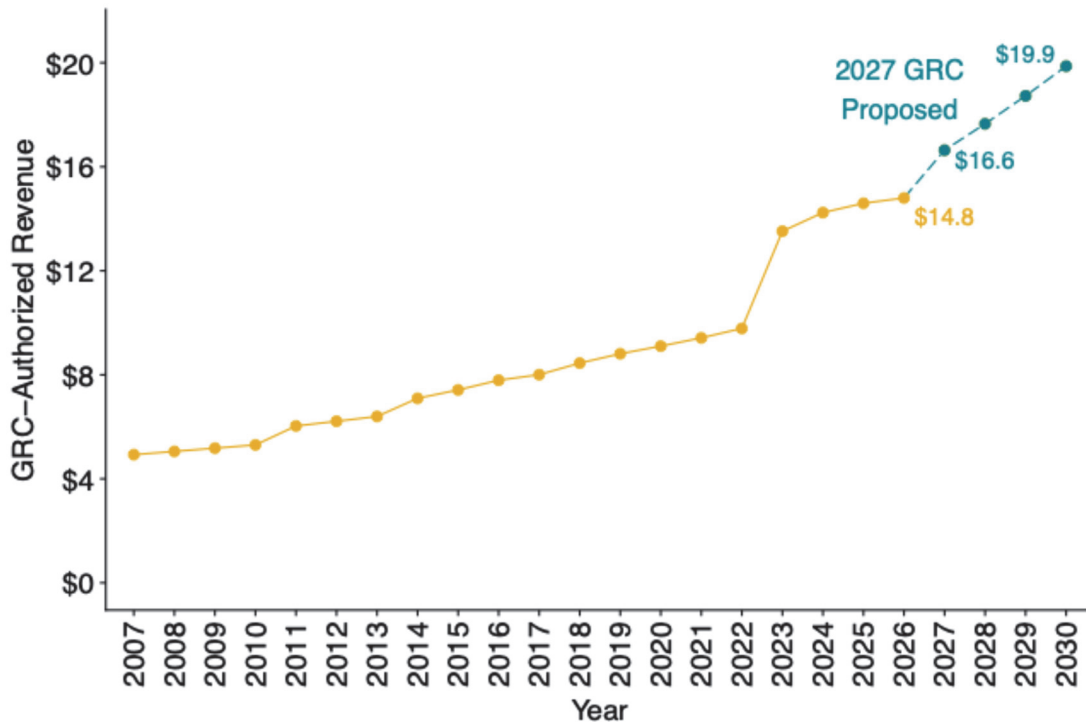
¹² Sources for Figure 1

- PG&E estimated that PG&E’s 2022 amended GRC application would increase average 2025 residential monthly electric bills to \$183.94 compared to \$138.86 in 2021, an increase of 32% compared to 2021; A.21-06-021, *2023 General Rate Case Amended Application of Pacific Gas and Electric Company*, March 10, 2022 (2022 Amended Application), Attachment D at D-20; A.21-06-021, *2023 General Rate Case Application of Pacific Gas and Electric Company*, June 30, 2021 at 13.
- PG&E now reports, however, that the actual average 2025 residential monthly electric bills is \$221.26, an increase of 59% compared to 2021; PG&E Response to Cal Advocates data request 1 regarding Advice Letter 7516-E, March 7th, 2025.
- These increased monthly bills occurred despite a \$10.013 billion revenue reduction from PG&E’s 2023-2026 GRC period revenue request of \$67.167 billion down to \$57.154 billion. See D.23-11-069, *Decision on Test Year 2023 General Rate Case for Pacific Gas And Electric Company* at 3 and 8. Request- 2023: \$15.818 billion 2024: \$16.742 billion, 2025: \$17.180 billion, 2026: \$17.427 billion totaling \$67.167 billion. Authorized- 2023: \$13.521 billion, 2024: 14.237 billion, 2025: \$14.596 billion, 2026: \$14.800 billion totaling \$57.154 billion.

Lastly, the figures show clearly how PG&E’s GRC requests continue to increase ratepayer costs.

Figure 2 puts PG&E’s GRC in stark relief by comparing this request with costs approved in prior GRCs.

Figure 2
PG&E’s 2007-2026 Authorized and 2027-2030 Proposed Revenues¹³
(In billions of dollars)



II. ISSUES TO BE CONSIDERED

Cal Advocates is reviewing the Application, accompanying testimony, and associated workpapers. Cal Advocates will develop its own independent forecasts and make recommendations to the Commission as appropriate in its testimony.

Cal Advocates recommends the Commission consider whether the following requests and proposals are reasonable and adequately supported by PG&E:

¹³ Sources: D.07-03-044 (2007-2010), D.11-05-018 (2011-2013), D.14-08-032 Appendices C and D (2014-2016), D.17-05-013 (2017-2019), D.20-12-005 (2020-2022), D.23-11-069 (2023-2026), PG&E's 2027 GRC Application, A.25-05-009 (2027-2030)

- Proposed revenue requirement for electric distribution and related capital and expense cost forecasts;
- Proposed revenue requirement for electric generation and related capital and expense cost forecasts;
- Proposed revenue requirement for gas distribution and related capital and expense cost forecasts;
- Proposed revenue requirement for gas transmission and storage plan and related capital and expense cost forecasts;
- Wildfire safety, management and mitigation cost forecasts;
- Operations and maintenance, shared services, customer service and administration and general expenses for numerous major work categories forecasts;
- Capital expenditures for gas distribution, electric distribution and electric generation forecasts;
- Depreciation expenses forecasts;
- Forecasts, computations and deductions pertaining to federal, state and other taxes;
- Working cash, lead-lag study and other rate base items forecasts;
- The amount of incentives or awards to be funded by ratepayers;
- The level of settlements, claims, workers compensation, insurance, pension and benefits costs to be funded by ratepayers;
- Proposed staffing levels (i.e., new Full-Time Equivalent positions, or FTEs) and the forecast amount of work activities and unit costs associated with those work activities;
- Costs associated with replacing aging and/or obsolete equipment and other proposed capital expenditures;
- Post-test year revenue increase forecasts;
- New programs or initiatives;
- Forecast methodologies that PG&E employs;
- PG&E's proposals to continue, modify, establish or eliminate balancing and memorandum accounts;
- Reasonableness reviews of costs recorded in balancing and memorandum accounts;
- PG&E's safety and risk management presentation; and

- PG&E’s policy-related proposals.

Additionally, the Commission should consider:

- Whether and how PG&E has selected the most cost-effective and efficient risk mitigations in its 2027 GRC Application and adequately analyzed alternatives;
- Whether and how PG&E considered the impact in delays in risk mitigation program implementation for different wildfire mitigation alternatives;
- Whether PG&E has adequately addressed comments on PG&E’s 2024 Risk Assessment and Mitigation Phase (RAMP) application in its 2027 GRC as required by D.22-10-002;^{14, 15 16}
- Whether PG&E is completing authorized, funded, and necessary safety, reliability, and maintenance work in a timely manner; and
- Whether PG&E’s System Hardening Accountability Reports (SHARs) are achieving their intended objectives¹⁷ and if any changes need to be made to their requirements.

¹⁴ See Cal Advocates’ Comments on PG&E’s 2024 RAMP Application, available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M548/K970/548970174.PDF>

¹⁵ D.22-10-002, Appendix A at A3: “IOUs shall address all RAMP comments and explain how any recommendations found in the RAMP comments were or were not adopted and why in their GRC testimony when they ask for GRC cost recovery.”

¹⁶ PG&E did not initially include responses to Cal Advocates’ comments in its RAMP feedback table, contained in Exh. PG&E-02, Chapter 1, Attachment D. Cal Advocates submitted a data request to PG&E asking it to provide where in its GRC application PG&E responds to Cal Advocates’ RAMP comments (available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M548/K970/548970174.PDF>). PG&E responded with an updated Attachment D containing responses to our comments, which Cal Advocates is presently reviewing.

¹⁷ D.23-11-069 at 280: “We will examine PG&E’s progress closely, and require heightened tracking and reporting of costs to ensure transparency and accountability. We expect the information filings ordered by this decision may help inform review of any future requests made by PG&E for ratepayer funding for undergrounding, and that future forecasts of unit costs and pace of work will be informed by historic actual data.”

This list of issues is preliminary and non-exhaustive. Cal Advocates reserves the right to raise new issues in this proceeding as it gains additional information through utility filings and discovery conducted during this proceeding.

III. CATEGORIZATION

This proceeding has been preliminarily categorized as “ratesetting” consistent with PG&E’s proposed designation.¹⁸ Cal Advocates agrees that this proceeding should be categorized as ratesetting.

IV. NEED FOR EVIDENTIARY HEARINGS AND PROCEEDING SCHEDULE

Cal Advocates maintains that hearings will be necessary to resolve some of the issues in this proceeding. Based on a review of PG&E’s Application and supporting testimony and workpapers, and on experience in earlier GRCs, Cal Advocates recommends that evidentiary hearings will need to be scheduled given the billions of dollars PG&E requests from ratepayers in this rate cycle covering PG&E’s operations. PG&E must demonstrate its requests are fully supported and reasonable. Evidentiary hearings will help further develop the record for the Commission to evaluate PG&E’s requests.

V. PROPOSED SCHEDULE– RULE 2.1(C)

Cal Advocates notes this proceeding will require considerable review, analysis, and discovery. PG&E’s Application proposes an aggressive schedule for this proceeding, which Cal Advocates believes is unrealistic in light of the complex financial data to be reviewed and the issues PG&E raised, as well as its demands for an increase in revenue requirement. Cal Advocates is participating in numerous other PG&E applications where PG&E requests significant cost recovery, including:

1. A. 24-03-011 (Gas Advanced Metering);
2. A. 24-11-009 (Wildfire Mitigation Catastrophic Event Recovery);
3. A. 24-10-014 (Bill Modernization);

¹⁸ Application at 30.

4. A. 24-03-009 (Public Utilities Code 851 to Lease); and
5. A. 25-03-010 (Cost of Capital).

The aforementioned applications are requesting cost recovery in addition to PG&E's current Application for a cumulative revenue increase of \$11.283 billion. PG&E's proposed schedule leaves inadequate time to properly review the numerous cost increases in the Application, especially in light of significant repeated rate increases over the past several years and the time needed by parties to review PG&E's other applications.

Additionally, Cal Advocates' staff that will need to analyze and review PG&E's Application are actively working on various Southern California Gas Company (SoCalGas), Liberty Utilities (Liberty), Southern California Edison Company (SCE), and San Diego Gas & Electric (SDG&E) Company proceedings:

1. A.22-05-015/A.22-06-016 (SoCalGas Track 3);
2. A.24-09-010 (Liberty 2025 GRC);
3. A.25-03-009 (SCE Next Gen Enterprise Resources);
4. A.25-04-020 (SoCalGas Transmission Integrity Management Program);
5. A.25-02-012 (SDG&E Transmission Integrity Management Program).

Therefore, Cal Advocates requests that the Commission adopt a schedule that provides all parties adequate time to evaluate PG&E's requests. In particular, the Commission should reject PG&E's proposed date of December 15, 2025 for intervenor testimony.¹⁹ Cal Advocates will need more time to conduct its analysis and review and prepare and serve its testimony. Cal Advocates will be prepared to propose a schedule at the prehearing conference after it has had additional time to review PG&E's Application.

¹⁹ Application at 36.

VI. CONCLUSION

Cal Advocates respectfully requests that the proceeding be categorized as ratesetting, the Commission adopts a procedural schedule that provides adequate time for all parties to evaluate the utility's proposals and make recommendations, and that the scope of the proceeding include the issues identified in this Protest.

Respectfully submitted,

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