

**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
(Filed May 15, 2025)

PROTEST OF THE UTILITY REFORM NETWORK

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June 18, 2025

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PROTEST OF THE UTILITY REFORM NETWORK

I. INTRODUCTION

On May 15, 2025, Pacific Gas and Electric Company (PG&E) filed Application (A.) 25-05-009, its Test Year 2027 General Rate Case (GRC), seeking to increase its electric and gas revenue requirement and base rates effective on January 1, 2027, and further increase its revenue requirement in each of the following three years, 2028, 2029, and 2030. Pursuant to Rule 2.6 of the Commission’s Rules of Practice and Procedure, TURN submits this protest to PG&E’s 2027 GRC application.¹

II. OVERVIEW OF PG&E’S GRC REQUEST AND THE BROADER CONTEXT IN WHICH THE ASSOCIATED RATE IMPACTS WOULD OCCUR

PG&E proposes to increase its GRC revenue requirement in test year 2027 by 8.0% over 2026 authorized GRC base revenues, followed by an additional 6.1% increase in each of the three “attrition” or “post-test” years in PG&E’s 2027 GRC cycle.² If the Commission grants PG&E’s request, PG&E’s GRC revenue requirement will be 29% higher by 2030 and PG&E will collect \$11.283 *billion* more from ratepayers in 2027-2030 than without this GRC.³ The following table summarizes PG&E’s request as presented by PG&E.

¹ Rule 2.6 requires that protests be filed within 30 days of the date the notice of the filing of the application first appeared in the Commission’s Daily Calendar. Notice of PG&E’s application first appeared on May 19, 2025. TURN’s protest is thus timely filed.

² PG&E Application, pp. 1-2, 22-23.

³ Calculation for Cumulative Increase in Revenues: Calculation: (\$1,237 million) x 4 + (\$1,014 million) x 3 + (\$1,075 million) x 2 + (\$1,143 million) = \$11.283 billion.

PG&E Test Year 2027 GRC Request (2027-2030 Cycle)⁴

Year	Increase (\$000,000)	GRC Rev. Req. (\$000,000)	% Increase
2026 (Authorized)		\$15,400	
2027	\$1,237	\$16,637	8.03%
2028	\$1,014	\$17,651	6.09%
2029	\$1,075	\$18,726	6.09%
2030	\$1,143	\$19,869	6.10%
Sum of 2027-2030 Increases	\$4,469		
% Increase by 2030 (over 2026)	29.02%		
Cumulative Increase in Revenues	\$11,283		

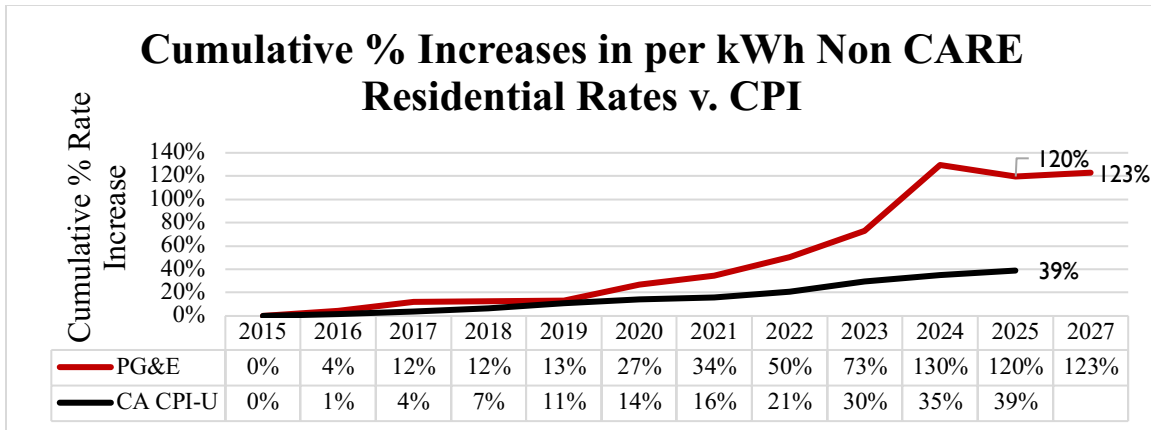
PG&E proclaims that this GRC proposal “seeks the smallest percentage test year revenue requirement increase since our 2017 GRC, made in part possible by reducing costs and passing on savings to customers,” and “represents a significant turning-of-the-corner” at PG&E on bill affordability.⁵ TURN suspects that PG&E’s customers will not see it the same way for at least three reasons.

First, PG&E’s GRC increases follow a decade of rate increases that have eroded affordability. PG&E’s residential electric rates more than doubled from 2015-2025, far outpacing the rate of inflation over the same time period as illustrated in the figure below.⁶

⁴ PG&E Application, pp. 22-23; PG&E-01, p. 1-11.

⁵ PG&E Application, p. 1.

⁶ PG&E Residential Non-CARE Electric Rates used for this figure are as follows (¢/kWh): 2015 – 20.3, 2016 – 21.2, 2017 – 22.7, 2018 – 22.8, 2019 – 23.0, 2020 – 25.7, 2021 – 27.3, 2022 – 30.5, 2023 – 35.1, 2024 – 46.6, 2025 – 44.6, 2027 (GRC proposal) – 45.2.



In 2015, PG&E’s residential non-CARE customers paid \$0.203/kWh. By 2025, that rate had increased by 120% to \$0.446/kWh. In contrast, the cumulative increase in the California Consumer Price Index-Urban from 2015-2025 was 39%, including the notoriously high inflationary impacts associated with the COVID-19 pandemic. PG&E’s GRC proposal would worsen electric bill affordability for CARE and Non-CARE customers in every climate zone under both Affordability Ratio metrics adopted by the Commission in D.22-08-023, AR20 and AR50.⁷ The AR20 metric represents the portion of a customer’s discretionary household income contributed towards electric or gas essential service for customers within the 20th percentile of income, while the AR50 metric captures the portion of income for customers within the 50th percentile of income.⁸

PG&E claims that its customer bills “are stabilizing” and projects that “the 2027 combined bill” will be “flat compared to 2025,” despite the GRC increases, because of expiring revenue requirements currently in rates.⁹ Currently, the average residential

⁷ PG&E Application, Attachment K – Electric Affordability Metric Impacts.

⁸ *Id.*

⁹ PG&E Application, p. 1.

combined gas and electric monthly bill is an astounding **\$299** for Non-CARE customers and **\$182** for CARE customers.¹⁰ Even if PG&E’s projection proves accurate, it would not reverse the erosion in affordability over the past decade. That “turning of the corner” PG&E envisions requires an enduring rate *decrease* to bring customer bills down.

Second, PG&E’s GRC and associated bill impacts do not reflect all costs typically funded through base rates. PG&E identifies the following costs excluded from the 2027 GRC:

- Costs to own and operate the Diablo Canyon Power Plant;¹¹
- Capital costs associated with PG&E’s forthcoming Electric Undergrounding Plan for 2028-2030;¹²
- Capital costs associated with PG&E’s forthcoming “Propel/Elevate” application, which will include replacement of PG&E’s existing SAP enterprise resource planning software with the latest SAP offering and the upgrade of its geographic information system (GIS);¹³
- \$3.21 billion of securitized wildfire risk mitigation capital expenditures permanently removed from GRC rate base per Assembly Bill 1054;¹⁴
- Capital costs and expenses included in the following pending PG&E applications:

¹⁰ PG&E Application, Table 3, Attachment E, F (Non-CARE bills); Table 4, Attachment E, F (CARE bills). Average electric bills are as of 3/1/25, while average gas bills are as of 1/1/25.

¹¹ PG&E Application, p. 24.

¹² PG&E-10, p. 7-14.

¹³ PG&E-10, pp. 7-14 – 7-15.

¹⁴ PG&E-10, p. 7-14.

- PG&E’s 2023 Wildfire Mitigation and Catastrophic Events (WMCE) reasonableness review (A.23-12-001)
- PG&E’s 2024 WMCE reasonableness review (A.24-11-009)
- PG&E’s Wildfire and Gas Safety Costs (WGSC) reasonableness review (A.23-06-008)
- PG&E’s Billing Modernization request (A.24-10-014)
- PG&E’s Helms Pumped Storage Uprate request (A.23-12-014).¹⁵
- “Other separately funded projects,” including the following:
 - Catastrophic Events Memorandum Account (CEMA) recorded 2024 costs, and other as yet unfiled CEMA event costs;
 - Mobile Home Park (MHP) Utility Upgrade Program forecast costs and recorded costs for projects not considered substantially complete as of December 31, 2024;
 - Dynamic and Real-Time Pricing Memorandum Account (DRTPM) capital costs associated with customers that provide behind-the-meter resources through vehicle-to-grid technologies.¹⁶

TURN has not evaluated whether this is an exhaustive list of costs that relate to activities traditionally funded through the GRC.

However, it is clear that PG&E’s comparison between the percentage increase in this GRC compared to prior GRC requests is not an apples-to-apples comparison.

Customers will face much larger revenue requirement increases during the 2027 GRC

¹⁵ PG&E-10, pp. 7-13 – 7-14.

¹⁶ PG&E-10, p. 7-15.

cycle than highlighted by PG&E when the costs associated with these other GRC-type activities are accounted for.

Moreover, the lack of transparency into the full extent of GRC-type costs that could impact customer rates in 2027-2030 undermines the Commission's ability to manage ratepayer costs. As the Commission stated in its Response to Executive Order N-5-24, an action the Commission can "take to reduce ratepayer costs" is the "move toward incorporating a greater share of ratepayer costs into General Rate Cases for holistic review and decision-making."¹⁷ PG&E's presentation hinders the Commission's ability to conduct a holistic review.

Third, PG&E's comparison between this GRC and GRCs filed over the past decade focuses only on test year increases, whereas PG&E's attrition year increases are the highest requested by PG&E during this period (and possibly much longer). The following table presents a more complete comparison between the current GRC request compared and recent GRC. As noted above, the figures shown for the 2027 GRC exclude many other significant costs that relate to GRC-type activities.

¹⁷ CPUC Response to Executive Order N-5-24, 2/18/25, p. 18, available here: <https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/reports/cpuc-response-to-executive-order-n-5-24.pdf>.

**Comparison of PG&E Test Year and Attrition Year Requests
2017 GRC through 2027 GRC¹⁸**

	2017 GRC A.15-09-001		2020 GRC A.18-12-009		2023 GRC A.21-06-021		2027 GRC A.25-05-009	
	Year	RRQ Increase	Year	RRQ Increase	Year	RRQ Increase	Year	RRQ Increase
Test Year	2017	5.8%	2020	12.4%	2023	29.9%	2027	8.0%
Attrition Year	2018	5.8%	2021	4.7%	2024	6.0%	2028	6.1%
Attrition Year	2019	4.4%	2022	4.9%	2025	3.6%	2029	6.1%
Attrition Year					2026	2.2%	2030	6.1%

For all of these reasons, the Commission must not be persuaded by PG&E that the challenge of bill affordability has been solved. Rather, the Commission must keep bill affordability front of mind as it carefully scrutinizes PG&E’s GRC request and only approve those requests that PG&E has demonstrated are just and reasonable. Additional spending and rate increases, such as the increases proposed in this GRC, will only make bills less affordable, all else being equal.

III. GROUNDS FOR PROTEST

The Commission must ensure that the rates charged by PG&E are just and reasonable. As the Commission explained in D.01-10-031:

We have a regulatory responsibility to ensure PG&E provides adequate service at just and reasonable rates, and we must view the facts accordingly. Our legislative mandate encompasses promoting the “safety, health, comfort, and convenience of PG&E’s patrons, employees, and the public.” *See* §451.¹⁹

¹⁸ Source: A.15-09-001, PG&E Application, pp. 2-3; A.18-12-009, PG&E Application, pp. 6-7; A.21-06-021, PG&E Application, pp. 14-15; A.25-05-009, PG&E Application, pp. 1-2.

¹⁹ D.01-10-031, *Order Granting Rehearing of and Modifying Decision 00-02-046*, p. 5.

TURN protests PG&E's request for authorization to increase its revenue requirement as presented in its GRC application, as PG&E's requests are without sufficient support. As the applicant, PG&E bears the burden of proving that it is entitled to the relief being sought here and must affirmatively establish the reasonableness of each and every proposal within its application.²⁰ Moreover, the starting point for the Commission's analysis must be that existing rates are reasonable unless a party meets its burden of proving that they are not.²¹

While TURN is still in the preliminary stage of our investigation, we expect to present evidence in our prepared testimony and through evidentiary hearings showing that PG&E has failed to meet its burden of demonstrating the reasonableness of many aspects of its showing, including but not limited to certain proposals regarding electric distribution costs, gas distribution costs, gas transmission and storage costs, electric generation costs, customer service costs, administrative and general expenses, shared services and other support costs, rate base, and PG&E's proposals regarding balancing and memorandum accounts. This list is by no means exhaustive.

TURN has also identified a few specific issue areas that warrant highlighting at this time in order to more clearly identify the scope of issues to be addressed in this GRC, and/or immediate action by the Commission, including the depreciation issue and the Non-Tariffed Products & Services issue discussed below.

²⁰ See, *i.e.*, D.09-03-025, p. 8 (discussing SCE's burden of proof in its Test Year 2009 General Rate Case, A.07-11-011).

²¹ "[The utility] has the burden of proving that its current authorized revenues are unreasonable and should be adjusted." D.00-02-046, Conclusion of Law 3.

IV. EFFECT OF THE APPLICATION ON THE PROTESTANT

TURN is a non-profit consumer advocacy organization, and has a long history of representing the interests of residential and small commercial customers of California's utility companies before this Commission. TURN's articles of incorporation specifically authorize our representation of the interests of residential customers. PG&E's application threatens to harm the interests of PG&E's residential ratepayers, whose interests TURN represents, by seeking authorization to collect from ratepayers charges that are unjust and unreasonable for the provision of safe and reliable electric and natural gas utility service by PG&E during the years 2027, 2028, 2029, and 2030.

V. CATEGORIZATION AND NEED FOR EVIDENTIARY HEARINGS

In Resolution ALJ 176-3564 (June 12, 2025), the Commission preliminarily determined that this proceeding should be categorized as "ratesetting." TURN concurs with this assessment.

PG&E states that it anticipates that evidentiary hearings will be required.²² TURN agrees. The Commission's disposition of PG&E's application will require the resolution of numerous disputed issues of material fact, including the reasonableness of PG&E's forecasts of test year costs throughout its showing, the reasonableness of PG&E's proposed attrition mechanism, and the reasonableness of costs previously incurred by PG&E that PG&E seeks review of in this GRC. TURN intends to actively participate in evidentiary hearings as necessary to support our recommendations.

²² PG&E Application, p. 30.

VI. SCOPE OF ISSUES TO BE CONSIDERED

TURN recommends that the scope of this proceeding include the issues identified below, as well as the movement of an issue to Track 2 of the proceeding.

A. The Commission Must Evaluate Whether PG&E's RAMP to GRC Integration Is Reasonable and Compliant with Commission Requirements.

PG&E's testimony includes a discussion of Risk Assessment and Mitigation Phase (RAMP) to GRC integration,²³ but this issue is not included in the list of "Issues to Be Considered" in Section IX(F) of PG&E's Application. The Scoping Memo should expressly include the issue of whether PG&E's efforts at RAMP to GRC integration are reasonable and compliant with Commission requirements. TURN recommends incorporating the same issue the Commission included in PG&E's 2021 GRC, which is as follows:

"whether the identified risks in PG&E's June 2020 Risk Assessment and Mitigation Phase (RAMP) report have been adequately integrated in this GRC proceeding, and whether mitigation programs and projects that address safety risks are reasonably balanced with the costs associated with such programs and projects."²⁴

B. PG&E's Proposed Depreciation Rates versus PG&E's Depreciation Study.

TURN recommends that the Scoping Memo clarify the depreciation-related issues that will be addressed and resolved in this proceeding, given PG&E's approach to developing its proposed depreciation rates and limited reliance on its depreciation study. TURN recognizes and appreciates the utility's efforts to exercise restraint in its

²³ PG&E-2, Chapter 1, Section C.4. *See also* PG&E Application, pp. 10-11.

²⁴ *Assigned Commissioner's Scoping Memo and Ruling*, issued 10/1/21 in A.21-06-021, pp. 4-5.

recommended depreciation rates in order to somewhat reduce the associated depreciation expense forecasted for 2027. However, under PG&E's approach substantial portions of its depreciation study no longer have a practical effect on the depreciation rates for a large number of plant accounts. Most obviously, PG&E's depreciation study materials devote substantial attention to the Units of Production (UoP) alternative depreciation method as a response to implementation of California's decarbonization policies, even though the utility makes clear it is not asking the Commission to adopt that method here. In addition, for the vast majority of electric distribution and transmission plant accounts, PG&E's depreciation study purports to support increased depreciation rates that are not the utility's recommendation here, as PG&E proposes to retain the rates adopted in the 2023 GRC.

TURN believes it is in the interest of all parties as well as the Commission to clearly identify at the earliest opportunity the issues raised in the utility's depreciation showing that are not directly relevant to PG&E's depreciation recommendations, and to make clear that the Commission does not expect to resolve those issues here.²⁵ Parties can then make informed choices as to whether it makes sense to devote any portion of their limited resources to addressing such issues in this GRC, or if their time is better spent focusing on the innumerable other issues that are likely to be addressed and resolved in this GRC.

²⁵ TURN's initial attempt to achieve clarification on these topics was unsuccessful. TURN served initial data requests asking in a variety of ways for PG&E to identify the specific actions it hoped the Commission would take and outcomes it would adopt based on the depreciation study proposals that were not PG&E's recommendations in this GRC. TURN appreciates the effort PG&E made to provide responses in just a few days so they might be reflected in this protest. However, TURN remains unclear as to what PG&E is asking the Commission to adopt in this GRC with regard to recommendations presented but not made by the utility in this GRC.

In Chapter 8 of PG&E-10, the testimony volume addressing Results of Operations issues, PG&E sets forth its proposals for depreciation rates and the resulting depreciation expense forecasts for electric distribution, gas distribution, electric generation and gas transmission and storage plant. Typically, the depreciation rates a utility proposes in its GRC are based on a depreciation study that analyzes historical plant records, current practices and expected future events to develop the utility's recommendations. Here, PG&E presents such a depreciation study (described in Chapter 9 of PG&E-10, and appearing in the workpapers to that chapter). But as PG&E describes in Chapter 8, the utility is generally seeking "a much smaller increase to depreciation rates than is recommended by the depreciation study findings."²⁶ To that end, "PG&E is proposing a one-time deviation from the depreciation parameters and rates presented in the depreciation study for certain plant accounts."²⁷

- For electric plant accounts, PG&E proposes to maintain depreciation rates at the previously approved 2023 GRC level seemingly across the board.²⁸
- For a number of gas plant accounts, including those representing the vast majority of the total gas plant, the proposed rates are either the previously approved 2023 GRC level or a change that is different than that recommended in the current depreciation study.²⁹

PG&E's depreciation study and associated testimony include issues that would be highly likely to be controversial and therefore consume large amounts of parties' and ultimately the Commission's resources. Most obviously, the testimony supporting the

²⁶ Ex. PG&E-10, p. 8-6.

²⁷ *Id.*

²⁸ *Id.*, p. 8-8.

²⁹ *Id.*

depreciation study recommends depreciation parameters and rates for gas distribution plant that include the impacts of decarbonization, and advocates for the Units of Production (UoP) depreciation method as “both appropriate and equitable from a depreciation standpoint.”³⁰ However, PG&E acknowledges elsewhere in its testimony that “the Commission prefers to address the broader issues surrounding decarbonization in the Gas Planning OIR and that the resolution of the Gas OIR may lead to alternative depreciation methods, such as UoP, or other mechanisms to recover remaining gas infrastructure costs.”³¹ PG&E makes clear that it is not recommending the use of UoP in this GRC, and describes the UoP-related testimony in the depreciation study as presented “to provide information to parties in the 2027 GRC.”³²

In sum, elements of PG&E’s depreciation study have been rendered a more theoretical discussion than the basis for any of PG&E’s depreciation-related recommendations. Clarifying what needs to be addressed in this proceeding will better define the scope and potentially conserve the limited resources that non-utility parties and the Commission’s staff have available to devote to this GRC. To that end, the Scoping Memo should direct PG&E and interested parties to develop either a consensus proposal identifying the depreciation-related issues that are “live” in this proceeding, or to present the assigned ALJs alternative positions such that any remaining differences can be resolved as early as practicable.

³⁰ *Id.*, p. 8-26; *see also* Ex. PG&E-10, pp. 9-28 to 9-44.

³¹ Ex. PG&E-10, p. 8-7.

³² *Id.*, pp. 8-25 to 8-26.

C. PG&E’s Proposal for its Non-Tariffed Balancing Account Needs to Be Examined at the Same Time as Its Non-Tariffed Products & Services Memorandum Account.

PG&E is seeking authorization to track all New Revenue Development programs in its Non-Tariffed Balancing Account (“NTBA”) as well as moving to a 50-50 net revenue sharing model for all of its Non-Tariffed Products & Services, which would be a drastic change from what has been previously authorized.³³ Yet, PG&E is also requesting to delay the review of its Non-Tariffed Products & Services Memorandum Account (“NTPSMA”) until Track 2 of this proceeding.³⁴ These two issues need to be examined at the same time, as the issues are closely intertwined.

On March 29, 2024, PG&E filed AL 7228-E and sought approval to amend the Non-Tariffed Products and Services Memorandum Account (“NTPSMA”) established pursuant to D.23-11-069. In its protest of the advice letter, TURN noted that PG&E failed to disclose that it plans to distribute to shareholders, in advance of Commission review and approval, what PG&E unilaterally determines to be incremental expenses. In other words, for years 2025 and 2026, PG&E will record NTP&S revenues to the NTPSMA, and then first distribute to shareholders what PG&E determines to be incremental expenses associated with providing these services, and then distribute net revenue 50/50 to shareholders and ratepayers, *all without prior review and approval by the Commission*. In addition, TURN noted that the Commission has repeatedly rejected PG&E’s proposed 50/50 sharing of net profits for NTP&S programs. In its reply, PG&E stated that disposition of these revenues would be subject to Commission review and

³³ PG&E-6, p. 2-41.

³⁴ PG&E Application, pp. 37-38.

confirmation or potential revision in the 2027 GRC, and that the Commission would be able to review all entries in the NTPSMA for 2023-2026.³⁵ On October 30, 2024, the Energy Division approved the advice letter but stated that “PG&E’s proposed process to create subaccount NRD 2025-2026 in the NTPSMA, and propose[d] 50-50 shareholder/ratepayer net revenue sharing, [are] both subject to review in the next GRC, in which the Commission will also consider the independent audit of the NTP&S program, and subject to possible ratepayer refunds.”³⁶

Yet, PG&E now wants the Commission to approve its proposed 50-50 net revenue sharing model *before* the Commission and parties have an opportunity to examine the entries recorded in the NTPSMA to see if what PG&E unilaterally determined to constitute incremental expenses (and therefore distributed to shareholders) is reasonable. The Commission should find this to be an unacceptable attempt by PG&E to circumvent the review that PG&E assured the Commission would occur when the Commission considers the 50-50 revenue sharing model. TURN strongly opposes this tactic by PG&E. Either the consideration of the NTBA and the associated 50-50 revenue sharing model must be moved to Track 2 of this proceeding, or PG&E must be directed to provide supplemental testimony in Track 1 to address the reasonableness of the entries recorded in the NTPSMA. The two issues cannot be considered separately.

³⁵ Disposition of PG&E AL 7228-E, Attachment 1.

³⁶ Disposition of PG&E AL 7228-E, Attachment 1.

D. The Commission Should Confirm that the Scope Includes Affirmative Proposals of Parties other than PG&E Related to the GRC.

Historically, it was customary for the Commission to issue an Order Instituting Investigation (OII) and open a companion docket to the utility's general rate case application. As the Commission explained when it opened I.06-03-003, the companion investigation to A.05-12-002, PG&E's 2007 General Rate Case:

The purpose of this investigation is to allow the Commission to consider proposals other than PG&E's, and to enable the Commission to enter orders on matters for which the utility may not be the proponent. This companion investigation will also afford parties an opportunity and forum to provide evidence on issues of interest to the Commission. These issues may result in directives to PG&E that serve the public interest and that result in just and reasonable rates, services, and facilities.³⁷

More recently, the Commission has declined to open a companion investigation in general rate cases, instead finding that such a proceeding would be unnecessary to allow the Commission to address affirmative recommendations of parties on subjects relevant to GRCs but not covered by the utilities' applications or testimony.³⁸ This is the approach taken in the last three PG&E GRCs, for instance.³⁹

In this case, TURN requests that the Commission either open a companion investigation to PG&E's 2027 General Rate Case or clarify that the Commission will entertain herein the affirmative proposals of parties other than PG&E, even where such proposals are not covered by PG&E's application or testimony, as long as parties'

³⁷ Order Instituting Investigation 06-03-003, issued March 7, 2006, p. 1.

³⁸ See, e.g., *Scoping Memo and Ruling of Assigned Commissioner*, issued Mar. 1, 2011 in A.10-11-015 (SCE 2012 GRC), p. 26.

³⁹ *Assigned Commissioner's Scoping Memo and Ruling*, issued 10/1/21 in A.21-06-021, p. 5; *Assigned Commissioner's Scoping Memo and Ruling*, issued 3/8/19 in A.18-12-009, p. 4; *Assigned Commissioner's Ruling and Scoping Memo*, issued 12/1/15 in A.15-09-001, pp. 14-15.

proposals address issues properly within the scope of a general rate case. Either of these approaches would avoid an overly restrictive construction of the matters the Commission may consider in this docket as it evaluates how best to serve the public interest.

VII. PROPOSED SCHEDULE

Consistent with Administrative Law Judge Larsen's *E-Mail Ruling Noticing July 3, 2025 Prehearing Conference*, issued on 6/10/25, TURN intends to address the schedule for this proceeding in the required case management statement due on June 30, 2025.

VIII. OTHER MATTERS

A. 2025 Recorded Expenditure Data

Consistent with the Rate Case Plan, the forecasts presented in PG&E's GRC application and supporting testimony include and generally rely on Base Year (BY) 2024 recorded expenditures, along with recorded figures from 2020-2023.⁴⁰ PG&E states that the reasonableness of its forecasts should be judged based on the information available to the utility as of March 14, 2025, when the forecasts were in large part finalized.⁴¹ The Commission should reject this position out of hand.

Prior GRC decisions have acknowledged the appropriateness of relying on recorded data from periods later than the designated base year where doing so achieves a more reasonable Test Year forecast. In particular, the Commission has regularly considered the actual recorded expenditures (both O&M and capital) from the BY+1

⁴⁰ PG&E Application, p. 26.

⁴¹ PG&E Application, p. 44.

(here, 2025) in its determination of the appropriate forecast method for a number of individual cost forecasts.⁴² Moreover, in the latest Rate Case Plan decision, D.20-01-002, the Commission concluded that the provision of BY+1 data “should be considered a standard milestone in every energy GRC” because such data can benefit the Commission’s decision-making through improved accuracy.⁴³

To facilitate the timely consideration of 2025 recorded expenditures in this GRC, the Commission should direct PG&E to prepare an exhibit containing this data (in PDF and Excel) and serve it on the Commission and parties by Friday, March 13, 2026. While the new Rate Case Plan schedule precludes intervenors from using this data in their direct testimony, this timing will preserve some of the opportunities available under the old Rate Case Plan for incorporating BY+1 recorded data into the GRC. Depending on the procedural schedule adopted by the Commission, this timing may enable parties to conduct discovery on the 2025 recorded data to better understand its significance and to use this data during hearings, if so desired. The Commission can then admit 2025

⁴² See, e.g., D.12-11-051, p. 13 (addressing the use of 2010 recorded data in SCE’s Test Year 2012 GRC, which had a Base Year of 2009); D.12-11-051, p. 13 (addressing the use of 2010 recorded data in SCE’s Test Year 2012 GRC, which had a Base Year of 2009); D.13-05-010, pp. 19-20 (addressing the appropriateness of considering 2010 recorded data in the SDG&E/SoCalGas Test Year 2012 GRC); D.14-08-032, p. 75 (setting a test year forecast for leak survey and repair expense using TURN’s forecasted leak rate, which was based on the average leak rate for 2011 – 2012); p. 88 (adopting TURN’s forecast for Pilot Relights, which was based in part on recorded 2012 costs); D.15-11-021, p. 20 (“However, we agree with TURN that 2013 recorded data is informative for Account 536 and adopt TURN’s proposal for that account.”); p. 26 (“For the McGrath adjustment, we agree with TURN that 2013 is a more appropriate basis than 2012.”); D.16-06-054, p. 62 (“Based on the testimony of SDG&E and ORA, and the 2014 recorded expenses, the agreed upon amount of \$0.400 million for the O&M costs associated with Technology Innovation and Development is reasonable and should be adopted.”).

⁴³ D.20-01-002, pp. 61-62.

recorded data into the record, in time for parties to use this data during briefing and the Commission to consider it during its decision-making process.

In the 2023 GRC, the Commission directed PG&E to provide BY+1 recorded expenditures in PDF and Excel by March 31, 2022, which was the due date requested by PG&E.⁴⁴ PG&E provided that data to the service list on March 9, 2022. In San Diego Gas & Electric Company's (SDG&E's) and Southern California Gas Company's (SoCalGas's) 2024 GRC, the Commission required the utilities to provide BY+1 recorded expenditures by March 13, 2023. SDG&E and SoCalGas had requested a due date of March 22, 2023.⁴⁵ They provided this data to the service list on March 13, 2023. In Southern California Edison Company's (SCE's) 2025 GRC, the Commission adopted a due date for BY+1 recorded expenditures of March 11, 2024, the due date requested by SCE.⁴⁶ SCE provided that data on March 11, 2024. PG&E should have no trouble meeting a deadline of March 13, 2026.

IX. CONCLUSION

For the reasons set forth herein, TURN protests the Test Year 2027 GRC Application of PG&E. Although TURN's review of PG&E's GRC request is in its preliminary stages, TURN asks the Commission to take certain actions immediately to facilitate the efficient processing of this proceeding, as described in the preceding sections.

⁴⁴ *Assigned Commissioner's Scoping Memo and Ruling*, issued 10/1/21 in A.21-06-021, pp. 5-6.

⁴⁵ pp. 2-3.

⁴⁶ *Assigned Commissioner's Scoping Memo and Ruling*, issued 9/5/23 in A.23-05-010, p. 9.

TURN additionally agrees that evidentiary hearings will be necessary; asks the Commission to incorporate the issues identified in Section VI in the scope; and will address changes to the proposed schedule in the forthcoming case management statement. Finally, TURN advocates a deadline of March 13, 2026, for PG&E to serve recorded 2025 expenditures to the Commission and parties.

Date: June 18, 2025

Respectfully submitted,

By: _____/s/_____
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