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

Pacific Gas and Electric Company's
Application for Approval of its 2027 Gas Cost
Allocation and Rate Design Proposals for its
Gas Distribution, Transmission and Storage
System.

(U 39 G)

Application No. 25-11-____

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 G)
APPLICATION FOR APPROVAL OF ITS
2027 GAS COST ALLOCATION AND RATE DESIGN PROPOSALS FOR
ITS GAS DISTRIBUTION, TRANSMISSION AND STORAGE SYSTEM**

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I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) respectfully submits this application to the California Public Utilities Commission (Commission or CPUC) for approval of PG&E's 2027 Gas Cost Allocation and Rate Design (CARD) proposals for 2027 through 2030 pursuant to Decision (D.) 19-10-036^{1/} and D.24-03-002.^{2/} PG&E timely files this application in compliance with the CPUC's Executive Director's authorization of PG&E's *CPUC Rule 16.6 Request for an Extension to File from October 31, 2024 to November 21, 2025*.^{3/} The allocations in PG&E's CARD proceeding are based on the gas distribution, transmission and storage revenue requirements and capacity forecasts proposed in PG&E's 2027 General Rate Case (GRC) Phase I, Application (A.) 25-05-009, filed on May 15, 2025. As described below and in PG&E's testimony, most customers, especially residential and non-core are expected to see lower gas rates in the first year due to PG&E's 2027 CARD proposals and implementation of a new sales forecast used to calculate rates.

Previously, PG&E separately filed its Gas Cost Allocation Proceeding (GCAP) and Gas Transmission and Storage (GT&S) CARD for gas distribution and GT&S cost allocation and rate design, respectively. PG&E filed its 2018 GCAP, A.17-09-006, on September 14, 2017. In the

^{1/} D.19-10-036, p. 84, Ordering Paragraph (OP) 12.

^{2/} D.24-03-002, Decision Approving Pacific Gas and Electric Company's 2023 to 2026 Gas Transmission and Storage Cost Allocation and Rate Design Proposals and Adopting Settlement Agreement, p. 20, OP 1.

^{3/} See Application (A.) 17-09-006, RE: Approval of Pacific Gas and Electric Company's Request for Extension of Time from October 31, 2024 to November 21, 2025 to Comply with D.19-10-036 Requirement to File a Gas Cost Allocation Proceeding Application in 3-5 year cycles and to Notice the Commission at least 6 months prior to Filing said Application. (July 26, 2024).

2018 GCAP final decision, the CPUC directed PG&E to provide notice to the Commission of a planned GCAP application within six-months of a GCAP filing regarding whether it would be timely filed or delayed.^{4/} On October 6, 2023, in compliance with D.19-10-036, PG&E sent notice to the service list for A.17-09-006 informing parties that PG&E was targeting to file its next GCAP in the second quarter of 2024.^{5/}

On March 13, 2024, the Commission approved an all-party settlement in PG&E's 2023 GT&S CARD. As part of the settlement agreement, PG&E would file its next GT&S CARD application approximately six months after the filing of its 2027 GRC Phase I.^{6/}

On June 5, 2024, pursuant to CPUC Rule 16.6, PG&E sent a letter to the CPUC Executive Director requesting (1) an extension of time, until November 21, 2025, to comply with D.19-10-036^{7/} and (2) indicated its intent to instead combine the GCAP and GT&S CARD proceedings into one single proceeding.^{8/} On July 26, 2024, the CPUC Executive Director granted PG&E's request.

By combining the GCAP and the GT&S CARD, the 2027 CARD provides a comprehensive framework to evaluate and align cost responsibilities and rate structures across the full spectrum of gas utility services. In addition, the 2027 CARD provides a transparent and holistic view on how cost allocation impacts gas distribution and transmission/storage systems and subsequent rate design for all gas customer classes. PG&E proposes to implement cost allocation and rate design methodologies adopted in this proceeding concurrent with the gas distribution, transmission and storage revenue requirements, and capacity forecasts proposed in PG&E's 2027 GRC Phase I.

PG&E's 2027 CARD establishes a unified approach, promotes consistency, transparency and efficiency in regulatory review, while supporting equitable and economically efficient outcomes for all customer classes. PG&E's Application reflects an expected reduction in gas throughput and advances the Commission's goals toward achieving California's climate goals. The Application also includes proposed rate structures that better reflect cost causation so that customers contribute to the costs of maintaining the safety and reliability of the system. The remainder of this Application contains

^{4/} D.19-10-036, p. 84, OP 12.

^{5/} A.17-09-006, PG&E Email to the Service List, Re: A.17-09-006 PG&E 2018 Gas Cost Allocation Proceeding (GCAP) Compliance Notice to Commission Regarding Planned GCAP Filing (Oct/. 6, 2023).

^{6/} D.24-03-002, p. 11.

^{7/} See A.17-09-006, RE: Request for Extension of Time from October 31, 2024 to November 21, 2025 to comply with D.19-10-036 requirement to file a Gas Cost Allocation Proceeding Application in 3-5 year cycles and to notice the Commission at least 6 months prior to filing said application. (June 5, 2024).

^{8/} *Id.*

background, testimony chapter overview, issues to be considered, and proposed proceeding schedule for this proceeding.

II. BACKGROUND

As mentioned above, combining PG&E's GCAP and GT&S CARD proposals into one application, instead of separate applications, provides a comprehensive framework to evaluate and align cost responsibilities and rate structures across the full spectrum of gas utility services.

PG&E's GCAP previously addressed a broad range of distribution utility specific gas rate making issues. It included the allocation of the base distribution revenue requirement across customer classes, other forecast period transportation costs and balancing accounts, public purpose program surcharge revenues, and the non-commodity portion of PG&E's optional core procurement service.^{9/}

In the Rate Case Plan (RCP) proceeding, the Commission determined that the GT&S revenue requirements should be reintegrated into the GRC Phase I as a single filing in four-year cycles.^{10/} The Commission agreed with PG&E that the CARD components of GT&S be separated from the combined GRC/GT&S proceeding.^{11/} As a result, PG&E created a standalone GT&S CARD filing. PG&E's first and only GT&S CARD Application was the 2023 GT&S CARD. That filing addressed the allocation of costs associated with transmission level services, storage, and the unbundled gas marketplace.^{12/} In addition, PG&E proposed a four-year throughput forecast to calculate rates.

III. OVERVIEW OF PG&E'S CARD APPLICATION AND TESTIMONY

Concurrent with the filing of this Application, PG&E is serving the Application and written direct testimony supporting its proposals and requests on the service list for its 2018 GCAP, 2023 GT&S CARD, and 2027 GRC Phase I through a notice of availability. PG&E's supporting workpapers will be available upon request soon after the Application is filed.

The direct testimony is organized into six exhibits with multiple chapters, as summarized below.

A. Exhibit (PG&E-1), Chapter 1: Introduction and Policy

Exhibit (PG&E-1), Chapter 1 provides the regulatory background, scope, vision and principles for the 2027 CARD cost-of-service, revenue allocation and rate design. It also includes an overview and summary of PG&E's key proposals, which are presented in more detail in subsequent exhibits and chapters of PG&E's direct testimony.

^{9/} A.17-09-006, Exh. PG&E-001, p. 1-1, lines 8-12.

^{10/} D.20-01-002, pp. 78 -79, OP 3 and 4.

^{11/} See D.20-01-002, pp. 41-44.

^{12/} D.24-03-002, pp. 2-3.

PG&E’s proposals in this Application place gas rate design on a path toward addressing California’s climate goals, “including the goal of economy wide carbon neutrality by 2045.”^{13/} In addition, PG&E will continue to deliver to the people it serves, the planet we inhabit, and California’s prosperity by meeting the commitment to provide affordable, reliable, safe, and clean service. PG&E’s overall proposals reflect the expected impacts of building electrification and the addition of renewable capacity to serve electric load has on forecasted gas throughput. PG&E proposes updates to end-use rate calculations such that it is based on more accurate, year-by-year forecasts, which in turn sends a price signal that supports the customer transition toward electrification. Additionally, PG&E proposes a rate structure that better reflects cost causation so that customers still contribute to the costs of maintaining the safety and reliability of the system. Together, these proposals help align cost recovery with California’s decarbonization goals while maintaining a safe and reliable gas infrastructure during this period of transition.

B. Exhibit (PG&E-2): Forecast and Cost of Service Studies

1. Chapter 1: Electric Generation Demand and Throughput

Chapter 1 presents PG&E’s forecast of on-system electric generation (EG) gas demand and throughput, which is used throughout this case in developing proposed rates. PG&E forecasts a moderate decline in on-system electric generation gas demand from 2024 to 2030 due to increased renewables and energy storage, with detailed modeling showing that market-responsive demand is sensitive to energy market trends whereas the non-market-responsive demand remains relatively stable. PG&E uses the data in this chapter as inputs in the proposals presented in the following chapters: Exhibit (PG&E-2), Chapters 2, 5, and 8, Exhibit (PG&E-3), Chapter 1 and Exhibit (PG&E-4), Chapter 1.

2. Chapter 2: Non-Generation Demand and Throughput Forecasts

Chapter 2 presents PG&E’s forecast of (1) on-system demand for core and non-core, non-electric generation, and (2) billings for all on-system demand classes that are used throughout this case in developing proposed rates.

The on-system non-EG throughput and billings consist of two market segments: core and non-core. Core customers consist of residential, commercial, and natural gas vehicle customers. These customers can choose “bundled” natural gas commodity and transportation services, or unbundled

^{13/} R.20-01-007, Assigned Commissioner’s Ruling Scheduling Phase 3 Prehearing Conference and Providing Joint Agency Staff Gas Transition White Paper and Draft Phase 3 Scope and Schedule for Party Comment (Feb. 22, 2024), p. 6; and Attachment A, Joint Agency Staff Gas Transition White Paper, p. 7, available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M525/K660/525660391.PDF> (accessed Oct. 22, 2025).

transportation service, from PG&E. Non-core industrial customers include large manufacturing and refining customers, as well as non-manufacturing customers, such as large health, educational, governmental, food processing, and administrative facilities. These customers purchase gas transportation only services from PG&E and receive their natural gas supplies from third parties.

PG&E forecasts a decrease in average throughput for core customers and an increase in average throughput for non-core, non-EG customers. PG&E's forecast methodology is consistent with that used in other PG&E gas proceedings, such as the 2023 GT&S CARD. PG&E forecasts increase annual gas billings for core, while annual gas billings for non-core and wholesale customers remain relatively flat. PG&E uses this data as inputs for its proposals in Exhibit (PG&E 2), Chapters 5 and 8, Exhibit (PG&E-3), Chapter 1, and Exhibit (PG&E 4), Chapter 1.

3. Chapter 3: Backbone Rate Inputs

Chapter 3 and its attachment 3A presents PG&E's analysis regarding system average backbone load factors, Baja-Redwood rate differentials, and other miscellaneous inputs related to backbone rates. This chapter details the rationale for using the system average backbone load factors, for which the methodology has been approved by the Commission in past GT&S rate cases, including the 2023 GT&S CARD.^{14/}

Based on its analysis, PG&E proposes a 50 percent Baja-Redwood rate differential of the natural differential to better reflect cost causation. This chapter also presents forecasts for off-system revenues, firm contracts, and Silverado path throughput to support backbone rate design for 2027–2030. The proposals in this chapter, including the calculation of and the rationale for the system average backbone load factors employed in the backbone rate design, are used as inputs for proposals presented in Exhibit (PG&E-3), Chapter 1.

4. Chapter 4: Local Transmission Study

Chapter 4 presents PG&E's updated Local Transmission (LT) study that provides a refined, transparent methodology for allocating local transmission costs between core and non-core customers. PG&E developed its LT Study in compliance with the 2023 GT&S CARD Settlement Agreement. As part of that settlement, PG&E agreed to: "(1) study and refine the Abnormal Peak Day (APD)/Cold

^{14/} Exh. (PG&E-2), Ch. 3, Attachment A, provides an illustrative example demonstrating the revenue disparity that arises from disproportionate usage of the two backbone paths and performs an adjustment to the backbone load factor as described in Chapter 3 to correct for the disproportionate usage of the two paths. This illustration also includes a revenue check to confirm the mathematical validity of the adjustment.

Winter Day (CWD)^{15/} split and the core/noncore APD percentages ...; and (2) present the results in the next GT&S proceeding.”^{16/}

Pursuant to the approved Settlement Agreement, this chapter presents PG&E’s analysis of the APD and CWD weighting factors which are based on the percentage of the LT system that is constrained using the APD planning criteria versus the CWD planning criteria.^{17/} Based on this analysis, PG&E concludes that an allocation based on APD demand weighted by system mileage produces a representative allocation between core and non-core classes. Accordingly, PG&E proposes an APD method weighted by subsystem footage (66.5% core / 33.5% non-core). The LT allocation percentages are used to calculate local transmission rates presented in Exhibit (PG&E-3), Chapter 1.

5. Chapter 5: Embedded Cost Allocation Study

Chapter 5 and its attachments present the results and justification for PG&E’s proposal to use Embedded Cost (EC) method instead of Marginal Cost (MC) method for determining the revenue allocation of PG&E’s gas distribution revenue requirement to customer classes for ratemaking purposes.

In the 2018 GCAP, PG&E proposed using the EC method for gas distribution revenue cost allocation for the first time. The Commission rejected PG&E’s proposal without prejudice due to several factors but determined that whether EC or MC method should be used is based on the circumstances in each case.^{18/} In response to the Commission’s concerns, PG&E developed an improved analysis for using the EC method as compared to the MC method for this 2027 CARD.^{19/} The EC method accounts for the changing landscape for gas distribution costs, which comprises a significantly higher level of safety and reliability related investments compared to the relatively low level of capacity and customer connection related investments caused by declining throughput forecast. PG&E also summarizes four advantages of PG&E’s proposed EC method over the currently adopted MC method for gas distribution cost allocation with respect to: (1) allocation of fixed costs; (2) accurate price signal; (3) equitable allocation based on cost causation principle; and (4) flexibility of EC method

^{15/} The APD condition is defined as a 1-in-90 year cold temperature event and is used to determine gas capacity requirements for Core customers. In contrast, the CWD condition is defined as a 1-in-2 year cold temperature event and is used to assess capacity needs for Non-Core customers.

^{16/} D.24-03-002, p. 8.

^{17/} See D.24-03-002, Appendix A, p. 10.

^{18/} D.19-10-036, pp. 25-33.

^{19/} See Exh. (PG&E-2), Ch. 5, Attachments 5A and 5B for discussion about the EC and MC method, respectively.

to remain relevant under changing legislative and regulatory environment due to California's decarbonization goals.

By using EC method, the revenue requirement allocation percentages decrease for the Residential class and increases by various levels for the Non-residential classes. PG&E uses the EC method-based percentages from this chapter as inputs for PG&E's gas distribution rate design proposals presented in Exhibit (PG&E-4), Chapter 1. Exhibit (PG&E-4), Chapter 1 also addresses PG&E's plans to mitigate the effects of the increased percentages on the Non-residential classes.

6. Chapter 6: Energy Efficiency Gas Cost Allocation

Chapter 6 presents PG&E's energy efficiency (EE) gas cost allocation proposal for allocating program costs among gas customer classes. PG&E's proposal continues to separate the Energy Savings Assistance (ESA) program^{20/} allocation from all other EE cost allocations,^{21/} maintaining alignment of allocations with the gas customer classes for whom the programs are currently designed.

This chapter explains (1) the methodology to update the cost allocations, using a direct benefit method,^{22/} consistent with D.95-12-053, D.09-03-024, and D.19-10-036, (2) the results of the analysis, and (3) a new proposed allocation of EE costs across gas customer classes based on significant differences in the EE landscape from 2015 to today.

PG&E proposes to continue allocating (1) ESA program costs entirely to residential gas customers, and (2) all other energy efficiency gas program costs among residential, commercial, and industrial classes based on the proportion of program benefits each class receives, resulting in lower residential and higher commercial/industrial allocations compared to prior allocations.

PG&E uses the ESA and EE (excluding ESA) factors in the development of gas distribution cost allocation discussed in Exhibit (PG&E-4), Chapter 1.

7. Chapter 7: Core Brokerage Fee

Chapter 7 presents PG&E's Core Brokerage Fee, which reflects PG&E's operational costs associated with the purchase of natural gas and is included as a component of PG&E's overall procurement rate in addition to the gas commodity cost. PG&E designed its Core Brokerage Fee

^{20/} PG&E's ESA program helps income-qualified residential customers install energy saving measures at no-cost to the customer.

^{21/} PG&E's EE programs include programs that install more energy efficient equipment, educate customers on energy saving behavior, support research into emerging technologies, provide workforce education and training to the public on EE, and advocate for the implementation of more efficient codes and standards for equipment and homes.

^{22/} Direct benefit allocates program costs to each customer class in proportion to the amount of program dollars dedicated to programs to serve that customer class.

keeping in mind fair competition with the Core Transport Agents, who compete with PG&E to provide natural gas to customers and must also incorporate similar operational costs in their procurement rates. PG&E used the same Commission-approved methodology from the 2018 GCAP but with updated data reflecting actual 2024 operational costs and 2027 forecast throughput to ensure the fee accurately represents PG&E's procurement costs for core gas customers. PG&E proposes a Core Brokerage Fee of \$0.0242 per dekatherm (down from \$0.0249 per dekatherm).

PG&E uses the proposed Core Brokerage Fee value in Exhibit (PG&E-4), Chapter 1, for revenue allocation across bundled customer classes.

8. Chapter 8: Natural Gas Vehicle Compression Cost Study

Chapter 8 presents PG&E's updated Natural Gas Vehicle (NGV) compression cost study that analyzes the compression cost component of the G-NGV2 - Natural Gas Service transportation rate. The G-NGV2 rate applies to the natural gas service to Core End-Use customers, who use natural gas as a motor fuel, at PG&E-owned natural gas fueling stations. PG&E proposes \$1.15 per therm for the compression component of the G-NGV2 rate, which is a 20 percent increase from the 2018 GCAP. This is based on a detailed compression cost study using the same methodological analysis from the 2009 Biennial Cost Allocation Proceeding (BCAP) and the 2018 GCAP. For the 2027 CARD, PG&E included more PG&E-owned compressed natural gas (CNG) stations and used updated throughput and operating revenue for this study.

The G-NGV2 rate is an input for PG&E's gas distribution proposals as described in Exhibit (PG&E-4), Chapter 1.

9. Chapter 9: Master Meter Discount

Chapter 9 presents the methodology to calculate the Master Meter Discount for mobile home park (Schedule GT)^{23/} and multifamily customers (Schedule GS).^{24/} The net master meter discount represents the costs avoided by PG&E for not directly operating and maintaining the facilities of sub-metered customers. These rate schedules have been closed to new customers since January 1, 1997, but have been updated in rate design cases.

The net master meter discount equals the base discount plus the gas loss adjustment (GLA) minus the diversity benefit adjustment (DBA).^{25/} The GLA accounts for gas physically lost during

^{23/} Schedule GT customers own master metered, mobile home parks.

^{24/} Schedule GS customers own master metered, multifamily residential developments such as apartment buildings, boat marinas, and apartment complexes.

^{25/} Exh. (PG&E-2), Ch. 9, Attachment A, presents the DBA study that determines the proposed DBA adjustment.

delivery in the gas distribution service line between the master meter and sub-metered tenants in mobile home parks (Schedule GT).^{26/} The DBA offsets, on average, the excess revenue a master meter customer would gain by charging sub-metered tenants more than PG&E's central master meter rates.

PG&E proposes monthly discounts of \$14.47 and \$3.34 for the Schedule GT and GS base discount, respectively, with adjustments for GLA and DBA. PG&E's Master Meter Discount informs the rate implementation presented in PG&E's gas distribution cost allocation and rate design proposals described in Exhibit (PG&E-4), Chapter 1.

C. Exhibit (PG&E-3), Chapter 1: GT&S Cost Allocation & Rate Design

Exhibit (PG&E-3), Chapter 1 presents the gas rates and gas rate impacts for the GT&S functions in this CARD proceeding, including unbundled backbone transmission rates. The unbundled rates presented in this chapter incorporate the following components: the backbone and storage rate design proposals; storage capacity forecasts proposed in PG&E's 2027 GRC I; and backbone capacity forecasts and backbone load factor. PG&E incorporates the LT, inventory management and transmission level customer access charge developed in this chapter in the end-user rates presented in Exhibit (PG&E-6), Appendix B.

1. Backbone Transmission

The proposed backbone transmission rates use a system average backbone load factor proposed in Exhibit (PG&E-2), Chapter 3 – Backbone Rate Inputs, which excludes the incremental Line 401 service under Schedule G XF contracts. The Gas Accord rate structure^{27/} for backbone transmission rates is unbundled from end-user gas transportation rates and provides firm and as available on-system and off-system service along various backbone service paths. PG&E proposes to continue to segment total backbone transmission revenue requirements between vintage Redwood (Line 400), expansion Redwood (Line 401), Baja (Line 300), and Common backbone costs.

2. Backbone Level End-Use Service

Customers qualifying for backbone level end-use service^{28/} are exempt from paying the LT rate component in their end-use tariff. However, these customers continue to be responsible for all other rate

^{26/} The GLA does not apply to multifamily service (Schedule GS) because there is no gas distribution service line from the master meter to each individual tenant, unlike with mobile home parks. Therefore, the GLA for Schedule GS is zero.

^{27/} D.97-08-055, 1997 Cal. PUC LEXIS 763, *29-30, Section 5.

^{28/} Backbone level end use service rates were adopted in D.04-12-050, and the rules and eligibility requirements were slightly modified in D.07-09-045. The qualification requirements are defined in PG&E's tariffs (see Gas Rule 1 – "Backbone Level End Use Customer").

components in their end-use tariffs, including the customer access charge (CAC) and the customer class charge (CCC).^{29/} To the extent current or future components of the CCC become separate rate components or tariffs in the future, backbone level end-use customers will continue to be responsible for these costs, where applicable, including gas Public Purpose Program (PPP) charges (GPPPS rider tariff), Greenhouse Gas Emission Allowance Recovery, CPUC fees, franchise fees, class averaged distribution rates,^{30/} and GSUR (Customer Procured Gas Franchise Fee Surcharge). In addition, a backbone level end-use service customer would continue to be responsible for Inventory Management recovered in end-use transportation rates under PG&E's proposal in this chapter.

3. LT Rate Design

As described in Exhibit (PG&E-2), Chapter 4, PG&E proposes using the Abnormal Peak Day method to allocate LT costs between Core and Non-core customers. In this chapter, PG&E proposes to continue to adjust the local transmission cost allocation and rate design to account for forecast LT rate discounts^{31/} and to continue the single average volumetric LT rate design for all core classes and a single average volumetric LT rate for all Non-core and Wholesale customer classes. Rates are calculated by dividing the annual costs allocated to each class by the adopted throughput forecast by year.

LT rates will continue to be non-bypassable for all customers not qualifying for backbone level end-user service.

4. Fixed Charge Rate Design of LT Rates for EG

PG&E does not propose offering a fixed charge rate design as a standard rate design applicable to all market participating generators not qualifying for backbone level end-use transportation service. Instead, PG&E will continue to design LT Rates for EG as a single average volumetric LT rate for all core classes and a single average volumetric LT rate for all Non-core and Wholesale customer classes.

^{29/} D.03-12-061, pp. 367-368.

^{30/} Class average distribution rate components are not applicable to Industrial Backbone or transmission level G-NGV 4 customers.

^{31/} G-NT and G-EG allow for Negotiable Rates under the specified Negotiated Rate Guidelines on each tariff, available at: <https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_SCHEDS_G-EG.pdf> (accessed Nov. 3, 2025) and <https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_SCHEDS_G-NT.pdf> (accessed Nov. 3, 2025). Long-standing cost allocation practice is to discount-adjust allocations for discounted contracts and G-10 discounts to spread those discounts across all customers using a function in proportion to their allocation of that function's revenue requirement. Exhibit (PG&E-3), Chapter 1 incorporates an adjustment to the Local Transmission allocation proposed in Exhibit (PG&E-2), Chapter 4, to account for the confidential discounted contracts and G-10 discounts in effect at the time PG&E prepared its application. PG&E based the estimated contractual discounts on monthly historical usage data for the period from April 2022 through March 2025.

Negotiated rates will be available to customers taking service under Gas Schedule GEG in accordance with the guidelines outlined in Gas Schedule GEG.

5. Storage CARD

PG&E proposes to revert to the prior adopted methodology for the allocation of functional storage costs adopted in D.19-09-025.^{32/} The storage cost-of-service, including PG&E's share of Gill Ranch, will be allocated to the storage services (core firm, inventory management and reserve capacity) based on the *pro rata* share of current annual injection, inventory and withdrawal cycling capacity assigned to each service for the 2027-2030 rate case period. This allows the allocation of functional storage costs to be based on the forecasted capacities.

a. Core Firm Storage Service

Core gas storage costs are unbundled from core transportation rates. Core gas storage costs are recovered from core procurement customers through PG&E's monthly core procurement rates.

b. Parking and Lending Services

Parking and lending services (Schedules G-PARK and G-LEND) are negotiated under a cost based maximum charge. PG&E proposes to continue the existing tariffed maximum charge for G-PARK and G-LEND services at the rates adopted for 2022 in the 2019 GT&S Rate Case.

c. Reserve Capacity Service

Storage costs allocated to Reserve Capacity are included in all backbone transmission rates.

d. Inventory Management Service

As part of the 2023 GT&S CARD Settlement Agreement, PG&E agreed to study the extent to which imbalances for the Core, Industrial, and Market Responsive Electric Generators (collectively, "Big 3") customers vary in relation to the overall throughput for those classes.^{33/} In compliance with the 2023 CARD Settlement Agreement, PG&E presents its Inventory Management Study in the attachment for this chapter.

PG&E proposes to continue to recover Inventory Management costs in its end-use transportation rates where it can differentiate cost recovery by customer class groups in a manner more reflective of cost causation and utilization of the service. PG&E proposes a methodology to adjust historic imbalance data using annual forecast throughput using the results of the Inventory Management Study.

^{32/} D.19-09-025, p. 271.

^{33/} D.24-03-002, Appendix A- Settlement Agreement, p. 11.

Additionally, PG&E proposes to use each individual year's throughput forecast, rather than a 4-year average, to divide the "Big 3" segments into end-use customer classes.^{34/}

e. Self-Balancing Credit

Customers or Balancing Agents who elect the self-balancing option can opt out of PG&E's Monthly Balancing Program, consistent with requirements stated in PG&E's gas rate Schedule G-BAL. Customers choosing to self-balance receive a self-balancing credit.

f. Timing of Changes to Storage Services

PG&E proposes to continue to blend the storage revenue requirements collected in backbone transmission and bundled core end-user rates to create average annual rates, as necessary. By creating average annual rates, PG&E would avoid having to change backbone and bundled core end-user rates twice per year as the change in core storage rates would otherwise require.

6. Transmission Level Customer Access Charges (CACs)

For 2027-2030, PG&E proposes to continue to scale the currently adopted CACs, multiplied by the forecast of customers by tier, such that the resulting revenues match the CAC revenue requirement proposed in PG&E's 2027 GRC Phase I, A.25-05-009.

D. Exhibit (PG&E-4), Chapter 1: Distribution Cost Allocation & Rate Design

Exhibit (PG&E-4), Chapter 1 presents the updated allocation of various revenue requirements that are non-GT&S related across customer classes, based on proposals in Exhibit (PG&E-2). The types of revenue requirement allocations covered in this chapter are: gas distribution, energy efficiency, core brokerage, and core NGV compression cost. PG&E incorporates these allocations developed in this chapter in the end-user rates presented in Exhibit (PG&E-6).

1. Allocation of Distribution-Related Costs

PG&E proposes updating the allocation of gas distribution revenue requirements based on the EC method presented in Exhibit (PG&E-2), Chapter 5. The total gas distribution level revenue requirement includes the revenue requirements for gas distribution level as proposed in the 2027 GRC Phase I, plus the distribution related portions of pension and cost of capital rate cases as filed in the September 1, 2025 transportation rate.

As part of the rate setting process, PG&E reviews the results of the customer class revenue allocation to ensure that no individual customer class experiences an unreasonably high-rate increase. To ease the transition from marginal cost to embedded cost and minimize sudden changes in customer

^{34/} The end-use customer classes are Residential, Small Commercial, Large Commercial, Core NGV, Industrial, NGV-4, Electric Generation and Cogen.

rates, PG&E developed a Glide Path Modifier (GPM) for each customer class. This phased approach helps ease the transition and mitigate rate shock by gradually aligning each customer class with its full cost of service while maintaining overall revenue neutrality.

2. Residential Minimum Monthly Transportation Charge

PG&E proposes increasing PG&E's Minimum Monthly Transportation Charge (MMTC) from \$4.00 to \$15.00. The MMTC is a charge to non-California Alternate Rates for Energy (CARE) residential customers that did not consume enough gas to exceed the current minimum charge in a monthly bill cycle. The MMTC is intended to help recover fixed costs and helps ensure all customers contribute their fair share toward the costs PG&E has already incurred to make gas service available.

In the 2018 GCAP, the Commission rejected PG&E's proposal to raise the MMTC for several reasons.^{35/} In response to the Commission's concerns, PG&E examined the levels of MMTCs that other United States gas utilities apply. PG&E's proposed \$15.00 MMTC is about the median of each of those other gas utilities' MMTCs.

While an increase of the MMTC to \$15.00 is below PG&E's \$28.00 cost-of-service in 2027, it is in the right direction to recover PG&E's fixed costs. This increase moves toward a more equitable allocation of costs by ensuring that even low usage customers—who continue to depend on the system for safety, reliability, and access—contribute appropriately to its ongoing maintenance and availability. This approach also supports cost causation principles by recovering a portion of fixed infrastructure, operations, and maintenance costs from customers who use relatively little gas but still rely on and benefit from access to the system.

3. Establish Support for a Residential Monthly Fixed Charge

Notwithstanding the proposal in this Application to increase the MMTC, PG&E believes collecting its fixed costs in a Monthly Fixed Charge (MFC) is a more appropriate cost-based rate design in the long term. However, PG&E is not proposing a fixed charge amount in this Application. Instead, PG&E proposes to develop an MFC policy to support recovery of customer-related fixed costs, which enables PG&E to request implementation costs in its 2031 GRC Phase I application and calculate a specific MFC in the 2031 CARD Application.

If the Commission rejects PG&E's proposal for a \$15.00 MMTC and maintains PG&E's current MMTC of \$4.00, then a \$4.00 MMTC is forecasted to only collect \$8.1 million in fixed costs in 2027. This amount represents a small fraction (approximately 0.54 percent) of the proposed scaled residential transportation allocation of \$3.35 billion, of which \$1.5 billion is associated with residential customer

^{35/} D.19-10-036, pp. 43-48.

related fixed costs. Moreover, the current MMTC does little to reduce the volumetric rate, which continues to bear the burden of recovering fixed costs. This underscores the need for a more effective fixed charge mechanism to ensure equitable cost recovery and rate stability. An MFC would help ensure fixed costs are equitably recovered through rates.

PG&E intends to propose an MFC to replace the MMTC in its 2031 CARD Application. In anticipation of that future proposal, PG&E requests the Commission to approve a policy for calculating an MFC in this 2027 CARD. Approval of the MFC policy will enable PG&E to request funding in the 2031 GRC for implementation (including billing system modifications and marketing education and outreach) and allow PG&E to determine proposals for specific fixed charge amounts in PG&E's 2031 CARD.

4. Allocation of Energy Efficiency

PG&E's gas PPP surcharge collects the adopted revenue requirements associated with the CARE Program, as well as several EE related programs. The California Legislature established the non-bypassable PPP surcharge and it applies to all volumes in the residential, commercial, NGV, and industrial classes except for those used by customers exempt from state taxation under federal law.^{36/} Exempt volumes are updated annually in PG&E's surcharge advice letter, filed by October 31, and effective January 1 of the following year. PG&E takes the updated EE allocation percentages provided in Exhibit (PG&E-2), Chapter 6, and allocates the 2025 EE Revenue Requirement based on the new allocation percentages

5. Allocation of Core Brokerage Fee

PG&E proposes incorporating the Core Brokerage Fee of \$0.0242 per dekatherm, as presented in Exhibit (PG&E-2), Chapter 7, into the illustrative core procurement rate table and calculates the estimated annual revenue based on the core procurement volumes outlined in Exhibit (PG&E-2), Chapter 2. The estimated annual core brokerage fee revenue is then credited to core transportation rates in this Application with actual core brokerage fee revenues trued up annually in PG&E's Annual Gas True Up (AGT) filing effective January 1.^{37/} The illustrative annual Core Brokerage Fee revenue requirement is calculated by multiplying the proposed Core Brokerage Fee by the proposed 2027 sales forecast. In this case, although the proposed fee is decreasing, the resulting illustrative revenue is

^{36/} Public Utilities Code (Pub. Util. Code), Section 896.

^{37/} The AGT is an annual process as established in PG&E's 2005 Biennial Cost Allocation Proceeding D.05-06-029 to change core and noncore end-user gas transportation rates and unbundled backbone and storage rates to include approved decisions and updates to balancing accounts.

increasing. This is because the proposed 2027 bundled sales forecast is higher than the 4-year average bundled sales forecast used to calculate the current present revenue requirement.

6. Core NGV Compression Cost Adder Allocation

G-NGV2 rates are charged to third party customers using PG&E's NGV stations that are open to the public for refueling natural gas vehicles. PG&E's compression cost adder study, as presented in Exhibit (PG&E-2), Chapter 8, excludes the cost of electricity and the applicable state and federal fuel taxes. The cost of electricity (one kilowatt hour per therm) is already updated when PG&E changes gas transportation rates in the AGT. PG&E updates the applicable state and federal fuel taxes recorded in the G-NGV2 rates annually in the AGT.

The costs associated with the G-NGV2-related incremental costs over the G-NGV1 transportation rates are included in PG&E's proposed 2027 GRC Phase 1 Gas Distribution revenue requirement. To allocate these G-NGV2-related costs to customers using the G-NGV2 tariff, instead of the other customer classes, PG&E reduces the authorized Gas Distribution revenue requirement allocated across customer classes by the annual revenues related to recovery of these G-NGV2-related costs. These revenues are determined by multiplying the total compression costs adder from the study in Exhibit (PG&E-2), Chapter 8, along with the currently applicable state and federal fuel taxes and the current cost of electricity in present rates, by the proposed G-NGV2 annual 2027 throughput as proposed in Exhibit (PG&E-2), Chapter 3.

7. Baseline Quantities Update

Baseline quantities are the designated daily amounts of electricity and gas that are considered necessary to supply a significant portion of the reasonable energy needs of the average residential customer, pursuant to California Public Utilities Code Section 739, as implemented by subsequent Commission decisions. PG&E proposes to use more recent four years of usage data (November 2020 through October 2024) to update the baseline quantities. PG&E averages the most recent four calendar years of bill frequency to derive the new baseline quantity.

8. Sales Forecast Methodology

PG&E proposes using the annual sales forecast in Exhibit (PG&E-2) to calculate end-use rates, similar to electric calculated rates and the GT&S rates. By using each year's proposed annual sales forecast to calculate rates, rates would reflect forecasted customer demand for that year. This would result in more accurate and responsive rate setting that aligns with customer demand. An under-collection in one year causes a rate increase in the following year. Conversely, an over-collection in one year will cause a rate decrease in the following year. As more customers switch to electric alternatives,

gas usage is expected to decline. A responsive forecast would reflect this trend, sending appropriate price signals and helping manage the transition.

E. Exhibit (PG&E-5), Chapter 1: Core Gas Supply

Exhibit (PG&E-5), Chapter 1 presents the core gas supply (CGS) portfolio for the 2027 CARD proceeding. CGS is responsible for procuring natural gas to serve PG&E's bundled core gas customers (primarily residential and small commercial customers), as well as pipeline capacity and storage capacity for all bundled and unbundled gas customers (i.e., all core gas customers). PG&E proposes to adjust the storage assets portfolio to meet the 1-in-10 Reliability Standard and increase the Non-Allocated Storage Inventory Maximum Capacity.

The proposed portfolio is contingent on the adoption of PG&E's 2027 GRC Phase I proceeding for pipeline asset and storage capacities.

F. Exhibit (PG&E-6), Appendices

Exhibit (PG&E-6), Appendices, brings together all the proposals in this Application and provides the allocation of revenues to customer classes including current and proposed rates, unbundled GT&S rate tables and illustrative bill impacts. The Appendices also includes the Statement of Qualifications of the sponsoring witnesses.

IV. STATEMENT OF RELIEF AND AUTHORITY

PG&E requests the Commission authorize the cost allocation and rate design proposals described in PG&E's testimony and supporting workpapers.

PG&E understands that it is possible a decision may not be issued within the Rate Case Plan timeframe for the 2027 GRC Phase I and, therefore, proposes to work with the Energy Division to develop a mutually acceptable implementation plan.

V. TESTIMONY, WORKPAPERS, AND PROPOSED SCHEDULE

The evidence supporting this Application consists of exhibits of testimony and workpapers of witnesses knowledgeable about the applicable subject matter.^{38/} These witnesses' testimony presents PG&E's principles and proposals for this proceeding.

PG&E believes that evidentiary hearings will be required in this proceeding, although PG&E will make good faith efforts to reach settlements with interested parties on as many issues as possible, to narrow the scope of hearings. See PG&E's proposed schedule in Section VI.H.

^{38/} Written testimony supporting this Application will be served through a Notice of Availability. PG&E's supporting workpapers will be available on request shortly after the Application is filed.

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

A. Statutory Authority (Rule 2.1)

PG&E files this Application pursuant to Public Utilities Code Sections 451, 454, 728, 729, 740.4, and 795, the Commission's Rules of Practice and Procedure (Rules), prior decisions, orders, and resolutions of the Commission.

B. Legal Name of Applicant and Related Information (Rule 2.1(a))

The legal name of the Applicant is Pacific Gas and Electric Company and has been since October 10, 1905. It is organized under the laws of the state of California, and its principal place of business is Oakland, California. Its post office address is Post Office Box 1018, Oakland, California 94604-1018.

C. Correspondence and Communications (Rule 2.1(b))

All correspondence and communications regarding this Application should be sent electronically to Jennifer C. Reyes Lagunero and Kingsley Cheng at their e-mails below. Hard copy mail can be sent to the address listed below:

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D. Proposed Categorization - Rule 2.1(c)

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

E. Need for Hearing - Rule 2.1(c)

Although PG&E intends to explore the possibility of settlement on some or all of the issues raised in this Application, PG&E believes formal evidentiary hearings will be needed, at least on some of the issues raised in this proceeding.

F. Issues to be Considered - Rule 2.1(c)

The principal issues to be considered in this proceeding are whether:

1. The proposed rates provided in Exhibit (PG&E-6) for gas distribution, transmission and storage services for 2027, 2028, 2029, and 2030 are just and reasonable.
2. PG&E's cost allocation and rate design proposals are just and reasonable.
3. PG&E's on-system electric generation demand and throughput forecasts described in Exhibit (PG&E-2), Chapter 1 are reasonable and should be adopted.
4. PG&E's on-system non-generation demand and throughput forecasts, and billings forecasts for all on-system demand classes described in Exhibit (PG&E-2), Chapter 2 are reasonable and should be adopted.
5. PG&E's backbone load factors, backbone throughput adjustments, and backbone rate inputs described in Exhibit (PG&E-2), Chapter 3 are reasonable and should be adopted.
6. The Baja-Redwood rate differential set at 50 percent of the natural differential to better reflect cost causation is reasonable and should be adopted.
7. As described in Exhibit (PG&E-2), Chapter 4, PG&E complied with the 2023 GT&S CARD Settlement Agreement regarding developing a local transmission that includes analysis of the abnormal peak day (APD)/cold winter day (CWD) weighting factors based on the percentage of the LT system that is constrained using the APD planning criteria versus the CWD planning criteria.
8. The local transmission methodology and resulting costs based on an abnormal peak day method weighted by subsystem footage (66.5% core/33.5% non-core), as described in Exhibit (PG&E-2), Chapter 4, is reasonable and should be adopted.
9. Using the embedded cost (EC) methodology for determining the revenue allocation of PG&E's gas distribution revenue requirement to customer classes for

ratemaking purposes, as presented in Exhibit (PG&E-2), Chapter 5 and its attachments, is reasonable and should be adopted.

10. The EC method percentages presented in Exhibit (PG&E-2), Chapter 5 are reasonable and should be adopted.
11. As presented in Exhibit (PG&E-2), Chapter 6, the proposed allocation of EE costs across gas customer classes is reasonable and should be adopted.
12. PG&E's continued allocation of the ESA program costs entirely to the residential customers is reasonable and should be adopted.
13. PG&E's update to the Core Brokerage Fee as presented in Exhibit (PG&E-2), Chapter 7 is reasonable and should be adopted.
14. PG&E's updated NGV compression study as presented in Exhibit (PG&E-2), Chapter 8 is reasonable and should be adopted.
15. PG&E's proposed compression component of the G-NGV2 rate of \$1.15 per therm is reasonable and should be adopted.
16. PG&E's updates to the master meter discount, as presented in Exhibit (PG&E-2), Chapter 9, which uses the embedded cost methodology to determine the base discount component that is then adjusted by the gas loss adjustment and diversity benefit adjustment are reasonable and should be adopted.
17. As presented in Exhibit (PG&E-3), Chapter 1, PG&E's backbone cost allocation to the various backbone paths and backbone level end-use proposals are reasonable and should be adopted.
18. As presented in Exhibit (PG&E-3), Chapter 1, the following local transmission rate design proposals are reasonable and should be adopted:
 - a. Continue to adjust the local transmission cost allocation and rate design to account for forecast local transmission rate discounts;
 - b. Continue the single average volumetric LT rate design for all Core classes and a single average volumetric LT rate for all Non-Core and Wholesale customer classes; and
 - c. Local transmission rates will continue to be non-bypassable for all customers not qualifying for backbone level end-user service.
19. PG&E's Storage Inventory Management Study in Exhibit (PG&E-3), Chapter 1, Attachment A complies with the 2023 GT&S CARD Settlement Agreement.

- 20.** PG&E’s storage cost allocation and rate design as described in Exhibit (PG&E-3), Chapter 1 is just and reasonable and should be adopted. This includes the following proposals:
- a.** Continue the existing tariffed maximum charge for G-PARK and G-LEND services at the rates adopted for 2022 in the 2019 GT&S Rate Case;
 - b.** Continue to recover Inventory Management costs in its end-use transportation rates where it can differentiate cost recovery by customer class groups in a manner more reflective of cost causation and utilization of the service;
 - c.** Adjust historic imbalance data using annual forecast throughput;
 - d.** Use each individual year’s throughput forecast to divide the “Big 3” segments (Core, EG, and Industrial) into end-use customer classes; and
 - e.** Continue to blend the storage revenue requirements collected in backbone transmission and bundled core end-user rates to create average annual rates, as necessary.
- 21.** Continuing to scale the currently adopted transmission level customer access charges (CACs), multiplied by the forecast of customers by tier, such that the resulting revenues match the CAC revenue requirement proposed in PG&E’s 2027 GRC I, A.25-05-009, is reasonable and should be adopted.
- 22.** PG&E’s gas distribution cost allocation and rate design as described in Exhibit (PG&E-4), Chapter 1 is reasonable and should be adopted. This includes the following proposals:
- a.** PG&E’s proposed glide path modifier to ease the transition from marginal cost to embedded cost and minimize sudden changes in customer rates;
 - b.** PG&E’s proposed increase to its Monthly Minimum Transportation Charge (MMTC) to \$15.00 to help recover fixed costs and helps ensure customers contribute their fair share toward the costs PG&E has already incurred to make gas service available;
 - c.** PG&E’s request to approve a policy to calculate a monthly fixed charge (MFC) such that PG&E may (a) request funding in the 2031 GRC for

implementation, and (b) use PG&E's future 2031 CARD proceeding to determine the amount of the MFC;

- d. Taking the updated EE allocation percentages provided in Exhibit (PG&E-2), Chapter 6, and allocating the 2025 EE Revenue Requirement based on the new allocation percentages;
- e. Incorporating the Core Brokerage Fee of \$0.0242 per dekatherm, as presented in Exhibit (PG&E 2), Chapter 7, into the illustrative core procurement rate table and calculating the estimated annual revenue based on the core procurement volumes outlined in Exhibit (PG&E 2), Chapter 2;
- f. Determining the annual revenues related to recovery of the G-NGV2-related costs by multiplying the total compression costs adder from the study in Exhibit (PG&E-2), Chapter 8, along with the currently applicable state and federal fuel taxes and the current cost of electricity in present rates, by the proposed G-NGV2 annual 2027 throughput as proposed in Exhibit (PG&E-2), Chapter 3;
- g. Using the most recent four years of gas usage data (November 2020 through October 2024) to update baseline quantities; and
- h. Using the most recently adopted annual sales forecast to calculate rates such that rates would reflect actual customer demand.

23. Adjusting the storage assets portfolio to meet the 1-in-10 Reliability Standard and increase the Non-Allocated Storage Inventory Maximum Capacity as presented in Exhibit (PG&E-5), Chapter 1 is just and reasonable and should be adopted.

G. Relevant Safety Considerations – Rule 2.1 (c)

Rule 2.1(c) requires utilities to clearly state the relevant safety considerations in their applications. Nothing is more important to PG&E than the safety of our customers, employees, contractors, and the communities we serve. It is our top priority. However, in this Application, PG&E presents embedded cost, revenue allocation, and rate design proposals intended to impact our customers' behavior associated with their energy use. PG&E does not believe these behavioral aspects are directly implicated by this Application.

H. Proposed Schedule- Rule 2.1(c)

PG&E proposes the following schedule, assuming that hearings will be required:

Activity	Proposed Schedule	Interval
Application filed	November 21, 2025	N/A
CPUC Publishes Notice in Daily Calendar	Approximately November 24, 2025	About 3 to 7 days
Protests Due	January 7, 2026	CPUC Rule 2.6(a) provides that, “Unless otherwise provided by rule, decision, or General Order, a protest or response must be filed within 30 days of the date the notice of the filing of the application first appears in the Daily Calendar.” Given the holidays, PG&E proposes an extension of the deadline for intervenors to file protests/responses to January 7, 2026.
PG&E files its Reply to any Protests/Response	January 20, 2026 ^(a)	10 days from Protests
Prehearing Conference (PHC)	Late January 2026	CPUC Rule 7.2(a) states that “[a] prehearing conference in an adjudicatory or ratesetting proceeding shall be held between 45 and 60 days after the initiation of the proceeding or as soon as practicable after the Commission makes the assignment.”
Scoping Memo Issued	Late February 2026	Approximately 30 days after PHC
Intervenor Testimony	May 1, 2026	N/A
Begin Settlement Discussions	June 2026 [TBD]	N/A
Concurrent Rebuttal Testimony	July 31, 2026	N/A
CPUC Rule 13.9 Duty to Meet and Confer/ Deadline to File Motion for Evidentiary Hearings	August 10, 2026	10 calendar days after Rebuttal Testimony is served
Evidentiary Hearings	September 2026 [TBD]	N/A
Concurrent Opening Briefs	October 30, 2026	N/A
Concurrent Reply Briefs	December 11, 2026	N/A
Proposed Decision (PD)	June 2027	N/A
CPUC Final Decision	July 2027	N/A
Implementation of Advice Letters	TBD	N/A
Rates Effective	TBD	N/A

^(a) Ten days after January 7, 2026, falls on January 17, 2026, which is a Saturday. The next business day is Tuesday, January 20, 2026.

I. Articles of Incorporation (Rule 2.2)

PG&E is, and since October 10, 1905, has been, an operating public utility corporation organized under California law. PG&E is engaged principally in the business of furnishing electric and natural gas services in California. 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, with PG&E's Application 20-07-002. These articles are incorporated herein by reference.

J. Balance Sheet and Income Statement (Rule 3.2(a)(1))

PG&E's most recent balance sheet and income statement for the period ended September 30, 2025, were filed on November 14, 2025, in Application 25-11-001 and are incorporated herein by reference.

K. Statement of Presently Effective Rates (Rule 3.2(a)(2)) and Proposed Rates (Rule 3.2(a)(3))

PG&E's presently effective electric and gas rates were filed on November 14, 2025, in Application 25-11-001 and are incorporated herein by reference.

L. Statement of Proposed Changes - Rule 3.2(a)(3)

The proposed changes are set forth in Attachment A to this Application. These overall changes do not reflect or pass through to customers any increased costs to PG&E for the services or commodities furnished by it that may be reflected in additional revenue requirement changes that may be adopted prior to a decision in this case. The purpose of the embedded cost, revenue allocation and rate design proposals in this Application is to modify the methodology determining the cost-of-service, revenue allocation, and rate design, but not to increase the overall level of PG&E's gas revenues.

M. Property and Equipment (Rule 3.2(a)(4))

A general description of PG&E's Electric Department and Gas Department properties, their original cost, and the depreciation reserve applicable to such property and equipment, was filed with the Commission on May 15, 2025, as Attachment G to PG&E's 2027 GRC Phase I Application, A.25-05-009, and is incorporated herein by reference.

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

A summary of recorded 2024 rate of return and return on equity for PG&E's Electric and Gas Departments was filed with the Commission on November 14, 2025, in Application 25-11-001 and are incorporated herein by reference.

O. Revenues at Present Rates and Estimated for 2027 – Rule 3.2(a)(6)

PG&E's rates and charges for electric and gas service are set forth in PG&E's electric and gas tariffs on file with the Commission. The Commission has approved these tariffs in decisions, orders, and resolutions. PG&E also presents in Table 1-5 below an estimate of returns.^{39/}

^{39/} See A.21-06-021, Exhibit (PG&E-10) Appendix A, Table A-2.

Table 1-5^(a)
Estimated Returns at Present Rates
PG&E CPUC General Rate Case
(Millions of Dollars)

		2024	2024 Recorded Adjusted	2025	2026	2027
1	Authorized Revenue Requirement	13,509	13,509	14,370	15,400	15,400
2	Operations and Maintenance	4,320	4,345	4,160	4,334	4,262
3	Administrative & General	1,349	1,466	1,468	1,497	1,575
4	Less: Revenue Credits (OORs & Wheeling)	(317)	(317)	(272)	(271)	(272)
5	RF&U, Other Adjs, Taxes Other than Income	361	361	337	359	361
6	Taxes: Income and Property	794	754	945	1,163	761
7	Depreciation	3,210	3,210	3,536	3,824	4,263
8	Decommissioning	61	61	62	62	162
9	Amortization	0	0	0	0	1
10	Total Operating Expense	9,778	9,880	10,236	10,969	11,113
11	Return	3,731	3,629	4,133	4,432	4,287
12	Ratebase	50,160	50,160	55,946	61,249	66,979
13	Rate of Return	7.44%	7.24%	7.39%	7.24%	6.40%

(a) See A.25-05-009, 2027 GRC Phase I Application of PG&E, p. 41, Table 5.

PG&E used the authorized cost of capital rates adopted in Advice Letter 4813-G/7046-E for 2024 and Advice Letter 4996-G/7423-E for 2025 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.^{40/}

P. Depreciation Method (Rule 3.2(a)(7))

PG&E’s statement of the method of computing the depreciation deduction for federal income tax purposes, was filed with the Commission on May 15, 2025, is included as Attachment H to PG&E’s 2027 GRC Phase I Application, A.25-05-009, and is incorporated herein by reference.

Q. Most Recent Proxy Statement - Rule 3.2(a)(8)

PG&E’s most recent proxy statement dated April 10, 2025, was filed with the Commission on May 15, 2025, and is included as Attachment I to PG&E’s 2027 GRC Phase I Application, A.25-05-009. The proxy statement is incorporated herein by reference.

^{40/} D.07-07-004, Appendix A, p. A-30, ¶ 2.

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

The proposed rate changes sought in this Application reflect and pass through to customers the costs PG&E incurs to own and maintain its gas and electric plant and to enable PG&E to provide service to its customers.

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

PG&E is concurrently serving this Application and attachments, and a Notice of Availability of this Application and attachments, on all parties on the official service lists in the following proceedings: *2018 Gas Allocation Proceeding Application of Pacific Gas and Electric Company (A.17-09-006)*, *2023 GT&S Cost Allocation and Rate Design Application of Pacific Gas and Electric Company (A.21-09-018)*, and *2027 General Rate Case Phase I Application of Pacific Gas and Electric Company (A.25-05-009)*.

Within twenty (20) days after filing this Application, PG&E will mail or send electronically a notice stating in general terms the proposed revenues, rate changes and ratemaking mechanisms requested in this Application to the parties listed in Attachment B to this Application, including the State of California and cities and counties served by PG&E.

Within twenty (20) days after filing this Application, PG&E will also publish in newspapers of general circulation in each county in its service territory a notice of the filing of this Application and of proposed changes in rates. Within 45-days after filing this Application, PG&E will also include notices of the proposed changes in rates with the regular bills mailed or e-mailed to all customers affected by the proposed changes.

T. Exhibit List and State of Readiness

PG&E is ready to proceed with this case based on the testimony and workpapers of witnesses regarding the facts and data contained in the accompanying exhibits and workpapers.

VII. CONCLUSION AND REQUEST FOR COMMISSION ORDERS

PG&E respectfully requests that the Commission issue the following orders regarding the proposals contained in this Application:

1. Finding that the proposed rates provided in Exhibit (PG&E-6) for gas distribution, transmission and storage services for 2027, 2028, 2029, and 2030 are just and reasonable;
2. Finding that PG&E's cost allocation and rate design proposals are just and reasonable;
3. Finding that PG&E's on-system electric generation demand and throughput forecasts described in Exhibit (PG&E-2), Chapter 1 are reasonable and should be adopted;

4. Finding that PG&E's on-system non-generation demand, throughput forecasts, and billing forecasts described in Exhibit (PG&E-2), Chapter 2 are reasonable and should be adopted.
5. Finding that PG&E's backbone load factors, backbone throughput adjustments, and backbone rate inputs described in Exhibit (PG&E-2), Chapter 3 are reasonable and should be adopted;
6. Finding that the Baja-Redwood rate differential set at 50 percent of the natural differential to better reflect cost causation is reasonable and should be adopted;
7. Finding that as described in Exhibit (PG&E-2), Chapter 4, PG&E complied with the 2023 GT&S CARD Settlement Agreement regarding developing a local transmission that includes analysis of the abnormal peak day (APD)/cold winter day (CWD) weighting factors based on the percentage of the LT system that is constrained using the APD planning criteria versus the CWD planning criteria;
8. Finding that the local transmission methodology and resulting costs based on an abnormal peak day method weighted by subsystem footage (66.5% core/33.5% non-core) as described in Exhibit (PG&E-2), Chapter 4 is reasonable and should be adopted;
9. Finding that using the embedded cost (EC) methodology for determining the revenue allocation of PG&E's gas distribution revenue requirement to customer classes for ratemaking purposes, as presented in Exhibit (PG&E-2) Chapter 5 and its attachments, is reasonable and should be adopted;
10. Finding that the EC method percentages presented in Exhibit (PG&E-2) Chapter 5 are reasonable and should be adopted;
11. Finding that as presented in Exhibit (PG&E-2), Chapter 6, the proposed allocation of EE costs across gas customer classes is reasonable and should be adopted;
12. Finding that PG&E's continued allocation of the ESA program costs entirely to the residential customers is reasonable and should be adopted;
13. Finding that PG&E's update to the Core Brokerage Fee as presented in Exhibit (PG&E-2), Chapter 7 is reasonable and should be adopted;
14. Finding that PG&E's updated NGV compression study as presented in Exhibit (PG&E-2), Chapter 8 is reasonable and should be adopted;
15. Finding that PG&E's proposed compression component of the G-NGV2 rate of \$1.15 per therm is reasonable and should be adopted;

16. Finding that PG&E's updates to the master meter discount as presented in Exhibit (PG&E-2), Chapter 9, which uses the embedded cost methodology to determine the base discount component that is then adjusted by the gas loss adjustment and the diversity benefit adjustment are reasonable and should be adopted;
17. Finding that as presented in Exhibit (PG&E-3), Chapter 1, PG&E's backbone cost allocation to the various backbone paths and backbone level end-use proposals are reasonable and should be adopted;
18. Finding that as presented in Exhibit (PG&E-3), Chapter 1, the following local transmission rate design proposals are reasonable and should be adopted:
 - a. Continue to adjust the local transmission cost allocation and rate design to account for forecast local transmission rate discounts;
 - b. Continue the single average volumetric LT rate design for all Core classes and a single average volumetric LT rate for all Non-Core and Wholesale customer classes; and
 - c. Local transmission rates will continue to be non-bypassable for all customers not qualifying for backbone level end-user service;
19. Finding that PG&E's Storage Inventory Management Study in Exhibit (PG&E-3), Chapter 1, Attachment A complies with the 2023 GT&S CARD Settlement Agreement;
20. Finding that PG&E's storage cost allocation and rate design as described in Exhibit (PG&E-3), Chapter 1 is reasonable and should be adopted. This includes the following proposals:
 - a. Continue the existing tariffed maximum charge for G-PARK and G-LEND services at the rates adopted for 2022 in the 2019 GT&S Rate Case;
 - b. Continue to recover Inventory Management costs in its end-use transportation rates where it can differentiate cost recovery by customer class groups in a manner more reflective of cost causation and utilization of the service;
 - c. Adjust historic imbalance data using annual forecast throughput;
 - d. Use each individual year's throughput forecast to divide the "Big 3" segments (Core, EG, and Industrial) into end use customer classes; and
 - e. Continue to blend the storage revenue requirements collected in backbone transmission and bundled core end-user rates to create average annual rates, as necessary;

21. Finding that continuing to scale the currently adopted transmission level customer access charges (CACs), multiplied by the forecast of customers by tier, such that the resulting revenues match the CAC revenue requirement proposed in PG&E's 2027 GRC I, A.25-05-009 is reasonable and should be adopted;
22. Finding that PG&E's gas distribution cost allocation and rate design as described in Exhibit (PG&E-4), Chapter 1 is reasonable and should be adopted. This includes the following proposals:
 - a. PG&E's proposed glide path modifier to ease the transition from marginal cost to embedded cost and minimize sudden changes in customer rates;
 - b. PG&E's proposed increase to its Monthly Minimum Transportation Charge (MMTC) to \$15.00 to help recover fixed costs and ensure customers contribute their fair share toward the costs PG&E has already incurred to make gas service available;
 - c. PG&E's request to approve a policy to calculate a monthly fixed charge (MFC) such that PG&E may (a) request funding in the 2031 GRC for implementation, and (b) use PG&E's future 2031 CARD proceeding to determine the amount of the MFC;
 - d. Taking the updated EE allocation percentages provided in Exhibit (PG&E-2), Chapter 6, and allocating the 2025 EE Revenue Requirement based on the new allocation percentages;
 - e. Incorporating the Core Brokerage Fee of \$0.0242 per dekatherm, as presented in Exhibit (PG&E 2), Chapter 7, into the illustrative core procurement rate table and calculating the estimated annual revenue based on the core procurement volumes outlined in Exhibit (PG&E 2), Chapter 2;
 - f. Determining the annual revenues related to recovery of these G-NGV2-related costs by multiplying the total compression costs adder from the study in Exhibit (PG&E-2), Chapter 8, along with the currently applicable state and federal fuel taxes and the current cost of electricity in present rates, by the proposed G-NGV2 annual 2027 throughput as proposed in Exhibit (PG&E-2), Chapter 3;
 - g. Using the most recent four years of gas usage data (November 2020 through October 2024) to update baseline quantities; and

- h. Using the most recently adopted annual sales forecast to calculate rates such that rates would reflect actual customer demand;
- 23. Finding that adjusting the storage assets portfolio to meet the 1-in-10 Reliability Standard and increase the Non-Allocated Storage Inventory Maximum Capacity as presented in Exhibit (PG&E-5), Chapter 1 is just and reasonable and should be adopted; and
- 24. Grant such further relief as may be just and reasonable.

Respectfully Submitted,

JENNIFER C. REYES LAGUNERO
BEN ELLIS
MARY KENASTON

By: /s/ Mary Kenaston
MARY KENASTON

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Dated: November 21, 2025

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

VERIFICATION

I, the undersigned, state:

I am an officer of PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, and am authorized to make this verification for and on behalf of said corporation, and I make this verification for that reason. I have read the foregoing pleading 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 under the laws of the state of California that the foregoing is true and correct.

Executed at Oakland, California this 21st day of November 2025.

A handwritten signature in black ink, reading "Shilpa Ramaiya". The signature is written in a cursive, flowing style.

SHILPA RAMAIYA

Vice President, Regulatory Proceedings and Rates
PACIFIC GAS AND ELECTRIC COMPANY

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT A

Pacific Gas and Electric Company
2027 Gas Cost Allocation and Rate Design (CARD)
Attachment A
Comprehensive Class Average Bundled and Transportation/PPPS Rates (\$/th)

Line No.	Customer Class	Present (Sept 25) September 1, 2025	Present (Sep 25 + GRC RRQ) 2027 GRC	\$ Change	% Change	Proposed January 1, 2027	\$ Change	% Change	Present (Sep 25 + GRC RRQ) 2028 GRC	Proposed January 1, 2028	\$ Change	% Change
1	BUNDLED—RETAIL CORE*											
2	Residential Non-CARE	\$2.871	\$3.028	\$0.157	5.5%	\$2.877	(\$0.151)	-5.0%	\$3.127	\$3.021	(\$0.106)	-3.4%
3	Residential CARE	\$2.264	\$2.387	\$0.123	5.5%	\$2.267	(\$0.120)	-5.0%	\$2.465	\$2.380	(\$0.085)	-3.4%
4	Small Commercial Non-CARE	\$2.034	\$2.143	\$0.110	5.4%	\$2.203	\$0.060	2.8%	\$2.204	\$2.350	\$0.146	6.6%
5	Large Commercial	\$1.407	\$1.485	\$0.079	5.6%	\$1.577	\$0.092	6.2%	\$1.518	\$1.677	\$0.159	10.5%
6	Uncompressed Core NGV	\$1.410	\$1.493	\$0.083	5.9%	\$1.505	\$0.012	0.8%	\$1.528	\$1.640	\$0.112	7.4%
7	Compressed Core NGV	\$3.053	\$3.129	\$0.076	2.5%	\$3.362	\$0.234	7.5%	\$3.160	\$3.494	\$0.334	10.6%
	TRANSPORT ONLY—RETAIL CORE											
8	Residential Non-CARE	\$2.404	\$2.578	\$0.174	7.2%	\$2.440	(\$0.138)	-5.3%	\$2.671	\$2.573	(\$0.098)	-3.7%
9	Residential CARE	\$1.890	\$1.937	\$0.047	2.5%	\$1.918	(\$0.019)	-1.0%	\$2.009	\$2.022	\$0.013	0.7%
10	Small Commercial Non-CARE	\$1.612	\$1.734	\$0.122	7.6%	\$1.797	\$0.063	3.6%	\$1.789	\$1.936	\$0.146	8.2%
11	Large Commercial	\$1.028	\$1.114	\$0.086	8.3%	\$1.204	\$0.091	8.2%	\$1.142	\$1.299	\$0.157	13.8%
12	Uncompressed Core NGV	\$1.037	\$1.126	\$0.089	8.6%	\$1.138	\$0.012	1.1%	\$1.156	\$1.269	\$0.112	9.7%
13	Compressed Core NGV	\$2.679	\$2.762	\$0.083	3.1%	\$2.996	\$0.234	8.5%	\$2.789	\$3.122	\$0.334	12.0%
	TRANSPORT ONLY—RETAIL NONCORE (NONCOVERED ENTITIES)											
15	Industrial – Distribution	\$0.953	\$1.014	\$0.061	6.4%	\$0.977	(\$0.037)	-3.6%	\$1.042	\$1.108	\$0.066	6.4%
16	Industrial – Transmission	\$0.490	\$0.526	\$0.036	7.3%	\$0.504	(\$0.021)	-4.1%	\$0.536	\$0.528	(\$0.008)	-1.5%
17	Industrial – Backbone	\$0.245	\$0.246	\$0.002	0.7%	\$0.246	(\$0.000)	-0.1%	\$0.249	\$0.255	\$0.005	2.1%
18	Uncompressed Noncore NGV – Distribution	\$0.862	\$0.923	\$0.061	7.1%	\$0.608	(\$0.315)	-34.1%	\$0.951	\$0.779	(\$0.171)	-18.0%
19	Uncompressed Noncore NGV – Transmission	\$0.490	\$0.456	\$0.035	7.6%	\$0.459	(\$0.032)	-6.4%	\$0.500	\$0.480	(\$0.020)	-4.0%
20	Electric Generation – Distribution/Transmission	\$0.410	\$0.443	\$0.033	7.9%	\$0.411	(\$0.032)	-7.2%	\$0.452	\$0.434	(\$0.018)	-4.1%
21	Electric Generation – Backbone	\$0.177	\$0.177	(\$0.000)	0.0%	\$0.170	(\$0.007)	-3.9%	\$0.180	\$0.183	\$0.003	1.6%
	TRANSPORT ONLY—WHOLESALE											
23	Alpine Natural Gas (T)	\$0.265	\$0.296	\$0.031	11.7%	\$0.265	(\$0.031)	-10.4%	\$0.306	\$0.279	(\$0.027)	-8.9%
24	Coalinga (T)	\$0.266	\$0.297	\$0.031	11.5%	\$0.266	(\$0.030)	-10.3%	\$0.307	\$0.280	(\$0.027)	-8.8%
25	Island Energy (T)	\$0.283	\$0.308	\$0.025	8.9%	\$0.277	(\$0.031)	-10.1%	\$0.321	\$0.293	(\$0.028)	-8.7%
26	Palo Alto (T)	\$0.260	\$0.293	\$0.032	12.5%	\$0.263	(\$0.030)	-10.3%	\$0.302	\$0.275	(\$0.027)	-8.9%
27	West Coast Gas – Castle (D)	\$0.717	\$0.774	\$0.056	7.9%	\$0.821	\$0.047	6.1%	\$0.805	\$0.937	\$0.132	16.3%
28	West Coast Gas – Mather (D)	\$1.032	\$1.111	\$0.079	7.6%	\$1.179	\$0.068	6.1%	\$1.156	\$1.359	\$0.203	17.5%
29	West Coast Gas – Mather (T)	\$0.268	\$0.298	\$0.030	11.2%	\$0.268	(\$0.030)	-10.2%	\$0.309	\$0.282	(\$0.027)	-8.7%
	ILLUSTRATIVE BILL IMPACTS											
	Average Annual Monthly Usage for Non-CARE & CARE Bundled Residential Customer based on proposed sales forecast	30	30	0.00	0.0%	30	0.00	0.0%	29	29	0.00	0.0%
	Average Bundled Non-CARE Residential customer bill (includes average monthly climate credit)	\$81.27	\$86.01	\$4.74	5.8%	\$81.44	(\$4.57)	-5.3%	\$86.13	\$83.02	(\$3.11)	-3.6%
	Average Bundled CARE Residential customer bill (includes average monthly climate credit)	\$62.89	\$66.62	\$3.73	5.9%	\$63.00	(\$3.63)	-5.4%	\$66.71	\$64.22	(\$2.48)	-3.7%
	Average Annual Monthly Usage for Bundled Small Commercial Customer	263	263	0.00	0.0%	263	0.00	0.0%	257	257	0.00	0.0%
	Average Non-CARE Bundled Small Commercial customer bill impact	\$534.37	\$563.22	\$28.85	5.4%	\$578.95	\$15.72	2.8%	\$566.95	\$604.48	\$37.54	6.6%

* Bundled rates incorporate an illustrative procurement revenue requirement and will not match rates as filed in PG&E's Core Monthly Pricing Advice Letters.

Notes:

- The comprehensive rate table displays present rates as filed on 9/1/2025 and then updated to reflect the 2027 GRC revenue requirements as filed in A.25-05-009. The proposed rates are based on current rates, adjusted for the 2027 GRC annual revenue requirements and PG&E's 2027 CARD proposals.
- 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.
- Transportation rates paid by all customers include an additional GHG Compliance and Obligation Cost Recovery.
- Covered Entities (i.e. Customers that currently have a direct obligation to pay for allowances directly to the Air Resources Board) will pay the GHG Obligation Recovery Cost component to cover PG&E allowance costs associated with lost & unaccounted for (LUAF) gas and compression costs. Covered entities exempt from PG&E's compliance cost will receive a bill credit based on their usage volumes multiplied by the GHG Compliance component

Pacific Gas and Electric Company
2027 Gas Cost Allocation and Rate Design (CARD)
Attachment A
Comprehensive Class Average Bundled and Transportation/PPPS Rates (\$/th)

Line No.	Customer Class	Present (Sep 25 + GRC RRQ) 2029 GRC	Proposed January 1, 2029	\$ Change	% Change	Present (Sep 25 + GRC RRQ) 2030 GRC	Proposed January 1, 2030	\$ Change	% Change
1	BUNDLED—RETAIL CORE*								
2	Residential Non-CARE	\$3.232	\$3.192	(\$0.039)	-1.2%	\$3.338	\$3.395	\$0.056	1.7%
3	Residential CARE	\$2.547	\$2.516	(\$0.031)	-1.2%	\$2.631	\$2.677	\$0.046	1.8%
4	Small Commercial Non-CARE	\$2.269	\$2.518	\$0.249	11.0%	\$2.335	\$2.703	\$0.368	15.7%
5	Large Commercial	\$1.553	\$1.792	\$0.239	15.4%	\$1.590	\$1.920	\$0.330	20.8%
6	Uncompressed Core NGV	\$1.566	\$1.785	\$0.219	14.0%	\$1.604	\$1.939	\$0.335	20.9%
7	Compressed Core NGV	\$3.195	\$3.600	\$0.406	12.7%	\$3.230	\$3.720	\$0.490	15.2%
	TRANSPORT ONLY—RETAIL CORE								
8	Residential Non-CARE	\$2.770	\$2.735	(\$0.035)	-1.3%	\$2.871	\$2.925	\$0.054	1.9%
9	Residential CARE	\$2.085	\$2.150	\$0.065	3.1%	\$2.163	\$2.301	\$0.138	6.4%
10	Small Commercial Non-CARE	\$1.849	\$2.097	\$0.248	13.4%	\$1.910	\$2.273	\$0.363	19.0%
11	Large Commercial	\$1.172	\$1.409	\$0.236	20.1%	\$1.205	\$1.531	\$0.326	27.1%
12	Uncompressed Core NGV	\$1.190	\$1.409	\$0.219	18.4%	\$1.224	\$1.558	\$0.334	27.3%
13	Compressed Core NGV	\$2.819	\$3.224	\$0.405	14.4%	\$2.850	\$3.339	\$0.489	17.2%
14	TRANSPORT ONLY—RETAIL NONCORE (NONCOVERED ENTITIES)								
15	Industrial – Distribution	\$1.072	\$1.234	\$0.162	15.1%	\$1.102	\$1.357	\$0.254	23.0%
16	Industrial – Transmission	\$0.547	\$0.550	\$0.002	0.4%	\$0.559	\$0.567	\$0.008	1.4%
17	Industrial – Backbone	\$0.252	\$0.263	\$0.010	4.0%	\$0.256	\$0.271	\$0.015	5.9%
18	Uncompressed Noncore NGV – Distribution	\$0.981	\$0.951	(\$0.029)	-3.0%	\$1.012	\$1.122	\$0.111	10.9%
19	Uncompressed Noncore NGV – Transmission	\$0.511	\$0.497	(\$0.013)	-2.6%	\$0.522	\$0.510	(\$0.012)	-2.3%
20	Electric Generation – Distribution/Transmission	\$0.462	\$0.456	(\$0.006)	-1.4%	\$0.472	\$0.471	(\$0.001)	-0.2%
21	Electric Generation – Backbone	\$0.182	\$0.196	\$0.014	7.9%	\$0.184	\$0.209	\$0.025	13.5%
22	TRANSPORT ONLY—WHOLESALE								
23	Alpine Natural Gas (T)	\$0.317	\$0.291	(\$0.026)	-8.3%	\$0.328	\$0.298	(\$0.030)	-9.3%
24	Coalinga (T)	\$0.318	\$0.292	(\$0.026)	-8.2%	\$0.329	\$0.299	(\$0.030)	-9.1%
25	Island Energy (T)	\$0.335	\$0.308	(\$0.027)	-8.0%	\$0.349	\$0.318	(\$0.031)	-8.9%
26	Palo Alto (T)	\$0.312	\$0.286	(\$0.026)	-8.3%	\$0.323	\$0.293	(\$0.030)	-9.3%
27	West Coast Gas – Castle (D)	\$0.839	\$1.062	\$0.223	26.6%	\$0.873	\$1.197	\$0.324	37.1%
28	West Coast Gas – Mather (D)	\$1.204	\$1.556	\$0.351	29.2%	\$1.253	\$1.771	\$0.518	41.3%
29	West Coast Gas – Mather (T)	\$0.320	\$0.294	(\$0.026)	-8.1%	\$0.332	\$0.302	(\$0.030)	-9.0%

ILLUSTRATIVE BILL IMPACTS

Average Non-CARE Residential customer using an annual monthly average of 0 therms (includes average monthly climate credit)	28	28	0.00	0.0%	27	27	0.00	0.0%
Average CARE Residential customer using an annual monthly average of 0 therms (includes average monthly climate credit)	\$84.90	\$83.79	(\$1.10)	-1.3%	\$83.16	\$84.65	\$1.49	1.8%
	\$65.72	\$64.86	(\$0.86)	-1.3%	\$64.34	\$65.58	\$1.23	1.9%
	251	251	0.00	0.0%	244	244	0.00	0.0%
Average Non-CARE Small Commercial customer using an annual monthly average of 244 therms	\$568.75	\$631.12	\$62.37	11.0%	\$570.11	\$659.84	\$89.72	15.7%

* Bundled rates incorporate an illustrative procurement revenue requirement and will not match rates as filed in PG&E's Core Monthly Pricing Advice Letters.

- The comprehensive rate table displays present rates as filed on 9/1/2025 and then updated to reflect the 2027 GRC revenue requirements as filed in A.25-05-009. The proposed rates are based on current rates, adjusted for the 2027 GRC annual revenue requirements and PG&E's 2027 CARD proposals.
- 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.
- Transportation rates paid by all customers include an additional GHG Compliance and Obligation Cost Recovery.
- Covered Entities (i.e. Customers that currently have a direct obligation to pay for allowances directly to the Air Resources Board) will pay the GHG Obligation Recovery Cost component to cover PG&E allowance costs associated with lost & unaccounted for (LUAF) gas and compression costs. Covered entities exempt from PG&E's compliance cost will receive a bill credit based on their usage volumes multiplied by the GHG Compliance component.

Pacific Gas and Electric Company
2027 Gas Cost Allocation and Rate Design (CARD)
Attachment A
Public Purpose Program Surcharge Present and Proposed Rates (\$/therm)

Line No.	Customer Class	Present (Sept 25) 01/01/25	Present (Sep 25 + GRC RRQ) 2027 GRC	\$ Change	% Change	Proposed 01/01/27	\$ Chg From '27 GRC	% Chg From '27 GRC
1	CORE							
2	Residential Non-CARE	\$0.143	\$0.146	\$0.002	1.7%	\$0.126	(\$0.020)	-13.4%
3	Residential CARE	\$0.084	\$0.084	\$0.000	0.0%	\$0.068	(\$0.017)	-19.8%
4	Small Commercial Non-CARE	\$0.128	\$0.130	\$0.002	1.9%	\$0.143	\$0.013	9.7%
5	Small Commercial CARE	\$0.069	\$0.069	\$0.000	0.0%	\$0.085	\$0.016	22.6%
6	Large Commercial Non-CARE	\$0.104	\$0.106	\$0.002	2.3%	\$0.175	\$0.069	65.1%
7	Natural Gas Vehicles	\$0.062	\$0.064	\$0.002	3.9%	\$0.061	(\$0.003)	-4.5%
8	NONCORE							
9	Industrial Distribution	\$0.153	\$0.155	\$0.002	1.6%	\$0.120	(\$0.035)	-22.8%
10	Industrial Transmission	\$0.082	\$0.084	\$0.002	2.9%	\$0.091	\$0.007	8.3%
11	Industrial Backbone	\$0.082	\$0.084	\$0.002	2.9%	\$0.091	\$0.007	8.3%
12	Natural Gas Vehicles	\$0.062	\$0.064	\$0.002	3.9%	\$0.061	(\$0.003)	-4.5%

The PPP rate table displays Public Purpose Program Surcharges as filed on 1/1/2025 and then updated to reflect the 2027 GRC revenue requirements as filed in A.25-05-009. The proposed rates are based on current rates, adjusted for the 2027 GRC annual revenue requirements and PG&E's 2027 CARD proposal.

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Pacific Gas and Electric Company
2027 Gas Cost Allocation and Rate Design (CARD)
Attachment A
Public Purpose Program Surcharge Present and Proposed Rates (\$/therm)

Line No.	Customer Class	Present (Sep 25 + GRC RRQ) 2028 GRC	Proposed 01/01/28	\$ Chg From '28 GRC	% Chg From '28 GRC	Present (Sep 25 + GRC RRQ) 2029 GRC	Proposed 01/01/29	\$ Chg From '29 GRC	% Chg From '29 GRC	Present (Sep 25 + GRC RRQ) 2030 GRC	Proposed 01/01/30	\$ Chg From '30 GRC	% Chg From '30 GRC
1	CORE												
2	Residential Non-CARE	\$0.14755	\$0.132	(\$0.016)	-10.5%	\$0.150	\$0.137	(\$0.012)	-8.2%	\$0.152	\$0.143	(\$0.008)	-5.4%
3	Residential CARE	\$0.08425	\$0.070	(\$0.014)	-16.9%	\$0.084	\$0.073	(\$0.011)	-13.0%	\$0.084	\$0.077	(\$0.007)	-8.3%
4	Small Commercial Non-CARE	\$0.13233	\$0.148	\$0.016	12.2%	\$0.134	\$0.153	\$0.018	13.6%	\$0.136	\$0.157	\$0.021	15.2%
5	Small Commercial CARE	\$0.06903	\$0.086	\$0.017	25.2%	\$0.069	\$0.089	\$0.020	28.4%	\$0.069	\$0.091	\$0.022	31.9%
6	Large Commercial Non-CARE	\$0.10794	\$0.180	\$0.072	67.1%	\$0.110	\$0.185	\$0.075	68.1%	\$0.112	\$0.190	\$0.077	68.7%
7	Natural Gas Vehicles	\$0.06612	\$0.065	(\$0.001)	-1.9%	\$0.068	\$0.067	(\$0.001)	-1.7%	\$0.070	\$0.069	(\$0.001)	-1.6%
8	NONCORE												
9	Industrial Distribution	\$0.15708	\$0.123	(\$0.034)	-21.4%	\$0.159	\$0.125	(\$0.035)	-21.7%	\$0.161	\$0.126	(\$0.036)	-22.1%
10	Industrial Transmission	\$0.08623	\$0.095	\$0.009	10.1%	\$0.088	\$0.097	\$0.009	10.4%	\$0.090	\$0.100	\$0.010	10.5%
11	Industrial Backbone	\$0.08623	\$0.095	\$0.009	10.1%	\$0.088	\$0.097	\$0.009	10.4%	\$0.090	\$0.100	\$0.010	10.5%
12	Natural Gas Vehicles	\$0.06612	\$0.065	(\$0.001)	-1.9%	\$0.068	\$0.067	(\$0.001)	-1.7%	\$0.070	\$0.069	(\$0.001)	-1.6%

The PPP rate table displays Public Purpose Program Surcharges as filed on 1/1/2025 and then updated to reflect the 2027 GRC revenue requirements as filed in A.25-05-009. The proposed rates are based on current rates, adjusted for the 2027 GRC annual revenue requirements and PG&E's 2027 CARD proposal.

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT B

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

Director of General Services
State of California
707 3rd St
West Sacramento, CA 95605

Counties

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

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

Municipal Corporations

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

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