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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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A2510004

Application of Pacific Gas and Electric Company to increase its authority to finance short-term borrowing needs by \$2.0 billion to an aggregate amount not to exceed \$10.5 billion (U39M).

Application 25-10-004

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

On October 10, 2025, Pacific Gas and Electric Company (PG&E) filed Application 25-10-004 requesting authorization to increase the amount of financing for its short-term borrowing needs by \$2.0 billion, to \$10.5 billion from the currently authorized amount of \$8.5 billion (Application).

On November 13, 2025, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed a protest to PG&E's Application.

On November 20, 2025, PG&E filed a reply to Cal Advocates' protest.

A prehearing conference (PHC) was held on November 21, 2025, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary.

After considering the Application, protest, reply, and discussion at the PHC, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo. I have also determined that no environmental and social justice issues have been raised at this time.

2. Issues

1. Whether PG&E's request to increase its short-term debt authority by \$2 billion, from \$8.5 billion to \$10.5 billion, complies with Commission and legislative requirements, is reasonable and in the public interest, and should be authorized by the Commission;
2. Whether the proposed terms, conditions, and types of debt instruments included in PG&E's Application comply with Commission and legislative requirements, are reasonable and in the public interest, and should be authorized by the Commission;
3. Whether the application demonstrates that additional debt is the lowest-cost, reasonable source of capital; and
4. Whether PG&E's Application is complete and inclusive of all information needed to render a decision.

3. Additional Information

In its protest, Cal Advocates recommends PG&E be directed to supplement its Application to include the following information: (1) identify projects or costs that would be financed; (2) quantify the link between liquidity and specific safety improvements; (3) provide cost projections and identification of cost recovery source(s); and (4) explain why the existing authority is insufficient for safety-critical needs.¹ PG&E asserts Cal Advocates' requests go well beyond the scope of this application and PG&E's prior short-term debt applications, as well as the requirements set forth by the California Pub. Util.

¹ Cal Advocates Protest at 4.

Code and prior Commission decisions regarding short-term and long-term debt authority.²

As the applicant, PG&E has the burden of demonstrating that its short-term debt authority should be increased. To the extent PG&E has identified specific projects or costs that would be financed through this Application, versus financing for other purposes or unforeseen expenses, the provision of such information will help the Commission better understand how PG&E intends to use the requested short-term debt increase, and whether it is reasonable to increase PG&E's short-term debt authority by \$2 billion or some other amount. Accordingly, PG&E is directed to file a supplement to its Application by January 5, 2026, responding to the following:

- (1) Identify any known projects and/or costs that PG&E would finance through resources obtained with the authority requested this Application including, but not limited to, financing to refund short-term debt, manage long-term debt maturities, and/or cover balances recorded to Commission-approved memorandum and balancing accounts. For each of these project and/or cost categories, explain whether the additional debt is expected to be the lowest-cost, reasonable source of capital.
- (2) Provide an estimate of the amount of short-term debt that PG&E intends to reserve to manage uncertainties and liquidity tail risk (*i.e.*, the risk of high-consequence, low-likelihood scenarios from extraordinary, and often unforeseen, events) compared to any other known or anticipated uses for short-term debt. Considering the current unused capacity on PG&E's committed credit facilities, explain whether and why additional short-term debt authority is needed to manage liquidity tail risk.

² PG&E Reply at 2-4 and 8.

- (3) In the event PG&E's short-term debt authority is increased by \$2 billion, from \$8.5 billion to \$10.5 billion, explain whether PG&E anticipates any need to further increase its short-term debt authority in the near-term. If so, when does PG&E anticipate needing additional authority and by what estimated amount?
- (4) What are the current, respective interest rates that PG&E has obtained on its new long-term and short-term debt?

4. Need for Evidentiary Hearing

At this time there are no issues of material disputed fact; however, it is possible that such disputed facts may arise during the course of the proceeding. Accordingly, I determine that evidentiary hearings may be needed and include a deadline to request evidentiary hearing in the schedule below.

5. Schedule

The following schedule is adopted here and may be modified by the assigned Commissioner or assigned Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the application:

EVENT	DATE
PG&E Supplement to Application	January 5, 2026
Intervenor Testimony	January 23, 2026
Rebuttal Testimony	February 13, 2026
Motion for Evidentiary Hearing ³	February 18, 2026
Evidentiary Hearing (If Needed)	February 27, 2026
Opening Briefs (If no Evidentiary Hearing Held)	February 27, 2026
Opening Briefs (If Evidentiary Hearing Held)	March 13, 2026
Reply Briefs (If no Evidentiary Hearing Held)	March 13, 2026

³ In the event evidentiary hearing is not held, parties are instructed to file a written motion to admit their respective exhibits into evidence prior to the deadline to submit opening briefs.

EVENT	DATE
Reply Briefs (If Evidentiary Hearing Held)	March 27, 2026
Proposed Decision	March – May 2026

The proceeding will stand submitted upon the filing of reply briefs, unless the assigned Commissioner or ALJ requires further evidence or argument. Based on this schedule, the proceeding will be resolved within 18 months as required by Pub. Util. Code Section 1701.5.

In its Application, PG&E requests an expedited proceeding schedule under Rule 2.9 based on the “need to manage upcoming debt maturities and finance increased working capital needs.”⁴ PG&E states it had a total of \$8.35 billion in committed short-term debt credit facilities as of September 30, 2025; however, of that amount, only \$2.75 billion was actually drawn and encumbered.⁵ Moreover, of the approximately \$3 billion of annual debt maturities that PG&E states will occur from 2025 through 2028,⁶ the majority of PG&E’s debts are not expected to mature until at least 2026, while PG&E itself confirms it “does not expect it will immediately use the additional \$2.0 billion in short-term debt authorization.”⁷ Accordingly, I find the facts of this case do not demonstrate a need to expeditiously resolve this proceeding by February 2026, as requested by PG&E. At the same time, parties generally agree that the issues in this proceeding are narrowly defined,⁸ while PG&E’s Application is substantially similar to its prior

⁴ Application, Attachment 1.

⁵ PG&E Reply at 3.

⁶ Application at 3.

⁷ Application at 2 and Exhibit D.

⁸ Reporter’s Transcript, Vol. 1 at 15-16.

short-term debt authorization applications that were authorized by the Commission.⁹

Based on the foregoing, the adopted schedule in this proceeding includes the submission of testimony and briefs to ensure the rights of parties to meaningfully participate in the proceeding are preserved, with corresponding deadlines that reflect the narrow scope of issues under consideration.

6. Alternative Dispute Resolution Program and Settlements

The Commission's Alternative Dispute Resolution (ADR) Program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.¹⁰

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

⁹ PG&E Reply at 8; *see also* Decision (D.) 21-05-008 and D.23-08-006.

¹⁰ <https://www.cpuc.ca.gov/PUC/adr/>.

**7. Category of Proceeding and
Ex Parte Restrictions**

This ruling confirms the Commission's preliminary determination¹¹ that this is a ratesetting proceeding. Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Rules.

8. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter was noticed on the Commission's daily calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission's External Affairs Division with local governments and other interested parties.

9. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by December 22, 2025, 30 days after the PHC.¹²

10. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

¹¹ Resolution ALJ 176-3571 at 3.

¹² Pursuant to Rule 1.15, if the last day falls on a day when the Commission offices are closed the time limit is extended to the first day thereafter.

11. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an email to public.advisor@cpuc.ca.gov.

12. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.¹³

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail whenever possible, transmitted no later than 5:00 p.m. on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents. This ruling specifies that only electronic service is necessary for the assigned ALJ.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide

¹³ The form to request additions and changes to the Service list may be found at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-divisions/documents/additiontoservicelisttranscriptordercompliant.pdf>.

electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

13. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

14. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Ehren D. Seybert is the assigned ALJ and presiding officer for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.

3. Evidentiary hearing may be needed.
4. The presiding officer is Administrative Law Judge Ehren D. Seybert.
5. The category of the proceeding is ratesetting.

Dated December 12, 2025, at Sacramento, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner