

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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A2511006

Application of Pacific Gas and Electric Company (U39G) for Approval of its 2027 Gas Cost Allocation and Rate Design Proposals for its Gas Distribution, Transmission and Storage System.

Application 25-11-006

PROTEST OF THE PUBLIC ADVOCATES OFFICE

I. INTRODUCTION

Pursuant to Rule 2.6 of the Rules of Practice and Procedure (Rule) of the California Public Utilities Commission (Commission), the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this protest to Application (A.) 25-11-006, Pacific Gas & Electric Company's (PG&E) application for approval of PG&E's 2027 Gas Cost Allocation and Rate Design (CARD) proposals for 2027 through 2030 (Application).

II. PG&E'S REQUESTS

PG&E states that 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, 2025.¹ PG&E proposes to implement cost allocation and rate design methodologies adopted in this Application concurrent with the gas distribution, transmission and storage revenue requirements and capacity forecasts proposed in PG&E's 2027 GRC Phase I.²

Previously, PG&E separately filed its Gas Cost Allocation Proceeding (GCAP) for gas distribution and Gas Transmission and Storage (GT&S) CARD for gas transmission

¹ A.25-11-006 at 1.

² A.25-11-006 at 2.

and storage. On September 14, 2017, PG&E filed its 2018 GCAP, A.17-09-006. On September 30, 2021, PG&E filed its 2023 GT&S CARD, A.21-09-018. On July 26, 2025, the Commission's Executive Director granted PG&E's request to combine its GCAP and GT&S CARD proceeding in this one proceeding, the 2027 Gas CARD.³

PG&E organizes this Application into six exhibits: (1) Introduction and Policy, (2) Forecast and Cost of Service Studies, (3) Gas Transmission and Storage Cost Allocation and Rate Design, (4) Distribution Cost Allocation and Rate Design, (5) Core Gas, and (6) Appendices.

III. PRELIMINARY SCOPE OF ISSUES TO BE CONSIDERED

Preliminarily, Cal Advocates identifies the following issues to be considered in this Application:

1. Whether PG&E's forecasts of on-system demand, throughput, billings, backbone load factors, and other inputs as applicable to electric generation, core, non-core, and wholesale customers used in developing proposed rates and allocations are just and reasonable?
2. Whether PG&E's proposed cost of service studies, including the marginal cost study and the embedded cost methodology, electric generation forecasting, non-generation forecasting, backbone rate inputs, local transmission, energy efficiency allocation, core brokerage fees, Natural Gas Vehicles (NGV) compression cost study, and master meter discounts and diversity benefits, are just and reasonable?
3. Whether PG&E's proposal to shift from marginal cost (MC) to embedded cost (EC) methods for determining natural gas revenue allocation to customer classes is just and reasonable, including the proposed glide path modifier?
4. Whether PG&E's proposed revenue allocation amongst its customer classes, including residential, small commercial, large commercial, NGV, industrial, electric generators, wholesale, and unbundled gas marketplace, is reasonable and should be approved?
5. Whether PG&E's proposed gas transmission and storage cost allocation and rate design, including backbone segmentation (Redwood, Baja, Common), local transmission allocation using the Abnormal Peak Day method, rate differentials, storage cost allocation, Transmission Level Customer Access Charges, and adjustments for

³ A.25-11-006 at 2.

discounts and non-bypassable charges, and associated rate components, just and reasonable?

6. Whether PG&E's proposed distribution cost allocation and rate design, including the increase in Minimum Monthly Transportation Charge, development of a Monthly Fixed Charge policy for fixed cost recovery beginning in 2031, updates to baseline quantities using recent usage data, and use of annual sales forecasts for rate calculations, just and reasonable?
7. Whether PG&E's proposed allocation and recovery of program-specific and customer-specific costs, including energy efficiency and Energy Savings Assistance (ESA) program (including allocation of ESA costs solely to residential customers) costs, core brokerage fees (including proposed calculation methodologies), Natural Gas Vehicle compression costs, master meter discounts and diversity benefit adjustments, inventory management, and other special cost components, are just and reasonable?
8. Whether PG&E's proposed discounts, negotiated rates, and special rate treatments, including customer-specific adjustments, are consistent with cost causation principles and are just and reasonable?
9. Whether PG&E's proposals for core gas supply, including adjustments to the storage assets portfolio to meet the 1-in-10 Reliability Standard and increases to Non-Allocated Storage Inventory Maximum Capacity, are just and reasonable?
10. Whether PG&E's proposals comply with applicable Commission decisions, settlements, and previously adopted methodologies governing cost of service studies, cost allocation, and rate design?
11. Whether PG&E's present and proposed rates, including resulting bill impacts across customer classes, are just and reasonable?
12. Whether PG&E should be authorized to file its next Gas Cost Allocation and Rate Design (CARD) application in four years for the 2031 Gas CARD.
 - Whether PG&E's forecast of on-system electric generation (EG) gas demand and throughput, which is used in developing proposed rates is just and reasonable?
 - Whether 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 used in developing proposed rates is just and reasonable?
 - Whether PG&E forecasts of a decrease in average throughput for core customers and an increase in average throughput for non-core,

non-EG customers are just and reasonable?

- Whether PG&E's proposal for a 50 percent Baja-Redwood rate differential of the natural differential reflecting cost causation is just and reasonable?
- Whether PG&E's proposal of an APD method weighted by subsystem footage (66.5% core / 33.5% non-core) is just and reasonable?
- Whether 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 is just and reasonable?
- Whether PG&E's proposal 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 is just and reasonable?
- Whether PG&E's proposal for a Core Brokerage Fee of \$0.0242 per dekatherm (down from \$0.0249 per dekatherm) is just and reasonable?
- Whether PG&E's proposal of \$1.15 per therm for the compression component of the G-NGV2 rate, which is a 20 percent increase from the 2018 GCAP, is just and reasonable?
- Whether PG&E's proposal for monthly discounts of \$14.47 and \$3.34 for the Schedule GT and GS base discount, respectively, with adjustments for GLA and DBA is just and reasonable?
- Whether PG&E proposal 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 are just and reasonable?
- Whether PG&E's proposal, to the extent current or future components of the CCC become separate rate components or tariffs in the future, to continue to have backbone level end-use customers be responsible for the following costs including gas Public Purpose Program (PPP) charges (GPPPS rider tariff), Greenhouse Gas Emission Allowance Recovery, CPUC fees, franchise fees, class averaged distribution rates, and GSUR (Customer Procured Gas Franchise Fee Surcharge) is just and reasonable?
- Whether PG&E's proposal to have backbone level end-use service

customer to continue to be responsible for Inventory Management recovered in end-use transportation rates under PG&E's proposal is just and reasonable?

- Whether PG&E's proposal using the Abnormal Peak Day method to allocate LT costs between Core and Non-core customers is just and reasonable?
- Whether PG&E's proposal to continue to adjust the local transmission cost allocation and rate design to account for forecast LT rate discounts 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 is just and reasonable?
- Whether PG&E's proposal to not offer 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 is just and reasonable?
- Whether PG&E's proposal to 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 is just and reasonable?
- Whether PG&E's proposal for negotiated rates that will be available to customers taking service under Gas Schedule GEG in accordance with the guidelines outlined in Gas Schedule GEG is just and reasonable?
- Whether PG&E's proposal to revert to the prior adopted methodology for the allocation of functional storage costs adopted in D.19-09-025 is just and reasonable?
- Whether PG&E's proposal to have 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 is just and reasonable?
- Whether PG&E's proposal for 2027-2030, 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 is just and reasonable?
- Whether PG&E's proposal for increasing PG&E's Minimum Monthly Transportation Charge (MMTC) from \$4.00 to \$15.00 is

just and reasonable?

- Whether PG&E’s proposal to increase the MMTC is just and reasonable?
- Whether PG&E’s proposal to collect its fixed costs in a Monthly Fixed Charge (MFC) cost-based rate design in the long term is just and reasonable?
- Whether PG&E’s proposal to develop an MFC policy to support recovery of customer-related fixed costs is just and reasonable?
- Whether PG&E’s proposal to incorporate the Core Brokerage Fee of \$0.0242 per dekatherm into the illustrative core procurement rate table and calculates the estimated annual revenue based on the core procurement volumes is just and reasonable?
- Whether PG&E’s proposal to reduce the authorized Gas Distribution revenue requirement allocated across customer classes by the annual revenues related to recovery of the G-NGV2-related costs is just and reasonable?
- Whether PG&E’s proposal to use more recent four years of usage data (November 2020 through October 2024) to update the baseline quantities is just and reasonable?
- Whether PG&E’s proposal to use the annual sales forecast in Exhibit (PG&E-2) to calculate end-use rates, similar to electric calculated rates and the GT&S rates is just and reasonable?
- Whether PG&E’s proposal to adjust the storage assets portfolio to meet the 1-in-10 Reliability Standard and increase the Non-Allocated Storage Inventory Maximum Capacity is just and reasonable?

Cal Advocates may identify other issues upon further discovery and analyses and may raise those issues at the Prehearing Conference.

IV. PROCEDURAL ISSUES

A. Category of Proceeding and Need for Hearings

PG&E proposes that this proceeding be categorized as rate setting.⁴ Cal Advocates agrees with this designation. Based on its initial review of the PG&E’s Application, Cal Advocates anticipates that evidentiary hearings will be necessary.

⁴ A.25-11-006 at 17.

B. Schedule

Cal Advocates requests that the Commission adopt a schedule that allows enough time to conduct discovery, and which provides all parties adequate time to evaluate PG&E’s Application and make their own recommendations as to the issues presented.

For the reasons discussed below, the Commission should reject the PG&E’s proposed schedule and adopt Cal Advocates schedule as follows:

Activity	PG&E Schedule	Cal Advocates Schedule
Prehearing Conference (PHC)	Late January 2026	Late February 2026
Scoping Memo Issued	Late February 2026	Late March 2026 Approximately 30 days after PHC
Intervenor Testimony	May 1, 2026	September 1, 2026
Begin Settlement Discussions	June 2026 [TBD]	October 2026 [TBD]
Concurrent Rebuttal Testimony	July 31, 2026	October 27, 2026
CPUC Rule 13.9 Duty to Meet and Confer/ Deadline to File Motion for Evidentiary Hearings	August 10, 2026	November 6, 2026 or 10 calendar days after Rebuttal Testimony is served
Evidentiary Hearings	September 2026 [TBD]	December 2026
Concurrent Opening Briefs	October 30, 2026	January 15, 2027
Concurrent Reply Briefs	December 11, 2026	February 26, 2027
Proposed Decision (PD)	June 2027	August 2027
CPUC Final Decision	July 2027	September 2027
Implementation of Advice Letters	TBD	Per PG&E, Tier 2 Advice Letters after the PG&E 2027 GRC revenue requirement is authorized.
Rates Effective	TBD	TBD

PG&E began this matter with an undue delay. PG&E filed its Application on November 21, 2025, and said its supporting work papers were available upon request,⁵ which they were not. On November 25, 2025 Cal Advocates requested the Application's supporting workpapers but were informed that they were not available until December 16, 2025 at which time Cal Advocates had access to the supporting workpapers.⁶

The 2027 Gas CARD is the first time PG&E combined GCAP (gas distribution) and GT&S (gas transmission and storage), which materially and greatly expands the scope of this proceeding. Thus far, Cal Advocates has identified approximately 20 unique and complex Microsoft Excel models, including models that contain technical components such as macros, regressions, and other advanced analytical tools requiring specialized review which will require more time to review than allowed in PG&E's proposed schedule.

Moreover, the GCAP was last filed over eight years ago on September 14, 2017 and there have been no updates from PG&E as to these matters since that time. Since this is the largest PG&E gas cost allocation case in many years involving a consolidated case, a schedule which reflects these challenges and complexities should be adopted.

Additionally, PG&E's ongoing GRC, A. 21-06-021 and its outcome, will have an impact on this proceeding as it relates to cost allocation and rate design.

For these reasons, Cal Advocates schedule should be adopted.

V. CONCLUSION

Cal Advocates respectfully requests that the Commission: (1) include the issues identified in this Protest within the scope of the proceeding; (2) adopt Cal Advocates proposed procedural schedule which provides adequate time for parties to evaluate PG&E's request and make their own recommendations; and (3) categorize the proceeding as rate setting.

⁵ Application at 3.

⁶ Email from Cal Advocates to PG&E of November 26, 2025.

Respectfully submitted,

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