



STATE OF CALIFORNIA

GAVIN NEWSOM, *Governor*

FILED

01/07/26

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PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

January 7, 2026

Agenda ID #23958
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 21-06-021:

This is the proposed decision of Administrative Law Judge (ALJ) John Larsen and ALJ Justin Regnier. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's February 26, 2026 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ MICHELLE COOKE

Michelle Cooke
Chief Administrative Law Judge

MLC: avs

Attachment

Decision **PROPOSED DECISION OF ALJ LARSEN AND ALJ REGNIER**
(Mailed 01/07/2026)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2023. (U39M.)

Application 21-06-021

DECISION CLOSING PROCEEDING**Summary**

This decision closes this proceeding, finding that submission of additional evidence of Pacific Gas and Electric Company's (PG&E) energization costs to be tracked in its Electric Capacity New Business Interim Memorandum Account was achieved in Rulemaking (R.) 24-01-018 and that any unresolved Decision 24-07-008 issues can be appropriately addressed in R.24-01-018.

1. Background and Discussion

The California Public Utilities Commission (Commission) issued Decision (D.) 23-11-069 in this proceeding that addressed Phase 1 of Pacific Gas and Electric Company's (PG&E) 2023 test year general rate case (GRC). The Commission initiated Phase 2 of this proceeding to address PG&E's application for a ratemaking mechanism to record and track costs for energization projects

placed in service after January 1, 2024 that exceed the energization costs included in PG&E's annual revenue requirement authorized in Phase 1 of this proceeding.

On September 14, 2023, the "Powering Up Californians Act" (Senate Bill (SB) 410 (Becker), Stats. 2023, Ch. 394) was passed by the Legislature and was subsequently approved by Governor Gavin Newsom on October 7, 2023. SB 410 was codified in Public Utilities Code (Pub. Util. Code) Sections 930-940.

On September 14, 2023, Assembly Bill (AB) 50 (Wood, Stats. 2023, Ch. 317). was passed by the Legislature and was subsequently approved by Governor Gavin Newsom on October 7, 2023.

On January 25, 2024, the Commission opened Rulemaking (R.) 24-01-018 on energization timelines to implement requirements established by SB 410 and AB 50.

On July 11, 2024, the Commission adopted D.24-07-008 authorizing a ratemaking mechanism for energization projects pursuant to SB 410.

D.24-07-008 left this proceeding open for two reasons: 1) to allow for the submission of additional evidence of energization costs to consider revising the 2025 and 2026 caps required by SB 410;¹ and 2) to clarify data and reporting requirements as a result of decisions issued in other Commission proceedings.

On September 25, 2024, the Administrative Law Judges (ALJs) for this proceeding and R.24-01-018 issued a joint ruling requiring PG&E to submit any future requests to modify the 2025 and 2026 cost caps on its Electric Capacity and New Business Interim Memorandum Account, as authorized in Ordering Paragraph 28 of D.24-07-008, in R.24-01-018 instead of this proceeding.

¹ D.24-07-008 at 78-80.

On August 28, 2025, the Commission adopted D.25-08-036, resolving PG&E's motion to revise its 2025 and 2026 Energization Cost Caps.

Pub. Util. Code Section 940(a) and (d) charges the Commission with requiring each electrical corporation to retain a third-party auditor that reviews its practices and procedures for energizing new customers and planning for demand growth and reports audit findings to the Commission on a biannual basis. These functions are similar, but not identical to, those executed by auditors currently serving their reports to R.24-01-018 on a biannual basis. As a result, it is appropriate for the Commission to address in R.24-01-018 any unresolved issues identified in D.24-07-008.

Because the issues articulated in the December 22, 2023 Assigned Commissioner's Third Amended Scoping Memo and Ruling in Application (A.) 21-06-021 are addressed in other proceedings, the Commission closes A.21-06-021 for purposes of Pub. Util. Code Section 1701.5. There are no pending petitions to modify in this proceeding.

The Commission affirms all rulings made by the assigned Commissioner and assigned Administrative Law Judges (ALJs) in this proceeding. All motions not previously ruled on are deemed denied.

2. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. Relevant public comment filed after D.24-07-008 expresses opposition to PG&E rate hikes,

encourages undergrounding, notes PG&E's role in wildfires, and encourages the consideration of measures as alternatives to undergrounding.

3. Comments on Proposed Decision

The proposed decision of ALJs John Larsen and Justin Regnier in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____, and reply comments were filed on _____ by _____. Pursuant to Rule 14.3(c), "[c]omments shall focus on factual, legal or technical errors in the proposed decision and in citing such errors shall make specific references to the record or applicable law. Comments which fail to do so will be accorded no weight." Pursuant to Rule 14.3(d), replies to comments "shall be limited to identifying misrepresentations of law, fact or condition of the record contained in the comments of other parties."

4. Assignment of Proceeding

John Reynolds is the assigned Commissioner and John Larsen and Justin Regnier are the assigned ALJs in this proceeding.

Findings of Fact

1. The submission of additional evidence for revising the 2026 cap has been addressed in R.24-01-018.
2. Unresolved issues identified in D.24-07-008 may be addressed in R.24-01-018.

Conclusions of Law

1. This proceeding should be closed because all issues in scope of this proceeding have either been resolved or can be appropriately addressed in, R.24-01-018.

2. All Commissioner and assigned ALJ rulings in this proceeding should be confirmed.
3. All motions not previously ruled on in this proceeding should be deemed denied.

O R D E R

IT IS ORDERED that:

1. All Commissioner and assigned Administrative Law Judge rulings in this proceeding are confirmed.
2. All motions not previously ruled on in this proceeding are denied.
3. Application 21-06-021 is closed.

This order is effective today.

Dated _____, at _____, California.