



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

**FILED**

02/12/26

04:59 PM

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Order Instituting Investigation on the  
Commission's Own Motion into Natural  
Gas Prices During Winter 2022-2023 and  
Resulting Impacts to Energy Markets.

I.23-03-008

**OPENING COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY  
(U 39-M) ON PROPOSED DECISION REGARDING THE CAUSES AND  
CONTRIBUTORS TO THE 2022-2023 GAS PRICE SPIKE AND  
ADOPTING DIRECTIONS TO REDUCE THE LIKELIHOOD OR  
MITIGATE THE IMPACT OF FUTURE GAS PRICE SPIKES**

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Dated: February 12, 2026

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## Summary of Recommendations

- The Commission should remove the Core Procurement Charge (CPC) Temporary Cap in its entirety, because it threatens the financial health of the utilities to the detriment of customers.
- In the Alternative, the CPC Temporary Cap should be modified in the following ways:
  - Allow the utilities the discretion to implement the CPC Temporary Cap dependent on the credit quality of that particular utility;
  - Once in effect, should a utility's unsecured debt credit rating fall below investment grade, the utility is authorized to cease operation of the CPC Temporary Cap via a Tier 1 Advice Letter; and,
  - Allow the utilities to continue to recover costs from customers at 150 percent until all gas price spike event costs are recouped, up to nine months.
- The Proposed Decision should extend the compliance deadline for updating the Pipe Ranger Storage Activity and Envoy webpages from April 15, 2026 to August 15, 2026.
- The Proposed Decision should extend the Application deadlines for CPIM Year 31 and CPIM Year 32 to June 30, 2026 and October 31, 2026, respectively, to allow for a transition period to the new schedule.
- The Proposed Decision should not require notification of a gas price spike event via bill inserts because they add additional costs to customers' bills and are neither timely nor actionable for customers.
- The Proposed Decision should remove the requirement for an estimated bill impact within 24 hours, because specific bill impacts are unlikely to be available or accurate in light of gas price volatility. Instead, the Proposed Decision should require utilities to provide customers with information on how to access the website to forecast their own specific rates.

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**OPENING COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY  
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CONTRIBUTORS TO THE 2022-2023 GAS PRICE SPIKE AND  
ADOPTING DIRECTIONS TO REDUCE THE LIKELIHOOD OR  
MITIGATE THE IMPACT OF FUTURE GAS PRICE SPIKES**

Pursuant to Rule 14.3(a) of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) respectfully submits these opening comments on the *[Proposed] Decision regarding the Causes and Contributors to the 2022-2023 Gas Price Spike and Adopting Directions to Reduce the Likelihood or Mitigate the Impact of Future Gas Price Spikes* (Proposed Decision), filed on January 23, 2026.

**I. PG&E’S OPENING COMMENTS ON THE PROPOSED DECISION**

**A. PG&E Supports the Commission’s Finding that the Utilities Did not Cause or Contribute to the 2022-2023 Winter Gas Price Spike and Requests that this Fact is Reflected in the Findings of Fact**

PG&E commends the Commission’s careful evaluation and consideration of this extensive record in determining what may or may not have contributed to the gas price spike during winter of 2022-2023. The Commission correctly determined that the record contains “no evidence” that the gas utilities caused or contributed to the gas price spike.<sup>1</sup> PG&E supports and appreciates this conclusion and requests that the Commission provide additional Findings of Fact that elicit this determination. PG&E proposes adding in new Findings of Fact to the Proposed Decision, as found in Appendix A and Appendix B to this document.

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<sup>1</sup> See *[Proposed] Decision regarding the Causes and Contributors to the 2022-2023 Gas Price Spike and Adopting Directions to Reduce the Likelihood or Mitigate the Impact of Future Gas Price Spikes* (Proposed Decision), p. 24 (Jan. 23, 2026).

**B. The Temporary Rate Cap Should be Removed or Heavily Modified to Prevent Unintended Threats to Customer Affordability, Reliability, and Utility Finance Models**

PG&E appreciates the Commission’s undertaking to identify and implement tangible measures to mitigate future gas price spike events and alleviate elevated bills for customers. PG&E wholly supports actions that would help mitigate rate impacts for its customers. This is evidenced by actions PG&E took in advance to prepare customers for winter as well as during the gas price spike in 2022-2023, wherein PG&E amortized the increased natural gas procurement cost over a two-month period and accelerated customer credits to dampen the effect of high gas prices on customer bills.<sup>2</sup>

That said, PG&E holds concerns with the implementation of the temporary rate cap on the Core Procurement Charge (CPC Temporary Cap) as it is currently drafted.<sup>3</sup> While the CPC Temporary Cap is a well-intended mitigatory measure in theory, in practice, it could trigger unintentional harms for both customers and the utilities. The CPC Temporary Cap could jeopardize the financial health of the utilities by limiting a key financial risk mitigant at the exact time they are navigating the challenges of a commodity price spike. The CPC Temporary Cap would also increase customer costs due to higher balancing account costs over the period of the proposed amortization. Therefore, PG&E strongly recommends that the Commission remove the CPC Temporary Cap entirely or heavily modify it pursuant to PG&E’s recommendations below. PG&E requests that the Commission modify the Proposed Decision pursuant to the changes detailed in Appendix A and Appendix B to this document.

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<sup>2</sup> See *Comments of Pacific Gas and Electric Company (U 39-M) on Questions in Attachment A of the Administrative Law Judge’s Ruling Issuing First Amendment to Scoping Memo and Seeking Comments*, pp. 10-11 (June 10, 2023).

<sup>3</sup> See Proposed Decision at p. 55 (CPC Temporary Cap is defined as “150 percent above the 10-year average core procurement price for that month.”).

**i. The Commission Should Strike the CPC Temporary Cap in its Entirety**

**a. The CPC Temporary Cap Could Unintentionally Trigger a Utility Financing Scenario Not Unlike Events Experienced in 2001**

In 1996, the state of California passed Assembly Bill (AB) 1890, designed to deregulate and restructure the state's energy system and create new markets for wholesale electricity transactions. Pursuant to AB 1890, the Commission introduced retail price controls that placed a retail rate freeze in order to ensure that retail customers did not pay higher rates during the nascent stages of the restructuring. After years of successful operation, between the years 2000 and 2001, the wholesale price of electricity rose from \$30 per megawatt hour to as high as \$450 per megawatt hour. The imbalance between wholesale and fixed retail energy prices, coupled with the utilities' inability to charge customers the full cost of purchasing wholesale power on their behalf, proved too tenuous and resulted in the bankruptcy of PG&E and near-bankruptcy of Southern California Edison Company (SCE). The 2001 crisis was partially driven by constrained utility cash flow paired with soaring wholesale costs. If a rate cap is not properly designed, it could recreate those conditions again.

Although the instant CPC Temporary Cap would allow the utilities to recover costs above the 150 percent cap over a nine-month period, should costs far exceed the 150 percent cap, or should the gas price spike event continue for months on end, the utilities could face a situation similar to those encountered in the early 2000s.

To put this in perspective, had the CPC Temporary Cap been in place during the winter gas price spike of 2022-2023, given its authorized debt limit, PG&E's ability to finance all collateral obligations and undercollections associated with the CPC Temporary Cap would have been challenging. During this period, PG&E informed the Energy Division during the peak price spike event of winter 2022 and 2023 that collateral posted to secure supplies had reached \$2.1 billion, which subsequently peaked at \$2.4 billion, excluding the additional short-term financing used for Bundled Electric undercollections. Had the CPC Temporary Cap been in place during the winter gas price spike of 2022-2023 for the two months of January and February, PG&E

would have had to seek additional short-term debt financing of approximately \$600 million (January and February) to ensure liquidity to procure natural gas for its customers. In total, PG&E would have needed over \$3 billion of liquidity utilization, including Bundled Electric undercollections—an amount that could have threatened PG&E’s financial stability.

The ability of a utility to continue to serve customers while navigating the liquidity pressure of a temporary cap would be impacted by variables outside the utility’s control. These include the ability to access incremental financing to offset the reduced cash flow, which would be more difficult and more expensive for a utility with sub-investment grade credit ratings. It also could be limited by technical factors like the amount of available CPUC short-term debt authorization; indeed, PG&E is currently facing opposition to raise its short-term debt authorization to have flexibility to navigate unforeseen liquidity events. It is vital that the Commission recognize that volatile market events, without consideration for the liquidity requirement to procure supplies to meet demand, can catalyze into an unintended utility financing crisis.

**b. The CPC Temporary Cap Will Result in Additional Costs for Customers**

The proposed amortization would have both direct and indirect impacts on customer costs. First, the longer cost recovery period will subject customers to higher balancing account financing costs. PG&E estimates that each \$1 billion of undercollection amortized over 9-months would increase customer costs by over \$20 million, based on current interest rates. Depending on the magnitude of the gas price spike event, these costs could be significant.

Second, by increasing financial risk at a time of commodity stress as described above, the proposed Cap could have negative implications for credit quality that could also negatively impact utility cost of capital and customer rates.

Indeed, S&P Global’s (S&P) credit methodology for U.S. utilities places heavy weight on ratesetting practices and financial stability, with factors such as: 1) the timeliness and adequacy of fuel/power cost adjustments; 2) ratesetting autonomy; and, 3) the ability to recover rising costs

through mechanisms such as fuel cost adjustments or base rate changes. These factors are explicitly cited as part of the recently updated S&P’s rating criteria, published in July 2025.<sup>4</sup> If a rate cap constrains recovery of actual procurement costs, it directly weakens the utility’s “ratesetting practices” and financial stability assessment. Additionally, utility debt investors may view a price cap as increasing the potential for a downgrade risk, focusing on probability of default, cash flow stability, collateral needs, and access to short-term and long-term markets. Cost of borrowing increases when credit ratings are negatively affected by the major credit rating agencies’ actions on the unsecured debt rating of a company. Investors in turn will expect a higher return for the increased risk, which in turn increases the cost of borrowing for the utility and increases customer bills due to higher interest rate spread of the issued debt.

Recent industry experience illustrates that acute, weather driven tail-risk events can produce short-term liquidity pressure and capital markets volatility, even for regulated utilities with otherwise stable financial profiles. In early 2021, extreme winter weather caused by Winter Storm Uri resulted in unusually large gas procurement costs that became payable within compressed timeframes. Several gas utilities in the affected region subsequently experienced rating agency actions, including downgrades or negative outlook revisions, reflecting heightened near term liquidity needs and uncertainty regarding recovery timing.

In sum, the proposed CPC Temporary Cap will negatively impact customer affordability and should be removed.

**ii. In the Alternative, the Commission Should Modify How to Implement the CPC Temporary Cap and Allow the Utilities Continued Flexibility in How to Operate and Recover on the Cap**

PG&E believes that the issues identified above could be addressed if the Commission modifies the CPC Temporary Cap to provide flexibility in how to implement the Cap, how to exit the Cap once it is in effect, and how procurement costs above the cap are amortized.

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<sup>4</sup> See S&P Global, *Updated Sector-Specific Corporate Methodology*, pp. 164-65 (July 7, 2025), available at: <https://www.spglobal.com/ratings/en/regulatory/delegate/getPDF?articleId=3448885&type=COMMENTS&subType=CRITERIA&defaultFormat=PDF>.

Therefore, PG&E requests that if the Commission chooses to retain the CPC Temporary Cap, it should modify the cap as detailed below.

**a. The Utilities Should Have the Discretion to Implement the CPC Price Cap Dependent on Financial and Operational Factors when a Gas Price Spike Event Occurs**

As discussed above, the current state of the CPC Temporary Cap threatens the financial health of the gas utilities that could impact both customers and the utilities themselves. Should the Commission choose to retain the CPC Temporary Cap, PG&E recommends that instead of requiring the utilities to engage a CPC Temporary Cap during a gas price spike event, the Commission should allow the utilities to determine whether sufficient borrowing power exists for such a cap and what percentage to set the cap to prevent drastic bill increases and protect the financial health of the utility.

In practice, should a gas price spike occur and the gas utility determines that its credit ratings for unsecured debt are investment grade, the utility could institute a CPC Temporary Cap. On the other hand, should the utility have sub-investment grade ratings on unsecured debt, it could cap the percentage at a higher rate or refrain from implementing the CPC Temporary Cap altogether until it has investment grade credit ratings.

To increase transparency regarding the utility's decision-making and actions in this process, PG&E recommends that the Commission expand the purpose of the Tier 1 advice letter to be provided to the Commission within 24 hours of identifying a gas price spike event.<sup>5</sup> This Tier 1 advice letter will serve its original purpose of notifying the Commission of a gas price spike event, while also detailing the utility's credit rating on unsecured debt and what temporary cap percentage they shall engage dependent on whether that rating is investment grade. Because a gas price spike event would require immediate action from the utilities, PG&E believes that only a Tier 1 advice letter will provide the utilities adequate flexibility to immediately implement those actions.

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<sup>5</sup> See Proposed Decision at p. 163, OP 1.

**b. After the CPC Temporary Cap is in Effect, the Commission Should Allow a Utility to Terminate the Cap if Its Unsecured Credit Rating Falls Below Investment Grade**

As discussed above, the investment grade of a utilities' unsecured credit rating can impact a utility's access to affordable financing thereby affecting customer affordability. Therefore, PG&E requests that if the Commission retains the CPC Temporary Cap, it modify the terms of the Cap to allow the utilities the flexibility to terminate the Cap should the utility have its unsecured credit rating fall below investment grade.

Seeing as time is of the essence should a utility realize its rating fall below investment grade, PG&E recommends that notification of the termination of the CPC Temporary Cap take place via a Tier 1 Advice Letter. This will ensure that the CPC Temporary Cap is quickly addressed while protecting customers from further financing costs.

**c. To Further Address Potential Financial Constraints, the Commission Should Provide the Utilities a Flexible Amortization Period**

The Proposed Decision proposes to allow the utilities to amortize Core Procurement Gas Accounts (CPGA) imbalances over a span of nine months.<sup>6</sup> This nine-month amortization period, again, implicates a utility's financial health and credit ratings and has the potential to result in excessive additional customer costs.

In order to alleviate this amortization concern, PG&E requests that the Commission incorporate flexibility into the amortization period to allow the utilities to bill customers at 150 percent until the undercollection associated with the CPC Temporary Cap is recouped up to nine months. This will allow the utilities to recover the undercollection during months that historically reflect lower gas prices, and ensure that the undercollection is recouped well in advance of the following winter season.

Overall, PG&E believes that it would be in the interest of customers to reduce the amortization period for the collection of CPC Temporary Cap-related costs to as few months as possible.

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<sup>6</sup> *Id.* at pp. 59-60.

**C. PG&E Requests that the Proposed Decision Reflect a Modified Filing Schedule for PG&E’s Core Procurement Incentive Mechanism (CPIM) Application**

PG&E supports the Commission’s proposed filing schedule for the Annual Core Procurement Incentive Mechanism (CPIM) Reports and the request for shareholder award (if applicable) to be filed via an application by April 30<sup>th</sup> of each year.<sup>7</sup> However, given the timing of this Decision, PG&E will be unable to file the annual CPIM Applications for CPIM Year 31 (November 2023 – October 2024) and CPIM Year 32 (November 2024 through October 2025) by April 30, 2026 as internal workflows are already scheduled and underway. Therefore, PG&E requests that the Commission extend PG&E’s CPIM Application deadlines for CPIM Year 31 and CPIM Year 32, as noted below in Table 1, the Proposed CPIM Year Transition Schedule.

**Table 1 – Proposed CPIM Year Transition Schedule**

<b>PG&amp;E CPIM year</b>	<b>Time Period</b>	<b>Application Filed</b>
CPIM Year 31	Nov 23 – Oct 24	June 30, 2026
CPIM Year 32	Nov 24 – Oct. 25	October 31, 2026
CPIM Year 33	Nov 25 – Oct 26	April 30, 2027

Given the CPIM report’s complexity and depth, the proposed transition timeline will ensure complete and accurate reports. The Proposed Decision provides that Cal Advocates Monitoring and Evaluation (M&E) Report be completed within 4 months. However, if the Proposed Decision is modified to adopt the proposed transition period, PG&E acknowledges that Cal Advocates may need additional time to issue their M&E Report.

**D. The Proposed Decision Should Extend the Compliance Date for Updating the Pipe Ranger Storage Activity and Envoy Webpages**

Ordering Paragraph 10 of the Proposed Decision orders PG&E and SoCal Gas to “update their Pipe Ranger Storage Activity and Envoy webpages, respectively, to include base gas

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<sup>7</sup> *Id.* at p. 165, OP 8.

volume” by April 15, 2026.<sup>8</sup> PG&E respectfully requests that the deadline for compliance with this Ordering Paragraph be extended to August 15, 2026, because PG&E will not be able to fully integrate the base gas volume onto the Pipe Ranger Storage Activity website by April 15, 2026.

In order to update the Pipe Ranger Storage Activity website, PG&E will need to reformulate its automated data mechanisms to enable seamless base gas volume updates on a daily basis. Additionally, PG&E will need to engage both internal and external IT resources to ensure website standards and procedures are in place—these IT resources are currently strained due to other impending PG&E website updates and it is unlikely that those resources could turn to this project until late Q2 of 2026.

That said, PG&E will immediately commence the process of updating the Pipe Ranger Storage Activity with the requested information and may come into compliance with this Commission directive before the proposed August 15, 2026 deadline. In the interim, PG&E will provide static base gas volume on the Pipe Ranger Storage Activity website until an automated process is in effect.

**E. The Proposed Decision Should be Modified to Refine the Price Spike Event Customer Notifications to Ensure that they are Efficient, Useful and Reduce Customer Confusion**

The Proposed Decision finds that PG&E’s customer communications during the winter of 2022-2023 were timely and adequate because they were reasonably transparent and relevant.<sup>9</sup> In addition, the Proposed Decision concludes based on party comments that it is reasonable to “provide all gas utilities with the flexibility to use the communication tools that best meet their customers’ needs.”<sup>10</sup> PG&E notes that this approach is consistent with communication protocols adopted in the *Order Instituting Rulemaking Regarding Emergency Disaster Relief Program (R.18-03-011)*, which implemented emergency consumer protections and granted the IOUs “the

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<sup>8</sup> Proposed Decision, p. 166, OP 10.

<sup>9</sup> *Id.* at p. 156, Findings of Fact (FOF) 140, 142.

<sup>10</sup> *Id.* at p. 126.

ability and flexibility to utilize various means to create a mix of tactics used at strategic times to reach customers and aid them in their understanding of these programs.”<sup>11</sup>

Despite reaching these conclusions, which are well supported by the record referenced in the Proposed Decision, the Commission errs in adopting overly restrictive customer notification protocols which are misaligned with its own guiding principles, may result in customers receiving outdated information, and do not allow customers to receive communications via their preferred channel. PG&E explains these issues in further detail below and proposes modifications, which support a proactive notification strategy that provides relevant information based on customer preferences and needs.

**F. The Proposed Decision Should Not Require Bill Inserts Because They Add Additional Costs to Customer Bills and Do Not Provide Timely or Actionable Information to Customers**

The Proposed Decision would require PG&E to send a bill insert within 30 days of identifying a gas price spike event, including an estimated bill impact and information on assistance programs.<sup>12</sup> PG&E recommends that the Commission not adopt this requirement because bill inserts are not effective for providing time-sensitive information, it is unsupported by the record, adds additional costs to customer bills and is not operationally feasible on a 30-day timeline.

The Commission’s own Findings of Fact emphasize the need for timely notices that allow customers to adjust their energy usage before receiving higher bills.<sup>13</sup> However, under the 30-day bill insert requirement, customers would receive a bill insert only after the billing cycle is complete—too late for the information to influence behavior. Providing both a high-level estimate on an insert and the actual bill impact on the billing statement also risks conflicting messages, reducing clarity and undermining the effectiveness of the communication strategy.

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<sup>11</sup> D.19-07-015, p. 36 (July 19, 2019).

<sup>12</sup> Proposed Decision at p. 164 OP 4b.

<sup>13</sup> *Id.* at pp. 155-56, 158, FOFs 134, 139, 163.

Additionally, the record does not support requiring bill inserts as a communication channel for gas price spike events, particularly within 30 days of a gas price spike event. Specifically, the Proposed Decision errs in stating that “the large utilities demonstrated they met this minimum requirement during the 2022-2023 gas price spike.”<sup>14</sup> Only SDG&E (December 2022) and Southwest Gas (April 2023) used bill inserts to inform customers about higher gas prices, while SoCalGas used an on-bill message (January 2023).<sup>15</sup> PG&E used bill inserts to communicate winter bill savings tips but did not specifically highlight higher gas prices. The Proposed Decision incorrectly assumes that all utilities used bill inserts to notify customers about the gas price spike and incorporates a requirement that no party recommended in this proceeding.

Lastly, PG&E recommends that the Commission remove the bill insert requirement because 30 days provides insufficient time to send an unplanned bill insert. Rule 3.2(d) of the Commission’s Rules of Practice and Procedure requires PG&E to send a bill insert within 45 days of filing an application to increase rates.<sup>16</sup> While the number of bill inserts varies monthly, PG&E’s bill package included an average of four bill inserts in 2025 which were sent to approximately 2.9 million customers per month. In such cases, PG&E has months of lead time while an application is being developed to plan the distribution date, draft messaging, and develop bill impacts. Once the application is filed, the entire 45-day period is necessary to finalize content, secure approvals internally and with the Public Advisor’s Office, proofread the inserts, and print and mail them to customers. An unforeseen event, such as an unexpected gas price spike, would not provide PG&E or the other utilities with such lead time. As it stands, PG&E is extremely unlikely to be able to turn around a 30-day bill insert to notify customers of a gas price spike event.

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<sup>14</sup> *Id.* at p. 126.

<sup>15</sup> *See Joint Response of Southern California Gas Company and San Diego Gas & Electric Company to Order Instituting Investigation on the Commission’s Own Motion into Natural Gas Prices During Winter 2022-2023 and Resulting Impacts to Energy Markets*, pp. A-9, B-14 (Apr. 19, 2023).

<sup>16</sup> Due to serial billing, a customer’s billed usage is on average 30-33 days and may span more than one month period.

For this reason, if the Commission elects to retain the bill insert requirement, the timeline should be extended to at least 60 days to reflect the operational realities and processing time needed to produce and distribute unplanned inserts. However, this longer timeline further underscores that bill inserts are not an effective mechanism for providing timely, actionable information that enables customers to adjust their energy usage in response to rapidly changing market conditions.

**G. The Proposed Decision Should Not Require an Estimated Bill Impact Within 24 Hours**

The Proposed Decision requires PG&E to include a “reasonable estimate of the bill increase” within 24 hours of a gas price spike via email, text, and on PG&E’s website.<sup>17</sup> PG&E recommends that the Commission remove this requirement because it may result in misleading estimates since the weighted average cost of gas (WACOG) can fluctuate daily and is not set for the procurement rate until closer to the end of each month. In assessing the IOUs’ notifications during the winter of 2022-2023, the Commission acknowledges “that the specific bill impacts were difficult to predict in light of volatility.”<sup>18</sup> Although the Commission ultimately concludes that “for gas customers, the opportunity to adjust their behavior in response to a gas price spike outweighs the risk of confusion when communication is narrowly tailored,”<sup>19</sup> PG&E believes that prioritizing timeliness over accuracy could result in communications that significantly under-estimate or over-estimate actual bill impacts to potentially millions of gas customers, resulting in a negative customer experience if the estimates ultimately failed to motivate action due to an under estimate or caused unnecessary panic due to an over estimate.

Instead of providing an estimated bill impact within 24 hours, PG&E recommends that the Commission modify the Proposed Decision to require PG&E to direct customers to its website to sign up for bill forecast alerts, which will notify the customer when their bill is projected to reach a certain threshold, as set by the customer, within that billing cycle. This is a

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<sup>17</sup> *Proposed Decision* at p. 164, OP 4(a).

<sup>18</sup> *Id.* at p. 112.

<sup>19</sup> *Id.* at p. 158, FOF 163.

more accurate estimation approach, as the forecasting happens at the account level, and considers customer-specific factors such as a customer's energy usage, baseline and tier, and billing cycle.

**H. The Proposed Decision Should Clarify That Email and Text Notifications Should Be Sent Using Available Contact Information and Customer Consent**

The Proposed Decision requires PG&E to send an email *and* text notification to customers who have consented to such communications within 24 hours of a gas price spike, including an estimated bill impact and information on assistance programs.<sup>20</sup> As currently written, the Proposed Decision would require PG&E to send both an email and a text notification to customers. However, this approach does not account for the fact that PG&E may not have both an email *and* a mobile number for every gas customer and that customers may have a preference for receiving such notifications via email *or* text. Accordingly, PG&E recommends that the Commission modify the Proposed Decision to clarify that notifications sent to customers within 24 hours of a gas price spike event should be sent via email *or* text, provided that the utility has an email address or mobile number for the customer and that the customer has consented to the communications.

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<sup>20</sup> *Id.* at p. 164, OP 4(a), 4(b).

## II. CONCLUSION

PG&E appreciates the opportunity to provide these opening comments on the Proposed Decision. PG&E requests that the Commission modify the Proposed Decision pursuant to the modified Findings of Fact, Conclusions of Law, and Ordering Paragraphs as illustrated in Appendices A and B.

Respectfully Submitted,

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## **Appendix A**

Recommended Findings of Fact,  
Conclusions of Law and Ordering Paragraphs

Pursuant to Rule 14.3(b) of the Commission’s Rules and Procedures, PG&E proposes the following modifications to the PD’s findings of fact, conclusions of law, and ordering paragraphs as follows (proposed inserted language is underlined; proposed deleted language in ~~strikeout~~ format. Numeration is that of the Proposed Decision.)

**Changes to Findings of Fact:**

X. The record demonstrates that the California gas utilities did not cause or contribute to the gas price spike during the winter of 2022-2023.

X. While the gas utilities charged customers high rates during the gas price spike of winter 2022-2023, these rates reflected the prevailing market price of natural gas.

X. The record contains no evidence that the gas utilities violated the ratemaking mechanisms approved by the Commission.

X. White Papers: Part I, Part II, and Part III, as well as party comments, demonstrate that the gas utilities acted prudently during the gas price spike.

X. The gas utilities’ procurement departments did not engage in prohibited affiliate transactions that caused or contributed to the gas price spike.

X. SoCalGas Gas Acquisition and PG&E Core Gas Supply’s procurement contracts entered into during winter 2022-2023 were reasonable and did not improperly cause or contribute to the gas price spike.

X. SoCalGas Gas Acquisition and PG&E Core Gas Supply did not cause or contribute to the gas price spike through their storage injection and withdrawal decisions.

### Changes to Conclusions of Law:

3. ~~Given the extreme burden ratepayers face, it is reasonable to impose a temporary cap on PG&E, SoCalGas, SDG&E, and Southwest Gas's CPC only during winter gas price spike events.~~
4. ~~It is reasonable to set the cap at no more than 150 percent above the 10-year average core procurement price for that month.~~
5. ~~In the event of a gas price spike, it is reasonable to align the amortization period for any imbalance resulting from the temporary CPC cap across PG&E, SoCalGas, SDG&E, and Southwest Gas.~~
6. ~~In the event of a gas price spike, it is reasonable to require PG&E, SoCalGas, SDG&E, and Southwest Gas to amortize any imbalance that occurs due to the temporary cap on their CPCs in their CPGAs monthly over nine months.~~
7. ~~It is reasonable to require PG&E, SoCalGas, SDG&E, and Southwest Gas to file a Tier 2 advice letter proposing changes to their tariffs as necessary to implement the cap on the CPC and amortization period that shall occur in the event of a gas price spike.~~
10. It is reasonable to adopt the following changes to the GCIM and CPIM to promote transparency, alignment, and understanding:  
  

(d) PG&E shall file applications for CPIM Year 30 and CPIM Year 31 by June 30, 2026 and October 31, 2026, respectively.
17. In the event of a future gas price spike, it is reasonable to require all gas utilities to, at a minimum, alert customers to the gas price event with: (1) ~~a reasonable estimate of the bill increase~~ information on how to forecast their rates on the utility website; and (2) transparent information about payment plan options and the Commission's CHANGES program.
19. In the event of a future gas price spike, it is reasonable to require all gas utilities to, at a minimum, communicate ~~the estimated rate increase~~ information on how to forecast their rates on the utility website and payment plan options to their customers on their websites, ~~in bill inserts,~~

and through email and text to customers who have consented to electronic and text communications.

~~23. Within 30 days of a gas price spike event, it is reasonable to require gas utilities to, at a minimum, notify customers by bill insert.~~

**Changes to Ordering Paragraphs:**

~~2. In the event of a winter gas price spike, as defined in this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, and Southwest Gas Corporation shall:~~

~~(a) Impose a temporary cap on their Core Procurement Charge at no more than 150 percent above the 10-year average core procurement price for that month. The temporary cap shall not exceed three months without Commission approval of a Tier 3 advice letter; and~~

~~(b) Amortize any imbalance in their Core Procure Gas Account monthly for a period of nine months.~~

~~3. By May 1, 2026, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, and Southwest Gas Corporation shall file a Tier 2 advice letter that proposes changes to their tariffs necessary to implement the temporary cap on the Core Procurement Charge and amortization in the event of a gas price spike~~

4. In the event of a gas price spike, as defined in this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, Southwest Gas Corporation, Alpine Natural Gas Operating Company No. 1, LLC, and West Coast Gas Company shall:

(a) Within 24 hours of identifying a gas price spike event, at a minimum, alert customers to the gas price spike event with (i) a reasonable estimate of the bill increase information on how to forecast their rates on the utility website; and (2) transparent information about

payment plan options and the Commission's CHANGES program.; and (ii)-transparent information about payment plan options and the Commission's Community Help and Awareness of Natural Gas and Electric Services Program. The alert shall, at a minimum, be posted on each utility's website and sent via email ~~or~~ and text to customers who have consented to such electronic and text communications;

(b) Within 30 days of identifying a gas price spike event, at a minimum, alert customers to the gas price spike event with (i) ~~a reasonable estimate of the bill increase~~ information on how to forecast their rates on the utility website; and (2) transparent information about payment plan options and the Commission's CHANGES program.; and (ii)-transparent information about payment plan options and the Commission's Community Help and Awareness of Natural Gas and Electric Services Program. ~~The alert shall, at a minimum, be sent as a bill insert~~; and

8. By April 30 of each year, Pacific Gas and Electric Company shall submit an application to request Commission approval of any shareholder award under the Core Procurement Incentive Mechanism (CPIM) and the CPIM Report to the Commission.

(a) PG&E shall submit applications for CPIM Year 30 and CPIM Year 31 by June 30, 2026 and October 31, 2026.

10. By ~~April 15, 2026~~ August 15, 2026, Pacific Gas and Electric Company and Southern California Gas Company shall update their Pipe Ranger Storage Activity and Envoy webpages, respectively, to include base gas volume.

## **Appendix B**

Alternative Recommended Findings of Fact,  
Conclusions of Law and Ordering Paragraphs

Pursuant to Rule 14.3(b) of the Commission's Rules and Procedures, PG&E proposes the following alternative modifications to the Proposed Decision's findings of fact, conclusions of law, and ordering paragraphs as follows (proposed inserted language is underlined; proposed deleted language in ~~strikeout~~ format. Numeration is that of the Proposed Decision.):

**Alternative Changes to Findings of Fact:**

- X. The record demonstrates that the California gas utilities did not cause or contribute to the gas price spike during the winter of 2022-2023.
- X. While the gas utilities charged customers high rates during the gas price spike of winter 2022-2023, these rates reflected the prevailing market price of natural gas.
- X. The record contains no evidence that the gas utilities violated the ratemaking mechanisms approved by the Commission.
- X. White Papers: Part I, Part II, and Part III, as well as party comments, demonstrate that the gas utilities acted prudently during the gas price spike.
- X. The gas utilities' procurement departments did not engage in prohibited affiliate transactions that caused or contributed to the gas price spike.
- X. SoCalGas Gas Acquisition and PG&E Core Gas Supply's procurement contracts entered into during winter 2022-2023 were reasonable and did not improperly cause or contribute to the gas price spike.
- X. SoCalGas Gas Acquisition and PG&E Core Gas Supply did not cause or contribute to the gas price spike through their storage injection and withdrawal decisions.

**Alternative Changes to Conclusions of Law:**

6. In the event of a gas price spike, it is reasonable to require PG&E, SoCalGas, SDG&E, and Southwest Gas to amortize any imbalance that occurs due to the temporary cap at 150 percent on their CPCs in their CPGAs ~~monthly over~~ for up to nine months.

10. It is reasonable to adopt the following changes to the GCIM and CPIM to promote transparency, alignment, and understanding:

(d) PG&E shall file applications for CPIM Year 30 and CPIM Year 31 by June 30, 2026 and October 31, 2026, respectively.

17. In the event of a future gas price spike, it is reasonable to require all gas utilities to, at a minimum, alert customers to the gas price event with: (1) ~~a reasonable estimate of the bill increase~~ information on how to forecast their rates on the utility website; and (2) transparent information about payment plan options and the Commission's CHANGES program.

19. In the event of a future gas price spike, it is reasonable to require all gas utilities to, at a minimum, communicate ~~the estimated rate increase~~ information on how to forecast their rates on the utility website and payment plan options to their customers on their websites, ~~in bill inserts~~, and through email and text to customers who have consented to electronic and text communications.

~~23. Within 30 days of a gas price spike event, it is reasonable to require gas utilities to, at a minimum, notify customers by bill insert.~~

**Alternative Changes to Ordering Paragraphs:**

2. In the event of a winter gas price spike, as defined in this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, and Southwest Gas Corporation shall:

~~(a) Impose a temporary cap on their Core Procurement Charge at no more than 150 percent above the 10-year average core procurement price for that month. The temporary~~

~~cap shall not exceed three months without Commission approval of a Tier 3 advice letter; and~~

(a) The utilities shall have the discretion to implement a temporary cap on their Core Procurement Charge at no more than 150 percent above the 10 year average core procurement price for that month. The utility shall utilize the Tier 1 advice letter, providing notification to the Commission within 24 hours of identifying a gas price spike event, detailing whether the temporary cap on the Core Procurement Charge will be implemented with support. The temporary cap shall not exceed three months without Commission approval of a Tier 3 advice letter;

~~(b) Amortize any imbalance in their Core Procure Gas Account monthly for a period of nine months.~~

(b) Should the utility implement the temporary cap on their Core Procurement Charge, and the utility's unsecured credit rating falls below investment grade during the temporary cap's operation, the utility shall file a Tier 1 Advice Letter terminating the temporary cap; and,

(c) Amortize any imbalance in their Core Procure Gas Account monthly at 150 percent for a period up to nine months.

4. In the event of a gas price spike, as defined in this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, Southwest Gas Corporation, Alpine Natural Gas Operating Company No. 1, LLC, and West Coast Gas Company shall:

(a) Within 24 hours of identifying a gas price spike event, at a minimum, alert customers to the gas price spike event with (i) ~~a reasonable estimate of the bill increase~~ information on how to forecast their rates on the utility website; and (2) transparent information about payment plan options and the Commission's CHANGES program.; and (ii)-transparent

information about payment plan options and the Commission's Community Help and Awareness of Natural Gas and Electric Services Program. The alert shall, at a minimum, be posted on each utility's website and sent via email ~~or~~ and text to customers who have consented to such electronic and text communications;

(b) Within 30 days of identifying a gas price spike event, at a minimum, alert customers to the gas price spike event with (i) ~~a reasonable estimate of the bill increase~~ information on how to forecast their rates on the utility website; and (2) transparent information about payment plan options and the Commission's CHANGES program.; and (ii)-transparent information about payment plan options and the Commission's Community Help and Awareness of Natural Gas and Electric Services Program. ~~The alert shall, at a minimum, be sent as a bill insert~~; and

8. By April 30 of each year, Pacific Gas and Electric Company shall submit an application to request Commission approval of any shareholder award under the Core Procurement Incentive Mechanism (CPIM) and the CPIM Report to the Commission.

(a) PG&E shall submit applications for CPIM Year 30 and CPIM Year 31 by June 30, 2026 and October 31, 2026.

10. By ~~April 15, 2026~~ August 15, 2026, Pacific Gas and Electric Company and Southern California Gas Company shall update their Pipe Ranger Storage Activity and Envoy webpages, respectively, to include base gas volume.