

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Pacific Gas and Electric
Company for Recovery of Recorded
Expenditures in Memorandum and
Balancing Accounts Related to Wildfire
and Gas Safety (U 39 M).

Application 23-06-008

**THE PUBLIC ADVOCATES OFFICE'S RESPONSE TO
PACIFIC GAS AND ELECTRIC COMPANY'S MOTION TO REOPEN THE
RECORD TO ADMIT REVENUE REQUIREMENTS FOR 2023-2030**

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I. INTRODUCTION

Pursuant to Rule 11.1 of the California Public Utilities Commission’s (Commission’s) Rules of Practice and Procedure,¹ the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits this response to the *Motion of Pacific Gas and Electric Company (U 39 M) to Reopen the Record to Admit Revenue Requirements for 2023-2030* (Motion).

On November 1, 2023, the Assigned Commissioner’s Scoping Memo and Ruling (Scoping Memo) in this proceeding specified two overarching issues that are pertinent to this matter: (1) whether the Commission should grant Pacific Gas and Electric Company’s (PG&E’s) request to recover up to \$570 million in revenue requirement, excluding interest, for recorded costs associated with wildfire-mitigation work; and (2) whether the Commission should grant PG&E’s request to recover up to \$118 million in revenue requirement, excluding interest, for recorded costs associated with gas-safety work and electric-modernization work.²

¹ Unless otherwise indicated, all subsequent references to “Rules” are to the Commission’s Rules of Practice and Procedure.

² *Assigned Commissioner’s Scoping Memo and Ruling*, November 1, 2023 (Scoping Memo) at 3-6. The
(continued on next page)

The Scoping Memo did not set forth for consideration the issue of PG&E’s revenue requirements for 2023 through 2030.³ Instead, PG&E’s application sought “to recover costs spent in two broad categories: wildfire safety work performed during the years 2020 - 2022, and electric modernization and gas safety work performed primarily in 2022.”⁴ And as the Scoping Memo added, “The bulk of costs at issue in this application are for wildfire safety work executed during 2020 - 2022, beyond what PG&E planned for and was authorized in its 2020 GRC [General Rate Case].”⁵

PG&E now seeks to reopen the record so that the Commission can admit evidence of PG&E’s revenue requirements for 2023 to 2030, and so that the Commission can authorize and verify PG&E’s revenue requirements for 2023 to 2030.⁶ Additionally, PG&E submits this Motion more than two years after the issuance of the Scoping Memo, and about seven months after this proceeding stood submitted.⁷ PG&E’s Motion should be denied because its requested relief is outside the scope of this proceeding, and the Motion fails to meet the requirements of Rule 13.5 to reopen the record.

Scoping Memo also laid out a third issue not pertinent to PG&E’s request here: “What are the impacts on environmental and social justice communities[?]”

³ But see generally *Motion of Pacific Gas and Electric Company (U 39 M) to Reopen the Record to Admit Revenue Requirements for 2023-2030* (Motion), February 2, 2026.

⁴ Scoping Memo at 1.

⁵ Scoping Memo at 1.

⁶ See Motion at 1, 10. PG&E previously submitted a similar motion. See *Pacific Gas and Electric Company’s Motion for Third Track to Consider Capital Recovery from 2023-2030 for Costs Approved as Reasonable in Tracks 1 and 2*, November 17, 2025.

⁷ See, e.g., *Reply Brief of the Public Advocates Office on Pacific Gas and Electric Company’s Application for Recovery of Recorded Expenditures in Memorandum and Balancing Accounts Related to Wildfire and Gas Safety*, June 16, 2025.

II. ARGUMENT

A. Reopening the record to consider revenue requirements for 2023 to 2030 would be procedurally and legally improper because doing so would go beyond the scope of this proceeding.

Considering revenue requirements for 2023 to 2030 would go beyond the parameters of the Scoping Memo and would thus be procedurally and legally improper.⁸ As Public Utilities Code section 1701.1(b) states, the “assigned commissioner . . . shall prepare and issue by order or ruling a scoping memo that describes the issues to be considered.” Accordingly, under the Scoping Memo, the parties received notice about only certain costs that would be considered: (1) PG&E’s request to recover up to \$570 million in revenue requirement, excluding interest, for recorded costs associated with wildfire-mitigation work; and (2) PG&E’s request to recover up to \$118 million in revenue requirement, excluding interest, for recorded costs associated with gas-safety work and electric-modernization work.⁹ The Scoping Memo did not include the issue of PG&E’s revenue requirements for 2023 through 2030.¹⁰ Indeed, the Scoping Memo noted that PG&E’s application sought “to recover costs spent in two broad categories: wildfire safety work performed during the years 2020 - 2022, and electric modernization and gas safety work performed primarily in 2022.”¹¹ Therefore, to now consider revenue requirements for 2023 to 2030 would go beyond the scope of the specified issues.¹²

Under *Southern California Edison Co. v. Public Utilities Commission*, if the Commission were to now consider revenue requirements for 2023 to 2030, such an act would go “beyond the scope of issues identified in the scoping memo,” and the

⁸ See *Golden State Water Co. v. P.U.C.* (2024) 16 Cal. 5th 380, 398-399 [322 Cal. Rptr. 3d 531, 545]; *Southern Cal. Edison Co. v. P.U.C.* (2006) 140 Cal. App. 4th 1085, 1106 [45 Cal. Rptr. 3d 485, 500-501]; see also Decision (D.) 23-11-069, *Decision on Test Year 2023 General Rate Case for Pacific Gas and Electric Company*, November 17, 2023 at 776-777; issued in Application (A.) 21-06-021.

⁹ Scoping Memo at 5-6.

¹⁰ Scoping Memo at 1, 5-6.

¹¹ Scoping Memo at 1, 5-6, 8-9.

¹² Scoping Memo at 5-6, 8-9; see also Motion at 1.

Commission would “violate[] its own rules by considering” this new issue.¹³ Such an out-of-scope action would be prejudicial to the parties and would put any subsequent Commission decision at risk of being set aside.¹⁴

To properly prepare and advocate, parties rely on the parameters of the Scoping Memo, and thus must receive adequate notice of what specified issues are on the table.¹⁵ As the Supreme Court of California stated in *Golden State Water Co. v. Public Utilities Commission*, the Commission’s “failure to issue an adequate scoping memo” would frustrate the parties’ “ability to advocate effectively for their position.”¹⁶ Considering revenue requirements for 2023 to 2030 in this proceeding would go beyond the issues that the parties received notice of in the Scoping Memo.

Though, the Assigned Commissioner could issue a revised Scoping Memo that considers revenue requirements for 2023 to 2030, doing so would require that all parties be given a reasonable opportunity to conduct additional discovery, review new evidence, participate in hearings, submit testimony, submit briefs, and take other similar steps—in order to exercise the “ability to advocate effectively for their position,” as required by *Golden State Water Co. v. Public Utilities Commission*.¹⁷ Rather than hold up this proceeding by injecting a new issue, it would be more efficient to require that PG&E file a separate application to consider of revenue requirements for 2023 to 2030.

B. PG&E fails to adequately explain why it did not offer this new evidence while the record was still open, as required by Rule 13.15.

Pursuant to Rule 13.15, the Commission should deny PG&E’s Motion because PG&E fails to adequately explain why it did not offer this new revenue-requirement

¹³ See *Southern Cal. Edison Co. v. P.U.C.* (2006) 140 Cal. App. 4th 1085, 1106 [45 Cal. Rptr. 3d 485, 500-501].

¹⁴ See *Southern Cal. Edison Co. v. P.U.C.* (2006) 140 Cal. App. 4th 1085, 1106-1107 [45 Cal. Rptr. 3d 485, 500-501].

¹⁵ *Golden State Water Co. v. P.U.C.* (2024) 16 Cal. 5th 380, 398-399 [322 Cal. Rptr. 3d 531, 545].

¹⁶ *Golden State Water Co. v. P.U.C.* (2024) 16 Cal. 5th 380, 398-399 [322 Cal. Rptr. 3d 531, 545].

¹⁷ *Golden State Water Co. v. P.U.C.* (2024) 16 Cal. 5th 380, 398-399 [322 Cal. Rptr. 3d 531, 545].

evidence while the record was still open. After all, PG&E “acknowledges it could have sought to provide updated revenue requirements prior to the closing of the record on June 16, 2025[.]”¹⁸

To now consider PG&E’s new revenue-requirement evidence would be untimely because the parties have already submitted their testimony, evidence, and briefs—and thus the proceeding already stands submitted for decision.¹⁹ Under the Commission’s Rules, “A proceeding shall stand submitted for decision by the Commission after the taking of evidence, the filing of briefs, and the presentation of oral argument as may have been prescribed.”²⁰ To reopen the record for this new evidence, PG&E must “explain why such evidence was not previously adduced,” according to Rule 13.15(b).

But PG&E provides an unconvincing explanation for why it failed to earlier offer this evidence.²¹ PG&E claims that offering this new evidence before the closing of the record “would have relied on assumptions contingent on the then-pending Cost of Capital proceeding.”²² But submitting this evidence now similarly relies on assumptions about the Commission’s pending decision in this proceeding.²³ As PG&E states, the updated revenue requirements in PG&E’s Motion “are premised on full recovery of the requested costs.”²⁴ PG&E’s explanation is unconvincing because the same type of alleged uncertainty about pending decisions existed before the closing of the record and still exist after the closing of the record.

¹⁸ Motion at 9.

¹⁹ See, e.g., *Opening Brief of the Public Advocates Office on Pacific Gas and Electric Company’s Application for Recovery of Recorded Expenditures in Memorandum and Balancing Accounts Related to Wildfire and Gas Safety*, May 27, 2025.

²⁰ Commission Rule of Practice and Procedure (Rule) 13.15(a).

²¹ See Rule 13.15(b) (“[A motion to set aside submission] shall contain a brief statement of proposed additional evidence, and explain why such evidence was not previously adduced.”).

²² Motion at 9.

²³ Motion at 1, n.1 (“The updated revenue requirements provided by this motion in Attachment A are premised on full recovery of the requested costs . . .”).

²⁴ Motion at 1, n.1 (“The updated revenue requirements provided by this motion in Attachment A are premised on full recovery of the requested costs . . .”).

C. PG&E prematurely assumes that any additional interest costs for capital expenditures will be deemed just and reasonable, but the Commission may eventually find that these interest costs were unjust and unreasonable because they were caused by PG&E’s own error in failing to offer this new evidence before the record closed.

PG&E prematurely assumes that any additional interest costs for capital expenditures will be deemed just and reasonable—and thus borne by ratepayers.²⁵ But the Commission may eventually find that these interest costs were caused by PG&E’s own error and are thus not recoverable from ratepayers.²⁶ The Commission may find that these interest costs were unreasonably caused by PG&E’s own error in failing “to provide updated revenue requirements prior to the closing of the record on June 16, 2025.”²⁷ Therefore, the Commission should give little weight to PG&E’s additional-interest arguments, because PG&E’s arguments are based on an unwarranted assumption about the Commission’s future decisions regarding what interest costs would be deemed reasonable and justified.²⁸

²⁵ See, e.g., Motion at 4, 7, 9.

²⁶ See Pub. Util. Code section 451 (“Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.”). Many of the arguments in this filing have previously been made in Cal Advocates’ December 2, 2025 filing. See generally *The Public Advocates Office’s Response to Pacific Gas and Electric Company’s Motion for Third Track to Consider Capital Recovery from 2023-2030 for Costs Approved as Reasonable in Tracks 1 and 2*, December 2, 2025.

²⁷ Motion at 9. See also Pub. Util. Code section 451 (“Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.”). Many of the arguments in this filing have previously been made in Cal Advocates’ December 2, 2025 filing, whose arguments are hereby incorporated here, by reference. See generally *The Public Advocates Office’s Response to Pacific Gas and Electric Company’s Motion for Third Track to Consider Capital Recovery from 2023-2030 for Costs Approved as Reasonable in Tracks 1 and 2*, December 2, 2025.

²⁸ Of note, PG&E requested interim rate recovery of 85% of the requested revenue requirement; and PG&E cited interest costs as one reason for interim rate recovery. *Motion of Pacific Gas and Electric Company (U 39 M) for Interim Rate Relief*, June 15, 2023, at 2-3, 16. The Commission subsequently granted 75% of the total requested revenue requirement. D.24-03-006, *Decision Granting Interim Rate Recovery*, Ordering Paragraph 1 at 36.

III. CONCLUSION

For the foregoing reasons, the Commission should deny PG&E's Motion.

Respectfully submitted,

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