

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



FILED

02/19/26

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A2408004

Application of Pacific Gas and Electric
Company for a Limited Capital Structure
Adjustment. (U39M)

Application 24-08-004

**PACIFIC GAS AND ELECTRIC COMPANY
NOTICE OF EX PARTE COMMUNICATION**

Pursuant to Rule 8.4 of the California Public Utilities Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) hereby gives notice of the following ex parte communication in the above captioned proceeding.

Nika Kjensli, Chief, Regulatory Relations Advocacy, PG&E, initiated the oral communication via Webex on Friday, February 13, 2026, at 11:00 AM with the following persons in attendance: Nick Dahlberg, Energy Advisor to President Alice Reynolds, and David Zizmor, Supervisor, Utility Costs and Compliance Section.

Participating in the meeting for PG&E: David Fajoni, Sr Director, Finance Forecasting & Analysis.

SUMMARY:

At the meeting, Ms. Kjensli presented an overview of PG&E's request for approval of its capital structure adjustment application. Mr. Fajoni stated that PG&E's request is both narrow and temporary and will benefit customers by allowing PG&E to maintain access to capital. Mr. Fajoni further stated that approval of PG&E's application would not raise customer rates or change the revenue requirement; rather, it would help PG&E avoid higher financing costs.

During the meeting, a presentation was used and is attached.

Respectfully submitted,

/s/ Sidney Bob Dietz II

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Dated: February 19, 2026

PG&E Request for Limited Adjustments of the Capital Structure Rule

February 2026





Limited Adjustments to Capital Structure Rule IX-B

PG&E's request is limited, critical for financial planning, and is an opportunity to enhance PG&E's ability to fund incremental capital expenditures without impacting customer rates.

Customer Benefits:

- Approving PG&E's request does not result in an increase to customer rates.
- Denying this request would increase PG&E's financing costs by at least \$60 million/year, which may potentially be passed to customers. (*PG&E Reply Brief p.5*)

Key Points:

- PG&E's POR waiver (issued by D.20-05-053) expired in June 2025 and PG&E has executed on its financial plans to meet its authorized capital structure. Resolving PG&E's limited capital structure adjustment is important for PG&E's future financial plans to fund critical projects.
- PG&E request is **narrow**, focused on the following exclusions: (1) wildfire claims for Dixie and Kincaide and (2) the DWR forgivable loan from the capital structure calculation.
 - The Commission has approved similar requests in the past (e.g., SCE in D.23-08-031)
- PG&E's request is about solving a **timing issue** between: (1) accounting charges and debt on PG&E's book and (2) future resolution of cost recovery matters and anticipated forgiveness or repayment by outside funds of the DWR loan.



PG&E's Request for a Limited Capital Structure Adjustment is Reasonable and Should be Granted

PG&E's request is limited, critical for financial planning, and is an opportunity to enhance PG&E's ability to fund incremental capital expenditures without impacting customer rates.

Intervenor Arguments

PG&E's Position

Claims of adverse customer impact due to increased credit risk are speculative and unsupported.

(PG&E Reply Brief pp. 3-6)

- Granting PG&E's request **will not** increase customer costs, change rates, or recalculate any revenue requirement. *(PG&E Reply Brief p.2)*
- "Calculations" to represent customer impacts are false and speculative. *(PG&E Reply Brief p.2)*
- Financing with expensive equity would incur **unnecessary incremental costs** without any offsetting benefit. *(PG&E Reply Brief p.2)*
- Significant Commission precedent granted similar relief to PG&E's request. *(PG&E Opening Brief p. 8, D.20-05-005 at 2, and D.23-08-031, COL. 1& 3)*

Any further adjustments to PG&E's Capital Structure beyond existing should be opposed.

Arguments attacking the precedents are superficial and beyond the scope of PG&E's narrow request. *(PG&E Reply Brief pp. 11-14)*

- Intervenor positions extend far beyond the scope of this proceeding and are fundamentally inconsistent with core principles of utility capital structure regulation. *(PG&E Reply Brief p.2)*

DWR Loan

No opposition remains regarding the DWR loan. *(PG&E Reply Brief p.1)*

- Only EPUC/IS addressed the DWR Loan in its testimony arguing PG&E did not provide enough information to justify the relief. PG&E provided additional information in its rebuttal and EPUC/IS appears to no longer oppose. *(PG&E Reply Brief p.1)*