



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

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Application of Pacific Gas and Electric Company to Recover in Customer Rates the Costs to Support Extended Operation of Diablo Canyon Power Plant from January 1 through December 31, 2027, and for Approval of Planned Expenditures of 2027 Volumetric Performance Fees

Application No. 26-03_____

(U 39 E)

**APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) TO
RECOVER IN CUSTOMER RATES THE COSTS TO SUPPORT EXTENDED
OPERATION OF DIABLO CANYON POWER PLANT FROM JANUARY 1 THROUGH
DECEMBER 31, 2027, AND FOR APPROVAL OF PLANNED EXPENDITURES OF 2027
VOLUMETRIC PERFORMANCE FEES**

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I. INTRODUCTION

Pursuant to Rules 2.1 and 3.2, Public Utilities Code¹ § 712.8(h)(1), and California Public Utilities Commission (“Commission”) decisions (“D.”) 23-12-036 and other applicable decisions, Pacific Gas and Electric Company (“PG&E”) respectfully submits this application for review and approval of forecast costs covering the period starting January 1 through December 31, 2027 (the “Record Period”) for Diablo Canyon Power Plant (“DCPP” or “Diablo Canyon”) extended operations for inclusion in statewide rates starting on January 1, 2027.

PG&E’s 2027 forecast costs are shown in the table below and include: \$1,341 million for DCPP operating costs, statutory fees, and Resource Adequacy (“RA”) substitution capacity expenses, which are offset by a net forecast of \$751 million for California Independent System Operator (“CAISO”) market revenues received in the CAISO energy market. After incorporating amortization of the Diablo Canyon Extended Operations Balancing Account (“DCEOBA”) balance forecast for end-of-year 2026 and certain fees, the resulting total net revenue

¹ Unless indicated otherwise, all statutory sections in this application are to the Public Utilities Code.

requirement for ratesetting is \$595 million for the 2027 calendar year. While DCPD operational costs did not increase significantly, CAISO revenues have decreased from prior years.

TOTAL REVENUE REQUIREMENT FOR RATESETTING

Line No.	Chapter Cross Reference	Diablo Canyon Extended Operations ^a 2027 Cost (\$1000s)		
		Statewide	PG&E Specific	Total
1	Total Forecast Costs	(A)	(B)	(C)
2	Operation and Maintenance Cost Forecast	Chapters 2 & 4	779,713	779,713
3	Administrative and General	Chapter 4	153,618	153,618
4	Management, Performance Fees, & Liquidated Damages	Chapters 4 & 5	254,210	137,047
5	Resource Adequacy Substitution Capacity	Chapter 3	16,451	16,451
6	Total Cost Forecast (excluding FF&U)		1,203,993	137,047
7	DCPD Market Revenues			
8	CAISO Market Revenues	Chapter 6	(750,559)	(750,559)
9	Total Net Forecast Costs (excluding FF&U)		453,433	137,047
10	Balancing Account Amortization			
11	DCEOBA	Chapter 8	(4,425)	(4,425)
12	Total Net Forecast Costs and DCEOBA amortization		449,009	137,047
13	RF&U (PG&E) + FF&U (SCE) and FF&U (SDG&E) ^b	Chapter 10	7,082	1,864
14	DCEO Revenue Requirement for Ratesetting		456,091	138,911

Notes:

- (a) Amounts in 2026 dollars (\$s)
- (b) SDG&E's FF&U revenue for its DCNBC will be collected in the its Distribution Charge.

The total Diablo Canyon revenue requirement for the Record Period is allocated to the three large investor-owned utilities (“IOU”) as follows: (1) \$340 million to PG&E; (2) \$208 million to Southern California Edison Company (“SCE”); and (3) \$47 million to San Diego Gas & Electric Company (“SDG&E”). Each of the IOUs independently calculate and present its respective Diablo Canyon Non-Bypassable Charge (“DCNBC”) in Chapter 10 based on its allocation of the total net revenue requirement presented in the table above.

As a result of this application, PG&E’s system average bundled service rate would increase by approximately 0.4 percent to 32.72 cents per kWh when compared to the present system average bundled service rate of 32.60 cents per kWh, effective March 1, 2026. PG&E’s

allocated revenue requirement for the calendar year 2027 results in an increase of \$1.08 per month bill impact for the average non-CARE residential customer. SCE's allocated revenue requirement for calendar year 2027 is estimated to result in an increase of \$0.65 per month bill impact for the average non-CARE residential customer. SDG&E's allocated revenue requirement is estimated to result in an increase of \$0.26 per month bill impact for the average bundled residential customer.

This application supports PG&E's efforts to support electric reliability for all Californians with continued operations at Diablo Canyon. As presented in Chapter 1, DCPD has additional value to the state and to customers that is not reflected in the total cost presentation. The allocated RA benefits from DCPD to statewide customers are approximately \$276 million for 2027. The California Energy Commission's ("CEC") 2025 Electric Reliability Report finds that "system reliability is expected to continue to significantly improve due to [several factors that include] the near-term retention of Diablo Canyon Power."²

In addition, DCPD's extended operations through 2030 are also expected to reduce greenhouse gas ("GHG") emissions from natural gas generation and imported energy by 34.50 million metric tons in total. Diablo Canyon's extended operations through 2030 are expected to annually reduce GHG-emissions equivalent to carbon dioxide emissions of 1.6 million cars.³ Further, DCPD provides significant economic benefits to the surrounding communities of San Luis Obispo County. DCPD is the county's largest private employer, providing jobs for more than 1,200 dedicated nuclear professionals, not including the 1,000 additional workers supporting planned refueling outages for the two reactors every 18 months.

DCPD is delivering on its commitment to serve California hometowns with safe, reliable, affordable, and clean energy. Annually, Diablo Canyon produces approximately ~18,000

² California Energy Resource and Reliability Outlook, 2025, p. C-1, available at: [California Energy Resource and Reliability Outlook, 2025 | California Energy Commission](#).

³ See U.S. Environmental Protection Agency, Greenhouse Gas Equivalencies Calculator, available at: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results> (accessed Mar. 26, 2027).

gigawatt hours of safe and reliable GHG-free energy. Key accomplishments in the last year include achieving the highest performance category in the U.S. Nuclear Regulatory Commission’s rankings and achieving an 89.7 percent capacity factor for Units 1 and 2 in 2025, the second-highest generation total ever in a double refueling outage.

As directed in D.23-12-036, this application includes: (1) a forecast of the 2027 costs of extended operations, (2) a forecast of market revenues for Diablo Canyon, and (3) a proposal to establish the DCNBC applicable to all Commission-jurisdictional customers based on forecast net costs and applicable amounts. This application also includes information responsive to the Commission’s directives in D.24-12-033 and D.25-12-007 that PG&E: (1) “provide detailed information for all projects with costs more than \$1 million”,⁴ (2) provide the “[t]otal cost of [DCPP] extended operations through 2030” for informational purposes,⁵ (3) provide “[u]pdated administrative and general [“A&G”] costs for 2025 and beyond,”⁶ (4) incrementally escalate the Fixed Management Fee approved in the previous year’s DCP application,⁷ and (5) disclose any transition and license renewal costs included in the Transition and License Renewal Expenditure Summary presented in the federal court affidavit (“TLRES”) that PG&E proposes for recovery in this application, including an explanation of cost reclassification.⁸ None of the costs presented in this application are related to U.S. Nuclear Regulatory Commission (“NRC”) license renewal activities as PG&E is statutorily prohibited from recovering the costs of the NRC license renewal process from customers. PG&E also discusses DCEOBA recorded activity through February 28, 2026.

This application also presents for Commission review and approval a plan for prioritizing the use of the 2027 volumetric performance fees (“VPF”) consistent with § 712.8(f)(5), § 712.8(s), D.23-12-036, D.24-12-033, and D.25-06-002. The VPF revenues are collected in lieu

⁴ D.24-12-033, p. 81, Conclusion of Law (“COL”) 5.

⁵ *Id.*, p. 86, Ordering Paragraph (“OP”) 10b.

⁶ *Id.*, p. 86, OP 10c.

⁷ D.25-12-007, p. 82, COL 9.

⁸ *Id.*, p. 82, COL 5.

of a rate-base return² and provide a unique opportunity to accelerate and increase spending on important public purpose priorities identified in § 712.8(s)(1). The 2027 spend plan presents a balanced and pragmatic suite of programs that endeavors to accommodate the concerns and interests of a range of stakeholders while advancing priority work.

Separately, consistent with the Commission’s retrospective reporting requirements, PG&E also submits the Annual Compensation Report, or post-spend report, for the 2025 VPF expenditures, which is attached to this application. The annual compensation report demonstrates that the 2025 VPFs were spent consistent with the VPF plan approved in D.24-12-033 and includes a declaration by the utility’s Chief Financial Officer (“CFO”) attesting to compliance with shareholder prohibitions. The report also incorporates and information adopted in D.25-06-002.

The schedule set forth in Section VI.E below assumes the Commission will resolve this application by the first business meeting in December 2026 to allow the IOUs to implement rate changes as of January 1, 2027. Timely approval is necessary to ensure that statewide rates accurately recover forecast extended operations costs from Commission- jurisdictional load serving entity (“LSE”) ratepayers. When approval of this forecast application is delayed, the forecast revenues are misaligned to the recorded costs. As recorded extended operations costs begin to show up in the DCEOBA, they are matched to market revenues and statewide customer rates in the form of PG&E billed revenues and SCE and SDG&E remitted revenues. The 12-month forecast of billed/remitted revenues must align with PG&E’s 12-month forecast of record costs. Thus, timely approval is essential to avoid a systematic mismatch in timing between the forecast period and the time at which the recorded costs, market revenues, and billed/remitted revenues are recovered in rates. PG&E requests this Commission’s final decision to set rates effective as of January 1, 2027.

² Pub. Util. Code, § 712.8(f)(5).

II. LEGAL AND REGULATORY BACKGROUND

A. Senate Bill 846 and Decision 22-12-005

On September 2, 2022, Governor Newsom signed Senate Bill (“SB”) 846 authorizing the potential extension of DCPD operations, California’s only remaining nuclear power plant in operation, for up to five years beyond its current operating licenses.¹⁰ This directive was effective immediately as SB 846 was passed as urgency statute. In authorizing the potential extension of Diablo Canyon operations, SB 846 states:

Preserving the option of continued operations of the Diablo Canyon powerplant for an additional five years beyond 2025 may be necessary to improve statewide energy system reliability and to reduce the emissions of greenhouse gases while additional renewable energy and zero-carbon resources come online, until those new renewable energy and zero-carbon resources are adequate to meet demand. Accordingly, it is the policy of the Legislature that seeking to extend the Diablo Canyon powerplant’s operations for a renewed license term is prudent, cost effective, and in the best interests of all California electricity customers. The Legislature anticipates that this stopgap measure will not be needed for more than five years beyond the current expiration dates.¹¹

Additionally, SB 846 tasked the Commission to direct and authorize PG&E to “take all actions ... necessary to operate the powerplant beyond the current expiration dates, so as to preserve the option of extended operations....”¹² Subject to continued authorization to operate from the NRC and certain findings and conclusions from the Commission, the statute establishes new retirement dates of October 31, 2029 for Unit 1 and October 31, 2030 for Unit 2. In the months following the passage of SB 846, PG&E took immediate and extensive action to effectuate the state’s directives. Multiple state and federal agencies did the same to support continued operations at DCPD.

Two forms of government funding streams are identified in SB 846 to support extended

¹⁰ Pub. Res. Code, § 25548(b).

¹¹ *Id.*, § 25548(b).

¹² Pub. Util. Code, § 712.8(c)(1)(A).

operations at DCP: a \$1.4 billion loan through the California Department of Water Resources (“DWR”) and funds awarded through the U.S. Department of Energy (“DOE”) Civil Nuclear Credit Program. The funds provided by the DOE will be used to repay the DWR loan. The government funding streams are intended to recover transition costs and costs supporting extended operations, but not the cost of extended operations. Costs that are covered by government funding streams are not included in PG&E’s forecast or resulting rate request. The final Civil Nuclear Credit Award and Payment Agreement between PG&E and the DOE was executed in the first quarter of 2024.

SB 846 also establishes a broadly prescriptive cost recovery and approval process under which all reasonable costs necessary to operate DCP are recoverable from all Commission-jurisdictional LSEs. This new regulatory process establishes the DCNBC and provides that forecasted costs are trued up to actual recorded costs through an expedited Tier 3 advice letter process.¹³ Section 712.8(h)(1) directs the Commission to authorize the recovery of all reasonable costs and expenses necessary to operate DCP, and also that there will be no further reasonableness review of costs provided that actual costs are below 115 percent of forecast costs. Costs are “recovered as an operating expense and are not eligible for inclusion in the operator’s rate base.”¹⁴

Two distinct streams of performance and management fees are established in lieu of the traditional rate-base return on capital investments: (1) a fixed management fee of \$50 million per unit per year, and (2) VPFs consisting of \$13.00 per megawatt-hour (“MWh”), both in 2022 dollars, for the period of extended operations. The VPF is split into two parts, with the first \$6.50/MWh to be collected from all Commission-jurisdictional customers and the second \$6.50/MWh to be collected from customers in PG&E’s service territory only. Section 712.8(s)(1) directs that the VPF revenues be spent, to the extent not needed for DCP, to accelerate, or increase spending on, six public purpose priorities critical to advancing California’s clean energy

¹³ Pub. Util. Code, § 712.8(h)(1).

¹⁴ *Id.*

and decarbonization goals.¹⁵

In addition, SB 846 provides for the funding of a liquidated damages account until the balance reaches \$300 million to be used to offset the costs of any unplanned outages.¹⁶ The Liquidated Damages Subaccount is a subaccount of the DCEOBA.¹⁷

In D.22-12-005, the Commission directed PG&E to take “all ... actions that would be necessary” to preserve extended operations and to track costs associated with continued and extended operations.¹⁸ The Commission also directed PG&E to establish the Diablo Canyon Transition and Relicensing Memorandum Account (“DCTRMA”) and the DCEOBA. The DCTRMA tracks costs and revenues associated with government funding streams for transitioning the plant to extended operations. The DCEOBA tracks the costs that will be recovered from all customers of all Commission-jurisdictional LSEs.

B. Decision 23-12-036

In D.23-12-036, the Commission authorized new retirement dates for Diablo Canyon Units 1 and 2, subject to certain conditions.¹⁹ The decision also adopted an application process, of which this is the third instance, to authorize forecast DCCP extended operations costs.²⁰ It also authorized a subsequent true-up process to actual costs and market revenues for the prior calendar year via an expedited Tier 3 advice letter.²¹ PG&E filed its first true-up advice letter for 2023 to 2025 costs on March 18, 2026.²² As with all two-way balancing accounts, PG&E’s annual filings may reflect either an over- or under-collection depending on actual cost and revenues.

¹⁵ *Id.*, § 712.8(s)(1)(A) – (F).

¹⁶ *Id.*, §§ 712.8(g) and (i).

¹⁷ Commission Resolution E-5299, approving ALs 6870-E and 6870-E-A, available at: <https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_6870-E-A.pdf> (accessed Mar. 26, 2026).

See also AL 7204-E-A, which became effective April 13, 2024, available at:

<https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7204-E.pdf> (accessed Mar. 26, 2026).

¹⁸ D.22-12-005, p. 33, OP 2.

¹⁹ D.23-12-036, p. 135, OP 1.

²⁰ *Id.*, p. 136, OP 4.

²¹ *Id.*

²² PG&E AL 7860-E, available at: <https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7860-E.pdf>, (accessed Mar. 26, 2026).

In addition, D.23-12-036 directed the allocation of RA “benefits of DCPD extended operations to each large electrical corporation service area on the basis of a 12-month coincident peak demand,”²³ and that PG&E “determine the allocation of costs and benefits of DCPD extended operations” among PG&E, SCE, and SDG&E.²⁴ To implement this, the Commission directed that the Energy Division should “utilize the CAM process to determine the allocation of RA benefits to SCE and SDG&E and among the LSEs in each large electrical corporation’s territory, and should endeavor to provide all LSEs with allocations of DCPD’s RA benefits for the upcoming compliance year sufficiently in advance of the October 31 year-ahead RA compliance filing deadline.”²⁵ Thus, Energy Division will allocate the RA benefits later this year to LSEs in each of the IOUs’ service territories under the CAM process established in D.06-07-029.

In regard to GHG-free energy allocation, PG&E developed a process with stakeholders and completed its first annual process for GHG-free energy allocation, which is described in PG&E Advice Letter 7295-E/E-A.²⁶ The 2025 GHG-free transactions reflecting the allocations were submitted on an informational basis in the appropriate Quarterly Compliance Reports and also submitted for Commission review in PG&E’s true-up Advice Letter submitted on March 18, 2026.²⁷

Regarding \$13/MWh VPFs, the Commission directed PG&E to present its planned use of the VPFs in an application for pre-approval.²⁸ PG&E must demonstrate that its plan is consistent with the critical public purpose priorities in § 712.8(s)(1) prior to expenditure of VPF funds.²⁹ In this application, PG&E addresses the forecast amount of ratepayer funds to be collected during

²³ D.23-12-036, p. 130, COL 35.

²⁴ *Id.*, p. 133, COL 55.

²⁵ *Id.*

²⁶ PG&E AL 7295-E-A, which became effective September 29, 2024, available at: <https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7295-E-A.pdf> (accessed Mar. 26, 2026).

²⁷ PG&E AL 7860-E, available at: <https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7860-E.pdf> (accessed Mar. 26, 2026).

²⁸ D.23-12-036, p. 139, OP 15.

²⁹ *Id.*

the 2027 Record Period and how PG&E plans to spend those funds. The decision also provided requirements for the post-spend report, also referred to as the Annual Compensation Report, for Commission review on a retrospective basis following the usage of each year's funds.³⁰ The requirements include a declaration from PG&E's CFO on statutory shareholder prohibitions.³¹

C. Decision 24-12-033

D.24-12-033, among other items, approved PG&E's first annual extended operations revenue requirement for its first record period, as well as the allocation to the other IOUs.³² For this and future forecast and cost recovery proceedings, the decision directed that PG&E:

- (1) Provide detailed project summaries for all projects over \$1 million, instead of all projects over \$3 million as PG&E did in its Application ("A.") 23-03-018 proceeding as modeled after the General Rate Case ("GRC").
- (2) Provide the total cost of DCPD extended operations through 2030 in each annual application for informational purposes.
- (3) Provide updated A&G costs for 2025 and beyond.
- (4) Provide a detailed account of why PG&E did not seek government funding for the costs being requested to be recovered from ratepayers, or was otherwise unable to anticipate the need for the investments and activities at the time government funding was being requested.

PG&E has included the required information in this application. In D.25-12-007, the Commission removed the requirement for PG&E to explain why it did not seek government funding for projects in excess of \$1 million that are requested from ratepayers.³³

In addition, D.24-12-033 approved PG&E's first VPF spending plan³⁴ and directed PG&E to file and serve the results of a third-party independent audit by June 1, 2026. The audit must: attest to each of the requirements set forth in Section 712.8(s), and address how VPF expenditures are incremental to costs recorded in existing accounts authorized by Commission

³⁰ *Id.*, pp. 111-116.

³¹ *Id.*, p. 113.

³² *Id.*, pp. 84-85, OP 1 and 2.

³³ D.25-12-007, p. 76.

³⁴ D.24-12-033 conditionally approved the VPF spending plan subject to a Tier 1 advice letter, which PG&E timely submitted on February 18, 2025.

decisions.³⁵ PG&E will submit the independent audit report for addressing the 2025 VPF spending separately, prior to the June 1, 2026 deadline.

D. Decision 25-06-002

D.25-06-002, issued on June 20, 2025, closed the R.23-01-007 rulemaking and provided additional guidance related to prioritizing VPF funds and reporting.

For PG&E’s VPF spend plans, the Commission directs PG&E to “consider affordability as a guiding principle when developing and implementing” its VPF plan.³⁶ “Where [PG&E] takes advantage of opportunities to align with the guiding principle of affordability” PG&E should explain that alignment in its annual application.³⁷ “Where PG&E does not prioritize alignment with this guiding principle,” it provides an explanation.³⁸ In addition, PG&E must “report on total expense spending (relative to authorized amounts) for individual Major Work Categories, in which the Maintenance Activity Type is located, related to work funded by VPFs. Information on recorded and authorized spending [should] be provided for a historical period that covers the most recent five years and be submitted with the [Diablo Canyon] annual cost forecast application.”³⁹

For the retrospective Annual Compensation Report, or post-spend report, the decision adopted templates for inclusion in the annual report.⁴⁰ In addition, PG&E must estimate, where feasible, the number of customers participating in or benefiting from each VPF project, with specific identification by customer class, and report it in its annual reporting review filing.⁴¹ The Annual Compensation Report for the 2025 VPF expenditures is attached to this application. Finally, the Commission directed PG&E to continue to submit the independent audit reports during the post-2024 period.⁴²

³⁵ D.24-12-033, pp. 85-86, OP 6.

³⁶ D.25-06-002, p. 2.

³⁷ *Id.*, p. 42, OP 2.

³⁸ *Id.*

³⁹ *Id.*, OP 3.

⁴⁰ *Id.*

⁴¹ *Id.*, p. 43, OP 5.

⁴² *Id.*, p. 42, OP 4.

E. Decision 25-12-007

D.25-12-007, among other items, approved PG&E’s 2026 forecast for DCPD operations, and allocated the revenue requirement to PG&E, SCE, and SDG&E. The decision required PG&E to disclose “whenever any transition and license renewal costs ... included in the TLRES are proposed for recovery in any future [annual] DCPD forecast proceedings,” along with an explanation of why those costs were originally proposed as transition costs and why those costs are now eligible for recovery as costs of extended operations.⁴³ None of the costs presented in this application are related to the NRC license renewal process as PG&E is statutorily prohibited from recovering the costs of the NRC license renewal process from customers.

For the Fixed Management Fee, the Commission adopted the all-urban consumer price index (“CPI-U”), directed its use to escalate the Fixed Management Fee in future applications, and to escalate the fee incrementally from the amount approved in the prior year’s application.⁴⁴

Separately, the decision approved the 2026 VPF spending plan.⁴⁵ In the decision, the Commission encouraged PG&E to “provide more quantitative analysis and detail in future DCPD cost recovery applications making the case for how each VPF-funded program provides net benefit to ratepayers.”⁴⁶

III. DESCRIPTION OF PG&E’S REQUESTED RELIEF IN THIS APPLICATION

A. Forecast Revenue Requirement for Record Period

The revenue requirement for the Record Period represents the forecast of costs of extended operations from January 1 to December 31, 2027, including operations and maintenance (“O&M”) expense and projects costs, fuel expense, employee retention program expense, tax expense, procurement costs associated with capacity substitution for DCPD’s planned and maintenance outages, and statutory costs associated with SB 846, netted with forecast market revenues. Unit 1 began extended operations on November 3, 2024, and Unit 2

⁴³ D.25-12-007, p. 82, COL 5.

⁴⁴ *Id.*, p. 84, OP 4.

⁴⁵ *Id.*, p. 84, OP 3; p. 83, COL 14.

⁴⁶ *Id.*, p. 73.

began extended operations on August 27, 2025.

The 2027 forecast includes A&G expense, consisting of DCPD's allocated share of common A&G costs across functional areas and directly assigned nuclear liability and property insurance expenses. The forecast also reflects working cash credit, resulting in a small refund to customers.

In addition, consistent with §§ 712.8(f)(5), 712.8(f)(6)(A), and D.25-12-007, PG&E requests approval of an escalation rate and methodology for the fixed management fee and VPF. The fixed management fee escalation is the difference between the 2027 CPI-U forecast escalation factor and the CPUC-approved 2026 CPI-U escalation factor. The VPF escalation rate is a composite escalation rate reflecting weighted average cumulative labor and non-labor O&M escalation.

The table below expands on the table presented in Section I, *Total Revenue Requirement for Ratesetting*, to show cost component details of the Record Period revenue requirement. As shown below, line 2 includes costs to operate DCPD during this Record Period, including direct costs for O&M, support costs including taxes, benefits and standard PG&E overheads, employee retention, and regulatory compliance items discussed in Chapters 2 and 4. Line 3 included A&G costs allocated to Diablo Canyon extended operations through PG&E's 2027 General Rate Case. Line 4 includes a forecast for RA substitution capacity expenses, which is discussed in Chapter 3. Lines 7-11 provide additional details regarding statutory charges and fees included in the cost forecast, including the performance and management fees, authorized in SB 846. Costs on line 12 are \$1,341 million and are then netted against generation market revenues (line 14), plus the DCEOBA balance account amortization (line 16) results in approximately \$586.1 million, (line 17), excluding Franchise Fees and Uncollectable (FF&U) revenues. The IOUs' FF&U revenues (line 19) are then added onto line 17, resulting in a net revenue requirement to be recovered in rates of approximately \$595.0 million.

**DETAILED TOTAL NET REVENUE REQUIREMENT FOR 2027 RATESETTING
(THOUSANDS OF DOLLARS)**

Line No.	Chapter Cross Reference	Diablo Canyon Extended Operations ^a		
		2027 Cost (\$1000s)		
		Statewide	PG&E Specific	Total
1	<u>Operational Revenue Requirement</u>	(A)	(B)	(C)
2	Operation and Maintenance Cost Forecast	779,713		779,713
3	Administrative and General	153,618		153,618
4	Resource Adequacy Substitution Capacity	16,451		16,451
5	Subtotal Operational Revenue Requirement	949,783		949,783
6	<u>Management, Performance Fees, and Liquidated Damages</u>			
7	Management Fee	117,163		117,163
8	Liquidated Damages	0		0
9	Volumetric Performance Fee	137,047		137,047
10	<i>PG&E Specific Volumetric Performance Fee</i>		137,047	137,047
11	Subtotal Statutory Fees	254,210	137,047	391,257
12	Total Cost Forecast (Line 5 + Line 11)	1,203,993	137,047	1,341,040
13	<u>Offsetting Market Revenues</u>			
14	CAISO Market Revenues	(750,559)		(750,559)
15	<u>Balancing Account Amortization</u>			
16	DCEOBA	(4,425)		(4,425)
17	Subtotal Net Cost (Line 12 + Line 14 + Line 16)	449,009	137,047	586,056
18	Uncollectibles, Franchise Fees, and SF Revenue Fee Factor ^c			
19	RF&U (Col. A = Col. D + Col. E + Col. F - Col. B) (Col. B = Col. A, Line 3 x Col. D, Line 23)	7,082	1,864	8,947
20	DCEO Revenue Requirement for Ratesetting (Line 17 + Line 19) for PG&E and SCE (Line 17) for SDG&E	456,091	138,911	595,002
21	Distribution Revenue (SDG&E FF&U)			

Notes:

- (a) Amounts in 2027 dollars (\$s)
- (b) D.23-12-036, OP8 and OP11
- (c) SDG&E's FF&U revenues for its DCNBC will be collected in the Distribution Charge.

As discussed below in Section V, at the time of PG&E's Fall Update, PG&E will present updated amounts for the revenue requirement, including year-end balances from any over- or under-collection for 2026 amounts.

B. Diablo Canyon Allocation to the IOUs and DCNBC

As authorized by SB 846 and D.23-12-036, the DCNBC is a statewide charge that will apply to all Commission-jurisdictional customers of electrical corporations, electric service

providers, and Community Choice Aggregators, which will be billed through the CPUC-jurisdictional IOUs.⁴⁷ To produce the DCNBC, the revenue requirement for the Record Period is allocated among the three large IOUs based on the 12-month coincident peak demand using publicly available data.⁴⁸ Once the revenue requirement is allocated to each IOU, the DCNBC rate calculation by rate class utilizes a process that mirrors the CAM process. For each IOU, the DCNBC by rate class is presented in Chapter 10. The DCNBC rates will be included in their public purpose program (“PPP”) rates.⁴⁹

PG&E, SCE, and SDG&E present for Commission review the revenue requirements allocated to each IOU that support rate proposals for the DCNBC, a summary of those allocations is shown below:

⁴⁷ D.23-12-036, pp. 138-139, OP 14.

⁴⁸ *Id.*, pp. 136-137, OP 7.

⁴⁹ *Id.*, pp. 138-139, OP 14.

**2027 DIABLO CANYON EXTENDED OPERATIONS COST ALLOCATION
(THOUSANDS OF DOLLARS)**

Line No.	Chapter Cross Reference	12-Month Coincident Peak Allocation ^a 2027 Cost Allocation (\$1000s)			2027 Total	
		44.19% Pacific Gas & Electric	45.86% Southern California Edison	9.95% San Diego Gas & Electric		
1	<u>Operational Revenue Requirement</u>	(D)	(E)	(F)	(G)	
2	Operation and Maintenance Cost Forecast	Chapters 2 & 4	344,555	357,577	77,581	779,713
3	Administrative and General	Chapter 4	67,884	70,449	15,285	153,618
4	Resource Adequacy Substitution Capacity	Chapter 3	7,270	7,545	1,637	16,451
5	Subtotal Operational Revenue Requirement		419,709	435,570	94,503	949,783
6	<u>Management, Performance Fees, and Liquidated Damages</u>					
7	Management Fee	Chapters 4 & 5	51,774	53,731	11,658	117,163
8	Liquidated Damages	Chapters 4 & 5	0	0	0	0
9	Volumetric Performance Fee	Chapters 4 & 5	60,561	62,850	13,636	137,047
10	<i>PG&E Specific Volumetric Performance Fee</i>	Chapters 4 & 5	137,047			137,047
11	Subtotal Statutory Fees		249,382	116,581	25,294	391,257
12	Total Cost Forecast (Line 5 + Line 11)		669,091	552,151	119,797	1,341,040
13	<u>Offsetting Market Revenues</u>					
14	CAISO Market Revenues	Chapter 6	(331,672)	(344,206)	(74,681)	(750,559)
15	<u>Balancing Account Amortization</u>					
16	DCEOBA	Chapter 8	(1,887)	(2,139)	(399)	(4,425)
17	Subtotal Net Cost (Line 12 + Line 14 + Line 16)		335,532	205,806	44,718	586,056
18	Uncollectibles, Franchise Fees, and SF Revenue Fee Factor ^c	Chapter 10	1.3604%	1.2264%	4.1550%	
19	RF&U (Col. A = Col. D + Col. E + Col. F - Col. B) (Col. B = Col. A, Line 3 x Col. D, Line 23)	Chapter 10	4,565	2,524	1,858	8,947
20	DCEO Revenue Requirement for Ratesetting (Line 17 + Line 19) for PG&E and SCE (Line 17) for SDG&E		340,097	208,330	44,718	593,144
21	Distribution Revenue (SDG&E FF&U)			1,858		1,858

C. Prioritization Plan for 2027 Volumetric Performance Fee Expenditures

PG&E presents its plan for prioritizing the use of the forecast of VPF compensation⁵⁰ to be earned in 2027 for Commission approval in compliance with § 712.8(s) and D.23-12-036. The VPF revenues are collected in lieu of a rate-based return⁵¹ and provide a unique opportunity to accelerate and increase spending on important public purpose priorities identified in § 712.8(s)(1). PG&E's plan includes a range of activities that accelerate and promote these public purpose priorities. The 2027 plan presents a balanced and pragmatic suite of programs that

⁵⁰ Pub. Util. Code, § 712.8(s)(1).

⁵¹ *Id.*, § 712.8(f)(5).

endeavors to accommodate the concerns and interest of a range of stakeholders while advancing priority work.

D. Addressing STARS Alliance Net Savings in the Annual DCPD True-Up Advice Letter Instead of the ERRA Compliance Applications

PG&E requests that STARS Alliance net savings be addressed and reported through the Public Utilities Code § 712.8(h)(1) Tier 3 true-up advice letter, consistent with the treatment of other Diablo Canyon extended operations activities that are addressed in the annual DCPD proceedings.

In D.12-05-010, the Commission directed limited exemptions from the Commission's affiliate transaction rules, including the STARS Alliance program.⁵² The STARS Alliance program is a collaborative organization of nuclear plant owners, including Diablo Canyon, formed to share resources, best practices, and jointly procure goods and services to improve nuclear safety, operational performance, and cost efficiency.⁵³ Because PG&E's ownership interest makes the STARS Alliance an affiliate, the Commission granted a limited exemption from the Affiliate Transaction Rules to allow participation in these not-for-profit, reciprocal activities.

The Commission directed that the activities and operating costs should be included in the ERRA applications and customers should receive 100% of any net cost savings generated from the STARS Alliance.⁵⁴ The Commission also directed that PG&E customers receive PG&E's share of any net proceeds on the sale or dissolution of the STARS Alliance, except to the extent PG&E had infused capital for which it had not sought recovery (if any).⁵⁵ These costs are typically addressed in ERRA Compliance applications.⁵⁶ PG&E does not propose a change to

⁵² D.12-05-010, pp. 27-28, OP 2.

⁵³ *Id.*, pp. 7-9.

⁵⁴ *Id.*, p. 28, OP 3a-b.

⁵⁵ *Id.*, p. 29, OP 3c-e.

⁵⁶ See A.26-02-019, *Application Of Pacific Gas And Electric Company (U 39 E) For Compliance Review Of Utility Owned Generation Operations, Portfolio Allocation Balancing Account Entries, Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch Of Electric Resources, Utility Owned Generation Fuel Procurement, And Other Activities For The Record Period January 1 Through December 31, 2025* (Feb. 27, 2026), p. 11.

any of the information or content that is currently provided in the ERRA Compliance cases.

With DCPD costs and the true-up process being addressed in this annual forecast proceeding through 2030, it would be appropriate that any activities, operating costs, and net savings from the STARS Alliance program be appropriately addressed in the annual DCPD Forecast proceedings moving forward. There are no costs at this time associated with the STARS Alliance for 2027, and net savings will be determined as opportunities arise during the 2027 record period. Thus, it would be appropriate to report any net savings in the lookback true-up advice letter each year.

E. Finding of Compliance with D.23-12-036, D.24-12-033, and D.25-12-007

PG&E provides the table below (also shown in Chapter 1) showing where in the testimony it has demonstrated compliance with D.23-12-036 and D.24-12-033 requirements.

Line No.	Action Required	Decision Reference	Compliance Action
1	D.23-12-036		
2	PG&E’s proposed ERRA-like process to authorize forecast DCPD extended operations costs, with a subsequent true-up to actual costs and market revenues for the prior calendar year via an expedited Tier 3 AL process, is approved as modified by this decision. PG&E shall file the first of these DCPD Extended Operations Cost Forecast applications no later than March 29, 2024, and shall file subsequent annual DCPD Extended Operations Cost Forecast applications no later than March 31 beginning in 2025, and ending the year before extended operations are complete.	OP 4	See PG&E application, filed on March 27, 2026
3	As part of its annual DCPD Extended Operations Cost Forecast Applications, PG&E should: a) Provide detailed projections of all costs and revenues associated with DCPD extended operations, in a manner similar to PG&E’s presentation in its GRC and ERRA Forecast proceedings; b) Quantify the impact of DCPD’s extended operations on its common costs relative to the amount approved in its 2023 GRC; and c) Demonstrate it will not double count the common costs it proposes for recovery in its GRC and DCPD Extended Operations Cost Forecast applications.	COL 54	(a) Expense O&M and Projects Costs – See Chapter 2 Revenues – See Chapter 4 (b) and (c) – No longer applicable. The 2023 GRC set revenues for the period 2023 through 2026 only
4	PG&E, SCE, and SDG&E are directed to provide joint testimony proposing an allocation among themselves of the statutorily-defined DCPD extended operations	OP 7	See Chapter 10

Line No.	Action Required	Decision Reference	Compliance Action
	costs applicable to all LSE, and the revenue associated with the \$6.50 per MWh volumetric fee under Pub. Util. Code Section 712.8(f)(5). PG&E, SCE, and SDG&E may use public load data to determine each electrical corporation's share of the 12-month coincident peak demand.		
5	<p>The Diablo Canyon Extended Operations Cost Forecast proceeding should:</p> <p>a) Determine the allocation of costs and benefits of DCPD extended operations among the large electrical corporations' service areas; and</p> <p>b) Utilize a process that mirrors the Cost Allocation Mechanism (CAM) process to determine the price of the volumetric NBC to be charged by each of the large electrical corporations. Energy Division should utilize the CAM process to determine the allocation of RA benefits to SCE and SDG&E and among the LSEs in each large electrical corporation's territory, and should endeavor to provide all LSEs with allocations of DCPD's RA benefits for the upcoming compliance year sufficiently in advance of the October 31 year-ahead RA compliance filing deadline.</p>	COL 55	See Chapter 10
6	PG&E is directed to file an annual application, as described in this decision, no later than March 1, 2026, until the retirement of DCPD Unit 1 and Unit 2, to report the amount of compensation earned under California Pub. Util. Code Section 712.8(f)(5), how it was spent, and a plan for prioritizing the uses of such compensation the next year. PG&E is not prohibited from filing an application earlier than March 1, 2026, to request an earlier approval of its plan for prioritizing the uses of funds collected under California Pub. Util. Code Section 712.8(f)(5). PG&E's application may also include one or more proposals that would allow PG&E to spend the performance-based fees while ensuring sufficient funding for the true-up process, as discussed elsewhere in this decision.	OP 15	See Chapter 7
7	D.24-12-033		
8	PG&E must provide the following information in the next DCPD cost forecast proceeding: (a) Detailed project summaries for all projects over \$1 million, instead of all projects over \$3 million; (b) Total cost of DCPD extended operations through 2030; (c) Updated A&G costs for 2025 and beyond.	OP 10	<p>(a) See Workpapers Supporting Chapter 2</p> <p>(b) See Chapter 1 Table 1-1</p> <p>(c) See Chapter 4</p>
9	<p>In D.22-12-005, the Commission concluded that "PG&E should attempt to recover the following transition and extended operations costs using government funding to the greatest extent possible: all costs associated with preserving the option of extended operations at DCPD; all plant and equipment improvement and investment costs; spent fuel storage capacity costs; and any related taxes or other revenue requirements."</p> <p>In its next Application, PG&E must: (1) provide detailed information for all projects with costs more than \$1 million; and (2) provide a detailed account of why it did not seek government funding for the costs being requested to be recovered from ratepayers, or was otherwise unable to anticipate the need for the investments and activities at the time government funding was being requested.</p>	<p>pp. 18-19</p> <p>p. 23</p>	<p>(1) See Chapter 2</p> <p>(2) Strike-through is a directive in D.22-12-005 that was subsequently eliminated by the Commission in D.25-12-007.</p>

Line No.	Action Required	Decision Reference	Compliance Action
10	D.25-12-007		
11	In D.25-12-007, the Commission concluded that PG&E’s “methodology for escalating the annual Fixed Management Fee using the all-urban consumer price index is approved. We direct PG&E to use the same consumer price index methodology to adjust the Fixed Management Fee in future DCPD cost recovery applications to incrementally escalate the Fixed Management Fee approved in the previous year’s DCPD application.”		See Chapter 5, Section C
12	PG&E must disclose whenever any transition and license renewal costs that were part of the amounts detailed in the TLRES in PG&E witness Brian Ketelsen’s sworn federal court affidavit are proposed for recovery in any future DCPD forecast proceedings for DCPD extended operations, along with explanations for why those costs were originally proposed as transition and license renewal costs and why those costs are now eligible for recovery for extended operations.		See Chapter 2

F. Summary of Requested Relief

PG&E requests that the Commission approve the following:

1. DCPD net revenue requirement from the Record Period of \$595 million to be effective in rates on January 1, 2027, including the following forecasts and their underlying financial assumptions and calculations, subject to updates in the Fall Update:
 - a. Operations and maintenance costs (including expenses, project costs, and statutory costs and fees, as well as associated escalation),
 - b. Operating expenses that would be amortized through 2030 (i.e., nuclear fuel procurement),
 - c. RA substitution capacity costs, and
 - d. Netting of CAISO revenues for the period from January 1, 2027, to December 31, 2027.
2. The statewide Diablo Canyon Non-Bypassable Charge.
3. PG&E’s 2027 VPF plan and proposed spending priorities for the expenditures.
4. Find that PG&E satisfies all the regulatory requirements from D.23-12-036, D.24-12-033, D.25-06-002, and D.25-12-007.

IV. OVERVIEW OF PREPARED TESTIMONY

In support of this application, PG&E contemporaneously serves direct testimony and workpapers to support its revenue requirement and ratemaking request.

Chapter 1 (Introduction and Policy) provides the introduction and underlying policy of the proceeding, including the Legislature and the Governor's charge to the Commission in SB 846 to establish new retirement dates for DCP, which became the basis for D.23-12-036. This chapter summarizes PG&E's ratemaking requests for the Record Period, addresses the costs and benefits of DCP extended operations through 2030, including benefits from RA and GHG-free energy.

Chapter 2 (Forecast Operations and Maintenance Costs to be Recovered in 2027 Rates) contains PG&E's 2027 Record Period forecast of O&M costs, including employee retention expense. In this chapter, PG&E presents costs by Major Work Category, consistent with PG&E's historical GRC Testimony for nuclear operating costs, which will describe categories of forecast costs. Chapter 2 also includes proposed expense projects, similar to what would have been capital project forecasts historically addressed in PG&E's GRC. Execution of these projects is necessary to ensure safety and equipment reliability are maintained during extended operations of DCP to meet the needs of all Californians. Consistent with § 712.8(h)(2) and D.24-12-033,⁵⁷ Chapter 2 also presents PG&E's proposal for straight line amortization for cost recovery of nuclear fuel over the period of 2025 through 2030. PG&E proposes the Commission approve the same methodology that was adopted in D.24-12-033 for the 2025 extended operations forecast proceeding.

In addition, in compliance with D.25-12-007, PG&E presents transition costs identified in PG&E's Federal Court Affidavit originally proposed to be recovered through the DCTRMA that are now included in this application as recoverable through the DCEOBA. Again, none of the costs presented in this application are related to NRC license renewal activity costs.

In Chapter 3 (Generation Forecast and Resource Adequacy Substitution Capacity Cost

⁵⁷ D.24-12-033, p. 82, COL 13.

Forecast), PG&E provides testimony regarding the amount of forecast generation from extended operations for the Record Period which addresses requirements under the Commission's RA Program, PG&E's procurement of replacement capacity during DCPD planned outages, and substitution capacity procurement costs necessary to meet the state's reliability needs. Prior to SB 846, these issues were addressed in other proceedings.

Chapter 4 (Operational Revenue Requirement) contains cost inputs discussed in Chapter 2 and Chapter 5 in order to calculate the forecast revenue requirement request for DCPD for the Record Period. In addition, consistent with D.25-06-002, which directed the continuation of the independent audit reports annually through the post-2024 period for VPF expenditures,⁵⁸ audit costs for 2027 are included in Chapter 4 of this testimony. Chapter 4 also explains PG&E's assumptions used in the revenue requirement model. Pub. Util. Code § 712.8(h)(1) requires that all extended operations costs shall be recovered as an operating expense and shall not be eligible for inclusion in PG&E's rate base. Pursuant to § 712.8(h)(1), PG&E's cost recovery for extended operations will be net of market revenues for those operations and any production tax credits of the operator.

Chapter 5 (Statutory Fees) discusses statutory fees, including the statewide VPFs pursuant to Section 712.8(f)(5), PG&E's service territory VPFs pursuant to § 712.8(f)(5), the fixed management fee for PG&E's operation of DCPD in lieu of a rate base return pursuant to § 712.8(f)(6)(A), escalation rate proposals, and liquidated damages subaccount funding pursuant to § 712.8(g).

Chapter 6 (California Independent System Operator Market Revenues) presents a forecast of the CAISO market revenues for the period of January 1 to December 31, 2027, in a manner similar to its ERRA Forecast proceeding, which is based on a weighted average of on- and off-peak forward prices for the Test Year ("TY"). PG&E anticipates that in its Fall Update, its generation revenue forecast will be based upon the Energy Index on- and off-peak prices

⁵⁸ D.25-06-002, p. 42, OP 4.

provided by the Commission's Energy Division on October 1 of each year pursuant to D.22-01-023.

In Chapter 7 (Planned Usage of Funds from Volumetric Performance Fees), PG&E presents its planned usage and programs for spending the 2027 VPFs pursuant to statutorily mandated public purpose priorities. For each proposed program, PG&E provides a description of planned activities, how it promotes affordability as a guiding principle, program benefits, as well as information required by D.25-06-002.

Chapter 8 (Diablo Canyon Extended Operations Balancing Account) addresses the subaccount contents of the DCEOBA and amortization of 2026 year-end balances for inclusion in 2027 rates. It explains how the DCEOBA operates, as well as the revision and true-up process. The chapter also address the extended operations subaccount recorded activity, forecast activity, and VPF audit costs. This discussion is consistent with Advice Letter 7509-E,⁵⁹ Advice 7204-E and 7204-E-A,⁶⁰ and Advice 7531-E.⁶¹

Chapter 9 (Net Revenue Requirement for Ratesetting) presents the net revenue requirement to be recovered in rates for consideration in this proceeding, which nets the forecast market revenues with total DCPD Results of Operations costs presented in Chapter 4 over the Record Period.

Chapter 10 (Joint Investor-Owned Utility Non-Bypassable Charge Proposal) is co-sponsored by PG&E, SCE, and SDG&E and presents the ratemaking mechanism for the statewide NBC applicable to all Commission-jurisdictional customers through the PPP rates of the Commission-jurisdictional IOUs. PG&E, SCE, and SDG&E jointly present testimony to allocate the net revenue requirement for the Record Period amongst themselves using the CEC published 2026 peak load forecast that is developed for use in the Commission's RA program.

⁵⁹ PG&E AL 7509-E, which became effective Feb. 18, 2025, available at: <https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7509-E.pdf> (accessed Mar. 26, 2026).

⁶⁰ PG&E AL 7204-E, which became effective April 13, 2024, available at: <https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7204-E-A.pdf> (accessed Mar. 26, 2026).

⁶¹ PG&E AL 7531-E, which became effective March 10, 2025, available at: <https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7531-E.pdf> (accessed Mar. 26, 2026).

Each utility sponsors its own testimony on allocating its share of the revenue requirement among its customer classes using a process that mirrors the existing Cost Allocation Methodology for system reliability resources.

Chapter 10 also presents the allocation of the DCPD Extended Operations revenue requirement to PG&E, SCE, and SDG&E and illustrative DCNBC rates applicable to customers in each utility's service area based on the methodology adopted by D.23-12-036. The rates presented in Chapter 10 are illustrative and subject to updates in the Fall Update and in each utility's January 1, 2027, consolidated rate change process.

Appendix A includes the statements of qualification for PG&E, SCE, and SDG&E witnesses sponsoring this prepared testimony. Parties that execute a Non-Disclosure Agreement with PG&E are able to receive the confidential version of PG&E's workpapers, data request responses, and other items, if any, throughout the course of this proceeding.

A. Confidentiality

In response to concerns expressed about the amount of confidential information included in PG&E's DCPD forecast applications, this application includes only limited confidential information in the workpapers of Chapters 3 and 6. PG&E's RA substitution capacity cost forecast workpapers and brown power benchmark workpapers supporting the CAISO revenue forecast are confidential as they contain market-sensitive information that if made public could disadvantage PG&E's bundled service customers and DCPD statewide customers responsible for these costs. These workpapers are confidential pursuant to D.06-06-066 and related decisions. In areas where confidentiality concerns have arisen in past proceedings, PG&E has either masked the market-sensitive information or worked with third parties to permit the disclosure of information necessary for this proceeding. No other testimony or workpapers in this application are confidential.

To address confidentiality concerns related to outage and generation information, PG&E provides only the total annual generation forecast and does not disclose outage-specific or market-sensitive details.

V. FALL UPDATE

Similar to the rate recovery process in existence for the large IOUs for the ERRA Forecast proceedings, PG&E will update its prepared testimony in October 2026 (i.e., the Fall Update) to include any updated forecast and recorded DCEOBA balances prior to the issuance of the proposed decision.⁶² Certain variable factors that will be available during the Fall Update include but are not limited to: (1) the final RA market price benchmarks used to charge substitution capacity costs, (2) updated forward CAISO market prices that will be used to offset costs, and (3) more historical information to confirm the expected over- or under-collection from the IOUs. PG&E will also provide a forecast of the expected end-of-year DCEOBA balances as part of its Fall Update testimony.⁶³ PG&E also will present the amortization of the 2026 balancing account balances into rates as of January 1, 2027. The over- or under-collection of 2026 rates will be included in the December 2027 AET for ratesetting purposes. Therefore, as explained above in the Introduction, timely approval of this proceeding is essential to avoid a systemic mismatch in timing between the forecast period and the time at which the recorded costs, market revenues, and billed/remitted revenues are recovered in rates. Finally, PG&E proposes to update its 2026 Record Period revenue requirement to reflect approximately \$12.5 million DOE settlement claims proceeds for DCPD spent fuel management activities funded through the DCEOBA.

VI. COMPLIANCE WITH THE COMMISSION'S RULES OF PRACTICE AND PROCEDURE

A. Statutory and Other Authority (Rule 2.1)

PG&E files this Application pursuant to Rules 2.1 and 3.2, as well as Rule 2.2, § 712.8(h)(1) and D.23-12-036.

⁶² A subsequent true-up of the 2026 forecast revenue requirement and rates to actual costs, PG&E billed revenues, IOU remitted revenues, and CAISO market revenues will occur through an expedited Tier 3 advice letter process.

⁶³ Any under- or over-collected DCEOBA balances would become part of the subsequent year revenue requirement, since D.23-12-036 does not contemplate a process for adjusting rates mid-year.

B. Legal Name and Principal Place of Business (Rule 2.1(a))

The legal name of the Applicant is Pacific Gas and Electric Company. PG&E’s principal place of business is 300 Lakeside Drive, Oakland, California 94612. PG&E is duly organized under the State of California.

C. Correspondence and Communications (Rule 2.1(b))

All correspondence, communications, and service of papers regarding this Application should be directed to:

Lillian Rafii Pacific Gas and Electric Company 300 Lakeside Drive Attn: Law Department Oakland, CA 94612	Thomas Jarman Pacific Gas and Electric Company 300 Lakeside Drive Attn: Regulatory Affairs Department Oakland, CA 94612
Telephone: (510) 203-0749 E-Mail: Lillian.Rafii@pge.com	E-mail: Thomas.Jarman@pge.com

D. Categorization, Hearings, and Issues to Be Considered (Rule 2.1(c))

1. Proposed Categorization

This application should be categorized as a “ratesetting” proceeding.

2. Need for Hearings

PG&E anticipates that evidentiary hearings may be requested by other parties to this proceeding, but the need for evidentiary hearings will depend on the degree to which and grounds on which other parties might contest the proposals contained in this application. PG&E hopes to resolve the issues raised in this application without hearings, such as through more informal procedures, including discovery.

3. Issues to Be Considered

The issues presented in this application are as follows:

1. Whether PG&E’s forecast cost of operations and revenue requirement over the Record Period for DCPD is just and reasonable?

2. Whether the calculation of the non-bypassable charge and rate proposals by PG&E, SCE, and SDG&E comply with D.23-12-036?
3. Whether PG&E’s planned expenditure of VPFs during the January 1 to December 31, 2027, period comply with § 712.8(s)(1) requirements?
4. Whether PG&E should include the STARS Alliance reporting directed by D.12-05-010 in the annual § 712.8(h)(1) Tier 3 True Up Advice Letter instead of the ERRA Compliance proceedings.
5. Whether PG&E's satisfies all the regulatory requirements from D.23-12-036, D.24-12-033, D.25-06-002, and D.25-12-007.

E. Procedural Schedule

PG&E proposes the following procedural schedule for this proceeding, which results in a final decision at the first voting meeting in December 2026, to facilitate the ratemaking process among the statewide IOUs.

Event	Date (all in 2026)
PG&E files Application	March 27
Notice of Application appears in Daily Calendar	March 30
Protests filed	+ 30 days after Notice
Reply filed	+ 10 days after Protests/ Responses
Prehearing Conference	By May 29
Intervenor testimony served	July 17
Rebuttal testimony served	August 14
Rule 13.9 Meet and Confer	By August 24
Evidentiary Hearings (if needed)	Week of September 14
Opening Briefs	October 1
Market Price Benchmarks issued	October 1
Update to Prepared Testimony (“Fall Update”) served	By October 8
Comments to Fall Update	October 20

Event	Date (all in 2026)
Reply Briefs	October 22
Reply comments to Fall Update; proceeding submitted	October 27
Proposed Decision issued 20 days before Commission voting meeting	October 30
Comments on Proposed Decision	+ 20 days after Proposed Decision
Reply Comments	+ 5 days after Comments on Proposed Decision
Final Decision	December 3

The proposed schedule adheres to D.23-12-036 and is consistent with the ERRA Forecast schedules, which it is modeled after.

F. Articles of Incorporation (Rule 2.2)

PG&E is, and since October 10, 1905, has been, an operating public utility corporation organized under California law. It is engaged principally in the business of furnishing electric and gas services in California. A certified copy of PG&E’s Amended and Restated Articles of Incorporation, effective June 22, 2020, was filed with the Commission on July 1, 2020, with PG&E’s Application (“A.”) 20-07-002. These articles are incorporated herein by reference pursuant to Rule 2.2 of the Commission’s Rules.

G. Authority to Increase Rates (Rule 3.2)

PG&E is providing material in this Application that complies with Rule 3.2. This Application is not a general rate increase application, so Rule 3.2(a) applies, except for subsections (4), (7), and (9).

H. Balance Sheet and Income Statement (Rule 3.2(a)(1))

PG&E’s most recent balance sheet and income statement were filed on February 27, 2026, in A.26-02-018 and are incorporated by reference herein.

I. Statement of Presently Effective Rates (Rule 3.2(a)(2))

PG&E’s presently effective electric rates were filed on March 16, 2026, in A.26-03-017

and are incorporated by reference herein.

J. Statement of Proposed Increases or Changes In Rates (Rule 3.2(a)(3))

The proposed changes in electric rates are set forth in Attachment B.

K. Summary of Earnings (Rule 3.2(a)(5) and (a)(6))

A summary of recorded 2024 rate of return and return on equity for PG&E's Electric and Gas Departments was filed with the Commission on November 14, 2025, in A.25-11-001, and is incorporated herein by reference.

L. Most Recent Proxy Statement – Rule 3.2(a)(8)

PG&E's most recent proxy statement was filed with the Commission on May 15, 2025, in A.25-05-009. This proxy statement is incorporated herein by reference.

M. Type of Rate Change Requested (Rule 3.2(a)(10))

The rate changes sought in this application pass through to PG&E, SCE, and SDG&E customers in their respective PPP rates as a non-bypassable charge.

N. Service and Notice of Application (Rule 3.2(b)-(d))

PG&E is serving this Application and its prepared testimony on the service lists in: *Application of Pacific Gas and Electric Company to Recover in Customer Rates the Costs to Support Extended Operation of Diablo Canyon Power Plant from January 1, 2026 through December 31, 2026 and for Approval of Planned Expenditure of 2026 Volumetric Performance Fees, A.25-03-015 and Order Instituting Rulemaking to Consider Potential Extension of Diablo Canyon Power Plant Operations in Accordance with Senate Bill 846, R.23-01-007*. Within 20 days after filing this Application, PG&E will mail a notice stating in general terms the proposed revenues, rate changes and rate making mechanisms requested in this Application to the parties listed in Attachment C of this Application, including the State of California and cities and counties served by PG&E. Within 20 days, PG&E will also publish in newspapers of general circulation in each county in its service territory a notice of the filing of this Application and any proposed changes in rates.

Within 45 days after filing this Application, PG&E will also include notices of proposed

changes in rates with the regular bills mailed or emailed to all customers affected by the proposed changes.

O. Safety (Rule 2.1(c))

In D.16-01-017, the Commission adopted an amendment to Rule 2.1(c) requiring applications to clearly state the “relevant safety considerations.” The Commission has previously explained that the “safe and reliable provisions of utilities at predictable rates promotes public safety.”⁶⁴ As demonstrated in this application and the prepared testimony, the proposals in this proceeding support the directives provided in SB 846, which find that extending DCPD operations is “prudent, cost effective, and in the best interests of all California electricity customers.”⁶⁵ PG&E is providing detailed testimony and workpapers supporting its revenue requirement for the Record Period. The rate proposals contained in this application are co-sponsored by PG&E, SCE, and SDG&E pursuant to D.23-12-036. The proposals in this proceeding will promote the safe and reliable provision of electric service and establish predictable rates, all of which can help facilitate public safety.

VII. ATTACHMENTS

The following attachments are included in this Application:

- Attachment A – Annual Compensation Report for 2025 VPF Expenditures and CFO Declaration;
- Attachment B – Proposed rate increase; and
- Attachment C – City and county mailing list.

⁶⁴ D.14-12-053, pp. 12-13.

⁶⁵ Pub. Res. Code, § 25548(b).

VIII. CONCLUSION

PG&E respectfully requests that the Commission issue an order in this application to authorize the requests made herein.

Respectfully Submitted,

By: */s/ Lillian Rafii*

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Dated: March 27, 2026

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PACIFIC GAS AND ELECTRIC COMPANY

PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT A

**ANNUAL COMPENSATION REPORT FOR
2025 VPF EXPENDITURES AND CFO DECLARATION**

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Appendix A-1: Declaration by PG&E’s Chief Financial Officer

I. INTRODUCTION

This report provides Pacific Gas and Electric Company's 2025 Annual Compensation Report, or post-spend report, summarizing the Volumetric Performance Fees collected and expended during the year. This Annual Compensation Report is submitted pursuant to Public Utilities Code § 712.8, as well as California Public Utilities Commission (Commission) decisions D.23-12-036, D.24-12-033, and D.26-05-002, demonstrating PG&E's compliance with applicable statutory and Commission requirements.

II. STATUTORY AND REGULATORY BACKGROUND

A. Senate Bill 846

Senate Bill 846 (2022) authorized the extension of Diablo Canyon Power Plant operations and established the statutory framework for VPFs under Public Utilities Code § 712.8(f)(5) and § 712.8(s). Section 712.8(f)(5) directs the collection of VPFs at a rate of \$13 per megawatt-hour of Diablo Canyon generation during the period of extended operations.¹ Section 712.8(s)(1) provides that, to the extent it is not needed for Diablo Canyon, shall be spent to accelerate or increase spending on the following critical public purpose priorities:

- (A) Accelerating customer and generator interconnections.
- (B) Accelerating actions needed to bring renewable and zero-carbon energy online and modernize the electrical grid.
- (C) Accelerating building decarbonization.
- (D) Workforce and customer safety.
- (E) Communications and education.
- (F) Increasing resiliency and reducing operational and system risk.²

Section 712.8(s)(1) further requires PG&E to submit annual reporting to the Commission regarding the amount of VPFs collected and how the funds were spent. Section 712.8(s)(2) prohibits PG&E from earning a rate of return on VPF-funded expenditures, realizing any shareholder profit, increasing existing public earnings-per-share guidance as a result of VPFs, and requires no double recovery in rates.

¹ Pub. Util. Code § 712.8(f)(5).

² Id., § 712.8(s)(1).

B. Commission Decisions

The Commission has issued a series of decisions governing the Annual Compensation Report and its contents. Decision 23-12-036 established the annual VPF compensation framework and adopted the requirement that PG&E submit retrospective reporting on the use of the VPFs as part of its annual application.³ The decision directs PG&E to report the amount of compensation earned, how VPFs were spent, to demonstrate that such expenditures were incremental, does not result in double recovery in rates, and compliance with shareholder prohibitions.⁴ D.23-12-036 also requires a declaration from PG&E's Chief Financial Officer attesting to those prohibitions.⁵

Decision 24-12-033 approved the 2025 VPF spend plan, subject to the submission of a post-decision advice letter,⁶ which PG&E completed. In addition, the Commission directed that PG&E submit the results of an independent, third-party auditor for its 2025 VPF expenditures to attest to each of the requirements set forth in § 712.8(s), whether PG&E received double recovery for expenditures, and how VPFs are incremental to incremental to costs recorded in existing accounts authorized by Commission decisions.⁷

Decision 25-06-002 continued the general framework for the annual use and reporting of VPFs, and provided additional guidance and specificity regarding the content and presentation of the annual compensation report.⁸ The decision directed that the VPF expenditures support the guiding principle of affordability, adopted reporting templates, required total recorded and authorized spending by Major Work Category related to VPFs for a five-year historical period, estimate the number of customers benefiting from each VPF-funded program by customer class where feasible, and continue submission of the independent audit report through extended operations.⁹

III. COMPLIANCE WITH REGULATORY REQUIREMENTS

A. D.25-06-002 Templates

Below are the templates adopted by the Commission in Decision (D.) 25-06-002. For ease of reference, the templates are reproduced here. To improve usability, PG&E presents the same information in a different format in the subsequent sections.

³ D.23-12-036, p. 113.

⁴ Id., pp. 113-114; p. 124, Conclusion of Law (COL) 63.

⁵ Id., p. 113.

⁶ D.24-12-033, p. 83, COL 21.

⁷ Id., pp. 85-86, Ordering Paragraph (OP) 6.

⁸ D.25-06-002, p. 42, OP 1.

⁹ Id., pp. 42-43, OPs 2 to 5.

TABLE 1
VPF REVENUE COLLECTIONS (ISSUE 2(A) – (B) CRITERIA)

Investor-owned utility company/ load-serving entity	Rate Category	Authorized VPF Forecast	Actual Collected	Collection Variance	Collected Variance Explanation
PG&E Total					
<i>Customer Type and Customer Class</i>					
SCE Total					
<i>Customer Type and Customer Class</i>					
SDG&E Total					
<i>Customer Type and Customer Class</i>					
Total					

TABLE 2
CATEGORY, FORECAST, AND VARIANCE (ISSUES 2(C) – (E) CRITERIA)

Section 712.8(s)(1) Categories	Program	MAT(s)	Forecasted Spend	Actual Spend	Spend Variance	Spend Variance Explanation	Relevant Citation(s)
A Total							
<i>A</i>							
<i>A</i>							
B Total							
<i>B</i>							
<i>B</i>							
C Total							
<i>C</i>							
<i>C</i>							
D Total							
<i>D</i>							
<i>D</i>							
E Total							
<i>E</i>							
<i>E</i>							
F Total							
<i>F</i>							
<i>F</i>							
DCPP Operations Total							
Total							

B. Revised VPF Revenue Table

Table 3 provides the information from the Table 1 template in a revised format and summarizes 2025 VPF revenue collections by IOU/LSE, including authorized VPF forecasts, actual amounts collected, and collection variances. Explanations for those variances are provided in the narrative below Table 3. As shown, VPF revenues are reported by IOU and LSE type (Bundled; Community Choice Aggregation, or CCA; and Direct Access, or DA) based on billing and collection data. Customer class-level amounts are not reported by the IOUs as part of the VPF collection process and therefore are not presented in this table.

TABLE 3
2025 VPF REVENUE COLLECTIONS

IOU	Customer Type	Authorized	Actual Billed %	Actual Collected	Collection Variance
PG&E	Bundled	N/A	37.58%	\$ 48,593,805	
PG&E	CCA	N/A	49.59%	\$ 64,127,042	
PG&E	DA	N/A	12.84%	\$ 16,601,406	
PG&E	Subtotal	\$ 121,068,043	100.00%	\$ 129,322,253	\$ 8,254,210
SCE	Bundled	N/A	65.87%	\$ 27,079,366	
SCE	CCA	N/A	22.34%	\$ 9,181,447	
SCE	DA	N/A	11.79%	\$ 4,846,583	
SCE	Subtotal	\$ 37,849,430	100.00%	\$ 41,107,396	\$ 3,257,966
SDG&E	Bundled	N/A	17.10%	\$ 1,368,643	
SDG&E	CCA	N/A	58.79%	\$ 4,706,209	
SDG&E	DA	N/A	24.11%	\$ 1,929,679	
SDG&E	Subtotal	\$ 8,188,177	100.00%	\$ 8,004,531	\$ (183,646)
Total	Total	\$ 167,105,650		\$ 178,434,180	\$11,328,530

During 2025, PG&E recognized roughly \$11 million more in VPF proceeds earned as part of the normal true-up process related to actual DCPD generation volumes exceeding the adopted forecast approved in the D.24-12-033. This true-up entry is presented in PG&E’s annual Tier 3 True-up Advice Letter (TUAL).¹⁰

C. Revised VPF Category, Forecast and Variance Tables

Most of the Table 2 template information is presented in Table 4 and Table 5 below, including public purpose priority category, actual spend, and spend variance. PG&E notes that the Table 2 template includes a column for MAT(s), however, only the Safety & Risk contingency programs contain MAT codes, shown on Tables 18 and 19 below. Thus, PG&E has added a column listing MWC for each program.

¹⁰ PG&E filed AL 7860-E, “Diablo Canyon Extended Operations Balancing Account True Up Advice Letter Pursuant to Senate Bill 846 and Decision 23-12-036 for the 2023 to 2025 Record Period,” on March 18, 2026, available at https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7860-E.pdf.

**TABLE 4
2025 PROGRAM CATEGORY AND INFORMATION**

No.	Program	Section 712.8(s)(1) Category	MWCs	Relevant Citation(s)
1	Accelerated Enhancements of Asset Management, Inspection, and Maintenance Activities of Hydro System Infrastructure	(F), (B)	AX, AB, IG, KH, KI	N/A
2	Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements--Propel	(A), (D), (F)	JV	N/A
3	Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements--Lean	(A), (B), (F)	IG	N/A
4	Batteries for Resiliency	(F), (B)	IG	N/A
5	Electric Vehicle Detection for Forecasting and Vehicle-Grid Integration	(B), (F)	CG	N/A
6	Electrification Customer Experience: a. Training and Materials b. REEP (BE) c. ESA (BE) d. Tools and Panel Upgrade Avoidance	(A), (C), (E)	CG	a. N/A b. D.23-06-055, PG&E Advice Letter 4954-G/7348-E ¹¹ c. D.21-06-015 d. N/A
7	Small Business Building Decarbonization	(C)	N/A	D.23-06-055, PG&E Advice Letter 4664-G/6734-E ¹²
8	PG&E Contingency Uses for Safety and Risk: Inspections	(F), (D)	BF	D.23-11-069, p. 899, OP 1
9	PG&E Contingency Uses for Safety and Risk: Routine Emergency	(F), (D)	BH	D.23-11-069, p. 899, OP 1
10	VPF Program Management	All	IG	N/A

¹¹ Available at https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_7348-E.pdf.

¹² Available at: https://www.pge.com/tariffs/assets/pdf/adviceletter/GAS_4664-G.pdf.

TABLE 5
2025 PROGRAM SPEND (MILLIONS)

No.	Program	Forecast Spend Range	Actual Spend	Spend Variance	Variance Explanation
1	Accelerated Enhancements of Asset Management, Inspection, and Maintenance Activities of Hydro System Infrastructure	\$20.00 - \$40.00	\$24.59	\$0.00	Within range.
2	Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements--Propel	\$10.00 - \$15.00	\$32.33	\$17.33	The final program budget was higher than originally forecast due to increased labor required for the system upgrade.
3	Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements--Lean	\$10.00 - \$15.00	\$12.24	\$0.00	Within range.
4	Batteries for Resiliency	\$5.00 - \$15.00	\$6.96	\$0.00	Within range.
5	Electric Vehicle Detection for Forecasting and Vehicle-Grid Integration	\$0.25 - \$0.75	\$0.51	\$0.00	Within range.
6	Electrification Customer Experience	\$5.00 - \$17.00	\$2.75	\$2.25	Program costs were lower than expected in 2025 due to contracting delays, access to alternative

No.	Program	Forecast Spend Range	Actual Spend	Spend Variance	Variance Explanation
					funding that reduced VPF needs, fewer remediation costs, and costs shifting to 2026 due to delays in finalizing IT scope.
7	Programs to support building decarbonization for small businesses	\$2.00 - \$73.75	\$0.00	\$2.00	Actual spend was under range for 2025 due to contracting delays.
8	PG&E Contingency Uses for Safety and Risk	\$40.00 - \$60.00	\$64.52	\$4.52	Inspections (BF) and Routine Emergency (BH) both had increased costs in 2025 over the GRC imputed amounts. MWC BF includes BF1, which is a new Aerial program not included in the GRC and had over \$34M in expenses. Costs in MWC BH were also higher than expected, driven largely by an increase in Level 1 outages.
9	DCPP Operating Costs	\$0.00 - \$71.25	\$0.00	\$0.00	Within range.
10	VPF Program Management	N/A	\$0.10	\$0.10	VPF program management supports the implementation and compliance of all VPF programs.
	Total VPF Programs	\$92.25 - \$236.50	\$144.00	\$0.00	Within range. See note below on unallocated amount.

PG&E had \$20.24 million in unallocated VPF funds in 2025, which will be carried forward and allocated in 2026 on approved 2025 programs.

D. Total MWC Expense Spending for 2025 and 2026 VPF Programs Over the Past Five-Year Historical Period

In D.25-06-002, the Commission directed PG&E to provide total expense spending (relative to authorized amounts) for individual MWCs related to the work funded by the VPFs in the annual forecast applications.¹³ Even though D.25-06-002 was issued after PG&E submitted both its 2025 and 2026 VPF spend plan to the Commission, PG&E is providing MWC expense spending for both years here in this first post-spend report. The below tables list of all the individual MWCs in which the MAT for the VPF location is located contained in the 2025 and 2026 VPFs covering the past five years, containing:

- Total expense spending
- Authorized amounts

Many MWCs comprise multiple organizations (i.e. Electric Distribution, Customer Care, Gas Transmission & Storage, Gas Distribution, Information & Technology, etc.). The numbers shown in the tables below are the total MWC amounts for O&M Expense.

These MWC expense amounts were shared via PG&E's discovery portal on 7/30/25 as part of GRC-2027-PhI_DR_ED_Oral001-Q001Atch01. Please see [GRC-2027-PhI_DR_ED_Oral001-Q001_837026.pdf](#) and [GRC-2027-PhI_DR_ED_Oral001-Q001_837026Atch01_837027.xlsx](#)

1. MWCs Related to 2025 VPF Programs

The MWC for 2025 VPF programs are identified above in Table 4.

¹³ D.25-06-002, p. 42, OP 3.

TABLE 6
2020-2025 TOTAL ACTUAL EXPENSES FOR 2025 VPF PROGRAM MWCS
(MILLIONS)

MWC	2020	2021	2022	2023	2024	2025
AB	\$176.90	\$154.45	\$119.13	\$155.37	\$211.24	\$198.83
AX	\$28.00	\$29.79	\$21.95	\$29.90	\$35.93	\$41.98
BF	\$162.40	\$158.40	\$155.20	\$149.93	\$129.55	\$118.52
BH ¹⁴	\$67.32	\$79.39	\$93.27	\$109.20	\$127.11	\$113.48
CG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IG	\$579.25	\$936.37	\$1,059.74	\$441.63	\$465.06	\$476.24
JV	\$377.20	\$363.64	\$368.06	\$384.69	\$396.99	\$398.89
KH	\$23.09	\$20.78	\$21.41	\$24.44	\$24.43	\$27.59
KI	\$9.08	\$10.40	\$9.86	\$13.59	\$12.42	\$17.38

TABLE 7
2020-2025 TOTAL GRC/RATE CASE AUTHORIZED IMPUTED FOR 2025 VPF
PROGRAM MWCS (MILLIONS)

MWC	2020	2021	2022	2023	2024	2025
AB	\$113.72	\$117.07	\$119.94	\$646.81	\$652.81	\$662.42
AX	\$23.69	\$24.29	\$24.59	\$30.57	\$30.95	\$31.45
BF	\$33.09	\$33.97	\$34.16	\$87.15	\$87.28	\$87.72
BH ¹⁵	\$57.36	\$57.36	\$78.38	\$78.38	\$67.32	\$79.72
CG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IG	\$5.25	\$5.40	\$5.43	\$314.55	\$314.06	\$314.81
JV	\$364.82	\$373.79	\$379.42	\$471.10	\$480.85	\$491.40
KH	\$21.40	\$21.98	\$22.16	\$24.47	\$24.99	\$25.58
KI	\$8.86	\$9.08	\$9.19	\$15.36	\$15.59	\$15.86

¹⁴ BH expenses reflected in this table do not include Enhanced Powerline Safety Settings (EPSS).

¹⁵ BH Authorized Imputed amounts reflected in this table do not include Enhanced Powerline Safety Settings (EPSS).

2. MWCs Related to 2026 VPF Programs

The MWCs for the 2026 programs are as follows:

- Power Generation: AB, AX, IG, KG, KH, KI
- Propel: JV
- Reliable Battery Program: IG
- Electric Vehicle Detection for Forecasting and Vehicle-Grid Integration: CG
- Customer Electrification Experience: CG
- Programs to Support Building Decarbonization for Small Businesses: EJ
- One VM: IG
- Pre-staging of Temporary Generation in Support of Winter Storms: AB
- Safety & Risk Contingency: BA, GA, GC, BF, BH

TABLE 8
2020-2025 TOTAL ACTUAL EXPENSES FOR 2026 VPF PROGRAM MWCs
(MILLIONS)

MWC	2020	2021	2022	2023	2024	2025
AB	\$176.90	\$154.45	\$119.13	\$155.37	\$211.24	\$198.83
AX	\$28.00	\$29.79	\$21.95	\$29.90	\$35.93	\$41.98
BA	\$30.02	\$30.79	\$25.33	\$21.93	\$22.64	\$20.60
BF	\$162.40	\$158.40	\$155.20	\$149.93	\$129.55	\$118.52
BH ¹⁶	\$67.32	\$79.39	\$93.27	\$109.20	\$127.11	\$113.48
CG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EJ	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GA	\$33.28	\$36.37	\$43.21	\$49.94	\$27.27	\$9.46
IG	\$579.25	\$936.37	\$1,059.74	\$441.63	\$465.06	\$476.24
JV	\$377.20	\$363.64	\$368.06	\$384.69	\$396.99	\$398.89
KG	\$44.46	\$43.12	\$38.86	\$39.55	\$40.71	\$44.02
KH	\$23.09	\$20.78	\$21.41	\$24.44	\$24.43	\$27.59
KI	\$9.08	\$10.40	\$9.86	\$13.59	\$12.42	\$17.38

¹⁶ BH expenses reflected in this table do not include Enhanced Powerline Safety Settings (EPSS).

TABLE 9
2020-2025 TOTAL GRC/RATE CASE AUTHORIZED IMPUTED FOR 2026 VPF
PROGRAM MWCS (MILLIONS)

MWC	2020	2021	2022	2023	2024	2025
AB	\$113.72	\$117.07	\$119.94	\$646.81	\$652.81	\$662.42
AX	\$23.69	\$24.29	\$24.59	\$30.57	\$30.95	\$31.45
BA	\$21.34	\$21.99	\$22.00	\$32.07	\$33.05	\$34.08
BF	\$33.09	\$33.97	\$34.16	\$87.15	\$87.28	\$87.72
BH ¹⁷	\$57.36	\$57.36	\$78.38	\$78.38	\$67.32	\$79.72
CG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EJ	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GA	\$13.58	\$13.93	\$14.22	\$44.15	\$43.92	\$43.88
IG	\$5.25	\$5.40	\$5.43	\$314.55	\$314.06	\$314.81
JV	\$364.82	\$373.79	\$379.42	\$471.10	\$480.85	\$491.40
KG	\$30.81	\$31.67	\$31.88	\$38.22	\$39.10	\$40.08
KH	\$21.40	\$21.98	\$22.16	\$24.47	\$24.99	\$25.58
KI	\$8.86	\$9.08	\$9.19	\$15.36	\$15.59	\$15.86

E. 2025 Customer Benefit and Participation

Pursuant to decision 25-06-002, the below table estimates the number of customers benefitting from each VPF program, where feasible, or offers a narrative explanation as to the number of customers benefitting from each VPF program.

¹⁷ BH Authorized Imputed amounts reflected in this table do not include Enhanced Powerline Safety Settings (EPSSS).

TABLE 10
2025 CUSTOMER PARTICIPATION AND BENEFITS

No.	Program	No. of Customers Benefitting from the Program
1	Accelerated Enhancements of Asset Management, Inspection, and Maintenance Activities of Hydro System Infrastructure	While the exact number of customers benefiting from the enhanced hydropower programs cannot be quantified, the programs are part of PG&E’s Utility Owned Generation fleet, which services approximately 5.5 million electric customer accounts, or ~ 16 million people. The potential beneficiaries include all such customers, who could be impacted from an asset failure.
2	Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements--Propel	While Propel had not gone live in 2025 and therefore had no customer participation during the year, PG&E expects Propel to provide broad customer benefits, particularly for New Business and Electric Generation Interconnection customers, for whom PG&E processes approximately 250,000 applications annually.
3	Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements--Lean	The Lean system is applied to operational processes that support customer-facing work across PG&E. While a discrete number of benefiting customers cannot be quantified, the program affects customers who interact with these processes each year, including those seeking new service connections and interconnection, through improved timeliness and efficiency.
4	Batteries for Resiliency	In 2025, this program supported 36 customers by installing a backup battery at their home.
5	Electric Vehicle Detection for Forecasting and Vehicle-Grid Integration	As of January 2026, there are approximately 820,380 active EV VINs in PG&E territory. Because some customers own multiple EVs, the true count of EV owners is lower. EV detection and load disaggregation enables PG&E to identify and engage these EV customers for targeted rates, programs, and load management opportunities. This program potentially benefits the ~ 820,380 or less PG&E customers who have an electric vehicle.
6	Electrification Customer Experience	Training: 30,000 customers Panel Avoidance Hardware for EVs: 1,250 customers

No.	Program	No. of Customers Benefitting from the Program
7	PG&E Contingency Uses for Safety and Risk - BF - Inspections	PG&E estimates that the System Inspections Program benefitted hundreds of thousands of customers in 2025 across its service territory through its patrols and inspections of 2.3 million structures.
8	PG&E Contingency Uses for Safety and Risk - BH - Routine Emergency	PG&E's Routine Emergency Program enhances safety and reliability for all PG&E customers across its service territory through its comprehensive monitoring, risk-detection and safety response efforts.
9	VPF Program Management	Customers served by VPF-funded programs benefit from VPF Program Management, which supports implementation and ensures compliance with statutory and regulatory requirements

IV. NO DOUBLE RECOVERY SHOWING BY PROGRAM

This section presents PG&E's no double recovery, or incrementality, presentation for each program which received 2025 VPF funds.

A. Accelerated Enhancements of Asset Management, Inspection, and Maintenance Activities of Hydro System Infrastructure (MWCs AB, AX, KG, KI; \$24.59 million):

**TABLE 11
POWER GENERATION INCREMENTALITY SUMMARY**

Program Name: Accelerated Enhancements of Asset Management, Inspection, and Maintenance Activities of Hydro System Infrastructure					
MWCs: AB, AX, KI, KG					
No	Planning Order	Planning Order Name	GRC Imputed Authorized (\$000s)	Actual Expense (\$000s)	Variance Amount (\$000s)
1	5288235	Bucks Strge Dam Repair Upstream SpallingVPF	\$ -	\$ 14	\$ (14)
2	5288237	Power Generation Compliance Maturity VPF (Risk Framework Acceleration)	\$ -	\$ 570	\$ (570)

3	5288238	PGen Academy Training Support VPF	\$ -	\$ 248	\$ (248)
4	5288242	AM: Canal Blitz - ARR - VPF	\$ -	\$ 5,287	\$ (5,287)
5	5288246	Butte Canal Restoration Exp - VPF	\$ -	\$ 659	\$ (659)
6	5288249	Shasta Septic Compliance Insp - VPF	\$ -	\$ 130	\$ (130)
7	5288251	Penstock Inspection Program - ARR - VPF	\$ -	\$ 322	\$ (322)
9	5288253	Water Conveyance Inspections ARR - VPF	\$ -	\$ 320	\$ (320)
9	5288255	Records Management Initiative ARR - VPF	\$ -	\$ 377	\$ (377)
10	5288256	ARR Level of Effort - VPF	\$ -	\$ 7,703	\$ (7,703)
11	5288654	AM:PH Civil AF Prog Dvlp Cond Assmt VPF	\$ -	\$ 187	\$ (187)
12	5288655	DSP: Specialized Inspections: Concr VPF	\$ -	\$ 105	\$ (105)
13	5288659	CCC In-House Course VPF	\$ -	\$ 182	\$ (182)
14	5288738	Desabla 803 NOV	\$ -	\$ 19	\$ (19)
15	5288752	PGEN Training Crafting Proficiency VPF	\$ -	\$ 1,671	\$ (1,671)
16	5288753	LLO & Radial Gate Inspections ARR - VPF	\$ -	\$ 612	\$ (612)
17	5288772	IMT Training VPF	\$ -	\$ 399	\$ (399)
18	5288858	Asset Knowledge Management - ARR VPF	\$ -	\$ 443	\$ (443)
19	5290740	PG Signal Peak SCADA Com - VPF	\$ -	\$ 238	\$ (238)
20	5290843	I&C - VPF	\$ -	\$ 493	\$ (493)
21	5290895	PG Garnet Fire - VPF - MAT KI2	\$ -	\$ 346	\$ (346)
22	5290896	PG Garnet Fire - VPF - MAT KI3	\$ -	\$ 4,301	\$ (4,301)
23	Various	Miscellaneous planning orders for small expenses and expense reversals	\$ -	\$ (32)	\$ (32)
			\$ -	\$ 24,592	\$(24,592)
				VPF Amount	\$ 24,592
				Difference	\$ -

The table below includes 22+ planning orders for the Accelerated Enhancements of Asset Management, Inspections and Maintenance Activities of Hydro System Infrastructure program within Power Generation, with separate incrementality showings for each.

TABLE 12
POWER GENERATION INCREMENTALITY DETAIL

No.	Planning Order and MWC	Incrementality Showing
1	5288235 MWC AX	This work was not included in the 2023 GRC forecast. It arose from incremental enhanced management inspections initiated at the end of 2024, which exceeded the scope of the standard inspections typically authorized in the GRC. Repair needs identified through these enhanced inspections were likewise incremental to the 2023 plan. All associated work was completed in 2025.
2	5288237 MWC AB	<p>The need for this Risk Management framework was identified during the development of testimony for the 2024 RAMP and the 2027–2030 GRC. Accelerating the activities of the Risk Management & Analytics (RMA) team through VPF funding is critical to enabling Power Generation’s Asset Management System and advancing integrated, risk-informed decision-making aligned with ISO 31000, beyond the foundational compliance activities funded through the GRC for the Dam Safety Program.</p> <p>The accelerated RMA effort supports the systematic evaluation of Large Uncontrolled Water Release (LGUWR) risk by assessing the combined effects of multiple threat drivers together with the performance of preventive and containment controls and mitigations and will expand this analysis beyond LGUWR. This capability provides the analytics, models, and insights necessary to translate asset condition, threat exposure, and consequence information into prioritized, risk-based investment recommendations.</p> <p>By embedding these capabilities into the AMS, VPF-funded acceleration ensures that capital and O&M investments are directed toward the highest-value risk-reduction opportunities, enhancing safety and reliability outcomes in a manner that is incremental to—and not duplicative of—planned 2023 GRC activities.</p>
3	5288238 MWC AB	<p>This work—development of web-based training—was not forecasted in the 2023 GRC.</p> <p>New work standards established through the ISO 55001 certification created the need for a new academy in 2025. The funds requested in the 2023 GRC supported achieving ISO 55001 certification but did not include resources to implement the</p>

No.	Planning Order and MWC	Incrementality Showing
		recommendations resulting from that certification. This program will continue into 2026.
4	5288242 MWC AX	This program has established additional and more comprehensive inspection requirements for the full population of Water Conveyance Structures than were originally estimated in the 2023 GRC. These requirements include inspecting and identifying work in portions of the systems that are normally inaccessible, necessitating qualified engineers to enter the conveyances and evaluate each structure from perspectives that are typically hazardous due to the presence of water.
5	5288246 MWC AX	<p>This work was not forecasted in the 2023 GRC. The Butte Canal failure in August 2023 prompted a comprehensive canal-wide assessment across the remaining PG assets in the service territory. Restoring the Butte Canal required more in-depth inspection and evaluation to address unforeseen environmental factors that had not been considered in the canal’s historical risk evaluations, and which contributed to greater impacts during the failure than previously identified.</p> <p>The entire canal was subsequently reassessed using more stringent engineering and risk requirements that reflected the newly developed understanding of hazards revealed by the 2023 failure. These more detailed analyses and assessments were not included in the 2023 GRC.</p>
6	5288249 MWC KI	This work was not forecasted in the 2023 GRC. New compliance requirements now mandate identification of septic line locations. Although this work was originally planned for 2027, it has been accelerated and initiated using VPF funding
7	5288251 MWC AX	This work was not forecasted in the 2023 GRC. A penstock is a closed canal that conveys water to the powerhouses. Beginning in 2025 and continuing into 2026, this program initiated new inspections of hard-to-access assets using advanced technologies such as drones, ROVs, and radar. Without VPF funding, PG&E would not have undertaken this work until the 2027 GRC cycle. Although these inspections are not required, PG&E had not evaluated the hard-to-reach penstocks in many years, and—consistent with enhanced risk-reduction practices—used VPF dollars to perform these activities.

No.	Planning Order and MWC	Incrementality Showing
8	5288253 MWC AX	This work was not forecasted in the 2023 GRC. This program is similar to the penstock inspection initiative, focused on water conveyance assets upstream of the penstocks, but addresses a different asset class. Beginning in 2025 and continuing into 2026, the program conducted new inspections of hard-to-access assets using advanced technologies such as drones, ROVs, and radar. As with the penstock program, PG&E would not have undertaken this work until the 2027 GRC cycle without VPF funding. Although these inspections are not required, they are part of an enhanced risk-reduction practice.
9	5288255 MWC KG	VPF funding was used to audit and correct Power Generation engineering drawings, including mechanical layouts and single-line electrical diagrams, to mitigate significant safety and reliability risks. While drawings are typically updated during major capital projects, this program accelerated the development of missing documentation and the improvement of outdated records.
10	5288256 MWC AX	This work was not forecasted in the 2023 GRC. Additional headcount is required to support the VPF-funded inspections and the new maintenance plans developed under the enhanced risk-reduction practice. The other programs fund contracts and contractor resources, but do not provide funding for PG&E labor. This labor cost supports all of the new inspections described above. As noted, the other programs do not fund PG&E employees.
11	5288654 MWC AX	This work was not forecasted in the 2023 GRC. This funding supports the development of a new formal asset program that does not currently exist. Powerhouse civil assets—including water channels, bypass chambers, tailrace structures, energy dissipation structures, caverns, tunnels, and powerhouse buildings—have historically been managed without a documented strategy. Establishing a formal program will define technical inspection criteria, instrumentation requirements, lifecycle maintenance practices, and the engineering safety studies associated with these structures, as recommended by independent consultants and dam safety regulators. The need for a more comprehensive approach to this asset family had not yet been identified in the 2023 GRC.
12	5288655 MWC AX	This work was not forecasted in the 2023 GRC. This program conducts inspections of concrete facings and spalling across dams, buildings, and other structures as part of the broader risk-reduction efforts described above. Beginning in 2025 and continuing into 2026, the program initiated new inspections of

No.	Planning Order and MWC	Incrementality Showing
		hard-to-access assets using advanced technologies such as radar, rather than relying solely on visual inspection.
13	5288659 MWC KG	This work was not forecasted in the 2023 GRC. This program introduced a new course designed to strengthen safety culture within Power Generation. External experts were engaged to deliver training to the Power Generation team. This work was accelerated using VPF funding and would otherwise have been included in the 2027 GRC cycle.
14	5288738 MWC AX	This work was not forecasted in the 2023 GRC. Following the Butte Canal failure, PG&E received regulatory communications outlining additional actions and studies required to comply with new environmental requirements for the project. The Desabla 803 NOV reflects the ongoing cost of coordination and collaboration with regulatory agencies to support proposed environmental remediations and project modifications, ensure safe interim operations, and facilitate the return of the Butte Canal to operational status. The need for this level of regulatory engagement was not identified prior to the 2023 GRC.
15	5288752 MWC KG	<p>This work was not forecasted in the 2023 GRC. This program, similar to the PG&E Academy’s web-based training, evaluates field proficiency in applying the new maintenance plans. Accordingly, the incrementality rationale aligns with described above (see line 3, planning order 5288238).</p> <p>New work standards established through the ISO 55001 certification created the need for a new academy in 2025. The funds requested in the 2023 GRC supported achieving ISO 55001 certification but did not include resources to implement the recommendations resulting from that certification. This program will continue into 2026.</p>
16	5288753 MWC AX	This work was not forecasted in the 2023 GRC. This program conducts risk-reduction inspections similar to the penstock and water conveyance inspection efforts, using ROVs to evaluate low-level outlets. The standard, or base-case activity would involve lowering water levels and deploying divers. The use of ROVs represents work above and beyond standard practice and is part of the enhanced risk-reduction effort. There is no regulatory requirement for these inspections.

No.	Planning Order and MWC	Incrementality Showing
17	5288772 MWC AB	This work was not forecasted in the 2023 GRC. This new program was developed for Power Generation following the 2023 Moss Landing/Vistra fire and began in 2025. This program is the same initiative as the Power Generation Workforce Safety Initiatives program described in PG&E's 2026 application (A.25-03-015) and will continue into 2026.
18	5288858 MWC AX	This work was not forecasted in the 2023 GRC. This program is part of the recommendations resulting from the ISO 55001 certification and therefore represents work being pulled forward from a future GRC cycle. ISO auditors recommended that PG&E develop comprehensive maintenance plans. Asset Knowledge Management funding will provide the resources and tools needed to identify, manage, and govern critical asset information and data. This includes hiring contractors to support asset criticality ranking and prioritization of risk-reduction activities. The work is forward-looking and will guide future inspections as well.
19	5290740 MWC KI	This work was not forecasted in the 2023 GRC. Microwave SCADA communication equipment requires continuous power, which is routinely compromised during storm conditions. Although a permanent emergency generator is installed, PG&E elected to add a redundant and diverse power source to ensure uninterrupted service. This is an additional risk-reduction measure. While there is no regulatory requirement and a temporary generator is available as a tertiary option, relying on a temporary solution presents significant safety concerns due to limited access during storm or snow events. The redundant power source reduces the risk of losing critical communications during emergencies when safe access is not feasible.
20	5290843 MWC AB	This work was not forecasted in the 2023 GRC. Asset Management is responsible for designing maintenance practices for critical and highly critical assets. The team will develop and apply Continuous On-Line Monitoring (COLM) technology, along with periodic condition-monitoring tasks, to support a condition-based maintenance strategy while optimizing O&M costs. COLM guides will be developed for each major asset type, including hydro turbines, generators, transformers, governor systems, pumps, motors, compressors, batteries, and other key equipment.
21	5290895	This work was not forecasted in the 2023 GRC. This program covers inspections and repairs to the bridge affected by the Garnet Fire. The event was not eligible for

No.	Planning Order and MWC	Incrementality Showing
	MWC KI	<p>CEMA because no State of Emergency was declared, as there were no individuals in immediate danger. Similarly, this work was not planned in the 2023 GRC, nor were emergent-work placeholders included in the Energy Supply Exhibit to accommodate this type of unanticipated activity.</p> <p>The bridges provide Power Generation with a safe and reliable access route to critical assets for both routine and emergency operations. While alternative access routes exist, none offer the same level of safety and reliability during storm conditions. Without repairing the bridge, PG&E would have to rely on helicopter access—an option that is typically unavailable during the storm conditions that create the need to reach these subterranean powerhouses and offsite power-supply infrastructure.</p>
22	5290896 MWC KI	<p>This work was not forecasted in the 2023 GRC. This program covers inspections and repairs to roads and buildings damaged during the Garnet Fire. The event was not eligible for CEMA because no State of Emergency was declared, as no individuals were in immediate danger. Likewise, this work was not planned in the 2023 GRC, nor were emergent-work placeholders included in the Energy Supply Exhibit to accommodate this emergent work.</p>
23	Various	<p>As inspections expanded under Asset Management’s risk-reduction initiative, additional repair needs were identified. The design and scoping work for these repairs was initially charged to VPF expense; however, the repairs themselves were determined to be capital improvements, and the associated costs were transferred to capital orders.</p>

B. Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements—Propel (MWC JV; \$32.33 million)

**TABLE 13
PROPEL INCREMENTALITY SUMMARY**

Program Name: Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements - Propel				
MWC: JV				
Planning Order	Planning Order Name	GRC Imputed Authorized (\$000s)	Actual Expense (\$000s)	Variance Amount (\$000s)
5288852	2025 VPF NEIE Propel - S4 HANA Implement	\$ -	\$ 28,356	\$ (28,356)
5288853	2025 VPF NEIE Propel - Release 1	\$ -	\$ 3,972	\$ (3,972)
		\$ -	\$ 32,328	\$ (32,328)
			VPF Amount	\$ 32,328
			Difference	\$ -

The Propel program includes a technical upgrade from its legacy SAP platform to SAP’s S/4 HANA product as part of its scope. The 2025 activities were not included in the 2023 GRC, nor in any other rate case, but represent only incremental expense activities for 2025.

The scope of work for the Propel project is distinct from other PG&E programs and the SAP-related work approved in the 2023 GRC. PG&E's 2023 GRC filing represented technical upgrades to SAP to support continued business operations, while explaining that a full transformation to S/4 HANA would take several years and must be deployed in multiple stages in order to fully transition to the modern S/4 HANA product. PG&E subsequently developed a new program based on capabilities offered by the S/4 HANA product, which became the Propel program. In contrast, the Propel program's efforts are dedicated to improving the underlying IT systems, tools and future process whereas other programs fund the labor resources that process and oversee the interconnection applications through the study, contract, and implementation phases of the interconnection projects. G&E's 2023 GRC filing represented technical upgrades to SAP to support continued business operations, while

explaining that a full transformation to S/4 HANA would take several years and must be deployed in multiple stages in order to fully transition to the modern S/4 HANA product. PG&E subsequently developed a new program based on capabilities offered by the S/4 HANA product, which became the Propel program.

C. Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements—Lean (MWC IG; \$12.24 million)

**TABLE 14
LEAN INCREMENTALITY SUMMARY**

Program Name: Accelerating Interconnections and Actions to Reduce Operational Risk and Modernize the Grid More Efficiently Through Operating System Enhancements - Lean				
MWC: IG				
Planning Order	Planning Order Name	GRC Imputed Authorized (\$000s)	Actual Expense (\$000s)	Variance Amount (\$000s)
5070453	Lean Office - LBS Contracts VPF	\$ -	\$ 9,871	\$ (9,871)
5076249	Lean Office - Lean Experts	\$ -	\$ 2,370	\$ (2,370)
		\$ -	\$ 12,241	\$ (12,241)
VPF Amount				\$ 12,241
Difference				\$ -

The Lean system was not forecast in the 2023 GRC and its costs reflect incremental activities undertaken to support improvements in broad company processes, including in supporting improvements to the interconnection process. PG&E’s Lean operating system aims to improve operational excellence, maximize customer quality, delivery and overall value.

D. Batteries for Resiliency (MWC IG; \$6.96 million)

**TABLE 15
BATTERIES FOR RESILIENCY INCREMENTALITY SUMMARY**

Program Name: Batteries for Resiliency				
Planning Order: 5288433				
MWC: IG				
Planning Order	Planning Order Name	GRC Imputed Authorized (\$000s)	Actual Expense (\$000s)	Variance Amount (\$000s)
5288433	Reliability Battery Program	\$ -	\$ 6,964	\$ (6,964)
		\$ -	\$ 6,964	\$ (6,964)
VPF Amount				\$ 6,964
Difference				\$ -

The Reliability Battery Initiative is a new program that was not forecasted in the 2023 GRC or any other rate case. The purpose of this program is to provide resiliency to outages targeting customers residing on circuits identified by PG&E as having reliability issues, causing power outages, that are non-wildfire safety related. Program offering includes installing permanent home batteries which will provide backup power in case of an outage. The portfolio includes a similar program that is only offered to customers residing on circuits identified by PG&E as having reliability issues causing power outages that ARE wildfire safety related, but this program focuses on customer outages that are non-wildfire safety related.

E. Electric Vehicle Detection for Forecasting and Vehicle-Grid Integration (MWC CG; \$0.51 million)

**TABLE 16
ELECTRIC VEHICLE DETECTION AND VGI INCREMENTALITY SUMMARY**

Program Name: Electric Vehicle Detection for Forecasting and Vehicle-Grid Integration				
Planning Order: 5073350				
MWC: CG				
Planning Order	Planning Order Name	GRC Imputed Authorized (\$000s)	Actual Expense (\$000s)	Variance Amount (\$000s)
5073350	2025 VPF EV Detection	\$ -	\$ 508	\$ (508)
		\$ -	\$ 508	\$ (508)
			VPF Amount	\$ 508
			Difference	\$ -

This is a new program that was not forecast in the 2023 GRC or any other rate case. The incrementality showing is based on MAT code/Order Number combination that is only used for this program.

At the end of 2023, PG&E VGI team was able to use GRC funds to procure one-year (calendar year 2024) contract with Oracle for EV detection and EV load disaggregation from a vendor. Oracle supplied PG&E with EV detection and EV load disaggregation data from their proprietary machine learning models. Following the conclusion of the contract, PG&E determined not to proceed with Oracle. After considering cost considerations, insight into data quality, and ensuring the continuity of data availability, PG&E initiated a new effort to build its own proprietary machine learning models. In 2025, with the support of VPF funds, the VGI team hired a team of contractor data scientists and a project manager to build EV detection and EV load disaggregation models to replace Oracle's work. This effort to build high-quality models is novel and not previously included in any funding request for the GRC or other rate case.

F. Electrification Customer Experience (MWC CG; \$2.75 million)

**TABLE 17
ELECTRIFICATION CUSTOMER EXPERIENCE INCREMENTALITY SUMMARY**

Program Name: Electrification Customer Experience				
Training, Electrification Load Evaluation, ESA, Panel Avoidance Hardware for EVs				
MWC: CG				
Planning Order	Planning Order Name	GRC Imputed Authorized (\$000s)	Actual Expense (\$000s)	Variance Amount (\$000s)
5288932	Residential BE Support – ESA	\$ -	\$ 13	\$ (13)
5073349	2025 VPF-CET ElectrExp-5.1 Training & Materials	\$ -	\$ 76	\$ (76)
5076391	2025 VPF-CET ElectrExp-5.2 Tools Panel UA	\$ -	\$ 175	\$ (175)
5290972	5.2 Digital Tools & Panel Upgrade A-2025	\$ -	\$ 2,483	\$ (2,483)
		\$ -	\$ 2,747	\$ (2,747)
			VPF Amount	\$ 2,747
			Difference	\$ -

1. Training (\$0.08 million)

This is a new program for 2025 that was not forecast in the 2023 GRC or any other rate case. It covers electrification topics in greater detail and aligns with common questions customers have for the call center representatives. Only certain MAT codes/order number combinations are only used for this program.

2. Electrification Load Evaluation Tool (\$0.17 million)

This is a new program for 2025 that was not forecast in the 2023 GRC or any other rate case. Customer-facing electrification load evaluation tools have not previously been scoped or built by PG&E.

3. ESA (\$0.01 million)

There is an existing program, where the low-income customer participants pay some installation costs. VPFs will be applied to incremental costs that are not covered by the existing pilot. The BE front-of-meter service upgrade cost support is reserved for costs which are invoiced to the customer, as a result of existing cost recovery limitations. VPFs are applied only to the portion which the customer would otherwise be required to pay. The BE behind-the-meter remediation support is reserved for costs in excess of the \$2,500 per project maximum authorized in the ESA Pilot Plus/Deep implementation plan. A separate billing line item and tracking code have been established to track the VPFs utilized for this purpose.

4. Panel Avoidance Hardware for EVs (\$2.48 million)

This is a new program that was not forecast in the 2023 GRC or any other rate case. It leverages new EV charger and panel technology paired with emerging AMI 2.0 meters.

G. Programs to Support Building Decarbonization for Small Businesses (MWC EJ; \$0.00 million)

The existing program servicing micro-small businesses does not include any building electrification measures. Incrementality will be shown with planning order. However, due to contract delays PG&E did not have any spend on this program in 2025.

H. PG&E Contingency Uses for Safety and Risk

Inspections (MWC BF; \$30.76 million) During the pendency of the A.25-03-015 proceeding addressing 2026 VPFs, PG&E agreed to apply VPFs to the Safety & Risk contingency programs that were above GRC imputed amounts at both the MWC and MAT levels. For consistency, PG&E has done so for 2025 as well.

PG&E took a conservative approach by calculating the over-imputed MAT spending and then netting out any under-imputed MAT spending to arrive at the allocated VPF spend. Tables 17 and 18 below are presented differently than Tables 10 to 16 in order to show the over/under imputed amount for each MAT code under MWC BF and BH.

1. Inspections (MWC BF; \$30.76 million)

TABLE 18
SAFETY AND RISK - INSPECTIONS INCREMENTALITY SUMMARY

Program Name: PG&E Contingency Uses for Safety and Risk - Inspections				
Planning Order: 5076295				
MWC: BF				
MAT Code	MAT Name	GRC Imputed Authorized (\$000s)	Actual Expense (\$000s)	Variance Amount (\$000s)
BF#	Quality Management	\$ -	\$ 15,755	\$ (15,755)
BF#	Type B Headcount	\$ -	\$ 4,928	\$ (4,928)
BF1	Aerial Distribution Inspections	\$ -	\$ 35,645	\$ (35,645)
BF3	UG BART Cable Test/Insp	\$ 59	\$ 42	\$ 17
BF4	UG Auto Xfer Swch Test/Insp	\$ 146	\$ 115	\$ 31
BFA	OH Patrol	\$ 5,089	\$ 10,225	\$ (5,136)
BFB	OH Insp	\$ 54,022	\$ 24,252	\$ 29,770
BFC	OH Insp Infrared	\$ 2,852	\$ 1,810	\$ 1,042
BFD	UG Patrol	\$ 2,698	\$ 2,743	\$ (44)
BFE	UG Insp Infrared	\$ 14,640	\$ 14,866	\$ (227)
BFF	UG Manhole Insp Annual	\$ 510	\$ 350	\$ 160
BFG	OH Equip Test	\$ 2,671	\$ 3,519	\$ (848)
BFH	Inspection Projects	\$ 4,864	\$ 4,169	\$ 695
BFJ	OH Patrol ORT Post Outage	\$ 167	\$ 60	\$ 107
BFL	SB WF Patrols	\$ -	\$ -	\$ -
BFR	CM-E OH	\$ -	\$ -	\$ -
		\$ 87,719	\$ 118,479	\$ (30,760)
VPF Amount				\$ 30,760
Difference				\$ -

The expenses covered by VPF funding are the lesser of the actual MWC BF costs less the GRC imputed for MWC BF OR the Aerial program costs (BF1), which is included in MWC BF but was not part of the GRC or any other rate case.

2. Routine Emergency (MWC BH; \$33.76 million)

TABLE 19
SAFETY AND RISK – ROUTINE EMERGENCY INCREMENTALITY SUMMARY

Program Name: PG&E Contingency Uses for Safety and Risk – Routine Emergency				
Planning Orders: 5076172, 5076173, 5076175				
MWC: BH				
MAT Code	MAT Name	GRC Imputed Authorized¹⁸ (\$000s)	Actual Expense (\$000s)	Variance Amount (\$000s)
BHB	CM-E OH	\$ 23,098	\$ 31,390	\$ (8,292)
BHC	CM-E UG	\$ 26,081	\$ 40,149	\$ (14,068)
BHD	BHD: Damage Claims Expense	\$ 1,711	\$ 1,088	\$ 623
BHE	FAS Emergency Resp - OH Elect	\$ 23,784	\$ 36,294	\$ (12,510)
BHG	FAS Sys Rel Maintenance	\$ 4,732	\$ 4,542	\$ 190
BHH	Public Support Event New	\$ 60	\$ 233	\$ (173)
BH#	Not assigned	\$ 256	\$ (214)	\$ 470
		\$ 79,722	\$ 113,482	\$ (33,760)
			VPF Amount	\$ 33,760
			Difference	\$ -

The expenses covered by VPF funding are the increase in spend for MWC BH over the GRC imputed amount for MWC BH (not including EPSS). In addition to an overspend in MWC BH, there was an increase in work in this MWC driven by an increase in Level 1 outages in 2025 compared to the average number of outages from 2018-2020 (the period which informed the GRC). In addition to and as a result of this increase in outages, MWC BH also saw an increase in headcount and labor/contract costs in 2025 compared to the 2018-2020 timeframe.

¹⁸ Amounts shown on table exclude the imputed authorized and actual expense for Enhanced Powerline Safety Settings (EPSS).

V. CONTROLS FOR NO DOUBLE RECOVERY AND SHAREHOLDER PROHIBITIONS

A. Explanation of Accounting Controls

PG&E's accounting controls over the Volumetric Performance Fee ("VPF") program are designed to ensure that VPF revenues are segregated, tracked, and expended only for purposes permitted by Pub. Util. Code § 712.8 and applicable Commission directives, including the directives governing (i) pre spend approval, (ii) incrementality / no double recovery, (iii) the 115 percent threshold priority use of VPFs for Diablo Canyon extended operations costs above the threshold, and (iv) shareholder prohibitions.

PG&E's control environment and specific key control documents were tested as part of the independent audit over the 2025 VPF Program conducted by Ernst & Young, LLP. The results of the independent audit will show the conclusions once submitted separately.

1. Segregation and Tracking Through the DCEOBA VPF Subaccount

PG&E's primary control mechanism is the use of a dedicated Volumetric Performance Fee Subaccount within the Diablo Canyon Extended Operations Balancing Account ("DCEOBA"), which is structured to record: (a) the portion of the non bypassable charge ("NBC") revenues associated with VPFs and (b) Commission approved incremental expenses recorded by public purpose priority categories. The accounting procedures expressly provide for credit entries for VPF revenues and debit entries for incremental expenses aligned to the statutory public purpose priorities.

2. Pre Spend Set Aside and Post Spend Accounting / True ups

PG&E's controls include a "front end" process to allocate and set aside the VPF component of the NBC into the VPF Subaccount to keep VPF proceeds separate and distinct from other DCEOBA revenues. Subsequently, PG&E records a final true-up or true-down of set-aside VPF proceeds to the final authorized DCCP generation once validated. This true-up is presented in PG&E's annual Tier 3 TUAL. This information is also available in the true-up column of Table 3.

PG&E also records approved program expenses to the VPF Subaccount and conducts annual true ups comparing recorded costs and amounts in the subaccount, including an

evaluation of whether Diablo Canyon extended operations costs exceed the 115 percent threshold that changes the required prioritization of VPF use. This comparison of recorded costs to the 115 percent threshold is also presented in PG&E's annual TUAL.

3. Order Level Controls to Demonstrate Incrementality and Prevent Double Recovery

To demonstrate that VPF expenditures are incremental and do not result in double recovery, PG&E's controls include separate order tracking using unique cost objects, including an "Alternative Funding" attribute to identify costs recovered through VPF revenues, and systematic order management review comparing authorized program amounts and/or work units to recorded spend. PG&E conducts monthly review meetings with each VPF program to monitor changes in both recorded and forecast costs for the program year. These mechanisms are coupled with quarterly "spend plan management" comparisons to ensure total program spend does not exceed the authorized spend plan, and "excess Diablo Canyon spend monitoring" to evaluate the 115 percent threshold.

4. ICFR / Sarbanes Oxley Integration and Auditability

PG&E's VPF accounting controls are implemented within PG&E's broader Internal Control over Financial Reporting ("ICFR") framework, including management review controls over order management, journal entry review, and balance sheet reconciliations, and are subject to Sarbanes Oxley compliance and external auditor testing. The controls described include variance analysis and reconciliation controls, and a quarterly management review to confirm total VPF spend does not exceed the authorized cap.

B. No Rate of Return

Pub. Util. Code § 712.8(s)(2) provides that the operator shall not earn a rate of return for VPF expenditures. PG&E's accounting controls enforce this requirement through the structure and operation of the VPF Subaccount and through the revenue recognition and control framework applied to VPF activity.

1. Expense Balancing Account Structure Limits Recovery to Dollar-for-Dollar Expense

PG&E's VPF Subaccount operates like an expense balancing account: VPF proceeds are recorded to the subaccount and revenue recognition is deferred until authorized expenses are incurred in accordance with ASC 980. When VPF spend plan costs are recorded, revenue is recognized to offset that spend in an equal amount, such that the mechanism does not produce incremental income that could support a return.

2. Commission Approved Categories and Tariff Accounting Procedures

The VPF Subaccount accounting procedures reflect debit entries for incremental expenses associated with each public purpose priority category, recorded upon Commission approval, and credit entries for VPF revenues, reinforcing treatment as pass through expense recovery rather than a return-based revenue requirement.

3. GAAP/Regulatory Revenue Recognition Criteria Further Constrain Timing and Basis of Recognition

Under the ASC 980 revenue recognition approach, revenue recognition depends on a confirmed Commission directive approving recovery, expectation of recovery within a specified timeframe, and an automatic rate adjustment mechanism; importantly, PG&E cannot recognize revenue for future spend plans prior to Commission authorization. This control framework supports the conclusion that VPFs are not used to generate return-based earnings.

C. No Profit Realized by Shareholders

Pub. Util. Code § 712.8(s)(1) requires that VPF compensation "shall not be paid out to shareholders," and § 712.8(s)(2) provides that "no profit shall be realized" by shareholders through VPF expenditures. PG&E's controls are designed so that VPF activity does not create incremental net income and therefore cannot produce shareholder profit.

1. Deferral of Proceeds and Matching of Revenues to Authorized Expenses

Proceeds collected from customers are recorded to the VPF Subaccount and revenue recognition is deferred until program expenses are incurred; when authorized VPF spend plan costs are recorded, revenues recognized equal expenses incurred. This “exact offsetting” structure is presented as the mechanism by which no incremental net revenue (and therefore no shareholder profit) is recognized due to VPF collection or spending.

2. Incrementality Controls Prevent Double Recovery and Associated Earnings

This annual incrementality showing and order management-based controls ensure VPF spending is incremental to other authorized costs, preventing double recovery that could otherwise result in additional earnings.

3. External Review Mechanisms Support Compliance Assurance

Finally, pursuant to Commission directives, PG&E has contracted an independent audit for the incremental showing and attached with a review of the relevant controls. In addition, all relevant key controls are subject to ICFR assessment and external auditor review.

D. No Increase in Earnings Per Share

Pub. Util. Code § 712.8(s)(2) prohibits PG&E (and its affiliates or holding company) from increasing existing public earnings per share (“EPS”) guidance as a result of VPF compensation. PG&E’s controls address this requirement by preventing VPF activity from producing incremental net income and by segregating VPF spend plan activity as non-earnings impacting within its internal order management and reporting processes.

1. No Incremental Income Implies No EPS Impact

As described above, by not recognizing additional income—because revenues recognized equal expenses incurred under the VPF Subaccount structure—EPS guidance should not be impacted by VPFs.

2. Order Management Separation of Earnings Vs. Non Earnings Items

PG&E's order management process separates items expected to impact earnings from those treated as "non earnings impacting expense," and identifies VPF recovered orders as expense only, pass through items recovered dollar for dollar without a rate of return and excluded from materials providing EPS guidance.

3. Commission Directed Reporting and Officer Attestations Reinforce the Prohibition

PG&E's compliance framework also aligns to Commission direction that filings include a CFO declaration/attestation addressing shareholder prohibitions, including that neither PG&E nor its affiliates/holding company increased public EPS guidance as a result of VPF compensation.

Appendix A-1

Chief Financial Officer Declaration 2025 Volumetric Performance Fee Expenditures

I, the undersigned, say:

I am the Chief Financial Officer of Pacific Gas and Electric Company, a corporation, and am authorized to make this declaration for and on behalf of said Corporation.

This declaration is submitted pursuant to Decision (D.) 23-12-036 in connection with the 2025 VPF expenditures, as approved in D.24-12-033.

Based upon my review of the 2025 VPF expenditures and PG&E's financial records, including the Diablo Canyon Extended Operations Balancing Account (DCEOBA), I declare:

- None of the funds collected pursuant to Section 712.8(f)(5) were paid out to shareholders.
- None of the funds collected pursuant to Section 712.8(f)(5) earned a rate of return for PG&E.
- No profit was realized by PG&E's shareholders through the expenditures of funds collected pursuant to Section 712.8(f)(5).
- Neither PG&E nor any of its affiliates or holding company increased public earning per share guidance as a result of compensation provided under Section 712.8.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge. This attestation is made to the best of my knowledge as of the date of signing.

Executed on March 27, 2026, at Oakland, California.

By: /s/ Stephanie Williams
Stephanie Williams
Controller, Utility CFO

PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT B

PROPOSED RATE INCREASE

Table 1
Pacific Gas and Electric Company
Illustrative Electric Revenue Increase and Class Average Rates
January - December 2027

Line No.	<u>Customer Class</u>	Proposed Revenue Increase (000's)	Present Rates (\$/kWh)	Proposed Rates (\$/kWh)	Percentage Change	Line No.
Bundled Service*						
1	Residential	\$ 11,240	\$ 0.32341	\$ 0.32450	0.3%	1
2	Small Commercial	\$ 3,306	\$ 0.40532	\$ 0.40687	0.4%	2
3	Medium Commercial	\$ 2,904	\$ 0.35462	\$ 0.35603	0.4%	3
4	Large Commercial	\$ 4,638	\$ 0.31167	\$ 0.31308	0.4%	4
5	Streetlights	\$ 97	\$ 0.43017	\$ 0.43130	0.3%	5
6	Standby	\$ 622	\$ 0.15016	\$ 0.15154	0.9%	6
7	Agriculture	\$ 5,653	\$ 0.38335	\$ 0.38488	0.4%	7
8	Industrial	\$ 3,118	\$ 0.21616	\$ 0.21731	0.5%	8
9	Total	\$ 31,578	\$ 0.32597	\$ 0.32725	0.4%	9
Direct Access and Community Choice Aggregation Service**						
10	Residential	\$ 26,895	\$ 0.28161	\$ 0.28327	0.6%	10
11	Small Commercial	\$ 8,049	\$ 0.32441	\$ 0.32597	0.5%	11
12	Medium Commercial	\$ 6,856	\$ 0.26081	\$ 0.26221	0.5%	12
13	Large Commercial	\$ 15,719	\$ 0.21439	\$ 0.21580	0.7%	13
14	Streetlights	\$ 173	\$ 0.32345	\$ 0.32458	0.3%	14
15	Standby	\$ 146	\$ 0.15675	\$ 0.15813	0.9%	15
16	Agriculture	\$ 2,441	\$ 0.27213	\$ 0.27369	0.6%	16
17	Industrial	\$ 12,993	\$ 0.13719	\$ 0.13834	0.8%	17
18	Total	\$ 73,272	\$ 0.23639	\$ 0.23784	0.6%	18
Departing Load***						
19	Residential	\$ 6			0.8%	19
20	Small Commercial	\$ 16			3.1%	20
21	Medium Commercial	\$ 101			4.0%	21
22	Large Commercial	\$ 145			4.7%	22
23	Streetlights	\$ -			0.0%	23
24	Standby	\$ -			0.0%	24
25	Agriculture	\$ 44			4.7%	25
26	Industrial	\$ 1,789			4.3%	26

* Customers who receive electric generation as well as transmission and distribution service from PG&E.

** Customers who purchase energy from non-PG&E suppliers.

*** Customers who purchase their electricity from a non-utility supplier and receive transmission and distribution service from a publicly owned utility or municipality. A rate comparison cannot be provided for Departed Load as the applicable rates vary by specific departed load customer categories and any average rate that could be derived, would not be representative of any particular departed load category.

PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT C

SERVICE LIST TO CITY, COUNTY AND STATE

SERVICE OF NOTICE OF APPLICATION

In accordance with Rule 3.2(b), Applicant will mail a notice to the following, stating in general terms its proposed change in rates.

State of California

To the Attorney General and the Department of General Services.

State of California
Office of Attorney General
1300 I St Ste 1101
Sacramento, CA 95814

and

Director of General Services
State of California
707 3rd St
West Sacramento, CA 95605

Counties

To the County Counsel or District Attorney and the County Clerk in the following counties:

- | | | |
|--------------|-----------------|-------------|
| Alameda | Mariposa | Santa Clara |
| Alpine | Mendocino | Santa Cruz |
| Amador | Merced | Shasta |
| Butte | Modoc | Sierra |
| Calaveras | Monterey | Siskiyou |
| Colusa | Napa | Solano |
| Contra Costa | Nevada | Sonoma |
| El Dorado | Placer | Stanislaus |
| Fresno | Plumas | Sutter |
| Glenn | Sacramento | Tehama |
| Humboldt | San Benito | Trinity |
| Kern | San Bernardino | Tulare |
| Kings | San Francisco | Tuolumne |
| Lake | San Joaquin | Yolo |
| Lassen | San Luis Obispo | Yuba |
| Madera | San Mateo | |
| Marin | Santa Barbara | |

Municipal Corporations

To the City Attorney and the City Clerk of the following municipal corporations:

Alameda	Colusa	Hanford
Albany	Concord	Hayward
Amador City	Corcoran	Healdsburg
American Canyon	Corning	Hercules
Anderson	Corte Madera	Hillsborough
Angels Camp	Cotati	Hollister
Antioch	Cupertino	Hughson
Arcata	Daly City	Huron
Arroyo Grande	Danville	Ione
Arvin	Davis	Isleton
Atascadero	Del Rey Oakes	Jackson
Atherton	Dinuba	Kerman
Atwater	Dixon	King City
Auburn	Dos Palos	Kingsburg
Avenal	Dublin	Lafayette
Bakersfield	East Palo Alto	Lakeport
Barstow	El Cerrito	Larkspur
Belmont	Elk Grove	Lathrop
Belvedere	Emeryville	Lemoore
Benicia	Escalon	Lincoln
Berkeley	Eureka	Live Oak
Biggs	Fairfax	Livermore
Blue Lake	Fairfield	Livingston
Brentwood	Ferndale	Lodi
Brisbane	Firebaugh	Lompoc
Buellton	Folsom	Loomis
Burlingame	Fort Bragg	Los Altos
Calistoga	Fortuna	Los Altos Hills
Campbell	Foster City	Los Banos
Capitola	Fowler	Los Gatos
Carmel	Fremont	Madera
Ceres	Fresno	Manteca
Chico	Galt	Maricopa
Chowchilla	Gilroy	Marina
Citrus Heights	Gonzales	Mariposa
Clayton	Grass Valley	Martinez
Clearlake	Greenfield	Marysville
Cloverdale	Gridley	McFarland
Clovis	Grover Beach	Mendota
Coalinga	Guadalupe	Menlo Park
Colfax	Gustine	Merced
Colma	Half Moon Bay	Mill Valley

Millbrae
Milpitas
Modesto
Monte Sereno
Monterey
Moraga
Morgan Hill
Morro Bay
Mountain View
Napa
Newark
Nevada City
Newman
Novato
Oakdale
Oakland
Oakley
Orange Cove
Orinda
Orland
Oroville
Pacific Grove
Pacifica
Palo Alto
Paradise
Parlier
Paso Robles
Patterson
Petaluma
Piedmont
Pinole
Pismo Beach
Pittsburg
Placerville
Pleasant Hill
Pleasanton
Plymouth
Point Arena
Portola
Portola Valley
Rancho Cordova
Red Bluff
Redding
Redwood City
Reedley
Richmond

Ridgecrest
Rio Dell
Rio Vista
Ripon
Riverbank
Rocklin
Rohnert Park
Roseville
Ross
Sacramento
Saint Helena
Salinas
San Anselmo
San Bruno
San Carlos
San Francisco
San Joaquin
San Jose
San Juan Bautista
San Leandro
San Luis Obispo
San Mateo
San Pablo
San Rafael
San Ramon
Sand City
Sanger
Santa Clara
Santa Cruz
Santa Maria
Santa Rosa
Saratoga
Sausalito
Scotts Valley
Seaside
Sebastopol
Selma
Shafter
Shasta Lake
Soledad
Solvang
Sonoma
Sonora
South San Francisco
Stockton
Suisun City

Sunnyvale
Sutter Creek
Taft
Tehama
Tiburon
Tracy
Trinidad
Turlock
Ukiah
Union City
Vacaville
Vallejo
Victorville
Walnut Creek
Wasco
Waterford
Watsonville
West Sacramento
Wheatland
Williams
Willits
Willows
Windsor
Winters
Woodland
Woodside
Yountville
Yuba City

VERIFICATION

I, the undersigned, say:

I am an officer of Pacific Gas and Electric Company, a corporation, and am authorized, pursuant to Rule 2.1 and Rule 1.11 of the Rules of Practice and Procedure of the Commission, to make this Verification for and on behalf of said Corporation, and I make this Verification for that reason. I have read the foregoing Application, and I am informed and believe that the matters therein concerning Pacific Gas and Electric Company are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed on 03/27/2026, at San Luis Obispo, California.

By: /s/ Blair Jones
Blair Jones
Vice President, Business & Technical Services