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FILED
04/16/26
03:41 PM
A2306008

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Recovery of Recorded Expenditures Related to Wildfire Mitigation and Gas Safety. (U39M)	Application 23-06-008

ASSIGNED COMMISSIONER'S AMENDED SCOPING MEMO AND RULING

The Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) issued on November 1, 2023, set forth the category, issues to be addressed, need for hearings, and schedule for this proceeding. This Amended Scoping Memo and Ruling (Amended Scoping Memo) amends the scope to remove the specific revenue requirement dollar amount from the list of scoped issues, thereby allowing broader consideration of the estimated revenue requirements associated with approved costs in this proceeding.

Additionally, this Amended Scoping Memo grants Pacific Gas and Electric Company's (PG&E's) February 2, 2026, motion to reopen the record to admit additional testimony on the revenue requirements associated with PG&E's recorded costs incurred between 2020-2022 (Motion to Reopen). The procedural schedule is revised and requires parties to meet and confer on the need for additional testimony and hearings in light of the newly admitted evidence. Parties shall file a status report on the results of the meet and confer on or before May 13, 2026.

No other changes are made to the prior determinations regarding hearings on other issues or any other matter already established in the Scoping Memo.

1. Background

PG&E filed Application (A.) 23-06-008 on June 15, 2023, seeking approval and recovery of costs spent in two broad categories:

a. Wildfire safety work performed during the years 2020-2022; and

b. Gas safety and electric modernization work performed primarily in 2022 (Application).

1.1. PG&E Request for Spending Approval

Regarding the wildfire safety work, PG&E sought approval of $726 million in operational expenses and $1,543 million in capital expenditures.[1] Regarding the gas safety and electric modernization work, PG&E seeks approval of $116 million in operational expenses and $118 million in capital expenditures.[2]

PG&E converted the wildfire safety costs to a revenue requirement of $570 million, the sum of the revenue requirement estimated each year for 2020, 2021,

[1] PG&E recorded spending for its wildfire safety work in the Wildfire Mitigation Plan Memorandum Account (WMPMA) and Fire Risk Mitigation Memorandum Account (FRMMA) accounts. Since filing its Application, PG&E revised the amount of wildfire safety costs requested for approval to $722 million in operational expenses and $1,523 million in capital expenditures. (Exhibit PGE-01 at 1-13).

[2] PG&E recorded spending for its gas safety and electric modernization work in 2022 (unless otherwise noted) in the following cost tracking accounts: In Line Inspection Memorandum Account (ILIMA); Internal Corrosion Direct Assessment Memorandum Account (ICDAMA); Gas Statutes, Regulations, & Rules Memorandum Account (GSRRMA); Transmission Integrity Management Program Memorandum Account (TIMPMA); Measurement & Control Station Over Pressure Protection Memorandum Account (MCOPPMA); Critical Documents Program Memorandum Account (CDPMA); Gas Storage Balancing Account (GSBA); Line 407 Memorandum Account (L407MA); Dairy Biomethane Pilots Memorandum Account (DBPMA) 2017–2022; Distribution Resources Plan Tools Memorandum Account (DRPTMA); Avoided Cost Calculator Uptake Memorandum Account (ACCUMA); Distributed Energy Resources Distribution Deferral Account (DERDDA) 2019-2022; and AB841 Transportation Electrification Memorandum Account (AB841MA) 2021-2022. (Exhibit PGE-02 at 1-4).

and 2022.[3] Also, PG&E converted the gas safety and electric modernization costs to a revenue requirement of $118 million, the sum of the revenue requirement estimate each year 2020-2026 for some of the accounts, plus the sum of the revenue requirement estimate each year 2020-2022 for the remaining gas safety and electric modernization accounts.[4] The conversion of approved costs to revenue requirement requires an annual calculation in the overall context of the utility's operations, as cost recovery of capital spending occurs over many years (the life of the asset).

2. PG&E Motion to Address Revenue Requirement for Additional Years

This proceeding was submitted on June 16, 2025, upon the filing of reply briefs in Track 2 of this proceeding.

On February 2, 2026, PG&E filed a Motion to Reopen for the limited purpose of updating the estimated revenue requirements associated with requested costs in this proceeding. Specifically, PG&E's Motion to Reopen asks the Commission to:

1. Reopen the record of A.23-06-008, pursuant to Rule 13.15(b);
2. Admit evidence updating PG&E's estimated revenue requirement; and
3. Pursuant to Rule 11.1 of the Commission's Rules of Practice and Procedure, allow PG&E to submit final revenue requirements by advice letter after the final decisions issue in this proceeding.

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[3] The accounts included in PG&E's revenue requirement for each year 2020-2026 are the GSRRMA, DRPMA, and AB841MA. *See* Scoping Memo and Ruling at 1-2. *Also see* PG&E Motion for Interim Relief at 16 (Table 5); PG&E Motion to Reopen the Record dated February 2, 2026 at Attachment A, WP-2.

[4] *Ibid.*

PG&E seeks a forum in which to recover the 2023-2030 capital-related revenue requirement that flows from the costs at issue in this proceeding, and asks the Commission to remedy the situation. The table below lists all accounts in this proceeding with capital spending, and therefore at issue in PG&E's Motion.

A.23-06-008 CAPITAL RELATED REVENUE REQUIREMENT

Estimation[5] as of February 2, 2026, Dollars in Thousands

ACCOUNT (YEARS COSTS INCURRED)	CAPITAL EXPENDITURE	ANNUAL REVENUE REQUIREMENT CORRESPONDING TO CAPITAL EXPENDITURE							
		2020	2021	2022	2023	2024	2025	2026	2027-2030
WMPMA & FRMMA (2020-2022)	$1,533,954	-$57,345	-$76,571	$17,207	--	--	--	--	(expected to be included in PG&E 2027 GRC)
GSRRMA (2022)	$1,008	n/a	n/a	$9,721	$46	$241	$225	$231	
MCOPPMA (2022)	$13,984	n/a	n/a	$849	---	---	---	---	
L407MA (2022)	$160	n/a	n/a	$9	--	--	--	--	
DBPMA (2019-2022)	$3,020	$1	$333	$344	$349	$358	$342	$330	
DRPTMA (2022)	$2,896	n/a	n/a	$4,814	---	---	---	---	
AB841MA (2021-2022)	$4,156	n/a	$0	$7	$486	$559	$556	$540	

The years in which capital-related revenue requirements are stranded are indicated in the table above by a missing dollar value (and shaded in gray).[6]

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[5] Calculations of revenue requirement are estimates until the dates of collection are confirmed. Until then, the revenue requirement estimate will change depending on the timing. An example of how revenue requirement estimates change over time can be seen by comparing PG&E's revenue requirement estimate at the time of its June 15, 2023 Motion for Interim Relief at Tables 2, 4 and 6, to the estimate in its Motion to Reopen at Attachment A.

[6] Originally, PG&E placed its 2023-2026 revenue requirement for the WMPMA, FRMMA, MCOPPMA, L407MA, and DRPTMA in PG&E's 2023 General Rate Case (GRC), A.21-06-021. (D.23-11-069 at 771-774).

PG&E explains how certain years became stranded. When the Commission approved PG&E's 2023 GRC, the Commission found that PG&E had prematurely included the 2023-2026 revenue requirement for those accounts and directed PG&E to request the associated revenue requirement only after the Commission approved an underlying cost amount.[7] PG&E states it had expected that the revenue requirement beginning in 2027 would be included in its 2027 GRC application but, because A.23-06-008 has yet to conclude, PG&E is left with no forum in which to request 2027-2030 revenue requirements associated with all the accounts under review in this Application.[8]

Once the Commission determines whether, and if so at what level, to approve PG&E's recorded costs at issue in this proceeding, the Commission will need to find a forum in which to address the revenue requirement that PG&E omitted from A.23-06-008.

Cal Advocates opposes PG&E's Motion to Reopen, arguing that consideration of the revenue requirement beyond the years identified and scoped in A.23-06-008 constitutes a new issue, and thus would impermissibly expand the scope of the issues, violate Commission rules, and be prejudicial to parties.[9] Cal Advocates asserts that PG&E's request is untimely because it could have raised this issue while the record was open, but did not. Cal Advocates further asserts PG&E's tardiness in raising the issue of stranded revenue requirements for some of the accounts 2023-2026 and all the accounts 2027-2030 calls into

[7] *Ibid.*, Conclusion of Law 310, 312.

[8] TURN response dated December 2, 2025 to PG&E's motion at 1-2.

[9] Cal Advocates Response to PG&E Motion to Reopen the Record to Admit Revenue Requirements for 2023-2030.

question whether PG&E should forfeit its right to collect interest on the revenue requirement for the stranded years.

Rule 13.15(b) states a petitioner must justify its request to reopen the record with specific facts and an explanation as to why such evidence was not previously adduced. PG&E's explanation that upon filing its 2027 GRC it recognized the need to find a forum for the stranded costs is adequate; further, it could not have anticipated at the time it filed the GRC that there would be delay in this application. Most persuasive is PG&E's argument that there is no need for a more comprehensive review of the evidence admitted.[10] The revenue requirement calculations flow directly from the underlying costs under review in this Application, and would be implemented in the normal course in PG&E's GRC compliance process. Because the GRC does not include the costs that flow directly from the accounts at issue in this proceeding, it is appropriate to amend the scope to include them here. Further, the decision in this proceeding will specify which, if any, costs PG&E is entitled to recover, and therefore the costs that flow automatically from that recovery for later years are appropriately considered in this proceeding. The final calculations are checked through the advice letter process because the final calculations depend upon the final approved amount and the timing of the approval.

As noted by PG&E and TURN, there are limited forums within which PG&E may seek authorization to recover the 2023-2030 capital-related revenue requirements associated with the recorded capital expenditures being considered and addressed in this proceeding. Moreover, there is precedent for considering the associated revenue requirements in this proceeding, rather than in a new

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[10] PG&E Motion to Reopen at 7.

proceeding.[11] Admitting PG&E's evidence on the calculation of revenue requirements for additional years here and now is the most efficient procedural mechanism for all parties even with an allowance to add more testimony and hearings into the schedule if merited. Specifically, we determine it reasonable to admit PG&E's estimate associated with 2023-2026 revenue requirements for the subset of accounts not yet addressed in the application, and the estimate associated with the 2027-2030 revenue requirement for all the accounts in this application.

For its part, Cal Advocates acknowledges that an amended scope would provide parties adequate notice of the specified issues on the table. Cal Advocates argues that inclusion of additional years of revenue requirement in the scope also:

> requires all parties be given a reasonable opportunity to conduct additional discovery, review new evidence, participate in hearings, submit testimony, submit briefs, and take other similar steps-in order to exercise the "ability to advocate effectively for their position," as required by *Golden State Water Co. v. Public Utilities Commission.*[12]

PG&E's request to reopen the record in this proceeding for the limited purpose of updating the record with capital revenue requirements for the period 2023-2030 is therefore granted.

3. Amended Scoping Memo

Issues 1 and 2 in the November 1, 2023 Scoping Memo are revised only to omit the specific dollar amounts of the revenue requirement, as follows:

1. Whether the Commission should grant PG&E's request to recover the revenue requirement for associated costs recorded in the WMPMA and FRMMA;

[11] *See* D.26-01-021 at 141-145.
[12] Cal Advocates Response to PG&E Motion to Reopen at 4.

(the remaining portion of issue 1 does not change)

2. Whether the Commission should grant PG&E's request to recover the revenue requirement for associated costs recorded in the ILIMA, ICDAMA, GSRRMA, TIMPMA, MCOPPMA, CDPMA, GSBA, L407MA, DBPMA, DRPTMA, ACCUMA, DERDDA, and AB841MA; (the remaining portion of issue 2 does not change)

By removing reference to any dollar amount of revenue requirement, this Amended Scoping Memo clarifies that the revenue requirements associated with the recovery of the recorded costs reviewed in this Application are within scope, regardless of the year or time period for when the revenue requirement is set in rates to collect recovery for these costs at issue.

To ensure that parties are not prejudiced by the addition of the new record, this Amended Scoping Memo revises the proceeding schedule to allow parties an opportunity to consider the need for additional testimony and request hearings on the newly admitted record. The parties are directed to meet and confer to discuss the need for additional testimony and hearings and propose an agreed upon proceeding schedule. Parties shall file and serve a joint report of these discussions on or before May 13, 2026.

4. Admission of New Evidence

Admitting PG&E's evidence on the calculation of revenue requirements for additional years in this case is the most efficient procedural mechanism for all parties even with an allowance to add more testimony and hearings into the schedule if merited. Specifically, it is reasonable to admit PG&E's estimate associated with 2023-2026 revenue requirements for the subset of accounts not yet addressed in the application, and the estimate associated with the 2027-2030 revenue requirement for all the accounts subject to review in this application.

As required by Rule 13.15(b), PG&E attached new evidence to its Motion to Reopen.[13] This ruling marks and identifies as Exhibit PGE-23 the table labeled *Annual Interest Estimation based on 2023-2030 Revenue Requirement Estimation*. This ruling also marks and identifies as Exhibit PGE-24 the tables labeled *WGSC 2023-2030 Capital Related Revenue Requirement Estimation Excluding Interest* and all supporting workpapers labeled *Revenue Requirements Estimation Model showing the Results of Operations Calculations*. Exhibit PG&E-23 and Exhibit PG&E-24 are hereby admitted into evidence.

5. Need for Evidentiary Hearing

It is premature to include evidentiary hearings on the new evidence. After the parties meet and confer, parties may address the need for evidentiary hearings in their joint report and file a corresponding motion for evidentiary hearing, if needed.

6. Schedule

The following schedule for the remainder of the proceeding is adopted here and may be modified by the Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the application:

EVENT	DATE
Meet and Confer Regarding the Admission of Additional Record	On or before May 12, 2026
Joint Status Report, filed and if necessary, Motion for Evidentiary Hearings With Proposed Schedule	On or before May 13, 2026
Testimony, Evidentiary Hearings, Briefs on Additional Record	TBD
Proposed Decisions	*[no later than 90 days after submission]*

[13] PG&E Motion to Reopen at Attachment A.

Revisions to this schedule may be adopted in a future ruling issued by the assigned Commissioner or ALJ. Phase 2 of this proceeding will stand submitted upon the filing of final comments required in future rulings.

IT IS RULED that:

1. Pacific Gas and Electric Company's February 2, 2026 motion to reopen the record to admit additional testimony on the revenue requirements for 2023-2030 is granted.
2. The record of this proceeding is reopened.
3. Amendments to the scope of this proceeding are described above and are adopted.
4. Amendments to the schedule of this proceeding are set forth above and are adopted.
5. The documents in PG&E's Attachment A to its Motion to Reopen, filed on February 2, 2026, are identified as Exhibit PGE-23 (*Annual Interest Estimation based on 2023-2030 Revenue Requirement Estimation*) and Exhibit PGE-24 (*Capital Related Revenue Requirement Estimation Excluding Interest* and all supporting workpapers).
6. Exhibits PGE-23 and PGE-24 and are marked and identified as set forth in this ruling, and are admitted into evidence.
7. Parties shall file a joint status report on the results of an additional meet and confer on or before May 13, 2026.

This order is effective today.

Dated April 16, 2026, at San Francisco, California.

/s/ CHRISTINE HARADA
Christine Harada
Assigned Commissioner

/s/ ELAINE LAU
Elaine Lau
Administrative Law Judge

/s/ CAMILLE WATTS-ZAGHA
Camille Watts-Zagha
Administrative Law Judge