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

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2027. (U39M)

Application 25-05-009

**ADMINISTRATIVE LAW JUDGES' RULING PROVIDING QUESTIONS AND REQUIRING ADDITIONAL INFORMATION**

As discussed during the April 16, 2026 status conference in this proceeding, this ruling is issued to 1) provide the parties with a list of exhibits the Administrative Law Judges (ALJs) find necessary to complete the record or that will provide the proceeding with a more complete record, and 2) provide the applicant and other parties with the ALJs questions below in advance. The ALJs request that the parties offer the following documents into evidence:

- 1) The responses to data requests in Attachment A.
- 2) PG&E's biennial 2026 Natural Gas Leak Abatement (NGLA) Compliance Plan, setting forth NGLA compliance measures to be undertaken in 2026 and 2027.
- 3) Responses of Pacific Gas and Electric Company (PG&E) to President Reynolds' questions at the prehearing conference (PHC) in Application (A.) 26-02-005 filed on February 9, 2026;

The questions are intended to improve the planning and conduct of the evidentiary hearings. Unless noted otherwise below, a party may serve supplemental information within 10 days of the issuance of this ruling or answer

the questions directed to that party during the hearing. Unless a question is explicitly addressed to a party, it is intended for PG&E. Parties are invited to respond to any supplemental information served within 10 days of the date the supplemental questions are served. If information that may address these issues is already in the record, the parties may provide additional information that addresses this request or that adds clarifying information, and parties should reference any information from the record they use. Such supplemental testimony shall be served as exhibits and offered into evidence during the hearings.

**1. PG&E Ex-02, Chapter 2,  
Business Planning and Execution**

**1.1:** PG&E forecasts an increase of \$801 million in expense reprioritization and an increase of \$3.255 billion in capital reprioritization than previously authorized in the 2023 General Rate Case (GRC). Does cross-subsidization of expense and capital dollars ever occur after a revenue requirement is authorized? Does PG&E ensure that expense dollars are not repurposed into capital dollars during the test year and post-test years?

**1.2:** If PG&E moves dollars from expense programs into capital programs, they would earn a greater return on rate base. This could be argued to be favorable for shareholders but unfavorable for ratepayers from an affordability perspective. In a Phase 1 GRC, the Commission sets the total revenue requirement, but should the Commission address such reprioritization of work, and if so, how?

**2. PG&E Ex-03, Chapter 4,  
Asset Family – Distribution Mains & Services**

**2.1:** For Maintenance Activity Type (MAT) Code 50A, what accounts for the variability in 2022-2024 actual units of MAT 50A work conducted?

**2.2:** What accounts for the variability in 2022-2024 per unit cost for MAT 50A? See the information below:

| Year | 2022-2024 Actual Unit Costs/ft MAT 50A <sup>1</sup> |
|------|---|
| 2022 | \$1,066   |
| 2023 | \$1,793   |
| 2024 | \$795   |

- a. The recorded 2022-2024 cost per unit was lower when more MAT 50A work units were conducted; in 2027-2030, more than three times of MAT 50A work is planned relative to the 2022-2024 average work units conducted.
- i. Why is the greater number of 2027-2030 forecasted units not driving down the cost per unit of MAT 50A work?
  - ii. Why isn't the 2024 recorded per unit cost of \$795, which incorporates the most units performed in 2022-2024, not given more weight when calculating the 2027-2030 MAT 50A unit cost forecast, particularly given that it was the most recent recorded year when PG&E's 2027 GRC was filed?

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<sup>1</sup> Derived by dividing the 2022-2024 recorded costs (in 2024 dollars, row 25) by record units (feet, row 9). See Exh 3\_Ch4\_ConsolidatedWPs.xlsx, tab "WP 4-27 14A\_D\_50A".

- iii. What measures will PG&E take in 2027-2030 to avoid falling short of completing its annual forecast of 158,400 MAT 50A units in the manner if fell short relative to its 2023 GRC forecast?

| Year | Units (Feet) - Forecasted | Units (Feet) - Actual Performed | Difference (MAT 50A work not completed) | Percentage of forecasted work completed |
|------|---------------------------|---------------------------------|---|---|
| 2023 | 79,200                    | 61,759                          | 17,441                                  | 78%                                     |
| 2024 | 79,200                    | 20,416                          | 58,784                                  | 26%                                     |

- iv. What measures will PG&E take in 2027-2030 to avoid experiencing a per unit cost increase, relative to its forecast, like the one that happened in 2023 and 2024?

| Year | 2023-2024 Forecasted Unit Costs/ft MAT 50A | 2023-2024 Actual Unit Costs/ft MAT 50A2 | Difference (per unit cost increase relative to 2023 GRC forecast) | Difference as a percentage of the 2023 GRC forecast |
|------|--|---|---|---|
| 2023 | \$636                                      | \$1,793                                 | \$1,157   | +182%   |
| 2024 | \$653                                      | \$795                                   | \$142   | +22%  |

**2.3:** In the context of the MAT 50A request PG&E states “recorded data from 2020 and 2021 was not used because it did not represent normal operating conditions due to the COVID-19 pandemic.”<sup>3</sup>

| Description                     | 2022 Cost    | 2023 Cost    | 2024 Cost    |
|---------------------------------|--------------|--------------|--------------|
| Recorded Cost (nominal dollars) | \$60,888,332 | \$36,027,035 | \$51,762,756 |
| Capital Escalation to 2024 \$   | 1.0810       | 1.0163       | 1.0000       |
| Recorded Cost (2024 \$)         | \$65,818,970 | \$36,612,557 | \$51,762,756 |

- a. For 2020 and 2021, please provide the information in a.-c. below in the same fashion it was provided for 2022-2024 in the table immediately above.
- i. Recorded Costs (nominal dollars);

<sup>2</sup> Derived by dividing the 2022-2024 recorded costs (in 2024 dollars, row 25 in the screenshot) by record units (feet, row 9).

<sup>3</sup> PG&E Ex-3 at 4-40.

- ii. Capital Escalation to 2024 dollars; and
  - iii. Recorded Costs (2024 dollars).
- b. Use Exhibit 3, Chapter 4, workpapers to calculate five-year historical average (2020-2024) of costs and units for MAT 50A and escalate those amounts to 2027 dollars. Please expand Exhibit 3, chapter 4, workpaper tab “WP 4-27 14A\_D\_50A” to perform this calculation using the same methodology as was used to calculate the “3-year historical average (2022-2024) of costs and units for the program (MAT 50A) and then escalating to 2027 dollars.”<sup>4</sup> Please provide the Excel workpaper containing the requested calculation with your response.

**2.4:** Regarding MAT Codes 14A, 14D, and 50A, PG&E states: “Though the modeling performed in connection with the RAMP proceeding has assigned these programs relatively low Cost Benefit Ratios (CBRs), the pipe to be replaced has substantial risk, as identified by the industry as a whole, by experts at the CPUC, and by PG&E’s own experts. Failure to replace or retire these assets at a reasonable pace will, in the future, inevitably lead to an unacceptably high failure rate and an unacceptable risk to the public.”<sup>5</sup> Considering this statement, why did MAT 50A units of work decrease each year, from 2020 to 2023?

**3. PG&E Ex-03, Chapter 8,  
Gas Operations and Maintenance**

**3.1:** PG&E has provided two separate columns under the heading “CBR” in one of its tables.<sup>6</sup> With regards to these columns, please provide the following:

- a. Please confirm that the term “CBR” stands for cost benefit ratio.

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<sup>4</sup> PG&E Ex-3-E at 4-40.

<sup>5</sup> PG&E Ex-3 at 4-26.

<sup>6</sup> PG&E Ex-3, Table 3A-2, entitled “Foundational Activities, Controls, and Mitigations for RAMP and Non-RAMP risks.

- b. The first “CBR” column is entitled 2027 GRC, and the second column is entitled “2024 RAMP.” Please explain the discrepancies in the values between these two columns, including:
- Line number 4: In-Line Inspection
  - Line number 8-Locate and Mark-Transmission
  - Line number 9-Locate and Mark-Transmission Standby
  - Line number 10-Public Awareness
  - Line number 13-CM Gas Pipeline Values Program
  - Line number 14-Pipeline Marker Maintenance
  - Line number 15-Vegetation Management
  - Line number 16-Vegetation Manage Project
  - Line number 18-Cathodic Protection
  - Line number 19-Transmission Leak Management
  - Line number 21-Direct Assessment
  - Line number 30-Electrical Interference Program
  - Line number 39-Valve Automation
  - Line number 47-Major Event-Distribution Gas
  - Line number 49-Tee Cap Replacement Program
  - Line number 52-Distribution Leak Management
  - Line number 54-Locate and Mark-Distribution
  - Line number 62-Maintenance, Preventative, Gas Valves
  - Lines 68 through 77, 80, and 87. All of these have a CBR of 0 or 0.01 under the 2024 RAMP column, but a non-zero number in the 2027 GRC column.

**3.2:** With reference to PG&E's workpapers:<sup>7</sup>

Confirm that the 2021-2023 recorded costs did not include "New equipment maintenance" or "K7 maintenance", whereas the 2027 calculation does, if true.

- b. If confirmed, for what reasons does 2027 include "New equipment maintenance" and "K7 maintenance", while 2021-2023 does not?

**3.3:** PG&E states:

...commodities (such as compressor station oil) increased due to inflation and is much higher than the standard GRC escalation rate." It also states, "The 2027 forecast is higher than 2024 recorded due to higher cost of commodities and additional costs for the maintenance of new equipment."<sup>8</sup>

- a. Please detail the yearly cost inflation rate for station oil, and any other commodity cost, used to derive the 2.4414 factor in cell K87 of Ex 3, chapter 8, workpapers tab "WP Table 8-24 GTStatPM-CM, Exp".
- b. Please confirm that the 2.4414 factor is derived by compounding 25 percent over 4 years.
- c. If commodities inflation is not the only escalation factor reflected in the 2.4414 factor, please also detail what other types of inflation factors are embedded?
  - i. What is PG&E's rationale behind a steady rate inflation factor of 25 percent?
  - ii. Have commodity costs experienced variability over time?
  - iii. If so, does PG&E's proposed steady rate inflation factor account for variability? Why or why not?

Did the Commission approve new equipment and K7-9 maintenance? If so, identify the approval.

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<sup>7</sup> PG&E Ex-03, Workpaper 8-42.

<sup>8</sup> PG&E Ex-03 at 8-159.

**3.5:** In PG&E Ex-3, Chapter 8, please refer to MAT Code DGH.

- a. Why does PG&E use a five year average of 2020 through 2024 as its basis for forecasting this MAT Code?

PG&E was authorized to spend \$17.6 million to mitigate 132 “contacted casings” in 2023-2026, but PG&E forecasts it will mitigate 53 contacted casings in 2023-2026. PG&E explains the reason for fewer mitigations is “primarily (due) to funding being reallocated to other expense programs in and outside of this chapter.”<sup>9</sup> PG&E also explains that MAT DGH does not have a specific compliance date.<sup>10</sup>

- i. How many of the remaining shorted casings in which PG&E is not planning to clear the shorts in the 2023-2026 timeframe are in High Consequence Areas (HCAs) as the term as defined in 49 Code of Federal regulations (CFR) Part 192?
- ii. How much time is PG&E permitted to clear shorted casings according to PG&E’s gas transmission and distribution Integrity Management plans for casings located in HCAs and non-HCAs?
- iii. Does PG&E intend to complete that work by a certain date? If so, what date?

PG&E states, “(e) Estimated to need 230 electrolytically coupled GD casings needing accelerated leak survey (based on current field conditions) x 4 surveys/yr x 10% buffer.”<sup>11</sup>

- i. What is PG&E’s rationale to accelerate its leak survey with coupled GD casings?
- ii. How is that rationale consistent with PG&E’s point that MAT DGH does not have a specific compliance date?

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<sup>9</sup> PG&E Ex-3 at 8-179.

<sup>10</sup> PG&E Ex-3 at 8-180.

<sup>11</sup> PG&E Ex.-03, Chapter 8, worksheet tab “WP Table 8-20,” row 87.

**4. PG&E Ex-04, Chapter 4 Wildfire Mitigation Summary & Strategy Support**

**4.1:** Please clarify the following quote:

PG&E proposes continuing to use the [Wildfire Mitigation Balancing Account (WMBA)] to record wildfire mitigation related activities for the 2027-2030 period, including those activities described in this application, as well as any new activities or conclusion of prior activities no longer necessary in PG&E's [Wildfire Mitigation Plans (WMPs)] to the extent that PG&E does not exceed the total authorized revenue requirement for these balancing accounts.<sup>12</sup>

Are “[a]ny new activities” limited to WMP activities?

**4.2:** Is PG&E proposing recording new costs to the WMBA, such as “the costs for [wildfire mitigation information technology (WM IT)] presented in Section B.1,” Tables 21-5 and 21-6?

**5. PG&E Ex-04, Chapter 7, Wildfire System Hardening**

As reflected in PG&E's recent response to President Reynolds' questions at the prehearing conference for A.26-02-005,<sup>13</sup> PG&E began working on its ten-year Electric Ungrounding Plan (EUP) for the SB 884 program approximately two years ago,<sup>14</sup> anticipating, as it reflected in its own testimony in this proceeding,

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<sup>12</sup> PG&E Ex-04 at 4-31; bold added.

<sup>13</sup> The joint IOU Application requesting Commission approval for proposals in connection with some of the remaining cost-related mechanics in connection with the ten-year SB 884 undergrounding program.

<sup>14</sup> A.26-02-005, “Response of Pacific Gas and Electric Company (U-39-E) to President Reynolds's Questions at the Prehearing Hearing Conference,” at 1-2, April 10, 2026, stating “On March 7, 2024, the Commission adopted [SPD-15]...[and]... [i]n alignment with these guidelines, PG&E began working on an EUP even though Energy Safety had not yet issued final guidelines for Phase 1.”

that it would submit an EUP with the Office of Energy Infrastructure Safety (OEIS) in 2025, for a 2028 program start.<sup>15</sup>

While it is now April 2026, PG&E asserts it is moving quickly and expects to file an EUP in the third quarter of (Q3) 2026 with OEIS. In response to President Reynolds' questions, it stated, in relevant part:

Consistent with the approximately 20-month review timeline established by Senate Bill 884, PG&E anticipates Energy Safety and Commission approval of the EUP by the first or second quarter of 2028, enabling implementation in the 2028 program year. In practical terms, if approval occurs in [the second quarter] Q2 2028 (the EUP base year), the EUP can still be implemented in 2028, provided there is no interruption in the work pipeline or funding authority during the transition from the GRC to the EUP.<sup>16</sup>

To provide continuity of undergrounding work and avoid a gap prior to EUP approval, PG&E included one year of undergrounding funding for 2027 work in the 2027 GRC (referred to as the "Undergrounding Bridge Program"). The Bridge Program is intended to maintain progress during the interim period between proceedings and support an orderly transition to the EUP in 2028. Consistent with PG&E's 2027 GRC opening and rebuttal testimony, PG&E also proposed an annual extension process to allow undergrounding funding in the GRC to continue beyond 2027, if necessary, in the event there are significant delays in the EUP process.<sup>17</sup>

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<sup>15</sup> See A.26-02-005, "Response of Pacific Gas and Electric Company (U-39-E) to President Reynolds's Questions at the Prehearing Hearing Conference," April 10, 2026; and PG&E Ex-04 at 7-11.

<sup>16</sup> "Response of Pacific Gas and Electric Company (U-39-E) to President Reynolds's Questions at the Prehearing Hearing Conference," at 7, April 10, 2026, emphasis added.

<sup>17</sup> "Response of Pacific Gas and Electric Company (U-39-E) to President Reynolds's Questions at the Prehearing Hearing Conference" at 7, April 10, 2026, emphasis added.

PG&E has also proposed a contingency plan, or “extension process,” to be put in place to extend GRC funding *annually* until the EUP and associated funding are approved.<sup>18</sup>

Given this, parties should be prepared to address at the evidentiary hearings whether this GRC needs to, and should, include funding for some or all months in 2028 to address any potential gaps between the two processes. In addition, PG&E shall identify a witness(es) who will be available at the hearing to sponsor the response and answer the following questions, as well as any follow-up questions from the ALJs, by April 27, 2026. Parties **shall not provide** written responses to the following four wildfire undergrounding questions at this time.

**5.1:** What is PG&E’s proposed cost and cost recovery mechanism to continue funding for undergrounding activities after Test Year 2027, in the event PG&E does not receive Commission approval for an EUP prior to 2028?

**5.2:** If the Commission were to authorize any funding for undergrounding projects after 2027 in this GRC, how should the Commission condition any GRC approval for the post-test years to ensure PG&E does not obtain authorization through an EUP submitted under SB 884 to double-recover costs for undergrounding miles?

**5.3:** If the Commission were to authorize any funding for undergrounding projects after 2027 in this GRC, should this GRC apply the methodological outcomes adopted in A.26-02-005 when reviewing any costs in this GRC, and would doing so facilitate the goal of maintaining efficiencies and enhancing certainty? If the goal is facilitated, explain how. What approaches could help

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<sup>18</sup> PG&E Ex-04 at 7-25, 7-53.

ensure a consistent framework for evaluating undergrounding projects and limit the risk of parties seeking different venues to achieve different outcomes??

**5.4:** What is the evidentiary support for PG&E's proposed costs and cost recovery mechanisms in 2027 and 2028-2030? Please provide cites to specific exhibits for each year.

**For a written response:**

**5.5:** On March 13, 2025, PG&E provided 2025 recorded expenditures, including Wildfire System Hardening<sup>19</sup> capital expenditures for MAT 08W, 08X, 21#, and 3UG. Provide these 2025 recorded capital expenditures in the same format and categories as those used in Workpaper PG&E Ex-04 Vol 1, Workpaper Table 7-10 at WP 7-11.

**6. PG&E Ex-04, Chapter 10, New Business and Work at the Request of Others**

**6.1:** For Major Work Category (MWC) 16, PG&E requests \$1.212 billion for 2027, a 4.1 percent decrease over 2024.<sup>20</sup> PG&E also requests authorization for a new two-way balancing account, the New Business Balancing Account (NBBA), to track MWC 16 expenditures.<sup>21</sup> If the NBBA is denied, PG&E requests \$2.172 billion for 2027, a 70.6 percent increase over 2024.<sup>22</sup>

According to PG&E,

The main program driving the increase in the 2027 capital forecast is [MWC 16,] primarily driven by a 4.5 times increase in non-residential plug-in electric vehicle (PEV, or Rule 29)

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<sup>19</sup> PG&E Ex-04-E2.

<sup>20</sup> PG&E Ex-04-E2, Table 10-2.

<sup>21</sup> PG&E Ex-04 at 10-2.

<sup>22</sup> PG&E Ex-04-E2, Table 10-15.

demand, and a 2.3 times increase in residential PEV demand from 2024 recorded to the 2027 forecast.<sup>23</sup>

PG&E stated that non-residential PEV forecast uses data from the California Energy Commission, including its dashboard that tracks EV charger deployment as well as its Electric Vehicle Charging Infrastructure Assessment (Assembly Bill [AB] 2127 Assessment) to ascertain the number of EV chargers needed to serve load in 2030.<sup>24</sup>

PG&E also stated,

The forecast for PEV Residential Connects was developed using a 2-year historical average (2023-2024) to calculate application growth rate, less the 2020-2022 historical average cancellation rate, adjusted for customer request for timing, and multiplied by a unit cost derived by resource type. PG&E used a 2-year historical average to determine the growth rate because including years prior to 2022 results in a growth rate that PG&E believes is not realistic due to negligible recorded actuals. Using a 2-year average produces a growth rate that PG&E believes is more representative for the forecast development.<sup>25</sup>

- a. Has PG&E revised its non-residential and residential PEV forecasts since May 2025?
- b. If so, what new information does PG&E use, and what new assumptions does PG&E make regarding EV charger deployment?
- c. If not, does PG&E plan to revise its PEV forecasts before the evidentiary record is closed?

**6.2:** PG&E argues that the Commission should authorize the NBBA for various reasons,<sup>26</sup> including: (1) New Business work is customer-driven and must be done; (2) PG&E has no control over the volume or complexity of work

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<sup>23</sup> PG&E Ex-04-E2 at 10-5.

<sup>24</sup> PG&E Ex-04 at 10-23.

<sup>25</sup> PG&E Ex-04 at 10-23.

<sup>26</sup> PG&E Ex-04 at 10-49 to 10-50.

requested by customers, and (3) forecasting New Business work is difficult due to a historically nonlinear increase in demand.

- a. PG&E previously provided forecasts for New Business in GRCs. What, if anything, has changed to make PG&E believe that forecasting is now too difficult?
- b. Public Utilities Code (Pub. Util Code) Section 936 directs the utilities to adopt and implement plans to ensure distribution planning efforts account for more uncertain load forecasts. How has PG&E incorporated the legislative guidance and actions taken to implement these requirements in D.24-09-020 and D.24-10-030, which established energization time periods and distribution planning improvements pursuant to Section 936?
- c. What steps has PG&E taken since approval of the Electric Capacity and New Business Interim Memorandum Account (ECNBIMA) in D.24-07-008 and D.25-08-036, pursuant to Pub. Util Code Section 937, to improve its New Business forecasting efforts?
- d. What learnings from PG&E's third-party auditor, contracted pursuant to Pub. Util Code Section 938, has PG&E utilized for its current GRC forecasts? If no learnings were incorporated in the current forecast, does PG&E anticipate submitting an updated forecast that incorporates lessons learned from its third-party auditor's analysis of its energization practices and costs recorded in the ECNBIMA?

**6.3:** PG&E states,

To develop the cost forecast, PG&E's model takes into consideration the category of estimated construction hours and the resource type (internal or external labor). First, PG&E assumes that 9,500 forecast units can be completed by internal labor each forecast year. The 9,500 internal units are allocated across the estimated construction hours categories based on 3-year historical data on labor ratios for units of the same estimated construction hours...

Second, PG&E calculates the residual units that will need to be constructed using external labor. PG&E allocates the residual units by estimated construction hours using 3-year historical data on labor ratios...Based on this data, the model generally results in more external labor assigned to larger units. The external labor units allocated to each estimated construction hour category are multiplied by the 2024 recorded unit cost for external labor in that estimated construction hour category to derive the cost forecast for external labor units.<sup>27</sup> The 2024 recorded unit costs were utilized because they are the most representative of current costs and the increase in volumes of energizations needed to meet customer demand. Lastly, the internal and external cost forecasts are summed to develop the 2027 total cost forecast.<sup>28</sup>

- a. When developing the internal and external labor forecasts for Base Connects, did PG&E make the forecasts to accommodate an adequately sized and qualified workforce in a fashion that comports with the requirements provided by Pub. Util. Code Sections 933 and 935?
- b. Please provide any necessary context and explanation in support of this answer.
- c. What is PG&E's rationale for assuming it will complete 9,500 forecast units by internal labor each forecast year?

**6.4:** PG&E states:

The forecast for PEV Residential Connects was developed using a 2-year historical average (2023-2024) to calculate application growth rate, less the 2020-2022 historical average cancellation rate, adjusted for customer request for timing, and multiplied by a unit cost derived by resource type. PG&E used a 2-year historical average to determine the growth rate because including years prior to 2022 results in a growth rate that PG&E believes is not realistic due to

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<sup>27</sup> PG&E Ex PG&E-4, Workpaper 10-32 to 10-34.

<sup>28</sup> PG&E Ex-04 at 10-18 and 10-19, Table 10-6.

negligible recorded actuals. Using a 2-year average produces a growth rate that PG&E believes is more representative for the forecast development.<sup>29</sup>

- a. With regards to the PEV Residential Connects forecasts, provide the recorded data from 2017 to 2024.
- b. Explain why the data from 2020 to 2022 is less representative than the 2023-2024 historical average for the forecast development.
- c. Does the data from 2017 to 2024 show any patterns or trends? If so, what are they?
- d. What are PG&E's concerns, if any, with using recorded data from before 2020 as well as 2023 and 2024 in order to make this forecast?

**6.5:** PG&E states:

Unlike the Base Connects and PEV Residential forecasts, the PEV Non-Residential uses data from CEC, including its dashboard that tracks EV charger deployment as well as its Electric Vehicle Charging Infrastructure Assessment ... to ascertain the number of EV chargers needed to serve load in 2030.<sup>30</sup> Using these datasets, PG&E determined the compounded annual growth rates of L2 and DCFC EV chargers needed to meet demand. PG&E then used these growth rates to forecast the units of work between 2027 and 2030. This forecast accounts for the sunseting of PG&E's SB 350 EV Fleet program, such that customers who would have sought energization through this program would now take service under Rule 15 and/or Rule 16, or Rule 29. PG&E applies the "current trend" of

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<sup>29</sup> PG&E Ex-04-E at 10-24.

<sup>30</sup> The AB 2127 Assessment explores alternative models (including the "Gas Station" scenario) to EV home charging to inform what is needed for future charging infrastructure. PG&E uses the Gas Station scenario, which assumes more DCFC chargers and fewer L2 chargers will be deployed.

incoming applications to forecast the split of units between Rule 15/16 and Rule 29 across 2027 through 2030.<sup>31</sup>

- a. Provide PG&E's actual data on an annual basis for PEV Non-Residential for the same years that PG&E uses from the California Energy Commission (CEC) in this passage.
- b. What is PG&E's reason for using CEC's AB 2127 Assessment data instead of PG&E's own actual data?
- c. What concerns, if any, does PG&E have with using PG&E's own actual data instead of CEC's AB 2127 Assessment data?

**7. PG&E Ex-07, Chapter 1, Enterprise Health & Safety**

PG&E requests \$99.000 million in capital for the expansion of PG&E Academy in 2027-2030.<sup>32</sup> PG&E states that the expenditures are needed for the expansion of learning facilities to "continue the delivery of state-of-the-art safety training and to accommodate the growing number training personnel, students, and courses provided."<sup>33</sup>

**7.1:** PG&E stated that in the past there have been costs associated with having to rent/utilize outside space due to a lack of training space in Livermore. PG&E shall provide a table that summarizes these costs for each year from 2020 to 2025.

**7.2:** Provide a narrative account of alternatives PG&E has considered to expansion of the PG&E Academy learning facilities. If PG&E has done a cost

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<sup>31</sup> PG&E Ex-04-E at 10-25.

<sup>32</sup> PG&E Ex-07, Table 1-16.

<sup>33</sup> PG&E Ex-07 at 1-2.

analysis of alternatives to learning facility expansion, provide any documents, including workpapers, used for this analysis.

**7.3:** The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) states that there are 14 other utilities that participate in the facility’s training programs.<sup>34</sup>

- a. Does PG&E pay any fees or enrollment costs to these utilities? If so, PG&E shall provide a table that summarizes these costs for each year from 2020 to 2025.
- b. Do the training programs or facilities result in revenue for PG&E?

**7.4:** PG&E shall complete the following table summarizing the number of annual PG&E Academy trainings held in each format:

| Format    | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------|------|------|------|------|------|------|
| In-person |      |      |      |      |      |      |
| Remote    |      |      |      |      |      |      |
| Hybrid    |      |      |      |      |      |      |

**8. PG&E Ex-07, Chapter 2, Transportation and Aviation Services**

The Commission denied funding for the Employee Vehicle Infrastructure Program (EVIP) and Internal Fleet Electrification (IFE) programs in the 2023 GRC.<sup>35</sup> Has PG&E’s justification and support for this program changed from the previous GRC cycle, and if so, how?

**9. PG&E Ex-09, Chapter 6, Law Organization**

PG&E forecasts \$47.6 million for settlements and judgments, and \$18.7 million for third-party claims payments in 2027.<sup>36</sup> This forecast is based on the

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<sup>34</sup> CA Ex-18 at 14, citing PG&E Ex-7, Project Summary 1-4, Workpaper 1-18.

<sup>35</sup> D.23-11-016 at 534.

<sup>36</sup> PG&E Ex-09, Figure 6-2.

average of the adjusted actual costs for the 4-year period 2021-2024, which is the same methodology that PG&E used in the 2017, 2020 and 2023 GRCs.<sup>37</sup>

**9.1:** Please provide the 4-year forecast methodology from 2021-2024 that was used for litigation, settlements, and judgments.

**9.2:** During this 4-year forecast, explain how, if relevant, settlement payments initially were handled during the period of PG&E's Chapter 11 bankruptcy. Were settlement payments on hold during that period?

**9.3:** If so, please provide the settlement payments that were removed from the recorded costs from 2021-2024.

**9.4:** Please clarify whether these settlement payments that were on hold during PG&E's Chapter 11 bankruptcy were ultimately made.

**10. PG&E Ex-09, Chapter 9,  
A&G Ratemaking Adjustments**

PG&E discusses adjustments to accounts consistent with what is permitted for certain Federal Energy Regulatory Commission (FERC) accounts and under Financial Accounting Standards Board (FASB) standards issued in 2017 for Post-Retirement Benefits Other Than Pension (PBOP).<sup>38</sup>

With regards to capitalizing certain expenses associated with construction projects, PG&E states:

Capital is recovered in time over the useful life of plant assets, while expense is typically recovered in one year. As shown in the Table in part (a) above, PG&E's proposed 2027 GRC A&G capitalization rates are higher than prior GRCs. Directionally, higher capitalization rates would reduce the Test Year and Post Test Years revenue requirements because recovery for the

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<sup>37</sup> PG&E Ex-09 at 6-13.

<sup>38</sup> PG&E Ex.-09 at 9-4 to 9-7.

capitalized portion of A&G costs is spread over many years instead of in one year.<sup>39</sup>

PG&E is instructed to provide estimates that aggregate the projected stream of earned returns for capitalized amounts over the life of the asset, and compute present values. This should be done with two or three alternative assumptions of the discount rate.

**11. PG&E Ex-10, Chapter 7,  
Electric, Gas, and Common Plant**

PG&E requests approval of capital accounting policy changes for: (1) gas transmission pipe, (2) electric distribution pole treatment, (3) electric distribution pole reinforcement, (4) long-term service agreements for Gateway and Colusa generating stations, (5) upfront prepaid IT service contracts, and (6) one-time Operation and Maintenance (O&M) expenses related to IT capital projects.<sup>40</sup> The Utility Reform Network (TURN) asserts that these changes would have impacts on PG&E's authorized revenue requirement for "not only the 2027 test year but the entire period that would be impacted under those proposals."<sup>41</sup>

PG&E calculates an "Expense to Capital Conversion Factor" of 1.33 for its proposed accounting policy changes related to information technology.<sup>42</sup> PG&E did not provide a conversion factor for the other five categories.

**11.1:** Does a similar expense-to-capital conversion relationship apply to the other proposed accounting changes? If so, would 1.33 be a reasonable estimate of such a factor?

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<sup>39</sup> PG&E Ex-21, Ch. 09 at AppA23, Answer 007.c.

<sup>40</sup> PG&E Ex-10 at 7-17, 7-23.

<sup>41</sup> TURN Ex-18 at 12.

<sup>42</sup> PG&E Ex-10, Workpaper Table 7-27.

**11.2:** For each of the six proposed capitalization policy changes identified in PG&E Ex-10, Chapter 7, Section I, estimate a similar expense to capital conversion factor based on changes in overhead rates, inclusion of Allowance for Funds Used During Construction (AFUDC), and any other relevant considerations. Provide calculations and assumptions.

**12. PG&E Ex-10, Chapter 10  
Income and Property Tax**

PG&E sought to include Corporate Alternative Minimum Tax (CAMT) into rate base in the 2023 Test Year GRC,<sup>43</sup> but the Commission denied this request in D.23-11-016.<sup>44</sup> PG&E renews its request for CAMT cost recovery in this GRC, stating that the Commission did not approve its CAMT request for 2023-2026, largely due to uncertainty surrounding the then-newly enacted tax. Now, almost 3 years later, much of the uncertainty surrounding the then-new tax has been clarified. Similar to PG&E's regular income tax or any other tax, CAMT is a government-imposed tax that is part of its cost-of-service and as such, a recoverable cost that PG&E seeks recovery for in this rate case.<sup>45</sup>

PG&E is instructed to provide the following information:

- a. Forecasted CAMT liability for all years in this GRC period;  
and
- b. A narrative account that further explains PG&E's claim that "The inclusion of CAMT into rate base, rather than into tax expense, reduces ratepayer impacts."<sup>46</sup>

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<sup>43</sup> D.23-11-016 at 740.

<sup>44</sup> D.23-11-016 at 741-742.

<sup>45</sup> PG&E Ex-10 at 10-3 to 10-5.

<sup>46</sup> PG&E Ex-10 at 10-5.

**13. PG&E Ex-11, Chapters 1-12  
Post Test Year Ratemaking**

**13.1:** PG&E's testimony indicates that escalation rates are based on S&P Global indices. Can you explain how those indices are applied in developing the Post Test Year Ratemaking (PTYR) escalation rates, including whether any adjustments or assumptions are incorporated?

**13.2:** PG&E states that S&P Global indices are transparent and appropriate for forecasting utility costs. Can you describe whether the specific inputs and methodologies used by PG&E are available such that other parties can independently verify the proposed escalation rates, and how that verification would occur?

**13.3:** Has PG&E evaluated whether its prior PTYR forecasts, including escalation assumptions based on S&P Global indices, aligned with actual realized outcomes and observed cost growth rates? If so, provide such evaluation.

**13.4:** PG&E proposes approximately \$200 million per year in PTYR expense reductions. Describe the basis for that estimate, including whether it is derived from a detailed analysis of specific cost reductions.

**13.5:** Has PG&E evaluated whether efficiencies exist in other cost areas beyond those reflected in the \$200 million estimate?

**13.6:** Has PG&E evaluated whether it achieved any operational efficiencies following its last GRC, including O&M cost reductions?

**13.7:** PG&E states that certain programs "do not follow typical escalation patterns" and are therefore forecast using a bottom-up approach. Describe any analysis that supports that determination?

**13.8:** PG&E states that certain programs are forecast using a bottom-up approach because they are central to affordability and risk-mitigation objectives.

Has PG&E evaluated whether applying this approach more broadly would further advance those objectives (including potential impacts on customer rates)?

If so, provide such analysis.

**14. Mussey Grade Road Alliance,  
MGRA Ex-1**

**14.1:** Should risk scaling take into account the risk attitude of ratepayers, the utility, the public-at-large (who may not be ratepayers), the Commission, or some combination? Explain your answer, giving which risk attitude you refer to and why you do so.

**14.2:** Are PG&E's ratepayers, members of the public at large, and the Commission risk-neutral? Explain your response.

Dated April 24, 2026, at San Francisco, California.

          /s/ ELIZABETH FOX            
Elizabeth Fox  
Administrative Law Judge

          /s/ DARRYL J. GRUEN            
Darryl J. Gruen  
Administrative Law Judge

          /s/ JOHN LARSEN            
John Larsen  
Administrative Law Judge