

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA

COMMISSIONER MATTHEW BAKER, in attendance

ADMINISTRATIVE LAW JUDGE ROBERT MASON, presiding

Order Instituting Investigation on the	)	PREHEARING
Commission's Own Motion to Determine	)	CONFERENCE
Whether the Elkhorn Energy Storage	)	
System has Remained Out of Service for	)	
Nine or More Consecutive Months and	)	
Whether any Expenses Associated with	)	Investigation
the Out-of-Service Plant Should be	)	26-04-008
Disallowed from Pacific Gas and	)	
Electric Company's Rates.	)	

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18
19
20
21
22
23
24
25

INDEX

PARTY STATUS GRANTED
Cal Advocates

PAGE
6

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
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24
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VIRTUAL PROCEEDING

JULY 17, 2026 - 10:05 A.M.

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ADMINISTRATIVE LAW JUDGE MASON: Let's go on
the record.

Good morning, counsel and participants. This
is the time and place for the prehearing conference in
the case of I.26-04-008, Order Instituting Investigation
on the Commission's Own Motion to Determine Whether the
Elkhorn -- that's E-l-k-h-o-r-n -- Energy Storage System
has Remained Out of Service for Nine or More Consecutive
Months and Whether any Expenses Associated with the Out
of Service Plant Should be Disallowed from Pacific Gas
and Electric Company's Rates.

My name is Robert Mason. I am the assigned
administrative law judge to this proceeding.
Participating in today's prehearing conference is
Matthew Baker, who is the assigned commissioner.

Before we get started and go over what's going
to be accomplished at today's prehearing conference and
taking appearances, I will turn the floor over to
Commissioner Baker for any opening remarks that he
wishes to make.

Commissioner Baker.

COMMISSIONER BAKER: Thank you, Judge Mason.

1 I am the assigned commissioner for this
2 investigation opened on the Commission's own motion. In
3 this investigation, we will determine whether the
4 Elkhorn Energy Storage System, or Elkhorn ESS, has
5 remained out of service for nine or more consecutive
6 months, and whether Elkhorn ESS qualifies as a
7 generation or production facility under Public Utility
8 Code 455.5. We will determine whether the Commission
9 should -- should disallow costs related to Elkhorn
10 ESS -- S from the rates of Pacific Gas and Electric
11 Company pursuant to Public Utility Code Section 455.5.

12 As for all such investigations, I will be
13 focused on public safety and ratepayer protection, while
14 seeking a just and reasonable outcome. I will be
15 following today's discussions with great interest, and
16 look -- looking forward to working with you, working
17 forward with all of you, as well as Judge Mason, on the
18 issues that are raised here in the investigation.

19 I may not be able to stay for all of today's
20 discussion, but I will stay as long as I can. I want to
21 thank the parties for their participation in today's
22 prehearing conference, and with that, I'd just like to
23 turn it back over to you, Judge Mason. Thank you.

24 ALJ MASON: All right. Thank you very much,
25 Commissioner Baker.

1 I want to acknowledge that on July the 15th,
2 Wednesday, I received a -- an email from Marion Peleo on
3 behalf of Public Advocates Office that they would be
4 making an oral motion for party status at this
5 prehearing conference.

6 Counsel, you may make that motion now.

7 MS. PELEO: Thank you, your Honor. Marion
8 Peleo for the Public Advocates Office, or Cal Advocates.

9 Cal Advocates request -- requests party status
10 in this proceeding pursuant to Rule 1.4 of the
11 Commission's Rules of Practice and Procedure. Cal
12 Advocates has a statutory obligation to represent and
13 advocate on behalf of the interests of public utility
14 customers before the Commission. Cal Advocates' mission
15 is to obtain the lowest possible rate for service
16 consistent with a reliable and safe service level and
17 the state's environmental goals. Cal Advocates has an
18 interest in this proceeding because the issue the Order
19 Instituting Investigation has identified to be within
20 its anticipated scope will have an impact on the utility
21 customers that Cal Advocates represents. Cal Advocates
22 intends to, at a minimum, file briefs in Phase 1. Any
23 statutory or legal contention Cal Advocate -- Cal
24 Advocates makes shall be reasonably pertinent to the
25 scope of this proceeding and consist with its mission to

1 advocate for safe and reliable service at the lowest
2 possible rates.

3 For these reasons, Cal Advocates respectfully
4 requests party status in this investigation. Thank you.

5 ALJ MASON: Thank you, Counsel.

6 Cal Advocates' motion for party status is
7 granted.

8 (Cal Advocates was granted Party Status.)

9 ALJ MASON: And I shall say that during the
10 course of this prehearing conference, Counsel, since the
11 party status is being granted as of today, I did not get
12 a prehearing conference statement for you. I received a
13 joint prehearing conference statement from PG&E and
14 toward The Utility Reform Network. So there will be
15 instances throughout the prehearing conference where I
16 will be calling on counsel for Cal Advocates to get
17 their input on particular issues that have been
18 addressed in the joint prehearing conference statement.

19 MS. PELEO: Understood. Thank you, your Honor.

20 ALJ MASON: Yeah. That -- that's fine.

21 So at today's prehearing conference, we will
22 confirm appearances and the service list, address
23 proceeding categorization, I'll hear from the parties,
24 based on the information shared in the joint prehearing
25 conference statement that was submitted by PG&E and

1 TURN, we'll discuss the proceeding schedule, any need
2 for evidentiary hearings, either in Phase 1 or Phase 2,
3 any potential discovery issues, in particular, this
4 concern that was raised by PG&E concerning potential
5 confidentiality with respect with its partnership with
6 Tesla, and then we'll discuss any closing remarks that
7 the parties may wish to have to -- to make on the
8 record.

9 Now I will confirm who has signed up to be
10 panel speakers, and that will also be your appearance
11 today.

12 On behalf of PG&E, we have Grady Mathai-Jackson
13 and Benjamin Ellis.

14 Both of you are on this prehearing conference
15 Webex meeting call. Correct?

16 MR. MATHAI-JACKSON: Thank you, your Honor.
17 Grady Mathai-Jackson on behalf of PG&E.

18 MR. ELLIS: Yes. Good morning, your Honor.
19 Ben Ellis.

20 ALJ MASON: Thank you. And I will take the
21 appearance on behalf of TURN, Counsel Fall.

22 MS. FALL: Thank you, your Honor. A Mireille
23 Fall -- that's A space M-i-r-e-i-l-l-e, last name Fall,
24 F-a-l-l -- on behalf of The Utility Reform Network.

25 ALJ MASON: Thank you, Counsel.

1 And finally, I'll take the appearance on behalf
2 of Cal Advocates.

3 MS. PELEO: Thank you. Marion Peleo for Cal
4 Advocates, and my name is spelled M-a-r-i-o-n P-e-l-e-o.
5 Thank you.

6 ALJ MASON: All right. Thank you very much for
7 all of you and your participation. And I would suggest
8 that you all take a look at the service list to make
9 sure that you're on the list.

10 And in the case of Cal Advocates, you probably
11 aren't, since we just granted you party status, so
12 please ensure that these -- you get your name added to
13 the service list, working with the Process Office, so
14 that you are copied on all filings that are -- are
15 served and filed in this proceeding.

16 Now, in terms of proceeding categorization,
17 while this is an investigation, the Commission has
18 characterized it as ratesetting, since one of the issues
19 to be determined is whether or not certain rates should
20 or should not be disallowed by PG&E.

21 Does anyone wish to comment on the proceeding's
22 categorization as a ratesetting proceeding?

23 (No response.)

24 ALJ MASON: I'm not hearing any comment there,
25 so I take it there's no objection to that

1 categorization.

2 So we'll move on to discuss the issues in
3 scope. Now, the issues are broken down into two large
4 buckets, or phases. The first one I will categorize as
5 the legal questions, and those are if the Elkhorn Energy
6 Storage facility has remained out of service for nine or
7 more consecutive months, and if so, does it constitute a
8 generation or production facility that would bring it
9 under Public Utilities Code Section 455.4, and then the
10 other larger question under Phase 1 is whether the
11 Commission should disallow costs related to the Elkhorn
12 Energy Storage System from PG&E's rates pursuant to
13 Public Utilities Code Section 455.5, or should costs be
14 disallowed by any other statutory authorities.

15 I -- I've summarized the -- those issues for
16 Phase 1. I notice they were like broken down into four
17 categories in the joint prehearing conference statement,
18 but I -- I think I've captured the four there.

19 But, let me hear by the -- the -- the parties
20 to the extent that they think other Phase 1 issues
21 should be flagged.

22 First, let me hear from counsel for PG&E.

23 MR. MATHAI-JACKSON: Thank you, your Honor.

24 Grady Mathai-Jackson on behalf of PG&E.

25 PG&E also understood, as your Honor said, that

1 Phase 1 was intended to brief legal issues, the -- the
2 legal threshold issues in the case, such as whether
3 Section 455.5 of the Public Utilities Code applies to an
4 energy storage facility like Elkhorn, and further, as
5 your Honor said, whether or not that Section 455.5 is
6 applicable. Phase 1 would also include briefing on
7 whether rate adjustments should be made.

8 In -- in general, PG&E agrees with that scope.
9 I did want to note that because Phase 1, as it's
10 currently envisioned, consists solely of briefing in the
11 schedule set forth in the OII, it does not include the
12 development of an evidentiary record regarding whether
13 PG&E prudently constructed and operated the facility.
14 As we understand it, the -- the current schedule
15 would -- would call for development of any evidentiary
16 record in Track 2, which may also include evidentiary
17 hearings.

18 So based on this, it's PG&E's understanding
19 that the Commission's intention would be for parties to
20 provide legal briefing in Track 1 regarding whether a
21 prudence review of Elkhorn -- of the Elkhorn's outage is
22 warranted under any un- -- under any statutory basis,
23 not limited to Section 455.5; and further, my
24 understanding is that any factual review of prudence
25 that is determined by the Commission to be warranted in

1 Phase 1 would occur in Phase 2, based on the evidentiary
2 record developed there. And so PG&E would ask that that
3 understanding, if it's correct, be confirmed in -- in
4 the scoping memo.

5 Your Honor, I -- I have a -- a few other
6 comments on -- on scoping issues, generally, but I -- I
7 can hold those, if you want to focus, for now, just on
8 Phase 1. Thank you.

9 ALJ MASON: Yes. Let -- let's stay with --
10 thank you, Counsel. Let's stay with Phase 1, for now.

11 Let me hear from counsel for TURN. Do you have
12 anything you wish to add regarding what should be the
13 scope of the -- the Phase 1 issues beyond what's been
14 presented in your joint prehearing conference statement
15 and beyond what Mr. Jackson has just said, Ms. Fall?

16 MS. FALL: No. No, your Honor, I don't have
17 anything to add beyond the prehearing statement.

18 ALJ MASON: All right. Let me hear from
19 counsel for Cal Advocates.

20 Do you have any other issues that you think
21 should be part of the -- the Phase 1 of this -- this
22 proceeding?

23 MS. PELEO: No, your Honor, nothing beyond what
24 the other parties have already stated and what
25 Mr. Jack -- Mathai-Jackson has just discussed. Thank

1 you.

2 ALJ MASON: All right. Thank -- thank you, all
3 counsel.

4 And while we are looking at the first phase as
5 addressing legal questions through briefing, I -- I do
6 have a question for counsel for PG&E.

7 Has the Elkhorn Energy Storage System been out
8 of service for nine or more consecutive months?

9 MR. MATHAI-JACKSON: Your Honor, PG&E had --
10 is -- is willing to stipulate that the -- the facility
11 has been out of service for nine or -- nine or more
12 consecutive months, with that outage beginning on
13 June 2nd, the current outage beginning on June 2nd,
14 2025. And it was for that --

15 ALJ MASON: And --

16 MR. MATHAI-JACKSON: Oh, I'm sorry. Go ahead.

17 ALJ MASON: Thank you. I just wanted to get
18 that one out of the way. I just wanted to make sure
19 that we didn't have a factual dispute lurking in -- in
20 the Phase 1 of the proceeding. But, thank you for the
21 stipulation, Counsel.

22 All right. And then the Phase 2 that
23 potentially involve that factual determinations and
24 evidentiary hearings are regarding a prudency review,
25 and if -- should there be any kind of a rate adjustment

1 either under Public Utilities Code 455.4 or any other
2 provision, and what that adjustment should look like,
3 in -- in terms of disallowances from PG&E's rate case --
4 so this is where I believe, Mr. Jackson, you had some
5 additional comments you wanted to make on the record
6 with respect to what should be within the scope of
7 Phase 2. I'll let you speak first.

8 MR. MATHAI-JACKSON: Thank you, your Honor.
9 Grady Mathai-Jackson on behalf of PG&E.

10 With regard to Phase 2, PG&E requested in our
11 response to the OII that the Commission clarify that --
12 that Phase 2 appears to be contingent on the outcome of
13 Phase 1. I believe that's the design here.

14 So more generally, PG&E requests that the
15 scoping memo make clear that Phase 2 will only be needed
16 if the Commission determines in Phase 1 that a rate
17 adjustment may be warranted under these statutory
18 authorities. I believe that's the Commission's intent,
19 but just requesting a confirmation of -- of that
20 understanding.

21 ALJ MASON: All right.

22 MR. MATHAI-JACKSON: Your -- oh, I'm sorry. Go
23 ahead.

24 ALJ MASON: No. I was just going to say, all
25 right. Thank you. That -- that's something I'll --

1 I'll confirm with Commissioner Baker, and when the
2 scoping memo ruling is drafted that would be addressed.

3 MR. MATHAI-JACKSON: Thank you, your Honor.
4 May I continue with a related issue?

5 ALJ MASON: Yes, you may.

6 MR. MATHAI-JACKSON: So related to this is the
7 issue of consolidation, or potential consolidation, of
8 this investigation with PG&E's general rate case, GRC,
9 and it appears -- there appears in the original OII to
10 be a disconnect regarding this consolidation with the
11 GRC that PG&E recommends be resolved in the scoping
12 memo.

13 So, first, the OII acknowledges that the OII
14 need not necessarily be consolidated with PG&E's 2027
15 Test Year GRC proceeding. Then, however, the OII later
16 appears to assume consolidation of any needed Phase 2 of
17 the investigation with the 2027 GRC proceeding in the
18 schedule set forth in the OII.

19 PG&E would urge the Commission to reconsider
20 any con- -- any suggestion in the OII that Phase 2
21 issues must be consolidated with the 2027 GRC, and --
22 and the reason for that is -- is the advanced procedural
23 status of the 2027 PG&E GRC and the fact that any refund
24 of rates tracked in the memorandum account ordered by
25 the OII may be effectuated outside of the 2027 GRC.

1 Those -- you know, and -- and also, that there may be
2 compelling reasons not to consolidate Phase 2 -- any
3 Phase 2 of the OII with either this GRC or the next
4 instituted GRC, if the -- if the Commission determines
5 that Section 455.5 does not apply.

6 I -- I -- I wanted to emphasize in this regard
7 that Section 455.5(c) would require the Commission to --
8 and I'm quoting here -- consolidate the hearing on the
9 investigation with the next general rate proceeding
10 instituted for the corporation. And it seems a plain
11 reading of that language that -- under a plain reading
12 that the next GRC would be PG&E's -- next instituted GRC
13 would be PG&E's 2031 Test Year GRC, which is expected to
14 be filed in May 2029.

15 And so, that's -- that's in support of this
16 point that it -- it does not seem appropriate to assume,
17 as the OII might be read to do, that any Phase 2 will be
18 consolidated with the -- the current 2027 GRC.

19 ALJ MASON: All right. Mr. Jackson, I want to
20 go back to something you said about because of the
21 advanced procedural status.

22 You're referring to the advanced procedural
23 status of the current PG&E general rate case?

24 MR. MATHAI-JACKSON: Yes, your Honor, that's
25 correct. In partic- -- and, in particular, I wanted to

1 note that hearings have occurred in Phase 1 of the 2027
2 GRC, and briefing is underway. I believe reply --
3 concurrent reply briefs are going to be filed next week,
4 I -- or very soon.

5 ALJ MASON: So when is the current general --
6 PG&E general rate case contemplated to being resolved?

7 MR. MATHAI-JACKSON: Phase 1 of that rate case,
8 which establishes -- establishes revenue requirements,
9 I be -- my colleague told me this this week. I -- I
10 don't have the schedule in front of me, your Honor, but
11 I understand that the Commission intends to take the
12 matter under submission this month, and -- and issue a
13 proposed decision, I believe, in the first quarter of
14 next year.

15 ALJ MASON: Thank you. Now, is that
16 A.25-05-009? Is that the proceeding that you're
17 referring to?

18 MR. MATHAI-JACKSON: Yes, your Honor.

19 ALJ MASON: All right. I -- I can look that up
20 myself. I -- I can go on the docket and find out
21 what -- what the status of the proceeding is. So thank
22 you.

23 So let me hear from counsel for TURN. Do you
24 have anything you wish to add with respect to the scope
25 of the Phase 2 issues in this proceeding?

1 MS. FALL: Yes, your Honor. Thank you. A
2 Mireille Fall for TURN.

3 Just to confirm, the reply briefs are due in
4 A.25-05-009 on Thursday, July 23rd, and the matter will
5 be considered submitted to the Commission at that time.
6 And as far as when they plan to get out a proposed
7 decision, that could be last quarter of this year, first
8 quarter of next year, but at the Commission's
9 discretion, obviously.

10 And TURN would agree that it's late
11 procedurally to try to add Phase 2 of this proceeding to
12 the current GRC. I don't think that would work,
13 feasibly. We already have an EUP issue in timing, so I
14 think that would make matters complicated for the
15 Commission and for the intervenors.

16 ALJ MASON: I'm sorry. What was that acronym
17 you just used? You said we already have a?

18 MS. FALL: Oh, sorry, the EUP, the
19 undergrounding program, the electric undergrounding
20 program under SB 884.

21 ALJ MASON: All right. Thank you. We all like
22 to use our acronyms here.

23 MS. FALL: I'm sorry about that.

24 ALJ MASON: Not at all. Let me hear from --
25 I'm sorry.

1 Have you completed your comments, Ms. Fall?

2 MS. FALL: Yes, sir. Thank you.

3 ALJ MASON: Thank you. Let me hear from
4 counsel for Cal Advocates regarding the scope of
5 Phase 2.

6 MS. PELEO: Nothing to add on the scope of
7 Phase 2. Thank you, your Honor.

8 ALJ MASON: All right. Thank you. So as we've
9 been discussing, usually ratesetting proceedings can
10 have evidentiary hearings, but since we have this broken
11 up between the legal and the factual, I'll confer with
12 Commissioner Baker, but it does appear like the Phase 1
13 issues can be resolved through legal briefing. I know
14 the parties have provided a -- a schedule. I'll go over
15 that schedule with Commissioner Baker.

16 And both -- and before moving on, let me ask
17 counsel for Cal Advocates -- I don't know.

18 Have you seen the joint prehearing conference
19 statement?

20 MS. PELEO: I have, your Honor, and Cal
21 Advocates supports the schedule proposed by PG&E and
22 TURN.

23 ALJ MASON: All right. Thank you very much,
24 Counsel.

25 Now, I will mention that we do have a

1 settlement program here at the Commission, and that
2 ratesetting proceedings can sometimes be amenable to
3 such a program. I don't know if this is one of those
4 instances, but if the parties do think that you would
5 like to avail yourselves of the -- the Administrative
6 Law Judge Division's settlement program, please let me
7 know, and I can get you in contact with one of our
8 experienced neutrals to see if there's a way in which
9 these issues can be resolved without the need for a
10 Commission decision, either on the -- the -- the
11 Track 1 or, if we do need a Track 2, for -- for the
12 Track 2.

13 So with respect to discovery, I noticed that,
14 PG&E, you had raised the potential concern about
15 invasions of confidentiality, given the agreement
16 between PG&E and Tesla, Tesla being the entity that is
17 the service provider for the batteries. I would agree
18 with the comments made that if there are any
19 confidentiality concerns, the parties should be able to
20 address those through the execution of a non-disclosure
21 agreement. Sitting here today, I -- I can't really
22 imagine what -- what information might be needed for
23 Phase 1 that would potentially invade matters of
24 confidentiality, but to the extent that there's a
25 dispute that comes up that cannot be resolved through

1 the execution of a non-disclosure agreement, the parties
2 are instructed to reach out to me, to the extent that
3 there is some kind of a discovery dispute that we need
4 to get resolved.

5 Does anyone wish to be heard further on the
6 question of confidentiality and discovery?

7 Counsel for PG&E.

8 MR. MATHAI-JACKSON: Yes, your Honor. Thank
9 you.

10 PG&E just wants to note that we -- we are happy
11 to enter into a non-disclosure agreement with -- your
12 Honor, I'm sorry. There's an alarm going off behind me.
13 May I have 30 seconds to turn that off?

14 ALJ MASON: Yes.

15 MR. MATHAI-JACKSON: Thank you.

16 ALJ MASON: We are off record.

17 (Off the record.)

18 ALJ MASON: All right. We are back on the
19 record.

20 MR. MATHAI-JACKSON: Thank you, your Honor.

21 ALJ MASON: Go ahead, Mr. Mathai-Jackson.

22 MR. MATHAI-JACKSON: Thank you. Grady
23 Mathai-Jackson on behalf of PG&E.

24 PG&E absolutely wants to be transparent with
25 the parties to the OII and to this -- and, of course,

1 with the CPUC regarding the outage that has occurred at
2 Elkhorn. As your Honor noted, the information about the
3 outage involves Tesla equipment services and contractual
4 obligations, which are subject to confidentiality
5 provisions in the contracts that PG&E has with Tesla,
6 and under those provisions, PG&E may disclose
7 confidential information to the CPUC pursuant to a
8 formal order or discovery request following notice given
9 to Tesla.

10 And I just want to note, for purposes of
11 discovery and the process in this proceeding, that would
12 just add some extra steps, including developing
13 confidentiality declarations and providing that notice
14 to Tesla prior to disclosure. Similar processes apply
15 to the parties in the proceeding. We'll just need to
16 get an NDA in place, which we've offered to TURN
17 already. And, of course, Cal Advocates is part of the
18 Commission, and would be under the Commission's
19 confidentiality procedures.

20 The last -- the only point I wanted to make,
21 your Honor, is, to the extent we want to discuss these
22 proprietary Tesla information or confidential Tesla
23 information in hearings, I would recommend that we put
24 in place a pro -- procedure to close the hearing so that
25 it involves only parties who have executed the

1 appropriate NDAs, and to identify the scope of the
2 confidential information to be discussed at the hearing
3 as well as we can in advance, so that PG&E can give its
4 notifications to Tesla in advance of the hearing.

5 So those are the -- the main -- I think
6 we're -- we're well down the line, probably, on those
7 issues, but I did want to just raise them early, because
8 they just add some extra steps when we're dealing with
9 bilateral discovery or in hearings. Thank you, your
10 Honor.

11 ALJ MASON: All right. Thank you, Counsel.
12 Yes, it does seem to me that the question of
13 confidentiality and evidentiary hearing and test -- open
14 testimony appears to be a Phase 2 issue, rather than a
15 Phase 1 issue, and that's something that can be
16 addressed at -- at the appropriate time, and I will
17 confer with Commission Baker about putting some language
18 in the scoping memo about needing to -- potentially
19 needing to address, and how that should be addressed, if
20 we get to a Phase 2. I have presided in proceedings
21 where only parties that have signed the non-disclosure
22 agreement are allowed to participate in the hearing
23 where confidential information is going to be discussed,
24 or we go into a separate hearing room, to the extent the
25 public is listening in to the main evidentiary hearings.

1 So procedures are already in place to address that
2 potential -- potential contingency. So we will note
3 that in the scoping memo and ruling, and we will deal
4 with that if, in fact, we get to a point where
5 evidentiary hearings are needed, and the potential for
6 discussing the business arrangement between Tesla and
7 PG&E becomes necessary, and that discussion does
8 infringe upon potential confidential matters.

9 Let me hear from counsel for Cal Advocates on
10 this question of confidentiality between PG&E and Tesla
11 with respect to Phase 2 issues. I don't know if there's
12 anything you would like to add there.

13 MS. PELEO: No, your Honor. Thank you. I just
14 appreciate the -- PG&E's calling out the fact that --
15 that Cal Advocates is part of Commission staff, and will
16 not -- normally not be under an NDA. Thank you.

17 ALJ MASON: All right. Those are the points I
18 wanted to go over this morning with the parties, so I
19 will give the -- the parties an opportunity, if they
20 would like, to make any closing remarks.

21 I'll start with counsel for PG&E.

22 MR. MATHAI-JACKSON: Thank you, your Honor. If
23 I may, I had one further scoping issue to identify, and
24 I'll be very brief about it, because it is noted in
25 PG&E's response to the OII, as well.

1 But, just to be complete, there -- I think it
2 would be helpful for the Commission to confirm that it
3 intends to address issues related to replacement power
4 costs through PG&E's Energy Resource and Recovery
5 Account proceeding, the ERRA proceeding, where those
6 issues would normally be handled. I would just refer
7 you and -- and the Commission to PG&E's comments on the
8 OII initial response for -- for that issue. But, I
9 think it would be helpful to -- to confirm that is the
10 case, your Honor.

11 And other than that, your Honor, I -- I wanted
12 to make sure to acknowledge on behalf of PG&E that the
13 extended outage at Elkhorn is not an outcome that
14 anyone, especially PG&E, wants. We believe our
15 customers deserve a facility that's providing the value
16 that was expected when it was approved by the Commission
17 and constructed.

18 At the same time, as a prudent manager of the
19 facility, PG&E must take reasonable actions to ensure
20 that the facility can operate safely and reliably, and I
21 appreciate here Commissioner Baker's earlier comments
22 about the balance that needs to be struck between safety
23 and -- and ratepayer cost protections. That is a
24 balance that we're actively working to achieve here.

25 We're also -- PG&E's actively working with our

1 maintenance contractor and warranty service provider to
2 resolve the issues, with the goal to return the facility
3 to service as expeditiously as possible. PG&E
4 appreciates the opportunity, your Honor, that this
5 proceeding will provide for it to demonstrate its
6 reasonable, prudent, and safe operation of Elkhorn.
7 Thank you very much.

8 ALJ MASON: Thank you. Any further closing
9 remarks from counsel for TURN?

10 MS. FALL: Thank you, your Honor. A Mireille
11 Fall for TURN.

12 To Grady's last point, TURN would prefer that
13 rather than a confirmation that the Commission will
14 consider replacement power costs through ERRa that we
15 brief whether it should be done that way; so I do not
16 know that the parties agree that that's the appropriate
17 venue.

18 Other than that, we don't have any further
19 comments.

20 ALJ MASON: Thank you, Counsel.

21 And finally, counsel for Cal Advocates, any
22 final comments that you wish to make?

23 MS. PELEO: Nothing to add, your Honor. Thank
24 you.

25 ALJ MASON: All right. Commissioner Baker, any

1 final remarks that you wish to make?

2 COMMISSIONER BAKER: Sorry, Judge. I was
3 having some computer problems.

4 No final remarks. I -- I got a lot out of --
5 got a lot out of this -- out of this hearing. Thank
6 you.

7 ALJ MASON: All right. Thank you very much,
8 Commissioner.

9 All right. Parties, this will conclude the
10 prehearing conference. Thank you very much for your
11 attendance and for your participation.

12 As I mentioned at the beginning, I will now
13 confer with Commissioner Baker, taking these comments
14 that we've heard both orally and the comments that we
15 have received in writing, and then we will be issuing
16 the scoping memo and ruling shortly.

17 All right. Thank you very much. This
18 prehearing conference is adjourned, and we are off the
19 record.

20 (At the hour of 10:39 a.m., the Commission
21 then adjourned.)

22 * * * * *

23

24

25

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA

CERTIFICATION OF TRANSCRIPT OF PROCEEDING

I, REBEKAH L. DE ROSA, CERTIFIED SHORTHAND
REPORTER NO. 8708, IN AND FOR THE STATE OF CALIFORNIA,
DO HEREBY CERTIFY THAT THE PAGES OF THIS TRANSCRIPT
PREPARED BY ME COMPRISE A FULL, TRUE, AND CORRECT
TRANSCRIPT OF THE TESTIMONY AND PROCEEDINGS HELD IN
THIS MATTER ON JULY 17, 2026.

I FURTHER CERTIFY THAT I HAVE NO INTEREST IN THE
EVENTS OF THE MATTER OR THE OUTCOME OF THE PROCEEDING.
EXECUTED THIS JULY 20, 2026.



REBEKAH L. DE ROSA
CSR NO. 8708

1	A		
1 5:22 7:2 9:10,16,20 10:1,6,9,20 11:1,8,10, 13,21 12:20 13:13,16 16:1,7 18:12 19:11,23 22:15	A.25-05-009 16:16 17:4 A.M. 3:2 absolutely 20:24 accomplished 3:20 account 14:24 acknowledge 5:1 acknowledges 14:13 acronym 17:16 acronyms 17:22 add 11:12,17 16:24 17:11 18:6 21:12 22:8 added 8:12 additional 13:5 address 6:22 19:20 22:19 addressed 6:18 14:2 22:16,19 addressing 12:5 adjustment 12:25 13:2,17 adjustments 10:7 administrative 3:4,16 19:5 advance 22:3,4 advanced 14:22 15:21, 22 advocate 5:13,23 6:1 Advocates 5:3,8,9,12, 17,21,24 6:3,8,16 8:2,4, 10 11:19 18:4,17,21 21:17 Advocates' 5:14 6:6 agree 17:10 19:17 agreement 19:15,21 20:1,11 22:22 agrees 10:8 ahead 12:16 13:23 20:21	alarm 20:12 ALJ 4:24 6:5,9,20 7:20, 25 8:6,24 11:9,18 12:2, 15,17 13:21,24 14:5 15:19 16:5,15,19 17:16, 21,24 18:3,8,23 20:14, 16,18,21 22:11 allowed 22:22 amenable 19:2 anticipated 5:20 appearance 7:10,21 8:1 appearances 3:21 6:22 appears 13:12 14:9,16 22:14 applicable 10:6 applies 10:3 apply 15:5 21:14 assigned 3:15,18 4:1 assume 14:16 15:16 authorities 9:14 13:18 avail 19:5	briefs 5:22 16:3 17:3 bring 9:8 broken 9:3,16 18:10 buckets 9:4
2		C	
2 7:2 10:16 11:1 12:22 13:7,10,12,15 14:16,20 15:2,3,17 16:25 17:11 18:5,7 19:11,12 22:14, 20 2025 12:14 2026 3:2 2027 14:14,17,21,23,25 15:18 16:1 2029 15:14 2031 15:13 23rd 17:4 2nd 12:13		cal 5:8,9,11,14,17,21,23 6:3,6,8,16 8:2,3,10 11:19 18:4,17,20 21:17 call 7:15 10:15 calling 6:16 captured 9:18 case 3:8 8:10 10:2 13:3 14:8 15:23 16:6,7 categories 9:17 categorization 6:23 8:16,22 9:1 categorize 9:4 characterized 8:18 clarify 13:11 clear 13:15 close 21:24 closing 7:6 Code 4:8,11 9:9,13 10:3 13:1 colleague 16:9 comment 8:21,24 comments 11:6 13:5 18:1 19:18 Commission 4:8 5:14 8:17 9:11 10:25 13:11, 16 14:19 15:4,7 16:11 17:5,15 19:1,10 21:18 22:17 Commission's 3:9 4:2 5:11 10:19 13:18 17:8 21:18 commissioner 3:18, 22,24,25 4:1,25 14:1 18:12,15 Company 4:11	
3			
30 20:13			
4			
455.4 9:9 13:1 455.5 4:8,11 9:13 10:3, 5,23 15:5 455.5(c) 15:7			
8			
884 17:20			
B			
back 4:23 15:20 20:18 Baker 3:18,22,24,25 4:25 14:1 18:12,15 22:17 based 6:24 10:18 11:1 basis 10:22 batteries 19:17 beginning 12:12,13 behalf 5:3,13 7:12,17, 21,24 8:1 9:24 13:9 20:23 Ben 7:19 Benjamin 7:13 bilateral 22:9 briefing 10:6,10,20 12:5 16:2 18:13			

Company's 3:14	contracts 21:5	discussed 11:25 22:2, 23	executed 21:25
compelling 15:2	contractual 21:3	discussing 18:9	execution 19:20 20:1
completed 18:1	copied 8:14	discussion 4:20	expected 15:13
complicated 17:14	corporation 15:10	discussions 4:15	Expenses 3:12
con- 14:20	correct 7:15 11:3 15:25	dispute 12:19 19:25 20:3	experienced 19:8
concern 7:4 19:14	costs 4:9 9:11,13	Division's 19:6	extent 9:20 19:24 20:2 21:21 22:24
concerns 19:19	counsel 3:6 5:6 6:5,10, 16 7:21,25 9:22 11:10, 11,19 12:3,6,21 16:23 18:4,17,24 20:7 22:11	docket 16:20	extra 21:12 22:8
concurrent 16:3		drafted 14:2	
confer 18:11 22:17	CPUC 21:1,7	due 17:3	F
conference 3:7,17,20 4:22 5:5 6:10,12,13,15, 18,21,25 7:14 9:17 11:14 18:18	current 10:14 12:13 15:18,23 16:5 17:12	E	F-A-L-L 7:24
confidential 21:7,22 22:2,23	customers 5:14,21	E-L-K-H-O-R-N 3:10	facility 4:7 9:6,8 10:4, 13 12:10
confidentiality 7:5 19:15,19,24 20:6 21:4, 13,19 22:13	D	early 22:7	fact 14:23
confirm 6:22 7:9 14:1 17:3	dealing 22:8	effectuated 14:25	factual 10:24 12:19,23 18:11
confirmation 13:19	decision 16:13 17:7 19:10	electric 3:14 4:10 17:19	Fall 7:21,22,23 11:15,16 17:1,2,18,23 18:1,2
confirmed 11:3	declarations 21:13	Elkhorn 3:10 4:4,6,9 9:5,11 10:4,21 12:7 21:2	feasibly 17:13
consecutive 3:11 4:5 9:7 12:8,12	design 13:13	Elkhorn's 10:21	file 5:22
considered 17:5	determinations 12:23	Ellis 7:13,18,19	filed 8:15 15:14 16:3
consist 5:25	determine 3:9 4:3,8	email 5:2	filings 8:14
consistent 5:16	determined 8:19 10:25	emphasize 15:6	finally 8:1
consists 10:10	determines 13:16 15:4	energy 3:10 4:4 9:5,12 10:4 12:7	find 16:20
consolidate 15:2,8	developed 11:2	ensure 8:12	fine 6:20
consolidated 14:14,21 15:18	developing 21:12	enter 20:11	flagged 9:21
consolidation 14:7, 10,16	development 10:12,15	entity 19:16	floor 3:21
constitute 9:7	disallow 4:9 9:11	environmental 5:17	focus 11:7
constructed 10:13	disallowances 13:3	envisioned 10:10	focused 4:13
contact 19:7	disallowed 3:13 8:20 9:14	equipment 21:3	formal 21:8
contemplated 16:6	disclose 21:6	ESS 4:4,6,10	forward 4:16,17
contention 5:23	disclosure 21:14	establishes 16:8	front 16:10
contingent 13:12	disconnect 14:10	EUP 17:13,18	G
continue 14:4	discovery 7:3 19:13 20:3,6 21:8,11 22:9	evidentiary 7:2 10:12, 15,16 11:1 12:24 18:10 22:13,25	Gas 3:13 4:10
	discretion 17:9		general 10:8 14:8 15:9, 23 16:5,6
	discuss 7:1,6 9:2 21:21		generally 11:6 13:14

generation 4:7 9:8	input 6:17		matters 17:14 19:23
give 22:3	instances 6:15 19:4	L	Matthew 3:18
goals 5:17	instituted 15:4,10,12	language 15:11 22:17	meeting 7:15
Good 3:6 7:18	Instituting 3:8 5:19	large 9:3	memo 11:4 13:15 14:2, 12 22:18
Grady 7:12,17 9:24 13:9 20:22	instructed 20:2	larger 9:10	memorandum 14:24
granted 6:7,8,11 8:11	intended 10:1	late 17:10	mention 18:25
GRC 14:8,11,15,17,21, 23,25 15:3,4,12,13,18 16:2 17:12	intends 5:22 16:11	law 3:4,16 19:6	minimum 5:22
great 4:15	intent 13:18	legal 5:23 9:5 10:1,2,20 12:5 18:11,13	Mireille 7:22 17:2
H	intention 10:19	level 5:16	mission 5:14,25
happy 20:10	interest 4:15 5:18	limited 10:23	month 16:12
hear 6:23 9:19,22 11:11,18 16:23 17:24 18:3	interests 5:13	list 6:22 8:8,9,13	months 3:12 4:6 9:7 12:8,12
heard 20:5	intervenors 17:15	listening 22:25	morning 3:6 7:18
hearing 8:24 15:8 21:24 22:2,4,13,22,24	invade 19:23	long 4:20	motion 3:9 4:2 5:4,6 6:6
hearings 7:2 10:17 12:24 16:1 18:10 21:23 22:9,25	invasions 19:15	lowest 5:15 6:1	move 9:2
hold 11:7	investigation 3:8 4:2, 3,18 5:19 6:4 8:17 14:8, 17 15:9	lurking 12:19	moving 18:16
Honor 5:7 6:19 7:16,18, 22 9:23,25 10:5 11:5, 16,23 12:9 13:8 14:3 15:24 16:10,18 17:1 18:7,20 20:8,12,20 21:2,21 22:10	investigations 4:12	M	N
I	involve 12:23	M-A-R-I-O-N 8:4	NDA 21:16
I.26-04-008 3:8	involves 21:3,25	M-I-R-E-I-L-L-E 7:23	NDAS 22:1
identified 5:19	issue 5:18 14:4,7 16:12 17:13 22:14,15	made 10:7 19:18	necessarily 14:14
identify 22:1	issues 4:18 6:17 7:3 8:18 9:2,3,15,20 10:1,2 11:6,13,20 14:21 16:25 18:13 19:9 22:7	main 22:5,25	needed 13:15 14:16 19:22
imagine 19:22	J	make 3:23 5:6 7:7 8:8 12:18 13:5,15 17:14 21:20	needing 22:18,19
impact 5:20	Jack 11:25	makes 5:24	Network 6:14 7:24
include 10:6,11,16	Jackson 11:15 13:4 15:19	making 5:4	neutrals 19:8
including 21:12	joint 6:13,18,24 9:17 11:14 18:18	Marion 5:2,7 8:3	non-disclosure 19:20 20:1,11 22:21
information 6:24 19:22 21:2,7,22,23 22:2,23	judge 3:4,16,25 4:17,23 19:6	Mason 3:4,15,25 4:17, 23,24 6:5,9,20 7:20,25 8:6,24 11:9,18 12:2,15, 17 13:21,24 14:5 15:19 16:5,15,19 17:16,21,24 18:3,8,23 20:14,16,18, 21 22:11	note 10:9 16:1 20:10 21:10
K	July 3:2 5:1 17:4	Mathai-jackson 7:12, 16,17 9:23,24 11:25 12:9,16 13:8,9,22 14:3, 6 15:24 16:7,18 20:8, 15,20,21,22,23	noted 21:2
kind 12:25 20:3	June 12:13	matter 16:12 17:4	noticed 19:13
			notifications 22:4
			O
			objection 8:25

obligation 5:12	Peleo 5:2,7,8 6:19 8:3 11:23 18:6,20	5:10,18,25 6:23 7:1 8:15,16,22 11:22 12:20 14:15,17 15:9 16:16,21, 25 17:11 21:11,15	quoting 15:8
obligations 21:4	pertinent 5:24		R
obtain 5:15	PG&E 6:13,25 7:4,12, 17 8:20 9:22,24,25 10:8,13 11:2 12:6,9 13:9,10,14 14:11,19,23 15:23 16:6 18:21 19:14, 16 20:7,10,23,24 21:5,6 22:3	proceeding's 8:21	raise 22:7
occur 11:1	PG&E's 9:12 10:18 13:3 14:8,14 15:12,13	proceedings 18:9 19:2 22:20	raised 4:18 7:4 19:14
occurred 16:1 21:1	phase 5:22 7:2 9:10,16, 20 10:1,6,9 11:1,8,10, 13,21 12:4,20,22 13:7, 10,12,13,15,16 14:16, 20 15:2,3,17 16:1,7,25 17:11 18:5,7,12 19:23 22:14,15,20	process 8:13 21:11	rate 5:15 10:7 12:25 13:3,16 14:8 15:9,23 16:6,7
offered 21:16		processes 21:14	ratepayer 4:13
Office 5:3,8 8:13		production 4:7 9:8	rates 3:14 4:10 6:2 8:19 9:12 14:24
OII 10:11 13:11 14:9,13, 15,18,20,25 15:3,17 20:25		program 17:19,20 19:1,3,6	ratesetting 8:18,22 18:9 19:2
open 22:13		proposed 16:13 17:6 18:21	reach 20:2
opened 4:2	phases 9:4	proprietary 21:22	read 15:17
opening 3:22	place 3:7 21:16,24	protection 4:13	reading 15:11
operated 10:13	plain 15:10,11	provide 10:20	reason 14:22
oral 5:4	plan 17:6	provided 18:14	reasonable 4:14
order 3:8 5:18 21:8	Plant 3:13	provider 19:17	reasons 6:3 15:2
ordered 14:24	point 15:16 21:20	providing 21:13	received 5:2 6:12
original 14:9	potential 7:3,4 14:7 19:14	provision 13:2	recommend 21:23
outage 10:21 12:12,13 21:1,3	potentially 12:23 19:23 22:18	provisions 21:5,6	recommends 14:11
outcome 4:14 13:12	Practice 5:11	prudence 10:21,24	reconsider 14:19
P	prehearing 3:7,17,20 4:22 5:5 6:10,12,13,15, 18,21,24 7:14 9:17 11:14,17 18:18	prudency 12:24	record 3:5 7:8 10:12,16 11:2 13:5 20:16,17,19
P-E-L-E-O 8:4	presented 11:14	prudently 10:13	referring 15:22 16:17
Pacific 3:13 4:10	presided 22:20	public 4:7,11,13 5:3,8, 13 9:9,13 10:3 13:1 22:25	Reform 6:14 7:24
panel 7:10	prior 21:14	purposes 21:10	refund 14:23
part 11:21 21:17	pro 21:24	pursuant 4:11 5:10 9:12 21:7	regard 13:10 15:6
partic- 15:25	procedural 14:22 15:21,22	put 21:23	related 4:9 9:11 14:4,6
participants 3:6	procedurally 17:11	putting 22:17	reliable 5:16 6:1
participate 22:22	procedure 5:11 21:24	Q	remained 3:11 4:5 9:6
Participating 3:17	procedures 21:19	qualifies 4:6	remarks 3:22 7:6
participation 4:21 8:7	proceeding 3:1,16	quarter 16:13 17:7,8	reply 16:2,3 17:3
parties 4:21 6:23 7:7 9:19 10:19 11:24 18:14 19:4,19 20:1,25 21:15, 25 22:21		question 9:10 12:6 20:6 22:12	represent 5:12
partnership 7:5		questions 9:5 12:5	represents 5:21
party 5:4,9 6:4,6,8,11 8:11			request 5:9 21:8
			requested 13:10

requesting 13:19	set 10:11 14:18		
requests 5:9 6:4 13:14	settlement 19:1,6	T	V
require 15:7	shared 6:24	taking 3:21	VIRTUAL 3:1
requirements 16:8	signed 7:9 22:21	terms 8:16 13:3	
resolved 14:11 16:6 18:13 19:9,25 20:4	Similar 21:14	Tesla 7:6 19:16 21:3,5, 9,14,22 22:4	W
respect 7:5 13:6 16:24 19:13	sir 18:2	test 14:15 15:13 22:13	wanted 12:17,18 13:5 15:6,25 21:20
respectfully 6:3	Sitting 19:21	testimony 22:14	warranted 10:22,25 13:17
response 8:23 13:11	solely 10:10	threshold 10:2	Webex 7:15
revenue 16:8	space 7:23	Thursday 17:4	Wednesday 5:2
review 10:21,24 12:24	speak 13:7	time 3:7 17:5 22:16	week 16:3,9
Robert 3:15	speakers 7:10	timing 17:13	wishes 3:23
room 22:24	spelled 8:4	today 6:11 7:11 19:21	work 17:12
Rule 5:10	started 3:19	today's 3:17,20 4:15, 19,21 6:21	working 4:16 8:13
Rules 5:11	state's 5:17	told 16:9	
ruling 14:2	stated 11:24	Track 10:16,20 19:11, 12	Y
	statement 6:12,13,18, 25 9:17 11:14,17 18:19	tracked 14:24	year 14:15 15:13 16:14 17:7,8
S	status 5:4,9 6:4,6,8,11 8:11 14:23 15:21,23 16:21	transparent 20:24	
safe 5:16 6:1	statutory 5:12,23 9:14 10:22 13:17	turn 3:21 4:23 7:1,21 11:11 16:23 17:2,10 18:22 20:13 21:16	
safety 4:13	stay 4:19,20 11:9,10		
SB 17:20	steps 21:12 22:8	U	
schedule 7:1 10:11,14 14:18 16:10 18:14,15, 21	stipulate 12:10	un- 10:22	
scope 5:20,25 9:3 10:8 11:13 13:6 16:24 18:4,6 22:1	stipulation 12:21	undergrounding 17:19	
scoping 11:4,6 13:15 14:2,11 22:18	storage 3:10 4:4 9:6,12 10:4 12:7	understand 10:14 16:11	
seconds 20:13	subject 21:4	understanding 10:18, 24 11:3 13:20	
Section 4:11 9:9,13 10:3,5,23 15:5,7	submission 16:12	understood 6:19 9:25	
seeking 4:14	submitted 6:25 17:5	underway 16:2	
separate 22:24	suggest 8:7	urge 14:19	
served 8:15	suggestion 14:20	Utilities 9:9,13 10:3 13:1	
service 3:11,13 4:5 5:15,16 6:1,22 8:8,13 9:6 12:8,11 19:17	summarized 9:15	utility 4:7,11 5:13,20 6:14 7:24	
services 21:3	support 15:15		
	supports 18:21		
	System 3:10 4:4 9:12 12:7		