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, Catastrophic Events, Community Rebuild Program and Other Recorded Costs. (U39M)	Application 24-11-009

PACIFIC GAS AND ELECTRIC COMPANY NOTICE OF EX PARTE COMMUNICATION

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

Nika Kjensli, Chief, Regulatory Relations, PG&E, initiated the oral communication via Teams on Monday, July 20, 2026, at 9:30 AM, with the following persons in attendance: Victor Smith, Deputy Chief of Staff, and Audrey Neuman, Energy Advisor to Commissioner Darcie Houck. Participating in the meeting for PG&E: Nika Kjensli, Chief, Regulatory Relations; Matt Pender, Vice President, Undergrounding and System Hardening; and Sean Coyle, Outside Counsel, Coblentz Patch Duffy & Bass LLP.

SUMMARY:

At the meeting, Ms. Kjensli provided an overview of PG&E's 2024 Wildfire Mitigation and Catastrophic Events (WMCE) application and request, noting that the work PG&E conducted as part of the Butte County rebuild was done both prudently and cost-effectively. PG&E's work in the area has led to a 98% reduction in ignition risk through undergrounding and 67% through overhead hardening. The costs for this work were incremental to work authorized through PG&E's general rate case (GRC) decision and transparently tracked through Commission-authorized mechanisms like the CEMA and WMBA.

Mr. Pender reviewed the benefits brought about by the work completed in Butte County, an area which has historically been prone to wildfires. These include eliminating distribution PSPS events on undergrounded lines, joint-trenching with gas pipelines which reduced costs by roughly 56% as compared to PG&E's 2027 GRC forecast for similar gas work, and returning over $280 million in insurance proceeds to ratepayers to help offset costs. Mr. Pender noted that these cost-effective investments kept bill impacts to a minimum and were in line with PG&E's goal of 0-3% average annual bill increase through 2030.

Mr. Coyle reviewed some of the arguments presented by parties regarding PG&E's pre-fire prudency, securitization and incrementality. He noted that over $700 million in disallowances have already been imposed on PG&E through Decision (D.)20-05-019, the OII Settlement, which concluded that no additional disallowances should be imposed on PG&E for the Camp Fire ignition and permitted PG&E to seek future recovery of fire-related costs. Furthermore, the costs incurred were independently verified through Ernst and Young to be incremental to those authorized in PG&E's GRC decisions.

During the meeting Ms. Kjensli shared a presentation, which is attached here.

Respectfully submitted,

/s/ Nika Kjensli

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Dated: July 23, 2026

2024 Wildfire Mitigation and Catastrophic Events Application

Application No. A.24-11-009 | July 2026

Opening Briefs Filed May 8, 2026, Reply Briefs Filed June 3, 2026

2024 WMCE: Overview

PG&E's 2024 WMCE Application (A.24-11-009) requests CPUC approval to recover costs mainly incurred in 2023 for rebuilding communities in Butte County and other areas, responding to wildfires and storms, and funding additional gas, customer, and climate-related programs.

- Following the October 2017 Northern California wildfires and the 2018 Camp Fire, PG&E rebuilt Butte County infrastructure to restore service to customers and prevent future ignition risk by 98% through undergrounding and 67% through overhead hardening while eliminating distribution PSPS on undergrounded lines.

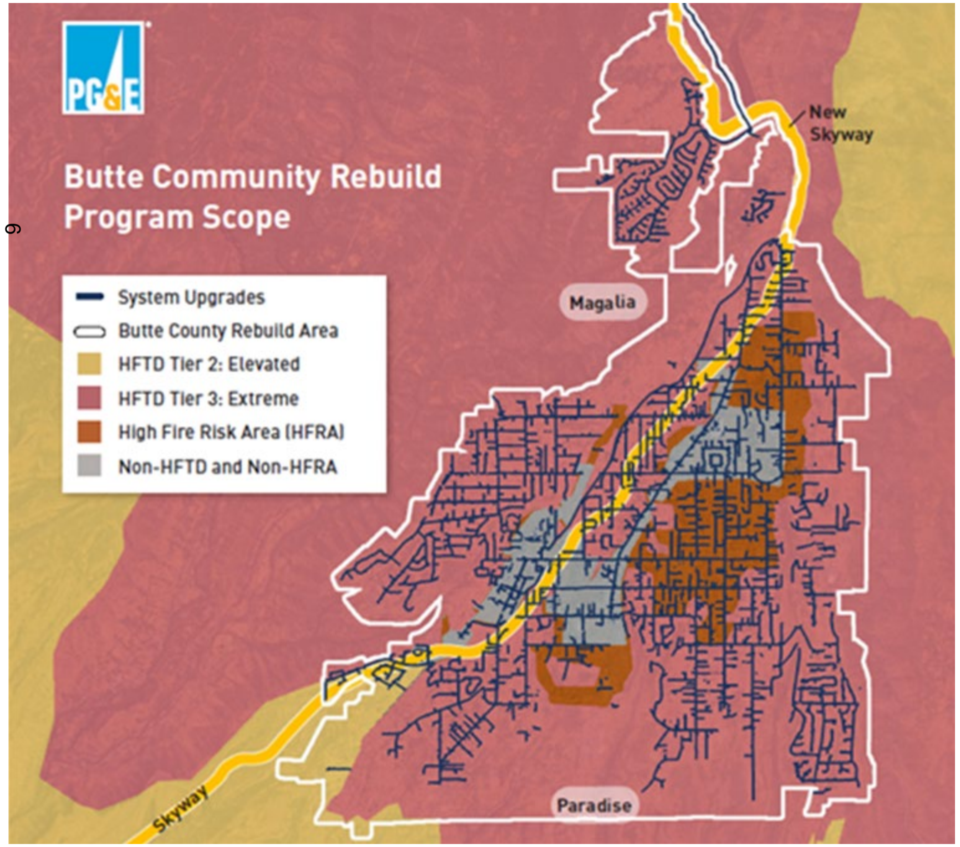
- PG&E delivered this work cost-effectively for ratepayers—joint-trenching lowered gas pipeline replacement costs by roughly 56%, and $282.5M in insurance proceeds was returned to customers as an offset to costs in this proceeding.

- The costs PG&E seeks to recover are prudent, incremental, and transparently tracked through Commission-authorized mechanisms.

- Camp Fire responsibility was fully addressed in the Wildfire OII, where PG&E accepted accountability and substantial penalties.

2024 WMCE: Butte Rebuild Customer Benefits

- Butte Community Rebuild delivered durable safety and reliability benefits by cutting ignition risk up to 98% and returning $282.5M in insurance proceeds to ratepayers as offsets to costs.
- These investments keep bill impacts minimal—~$1.70/month for typical residential customers, ~$1.16/month for CARE (less than 0.6% average increase)—consistent with PG&E's goal of 0–3% average annual increases through 2030.



Butte Rebuild: Customer Benefits

Metric	Result
Ignition risk reduction — undergrounding	98%
Ignition risk reduction — overhead hardening	67%
Distribution PSPS on undergrounded lines	Eliminated
Undergrounded — electric mainline / gas	203.7 / 57.1 mi
Joint-trenching cost savings	~56%
Insurance proceeds returned to ratepayers by offsetting costs	$282.5M
CARE (low-income) customers benefiting	38%

Source: Appendix E of the Application. Electric figures based on Territory S.

2024 WMCE: Three Primary Issues

Intervenors do not dispute that PG&E executed the Butte Community Rebuild work prudently. Costs previously recovered were accounted for correctly and appropriately disclosed. The costs included in this application are incremental to PG&E's General Rate Cases.

PG&E Recommendations	Why PG&E Recommends
Pre-Fire Prudency No additional pre-fire prudency review of Camp Fire issues for Butte Community Rebuild recovery.	• $700M+ in wildfire OII disallowances have already been imposed for the Camp Fire. (OII Settlement, D.20-05-019) • OII Decision concluded no additional disallowances should be imposed for ignition of the Camp Fire; it explicitly permits PG&E to seek future recovery of fire-related costs. (D.20-05-019) • Commission raised the penalty to forego extensive future litigation and conserve resources for ratepayers and parties. (D.20-05-019)
Prior Recovery of Butte Costs / Securitization Approve recovery as presented and do not revisit AB 1054 securitizations.	• Pre-2023 Butte costs recovered per 2020 WMCE Decision and 2020 GRC; system hardening costs recorded to WMBA. (PG&E OB, pp. 55–60) • Butte undergrounding is a WMP-approved mitigation. (PG&E OB, pp. 42–49) • Cost treatment disclosed through SHARs, 2023 GRC workpapers, and discovery. (PG&E RB, pp. 47–57) • $255M of Butte Rebuild capital securitized under AB 1054 I, II, and III. (PG&E OB, pp. 47–49)
Incrementality of CEMA Costs Approve CEMA straight-time labor, overheads, and accruals/EGRs, and find PG&E's documentation satisfies its burden of proof.	• PG&E receives no GRC funding for new, unforecasted CEMA activities. (PG&E OB, pp. 9–27) • D.23-11-069 directs CEMA STL be recovered through CEMA. (PG&E RB, pp. 4–11) • EY independently verified incrementality and accounting practices (accruals/EGRs). (PG&E OB, pp. 7–9) • Commission approved no 2023 funding for Butte Community Rebuild and directed recovery through a CEMA application. (D.23-11-069)

Appendix

Questions?

PG&E'S 2024 WILDFIRE MITIGATION AND CATASTROPHIC EVENT APPLICATION

PG&E asks the Commission to approve its 2024 Wildfire Mitigation and Catastrophic Event Application request in full.

- The Butte Community Rebuild is a prudent and necessary investment in safety and reliability after the Camp Fire.
  - The Wildfire OII fully addressed PG&E's role in the Camp Fire. (PG&E OB, pp. 62-72; PG&E RB, pp. 28-36.)
  - Costs presented here have been reduced by applicable offsets, including more than $700 million in Wildfire OII disallowances, and are presented here pursuant to the Commission's 2023 GRC Decision. (PG&E OB, pp. 55-60, 72-75.)
  - PG&E's labor, workforce, overheads, and materials costs are incremental because they were ordered removed as part of the 2023 GRC and not included in the 2023 GRC RRQ. There is no risk that PG&E performed these activities with GRC funding. (PG&E OB, pp. 72-75, 113-115; PG&E RB, pp. 14-27.)
- Costs were incurred to serve customers and advance state and Commission policies concerning catastrophic event recovery, wildfire mitigation, gas safety, and other related issues. These costs were recorded in accordance with Commission-approved memorandum or balancing accounts and were supported by testimony, discovery, accounting records, and an Ernst & Young (EY) review. (PG&E OB, pp. 1-3, 7-16, 23-27; PG&E RB, pp. 1-2, 4-11.)

SUMMARY OF COSTS PRESENTED IN 2024 WMCE
(Thousands of Dollars)

Line No.	Chapter	Account	Expense	Capital
1	Chapter 2: ED CEMA	Catastrophic Event Memorandum Account (CEMA)	$43,736	$30,081
2	Chapter 3: Butte Community Rebuild	CEMA	2,080	361,457
3	Chapter 4: Gas CEMA	CEMA	1,064	7,180
4	Chapter 5: Generation CEMA	CEMA	2,725	2,049
5	Chapter 6: GSRRMA	Gas Statutes Regulations and Rules Memorandum Account (GSRRMA)	3,582	3,983
6	Chapter 7: GSBA[1]	Gas Storage Balancing Account (GSBA)	9,015	115,667
7	Chapter 8: CAVAMA	Climate Adaptation Vulnerability Assessment Memorandum Account (CAVAMA)	1,063	–
8	Chapter 9: Other Misc. Memo Accounts	COVID19 Pandemic Protections Memorandum Account (CPPMA)	2,342	–
9		Disconnections Memorandum Account (DMA)	5,717	–
10		Percentage of Income Payment Plan Memorandum Account (PIPPMA)	1,525	–
11		Emergency Consumer Protections Memorandum Account (ECPMA)	1,363	–
12		Medium Large Commercial and Industrial COVID19 Disconnection Moratorium Memorandum Account (MLCDMMA)	1,217	–
13		CPPMA Incremental Uncollectibles	4,436	–
14		Microgrids Memorandum Account (MGMA)	111	–
15	**Grand Total**		**$79,975**	**$520,418**

Source: PG&E Opening Brief, Table 1, p. 3.

[1] GSBA is presented for reasonableness review purposes only. See page 3 below.

PG&E'S BUTTE COMMUNITY REBUILD (CEMA)

- The Butte Community Rebuild is a long-term rebuild of electric and gas infrastructure in and around Paradise after the 2018 Camp Fire. This work adhered to standards established for PG&E's system hardening and gas pipeline replacement programs.

- Undergrounding the Paradise area was the right thing to do. In reaching the decision to underground, PG&E considered (1) the area's long history of wildfires, (2) its location in elevated and extreme High Fire Threat District areas, (3) the public safety risks from downed overhead poles impeding ingress and egress during the Camp Fire, (4) strong community preferences for undergrounding, (5) reliability benefits and the elimination of the need for PSPS, and (5) cost saving joint-trenching opportunities with gas pipeline replacement work. (PG&E OB, pp. 30-35, PG&E RB, pp. 36-47.)
    - PG&E assessed three rebuild scenarios and selected full undergrounding because it provided the greatest wildfire risk reduction and best aligned with public safety and community objectives.
    - PG&E executed this work prudently, including by realizing substantial cost savings through joint trenching underground electric and gas equipment. (PG&E OB, pp. 31-38; PG&E RB, pp. 36-44.)

- The $363.5 million that PG&E requests here for Butte Community Rebuild reflects a comparatively small portion of total costs incurred through 2023 because PG&E has applied offsets, including more than $700 million in Wildfire OII disallowances, as well as insurance proceeds, adjustments recommended by EY, and for the prior securitization of undergrounding costs under AB 1054. (PG&E OB, pp. 55-60.)

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BUTTE COMMUNITY REBUILD PROGRAM
SUMMARY OF COSTS REQUESTED AFTER ADJUSTMENTS BY EXPENSE AND CAPITAL
(THOUSANDS OF DOLLARS)

Line No.	Activities	Expense	Capital	Total
1	Emergency Response / Initial Restoration	$–	$–	$–
2	Continued Restoration / Rebuild (Non-Wildfire)	$3,500	$43,051	$46,552
3	Wildfire Mitigation (System Hardening)	$–	$181,336	$181,336
4	Gas Programmatic Work	$(101)	$138,475	$138,374
5	*Less: Ernst & Young Recommended Adjustments 1*	$(1,319)	$(1,405)	$(2,724)
6	**Total Cost Recovery**	**$2,080**	**$361,457**	**$363,537**

1. The EY adjustments are an extrapolation of costs to exclude certain costs from this recovery request based on EY's findings, applying to the overall population rather than specific orders or work types.

Source: PG&E Opening Brief, Table 8, p. 38.

INCREMENTALITY

- PG&E receives GRC funding for activities, not for employees, labor categories, overhead pools, or inventory. PG&E forecasts GRC work on an activity basis: we forecast the cost of performing specific work, not the total cost of our workforce or materials. When PG&E performs work that is not funded in the GRC, the associated labor, overhead, and material costs are incremental even if PG&E uses existing employees or pre-purchased materials to perform the work, because those employee and material costs for the activity are not fully forecasted or funded by the GRC. (PG&E OB, pp. 9-27; PG&E RB, pp. 4-11.)

- EY confirmed that PG&E's CEMA costs were incurred for qualifying activities, accurately recorded, incremental to base rates, and not double-recorded. EY's review provides independent support for the incrementality of Butte Community Rebuild and other CEMA costs. (PG&E OB, pp. 7-9; PG&E RB, pp. 8-11.)

OTHER MEMORANDUM ACCOUNTS

- Non-Butte CEMA: PG&E's non-Butte CEMA costs qualify for recovery because they were incurred to restore service, repair damaged facilities, and respond to declared emergencies. No party offers any specific challenge to the reasonableness of the underlying CEMA response work, aside from discrete documentation issues and TURN's argument regarding certain 2017 fires, which were addressed in the Wildfire OII. (PG&E OB, pp. 81-87; PG&E RB, pp. 59-61.)

- GSRRMA: GSRRMA costs should be approved because they were incurred to comply with new or changed gas safety and security requirements, including BTEX monitoring and TSA pipeline security directives. Cal Advocates' used-and-useful argument is incorrect. PG&E excluded assets that were not used and useful and is not seeking recovery for assets before they became operative. Cal Advocates' proposed 50/50 shareholder-ratepayer split is contrary to law and standard ratemaking principles. (PG&E OB, pp. 87-92; PG&E RB, pp. 61-63.)

- CAVAMA and Customer Care/Microgrid Accounts: CAVAMA costs qualify for recovery because they were incurred to comply with Commission-directed climate vulnerability assessment and community engagement requirements, and that customer care and microgrid costs were incurred for Commission-authorized customer protection, affordability, disconnection mitigation, PIPP, emergency protection, COVID-19, and microgrid programs. Cal Advocates' largely repeats disallowance recommendations without developed argument. (PG&E OB, pp. 92-104; PG&E RB, pp. 63-64.)

- GSBA: PG&E seeks only a reasonableness review of 2023 GSBA costs, not additional rate recovery at this time. Reviewing the costs now is efficient because the costs are fresh, discovery has already occurred, the issue is within scope, and no party contends that the costs themselves are unreasonable. Any eventual true-up would occur later, at the end of the 2023 GRC cycle or as otherwise authorized in a future proceeding. (PG&E OB, pp. 104-111; PG&E RB, pp. 64-67.)

PG&E's RESPONSES TO INTERVENOR'S ARGUMENTS

Butte Community Rebuild	
Intervenor Positions	**PG&E Response**
The Commission must conduct another Camp Fire review to assess pre-fire prudency before approving any recovery. (TURN/SBUA)	The Commission *already* reviewed PG&E's role in the Camp Fire in the Wildfire OII. The OII resulted in more than $2.1 billion in remedies, including more than $700 million in disallowances tied to Camp Fire CEMA costs. The Wildfire OII resolved all issues concerning penalties and remedies for PG&E's role in the ignition. (PG&E OB, pp. 62-72; PG&E RB, pp. 27-36.) Despite acknowledging that the Commission had disallowed *certain* costs for prior fires, the Wildfire OII decision ***explicitly permitted PG&E to seek reasonableness review*** for costs associated with the Camp Fire: > [I]n the past, the Commission has disallowed ratepayer recovery for costs related to fires caused by utility equipment where the Commission found that the utility did not reasonably manage and operate its facilities prior to the fires. . . . > ***To account for this uncertainty*** and to ensure the penalty is commensurate with the scale of the 2017 and 2018 fires, the Commission finds that the settled penalty amount should be increased . . . by $462 million, which is half the value of the disputed CEMA costs included in the settlement. . . . > The Commission also notes that foregoing what is likely to be extensive litigation regarding the reasonableness of these costs saves resources for the Commission, PG&E's ratepayers, and other parties. . . . > With the exception of costs included in the settlement agreement, as modified by this decision, ***the Commission does not find it reasonable to bar PG&E from seeking future recovery of costs associated with the [Camp Fire and other fires]*** for which SED found violations in this proceeding. (D.20-05-019, pp. 36-40, 52; PG&E OB, pp. 34-36.) PG&E does not contend that the Wildfire OII determined the reasonableness of the Butte Community Rebuild costs. This proceeding is the proper reasonableness review of those costs, while the Wildfire OII resolved the separate question of what penalties and disallowances should be imposed for PG&E's role in the ignition. A "pre-fire prudency" review in this proceeding would contravene the Wildfire OII decision and undermine the finality of Commission settlements. The only purpose such a review as proposed by TURN could serve is to determine additional disallowances, which the Wildfire OII foreclosed. (PG&E OB, pp. 62-72; PG&E RB, pp. 28-36.) PG&E has distinguished the Commission precedents TURN relies on, including cases where there remained an open question regarding the utility's role in causing the event. There is no comparable open question here because PG&E's role in the Camp Fire was investigated and resolved in the Wildfire OII, which included a substantial record regarding the Camp Fire, and a specific Commission finding that no additional remedies would be appropriate for PG&E's role in the fire and that PG&E should not be prohibited from seeking future recovery of these costs. (PG&E OB, pp. 70-72; PG&E RB, pp. 31-34.)
Butte Undergrounding was CEMA restoration, not	PG&E does not view the distinction between CEMA and system hardening as of primary importance here, because the activities presented are reasonable, however they are characterized. The Commission need not determine whether the activities would have

system hardening, so the associated costs should be subjected to the CEMA pre-fire prudency standard. (TURN)	qualified as system hardening of gas programmatic work. The costs presented here have been recorded to the CEMA consistent with the 2023 GRC Decision. The work responded to the Camp Fire and furthered PG&E's approved WMP and gas pipeline replacement objectives. Undergrounded facilities to reduce future ignition risk, and address ingress/egress risks. Joint trenching efficiently replaced dated gas assets that would otherwise have required replacement over a long timeframe and at greater cost. (PG&E OB, pp. 42-51, 68-70; PG&E RB, pp. 36-47.) • Butte Community Rebuild undergrounding was part of PG&E's approved WMP system hardening work. The work was included in PG&E's WMPs and is consistent with the 2020 GRC authorization of system hardening funding, where the Commission recognized that the scope and specifics of system hardening were still in development. PG&E's WMPs identified fire rebuild areas, PSPS mitigation, ingress/egress, past fire history, and HFTD exposure as factors relevant to system hardening decisions, including the Butte Community Rebuild undergrounding plan specifically. (PG&E OB, pp. 42-49; PG&E RB, pp. 36-44.) • Butte gas replacement work cost approximately \$1.8 million per mile for Aldyl-A and similar plastic pipe replacement, compared with approximately \$4.1 million per mile in the 2027 GRC forecast for similar work without joint trenching, implying approximately 56 percent savings. Doing the work during the rebuild avoided future repeated digging and aligned with Paradise's "dig once" policy. (PG&E OB, pp. 51-52; PG&E RB, pp. 44-47, 58-59.)
TURN questions PG&E's prior securitization of certain Butte Community Rebuild undergrounding costs and suggests the Commission should consider unwinding or offsetting those amounts. (TURN)	The securitized costs are not part of the current request and revisiting the securitizations would be inconsistent with AB 1054's irrevocability framework. Those costs qualified for securitization because they were approved wildfire mitigation capital expenditures recorded through authorized wildfire mitigation mechanisms, consistent with our WMP, the Commission's approval of a portion of these undergrounding costs in the 2020 WMCE proceeding, and the Commission's 2020 GRC WMBA authorization. No party argues that this undergrounding work was performed imprudently. (PG&E OB, pp. 47-49; PG&E RB, pp. 47-57.) TURN's transparency concerns are unfounded. PG&E reported Butte Community Rebuild system hardening work through WMPs, System Hardening Accountability Reports (which were ordered by the 2020 GRC to track WMBA system hardening work), Risk Spending Accountability Reports, and in 2023 GRC discovery. TURN was aware of these disclosures and even noted in the 2023 GRC that PG&E had previously recovered these undergrounding costs. (PG&E RB, pp. 53-57.)

Incrementality	
Intervenor Positions	**PG&E Response**
PG&E's GRC funds its existing workforce and materials stock; when PG&E performs incremental activities, it must demonstrate that it procured new labor and	Our GRCs fund specific activities, not labor categories, employees, material inventories, or overhead pools for the entire utility during a GRC period. PG&E forecasts the cost of performing work, not the cost of maintaining a workforce or material stock generally. Because of that activity-based methodology, the correct incrementality question is whether the work was incremental to GRC-funded activities, not whether the cost element involved internal labor, overhead, or materials. (PG&E OB, pp. 9-27; PG&E RB, pp. 4-11.)

material resources to show that the associated costs are incremental. (CalAdvocates)	The Butte Community Rebuild costs are incremental because they consist of costs never previously presented for recovery or costs and revenue requirement the Commission expressly removed from the 2023 GRC and directed PG&E to seek through a CEMA application. (PG&E OB, pp. 13-14, 55; PG&E RB, pp. 15-25.) Non-Butte CEMA costs are incremental because PG&E does not forecast CEMA costs in the GRC, and the Commission has ordered PG&E to recovery straight time labor through a CEMA application. The other memorandum account costs are incremental because the accounts were separately authorized to track new or expanded activities outside GRC funding. (PG&E OB, pp. 9-17, 72-80; PG&E RB, pp. 8-11.) Cal Advocates misunderstands and does not really address PG&E's forecasting methodology. PG&E does not forecast specific employees or the total cost of its "existing workforce" for all possible activities during a GRC cycle; it forecasts the cost of performing specific authorized activities. Thus, using existing employees for incremental work does not make the costs non-incremental. • This is reinforced by the Commission's recognition of our activity-based forecast methodology in the 2023 GRC, where it reaffirmed that PG&E must seek CEMA straight-time labor costs through a CEMA application, not with GRC funding. (PG&E OB, pp. 19-24; PG&E RB, pp. 5-8.) • Cal Advocates' theory would require PG&E to hire new employees or contractors every time incremental work arises in order to prove incrementality. That approach would be inefficient, costly, and potentially dangerous in emergency response contexts because it would reduce PG&E's ability to direct the best available resources quickly. (PG&E OB, pp. 21-24; PG&E RB, pp. 7-8.) The factual record rebuts any inference that PG&E used GRC-funded resources to perform incremental work. PG&E overspent GRC-authorized amounts in every year from 2020 through 2023 for both expense and capital (total overspending = ~$9.6 billion), and our headcount grew substantially during the relevant period, including a 51 percent increase in Electric Operations headcount from 2018 to 2023. This evidence shows that we did not fund the incremental activities with unused GRC resources. (PG&E OB, pp. 22-24; PG&E RB, pp. 8-11.) Cal Advocates is incorrect to argue that overheads are funded in the GRC. Overheads are driven by activity levels and are allocated to the work that causes or benefits from them. New or additional work increases the need for overhead support, and PG&E's GRC forecasts do not include overheads for new programs or activities that were not forecasted. (PG&E OB, pp. 24-26; PG&E RB, pp. 4-11.) Cal Advocates is incorrect to argue that material movements costs are pre-purchased bulk materials that therefore are not incremental. Materials are initially recorded as inventory and are not recovered when purchased. PG&E records material costs to a specific work order when the materials are used. Therefore, materials used for incremental work are incremental costs, even if the materials were already physically in inventory. (PG&E OB, pp. 26-27; PG&E RB, pp. 4-11.)
PG&E's costs are not recoverable for estimated goods receipts, material movement journal entries, and overhead support, because there is insufficient	These are standard utility and corporate accounting practices, including practices necessary to comply with GAAP. Accrual accounting is appropriate for a large utility, estimated goods receipts ensure costs are recorded in the correct period, and subsequent reversals or true-ups prevent harm to customers. (PG&E OB, pp. 27-30; PG&E RB, pp. 11, 21-25.)

documentation for costs. (CalAdvocates)	PG&E also relies on EY's review of our accounting practices. EY tested costs, recommended adjustments that PG&E implemented, confirmed costs were incurred for qualifying activities, and found no evidence of costs recorded to more than one account across the accounts reviewed. (PG&E OB, pp. 7-9, 27-30; PG&E RB, pp. 8-11.)
SBUA argues that PG&E's CEMA costs are not incremental where they replaced equipment allegedly already slated for replacement under existing programs. It proposes a new CEMA standard based on useful asset lives, seeking full disallowance above the $700+ million already disallowed by the Wildfire OII. (SBUA)	SBUA's proposed standard is contrary to Pub. Util. Code § 454.9, which provides that costs to repair or replace equipment damaged by a catastrophic event "shall be recoverable" and requires expedited CEMA review based on reasonableness—not asset-by-asset useful-life tracking. (PG&E RB, pp. 11-14.) Requiring utilities to itemize each affected asset's remaining useful life or replacement schedule would be time-consuming, expensive, and inconsistent with the expedited CEMA process. (PG&E RB, pp. 11-14.) SBUA failed to establish a factual foundation for its claim: it did not submit testimony, waived cross-examination, and served only one data request after hearings were cancelled. (PG&E RB, pp. 12-13.)
PG&E's plastic pipeline replacement work should not be recovered through CEMA because the plastic pipe was not damaged by the Camp Fire and the work is part of a long-standing GRC program. (CalAdvocates)	The Commission specifically declined to fund Butte Community Rebuild work through the 2023 GRC and directed PG&E to submit these costs through a CEMA application. PG&E agrees that the work furthered long-standing gas program objectives, but the costs presented here were not funded in the 2023 GRC and are properly before the Commission in this application. (PG&E OB, pp. 72-80; PG&E RB, pp. 15-18.) Cal Advocates' underspending theory is incorrect. Cal Advocates' historical spending comparison is incomplete and misstated; during the relevant 2019-2023 period, PG&E overspent on plastic pipeline replacement by $38.6 million compared to GRC authorized, and earlier underspending reflected reprioritization to higher-priority gas service replacement work. (PG&E OB, pp. 79-80; PG&E RB, pp. 17-18.)
Other Gas Costs (MATs 50A, 50B, 3QA): Other gas main, gas service, and gas restoration costs are non-incremental because these are GRC programs. (CalAdvocates)	Like the plastic pipeline replacement costs, these costs were not funded through the 2023 GRC because the Commission directed PG&E to present them through a CEMA application. Internal labor, overheads, and material movements are not GRC funded merely because they involve existing employees or inventory. (PG&E OB, pp. 72-80; PG&E RB, pp. 18-20.)
Electric Distribution Costs (MATs 95F and 08W): Some electric distribution costs were already recovered through the 2017 GRC, the 2020 GRC, or the 2020 WMCE settlement. (CalAdvocates)	Cal Advocates' assertions are unsupported and incorrect. PG&E never presented MAT 95F costs for recovery, and any securitized Butte Community Rebuild costs have been removed from the current request. (PG&E RB, pp. 20-25.) Cal Advocates is incorrect to challenge certain MAT 08W accounting entries based on documentation timing and format. The entries are standard SAP accounting entries validated through internal controls, the underlying work was performed and costs were

	incurred in the relevant period, and later invoice processing or accounting reversals do not determine whether costs fall within the scope of this proceeding. (PG&E RB, pp. 21-23.)

Permanent Capital Disallowance

Intervenor Positions	**PG&E Response**
Capital costs disallowed in this proceeding should be permanently excluded from rate base. (TURN)	Used and useful assets should generally be included in rate base under standard cost-of-service ratemaking. A permanent capital disallowance would operate like a penalty, undermine utility investment incentives, harm financial health, and increase customer costs, especially where the assets will continue to provide service, wildfire mitigation, and gas safety benefits. (PG&E RB, pp. 67-70.)