BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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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. (U 39 M)	Application 25-05-009

REPLY TO PACIFIC GAS AND ELECTRIC COMPANY'S RESPONSE TO THE PUBLIC ADVOCATES OFFICE'S MOTION TO ADDRESS PACIFIC GAS AND ELECTRIC COMPANY'S ANNOUNCEMENT OF $2 BILLION IN DEFERRED TEST YEAR CAPITAL EXPENDITURES AND POTENTIAL RESTRUCTURING

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I. INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this reply, pursuant to Rule 11.1(f) of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, to Pacific Gas and Electric Company's (PG&E) response to the November 9, 2026, *Response to Public Advocates Office's Motion to Address Pacific Gas and Electric Company's Announcement of $2 Billion in Deferred Test Year Capital Expenditures and Potential Restructuring* (PG&E Response).[1] Administrative Law Judge (ALJ) Larsen granted Cal Advocates' request to reply to PG&E's Response through an electronic ruling on November 10, 2026.[2]

On September 2, 2026, PG&E announced its deferral of $2 billion in capital projects and potential restructuring, which has significant implications for, and impact on, the *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* (Application).[3]

TURN, CLECA, EPUC, and Indicated Shippers agree "that the Commission must consider the effects of PG&E's announcement in determining a reasonable TY 2027 revenue requirement."[4] TURN et al. recommends the Commission direct PG&E to

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[1] Wherein PG&E responded to the October 23, 2026 *Motion of the Public Advocates Office to Address Pacific Gas and Electric Company's (U 39 M) Announcement of $2 Billion in Deferred Test Year Capital Expenditures and Potential Restructuring* (Cal Advocates Motion).

[2] *E-Mail Ruling Granting Cal Advocates Permission to File a Reply*, November 10, 2026. ALJ Larsen granted Cal Advocates request to file a reply pursuant to Rule 11(f) due on November 19, 2026.

[3] *2027 General Rate Case Application of Pacific Gas and Electric Company (U 39 M)*, May 15, 2025 (Application); In its Application, PG&E asks the Commission to adopt a TY 2027 revenue requirement of $16.598 billion. However, on September 2, 2026, PG&E informed its investors that it "plans to update its 2027 Capital Plan" and "expects to defer approximately $2 billion of planned investment."

[4] The Utility Reform Network (TURN), California Large Energy Consumers Association (CLECA), Energy Producers and Users Coalition (EPUC) and Indicated Shippers filed a *Response to the Motion of the Public Advocates Office To Address Pacific Gas and Electric Company's Announcement Of $2 Billion In Deferred Test Year Capital Expenditures And Potential Restructuring.* (TURN et al. Response) TURN et al. Response at 7.

present a Tier 3 Advice Letter with specific information for the Commission to review.[5] Cal Advocates concurs.

On September 2, 2026, PG&E informed investors it would defer approximately $2 billion of planned 2027 capital investment.[6] While PG&E has made clear its intention to not undertake previously planned projects, PG&E has not provided Cal Advocates or the Commission details regarding which projects in its Application it plans to defer.[7] On its face, the evidence PG&E has provided in this General Rate Case is neither a complete nor accurate representation of the work PG&E intends to perform in the 2027 test year (TY 2027).[8] Therefore, the Commission cannot rely on the record in this case as a basis for setting just and reasonable rates as a basis for PG&E's General Rate Case testimony. The Commission should therefore grant Cal Advocates' Motion and set PG&E's TY 2027 revenue requirement at its 2026 authorized revenue requirement, escalated by the Commission-adopted 1.4% attrition rate through 2030.

As an alternative, should the Commission elect to approve a revenue requirement in this case, it should utilize the mechanism TURN et al. provides in its Response.

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[5] PG&E in its Tier 3 Advice Letter should: 1) track the $2 billion reduction to PG&E's 2027 capital spending plan by program and major work category (MWC) and compare the authorized capital spending to PG&E's updated spending plan and the program and MWC level; 2) demonstrate at the program and MWC level how any restructuring from the "strategic review" will impact GRC costs in TY 2027 and compare the authorized forecasts to PG&E's updated costs at program and MWC level; and 3) demonstrate with the information under #1 & #2 that the authorized GRC revenue requirement would fund work that PG&E still intends to conduct in 2027 and not overfund PG&E's cost of service from restructuring.

[6] Cal Advocates Motion at 1.

[7] Cal Advocates Motion, Attachment 2.

[8] The PG&E Response confirms that the record in this proceeding no longer reflects the work PG&E intends to perform in test year (TY) 2027 where it states "…PG&E acknowledges the concerns expressed by intervenors and their desire to better understand how our capital reset may impact certain work in 2027." See PG&E Response at 3 and 5.

II. PG&E'S MISSTATEMENTS AND CONTRADICTIONS

A. Cal Advocates' Motion is Procedurally Proper and Does Not Raise Due Process Concerns.

PG&E incorrectly argues the record is already closed in this proceeding and it is improper for Cal Advocates or any intervenors[9] to request additional information be added to the record of this proceeding.[10] Cal Advocates filed its Motion on October 23, 2026 and TURN et al. filed their response to Cal Advocates' Motion on October 28, 2026, the same day parties filed their Update Phase Reply Briefs. Because the Update Phase record was not submitted until reply briefs were filed, Cal Advocates raised these issues before the record closed.[11] Cal Advocates also concurrently moved to admit PG&E's public statements and data request responses into evidence.[12] Therefore, Cal Advocates' Motion filed October 23, 2026 and TURN et al.'s response filed on October 28, 2026 were timely filed before the close of the proceeding.

In addition, PG&E argues that Cal Advocates and the other intervenors do not allow for adequate due process with their recommendations in response to PG&E's capital decrease and potential restructuring announcement.[13] PG&E claims this would

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[9] The Utility Reform Network (TURN), California Large Energy Consumers Association (CLECA), Energy Producers and Users Coalition (EPUC) and Indicated Shippers filed a *Response to the Motion of the Public Advocates Office To Address Pacific Gas and Electric Company's Announcement Of $2 Billion In Deferred Test Year Capital Expenditures And Potential Restructuring.* (TURN et al. Response)

[10] PG&E Response at 3.

[11] Rule 13.15(a): A proceeding shall stand submitted for decision by the Commission after the taking of evidence, the filing of briefs, and the presentation of oral arguments as may have been prescribed.

[12] Cal Advocates Motion at 1, fn.2; *Motion of the Public Advocates Office to Admit Various Proposed Exhibits Into Evidence*, October 23, 2026.

[13] Cal Advocates Motion, Attachment 1; See, PG&E September 2, 2026 Press Release. PG&E Launches Strategic Review to Build a Better, More Affordable Energy Future for California Customers, PG&E Newsroom Press Release, September 2, 2026, available at: https://www.pge.com/en/newsroom/press-release-details.77a6f479-b055-45f1-bbea-0bea442774c2.html [accessed on November 19, 2026]; See also, PG&E September 2, 2026 Post Legislative Session Update. Turning Point For PG&E and California, PG&E Corporation Post Legislative Session Update, September 2, 2026 (PG&E September 2, 2026 Leg Update) at 4, available at: https://s21.q4cdn.com/673114418/files/content_files/PG-E-Post-Legislative-Session-Update-2026.pdf [accessed on November 19, 2026].

"require reopening the record to submit more evidence"[14] and enough time for discovery and to "reshape" recommendations based on the additional evidence.[15] PG&E further states: "To be clear, those things should not and need not happen here." (Emphasis added).[16] But Cal Advocates' primary proposal does not require a reopening of the record to submit more evidence. The proposal relies on the 2026 revenue requirement and attrition rate the Commission had already adopted, along with PG&E's own public statements and data request responses, which Cal Advocates has moved to admit.[17] Cal Advocates' proposal applies a funding recommendation the Commission has been thoroughly able to analyze in the past.

PG&E does not explain why the Commission cannot or should not adopt Cal Advocates' attrition proposal in the interim, or why the alternative proposals in Cal Advocates' motion or by TURN et al. would require the extensive reshaping of the record PG&E claims are necessary. PG&E in its response has not demonstrated any harms to its due process with Cal Advocates' or TURN et al.'s alternative proposals.

B. Cal Advocates' Proposal is Well-Founded and Reasonable.

a. Cal Advocates' recommendation is grounded in historical practice.

PG&E claims that Cal Advocates' recommendation is an "arbitrary attrition amount that lacks analysis or any foundation."[18] This is false. Cal Advocates offers a well-founded and reasoned proposal to support the Commission's decision in this proceeding.[19] The proposal is grounded in the historical practice of using attrition

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[14] PG&E Response at 4.

[15] PG&E Response at 4-5.

[16] PG&E Response at 5.

[17] *Motion of The Public Advocates Office to Admit Various Proposed Exhibits Into Evidence,* October 23, 2026.

[18] PG&E Response at 3-4.

[19] Cal Advocates Motion at 8-10.

formulas to develop the revenue requirement in years that the record may not cover. PG&E's announcement of its substantial, planned capital decrease supports the analysis and provides the foundation for Cal Advocates' recommendation. Based on this foundation, the Commission should adopt authorized 2026 revenue requirement and 2026 attrition for TY 2027 pending a full evaluation and understanding of PG&E's announced $2 billion capital deferral and expected restructuring. Then, the Commission should direct PG&E to file its next GRC for TY 2031.[20]

b. PG&E considers its prior GRC revenue requirements adequate.

PG&E's responses to Cal Advocates' data request regarding PG&E's capital expenditure deferral indicates that PG&E considers its prior GRC revenue requirements adequate to meet its operational and safety requirements.[21] PG&E states, "We plan on funding critical safety programs utilizing the same mechanisms and sources of funding that currently fund work. This includes utilizing investment funds financed through long-term and short-term debt instruments; retaining earnings to re-invest in the company; and reducing spending in certain areas and reprioritizing available funding."[22]

c. Cal Advocates' proposal is consistent with Commission precedent regarding the use of attrition.

In response to Cal Advocates' attrition recommendation to PG&E's announced $2 billion deferment, PG&E argues, "[A] one-part mechanism would disregard Commission precedent for using a two-part mechanism for determining attrition year revenue requirements and would create structural underfunding for capital activities that would not allow PG&E to provide safe and reliable service for customers."[23] PG&E's argument runs counter to Commission precedent. PG&E fails to acknowledge that under

[20] Cal Advocates Motion at 2.

[21] Cal Advocates Motion at 9.

[22] Cal Advocates Motion at 9.

[23] PG&E Response at 11.

Commission precedent, utilities are not automatically entitled to attrition rate increases between rate cases.[24] Thus, attrition increases are not an entitlement.[25]

C. PG&E's Shifting Statements Confirm that the Record No Longer Reflects Its 2027 Plans.

a. PG&E misunderstands TURN et al.'s criticism of PG&E's announcement of $2 billion in project deferrals.

In response to TURN et al.'s criticism of PG&E's announcement, PG&E states the reason for its sudden announcement of $2 billion in project deferrals is a consequence of specific capital financing challenges whereby, "it was necessary for PG&E to reassess its 2027 capital spending plans… to reduce costs and protect our customers until there is progress in enacting wildfire liability reform and lowering capital financing costs."[26] PG&E shows a misunderstanding of TURN et al.'s criticism of PG&E's announcement.[27] TURN et al. cite to PG&E's pattern of making "a bold announcement to its investors and the public" but not the Commission while a GRC is pending.[28] PG&E's motivation to "reduce costs and protect our customers" is welcome.[29] However, PG&E's failure to update the Commission regarding its changed capital spending plans for the GRC test year is not. Reducing capital spending in 2027 to lower financing costs while still collecting capital-related revenue requirements in the GRC based on capital spending that will not occur is akin to PG&E giving with one hand and taking away with the other.

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[24] *See*, D.00-02-046; *See also*, D.03-03-034

[25] D.93-12-043, 52 CPUC 2d 471, 492.

[26] PG&E Response at 5-6.

[27] PG&E Response at 5-6 ("The Joint Parties (suggest that PG&E has shown a 'lack of respect for the Commission's duty to ensure that PG&E's rates are just and reasonable" and demonstrated a "well-established pattern of downplaying the Commission's role in a GRC.'); TURN, CLECA, EPUC, & Indicated Shippers Response at 4, 9.

[28] TURN, CLECA, EPUC, & Indicated Shippers Response at 3-4. ("In none of these instances did PG&E approach the Commission with its changed plans. Rather, PG&E made these announcements entirely outside of the GRC process.").

[29] PG&E Response at 6.

b. The Risk Spending Accountability Report (RSAR) process cannot be employed to address excess revenue approval.

PG&E misleadingly states that the existing review process under the RSAR allows "for Commission oversight of PG&E's actual spending relative to the final GRC decision."[30] In reality, the RSAR process allows for visibility into, not intervention in, PG&E's actual spending and associated cost recovery. The RSAR may inform a subsequent GRC, but it cannot be employed to address excess revenue approval based on the misleading record in the pending Application. On numerous occasions, the Commission has highlighted the RSAR as an important transparency tool and not a ratemaking one. For example, in D.14-12-025 the Commission states that a utility's RSAR submission "can be used to alert the Commission and other parties about a utility's risk mitigation activities and spending" and parties can "use such reports in their review of the utility's next GRC application filing."[31] D.22-10-002, which adopted cumulative tracking of utility costs and work completion across the entire GRC cycle, did not expand the RSAR to provide a mechanism to follow up on deferred work or excess revenue approval prior to a utility's next GRC.[32]

Contrary to PG&E's claim, the RSAR mechanism would not modify amounts recovered from ratepayers, and therefore is inadequate to address the unreasonable revenue requirements that would result from this GRC if the solutions Cal Advocates or TURN et al. presented are not utilized.

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[30] PG&E Response at 6.

[31] D.14-12-025 at 48.

[32] See, D.22-10-002 Appendix A.

c. PG&E's modifications to TURN et al.'s advice letter proposal would render the proposal ineffective.

PG&E proposes what it claims are limited modifications to clarify the appropriate tier designation, timing and content of TURN et al.'s advice letter proposal.[33] However, PG&E's "limited modifications" are nothing of the sort. These modifications fundamentally change the nature of TURN et al.'s proposed remedy.[34] PG&E states that the advice letter should be designated as a Tier 1 advice letter and the Commission should set the advice letter due date at 90 days after the final GRC decision is issued.[35] PG&E also substantially modifies the content of the TURN et al.' advice letter proposal by stating that the Commission should not make the authorized 2027 revenue requirement contingent upon subsequent advice letter approval.[36]

The Commission should reject PG&E's revisions to the TURN advice letter tier designation and content. First, a Tier 1 advice letter is inappropriate under the circumstances. As TURN et al. explain, "the more thorough review permitted by a Tier 3 advice letter, with approval by the Commission in a resolution, is appropriate given PG&E's now well-established pattern of downplaying the Commission's role in a GRC when announcing major spending plan changes to its investors and the public."[37] Second, the Commission should reject PG&E's request that the 2027 GRC revenue requirement not be contingent upon subsequent advice letter approval. This modification eliminates the point of the advice letter process TURN et al. propose. As TURN et al. explain, "the Commission should issue a decision based on the record here but condition

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[33] PG&E Response at 2. ("PG&E generally would support the Joint Parties' (TURN, EPUC, Indicated Shippers and CLECA) alternative proposal recommending the Commission issue a GRC final decision based on the existing record subject to a subsequent post-decision advice letter process. In Section III.C below, we propose certain limited modifications to the Joint Parties' (TURN, EPUC, Indicated Shippers and CLECA) proposal to clarify the appropriate tier designation, timing, and content for the advice letter.").

[34] PG&E Response at 14-15.

[35] PG&E Response at 14-15.

[36] PG&E Response at 14-15.

[37] TURN et al. Response at 9-10.

the authorized GRC revenue requirement on PG&E's demonstration that this revenue requirement would fund work that PG&E still intends to conduct in 2027 and does not overfund PG&E's cost of service arising from any restructuring that occurs."[38] This condition is necessary to ensure that the 2027 GRC revenue requirement PG&E collects from ratepayers directly relates to work PG&E intends to perform, and is therefore just and reasonable.

III. PG&E's CAPITAL DEFERRAL ANNOUNCEMENT CONTRADICTS THE RECORD PG&E BUILT TO SUPPORT ITS TEST YEAR FORECAST

Throughout the GRC, PG&E has argued its forecast of capital expenditures are just, reasonable, and necessary to meet its obligations to customers. PG&E's GRC opening brief further argues customer rates should increase to cover the financing and operating costs to meet those needs. [39] PG&E's announcement of its deferral of capital expenditures and its response to Cal Advocates regarding that announcement, are contrary to its position in the GRC. It is unreasonable to require ratepayer costs to increase to cover costs for activities PG&E has no intention of performing in TY 2027.

A. The Commission Must Account for PG&E's $2 Billion Deferral.

The Commission's decision must reasonably consider the evidence PG&E presented in this GRC's record.[40] Here, the unrebutted evidence shows that PG&E intends to defer $2 billion of what it requested. This evidence must be given due consideration and substantial weight (as the law provides significant penalties for misleading shareholders). The Commission must either make clear why it finds PG&E's statements unreliable (ie. finds that PG&E made misleading statements to its shareholders) or reduce the GRC request accordingly. It would be neither just nor reasonable to include this $2 billion in rates without one or the other above.

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[38] TURN et al. Response at 8.

[39] PG&E Opening Brief at 1-3 and 1-5.

[40] Public Utilities Code Section 1757.1(a)(2)

B. PG&E's Announced Deferral is not Contemplated by the Rate Case Plan.

PG&E argues that the Commission "expects utilities to continue refining their plans after a case is filed," and even after a case is decided. PG&E further states the Commission also expects plans to be refined to prioritize work and reduce costs, which are all part of the "rate case plan and forecast ratemaking."[41]

The General Rate Case is a formal regulatory process for the Commission to review the reasonableness of a utility's investment plans, operating costs, and financial assumptions before they are approved for rate recovery. The Commission uses the GRC process to determine the costs utilities can recover in rates and ensure that utility spending is just, reasonable, and necessary.[42] In the 2027 GRC application, PG&E submitted 22 exhibits and voluminous workpapers to convince the Commission that the funds PG&E requests are necessary and ratepayers should be charged to operate and maintain PG&E's systems and invest in infrastructure improvements and maintenance.[43] PG&E has spent the entire 2027 GRC proceeding building up a record where it has claimed that the funds requested are necessary. The GRC process examines whether the requested funds are necessary to support forecasted work that will maintain the safety and reliability of PG&E's electric and gas systems. Here, despite PG&E's refusal to identify specific projects, $2 billion worth of work it forecasted, has now been removed from the forecast. It is neither just nor reasonable to require ratepayers to fund work that is no longer forecasted to be done.

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[41] PG&E Response at 3.

[42] Public Utilities (Pub. Util.) Code §§ 451, 454.

[43] PG&E Application.

C. PG&E's Announced Deferral Raises Serious Questions About the Reasonableness of PG&E's GRC Application Because the Commission Must Consider the Evidence PG&E Presented.

PG&E's September 2, 2026 announcement that it will defer $2 billion in 2027 capital investment renders its GRC Application unreasonable on its face. The Commission must consider the evidence PG&E presented in this GRC.[44] PG&E effectively rebuts its own assertion that the entire requested investment amount is necessary to invest in infrastructure improvements and maintenance.[45] Ultimately, PG&E's capital expenditure requests are now unsupported because its planned investment spending is too uncertain to allow a decision based on the existing record.

Therefore, Cal Advocates recommends authorization of only attrition adjustments for this GRC cycle. This is a reasonable proposal based on the Commission's prior determination of just and reasonable rates in PG&E's prior GRC.

IV. PG&E'S REFERENCE TO THE DEFERRED WORK PRIORITIES UNDERSCORES THE NEED TO ADDRESS PG&E'S ANNOUNCED CAPITAL DEFERRAL AND STRATEGIC REVIEW

PG&E argues that the Commission's six deferred work principles apply to this current GRC and how it demonstrates "these principles protect customers from funding safety and reliability work funded in the prior GRC that have been deferred."[46] PG&E's argument is meritless.

The deferred work principles are inapplicable here as they are not intended to apply prospectively. As a result, these principles are inadequate- they do not ensure that PG&E does not collect in rates funds rendered unnecessary by PG&E's $2 billion deferment.

Far more applicable here is the Used and Useful Principle. This requires energy assets to be physically used and useful to ratepayers before those ratepayers can be asked

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[44] Public Utilities Code Section 1757.1(a)(2)

[45] PG&E Application.

[46] PG&E Response at 13-14.

to pay the costs associated with them.[47] If PG&E goes forward with its announcement to defer $2 billion in capital projects, the Commission cannot authorize any related funding attached to projects that are not going to be Used and Useful. For the reasons set forth above, the Commission should not permit PG&E to receive ratepayer funds for projects that PG&E has announced it will not undertake-

V. PROVIDING REFUNDS TO RATEPAYERS IN A GRC IS NOT THE SAME AS ALLOWING RECOVERY THROUGH MEMORANDUM AND BALANCING ACCOUNTS AND RATEPAYERS WILL SUFFER HARM WITHOUT REFUNDS IN THIS GRC

PG&E argues that "The Commission should reject Cal Advocates' proposal to make cost recovery approved in the 2027 GRC subject to refund," which is Cal Advocates' alternate proposal, and compares this option to adopting a balancing account for the entire GRC.[48] PG&E adds that this option goes against the intervenors' recommendations to "eliminate balancing and memorandum accounts."[49] The Commission should reject PG&E's argument as inapposite and misleading, and give them no weight. Cal Advocates' alternate proposal states the Commission should authorize "a revenue requirement subject to refund and require PG&E to file annual compliance filings (showing, by Major Work Category (MWC), that show its actual spending and deferrals) that would be the basis for any refund."[50]

VI. THE COMMISSION CAN LEGALLY PERMIT PG&E COST RECOVERY SUBJECT TO REFUND.

PG&E erroneously claims that Cal Advocates' alternate proposal to refund ratepayers for the projects PG&E chooses to defer in 2027 and beyond is an extreme

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[47] Public Utilities (Pub. Util.) Code §§ 451, 454; *Toward Utility Rate Normalization v. Public Utilities Commission* (1988) 44 Cal.3d 870; *20th Century Insurance Co. v. Garamendi* (1994) 8 Cal.4th 216.

[48] PG&E Motion at 12.

[49] PG&E Motion at 12.

[50] Cal Advocates Motion at 1, 10.

proposal that "would break with well-established, longstanding ratemaking policy."[51] PG&E's hyperbolic opinion is incorrect.

Rather than break with long standing ratemaking policy, Cal Advocates urges the Commission to follow well established law. Under California law, ratepayers are only responsible for *just and reasonable* charges and utilities can only recover costs for assets that are deemed *in use* and *useful* to customers.[52] Cal Advocates simply proposes to refund ratepayers when PG&E chooses to defer $ 2 billion in projects because ratepayers should not pay for unspent funds.[53] Ultimately, Cal Advocates' alternate proposal is like a post hoc reasonableness review; it is similar to the well-established concept of interim rate relief where utilities are permitted, in limited circumstances, to recovery rates subject to refund of unspent funds. In the past, utilities including PG&E have agreed to Commission authorized refunds of unspent funds. In this very proceeding PG&E filed a motion which it acknowledged "would be subject to refund."[54, 55] Under *TURN v. CPUC*, interim rates that are subject to refund are permitted in limited circumstances where there is: (1) a need for *immediate action* that would result in (2) *fairness to both the utility and the public*. [56] (Emphasis Added). In *TURN v. CPUC*, the Court upheld a Commission Decision that granted PG&E interim rate relief subject to refund for a unit in

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[51] PG&E Motion at 12.

[52] Public Utilities (Pub. Util.) Code §§ 451, 454; *Toward Utility Rate Normalization v. Public Utilities Commission* (1988) 44 Cal.3d 870; *20th Century Insurance Co. v. Garamendi* (1994) 8 Cal.4th 216.

[53] *Motion of the Public Advocates Office to Address Pacific Gas and Electric Company's (U 39 M) Announcement of $2 Billion In Deferred Test Year Capital Expenditures and Potential Restructuring*, November 12, 2026 (Cal Advocates Deferment Motion) at 10.

[54] *Motion of Pacific Gas and Electric Company (U 39 M) for Interim Rate Recovery*, May 7, 2026 (PG&E IRR Motion).

[55] PG&E states, "If a final decision on PG&E's 2027 GRC approves an amount less than what has already been collected through this interim mechanism, PG&E would return any overcollection to customers with interest calculated at the three-month commercial paper rate, thus protecting customers." See PG&E IRR Motion at 3.

[56] *TURN v. Pub. Util. Comm'n*, 44 Cal.3d at 879 ("In the present case, the commission was not faced with an 'emergency' in the sense of a threat to the utility's survival, but the situation was one in which fairness to both the utility and the public *required immediate action*."). (Emphasis Added)).

the Diablo Canyon power plant based on the following three factors: (1) the cost that was the subject of the interim rate relief represented a substantial part of the utility's capital investment; (2) the interim rate relief would result in savings; and (3) a considerable period of time was expected to elapse before final determination of the prudency of the utility's investment.[57] As Cal Advocates has previously demonstrated, PG&E's interim rate recovery motion fails to meet the legal standard under *TURN v. CPUC*.[58] However, Cal Advocates' alternate proposal does meet this standard. Specifically: (1) PG&E's stated intent to defer $2 billion of ratepayer funded projects in 2027 is a substantial cost, (2) a refund for these deferred projects would result in savings to ratepayers who would see a decrease in rates at a time when ratepayers suffer under an affordability crisis; and (3) a considerable period of time is expected to elapse for a reasonableness review and a final Commission determination of the $ 2 billion in ratepayer funds that PG&E will not spend in 2027.[59]

Therefore, contrary to PG&E's assertions, the Commission can adopt Cal Advocates' alternate proposal to allow PG&E cost recovery subject to refund for projects PG&E chooses to defer in 2027 and beyond.[60]

VII. CONCLUSION

PG&E's Response fails to address the inadequacies and contradictions in the GRC record PG&E created with its September 2, 2026 announcement. Therefore, stated in Cal Advocates' Motion, the Commission should grant PG&E its authorized 2026 revenue requirement and 2026 attrition for TY 2027 pending a full evaluation and understanding of PG&E's announced $2 billion decrease and expected restructuring. The Commission

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[57] *TURN v. Pub. Util. Comm'n*, 44 Cal.3d 870, 880 (1988).

[58] *See*, *Public Advocates Office Response in Opposition to Pacific Gas and Electric Company's Motion for Interim Rate Recovery*, June 1, 2026 (Cal Advocates Response to PG&E IRR Request); *See also*, *Comments of the Public Advocates Office on Proposed Decision Authorizing Interim Rate Recovery*, October 13, 2026 (Cal Advocates IRR Comments).

[59] In fact, it is currently unclear if there will be any review at all.

[60] *TURN v. Pub. Util. Comm'n*, 44 Cal.3d at 876.

should also direct PG&E to file its next GRC for TY 2031.[61] Should the Commission move forward with setting rates for TY 2027 based on the inaccurate record evidence, the Commission should utilize the alternative proposals TURN or Cal Advocates provided.[62]

Respectfully submitted,

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[61] Cal Advocates Motion.

[62] Cal Advocates Motion.