

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-5306

July 11, 2024

R E S O L U T I O N

Resolution E-5306. Approves Energy Division’s non-standard disposition that approved Pacific Gas and Electric, San Diego Gas and Electric, Southern California Edison and Southern California Gas Company Implementation of the Cost of Capital Formula Adjustment Mechanism for 2024.

PROPOSED OUTCOME:

- Approves non-standard disposition issued by Energy Division on December 22, 2023, that approved the 2024 Cost of Capital Formula Adjustment Mechanism Advice Letters for Pacific Gas and Electric (PG&E), San Diego Gas and Electric (SDG&E), Southern California Edison (SCE) and Southern California Gas Company (SoCalGas).

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- The Energy Division non-standard disposition approved by this Resolution is expected to increase ratepayer costs in 2024 by approximately \$256 million for PG&E, \$200.7 million for SCE, \$53.7 million for SDG&E, and \$77 million for SoCalGas.

SUMMARY

On December 22, 2023, Energy Division issued a non-standard disposition approving PG&E Advice Letter 4813-G/7046-E, SCE Advice Letter 5120-E, SDG&E Advice Letter 4300-E/3239-G and SoCalGas Advice Letter 6207-G requesting implementation of the Cost of Capital Formula Adjustment Mechanism for 2024.

On January 12, 2024, a request for Commission review of Energy Division’s disposition was submitted by the Agricultural Energy Consumers Association (AECA), California Large Energy Consumers Association (CLECA) California Farm Bureau (Farm Bureau),

Energy Producers and Users Coalition (EPUC), Energy Users Forum (EUF), Environmental Defense Fund (EDF), Federal Executive Agencies (FEA), the Indicated Shippers, Small Business Utility Advocates (SBUA), The Utility Reform Network (TURN), Public Advocates Office at the California Public Utilities Commission (Cal Advocates), and Wild Tree Foundation (Wild Tree) (collectively, the Joint Protestants).

This Resolution approves Energy Division's December 22, 2023 non-standard disposition approving PG&E Advice Letter 4813-G/7046-E, SCE Advice Letter 5120-E, SDG&E Advice Letter 4300-E/3239-G and SoCalGas Advice Letter 6207-G.

BACKGROUND

Commission Decision (D).08-05-035 adopted a uniform Cost of Capital Formula Adjustment mechanism (CCM) for PG&E, SCE and SDG&E for the purpose of streamlining the major energy utilities' Cost of Capital process and to enable "the utilities, interested parties, and Commission staff to reduce and reallocate their respective workload requirements for litigating annual cost of capital proceedings."¹ D.13-03-015 adopted the CCM for SoCalGas.²

For the years in between full Cost of Capital proceedings, D.08-05-035 established initial benchmark interest rates to be compared with the October through September 12-month average Moody's utility bond interest rates. If the difference between the benchmark and the 12-month average Moody's interest rate exceeds 100 basis points, an automatic adjustment ratio of half the basis points difference would be applied to either increase or decrease the Return on Equity (ROE) of applicable utilities beginning January 1st of the following year.³

Ordering Paragraph 2 of D.08-05-035 sets forth the specific functionality for the CCM:

1. In any year where the difference between the current 12-month October through September average Moody's utility bond rates and the benchmark exceeds a trigger of 100-basis points, an automatic adjustment to the utilities' ROE shall be made as follows:

¹ D.08-05-035, at 16.

² D.13-03-015 Ordering Paragraph 3.

³ The Cost of Capital Mechanism is also referred to by parties as the "Formula Adjustment Mechanism".

- a. ROE is adjusted by one-half of the difference between the Aa utility bond average for AA credit-rated utilities or higher and Baa utility bond average for BBB credit-rated utilities or lower and the benchmark.
- b. Long-term debt and preferred stock costs are updated to reflect actual August month-end embedded costs in that year and forecasted interest rates for variable long-term debt and new long-term debt and preferred stock scheduled to be issued.
- c. Authorized capital structure is not adjusted.
- d. On October 15 of such year, a Tier 2 advice letter is filed that updates the ROE and related rate adjustments to become effective on January 1 of the following year.
- e. In any year where the 12-month October through September average Moody's utility bond rates triggers an automatic ROE adjustment, that average becomes the new benchmark.
- f. Workpapers outlining the calculations required as set forth in Ordering Paragraphs 2(a), 2(b), and 2(e) shall be submitted with the advice letter to the Energy Division and active parties to this proceeding, and shall be made available to any party upon request.

D.08-05-035 also provided utilities the right to file cost of capital applications "outside of the CCM process upon an extraordinary or catastrophic event that materially impacts their respective cost of capital and/or capital structure and impacts them differently than the overall financial markets."⁴ These applications are commonly referred to as "off-cycle" applications.

On December 15, 2022, the Commission adopted D.22-12-031 which set the Test Year 2023 Cost of Capital, including the ROEs, for PG&E, SCE, SDG&E and SoCalGas (collectively, "the Utilities"). D.22-12-031 also directed the "continuation of the cost of capital mechanism through the 2023 Test Year Cost of Capital cycle." No parties to the proceeding stated opposition to continuing the CCM for the TY 2023 Cost of Capital cycle at the time D.22-12-031 was issued.

Tier 2 Advice Letter Filings

On October 13, 2023, the Utilities submitted Tier 2 advice letters indicating that the average Moody's utility bond index increased 141 basis points during the 12-month

⁴ D.08-05-035, Ordering Paragraph 6.

measurement period from October 1, 2022 through September 30, 2023.⁵ As a result, pursuant to D.08-05-035, Ordering Paragraph 2, the Utilities' Tier 2 advice letters requested to increase their respective ROEs by half the 141-basis points difference, which is approximately a 70 basis points increase to the Utilities' ROEs, to be effective January 1, 2024. In addition, the Utilities' advice letters requested updates to increase the cost of debt and preferred equity, pursuant to D.08-05-035 Ordering Paragraph 2.

The Utilities' Tier 2 advice letters' requested increases to ROE, cost of debt and preferred equity result in the following 2024 overall Rates of Return:

Table 1: 2024 Cost of Capital Components and Rates of Return

	PG&E	SCE	SDG&E	SoCalGas
Cost of long-term debt	4.66%	4.48%	4.34%	4.54%
Cost of preferred equity	5.52%	7.02%	6.22%	6.00%
Cost of common equity	10.70%	10.75%	10.65%	10.50%
Rate of Return	7.80%	7.87%	7.67%	7.67%

The Utilities' Tier 2 advice letters also indicated that as a result of the requested increases to ROE, cost of debt and preferred equity, 2024 revenue requirements would increase by approximately \$256 million for PG&E, \$200.7 million for SCE, \$53.7 million for SDG&E, and \$77 million for SoCalGas.⁶

On November 2, 2023, the Utilities' Tier 2 advice letters were timely protested (the Joint Protest) by Agricultural Energy Consumers Association (AECA), California Large Energy Consumers Association (CLECA), California Farm Bureau (Farm Bureau), California League of Food Producers (CLFP), California Manufacturers and Technology Association (CMTA), Direct Access Customer Coalition (DACC), Energy Producers and Users Coalition (EPUC), Energy Users Forum (EUF), Environmental Defense Fund (EDF), Federal Executive Agencies (FEA), the Indicated Shippers, Small Business Utility Advocates (SBUA), The Utility Reform Network (TURN), the Public Advocates Office at

⁵ SoCalGas which uses the Moody's A utility bond index indicated an increase of 139.8 basis points, half of which results in a requested ROE increase of 70 basis points.

⁶ PG&E Advice Letter 4813-G/7046-E at 3, SCE Advice Letter 5120-E at 5, SDG&E Advice Letter 4300-E/3239-G at 7 and SoCalGas Advice Letter 6207-G at 6.

the California Public Utilities Commission (Cal Advocates), Walmart Inc. (Walmart), and Wild Tree Foundation (Wild Tree).

On November 9, 2023, the Utilities timely filed a Joint Reply to the Joint Protest.

On December 14, 2023, EPUC, the Indicated Shippers, FEA, TURN, EDF, Wild Tree, and Walmart, (collectively, Joint Ratepayers) filed a Petition for Modification of Test Year 2023 cost of capital decision D.22-12-031, as modified by D.23-01-002.

On December 22, 2023, Energy Division issued a non-standard disposition letter approving the Utilities' Tier 2 advice letters and denying the Joint Protest. Energy Division's disposition approved the advice letters, and the 2024 rates of return shown in Table 1 above, finding that the Joint Protest was based largely on policy arguments which constitute insufficient grounds for protest under General Order 96-B. Commission General Order 96-B Section 7.4.2 states that "...a protest may not rely on policy objections to an advice letter where the relief requested in the advice letter follows rules or directions established by statute or Commission order applicable to the utility."

On January 12, 2024, the Joint Protestants filed a Request for Commission Review (Request) of Energy Division's disposition of PG&E Advice Letter 4813-G/7046-E, SCE Advice Letter 5120-E, SDG&E Advice Letter 4300-E/3239-G and SoCalGas Advice Letter 6207-G.

On May 9, 2024, the Commission issued D.24-05-005 denying the Joint Ratepayers' Petition for Modification of D.22-12-031, as modified by D.23-01-002.

Request for Commission Review

On January 12, 2024, the Joint Protestants filed a Request for Commission Review of Energy Division's disposition of PG&E Advice Letter 4813-G/7046-E, SCE Advice Letter 5120-E, SDG&E Advice Letter 4300-E/3239-G and SoCalGas Advice Letter 6207-G.

In its Request, the Joint Protestants assert:

- The Disposition Letter errs in law and fact by finding that the Advice Letters meet the requirement for proper implementation of the CCM Formula Adjustment Mechanism;

- The Disposition Letter errs in fact by stating that the relief requested in the Advice Letters is not pending before the Commission in a formal proceeding;
- The Disposition Letter errs in law by approving the Advice Letters without addressing the highly controversial nature of the requested relief and the resultant ratepayer impact; and
- The Disposition Letter errs in fact and law by stating that the relief requested in the Advice Letters cannot be found to be unjust, unreasonable, or discriminatory.

The Joint Protestants further request the Commission issue a resolution reversing the disposition and:

- Suspend the CCM Formula Adjustment Mechanism adjustments for 2024 and 2025;
- Direct PG&E SCE and SDG&E (electric) to maintain their respective current authorized returns on equity adopted in D. 22-12-031 and direct SDG&E (gas) and SoCalGas to reverse the CCM Formula Adjustment Mechanism adjustments incorporated into rates effective January 1, 2024; and
- Address necessary modifications to the CCM in the second phase of the 2023 Cost of Capital proceeding (A.22-04-008 et al.).

DISCUSSION

Energy Division's disposition does not err in law and fact finding that the Advice Letters meet the requirement for proper implementation of the CCM Formula Adjustment Mechanism.

The Joint Protestants take issue with the fact that in two prior instances since 2008 the Commission has either suspended or waived CCM adjustments to ROEs. However, we find these prior instances were properly applied under unique facts and circumstances and have no bearing on the application of D.08-05-035, Ordering Paragraph 2 as approved by Energy Division's disposition.⁷ The Joint Protestants seem to argue that because in two prior instances the CCM was appropriately not implemented under

⁷ Two prior instances since 2008 resulted from a full "off-cycle" cost of capital application, and an agreement between PG&E, SCE and the Division of Ratepayer Advocates that the CCM should not trigger.

unique facts and circumstances, this should now result in the Commission disregarding the orders set forth in D.08-05-035 in every instance. We disagree.

The Request further argues that Energy Division's disposition "relies solely on the plain language of D.08-05-035 and D.22-12-031 to erroneously suggest that the Advice Letters should be approved since the trigger was reached, and the Advice Letters were filed"⁸ and that "the Joint Protest demonstrates that the Commission did not intend for this type unexamined application of the CCM Formula Adjustment Mechanism when it adopted the CCM in D.08-05-035 and extended it in D.22-12-031."⁹ However, an examination of the Joint Protest fails to produce such a demonstration. Instead, the Joint Protest relies on language from D.22-11-018, a decision resulting from a proceeding that examined an "off-cycle" full Cost of Capital application filed under extraordinary circumstances, not the Tier 2 advice letter implementation of the CCM submitted pursuant to Ordering Paragraph 2 of D.08-05-035. Simply because a decision regarding an "off-cycle" full cost of capital proceeding discussed the implementation of the CCM under specific circumstances, does not result in the modification or alteration of D.08-05-035. Contrary to the Joint Protestants' assertion, the language in D.08-05-035 regarding the implementation of the CCM remains plain and effective: "an automatic adjustment to the utilities' returns on equity (ROE) shall be made by an October 15 advice letter to become effective on January 1 of the next year..."¹⁰

As a result, we agree with Energy Division's disposition that the Utilities' Tier 2 advice letters meet the requirement for proper implementation of the CCM.

Energy Division's disposition does not err in fact by stating that the relief requested in the Advice Letters is not pending before the Commission in a formal proceeding.

The Joint Protestants argue that the Energy Division disposition statement "the relief requested in the Utilities' Tier 2 advice letters is not pending before the Commission in a formal proceeding" ignores the fact that "...certain of the Joint Protestants who are also parties to the Cost of Capital proceeding filed a Petition for Modification (PFM) of D.22-12-031 on December 14, 2023, one week prior to issuance of the Disposition Letter."¹¹ The Joint Protestants further argue that "Since the PFM (which is currently pending before the Commission in the Cost of Capital proceeding) seeks to forego the

⁸ Joint Protestants' January 12, 2024 Request for Commission Review at 7.

⁹ *Id.*

¹⁰ D.08-05-035, at 15.

¹¹ Joint Protestants' January 12, 2024 Request for Commission Review at 8.

CCM adjustments requested in the Advice Letters, the Disposition Letter clearly errs in rejecting the Joint Protest on these grounds.”¹²

We disagree. The filing of a Petition for Modification does not halt the implementation of Commission orders. Rules regarding Petitions for Modifications are set forth in the Commission’s Rules of Practice and Procedure. Rule 16.4 (h) states:

“Unless otherwise ordered by the Commission, the filing of a petition for modification does not stay or excuse compliance with the order of the decision proposed to be modified. The decision remains in effect until the effective date of any decision modifying the decision.”

As a result, the filing of the Petition for Modification of D.22-12-031 by certain of the Joint Protestants does not result in a delay or otherwise excuse carrying-out compliance with the orders set forth in D.22-12-031.¹³ Therefore, we find that Energy Division’s disposition does not err in fact by denying the Joint Protest on the grounds that the relief requested in the Advice Letters is not pending before the Commission in a formal proceeding.

Energy Division’s disposition does not err in law by approving the advice letters and addresses the controversial nature of the requested relief and the ratepayer impacts.

The Joint Protestants’ Request states that the “Disposition Letter also errs in failing to demonstrate that authorizing the relief requested in the Advice Letters is appropriate for the advice letter process.”¹⁴ We disagree. Energy Division’s disposition clearly demonstrated that the relief requested in the advice letters is appropriate for the advice letter process in these circumstances when it examined Ordering Paragraph 2 of D.08-05-035 that directs the automatic adjustment to ROE: (Emphasis added).

2. In any year where the difference between the current 12-month October through September average Moody’s utility bond rates and the benchmark exceeds a trigger of 100-basis points, an **automatic adjustment** to the utilities’ ROE shall be made as follows:

¹² *Id.*

¹³ D.24-05-005 denied the Petition for Modification.

¹⁴ Joint Protestants’ January 12, 2024 Request for Commission Review at 9.

- a. ROE is adjusted by one-half of the difference between the Aa utility bond average for AA credit-rated utilities or higher and Baa utility bond average for BBB credit-rated utilities or lower and the benchmark.
- b. Long-term debt and preferred stock costs are updated to reflect actual August month-end embedded costs in that year and forecasted interest rates for variable long-term debt and new long-term debt and preferred stock scheduled to be issued.
- c. Authorized capital structure is not adjusted.
- d. On October 15 of such year, **a Tier 2 advice letter is filed that updates the ROE and** related rate adjustments to become effective on January 1 of the following year.

The Joint Protestants' Request does not dispute that the difference between the 12-month October through September average Moody's utility bond rates and the benchmark exceeded the trigger of 100-basis points. Therefore, we find Energy Division's disposition is correct in its determination that, consistent with D.08-05-035, Ordering Paragraph 2, a Tier 2 Advice Letter is the appropriate method for implementing the automatic adjustment to ROE when, as undisputedly occurred, the difference between the 12-month average Moody's utility bond index rate and the benchmark exceeds 100 basis points.

The Joint Protestants further argue that "the Disposition Letter does not contemplate the Advice Letters' compounding impact on the already significant rate increases authorized to occur for 2024"¹⁵ and fails to consider the number of groups that joined in submitting the Joint Protest, or the number of ex-parte meetings held.¹⁶ However, we find that the Joint Protestants fail to show any requirement during the disposition of the Tier 2 advice letters for Energy Division to demonstrate consideration of these items or to perform analyses depending on the number of intervenors involved in a protest or the number of ex-parte meetings that may have taken place. Moreover, we disagree with the broad assertion insofar as the Energy Division disposition indeed discusses the Joint Protest at length, includes a list of each of the Joint Protestants by name,¹⁷ and states the resultant ratepayer impacts.¹⁸

¹⁵ Joint Protestants' January 12, 2024 Request for Commission Review at 9.

¹⁶ *Id.*

¹⁷ Energy Division December 22, 2023 Disposition Letter at 4.

¹⁸ *Id.*

Despite the assertions put forth by the Joint Protestants, we find no error in law contained in Energy Division's disposition. The Joint Protestants' Request fails to cite to any requirement during the implementation and disposition of the Tier 2 advice letters filed pursuant to D.08-05-035 Ordering Paragraph 2 for Energy Division to consider the various policy arguments set forth in the Joint Protest. Rather, allowing policy arguments would be contrary to Commission General Order 96-B, Rule 7.4.2 which excludes policy arguments as grounds for protest to advice letters where the relief requested in the advice letters follows rules or directions established by statute or Commission order applicable to the utility, as discussed in Energy Division's disposition.¹⁹ Policy objections regarding the appropriateness of Tier 2 advice letters to implement the Cost of Capital Mechanism are more properly considered in a proceeding, yet as noted, none of the Joint Protestants took issue with continuing the CCM for the Test Year 2023 Cost of Capital cycle at the time the Commission issued D.22-12-031.

As a result, we find that Energy Division's disposition does not err in law and appropriately approved the Tier 2 advice letters consistent with Commission General Order 96-B.

The Disposition Letter does not err in fact and law by rejecting the Joint Protest grounds that the relief requested in the Advice Letters is unjust, unreasonable or discriminatory.

The Joint Protest argues that Energy Division's disposition "improperly suggests that the relief requested in the Advice Letters cannot be found unjust, unreasonable, or discriminatory because the Joint Protestants' arguments are policy arguments or attempts to [re]litigate prior Commission decisions."²⁰ Further, the Joint Protest highlights the highly controversial nature of the Advice Letters to argue "that it would be improper to uncritically implement the CCM Formula Adjustment Mechanism through the advice letter process."²¹ We disagree. As discussed in Energy Division's disposition, General Order 96-B rule 7.4.2(6) only allows for protests on the grounds that the relief requested is unjust, unreasonable, or discriminatory "provided that such a protest may not be made where it would require relitigating a prior order of the Commission."²² In this case, the applicable prior orders of the Commission are D.08-05-035, Ordering Paragraph 2 that adopted the policy for the CCM's operation,

¹⁹ *Id.* at 9-10.

²⁰ Joint Protestants' January 12, 2024 Request for Commission Review at 10.

²¹ *Id.*

²² Energy Division December 22, 2023 Disposition Letter at 10.

including the automatic ROE adjustment via Tier 2 advice letter, and D.22-12-031 that adopted the continuation of the CCM for the 2023 Cost of Capital cycle. Therefore, Energy Division's disposition properly finds that the Joint Protest's arguments on these grounds would require relitigating prior orders of the Commission, contrary to General Order 96-B.

We also disagree with the Request's additional claim that Energy Division's disposition letter deprives ratepayers of due process "by authorizing the Advice Letters' requested relief while the PFM is pending."²³ As discussed, the Petition for Modification does not halt the implementation of Commission orders, pursuant to Rules of Practice and Procedure 16.4(h). Moreover, the Test Year 2023 Cost of Capital proceeding that resulted in D.22-12-031 included the appropriateness of continuing the Cost of Capital Mechanism in its list of issues to be addressed.²⁴ That proceeding allowed ample opportunity for parties to voice support or opposition to the continuation of the CCM for the Test Year 2023 cycle, and despite the assertions of controversy, none of the Joint Protestants stated opposition to the continuation of the CCM at the time D.22-12-031 was issued. To the contrary, some of the Joint Protestants voiced support for continuing the CCM. For example, EPUC and Indicated Shippers stated the "Commission should continue to require automatic implementation of the CCM in the balanced manner it currently is supposed to operate, and adjust the ROE when observable changes in capital market costs occur during the three-year cost of capital cycle."²⁵ In addition, TURN stated that fairness dictates "...when triggered the CCM should go into effect with all required advice letter filings and rate changes occurring automatically."²⁶

As a result, we find that Energy Division's disposition does not err in fact and law by rejecting the Joint Protest grounds that the relief requested is unjust, unreasonable or discriminatory.

Summary

The Joint Protestants' Request states that it is submitted on the grounds that "the Disposition Letter violates Commission precedent, and errs in both law and fact in support of its rejection of the Joint Protest and approval of the Advice Letters."²⁷

²³ *Id.*

²⁴ July 12, 2022 Assigned Commissioner's Ruling Consolidating Four Applications and Scoping Memo and Ruling, at 3. (Consolidating A.22-04-008, A.22-04-009, A.22-04-011, A.22-04-012).

²⁵ EPUC and Indicated Shippers Opening Brief at 104-105.

²⁶ TURN Opening Brief at 43.

²⁷ Joint Protestants' January 12, 2024 Request for Commission Review at 6.

However, the Joint Protestant's Request fails to demonstrate any Commission precedent violated or error in law or fact by Energy Division's disposition.

Energy Division's disposition correctly finds that D.08-05-035 orders Utilities to file a Tier 2 advice letter to automatically adjust ROEs by half the difference when the difference between the 12-month average Moody's utility bond rates and the benchmark exceeds 100 basis points and that D.22-12-031 ordered the continuance of the CCM through the Test Year 2023 Cost of Capital cycle, unless modified by subsequent Commission decision.²⁸ The Joint Protestants do not dispute that the difference between the average Moody's utility bond rates and the benchmark exceeded 100 basis points. Thus, the relief requested in the Tier 2 advice letters follows directions established by prior orders of the Commission.

Commission General Order 96-B Section 7.4.2 states that "...a protest may not rely on policy objections to an advice letter where the relief requested in the advice letter follows rules or directions established by statute or Commission order applicable to the utility." Therefore, Energy Division's disposition correctly finds that policy arguments contained in the Joint Protest such as the appropriateness of using the advice letter process are inappropriate grounds for protest to the Utilities' Tier 2 advice letters. Energy Division's disposition is also correct in rejecting the Joint Protest's grounds that the relief requested in the Tier 2 advice letters is pending before the Commission in a formal proceeding because D.22-12-031 adopted the CCM for the TY 2023 Cost of Capital cycle unless modified by subsequent Commission decision.²⁹ Moreover, Energy Division's disposition does not err due to the filing of the PFM by certain of the Joint Protestants because pursuant to Commission Rules of Practice and Procedure Rule 16.4(h) "Unless otherwise ordered by the Commission, the filing of a petition for modification does not stay or excuse compliance with the order of the decision proposed to be modified. The decision remains in effect until the effective date of any decision modifying the decision." For the reasons stated above, we approve Energy Division's disposition.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission's website and in

²⁸ See D.08-05-035, Ordering Paragraph 2, D.22-12-031, Ordering Paragraph 6.

²⁹ D.22-12-031 Ordering Paragraph 6.

accordance with any instructions accompanying the notice. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced.

On June 25, 2024, AECA, CLECA, EPUC, FEA, the Indicated Shippers and SBUA (collectively, the Joint Ratepayers) submitted comments. The Joint Ratepayers' comments request the Commission modify the draft resolution to reverse approval of Energy Division's disposition. The Joint Ratepayers' comments argue that the draft Resolution errs by misapplying General Order 96-B. These comments are based on duplicated arguments raised in the Joint Protest and Request for Commission Review and are addressed in the discussion above.

FINDINGS

1. The Commission agrees with Energy Division's disposition of PG&E Advice Letter 4813-G/7046-E, SCE Advice Letter 5120-E, SDG&E Advice Letter 4300-E/3239-G and SoCalGas Advice Letter 6207-G implementing the Cost of Capital Formula Adjustment Mechanism for 2024.

THEREFORE IT IS ORDERED THAT:

1. The Energy Division's disposition for PG&E Advice Letter 4813-G/7046-E, SCE Advice Letter 5120-E, SDG&E Advice Letter 4300-E/3239-G and SoCalGas Advice Letter 6207-G is approved.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on July 11, 2024; the following Commissioners voting favorably thereon:

/s/ RACHEL PETERSON

Rachel Peterson
Executive Director

ALICE REYNOLDS
President

DARCIE HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
Commissioners

Commissioner Matthew Baker recused himself
and did not participate in the vote of this item.