

Decision **PROPOSED DECISION OF ADMINISTRATIVE LAW JUDGE**
EHREN D. SEYBERT (Mailed 6/10/2026)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company to increase its authority to finance short-term borrowing needs by \$2.0 billion to an aggregate amount not to exceed \$10.5 billion (U39M).

Application 25-10-004

**DECISION GRANTING, IN PART, PACIFIC GAS AND ELECTRIC
COMPANY'S REQUEST FOR INCREASED AUTHORITY TO
FINANCE SHORT-TERM BORROWING**

Table of Contents

DECISION GRANTING, IN PART, PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST FOR INCREASED AUTHORITY TO FINANCE SHORT-TERM BORROWING.....	1
Summary	2
1. Background	2
1.1. Factual Background	2
1.2. Procedural Background.....	3
1.3. Submission Date	4
2. Jurisdiction	4
3. PG&E's Prayer for Relief.....	4
4. PG&E's Request to Increase its Unrestricted	5
Short-Term Debt Financing Authorization.....	5
4.1. Party Positions	6
4.2. Discussion	9
4.2.1. Standard of Review	9
4.2.2. Increasing PG&E's Short-Term Debt Authorization by \$1.0 billion, to an Aggregate Amount not to Exceed \$9.5 billion	11
5. Authorizing PG&E to Issue Short-Term Debt Using	16
the Same Types of Debt Securities and Instruments	16
Previously Authorized by the Commission.....	16
6. Authorizing PG&E to Refinance or Retire.....	18
any Short-Term Debt Issued	18
7. Effective Date of the Authority Granted.....	19
8. General Order 24-C.....	20
9. Summary of Public Comments	21
10. Motions	22
11. Comments on Proposed Decision.....	22
12. Assignment of Proceeding	23
Findings of Fact.....	23
Conclusions of Law	25
ORDER	26

**DECISION GRANTING, IN PART, PACIFIC GAS AND ELECTRIC
COMPANY'S REQUEST FOR INCREASED AUTHORITY TO
FINANCE SHORT-TERM BORROWING**

Summary

This decision grants, in part, Pacific Gas and Electric Company's (PG&E's) request to increase its authorized amount of financing for its short-term borrowing needs. Specifically, this decision authorizes PG&E to increase its authorized amount of financing for its short-term borrowing needs by \$1.0 billion, or half of PG&E's total requested increase, to an aggregate principal amount not to exceed \$9.5 billion, subject to the conditions specified herein. This decision does not address the associated costs, expenditures, or capital projects that may be financed through the short-term debt authorized by today's decision, which will be subject to consideration in future reasonableness review applications.

This proceeding is closed.

1. Background

1.1. Factual Background

In this proceeding, Pacific Gas and Electric Company (PG&E) requests authority to increase its existing authority under California Public Utilities Code Section 823(c) to purchase unrestricted short-term debt by an additional \$2.0 billion, for a total of up to \$10.5 billion, using the same types of debt instruments and on the same conditions authorized by the Commission in Decision (D.) 20-05-053, D.21-05-008 and D.23-08-006. Pursuant to D.23-08-006,

PG&E has current authorization to issue up to \$8.5 billion of short-term debt at any time for working capital and various other types of short-term debt needs.¹

1.2. Procedural Background

On October 10, 2025, PG&E filed Application (A.) 25-10-004 for authority to increase its short-term borrowing needs by \$2.0 billion, not to exceed an aggregate amount of \$10.5 billion (Application). PG&E's Application includes a request for an expedited schedule under Rule 2.9 of the Commission's Rules of Practice and Procedure (Rules).

On November 5, 2025, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed a protest to the Application.

On November 20, 2025, PG&E filed a reply to Cal Advocates' protest.

A prehearing conference (PHC) was held on November 21, 2025, to determine the parties and discuss the scope of issues, schedule of the proceeding, and other procedural matters.

On November 25, 2019, the assigned Commissioner issued a Scoping Memo and Ruling setting forth the scope of issues, need for hearing, schedule, and category (Scoping Memo). The Scoping Memo denied PG&E's request to issue a decision by February 2026, but established procedural deadlines that reflect the narrow scope of issues under consideration.²

On January 5, 2026, PG&E filed a supplement to its Application to respond to the questions and additional information directed in the Scoping Memo (PG&E Supplement).

¹ D.23-08-006 Ordering Paragraph 1.

² Scoping Memo at 5-6.

On January 23, 2026, Cal Advocates served intervenor testimony.

On February 13, 2026, PG&E served rebuttal testimony.

On March 2 and March 9, 2026, PG&E and Cal Advocates filed their respective opening briefs.

On March 13, 2026, PG&E and Cal Advocates filed reply briefs.

1.3. Submission Date

This matter was submitted on March 13, 2026, upon the filing of reply briefs.

2. Jurisdiction

PG&E filed its Application pursuant to Sections 816 - 830 and 851 of the California Public Utilities (Pub. Util.) Code.³ The Commission has broad discretion to determine if a utility should be authorized to issue short-term debt pursuant to Sections 816, *et seq.* Where necessary and appropriate, the Commission may attach conditions to the issuance of short-term debt in order to protect and promote the public interest.⁴

3. PG&E's Prayer for Relief

PG&E seeks approval from the Commission to increase its authorized amount of financing for its short-term borrowing needs by \$2.0 billion, using the same types of debt securities and instruments previously authorized by the Commission. Specifically, PG&E requests the following prayer for relief:

³ Application at 1 and 4. All Section references are to the Pub. Util. Code, unless otherwise specified.

⁴ Section 701; also, D.04-10-037 at 9, D.06-11-006 at 5-6, D.09-05-002 at 2-3, D.19-09-008 at 6, D.21-02-015 at 5-6, and D.21-05-008 at 12-13.

1. Increasing PG&E's unrestricted short-term financing authorization as granted in D.23-08-006, by \$2.0 billion, to an aggregate principal amount not to exceed \$10.5 billion, for the purposes set forth in PG&E's Application;
 2. With respect to the requested short-term debt authority, authorizing PG&E to issue short-term debt using the same types of debt securities and instruments previously authorized by the Commission in D.20-05-053, D.21-05-008, and D.23-08-006, including the authority to issue short-term debt secured by utility property;
 3. Authorizing PG&E to refund any short-term debt issued pursuant to the requested short-term debt authority as described in PG&E's Application, consistent with Pub. Util. Code 823(d) and the conditions authorized in D.21-05-008;
 4. Providing that the authority granted shall be effective when PG&E has paid the fees, if any, prescribed by Sections 1904 and 1904.1 of the Pub. Util. Code; and
 5. Confirming PG&E shall report to the Commission all information required by General Order 24-C for any instruments issued by PG&E pursuant to this decision, and that PG&E may report this information on a semi-annual basis.⁵
- 4. PG&E's Request to Increase its Unrestricted Short-Term Debt Financing Authorization**
- PG&E requests authorization to increase its existing authority by an additional \$2.0 billion of unrestricted short-term debt, from the currently authorized amount of \$8.5 billion to an aggregate principal amount not to exceed \$10.5 billion. PG&E states it uses short-term debt for a variety of operational

⁵ Application at 8-9; Reporter's Transcript, Vol. 1 at 11:12-12:11; PG&E Opening Brief (OB) at iii, 3.

needs, including commodity procurement costs and collateral posting, funding payroll and other recurring operational expenses (such as rent and maintenance expenses), managing fluctuations in balancing and memorandum accounts that require Commission approval before PG&E can recover associated balances in rates, and unexpected liquidity needs. PG&E also states it relies on short-term debt to proactively manage the timing of its long-term debt maturities.⁶

As of December 31, 2025, PG&E had used a total of \$8.35 billion of its short-term debt authorization, and had approximately \$3.3 billion in available capacity on its committed short-term debt credit facilities.⁷

4.1. Party Positions

PG&E asserts its short-term debt authorization request is reasonable, in the public interest, and consistent with Commission precedent authorizing short-term debt increases.⁸ These assertions are detailed below.

PG&E states it requires significant short-term debt and flexibility to efficiently manage seasonal operating expenses, fluctuations in its balancing and memorandum accounts, long-term debt maturities, and unanticipated liquidity events, all of which can produce multibillion dollar spikes in PG&E's short-term debt needs over relatively short periods of time. For example, PG&E highlights that between September 30 and December 31, 2025, PG&E's short-term debt outstanding increased from \$2.75 billion to \$5.2 billion, driven primarily by

⁶ PG&E OB at 6.

⁷ PG&E Supplement at A7. The difference between PG&E's committed short-term debt facilities and the total short-term borrowing outstanding represents unused capacity on PG&E's committed credit facilities. (*PG&E Supplement at A-7*).

⁸ PG&E OB at 2.

recurring and seasonal operational expenses (including payroll and monthly gas procurement expenses). PG&E also points to prior undercollections in its memorandum/balancing accounts, which exceeded \$2.57 billion in 2025,⁹ and the \$2.5 billion in collateral requirements associated with the natural gas price spike caused by winter storms in 2022-2023.¹⁰

Over the next three years, PG&E projects negative free cash flow levels that are comparable to PG&E's recorded cash flow between 2021-2025.¹¹ PG&E states it relies on short-term debt to manage the timing of its long-term debt maturities, which will exceed \$3.0 billion per year from 2025 to 2028. PG&E also asserts short-term debt authorization has fallen dramatically behind its ongoing rate base expansion and is significantly below other California-based utilities, and that granting PG&E's request would more closely align PG&E's ratio of short-term debt to rate base with that of Southern California Edison Company (SCE).¹²

PG&E argues short-term debt is the lowest, and most cost-efficient, source of financing available for managing PG&E's liquidity needs, and that greater statutory authorization will allow PG&E to identify and negotiate more favorable short-term and long-term financing agreements and contribute to further

⁹ In 2025, PG&E's undercollection in its memorandum and balancing accounts exceeded \$2.5 billion. (Ex. PG&E-1 at 4).

¹⁰ *Id.* at 7-8.

¹¹ *Id.* at 3-4. Due to the cash-intensive nature of utility operations, between 2021-2025 PG&E's annual expenditures on utility operations and capital investment consistently exceeded its cash generated from operations, resulting in a negative free cash flow of approximately \$3 to \$6.0 billion per year. (PG&E OB at 7).

¹² *Id.* at 6 and 11.

improvement of PG&E's creditworthiness. PG&E asserts any resulting financing opportunities and long-term debt savings associated with its request will ultimately flow to customers through future cost of capital proceedings.¹³

Cal Advocates asserts PG&E's short-term debt authorization request is based on generalized liquidity, flexibility, and speculative tail-risk claims, and is contrary to the concrete, quantified drivers of need considered and approved in prior Commission decisions and inconsistent with the requirement in Pub. Util. Code Sections 816-823 for a utility to demonstrate a reasonable need to issue short-term debt for proper purposes. Additionally, Cal Advocates asserts the following: (1) PG&E fails to identify the specific projects it plans to finance, when funds would be needed, and/or the associated amounts; (2) PG&E's short-term borrowings and undrawn committed facilities at year-end 2025 were proportionally in line with PG&E's annual, historical utilization of its committed facilities and authority between 2020-2024, demonstrating that PG&E has sufficient available short-term debt capacity to manage extraordinary liquidity events; (3) PG&E's undrawn committed facilities have been increasing over the last five years, while PG&E's utilization of short-term debt over the same time period has remained proportional with its short-term debt authorization; and (4) despite fluctuations in short-term debt authorization and shifting market conditions, PG&E has improved its credit rating from all major credit rating bodies since 2020, while PG&E provides no evidence demonstrating the

¹³ *Id.* at 20-21.

additional short-term debt authority will result in guaranteed ratepayer benefits.¹⁴

In response, PG&E asserts its request is consistent with Commission precedent, where prior approved increases were based on similar or identical factors as presented and requested in this Application. PG&E also asserts “guaranteed ratepayer benefits” is not the appropriate standard for considering utility requests for short-term debt authorization, while PG&E’s testimony demonstrates how greater statutory authorization will permit PG&E to negotiate and realize more favorable short-term financing agreements and customer benefits. Lastly, PG&E shows that, between 2020-2024, PG&E’s actual usage of short-term debt during the course of the year exceeded, at times, the recorded balance on December 31st of the year (sometimes by billions of dollars), demonstrating that PG&E’s short-term debt needs should be evaluated on an ongoing basis rather than specific points in time.¹⁵

4.2. Discussion

4.2.1. Standard of Review

A preliminary threshold issue in dispute in this proceeding concerns the standard of review for short-term debt applications pursuant to Pub. Util. Code Sections 816–823. In general, parties agree Section 823(c) and Commission precedent require a utility applicant to demonstrate a “reasonable need” to issue short-term debt for “proper purposes,” and that the Commission has broad discretion to determine if a utility should be authorized to issue short-term

¹⁴ Ex. CA-01 at 5-15; Cal Advocates OB at 2-14.

¹⁵ Ex. PG&E-1 at 4-7, 11; PG&E OB at 13-14.

debt.¹⁶ However, parties disagree on whether Section 823(c) and Commission precedent require utility short-term debt requests to be supported by specific and concrete, quantified drivers of need.

While the Commission has granted increases in short-term debt authorization based on a showing of specific needs and costs in the past, it has also granted authorization based on more generalized justifications of need, or a combination of different needs. For example, in D.23-08-006 the Commission granted PG&E's request for additional short-term debt authorization based on "potential unanticipated fluctuations in customer commodity procurement costs caused by extraordinary events," and the need to manage "balancing and memorandum accounts [that] have grown to historically high levels" and "upcoming debt maturities ranging from \$1 to \$3.0 billion annually between 2023 and 2027."¹⁷ These are among the same justifications PG&E presents in support of its request in this proceeding. Other Commission decisions have granted increases in short-term debt authorization based on similar general showings, including price volatility associated with cash collateral to counterparties in connection with various energy procurement transactions;¹⁸ the use of short-term debt to temporarily bridge long-term financings;¹⁹ and avoidance of potential

¹⁶ Ex. CA-01 at 2.

¹⁷ D.23-08-006 at 4-7.

¹⁸ D.09-05-002 at 3-4.

¹⁹ *Ibid.*

higher costs and lower credit ratings associated with increased reliance on long-term debt, relative to short-term debt.²⁰

Cal Advocates' assertion that the utility applicant must identify a "concrete, quantifiable need for the funds" is also at odds with PG&E's use of short-term debt to manage extraordinary risk events, such as natural disasters, which are inherently uncertain and are regularly accounted for in prior Commission decisions.²¹

For all these reasons, in this decision the Commission continues to employ a broad interpretation of "reasonable need" in our review of PG&E's request to increase its short-term debt authority.

**4.2.2. Increasing PG&E's Short-Term Debt Authorization
by \$1.0 billion, to an Aggregate Amount not to
Exceed \$9.5 billion**

Notwithstanding the discussion above, we also find PG&E has failed to adequately support its request to increase its short-term debt authority by \$2.0 billion. Instead, this decision authorizes PG&E to increase its unrestricted short-term debt authorization by \$1.0 billion, to an aggregate principal amount not to exceed \$9.5 billion. The remainder of PG&E's requested increase is rejected without prejudice, and PG&E may refile once it addresses one or more of the deficiencies identified in this decision.

²⁰ D.21-05-008 at 13.

²¹ The management of extraordinary risk events is often accounted for in Commission decisions through the approval of a certain amount of "slack financial capacity." (See D.04-10-037 at 10-11; D.06-11-006 at 7-8; and D.09-05-002 at 3).

PG&E states it uses short-term debt for a variety of needs, and that the level of its short-term debt can fluctuate by billions of dollars over relatively short periods of time. However, the occurrence of fluctuations in PG&E's short-term debt usage does not, by itself, demonstrate that the level of PG&E's current short-term debt authority is insufficient to manage such fluctuations. PG&E's arguments concerning the impact of these fluctuations are further undermined by the following: first, PG&E had approximately \$3.3 billion in available capacity on its committed short-term debt credit facilities as of year-end 2025, following a seasonal period of significant negative cash flow.²² Second, PG&E projects its average negative free cash flow levels for the next three years to be in-line with its recorded cash flow between 2021-2025.²³ Finally, most of the key drivers PG&E identifies in this proceeding as potentially impacting its short-term debt (i.e., the \$3.0 billion in annual long-term debt maturities that began in 2025, elevated and unrecovered costs recorded in PG&E's memorandum and balancing accounts, and historic spikes in commodity prices during the 2022-2023 natural gas spikes) were already considered in the Commission's prior decision approving a \$1.0 billion increase to PG&E's short-term debt authorization.²⁴

Except for recent changes adopted in Investigation (I.) 23-03-008, which we discuss below, PG&E does not explain whether there have been any significant changes to these key drivers, identify new key drivers, or otherwise demonstrate

²² PG&E Supplement at A7.

²³ Ex. PG&E-1 at 3-6.

²⁴ D.23-08-006 at 3-7.

significant changes in its unused short-term debt capacity which might otherwise warrant further increases to PG&E's short-term debt authorization.

PG&E also asserts its short-term debt authorization has fallen dramatically behind its ongoing rate base expansion and is below other California-based utilities. While no party contests the declining level of PG&E's short-term debt authorization relative to its rate base,²⁵ other than broad assertions that "PG&E's short-term financing needs generally track with respect to the scale of its overall operations" and PG&E "typically expects to use short-term debt to manage the associated long-term debt and equity issuances, and overall liquidity fluctuations associated with a large rate base,"²⁶ PG&E does not present any evidence or examples demonstrating how its short-term debt usage has increased, or is expected to increase, as a result of the larger rate base. Further, there is nothing in the record demonstrating how PG&E's use of short-term debt compares to that of other California-based utilities, or why PG&E's short-term debt authorization is otherwise relevant to that of SCE's.

Lastly, PG&E asserts additional short-term debt authorization will allow it to negotiate more favorable financing agreements and contribute to further improvement of PG&E's creditworthiness, resulting in cost reduction benefits to PG&E customers. PG&E appears to suggest that any increase to its short-term debt authority would result in potential ratepayer benefits, given the financing

²⁵ PG&E reports its short-term debt as a percentage of rate base (i.e., the ratio of short-term debt to rate base) as 14 percent in 2020, 16 percent in 2021, 15 percent in 2022 and 2023, 13 percent in 2024, and 12 percent in 2025. (Ex. PG&E-1, Table 4 at 10).

²⁶ Ex. PG&E-1 at 10.

flexibility and additional dedicated credit facilities it would provide. However, since this outcome would obviate the need for any Commission review, we do not believe this argument is sufficient, by itself, to satisfy the requirements in Section 823(c).²⁷ More specific to PG&E's current request, PG&E does not identify any financing agreements it is considering for potential renegotiation, or otherwise specify the level of financing agreements that may be subject to renegotiation. Concerning the impacts of additional short-term debt on PG&E's creditworthiness, no credit rating agencies participated in this proceeding while, as noted by Cal Advocates, PG&E has continued to improve its credit rating since 2020 despite fluctuations in short-term debt authorization and shifting market conditions.²⁸

Notwithstanding the discussion above, we find it prudent and reasonable to authorize a more modest \$1 billion increase to PG&E's unrestricted short-term debt authority, to an aggregate principal amount not to exceed \$9.5 billion. The authorized increase is based on the core procurement charge that was adopted in D.26-02-058, as well as the Commission's experience and judgement in considering the potential magnitude of PG&E's liquidity needs and anticipated use of short-term debt.

The Commission has found it prudent and reasonable for the utilities to maintain financial reserves to cope with extraordinary and uncertain events, and

²⁷ Section 832(c) requires public utilities to receive consent by the Commission before issuing notes payable in an amount that exceeds in aggregate five percent of the par value of the other securities then outstanding.

²⁸ Ex. CA-01 at 14-15.

prior decisions account for this uncertainty either by incorporating a certain amount of “slack” capacity or through financial reserves that could only be used during extraordinary events.²⁹

In D.26-02-058, the Commission adopted a 150 percent price cap on core procurement cost prices in the event of a natural gas price spike that occurs during the winter months, not to exceed three months.³⁰ PG&E estimates that, had the 150 percent price cap been in place during the winter gas price spike of 2022-2023, then it would have required additional short-term debt financing of approximately \$600 million for the months of January and February.³¹ The additional liquidity stemming from the temporary 150 percent price cap has not been considered in prior short-term debt authorizations, and we find PG&E’s estimate of the additional, incremental liquidity required to be reasonable.

Considering the potential magnitude of PG&E’s liquidity needs during one or more potential extraordinary events,³² PG&E’s highest reported short-term debt usage between 2020-2025,³³ and PG&E’s anticipated use of short-

²⁹ D.04-10-037 at 10; D.06-11-006 at 7-8; and D.09-05-002 at 3.

³⁰ D.26-02-058 Ordering Paragraph 2.

³¹ Ex. PG&E-1 at 7, PG&E OB at 12-13; also, PG&E’s February 12, 2026, Opening Comments in I.23-03-008 at 3-4. At the time PG&E served its rebuttal testimony in this proceeding, the Commission was still considering the proposed decision in I.23-03-008. In D.26-02-058, the Commission adopted a 150 percent price cap not to exceed three months. (D.26-02-058 Ordering Paragraph 2). It is unclear, based on the record of this proceeding, whether PG&E’s estimate would increase as a result of the three-month price cap adopted in D.26-02-058.

³² For example, the 2025 undercollection in PG&E’s memorandum and balancing accounts exceeded \$2.5 billion, while PG&E states a future scenario involving gas price spikes that are analogous to the 2023-2023 Winter Storms could result in more than three billion dollars in short-term debt utilization. (Ex. PGE-1 at 4, 7).

³³ Ex. PG&E-1, Table 3 at 6; Ex. CA-01, Table 2 at 11.

term debt in 2026³⁴ - in addition to the liquidity associated with the 150 percent price cap in D.26-02-058 - we find it prudent and reasonable to authorize a \$1 billion increase to PG&E's unrestricted short-term debt authority, to an aggregate principal amount not to exceed \$9.5 billion.

While Cal Advocates asserts PG&E's anticipated use of short-term debt in 2026 is "wholly speculative,"³⁵ Cal Advocates does not provide an alternative forecast for Commission consideration or otherwise identify errors in PG&E's forecast. We find PG&E's 2026 forecast to be reasonably in-line with its highest reported short-term debt usage between 2020-2025 and, consistent with prior decisions, use our experience and judgment to determine the prudent amount of financial reserves that should be authorized to enable PG&E to continue to provide service to its customers during extraordinary events.

This decision does not address the associated costs, expenditures, or capital projects that may be financed through the short-term debt authorized by today's decision, which will be subject to consideration in future reasonableness review applications.

5. Authorizing PG&E to Issue Short-Term Debt Using the Same Types of Debt Securities and Instruments Previously Authorized by the Commission

In its Application, PG&E requests authority to increase its existing short-term debt authority using the same types of debt instruments and on the same

³⁴ Ex. PG&E-1C at 6-7.

³⁵ Cal Advocates OB at 11.

conditions authorized by D.23-05-005, including the authority to issue short-term debt secured by utility property.³⁶

Pursuant to D.23-05-005, PG&E has current authorization to issue up to \$8.5 billion of short-term debt at any time for working capital and various other types of short-term debt needs. The types of short-term debt securities PG&E may use include, but are not limited to, direct loans, short-dated notes, revolving credit facilities and letter of credit facilities, accounts receivable financing, commercial paper, and extendible commercial notes.³⁷

Beyond PG&E's request to increase the level of its short-term debt authorization by \$2.0 billion, no party directly contests PG&E's request to use the same types of debt securities and instruments previously authorized by the Commission, or any other aspect of PG&E's prayer for relief as provided in Section 3 of this decision. As we stated in D.04-10-037, "[p]roviding PG&E with discretion to choose among the many different instruments and the many different ways to issue debt and preferred stock should enhance PG&E's ability to obtain capital at the lowest possible cost to PG&E and its ratepayers."³⁸ We continue to find PG&E should have the flexibility to take advantage of market opportunities to the benefit of its ratepayers, including during unforeseen emergency and/or extraordinary conditions; therefore, PG&E's uncontested request is granted, and the authorization in this decision is for the same types of

³⁶ PG&E Application at 2.

³⁷ D.23-05-005 at 6-7.

³⁸ D.04-10-037 at 24.

debt instruments authorized by D.23-08-006, including the issuance of short-term debt secured by utility property.

6. Authorizing PG&E to Refinance or Retire any Short-Term Debt Issued

Pub. Util. Code Section 823(d) states “[n]o note payable at a period of not more than 12 months after the date of issuance of such note shall, in whole or in part, be refunded by any issue of stocks or stock certificates or other evidence of interest or ownership, or of bonds, notes of any term or character, or any other evidence of indebtedness, without the consent of the commission.”

PG&E requests authority to refinance or retire its existing short-term debt with the proceeds of new short-term debt.³⁹ As stated in D.21-05-008, Section 823(d) does not restrict such transactions, while utilities have previously been granted authority to refinance existing short-term debt with the proceeds of new short-term debt.⁴⁰ Therefore, PG&E’s request to refinance or retire its existing short-term debt with proceeds of new short-term debt is granted. The total amount of short-term debt outstanding at any point in time cannot exceed the total aggregate amount of short-term debt authorized by the Commission. As discussed above, this decision authorizes PG&E to increase its unrestricted short-term debt authorization by \$1.0 billion, to an aggregate principal amount not to exceed \$9.5 billion.

³⁹ Application at 8; Reporter’s Transcript, Volume 1, at 11:20-12:10; D.21-05-008 at 5-6, 13-15.

⁴⁰ D.21-05-008 at 13-15.

7. Effective Date of the Authority Granted

Pub. Util. Code Section 1904(b) sets forth the fees required when the Commission authorizes an issuance of bonds, notes, or other evidences of indebtedness.

In its Application, PG&E calculates the statutory fee as \$1,006,000, based on the requested \$2.0 billion increase in PG&E's short-term debt authorization.⁴¹ PG&E further requests that it be permitted to remit the fee amount by wire transfer, noting that the Commission has granted such relief in the past. To the extent Rule 1.16 requires payment by check, money order or credit card, PG&E requests that the Commission waive compliance with that rule.⁴²

Based on the additional short-term debt authorized in this decision, PG&E is directed to remit a fee in the amount of \$506,000, as calculated in the following table:

Table 1: Calculation of Section 1904(b) Fee for \$1.0 billion of Additional Short-Term Debt

STEP	AMOUNT	RATE (PER \$000)	FEE
Step 1 (Up to \$1 Million)	\$1,000,000	\$2.00	\$2,000
Step 2 (Over \$1 Million - \$10 Million)	\$9,000,000	\$1.00	\$9,000
Step 3 (Over \$10 Million)	\$990,000,000	\$0.50	\$495,000
Total Fee			\$506,000

The authority granted by this decision shall not be effective until PG&E has paid the fee above.

Concerning PG&E's request to remit the fee to the Commission's Fiscal Office by wire transfer, as noted above, the Commission has permitted PG&E to

⁴¹ Application at 7.

⁴² *Ibid.*

pay the Section 1904(b) fee via wire transfer in the past.⁴³ Further, Resolution ALJ-485, which was adopted during the pendency of this proceeding, permits additional options for the payment of filing fees based on the method prescribed at the time of filing.⁴⁴ Therefore, PG&E's request to remit the Section 1904(b) fee by wire transfer is approved. PG&E shall pay the Section 1904(b) fee, determined to be \$506,000, within 30 days from the issuance date of this decision. If the fee is not tendered by wire transfer, payment may be remitted to the California Public Utilities Commission's Fiscal Office, Room 3000, 505 Van Ness Avenue, San Francisco, CA 94102. The decision number of this decision must appear on the face of the check. The authority granted by this decision shall become effective when the fee required by Pub. Util. Code Section 1904 has been paid in full.

8. General Order 24-C

General Order (GO) 24-C requires public utilities that issue debt or equity to file a semiannual report with the Commission that includes the following information for the applicable semiannual period:

1. A description of the debt and equity issued during the semiannual period, if any, including the principal amount of each issuance, the commissions paid for each issuance, and the net proceeds received for each issuance.
2. The total amount of stock issued and outstanding at the end of the semiannual period, including the total number of shares issued and the par value, if any, of such shares.

⁴³ D.21-05-008 at 16-17; D.23-08-006 at 9.

⁴⁴ Resolution ALJ-485, Appendix A at 5.

3. The total bonds and other debt issued and outstanding at the end of the semiannual period, including the principal amount of such bonds and other debt.
4. The expenditures of debt and equity proceeds during the semiannual period and the purposes for which these expenditures were made. Expenditures must be reported in a way that allows the Commission to ascertain the utility's compliance with Pub. Util. Code § 817 and the related authorizing decision.

Additionally, GO 24-C requires utilities to maintain records which demonstrate that the proceeds from the issuance of debt and equity have been used in a manner authorized by the related authorizing decision.

For its part, PG&E confirms it will continue to provide the periodic reports required by GO 24-C.⁴⁵

9. Summary of Public Comments

Rule 1.18 of the Commission's Rules of Practice and Procedure (Rules) allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Pursuant to Rule 1.18(a), public comments received prior to the submission of the record in the proceeding are entered into the administrative record of that proceeding. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding.

⁴⁵ Application at 4.

One public comment was received prior to the submission of the record in the proceeding. Citing affordability challenges, the comment opposes any increase in PG&E's electric and gas rates.

10. Motions

All previous rulings made during this proceeding are affirmed. All other outstanding motions for which rulings have not issued are deemed denied.

11. Comments on Proposed Decision

The proposed decision of ALJ Ehren D. Seybert in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Commission's Rules. Comments were filed on June 30, 2026 by PG&E and Cal Advocates, and reply comments were filed on July 6, 2026 by PG&E and Cal Advocates.

Pursuant to Rule 14.3(c), "[c]omments shall focus on factual, legal or technical errors in the proposed decision and in citing such errors shall make specific references to the record or applicable law. Comments which fail to do so will be accorded no weight." Pursuant to Rule 14.3(d), replies to comments "shall be limited to identifying misrepresentations of law, fact or condition of the record contained in the comments of other parties."

We have carefully reviewed and considered the parties' comments and made appropriate changes to the proposed decision where warranted. We find that all further comments not specifically addressed by revisions to the proposed decision do not raise any factual, legal, or technical errors that would warrant modifications to the proposed decision.

12. Assignment of Proceeding

Darcie L. Houck is the assigned Commissioner and Ehren D. Seybert is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. PG&E is currently authorized to issue up to \$8.5 billion of unrestricted short-term debt for working capital and various other types of short-term debt needs.
2. Pursuant to Pub. Util. Code Sections 816-831 and 851, PG&E requests to increase its short-term debt authorization by \$2.0 billion, to an aggregate amount not to exceed \$10.5 billion, using the same types of debt instruments and on the same conditions authorized by the Commission in D.23-08-006.
3. PG&E's request to increase its short-term debt amount is contested by Cal Advocates.
4. The Commission has granted prior requests for increases in short-term debt authorization based on a showing of specific needs and costs as well as more generalized justifications of need.
5. Cal Advocates' argument that utility requests to increase short-term debt authority require "concrete, quantifiable need for the funds" is inconsistent with PG&E's use of short-term debt to manage extraordinary risk events, which are inherently uncertain.
6. As of December 31, 2025, PG&E's outstanding short-term debt borrowings totaled approximately \$5.2 billion, while PG&E had approximately \$3.3 billion in available capacity on its committed short-term debt credit facilities.

7. PG&E's reported short-term debt usage on December 31, 2025, followed a period of significant negative cash flow.

8. Many of the key drivers and illustrative events that PG&E presents in this proceeding as impacting its short-term debt usage were considered and addressed in D.23-08-006.

9. PG&E does not provide evidence demonstrating how its short-term debt usage has increased, or is expected to increase, as a result of the increases to PG&E's rate base that occurred between 2021-2025.

10. There is nothing in the record of this proceeding demonstrating how PG&E's use of short-term debt compares to that of other California-based utilities, or why PG&E's short-term debt authorization is otherwise relevant to that of SCE's.

11. PG&E does not identify any financing agreements it is considering for potential renegotiation as a result of increases to its short-term debt authority, or otherwise specify the level of financing agreements that may be subject to renegotiation.

12. PG&E has continued to improve its credit rating since 2020, despite fluctuations in short-term debt authorization and shifting market conditions.

13. In D.26-02-058, the Commission adopted a 150 percent price cap on core procurement cost prices, not to exceed three months, in the event of a natural gas price spike that occurs during the winter months.

14. Assuming a 150 percent price cap on core procurement cost prices had been in place during the winter gas price spike of 2022-2023, PG&E estimates it

would have required additional short-term debt financing of approximately \$600 million for the months of January and February.

15. PG&E's forecast of its short-term debt usage in 2026 is generally in-line with its highest reported short-term debt usage between 2020-2025, and is reasonable.

16. PG&E's short-term debt usage has fluctuated by billions of dollars over short periods of time.

17. This decision does not address the specific, associated costs, expenditures, and capital projects that may be financed through PG&E's short-term debt authorization.

18. For PG&E to obtain the relief request in this decision, it must pay fees, as prescribed by Sections 1904 and 1904.1 of the California Pub. Util. Code, in the amount of \$506,000.

19. With precedent for previous similar payments, it is reasonable for PG&E to be permitted to pay its Application fees through wire transfer, notwithstanding Rule 1.16 of the Commission's Rules of Practice and Procedure.

20. PG&E states it will continue to provide the periodic reports required by GO 24-C.

Conclusions of Law

1. The Commission has broad discretion under Pub. Util. Code Sections 701.5, 816 et seq., and 851 to approve, modify, or reject PG&E's Application.

2. Where necessary and appropriate, the Commission may attach conditions to the issuance of short-term debt in order to protect and promote the public interest.

3. It is prudent for PG&E to maintain financial reserves to manage extraordinary events.

4. PG&E should be granted an increase in its short-term financing authorization by \$1.0 billion, to an aggregate principal amount not to exceed \$9.5 billion, using the same types of debt instruments and on the same conditions authorized by the Commission in D.23-08-006.

5. The authority granted in this decision should be effective when PG&E has paid the fees, determined to be \$506,000, prescribed by Sections 1904 and 1904.1 of the California Pub. Util. Code.

6. PG&E's request to pay the Section 1904(b) fees by wire transfer should be granted.

7. PG&E should report to the Commission all the information required by GO 24-C for any instruments issued by PG&E pursuant to this decision.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to increase its short-term debt financing authorization by \$1.0 billion, to an aggregate principal amount not to exceed \$9.5 billion, using the same types of debt instruments and on the same conditions authorized by the Commission in Decision 23-08-006.

2. Within 30 days from the issuance date of this decision, Pacific Gas and Electric Company shall pay the fees, determined to be \$506,000, prescribed by Sections 1904 and 1904.1 of the California Public Utilities (Pub. Util) Code, and such fees may be paid by wire transfer. Alternatively, if not paid by wire, the payment shall be remitted to the California Public Utilities Commission's Fiscal

Office, Room 3000, 505 Van Ness Avenue, San Francisco, CA 94102. The decision number of this decision must appear on the face of the check. The authority granted by this decision shall become effective when the fee required by Pub. Util. Code Section 1904 has been paid in full.

3. Pacific Gas and Electric Company (PG&E) shall report to the Commission all the information required by General Order 24-C for any instruments issued by PG&E pursuant to this decision.

4. All motions not previously addressed are deemed denied.

5. Application 25-10-004 is closed.

This order is effective today.

Dated August ____, 2026, at San Francisco, California