

Application: 25-05-009  
(U 39 M)  
Exhibit No.: (PG&E-20)  
Date: March 31, 2026  
Witness(es): Various

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**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 GENERAL RATE CASE**  
**REBUTTAL TESTIMONY**  
**EXHIBIT (PG&E-20)**  
**PEOPLE, COMPENSATION & BENEFITS**

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PACIFIC GAS AND ELECTRIC COMPANY  
EXHIBIT (PG&E-20)  
PEOPLE, COMPENSATION & BENEFITS

TABLE OF CONTENTS

| Chapter    | Title                                                              | Witness                              |
|------------|--------------------------------------------------------------------|--------------------------------------|
| 1          | REBUTTAL TESTIMONY ON COMPENSATION AND LABOR ESCALATION            | Judith S. Gutierrez<br>Deb Sinta     |
| 2          | REBUTTAL TESTIMONY ON PEOPLE ORGANIZATION                          | Judith S. Gutierrez<br>Deb Sinta     |
| 3          | REBUTTAL TESTIMONY ON COMPENSATION AND LABOR ESCALATION            | Lisa Laanisto                        |
| 4          | REBUTTAL TESTIMONY ON EMPLOYEE BENEFITS                            | Ashley Mawhorter<br>Allison A. Neves |
| 5          | REBUTTAL TESTIMONY ON OCCUPATIONAL HEALTH                          | Heather Noble                        |
| 6          | REPORT ON INCLUSION AND BELONGING [NO REBUTTAL]                    | Dionne N. Adams                      |
| 7          | TOTAL COMPENSATION STUDY [NO REBUTTAL]                             | WTW                                  |
| Appendix A | BENEFIT PLAN REPORTING [NO REBUTTAL]                               | Allison A. Neves                     |
| Appendix B | DATA RESPONSES INCLUDED AS APPENDIX B TO PG&E'S REBUTTAL TESTIMONY | Various                              |

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 1**  
**REBUTTAL TESTIMONY ON**  
**COMPENSATION AND LABOR ESCALATION**

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 1  
REBUTTAL TESTIMONY ON  
COMPENSATION AND LABOR ESCALATION

TABLE OF CONTENTS

|                                                        |     |
|--------------------------------------------------------|-----|
| A. Introduction.....                                   | 1-1 |
| B. Addressing Affordability.....                       | 1-2 |
| 1. PG&E Employee Related Forecasts Assumptions.....    | 1-2 |
| C. Key Issues of Rebuttal.....                         | 1-2 |
| 1. People Organization (Chapter 2) .....               | 1-2 |
| 2. Compensation and Labor Escalation (Chapter 3) ..... | 1-3 |
| 3. Employee Benefits (Chapter 4).....                  | 1-3 |
| 4. Occupational Health (Chapter 5).....                | 1-4 |
| 5. Report on Inclusion and Belonging (Chapter 6) ..... | 1-4 |
| 6. Total Compensation Study (Chapter 7).....           | 1-4 |
| D. Conclusion.....                                     | 1-4 |



**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 1**  
**REBUTTAL TESTIMONY ON**  
**COMPENSATION AND LABOR ESCALATION**

**A. Introduction**

This rebuttal testimony outlines the response and recommendations made by these parties in direct testimony of Public Advocates Office at the California Public Utilities Commission (Cal Advocates),<sup>1</sup> The Utility Reform Network (TURN),<sup>2</sup> and Energy Producers & Users Coalition (EPUC) and Indicated Shippers (IS),<sup>3</sup> regarding Pacific Gas and Electric Company's (PG&E) Exhibit (PG&E-08), People, Compensation & Benefits.<sup>4</sup>

The People Exhibit's proposals embody our commitment to address customer affordability while allowing for sufficient investment to continue providing safe, reliable, resilient and clean energy to the over 16 million customers we are privileged to serve. The People Organization's proposals ensure sustained long-term investment in our workforce and support the accomplishment of the important commitments proposed in this General Rate Case (GRC). Adequate resources to attract, retain, develop, and support the well-being of a qualified workforce is crucial. The Commission is urged to consider these priorities when assessing the Organization's objectives.

By balancing the need for investment in our workforce with our commitment to affordability, the People Exhibit's 2027 GRC proposals demonstrate a thoughtful response to meeting both immediate and future demands. While near-term customer affordability issues are of understandable concern and reflected in our proposals, we also consider the long-term affordability.

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<sup>1</sup> CA-20 through CA 22.

<sup>2</sup> TURN-15; TURN 18.

<sup>3</sup> EPUC/IS-001.

<sup>4</sup> All references to PG&E exhibits are to the testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025, errata filing.

## **B. Addressing Affordability**

### **1. PG&E Employee Related Forecasts Assumptions**

In alignment with the Company's commitment to address affordability, the employee-related forecasts presented in Exhibit (PG&E-8) were developed assuming no headcount increases past 2025.<sup>5</sup> As a result, employee-related programs such as medical, retirement savings plan, mental health, Short Term Incentives plan and others are forecasted at lower levels than what would be forecasted using the anticipated headcount for 2027. In addition to holding headcount flat for the Medical plan, PG&E's Affordability request is approximately \$90 million lower than the projected Willis Towers Watson Actuarial forecast and includes a post-test year escalation rate of 3 percent. Lastly, PG&E's proposal for \$500 million trust repurposing is an innovative way the Company is supporting customers by lowering rates and utilizing funds that would otherwise be stranded.

## **C. Key Issues of Rebuttal**

In this section, we briefly summarize key issues addressed in Exhibit (PG&E-20) People, Compensation & Benefits rebuttal. Cal Advocates, TURN, Small Business Utility Advocates (SBUA) and EPUC/IS recommend broad reductions to PG&E's employee benefit and compensation programs. Adopting these reductions will compromise our ability to deliver on commitments to offer certain benefits to our workforce. The strength and well-being of our workforce directly influences our ability to meet current and future challenges.

### **1. People Organization (Chapter 2)**

Cal Advocates seeks to reduce People Organization costs by proposing their own forecast methodology, using last recorded year plus escalation, and disallowing costs for outside services that are not currently in contract.<sup>6</sup> However, Cal Advocates recommendations are inconsistently applied and forecast recommendations are not aligned with their own stated methodology. Cal Advocates' recommendations are myopic without

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<sup>5</sup> Exhibit (PG&E-8), p. 1-14, Line 4.

<sup>6</sup> CA-20.

concern for broader implications that forward-looking forecasts can account for work planned for the future, not just tasks currently underway.

## **2. Compensation and Labor Escalation (Chapter 3)**

Intervenors make significant reductions to PG&E's Short Term Incentive program and disallow PG&E's Reward and Recognition Program and Non-Qualified Plans, asserting the PG&E Total Compensation is above market and as such these plans should not be recoverable in rates.<sup>7</sup> In addition, Cal advocates make a labor escalation recommendation based on IHS Global Insight.<sup>8</sup>

Intervenors' recommendations fail to consider that all the forecasts for these programs were developed with explicit consideration of affordability and prior Commission guidance. PG&E does not view individual compensation programs in isolation; rather, each component operates as part of an integrated total rewards framework which supports workforce stability, safety performance, and long-term operational effectiveness. Disallowing or materially reducing individual components without considering their role within the overall compensation structure would undermine PG&E's ability to maintain a qualified workforce and, ultimately, could increase operational and safety risks to customers.<sup>9</sup>

## **3. Employee Benefits (Chapter 4)**

Intervenors have recommended substantial reductions to PG&E's employee benefit proposals, citing cost containment strategies such as staff reductions and disregarding fluctuations in healthcare and mental health costs.<sup>10</sup> Intervenors also deny PG&E's request for a Medical Balancing Account (MBA). However, these recommendations do not fully consider the

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<sup>7</sup> CA-20, p. 3, Table 18-1; TURN-15, p. 4, Tables 1 and 2; and EPUC/IS-001, p. 68, lines 1-5.

<sup>8</sup> CA-20, p. 33, lines 10-13.

<sup>9</sup> Exhibit (PG&E-20), p. 3-4, lines 4-7 and lines 9-17.

<sup>10</sup> See SBUA-01, p. 46, lines 13-24 (Recommending a headcount reduction of two percent per year during the GRC cycle); CA-21, p. 9, line 1 to p. 13, line 8 (Recommending reductions to medical benefits forecast developed by respected actuarial consultant, without supporting protective measures—particularly a MBA—to manage known costs); TURN-15, p. 27, line 13 to p. 28, line 3 (Recommends against an actuarial forecast of known medical costs in favor of lower forecast without a MBA).

inherent risk associated with the affordability measures PG&E already incorporated into employee benefit forecasts, including forecasting benefits based on a flat headcount,<sup>11</sup> proposing a lower post-test year medical escalation rate, proposing a medical forecast significantly below actuarial estimates, and a trust repurposing proposal.<sup>12</sup> Such broad reductions overlook the challenges facing benefit plans in the current post-pandemic context and underestimate the essential function that comprehensive benefits serve in attracting and retaining the skilled workforce required for the provision of safe and reliable service.

#### 4. Occupational Health (Chapter 5)

Cal Advocates seeks to reduce Occupational Health program costs by challenging PG&E's reliance on historical averages, questioning the inclusion of forecast elements they view as new, expanded, or discretionary, and disputing costs they believe are not currently required under regulation.<sup>13</sup> Cal Advocates recommendations are often based on a mischaracterization of PG&E's testimony, workpapers and discovery responses and failed to provide supporting calculations to support their recommendation. PG&E's forecast for disputed programs is based on historical spend, weighted or adjusted when appropriate, and escalated consistent with Commission precedent.

#### 5. Report on Inclusion and Belonging (Chapter 6)

No parties had issues with the Report on Inclusion and Belonging.

#### 6. Total Compensation Study (Chapter 7)

No parties had issues with the Total Compensation Study.

### D. Conclusion

In this rebuttal, we respond to areas of concern raised by intervenors, and provide further explanation and support for our proposals.

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<sup>11</sup> Exhibit (PG&E-8), p. 1-14, Table 1-3.

<sup>12</sup> Exhibit (PG&E-8), p. 4-13, line 1 to p. 4-23, line 21.

<sup>13</sup> CA-22.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 2**  
**REBUTTAL TESTIMONY ON**  
**PEOPLE ORGANIZATION**

| People Immediate Office                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                | See Section C.1 for Rebuttal |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Expense: \$1.984 million<br>(Salaries)         | Units: N/A                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Expense: \$1.158 million<br>(Outside Services) |                              |
| The People Organization’s mission is to create an environment where coworkers find it enjoyable to work for PG&E, while ensuring that the Company’s human capital and operational needs are effectively met. The People Immediate Office seeks funding to support the People True North Strategy <sup>1</sup> (Outside Services) and salaries for 7 FTEs that primarily support the Chief People Officer as well as Risk and Compliance, Regulatory Support, annual financial planning and Lean for the People Organization. |                                                |                              |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                |                              |
| Public Advocates Office<br>(Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Expense: \$1.707 million<br>(Salaries)         |                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Expense: \$0.078 million<br>(Outside Services) |                              |
| <b>PG&amp;E Response:</b> PG&E disputes Cal Advocates recommendation to reduce the People Immediate Office labor forecast by \$0.277 million and the Outside Services costs by \$1.080 million                                                                                                                                                                                                                                                                                                                               |                                                |                              |
| The People TNS includes multiple initiatives that are designed to develop and grow people, maximize organizational effectiveness, create the right environment and empower coworker experience. If Cal Advocates position is adopted the People Immediate Office would not have the funding to support emergent projects in support of the People True North Strategy, which is the organization’s long-term strategy to build a capable and engaged workforce for years to come.                                            |                                                |                              |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                |                              |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                |                              |

<sup>1</sup> PG&E's True North Strategy is the Company's 10-year enterprise strategy to deliver safe, reliable, resilient, clean, and affordable energy by rebuilding customer trust, advancing California's climate goals, and investing in people and foundational capabilities—guided by the purpose of delivering for our hometowns, serving our planet, and leading with love.

| Talent, Culture & People                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                         | See Section C.2 of Rebuttal |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------|
| <b>PG&amp;E TY 2027 Request</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Expense: \$22.712 million<br/>(Outside Services)</b> | <b>Units: N/A</b>           |
| The Talent, Culture and People departments seeks outside services funding to support employee background checks, recruiting, people development, implementation of the leadership model, breakthrough, and resources to the support needs of our front-line coworkers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                         |                             |
| <b>Party Financial Recommendations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                         |                             |
| Public Advocates Office<br>(Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Expense: \$14.832 million<br>(Outside Services)         |                             |
| <p><b>PG&amp;E Response:</b> PG&amp;E disputes Cal Advocates' recommendation to reduce the Talent, Culture &amp; People. It is wrong to claim that the 2027 forecast is speculative because contracts were not executed in 2025. This analysis ignores the purpose of a forecast to assure contracts in place during 2027, and that the proposed costs are reasonable cost-of-service expenses needed to support planned initiatives.</p> <p>Cal Advocates' proposed reduction would eliminate funding needed to support restructured People Partner, Employee Relations to a more regional and field-facing operating model. The absence of executed contracts at this stage reflects standard utility planning, not speculation, and Cal Advocates' recommendation would impede critical organizational capabilities and should be rejected.</p> |                                                         |                             |
| <b>Party Non-Financial Recommendations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                         |                             |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                         |                             |

| Rewards, Compensation & Benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                | See Section C.3 or Rebuttal |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------|
| <b>PG&amp;E TY 2027 Request</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Expense: \$7.555 million<br/>(Salaries)</b> | <b>Units: N/A</b>           |
| This program seeks funding for 44 FTEs that support the Broad-Based Compensation, Executive Compensation and Benefits Administration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                |                             |
| <b>Party Financial Recommendations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                |                             |
| Public Advocates Office<br>(Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Expense: \$6.267 million<br>(Salaries)         |                             |
| <p><b>PG&amp;E Response:</b> Cal Advocates' recommendation to reduce the Rewards, Compensation &amp; Benefits labor forecast is based on an incorrect calculation and reliance on an undefined and unsupported labor escalation rate. PG&amp;E fully justified its forecast and demonstrated that all positions underlying the forecast are either filled, covered by contractors, or supported through temporary assignments, resulting in no vacant positions in the department beginning in 2025.</p> <p>Cal Advocates' recommendation applies a circular and inconsistent approach that penalizes PG&amp;E both for filling vacancies and for positions previously identified as vacant. It also ignores the use of contractors and staff augmentation to maintain business continuity. In addition, Cal Advocates failed to provide the calculations or escalation rates underlying its recommendation, and PG&amp;E's review demonstrates that Cal Advocates' own methodology was applied incorrectly, resulting in a materially understated forecast.</p> |                                                |                             |
| <b>Party Non-Financial Recommendations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                |                             |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                |                             |

| Coworker Relations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                          | See Section C.4 for Rebuttal |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Expense: \$7.003 million | Units: N/A                   |
| The Coworker Relations department oversees the Company's work policies and standards, the Employee Relations team and the Labor Relations team, which manages the relationship with the unions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          |                              |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          |                              |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Expense: \$6.684 million |                              |
| PG&E Response: Cal Advocates' recommendation to reduce the Coworker Relations labor forecast is unsupported by the record. PG&E justified the forecasted increase from 2024 to 2027 and demonstrated that it is driven primarily by standard labor escalation and employee turnover, not by any request for incremental headcount. The majority of the increase reflects the cumulative impact of labor escalation over the forecast period, and PG&E fully supported its calculation and methodology in testimony. Because the forecast is reasonable, supported, and does not include new positions, Cal Advocates' recommended reduction should be rejected. |                          |                              |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                          |                              |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                              |



PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 2  
REBUTTAL TESTIMONY ON  
PEOPLE ORGANIZATION

TABLE OF CONTENTS

|                                                                                                                       |      |
|-----------------------------------------------------------------------------------------------------------------------|------|
| A. Introduction.....                                                                                                  | 2-1  |
| B. Summary of Party Positions .....                                                                                   | 2-1  |
| 1. Summary of Party Positions.....                                                                                    | 2-1  |
| 2. Uncontested Programs .....                                                                                         | 2-5  |
| C. Organization Expense .....                                                                                         | 2-5  |
| 1. People Immediate Office.....                                                                                       | 2-6  |
| a. PG&E Position.....                                                                                                 | 2-6  |
| b. Party Position(s) .....                                                                                            | 2-6  |
| 1) Cal Advocates .....                                                                                                | 2-6  |
| c. PG&E Response .....                                                                                                | 2-8  |
| 1) PG&E Justified Its Salaries Forecast and Increase From 2024<br>to 2027 .....                                       | 2-8  |
| 2) The People TNS is a Core Company Operating Strategy,<br>Justifying a Forecast for Outside Services Contracts ..... | 2-9  |
| 3) It is A Business Practice to Start Contract Negotiation Close<br>to When the Work Will Begin.....                  | 2-10 |
| d. Conclusion.....                                                                                                    | 2-10 |
| 2. Talent, Culture & People .....                                                                                     | 2-10 |
| a. PG&E Position.....                                                                                                 | 2-10 |
| b. Party Position(s) .....                                                                                            | 2-11 |
| 1) Cal Advocates .....                                                                                                | 2-11 |
| c. PG&E Response .....                                                                                                | 2-12 |
| 1) Forecast for Outside Services Spend is Needed to Support<br>Implementation of Leadership Model .....               | 2-12 |

|                                                                                                                                                  |      |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 2) Forecasted Outside Services Spend to Support the Shift of the Company to Better Support a More Regional and Field Facing Model.....           | 2-13 |
| d. Conclusion.....                                                                                                                               | 2-14 |
| 3. Total Rewards (Rewards, Compensation & Benefits) .....                                                                                        | 2-14 |
| a. PG&E Position .....                                                                                                                           | 2-14 |
| b. Party Position(s) .....                                                                                                                       | 2-14 |
| 1) Cal Advocates .....                                                                                                                           | 2-14 |
| c. PG&E's Response .....                                                                                                                         | 2-14 |
| 1) PG&E Justified Its Forecast and has FTEs or Contractors in Place to Cover Vacant Positions and Justified the Increase From 2024 to 2027 ..... | 2-15 |
| 2) Cal Advocates Incorrectly Calculated Its Recommended Forecast .....                                                                           | 2-16 |
| d. Conclusion.....                                                                                                                               | 2-18 |
| 4. Coworker Relations.....                                                                                                                       | 2-18 |
| a. PG&E Position .....                                                                                                                           | 2-18 |
| b. Party Position(s) .....                                                                                                                       | 2-18 |
| 1) Cal Advocates .....                                                                                                                           | 2-18 |
| c. PG&E Response .....                                                                                                                           | 2-19 |
| 1) PG&E has Justified Its Forecast and the Increase From 2024 to 2027 .....                                                                      | 2-19 |
| d. Conclusion.....                                                                                                                               | 2-20 |
| D. Non-Financial Recommendations .....                                                                                                           | 2-20 |
| E. Conclusion.....                                                                                                                               | 2-20 |

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 2**  
**REBUTTAL TESTIMONY ON**  
**PEOPLE ORGANIZATION**

**A. Introduction**

This rebuttal testimony responds to the direct testimony of Public Advocates Office at the California Public Utilities Commission (Cal Advocates),<sup>1</sup> regarding Pacific Gas and Electric Company's (PG&E) Exhibit (PG&E-8), Chapter 2, People Organization.<sup>2</sup>

Cal Advocates' positions are summarized in Section B, while PG&E's rebuttal is provided in the succeeding sections. No other party submitted testimony on this chapter.

**B. Summary of Party Positions**

**1. Summary of Party Positions**

PG&E's forecast<sup>3</sup> and Cal Advocates' recommendations are set forth in Tables 2-1 through 2-2 (expense).

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<sup>1</sup> CA-20.

<sup>2</sup> All references to PG&E exhibits are to the testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025, errata filing.

<sup>3</sup> All references to PG&E forecasts represent the most up-to-date forecast as reflected in testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025 errata filing.

**TABLE 2-1**  
**2027 ORGANIZATIONAL EXPENSE FORECAST BY DEPARTMENT – PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Organization/Department     | PG&E Filed Forecast <sup>(a)</sup> | Parties' Proposed Increases/(Reductions) <sup>(b)</sup> | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|-----------------------------|------------------------------------|---------------------------------------------------------|---------------------------------------|
|          |                             |                                    | Cal Advocates <sup>(e)</sup>                            |                                       |
| 1        | People Immediate Office     | \$3,702                            | \$(1,357)                                               | \$3,702                               |
| 2        | Talent, Culture, and People | 47,672                             | (7,880)                                                 | 47,672                                |
| 3        | Total Rewards               | 9,098                              | (1,288)                                                 | 9,098                                 |
| 4        | Coworker Relations          | 11,678                             | (319)                                                   | 11,678                                |
| 5        | Coworker Experience         | 4,227                              | –                                                       | 4,227                                 |
| 6        | Total <sup>(d)</sup>        | \$76,377                           | \$(10,844)                                              | \$76,377                              |

(a) Reflects the most up to date forecast as reflected in testimony filed on May 15, 2025, as updated in PG&E's November 10, 2025 errata filing.

(b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

(e) CA-20.

**TABLE 2-2**  
**2027 ORGANIZATIONAL EXPENSE FORECAST**  
**BY FEDERAL ENERGY REGULATORY COMMISSION (FERC) ACCOUNT – PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Organization/Department                   | FERC Account                                           | PG&E Filed Forecast <sup>(a)</sup> | Parties' Proposed Increases/(Reductions) <sup>(b)</sup> |  | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|-------------------------------------------|--------------------------------------------------------|------------------------------------|---------------------------------------------------------|--|---------------------------------------|
|          |                                           |                                                        |                                    | Cal Advocates <sup>(e)</sup>                            |  |                                       |
| 1        | People Immediate Office                   | 920                                                    | \$1,984                            | \$(277)                                                 |  | \$1,984                               |
| 2        | People Immediate Office                   | 921                                                    | 217                                | 0                                                       |  | 217                                   |
| 3        | People Immediate Office                   | 923-Utility                                            | 1,158                              | (1,080)                                                 |  | 1,158                                 |
| 4        | People Immediate Office                   | 923-Corp                                               | 342                                | 0                                                       |  | 342                                   |
| 5        | Subtotal People Immediate Office          |                                                        | \$3,702                            | \$(1,357)                                               |  | \$3,702                               |
| 6        | Talent, Culture, & People (TC&P)          | 920                                                    | \$22,725                           | 0                                                       |  | \$22,725                              |
| 7        | TC&P                                      | 921                                                    | 761                                | 0                                                       |  | 761                                   |
| 8        | TC&P                                      | 923-Utility                                            | 22,712                             | (7,880)                                                 |  | 22,712                                |
| 9        | TC&P                                      | 923-Corp                                               | —                                  | —                                                       |  | —                                     |
| 10       | TC&P                                      | Direct Assigned (Non-Administrative and General (A&G)) | 1,475                              | 0                                                       |  | 1,475                                 |
| 11       | Subtotal TC&P                             |                                                        | \$47,672                           | \$(7,880)                                               |  | \$47,672                              |
| 12       | Total Rewards                             | 920                                                    | \$7,555                            | \$(1,288)                                               |  | \$7,555                               |
| 13       | Total Rewards                             | 921                                                    | 66                                 | 0                                                       |  | 66                                    |
| 14       | Total Rewards                             | 923-Utility                                            | 1,477                              | 0                                                       |  | 1,477                                 |
| 15       | Total Rewards                             | 923-Corp                                               | —                                  | —                                                       |  | —                                     |
| 16       | Subtotal Rewards, Compensation & Benefits |                                                        | \$9,098                            | \$(1,288)                                               |  | \$9,098                               |

(PG&E-20)

**TABLE 2-2**  
**2027 ORGANIZATIONAL EXPENSE FORECAST BY FERC ACCOUNT – PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**  
**(CONTINUED)**

| Line No. | Organization/Department      | FERC Account | PG&E Filed Forecast <sup>(a)</sup> | Parties' Proposed Increases/(Reductions) <sup>(b)</sup> |  | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|------------------------------|--------------|------------------------------------|---------------------------------------------------------|--|---------------------------------------|
|          |                              |              |                                    | Cal Advocates <sup>(e)</sup>                            |  |                                       |
| 17       | Coworker Relations           | 920          | \$7,003                            | \$(319)                                                 |  | \$7,003                               |
| 18       | Coworker Relations           | 921          | 86                                 | 0                                                       |  | 86                                    |
| 19       | Coworker Relations           | 923-Utility  | 4,589                              | 0                                                       |  | 4,589                                 |
| 20       | Coworker Relations           | 923-Corp     | —                                  | 0                                                       |  | —                                     |
| 21       | Subtotal Coworker Relations  |              | 11,678                             | (319)                                                   |  | 11,678                                |
| 22       | Coworker Experience          | 920          | 3,931                              | 0                                                       |  | 3,931                                 |
| 23       | Coworker Experience          | 921          | 80                                 | 0                                                       |  | 80                                    |
| 24       | Coworker Experience          | 923-Utility  | 216                                | 0                                                       |  | 216                                   |
| 25       | Coworker Experience          | 923-Corp     | —                                  | 0                                                       |  | —                                     |
| 26       | Subtotal Coworker Experience |              | \$4,227                            | 0                                                       |  | \$4,227                               |
| 27       | Total <sup>(d)</sup>         |              | \$76,377                           | \$(10,844)                                              |  | \$76,377                              |

(a) Reflects the most up-to-date forecast as reflected in testimony filed on May 15, 2025, as updated in PG&E's November 10, 2025 errata filing.

(b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

(e) CA-20.

(PG&E-20)

## 2. Uncontested Programs<sup>4</sup>

As shown in the tables above, no party made recommendations related to PG&E's forecast for the following department's forecasts:

- People Immediate Office – FERC 921 Office supplies of \$0.217 million;
- People Immediate Office – FERC 923 Outside Services Corp. of \$0.342 million;
- TC&P – FERC 920 Salaries of \$22.725 million;
- TC&P – FERC 921 Office Supplies of \$0.761 million;
- TC&P – Direct Assigned Operations and Maintenance of \$1.475 million;
- Total Rewards – FERC 921 Office Supplies of \$0.066 million;
- Total Rewards – FERC 923 Outside Services of \$1.477 million;
- Coworker Relations – FERC 921 Office Supplies of \$0.086 million;
- Coworker Experience – FERC 920 Salaries of \$3.931 million;
- Coworker Experience – FERC 921 Office Supplies of \$0.080 million;
- and
- Coworker Experience – FERC 923 Outside Services of \$0.216 million.

## C. Organization Expense

The People Organization's mission is to create an environment where coworkers find it enjoyable to work for PG&E, while ensuring that the Company's human capital and operational needs are effectively met. This involves aligning coworker experiences with customer experiences, fostering a joyful and productive workplace, and supporting the Company's strategic initiatives.<sup>5</sup> The People Organization is made up of five departments:

- People Immediate Office;
- Talent, Culture, & People (TC&P);
- Total Rewards;
- Coworker Relations; and
- Coworker Experience.

In this section, PG&E will address the individual department expense recommendations raised by Cal Advocates.

<sup>4</sup> CA-20, p. 4, lines 9-16; CA-20, p. 11, Table 18-5.

<sup>5</sup> Exhibit (PG&E-8), p. 1-1, lines 6-11.

## 1. People Immediate Office

### a. PG&E Position

PG&E's 2027 GRC Forecast for People Immediate office consists of \$1.984 million for FERC Account 920 (Salaries) and \$1.158 million for FERC Account 923 (Outside Services).<sup>6</sup>

The People Immediate Office consists of Chief of Staff and administrative support to the Chief People Officer and the People Organization to achieve business goals and outcomes.<sup>7</sup> In addition, the team supports emergent work to ensure business continuity.<sup>8</sup>

People's Business Operations team supports Compliance and Risk, Regulatory Support, Business Plan Deployment and Lean implementation for the People Organization.<sup>9</sup> Compliance and Risk is designed to provide a structured process to understand and meet all compliance obligations, and to identify areas where additional controls or process improvements could reduce the risk of non-compliance. The Regulatory Team is responsible for supporting all regulatory filings that include the People Organization or requests for employee-specific data. Finally, People Business Plan Deployment team supports the multi-year business planning process.<sup>10</sup>

### b. Party Position(s)

#### 1) Cal Advocates

Cal Advocates recommends a 2027 forecast of \$1.707 million in salaries and \$0.078 million in Outside Services costs for the People Immediate office. The recommendations reflect reductions to PG&E's forecasted amounts of \$0.277 million and \$1.080 million, respectively.<sup>11</sup>

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<sup>6</sup> Exhibit (PG&E-8), p. 2-5, Table 2-3, lines 1 and 3.

<sup>7</sup> Exhibit (PG&E-8), p. 2-6, lines 17-19.

<sup>8</sup> Exhibit (PG&E-8), p. 2-6, lines 19-20.

<sup>9</sup> Exhibit (PG&E-8), p. 2-6, lines 21-23.

<sup>10</sup> Exhibit (PG&E-8), p. 2-6, line 23 to p. 2-7, line 2.

<sup>11</sup> CA-20, p. 7, lines 14-15.



**a) PG&E's Salaries Forecast is Not Supported**

PG&E has not supported or adequately justified the drastic increase in its TY forecast relative to historical data.<sup>12</sup> It states that the increase is partially supported by the variability in the last five years of recorded costs, but notes that positions for this organization have not yet been filled.<sup>13</sup>

**b) People Immediate Office Has One Vacant Position**

PG&E stated that one vacant position, forecasted at \$0.277 million, has been vacant for more than a year and PG&E has not started the hiring process. This warrants a reduction of this position, according to Cal Advocates.<sup>14</sup>

**c) PG&E Has No Approved Contract with Consultants or Vendors to Support People True North Strategy (TNS) and Has Not Substantiated the TNS**

Cal Advocates states that no contracts with consultants or vendors have been approved or signed to support the 2025-2027 forecast. PG&E failed to substantiate its forecast for TNS in the People Immediate Office with adequate supporting documentation.<sup>15</sup>

**d) PG&E's Outside Services Forecast is Not Supported**

PG&E does not adequately support or justify its forecast.<sup>16</sup> PG&E claims the contract and consultant spending was due to funding needed to support initiatives for the People TNS.<sup>17</sup> PG&E is still developing its business plans, which will not be available until 2026.

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<sup>12</sup> CA-20, p. 7, lines 4-5.

<sup>13</sup> CA-20, p. 7, lines 4-11.

<sup>14</sup> CA-20, p. 7, lines 10-11.

<sup>15</sup> CA-20, p. 8, lines 9-12.

<sup>16</sup> CA-20, p. 7, line 20 to p. 8, line 1.

<sup>17</sup> CA-20, p. 8, lines 1-3.

1           **c. PG&E Response**

2           PG&E disputes Cal Advocates' recommendation to reduce the  
3           People Immediate Office labor forecast by \$0.277 million and the  
4           Outside Services costs by \$1.080 million.

5           **1) PG&E Justified Its Salaries Forecast and Increase From 2024 to**  
6           **2027**

7           Cal Advocates' faulty analysis of the Salaries forecast does not  
8           adequately support any reduction amount for this cost category. In  
9           essence, it provides inconsistent reasoning for its recommendations.  
10          First, the People Immediate Office forecast for 2027 includes four  
11          vacant positions and one incremental headcount that were being  
12          held at the People Immediate Office level.<sup>18</sup> Cal Advocates  
13          acknowledges that PG&E filled three positions that were reallocated  
14          and filled within the People Organization and one position was filled,  
15          leaving one vacant position.<sup>19</sup> In addition, Cal Advocates testimony  
16          states the evidence shows an upward trend that partially supports  
17          PG&E's increase over historical data.<sup>20</sup>

18          Cal Advocates appears to focus on the status of one vacant  
19          position, arguing that because PG&E has yet to initiate a hiring  
20          process for 2025, it should not be approved to hire for this position  
21          in 2027. This position should not be adopted, because it then  
22          transfers discretion of the *timing* of the hiring process to Cal  
23          Advocates, when the proper focus on two points: (1) whether PG&E  
24          has provided sufficient evidence to support the need for to fill this  
25          additional headcount, and (2) whether there is sufficient evidence to  
26          support PG&E intends to hire in 2027. Cal Advocates does not  
27          dispute that PG&E has supported both of these points. Given these  
28          unsupported facts, it is irrelevant whether or not the job recruitment  
29          for the vacancy began and ended in 2025. In short, the timing for  
30          filling this vacancy is not a determining factor. PG&E disagrees with

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<sup>18</sup> Exhibit (PG&E-8), p. 2-6, lines 6-8.

<sup>19</sup> CA-20, p. 7, lines 8-11.

<sup>20</sup> CA-20, p. 7, lines 5-7.

Cal Advocates' recommendation to reduce the forecast due to one vacant position. Cal Advocates presents no evidence challenging PG&E's hiring intentions or the strategic plans for the upcoming cycle.

**2) The People TNS is a Core Company Operating Strategy, Justifying a Forecast for Outside Services Contracts**

PG&E proposal to retain a consultant to assist with the People TNS should be approved. PG&E's forecast to retain this consultant to assist with PG&E's TNS strategy was not fully developed in exact timing for submitting testimony in May 2025. We further indicated that details would become available in 2026.

The People TNS includes multiple initiatives that are designed to develop and grow people, maximize organizational effectiveness, create the right environment and empower coworker experience. These initiatives aim to develop a workforce with skills suited to future demands, improve team effectiveness in providing safe, reliable, affordable services, promote a sense of belonging among coworkers, and encourage customer-focused practices.<sup>21</sup>

The People TNS is designed as a long-term commitment, benefiting both customers and the Company by building a capable, engaged workforce for years to come. This strategic focus on sustained development leads to more reliable, efficient service and consistently better customer experience. For the Company, these ongoing initiatives enhance performance and innovation by fostering employee growth and a positive work environment. Ensuring the organization remains dedicated to delivering value to the communities it serves well into the future.<sup>22</sup>

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<sup>21</sup> PG&E's response to Data Request CalAdvocates\_055-Q005(a), dated 08/14/25 in Appendix B, at the end of this exhibit.

<sup>22</sup> PG&E's response to Data Request CalAdvocates\_055-Q005(e), dated 08/14/25 in Appendix B, at the end of this exhibit.

**3) It is A Business Practice to Start Contract Negotiation Close to When the Work Will Begin**

Cal Advocates' observation that PG&E has not executed a contract with a vendor is a red herring and not a justification to reduce the forecast. The People team is actively engaged in planning and forecasting upcoming projects and needs to support the People TNS in future years. It is often a business practice, within the People Organization to start contract negotiations closer to when the work will begin to ensure that terms and conditions reflect the most current market rates and a clearly defined statement of work. It is unreasonable for Cal Advocates to assume the PG&E would enter into contracts for work that was still being defined.

**d. Conclusion**

For the reasons stated above PG&E recommends that the Commission adopt the Salaries and Outside Services forecast for People Immediate Office as presented in this application.

**2. Talent, Culture & People**

**a. PG&E Position**

PG&E's 2027 Forecast for the Talent, Culture & People department is \$22.712 million for FERC 923 (Outside Services).<sup>23</sup>

The Talent, Culture & People organization consists of Coworker Growth, Organizational Culture, Talent Acquisition, People Partners, and People Data Analytics team.<sup>24</sup>

The Coworker Growth team is dedicated to enhancing the effectiveness of coworkers and leaders at all levels, ensuring they are equipped to perform and contribute at high levels in a rapidly evolving utility landscape.<sup>25</sup>

The Organizational Culture team includes the Enterprise Change Office, Inclusion and Belonging and the teams that support the

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<sup>23</sup> Exhibit (PG&E-8), p. 2-8, Table 2-4, line 3.

<sup>24</sup> Exhibit (PG&E-8), p. 2-7, lines 5-7.

<sup>25</sup> Exhibit (PG&E-8), p. 2-10, lines 21-24.

1 enterprise-wide leadership transformation program and Joy at Work  
2 metric.

3 Talent Acquisition is responsible for the recruitment and selection of  
4 a skilled and qualified workforce, while ensuring compliance with  
5 applicable federal and state laws and regulations.<sup>26</sup>

6 People Partner team is responsible for delivering organizational  
7 effectiveness and ensuring business impact with talent strategies, tools  
8 and programs. The People Partner team supports PG&E leaders up to  
9 and including the officer level in developing and implementing human  
10 capital programs including organizational design, performance  
11 management, annual pay planning, rewards and recognition, Inclusion  
12 and Belonging, coworker engagement, leadership development and  
13 succession planning.<sup>27</sup>

14 The People Analytics team provides data analytics to the People  
15 Partner organization and others to assist with insight into organizational  
16 effectiveness, workforce planning and other data-driven insights.<sup>28</sup>

## 17 **b. Party Position(s)**

### 18 **1) Cal Advocates**

19 Cal Advocates recommends a TY forecast of \$14.832 million, a  
20 downward adjustment of \$7.880 million to PG&E's request.<sup>29</sup>

21 Cal Advocates claims no contracts with consultants or vendors  
22 have been approved or signed to support the 2025-2027 forecast.<sup>30</sup>

23 Cal Advocates also states PG&E has not adequately supported its  
24 TY forecast as it has not substantiated the TNS program.<sup>31</sup>

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<sup>26</sup> Exhibit (PG&E-8), p. 2-14, lines 20-22.

<sup>27</sup> Exhibit (PG&E-8), p. 2-16, lines 4-12.

<sup>28</sup> Exhibit (PG&E-8), p. 2-16, lines 19-21.

<sup>29</sup> CA-20, p. 10, lines 6-8.

<sup>30</sup> CA-20, p. 10, lines 3-4.

<sup>31</sup> CA-20, p. 10, lines 5-6.

1 **c. PG&E Response**

2 PG&E disputes Cal Advocates recommendation to reduce the  
3 Talent, Culture & People department outside services forecast by  
4 \$7.880 million.

5 **1) Forecast for Outside Services Spend is Needed to Support**  
6 **Implementation of Leadership Model**

7 Cal Advocates incorrectly argues that because no current  
8 contracts are executed for 2025-2027 means the forecast is  
9 speculation and due for rejection. The correct view is a focus on the  
10 purpose of the forecast. These costs are reasonable cost of service  
11 and due to be authorized.

12 Approximately, half of the recommended reduction  
13 (\$3.940 million) by Cal Advocates is related to spend that is  
14 forecasted to support the implementation of PG&E Leadership  
15 Model. The Leadership Model is a key initiative within the People  
16 organization (part of the People TNS) and plans to have the model  
17 integrated by 2027. The framework and infrastructure established  
18 by the Leadership Model will set forth the Leadership Expectations  
19 & Outcomes and Competencies needed to have exceptional leaders  
20 enabling the achievement of our Purpose Virtues and Stands.  
21 Having a good leadership model creates a culture of accountability,  
22 continuous improvement, and high performance, which are essential  
23 for long-term success of an organization.<sup>32</sup>

24 The Signature Leadership program is a People TNS initiative  
25 that is currently under development. The program will be  
26 cohort-based, fostering strong peer networks and shared  
27 accountability among participants. The program will include several  
28 modules delivered over several months, emphasizing action  
29 learning with real, enterprise-relevant challenges. The curriculum  
30 includes both internal and external content, ensuring deep PG&E  
31 context in addition to best-in-class perspectives, and will be

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32 PG&E's response to Data Request Cal Advocates\_172-Q007, dated 11/4/25 in Appendix B, at the end of this exhibit.

1 facilitated by enterprise leaders in partnership with leading executive  
2 education programs to reinforce credibility and relevance. The  
3 outcome is to create a reliable and consistent internal pipeline of  
4 competent capable leaders to continue to successfully lead the  
5 company into the future. The cost associated with the development  
6 and roll out of this program will be incurred beginning in 2026 and  
7 beyond. These details warrant approval of the forecast to continue  
8 the momentum of these essential company initiatives.

9 **2) Forecasted Outside Services Spend to Support the Shift of the**  
10 **Company to Better Support a More Regional and Field Facing**  
11 **Model**

12 Cal Advocates incorrectly argues that because no current  
13 contracts are executed for 2025-2027 means the forecast is  
14 speculation and due for rejection. The correct view is a focus on the  
15 purpose of the forecast. These costs are reasonable cost of service  
16 and due to be authorized.

17 Approximately, half of the recommended reduction  
18 (\$3.940 million) by Cal Advocates is related to spend that is  
19 forecasted to support the expansion of the regional and field facing  
20 model. The more regional and field-facing work will be performed  
21 by the People Partner, Employee Relations and Labor Relations  
22 teams. These teams have been restructured to better support  
23 leaders of field facing coworkers both by function and regionally.  
24 The functional area support includes a single point of contact for all  
25 People matters, including Annual Pay Planning, Performance  
26 Management and hiring. The regional support includes a single  
27 point of contact assigned by geography and aligned to PG&E  
28 Regional Service Model. They will also begin to establish a more  
29 local, in-person presence within their region. The work these teams  
30 do is described in testimony for Exhibit (PG&E-8), Chapter 2, 2-16  
31 (People Partner), 2-22 (Labor Relations), and 2-23 (Employee  
32 Relations). The People Partner team is expanding to increase  
33 support for leaders of field facing coworkers both functionally and  
34 regionally.

**d. Conclusion**

PG&E recommends that the Commission adopt the Outside Services forecast TC&P.

**3. Total Rewards (Rewards, Compensation & Benefits)**

**a. PG&E Position**

PG&E forecasts FERC 920 Salaries for the Total Rewards department is \$7.555 million<sup>33</sup> this includes the salaries of 44 Full-Time Equivalents (FTE) who work in Broad-Based Compensation, Executive Compensation and the Benefits Administration teams.

**b. Party Position(s)**

**1) Cal Advocates**

Cal Advocates states the Commission should authorize a TY forecast of \$6.267 million, which is \$1.288 million lower than PG&E's request.<sup>34</sup> It claims PG&E has not supported or adequately justified the increase in its TY forecast relative to the historical data. Next, PG&E requests no additional FTEs and filled two of the four vacant positions.<sup>35</sup> Further, PG&E has not supported or adequately justified the increase in its TY forecast relative to the historical data.<sup>36</sup> For these reasons, Cal Advocates recommends escalating the 2024 amount by Cal Advocates recommended labor escalation rate to determine the TY 2027 expense, as it is best representative of a TY forecast based on the historical trend for Rewards and Compensation & Benefits – Salaries.<sup>37</sup>

**c. PG&E's Response**

PG&E disputes Cal Advocates recommendation to reduce the Rewards, Compensation & Benefits department labor forecast by

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<sup>33</sup> Exhibit (PG&E-8), p. 2-17, Table 2-5, line 1.

<sup>34</sup> CA-20, p. 11, lines 19-20.

<sup>35</sup> CA-20, p. 11, lines 12-14.

<sup>36</sup> CA-20, p. 11, lines 12-13.

<sup>37</sup> CA-20, p. 11, lines 15-19.



1 \$1.288 million. Cal Advocates' calculation of the recommended forecast  
 2 is incorrect and relies on an unspecific new and undefined labor  
 3 escalation rate.

4 **1) PG&E Justified Its Forecast and has FTEs or Contractors in**  
 5 **Place to Cover Vacant Positions and Justified the Increase**  
 6 **From 2024 to 2027**

7 Cal Advocates' argument is incorrect. PG&E has justified its  
 8 forecast, and has either contractors or FTEs in place,  
 9 Cal Advocates' recommendations should be rejected.

10 At the time the labor (or salaries) forecast was developed, the  
 11 Total Rewards team had four vacant positions. Cal Advocates  
 12 acknowledge that two of the positions were filled<sup>38</sup> but fails to  
 13 recognize that the work for the two remaining positions is being  
 14 done by a contractor and/or an employee on a temporary  
 15 assignment. The employee on the temporary assignment was later  
 16 made permanent.<sup>39</sup> Therefore leaving no vacant positions in the  
 17 department in 2025. Cal Advocates recommendations acknowledge  
 18 that two vacancies are still open and also wants to penalize PG&E  
 19 for two planned vacancies that were filled. The circular argument  
 20 demonstrates Cal Advocates flaw in that it seeks to reduce a  
 21 forecast based on vacancies being filled and similarly reduce the  
 22 forecast in vacancies that are open. This argument demonstrates it  
 23 seeks a goal and is not objectively viewing the merits of the  
 24 proposal.

25 The People Organization frequently engages contractors or staff  
 26 augmentation resources to maintain business continuity and  
 27 address operational needs.<sup>40</sup> These resources offset any vacancy  
 28 savings the organization may experience as are result of not  
 29 backfilling an open position with an FTE.

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38 CA-20, p. 11, line 14.

39 PG&E's response to Data Request CalAdvocates\_172-Q010 parts d and e, dated 10/28/25 in Appendix B, at the end of this exhibit.

40 PG&E's response to Data Request CalAdvocates\_172-Q010 part b, dated 10/28/25 in Appendix B, at the end of this exhibit.

1 The forecasted labor increase, \$1.515 million in Rewards,  
 2 Compensation & Benefits, from 2024 to 2025 and through 2027 is  
 3 primarily attributable to: (1) labor escalation and (2) the inclusion of  
 4 labor costs for four vacant positions. The estimated costs, before  
 5 escalation, associated with these vacant positions starting in 2025 is  
 6 approximately \$0.7 million.<sup>41</sup> PG&E's forecast includes a  
 7 \$0.8 million increase, attributable to the cumulative impact of labor  
 8 escalation from 2024 to 2027.<sup>42</sup>

9 Cal Advocates also does not provide sufficient evidence in  
 10 support of its recommendation. It claims that it crafted its own  
 11 "recommended labor escalation rate" to analyze this forecast, but it  
 12 did not identify any information of this new rate. The testimony  
 13 provides no information for PG&E to assess the sources of the new  
 14 rate, the legitimacy of the rate, or to evaluate the conclusion that this  
 15 rate is the "best representative of a test year forecast."<sup>43</sup>

16 PG&E justified its forecast methodology and provided an  
 17 explanation for the increase from 2024 to 2027 and is not requesting  
 18 incremental headcount. Therefore, the Commission should reject  
 19 Cal Advocates recommended reduction to Salaries for Rewards,  
 20 Compensation & Benefits.

## 21 **2) Cal Advocates Incorrectly Calculated Its Recommended** 22 **Forecast**

23 Cal Advocates incorrectly calculated its recommended forecast  
 24 for Total Rewards Salaries. Cal Advocates recommended forecast  
 25 methodology was 2024 actuals escalated to 2027 using  
 26 Cal Advocates recommended escalation rates. PG&E issued a data  
 27 request to Cal Advocates requesting the calculation and the  
 28 escalations rates used to develop the recommendation.  
 29 Cal Advocates response was to refer to a voluminous set of

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<sup>41</sup> PG&E's response to Data Request CalAdvocates\_101-Q003 part i, dated 9/8/25 in Appendix B, at the end of this exhibit.

<sup>42</sup> Exhibit (PG&E-8), p. 2-18, lines 8-9.

<sup>43</sup> CA-20, p. 11, lines 16-20.

workpapers that did not include the calculation or the escalation rates used to determine the recommended forecast.<sup>44</sup> A broad reference to workpapers is not sufficient evidence to support the recommendation. Without providing the supporting calculation PG&E was not able to review the assumptions (including what escalation rates or the source of the rates) used to develop the recommendation.

Based on PG&E's validation of the Coworker Relations calculated recommendation and applying that same calculation to the salaries for Total Rewards, PG&E was able to determine that Cal Advocates calculation is erroneous. Using the escalation rates proposed by Cal Advocates from 2024-2027,<sup>45</sup> the recommended forecast should have been \$6.613 million, not \$6.267 million<sup>46</sup> presented by Cal Advocates, see Table 2-3 for the corrected step-by-step calculation using Cal Advocates stated forecast methodology.<sup>47</sup>

**TABLE 2-3**  
**CORRECTED STEP-BY-STEP CALCULATION OF CAL ADVOCATES FORECAST**  
**(MILLIONS OF NOMINAL DOLLARS)**

| Line No. | Total Rewards Salaries (FERC 920) |                           |                                        |                              |
|----------|-----------------------------------|---------------------------|----------------------------------------|------------------------------|
|          | Year                              | Escalation <sup>(a)</sup> | Corrected Cal Advocates Recommendation | Cal Advocates Recommendation |
| 1        | PG&E's 2024 Actuals               | —                         | \$6.040                                | —                            |
| 2        | 2025                              | 2.40%                     | \$6.185                                | —                            |
| 3        | 2026                              | 3.40%                     | \$6.395                                | —                            |
| 4        | 2027                              | 3.40%                     | \$6.613                                | \$6.267                      |

(a) CA-20, p. 32, lines 9-11.

<sup>44</sup> Cal Advocates' response to PG&E Data Request PGE\_CalAdvocates\_009, dated 3/5/26 in Appendix B, at the end of this exhibit.

<sup>45</sup> CA-20, p. 32, lines 9-11.

<sup>46</sup> CA-20, p. 11, line 10.

<sup>47</sup> This is the same methodology recommended for Coworker Relations (Section 4), PG&E was able to validate the forecast calculation for Coworker Relations. The step-by-step applies the same escalation rates recommended by Cal Advocates consistent with the calculation Cal Advocates used to derive the Coworker Relations forecast.

In addition to the forecast calculation being inaccurate the forecast does not take into account the two FTEs that Cal Advocates acknowledges were filled.<sup>48</sup> Cal Advocates has used an inconsistent approach when making recommended reductions, choosing when to include or exclude filled positions as part of its recommendation. The recommended reduction for People Immediate Office was only for the one vacant position that remained unfilled.<sup>49</sup> However the filled positions were ignored when developing the recommendation for Total Rewards. For these reasons Cal Advocates recommendation should be rejected.

#### **d. Conclusion**

PG&E recommends that the Commission adopt the Salaries forecast for the Rewards, Compensation & Benefits department as presented in this application.

### **4. Coworker Relations**

#### **a. PG&E Position**

PG&E forecast FERC 920 Salaries for the Coworker Relations department is \$7.003 million.<sup>50</sup> The Coworker Relations department oversees the Company's work policies and standards, the Employee Relations team and the Labor Relations team, which manages the relationship with the unions.

#### **b. Party Position(s)**

##### **1) Cal Advocates**

Cal Advocates states that the Commission should adopt Cal Advocates' forecast of \$6.684 million, which is \$0.319 million lower than PG&E's request.<sup>51</sup>

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<sup>48</sup> CA-20, p. 11, line 14.

<sup>49</sup> CA-20, p. 7, line 11.

<sup>50</sup> Exhibit (PG&E-8), p. 2-21, Table 2-6, line 1.

<sup>51</sup> CA-20, p. 13, lines 8-9.

**a) PG&E's Forecast Increase is Not Supported Relative to Historical Data**

PG&E has not supported or adequately justified the increase in its TY forecast relative to the historical data.<sup>52</sup>

**b) Cal Advocates Forecast Approach is More Reasonable**

Cal Advocates recommends escalating the 2024 recorded amount by Cal Advocates' labor escalation rate to determine the TY forecast.<sup>53</sup>

**c. PG&E Response**

PG&E disputes Cal Advocates recommendation to reduce the Coworker Relations department labor forecast by \$0.319 million. PG&E did justify the cost increase, supported the forecast calculation, and is not asking for any incremental headcount in this department.

**1) PG&E has Justified Its Forecast and the Increase From 2024 to 2027**

The forecasted increase for Coworker Relations of \$0.898 million, from 2024 to 2025 and continuing to 2027, is primarily attributable to labor escalation and employee churn. PG&E forecasts a \$0.7 million increase, attributable to the cumulative impact of labor escalation from 2024 to 2027, which accounts for the majority of the increase. In addition, there is no incremental headcount request in the department forecast.

PG&E justified its forecast methodology and provided an explanation for the increase from 2024 to 2027 and is not requesting any incremental headcounts therefore the Commission should reject Cal Advocates recommended reduction to the salaries forecast for Coworker Relations.

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<sup>52</sup> CA-20, p. 13, lines 1-2.

<sup>53</sup> CA-20, p. 13, lines 4-5.

1           **d. Conclusion**

2                   For the reasons stated above PG&E recommends that the  
3                   Commission adopt the Salaries forecast for the Coworker Relations  
4                   department as presented in this application.

5   **D. Non-Financial Recommendations**

6                   No additional concerns were raised by parties.

7   **E. Conclusion**

8                   For the reasons discussed above, PG&E recommends that its 2027  
9                   expense forecast in Tables 2-4 be adopted.

**TABLE 2-4**  
**2027 ADJUSTED EXPENSE FORECAST – PG&E (ALL PROGRAMS)**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Organization/Department                   | FERC Account              | Filed Forecast(a) | Errata or Forecast Adjustments <sup>(b)</sup> | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|-------------------------------------------|---------------------------|-------------------|-----------------------------------------------|---------------------------------------|
| 1        | People Immediate Office                   | 920                       | \$1,984           | –                                             | \$1,984                               |
| 2        | People Immediate Office                   | 921                       | 217               | –                                             | 217                                   |
| 3        | People Immediate Office                   | 923-Utility               | 1,158             | –                                             | 1,158                                 |
| 4        | People Immediate Office                   | 923-Corp                  | 342               | –                                             | 342                                   |
| 5        | Subtotal People Immediate Office          |                           | 3,702             | –                                             | 3,702                                 |
| 6        | TC&P                                      | 920                       | 22,725            | –                                             | 22,725                                |
| 7        | TC&P                                      | 921                       | 761               | –                                             | 761                                   |
| 8        | TC&P                                      | 923-Utility               | 22,712            | –                                             | 22,712                                |
| 9        | TC&P                                      | 923-Corp                  | –                 | –                                             | –                                     |
| 10       | TC&P                                      | Direct Assigned (Non-A&G) | \$1,475           | –                                             | \$1,475                               |
| 11       | Subtotal TC&P                             |                           | \$47,672          | –                                             | \$47,672                              |
| 12       | Rewards, Compensation & Benefits          | 920                       | \$7,555           | –                                             | \$7,555                               |
| 13       | Rewards, Compensation & Benefits          | 921                       | 66                | –                                             | 66                                    |
| 14       | Rewards, Compensation & Benefits          | 923-Utility               | 1,477             | –                                             | 1,477                                 |
| 15       | Rewards, Compensation & Benefits          | 923-Corp                  | –                 | –                                             | –                                     |
| 16       | Subtotal Rewards, Compensation & Benefits |                           | \$9,098           | –                                             | \$9,098                               |
| 17       | Coworker Relations                        | 920                       | \$7,003           | –                                             | \$7,003                               |
| 18       | Coworker Relations                        | 921                       | 86                | –                                             | 86                                    |
| 19       | Coworker Relations                        | 923-Utility               | 4,589             | –                                             | 4,589                                 |
| 20       | Coworker Relations                        | 923-Corp                  | –                 | –                                             | –                                     |
| 21       | Subtotal Coworker Relations               |                           | 11,678            | –                                             | 11,678                                |
| 22       | Coworker Experience                       | 920                       | 3,931             | –                                             | 3,931                                 |
| 23       | Coworker Experience                       | 921                       | 80                | –                                             | 80                                    |
| 24       | Coworker Experience                       | 923-Utility               | 216               | –                                             | 216                                   |
| 25       | Coworker Experience                       | 923-Corp                  | –                 | –                                             | –                                     |
| 26       | Subtotal Coworker Experience              |                           | \$4,227           | –                                             | \$4,227                               |
| 27       | Total <sup>(d)</sup>                      |                           | \$76,377          | –                                             | \$76,377                              |

(a) Reflects PG&E forecast as filed on May 15, 2025.

(b) Reflects PG&E forecast as updated in PG&E's November 10, 2025 errata filing.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 3**  
**REBUTTAL TESTIMONY ON**  
**COMPENSATION AND LABOR ESCALATION**



| Short-Term Incentive Plan (STIP)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            | See Section D of Rebuttal |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Expense: \$292.140 million | Units: N/A                |
| <p>The STIP program request proposes an employee compensation program for its management and salaried professionals (including eligible Represented employees but not including Executive Officers). The proposed funding is based on the Company achieving target goals for performance metrics in Safety, Customer/Operational, and Financial performance.</p> <p>STIP is PG&amp;E's annual variable pay plan. It is a normal and important part of a competitive compensation program and an important mechanism for attracting, motivating, rewarding, and retaining a qualified professional workforce. The program benefits the Company, its customers, and the public by aligning employees' motivations with important Company objectives such as public and employee safety, and maintaining a financially healthy and viable company. It is also generally more cost effective than a base pay alternative.</p> |                            |                           |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |                           |
| Public Advocates Office<br>(Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Expense: \$102.249 million |                           |
| <p><b>PG&amp;E Response:</b> STIP is a standard, at-risk component of competitive utility compensation which aligns employee performance with safety, customer, and financial objectives which benefit both customers and shareholders. Cal Advocates' proposal to disallow ratepayer funding for financial metrics rests on the unsupported assumption that those metrics benefit only shareholders, ignoring the direct relationship between strong financial incentives and performance which benefits customers. PG&amp;E has robust governance and independent audit controls over associated metrics. Cal Advocates' recommendation would undermine an integrated incentive structure which promotes safety, accountability, and long-term system reliability, and should be rejected.</p>                                                                                                                          |                            |                           |
| The Utility Reform Network<br>(TURN)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Expense: \$102.249 million |                           |
| <p><b>PG&amp;E Response:</b> PG&amp;E disagrees with TURN's assertion that STIP is not cost-effective or that safety and operational performance should be treated as uncompensated baseline obligations. STIP is more cost-effective than permanent base-pay increases, which compound pension and benefit costs over time, while STIP remains fully at-risk and does not increase other compensation elements. TURN's claim that STIP targets function as guaranteed compensation is incorrect; actual payouts depend on performance against defined metrics, with the People and Compensation Committee retaining discretion to reduce or eliminate awards.</p>                                                                                                                                                                                                                                                        |                            |                           |
| Energy Producers & Users<br>Coalition and Indicated<br>Shippers<br>(EPUC-IS)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Expense: \$204.498 million |                           |
| <p><b>PG&amp;E Response:</b> PG&amp;E disagrees with EPUC's contention that financial performance metrics should be excluded from ratepayer-funded STIP. Financial performance is inseparable from operational success and directly supports customer outcomes by enabling investment in wildfire mitigation, system hardening, and grid modernization at lower capital cost. Incentivizing employees to meet financial performance targets strengthens liquidity, credit ratings, and access to capital, all of which benefit customers through reduced borrowing costs. Excluding financial metrics would weaken the alignment between customer and shareholder interests and is inconsistent with prudent utility practice and regulatory expectations for financially stable, safety-focused utilities.</p>                                                                                                           |                            |                           |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                           |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |                           |

| Non-Qualified Retirement Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                           | See Section E of Rebuttal |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Expense: Units: N/A<br>\$3.137 million (SERP) &<br>\$0.845 million (SRSP) |                           |
| Non-qualified retirement plans (e.g., SERP and SRSP) help to restore benefits for employees whose earnings exceed the limitations established by the Internal Revenue Code (IRC) in the qualified plans, allowing employees who exceed the limits to continue to accrue benefits. PG&E’s request seeks funding for 50% of the updated recorded costs from 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                           |                           |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                           |                           |
| Public Advocates Office<br>(Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Expense: \$0 (SERP) & \$0<br>(SRSP)                                       |                           |
| PG&E Response:<br><br>PG&E disagrees with Cal Advocates’ recommendation of no ratepayer funding for PG&E’s SERP and SRSP. <ul style="list-style-type: none"><li>PG&amp;E’s forecast is prepared consistent with prior GRC decisions for the IOUs, where the Commission has authorized equal sharing of non-qualified retirement plan costs between ratepayers and shareholders.</li><li>Benefits such as SERP and SRSP are part of the competitive benefits packaged needed to attract and promote the retention of qualified executives. According to the Commission, “Ratepayers benefit by being served by a utility that can retain executives and managers who are familiar with the corporate culture, policies and objectives.”<sup>1</sup></li><li>These non-qualified plans make retired employees whole for benefits they would have received, but for IRS limitations on qualified trust funding. The IRS tax laws address separate public purposes, but do not determine appropriate ratemaking treatment of these costs.<sup>2</sup></li></ul><br>Cal Advocates acknowledges that PG&E’s forecasts are 50 percent of PG&E’s 2024 recorded costs. <sup>3</sup> Because PG&E has already reduced its SERP 2027 forecast by \$2.949 million (net of escalation) and its SRSP 2027 forecast by \$0.845 million (net of escalation), no additional forecast reductions are warranted. |                                                                           |                           |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                           |                           |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                           |                           |

<sup>1</sup> D.14-08-032, p. 535.

<sup>2</sup> D.14-08-032, p. 533.

<sup>3</sup> CA-20, p. 14, lines 18-19.

| Rewards and Recognition (R&R) Program (MWC/MAT)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                          | See Section F of Rebuttal |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Expense: \$9.137 million | Units: N/A                |
| The Rewards and Recognition (R&R) Program is designed to recognize and reward employees and teams which emphasize safety and support emergency operations, achieve notable accomplishments, exhibit outstanding customer service, implement significant process enhancements, or propose innovative ideas which lead to improved operations or cost savings.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                          |                           |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                          |                           |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Expense: \$0             |                           |
| <p><b>PG&amp;E Response:</b> Cal Advocates’ recommendation to disallow funding for the \$9.137 million Recognition &amp; Rewards (R&amp;R) Program is based on incomplete comparisons to smaller utilities, mischaracterization of program design, and an incorrect conflation of discretionary recognition with base and incentive compensation.</p> <p>The R&amp;R Program is a reasonable cost of service which supports safety, operational performance, and employee engagement without placing employees’ total compensation above market. As reflected in the Total Compensation Study, the employee groups most eligible for R&amp;R awards remain within a reasonable range of market compensation, and classifications which are above market are either ineligible for the program (Executives) or are covered by the award structure negotiated in PG&amp;E’s collective bargaining agreements. Differences in program administration between Represented and Non-Represented employees reflect collective bargaining requirements, not preferential treatment. Accordingly, Cal Advocates’ recommendation lacks evidentiary support and should be rejected.</p> |                          |                           |
| The Utility Reform Network (TURN)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Expense: \$0             |                           |
| <p><b>PG&amp;E Response:</b> PG&amp;E disagrees with TURN’s assertion that the STIP can substitute for the R&amp;R Program or that PG&amp;E’s forecast should be reduced based on simplified comparisons to other utilities. STIP and R&amp;R serve distinct purposes: STIP is a structured, annual incentive tied to predefined metrics, while the R&amp;R Program provides timely recognition for specific actions or achievements which may not be captured by annual incentive measures. TURN’s proposed budget alternative relies on an overly-simplistic application of another utility’s labor ratios and fails to account for PG&amp;E’s significantly larger workforce, broader operational scope, and heightened safety and wildfire risk environment. The R&amp;R Program represents a modest portion of total labor costs and supports outcomes which reduce operational risk and improve safety and performance. TURN’s recommendation is therefore unsupported and should be rejected.</p>                                                                                                                                                                     |                          |                           |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                          |                           |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                          |                           |

| Labor Escalation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              | See Section G of Rebuttal |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Expense: N/A | Units: N/A                |
| The proposed Labor Escalation rate seeks to provide the rate by which costs should be escalated, year-over-year, to forecast TY 2027 expenses. The labor escalation rate is used for forecasting throughout the organization.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              |                           |
| The labor escalation rate currently employed in the 2027 GRC is 3.75.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |                           |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |              |                           |
| Public Advocates Office<br>(Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Expense: N/A |                           |
| Cal Advocates: Proposes labor escalation at 2.4% for 2025, 3.4% for 2026, 3.4% for 2027, 3.1% for 2028, 2.9% for 2029, 2.7% for 2030, and 2.8% for 2031                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |                           |
| PG&E Response: Cal Advocates' recommendation to substitute PG&E's labor escalation rates with a single external forecast source fails to account for PG&E's specific labor conditions and mischaracterizes the purpose of labor escalation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |              |                           |
| PG&E's forecast is based on a prudent, multi-source analysis using four nationally-recognized compensation surveys and reflects conservative assumptions aligned with negotiated union wage increases, Commission precedent, and California labor market realities. Cal Advocates' reliance on a single data source selectively understates labor cost pressures and ignores the competitive, safety-critical nature of PG&E's workforce, particularly in Northern California. PG&E's approach is both transparent and consistent with past GRCs, and necessary to attract and retain a skilled workforce to ensure safe and reliable service. Accordingly, Cal Advocates' proposed labor escalation adjustments should be rejected. |              |                           |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              |                           |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              |                           |

| General Order (GO) 77-M                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              | See Section H.1 of Rebuttal |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Expense: N/A | Units: N/A                  |
| As relevant to this GRC, General Order (GO) 77M orders certain utilities, including PG&E, to file an annual report that includes compensation information for employees that exceed a salary threshold. This program seeks to revise the lower reporting level to \$207,000 and the higher reporting level to \$391,000, starting in 2027, which is today's equivalent labor cost to the levels set in 2004 and 2006, respectively, using the Consumer Price Index (CPI) calculator. <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |                             |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |                             |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Expense: N/A |                             |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |                             |
| <p>Cal Advocates:</p> <ul style="list-style-type: none"><li>Cal Advocates states the Commission should adopt its recommendation for increased salary reporting threshold requirements for the annual GO No. 77-M Report.<sup>2</sup></li><li>Cal Advocates recommends that the Commission set a reporting threshold of \$195,000 and a higher-level threshold of \$350,000, around 90 percent of PG&amp;E's requested reporting levels, to include a slightly larger number of covered employees in the reporting.<sup>3</sup></li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |              |                             |
| <p><b>PG&amp;E Response:</b></p> <p>PG&amp;E accepts Cal Advocates' recommendation that the Commission set a reporting threshold of \$195,000 and a higher-level threshold of \$350,000. PG&amp;E believe these adjusted reporting levels would achieve the Commission's information gathering purposes while reducing the administrative burden and voluminous nature of the current report.</p> <p>Going forward, PG&amp;E requests the thresholds be adjusted automatically year-over-year, using the CPI to adjust the reporting threshold. This would avoid the need for updates to the threshold and would keep the reporting levels more appropriate and relevant.</p> <p>Both PG&amp;E and Cal Advocates recognize the need to modernize the salary reporting thresholds for the annual GO No. 77 M Report to reflect more current labor costs and ensure meaningful and manageable reporting. PG&amp;E also believes that automatically adjusting thresholds annually based on the CPI is a practical solution which will maintain the relevance and effectiveness of the reporting requirements over time. PG&amp;E urges the Commission to approve PG&amp;E and Cal Advocates' recommendations.</p> |              |                             |

<sup>1</sup> U.S. Bureau of Labor Statistics, CPI Inflation Calculator, available at: [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm) (accessed 3/11/26).

<sup>2</sup> CA-20, p. 2, lines 31-32.

<sup>3</sup> CA-20, p. 35, lines 6-9.

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 3  
REBUTTAL TESTIMONY ON  
COMPENSATION AND LABOR ESCALATION

TABLE OF CONTENTS

|                                                                                                   |      |
|---------------------------------------------------------------------------------------------------|------|
| A. Introduction.....                                                                              | 3-1  |
| B. Summary of Party Positions .....                                                               | 3-1  |
| 1. Summary of Party Positions.....                                                                | 3-1  |
| 2. Uncontested Programs .....                                                                     | 3-3  |
| 3. Summary of Parties' Non-Financial Recommendations .....                                        | 3-3  |
| C. Compensation .....                                                                             | 3-3  |
| 1. Compensation Philosophy .....                                                                  | 3-3  |
| a. PG&E Position.....                                                                             | 3-3  |
| b. Parties' Response to Total Compensation Study Results .....                                    | 3-4  |
| D. Short-Term Incentive Plan.....                                                                 | 3-5  |
| 1. Short-Term Incentive Plan .....                                                                | 3-5  |
| a. PG&E Position.....                                                                             | 3-5  |
| b. Party Position(s) .....                                                                        | 3-6  |
| 1) Cal Advocates .....                                                                            | 3-6  |
| 2) TURN .....                                                                                     | 3-8  |
| 3) EPUC/IS.....                                                                                   | 3-10 |
| c. PG&E Response .....                                                                            | 3-11 |
| 1) PG&E's STIP Compensation Structure Is an Appropriate Cost<br>of Service .....                  | 3-11 |
| 2) Cost Sharing – PG&E's STIP Compensation Structure<br>Benefits Ratepayers and Shareholders..... | 3-12 |
| 3) STIP Is At-Risk Pay and Is Not Guaranteed Compensation .....                                   | 3-18 |
| d. Conclusion.....                                                                                | 3-20 |
| E. Non-Qualified Retirement Plans .....                                                           | 3-21 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 3  
REBUTTAL TESTIMONY ON  
COMPENSATION AND LABOR ESCALATION

TABLE OF CONTENTS  
(CONTINUED)

|                                                                                            |      |
|--------------------------------------------------------------------------------------------|------|
| 1. Supplement Executive Retirement Plan .....                                              | 3-21 |
| a. PG&E Position .....                                                                     | 3-21 |
| b. Party Position(s) .....                                                                 | 3-21 |
| 1) Cal Advocates .....                                                                     | 3-21 |
| c. PG&E Response .....                                                                     | 3-22 |
| 1) PG&E's Forecast Incorporates Cost Sharing .....                                         | 3-22 |
| 2) Non-Qualified Benefits Are Necessary to Attract and Retain<br>Qualified Executives..... | 3-23 |
| d. Conclusion.....                                                                         | 3-23 |
| 2. Supplemental Retirement Savings Plan.....                                               | 3-23 |
| a. PG&E Position .....                                                                     | 3-23 |
| b. Party Position(s) .....                                                                 | 3-24 |
| 1) Cal Advocates .....                                                                     | 3-24 |
| c. PG&E Response .....                                                                     | 3-24 |
| d. Conclusion.....                                                                         | 3-24 |
| F. Rewards and Recognition Program.....                                                    | 3-24 |
| 1. Rewards and Recognition .....                                                           | 3-24 |
| a. PG&E Position .....                                                                     | 3-24 |
| b. Party Position(s) .....                                                                 | 3-25 |
| 1) Cal Advocates .....                                                                     | 3-25 |
| 2) TURN .....                                                                              | 3-26 |
| c. PG&E Response .....                                                                     | 3-27 |
| 1) R&R Program and Total Compensation .....                                                | 3-27 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 3  
REBUTTAL TESTIMONY ON  
COMPENSATION AND LABOR ESCALATION

TABLE OF CONTENTS  
(CONTINUED)

|                                                                                 |      |
|---------------------------------------------------------------------------------|------|
| 2) Alternatives to R&R Program .....                                            | 3-29 |
| 3) Comparison With Other Utilities .....                                        | 3-29 |
| 4) R&R Program Does Not Favor Management .....                                  | 3-30 |
| 5) R&R Program Forecasts .....                                                  | 3-30 |
| d. Conclusion .....                                                             | 3-31 |
| G. Labor Escalation .....                                                       | 3-31 |
| 1. PG&E Position .....                                                          | 3-31 |
| a. Party Position .....                                                         | 3-33 |
| 1) Cal Advocates .....                                                          | 3-33 |
| b. PG&E Response .....                                                          | 3-34 |
| 1) Cal Advocates Fails to Account for PG&E's Specific Labor<br>Conditions ..... | 3-34 |
| 2) Justification for Average Labor Escalation 2025-2031 .....                   | 3-35 |
| 3) Aligning Merit Budget With GWI Is Appropriate .....                          | 3-38 |
| 4) TCS Should Not Be Used for Labor Escalation .....                            | 3-39 |
| 5) IHS Global Insight and PG&E Benchmarking .....                               | 3-40 |
| c. Conclusion .....                                                             | 3-41 |
| H. Non-Financial Recommendations .....                                          | 3-41 |
| 1. General Order 77-M .....                                                     | 3-42 |
| a. PG&E Position .....                                                          | 3-42 |
| b. Party Position(s) .....                                                      | 3-42 |
| 1) Cal Advocates .....                                                          | 3-42 |
| c. PG&E Response .....                                                          | 3-43 |



PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 3  
REBUTTAL TESTIMONY ON  
COMPENSATION AND LABOR ESCALATION

TABLE OF CONTENTS  
(CONTINUED)

|                    |      |
|--------------------|------|
| d. Conclusion..... | 3-43 |
| I. Conclusion..... | 3-44 |

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 3**  
**REBUTTAL TESTIMONY ON**  
**COMPENSATION AND LABOR ESCALATION**

**A. Introduction**

This rebuttal testimony responds to the direct testimony of Public Advocates Office at the California Public Utilities Commission (Cal Advocates),<sup>1</sup> The Utility Reform Network (TURN),<sup>2</sup> and Energy Producers and Users Coalition (EPUC) and Indicated Shippers (IS),<sup>3</sup> regarding Pacific Gas and Electric Company's (PG&E or the Company or the Utility) Exhibit (PG&E-8), Chapter 3, Compensation and Labor Escalation.<sup>4</sup>

TURN submitted errata testimony on March 20, 2025, this did not allow PG&E sufficient time to evaluate the Errata; therefore, TURN's errata positions are not reflected or addressed in this testimony.

Party positions are summarized in Section B, while detailed party positions and PG&E's rebuttal is provided in the succeeding sections, by department.

**B. Summary of Party Positions**

**1. Summary of Party Positions**

Parties submitted recommendations to proposals for Short-Term Incentive Plan (STIP), Non-Qualified Retirement Plans, Rewards and Recognition (R&R), and Labor Escalation. PG&E's forecast<sup>5</sup> and party recommendations are set forth in Table 3-1 below.

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<sup>1</sup> CA-20.

<sup>2</sup> TURN-15.

<sup>3</sup> EPUC/IS-001.

<sup>4</sup> All references to PG&E exhibits are to the testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025, errata filing.

<sup>5</sup> All references to PG&E forecasts represent the most up-to-date forecast as reflected in testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025 errata filing; PG&E's response to Data Request CalAdvocates\_116-Q004Q009 and its attachments, dated 10/1/25 in Appendix B, at the end of this exhibit.

**TABLE 3-1**  
**2027 COMPANYWIDE ITEM EXPENSE FORECAST – PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Companywide Item                                             | Parties' Proposed Increases/(Reductions) <sup>(b)</sup> |                              |                     |                        | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|--------------------------------------------------------------|---------------------------------------------------------|------------------------------|---------------------|------------------------|---------------------------------------|
|          |                                                              | PG&E Filed Forecast <sup>(a)</sup>                      | Cal Advocates <sup>(e)</sup> | TURN <sup>(f)</sup> | EPUC/IS <sup>(g)</sup> |                                       |
| 1        | Short Term Incentive Plan                                    | \$292,140                                               | \$(189,891)                  | \$(189,891)         | \$(87,642)             | \$292,140                             |
| 2        | Non-Qualified: Supplemental Executive Retirement Plan (SERP) | 1,170                                                   | (1,170)                      | –                   | –                      | 3,137                                 |
| 3        | Non-Qualified: Supplemental Retirement Savings Plan (SRSP)   | 1,979                                                   | (1,979)                      | –                   | –                      | 845                                   |
| 4        | Total <sup>(d)</sup>                                         | \$295,290                                               | \$(193,040)                  | \$(189,891)         | \$(87,642)             | \$296,123                             |

(a) Reflects the most up-to-date forecast as reflected in testimony filed on May 15, 2025, as updated in PG&E's November 10, 2025, errata filing.

(b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.

(c) Reflects PG&E forecast position as of March 31, 2026, and incorporates the update from PG&E's response to Data Request CalAdvocates\_116-Q004 -Q009 and its attachments, dated 10/1/25 in Appendix B, at the end of this exhibit.

(d) Totals may include rounding differences.

(e) CA-20, p. 3, Table 18-1.

(f) TURN-15, p. 4, Tables 1 and 2, lines 11-16.

(g) EPUC/IS-001, p.68, lines 1-5.

## 2. Uncontested Programs

There are no uncontested programs in this chapter.

## 3. Summary of Parties' Non-Financial Recommendations

In addition to the forecast recommendations listed above, Cal Advocates raised the following non-financial concern:

- General Order (GO) No. 77-M Report:
  - Cal Advocates recommends that the California Public Utilities Commission (Commission) increase the salary reporting thresholds for the annual GO No. 77-M Report to \$195,000 for the standard threshold and \$350,000 for higher-level reporting. See discussion in Section H.

## C. Compensation

### 1. Compensation Philosophy

#### a. PG&E Position

PG&E's compensation framework is designed to attract, retain, and motivate a skilled and qualified workforce necessary to safely and reliably serve customers in a complex, high-risk operating environment. The Company's approach to compensation reflects a balanced total rewards philosophy which is market-informed, performance-based, and developed with affordability in mind. Compensation programs are structured to support PG&E's obligation under Public Utilities Code Section 451 to provide safe, reliable service at just and reasonable rates, while remaining competitive in the labor markets in which PG&E must recruit and retain talent.

PG&E's total compensation structure consists of base pay, performance-based incentive compensation, and benefits. Base pay provides stable compensation aligned with job responsibilities, required skills, geographic labor markets, and, for Represented employees, collectively-bargained wage increases. Variable compensation programs, including the Short-Term Incentive Plan (STIP), are designed as "at risk" compensation which reinforces accountability for safety, operational performance, and financial stewardship. Supplemental benefit programs, including Non-Qualified Retirement plans, are

1 intended to maintain market competitiveness for senior and  
2 highly-specialized roles where Federal benefit limits would otherwise  
3 result in below-market total compensation.

4 All compensation-related forecasts presented in this chapter,  
5 including STIP, Non-Qualified Retirement plans, and the Rewards and  
6 Recognition Program, were developed with explicit consideration of  
7 affordability and prior Commission guidance. Where appropriate, PG&E  
8 has already incorporated cost sharing or forecast reductions to reflect  
9 reasonableness and to mitigate ratepayer impacts. PG&E does not  
10 view individual compensation programs in isolation; rather, each  
11 component operates as part of an integrated total rewards framework  
12 which supports workforce stability, safety performance, and long-term  
13 operational effectiveness. Disallowing or materially reducing individual  
14 components without considering their role within the overall  
15 compensation structure would undermine PG&E's ability to maintain a  
16 qualified workforce and, ultimately, could increase operational and  
17 safety risks to customers.

18 PG&E's compensation strategy is designed to provide  
19 market-competitive cash compensation which reflects job  
20 responsibilities, required skills, and San Francisco Bay Area labor costs.  
21 The objective is to attract and retain qualified employees while aligning  
22 with customers' long-term interests in having a skilled and qualified  
23 workforce to deliver on the myriad of operational needs required to  
24 ensure reliable and safe delivery of service. Compensation is reviewed  
25 annually to ensure continued competitiveness. PG&E's workforce is a  
26 blend of Represented and Non-Represented employees, with  
27 Represented employees accounting for more than 60 percent of PG&E's  
28 workforce. For the majority of PG&E employees, a significant portion of  
29 compensation is determined through collective bargaining agreements.

#### 30 **b. Parties' Response to Total Compensation Study Results**

31 Willis Towers Watson's Total Compensation Study found PG&E's  
32 target total compensation and actual total compensation to be more than

10 percent above market levels. Both Cal Advocates<sup>6</sup> and TURN expressed concerns about these results in their recommendations for PG&E's compensation programs. Their concerns, and PG&E's responses, are discussed below.

#### 5 **D. Short-Term Incentive Plan**

6 The STIP program provides for annual variable incentives as an important  
7 component of total compensation, as recognized by the Commission in previous  
8 decisions.<sup>7</sup> The STIP metrics align employee motivations with important  
9 Company objectives, such as customer well-being, prioritizing public and  
10 employee safety, and maintaining a financially healthy and viable Company. In  
11 this section, PG&E will address the expense recommendations raised by  
12 Cal Advocates, TURN, and EPUC/IS.

#### 13 **1. Short-Term Incentive Plan**

##### 14 **a. PG&E Position**

15 PG&E's 2027 General Rate Case (GRC) forecast for STIP is  
16 \$292.140 million for the Company.<sup>8</sup> The forecast is based on  
17 2024 STIP eligible population with an incremental headcount  
18 adjustment. The headcount adjustment was applied to reflect  
19 forecasted headcount growth in 2027.<sup>9</sup>

20 STIP incentive programs are widely-recognized as a standard part  
21 of pay packages for professional and managerial employees. Including  
22 an annual variable pay incentive as a component of overall  
23 compensation:

- 24 • Provides an effective mechanism for attracting, motivating,  
25 rewarding, and retaining a qualified, professional workforce;

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6 Exhibit (PG&E-8), p. 7-4.

7 Decision (D.) 13-05-010, p. 875. See, D.19-09-051, p. 542 (finding that incentive payment performance metrics can "provide tangible benefits to ratepayers...in that they encourage and promote either safety, operational efficiency, reduced costs, improved service, or a policy [sic] that the Commission").

8 Exhibit (PG&E-8), p. 3-3, Table 3-1, line 1. The STIP forecast for the Company encompasses the PG&E Utility and affiliates, PG&E Corporation and PG&E Corporation Support Services II.

9 Exhibit (PG&E-8), WP 3-3, lines 37-57.

- Is consistent with market practice;
- Provides significant benefits to the Company and its customers;
- Is a customary part of a competitive compensation program;
- Is an important component of compensation for professional and managerial employees; and
- Is generally more cost-effective than a base-pay equivalent.<sup>10</sup>

**b. Party Position(s)**

**1) Cal Advocates**

Cal Advocates recommends that costs should be adjusted to \$102.249 million for STIP, compared to PG&E's request of \$292.140 million. It argues that ratepayer funding for the financial metrics should be denied altogether, and the burden of payment for the remaining metrics should be shared equally between ratepayers and shareholders.<sup>11</sup>

**a) STIP Primarily Benefits Shareholders, Not Ratepayers**

Cal Advocates contends that key STIP metrics, particularly financial ones, are designed to benefit shareholders rather than ratepayers. They argue these metrics offer no clear or tangible benefits to customers and claims that shareholder and ratepayer interests are "aligned" does not justify ratepayer funding.<sup>12</sup>

**b) Financial Metrics Should Receive Zero Ratepayer Funding**

Cal Advocates argues that financial metrics, which account for 30 percent of PG&E's STIP, are inappropriate for ratepayer funding because they primarily benefit shareholders rather than customers.

Cal Advocates further contends these metrics can be manipulated, which may increase long term costs for

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<sup>10</sup> Exhibit (PG&E-8), p. 3-19, line 26 to p. 3-21, line 22.

<sup>11</sup> CA-20, p. 2, lines 15-20.

<sup>12</sup> CA-20, p. 17, line 7 to p. 18, line 3.

ratepayers. Cal Advocates maintains that financial metrics should be excluded entirely from ratepayer-funding.<sup>13</sup>

**c) STIP Payouts Are Excessive and Burdensome to Ratepayers**

Cal Advocates argues that PG&E's decision to forecast STIP payouts at the target level, rather than the lower threshold level, results in excessively high payments, placing the burden on ratepayers.

Cal Advocates also points to the stark disparity in the range of payout levels between support employees and vice presidents.<sup>14</sup>

**d) Metrics Are Poorly-Designed and Applied Inconsistently**

Cal Advocates argues PG&E's STIP metrics are ineffective because they change frequently from year-to-year, lack consistency across GRCs, and fail to provide a stable or meaningful incentive framework. Cal Advocates also contends PG&E sets performance targets at or below actual results from prior years, effectively guaranteeing payouts.<sup>15</sup>

**e) Safety Metrics Do Not Necessarily Improve Safety**

Cal Advocates argues that, although safety metrics make up the majority of PG&E's STIP, they do not reliably drive improved safety outcomes, because targets are often set at or below prior year performance. Cal Advocates maintains safety should be a fundamental obligation of utility operations, not something ratepayers must repeatedly pay for through incentive compensation.<sup>16</sup>

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<sup>13</sup> CA-20, p. 18, lines 4-19.

<sup>14</sup> CA-20, p. 16, lines 15-17.

<sup>15</sup> CA-20, p. 16, lines 8-14.

<sup>16</sup> CA-20, p.24, line 13 to p. 25, line 11.



**f) Strong Precedent Supports Cost Sharing or Reductions**

Cal Advocates points to longstanding Commission precedent showing STIP requests are frequently reduced, and costs are often shared between shareholders and ratepayers.<sup>17</sup>

**2) TURN**

TURN recommends a Test Year (TY) forecast of \$102.111 million for the Utility and \$0.138 million for corporate affiliates. This is based on the removal of 50 percent of costs related to Safety and Customer measures and 100 percent of the costs related to Financial measures.<sup>18</sup>

**a) STIP Costs are Unreasonably High, Especially With Total Compensation Significantly Over Market**

PG&E's 2027 STIP forecast is substantially inflated compared to prior years, even after accounting for projected headcount growth. TURN argues that the degree to which PG&E's total compensation is above market further undermines any justification for increasing STIP funding.<sup>19</sup>

**b) Financial Performance Measures Should Not Be Ratepayer-Funded**

TURN claims the financial STIP metrics primarily benefit shareholders and should not be funded by ratepayers. TURN also contends that incentivizing short-term earnings and cash flow can encourage cost-cutting or strategies, which may result in undesirable long-term results. Finally, TURN notes that, in the last GRC, the Commission disallowed 100 percent of financial measures and 50 percent of operational measures.<sup>20</sup>

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<sup>17</sup> CA-20, p. 20, lines 4-20.

<sup>18</sup> TURN-15, p. 1, lines 11-17.

<sup>19</sup> TURN-15, p. 5, line 6 to p. 7, line 11.

<sup>20</sup> TURN-15, p. 5, lines 13-15.

**c) Safety Should Be Core Job Duties, Not Purchased Incentives**

TURN cites the Commission's prior finding that a safety culture must be embedded in utility culture as a fundamental obligation, not something ratepayers must pay bonuses to achieve annually.<sup>21</sup>

**d) Operational and Customer-Related Costs Should Be Shared Between Ratepayers and Shareholders**

TURN observes that improved safety and reliability materially enhances PG&E's financial standing, which means shareholders directly benefit. TURN further contends customer satisfaction metrics similarly benefit shareholders through increased profitability. Therefore, TURN recommends disallowing 50 percent of the costs associated with the operational and customer survey-based measures.<sup>22</sup>

**e) STIP Is Not More Cost-Effective Than Base Pay**

TURN disputes PG&E's assertion that STIP is a more cost-effective alternative to base salary, arguing that STIP costs increase alongside wage growth and therefore do not avoid long-term cost escalation.<sup>23</sup>

**f) Ratepayers Bear Downside Risk While Shareholders Retain Upside**

Under forecast ratemaking, ratepayers fund STIP at the target level regardless of actual performance outcomes, while shareholders can benefit when payouts fall below target or when financial results improve.<sup>24</sup>

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<sup>21</sup> TURN-15, p. 6, lines 1-7.

<sup>22</sup> TURN-15, p. 4, lines 6-7.

<sup>23</sup> TURN-15, p. 7, line 17 to p. 9, line 12.

<sup>24</sup> TURN-15, p. 12, line 8 to p. 13, line 8.

**g) Statutory Arguments (Senate Bill 901 and Assembly Bill 1054) are Misplaced**

TURN claims that PG&E misinterprets the relevant statutes. Neither statute requires ratepayer funding of financial incentive metrics, and the legislation does not support including financial measures in STIP.<sup>25</sup>

**3) EPUC/IS**

EPUC/IS states that incentive compensation payments tied to PG&E's financial performance should not be recovered from ratepayers and should be removed from PG&E's TY 2027 cost of service.<sup>26</sup>

**a) If Financial Metrics Are Included, Ratepayers Bear the Risk of Paying Awards Without Enhanced Financial Performance<sup>27</sup>**

If financial performance-based incentive compensation is included in PG&E's cost of service, its customers will bear the expense, regardless of whether the financial targets are attained.<sup>28</sup>

**b) PG&E Does Not Show Financial Performance Benefits Customers**

PG&E has not shown that achieving its financial-based STIP metrics has reduced its claimed TY 2027 revenue deficiency, lowered its cost of service, or otherwise mitigated future rate pressures.<sup>29</sup>

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<sup>25</sup> TURN-15, p. 17, line 1 to p. 18, line 23.

<sup>26</sup> EPUC/IS-001, p. 67, lines 8-10.

<sup>27</sup> EPUC/IS-001, p. 68, line 1 to p. 70, line 2.

<sup>28</sup> EPUC/IS-001, p. 71, lines 4-13.

<sup>29</sup> EPUC/IS-001, p. 71, lines 14-18.

**c) Financial Metrics Have Been Disallowed in Previous Rate Cases**

The Commission has consistently disallowed recovery of costs tied to financial performance metrics. PG&E provides no justification for departing from that practice.<sup>30</sup>

**c. PG&E Response**

STIP is PG&E's annual variable pay plan. It is a normal and important part of a competitive compensation program and an important mechanism for attracting, motivating, rewarding, and retaining a qualified professional workforce. The program benefits the Company, its customers, and the public by aligning employees' motivations with important Company objectives such as public and employee safety, and maintaining a financially healthy and viable company. It is also generally more cost effective than a base pay alternative.

This rebuttal provides a summary of policy recommendations supporting the need for approval of STIP as a reasonable cost of service, followed by specific rebuttal to arguments raised by the parties.

**1) PG&E's STIP Compensation Structure Is an Appropriate Cost of Service**

Cal Advocates and TURN both allege that the costs of STIP are excessive and burdensome to ratepayers. TURN cites PG&E's above-market compensation shown in the Total Compensation Study (TCS) and also proposes that STIP is not more cost-effective than base pay.

**a) STIP Is a Critical Component of Compensation to Attract and Retain a Skilled and Qualified Workforce.**

PG&E's compensation and benefits programs are designed to attract, motivate, and retain a skilled and qualified workforce and reflect market practices, the competitive talent market, and collective bargaining. As widely recognized by industry experts:

Given the high prevalence of these plans in the market, it is important for utilities to prioritize designing a

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<sup>30</sup> EPUC/IS-001, p. 71, line 21 to p. 72, line 5.

market-competitive STI plan that offers competitive target award opportunities. This will support utilities' efforts to compete for the highly skilled and experienced talent needed to successfully run the company.<sup>31</sup>

PG&E contends the target costs are reasonable and should be allowed in its entirety as an accepted cost of service.

#### **b) STIP Is More Cost Effective Than Base Pay**

Under PG&E's Total Rewards programs, increases in base compensation often result in increases in other total rewards programs where the value of the benefit is based on a percentage of base compensation such as, but not limited to STIP, the retirement savings plan, and the qualified pension plan, which compound over time. Conversely, increases in STIP targets do not increase the value of these benefit plans.

### **2) Cost Sharing – PG&E's STIP Compensation Structure Benefits Ratepayers and Shareholders**

The metrics proposed in PG&E's STIP are based on three categories: Safety-related, Customer-related, and Financial. Non-financial metrics make up 70 percent of the current STIP plan, with Safety-related at 60 percent and Customer-related at 10 percent. Financial metrics make up the balance at 30 percent.

Cal Advocates and TURN both state that the cost of:

- i) Operational Metrics (Safety and Customer) should be shared equally by ratepayers and shareholders (e.g., 35 percent would be borne by customers). Their arguments are based on the concept that shared benefit should result in shared cost—and there is strong precedent to support this proposal in past GRCs.
- ii) Financial Metrics should not receive ratepayer funding (e.g., 0 percent would be borne by customers), alleging these metrics benefit only shareholders.

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<sup>31</sup> Willis Towers Watson, "Short-term incentives in the utility industry: A history of balance," available at: <https://www.wtwco.com/en-us/insights/2026/02/short-term-incentives-in-the-utility-industry-a-history-of-balance> (accessed 3/11/26).

The outcome of this is that 35 percent of STIP costs would be recoverable from customers

**a) Regulatory Precedent for Cost Sharing of STIP Costs**

Cal Advocates argues there is strong precedent for cost-sharing in the Commission's decisions regarding funding of STIP.<sup>32</sup> In the table included in its testimony, shown as Figure 3-1 below, Cal Advocates provides data from the past ten GRCs showing the utilities' funding requests, Cal Advocates' recommendations, Commission decisions, and the resulting percentage of funding for the original requests.<sup>33</sup>

**FIGURE 3-1  
STIP IN GRC DECISION (2016-2025)**

| Test Year | Utility Request (000s)  | Public Advocates (000s) | Company  | Authorized by Commission (000s) | Authorized percentage |
|-----------|-------------------------|-------------------------|----------|---------------------------------|-----------------------|
| 2025      | \$118,338               | \$43,195                | SCE      | \$88,753 <sup>80</sup>          | 75.00%                |
| 2023      | \$232,561               | \$87,212                | PG&E     | \$87,212 <sup>81</sup>          | 37.50%                |
| 2021      | \$180,906 <sup>82</sup> | \$63,317                | Edison   | See footnote <sup>83</sup>      | 50.00%                |
| 2020      | \$173,495               | \$39,036                | PG&E     | Settled \$84,883 <sup>84</sup>  | 48.90%                |
| 2019      | \$58,340 <sup>85</sup>  | \$28,355                | SDG&E    | \$52,505 <sup>86</sup>          | 90.00%                |
| 2019      | \$75,680                | \$32,164                | SoCalGas | \$68,112 <sup>87</sup>          | 90.00%                |
| 2018      | \$133,848               | \$70,672                | Edison   | \$57,592 <sup>88</sup>          | 43.03%                |
| 2017      | \$147,177               | \$57,031                | PG&E     | Settled \$75,000 <sup>89</sup>  | 50.96%                |
| 2016      | \$50,351                | \$17,244                | SDG&E    | Settled \$32,000 <sup>90</sup>  | 63.55%                |
| 2016      | \$49,213                | \$16,936                | SoCalGas | Settled \$25,000 <sup>91</sup>  | 50.80%                |

83 D.21 08 036, p. 433. The Commission first applied a 16.10 percent ratio to SCE's adopted labor forecast, then reduced the resulting forecast by 50 percent to remove costs associated with financial and policy shaping goals.

PG&E acknowledges the past precedent for cost sharing of STIP and acknowledges the significant variability in recovery from 43 to 90 percent in prior rate cases for the other California Investor-Owned Utilities. Upon review of the most recent GRC Decision for SCE, PG&E identified that 25 percent of the SCE Annual Incentive Plan (akin to PG&E's STIP) corresponded to

<sup>32</sup> CA-20, p. 20, lines 4-20.

<sup>33</sup> CA-20, p. 22, line 1 (Table).

its financial metrics,<sup>34</sup> but received 75 percent recovery of the overall program cost. That is, the basis for the reduction does not appear to be consistent with equal cost sharing of the operational and safety metrics (75 percent) and complete disallowance of the financial metrics. Accordingly, within the cost-sharing past precedents, PG&E noted variation in the basis for these reductions.

**b) Operational, Safety, and Financial Metrics All Benefit Customers and Shareholders**

PG&E believes that the alignment of customer and shareholder interests should be the goal, not a basis for the reduction to funding for employee compensation which is an essential cost of service. That is, PG&E believes that Shareholders benefit from operational and safety measures and Customers benefit from financial measures. Accordingly, allowing for cost sharing for the operational and safety measures but not for financial measures is inconsistent. Alternatively, allowing for sharing of the operational and safety measures, where customers are arguably the primary beneficiary and shareholders also benefit, and full disallowance for financial measures, where shareholders are arguably the primary beneficiary and customers also benefit, is also inconsistent.

**i) Financial Measures Benefit Both Shareholders and Customers**

Cal Advocates, TURN and EPUC/IS believe that Financial Measures only benefit shareholders. On this point, PG&E disagrees.

Intervenors' arguments focus only on the shareholder view of the financial metrics and fail to consider PG&E's

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<sup>34</sup> 2024 Executive Compensation Structure Submission of Southern California Edison Pursuant to Assembly Bill 1054, available at: <https://efiling.energy.ca.gov/eFiling/Getfile.aspx?fileid=56485&shareable=true> (accessed 3/20/26).

broader view that strong finance performance benefits customers as well. Specifically, financial metrics are inextricably related to operational performance, which is a clear ratepayer benefit. When employees are incentivized to meet financial performance targets—including earnings metrics—the downstream effect is a utility which is better-positioned to finance grid modernization, wildfire mitigation, infrastructure hardening at lower capital cost, as well as other Company goals. These measures clearly yield ratepayer benefits.

There is an interdependence of a utility's financial performance with its operational/service-related success. Strong financial performance enables a utility to invest in resources, both physical and people, which ensures the efficient and effective operation of the company – and benefits customers...In 2025, we found that the top 25 investor-owned utilities in the U.S. typically include four to 15 performance measure in their plans (72% prevalence), with financial/non-financial measure weightings of about 70%/30%.<sup>35</sup>

Additionally, metrics such as Operating Cash Flow and Non-GAAP Core Earnings Per Share support liquidity, credit quality, and access to capital. Strong performance in these areas directly affects PG&E's credit rating and therefore the cost of financing infrastructure investments relied upon by customers. That is, higher credit ratings correspond to lower borrowing costs, with the savings passed on directly to customers.

In its testimony, Cal Advocates also contends that financial metrics can be manipulated, which may increase long-term costs for ratepayers. In a response to PG&E's discovery request regarding this assertion, they responded "Cal Advocates is not aware of and does not assert there

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<sup>35</sup> Willis Towers Watson, "Short-term incentives in the utility industry: A history of balance," available at: <https://www.wtwco.com/en-us/insights/2026/02/short-term-incentives-in-the-utility-industry-a-history-of-balance>, (accessed 3/11/26).



1 are any specific instances in which PG&E or certain  
2 employees of PG&E have, or have attempted to, manipulate  
3 PG&E's cash flow or core earnings." However,  
4 Cal Advocates asserts that the fact that the possibility exists  
5 is a good reason why financial metrics do not belong in a  
6 ratepayer-funded Short-Term Incentive Plan.<sup>36</sup> Similarly,  
7 TURN alleges these metrics can encourage cost-cutting or  
8 regulatory strategies which could yield undesirable  
9 long-term results. PG&E disagrees with these arguments,  
10 for two reasons. First, arguing to remove ratepayer funding  
11 for financial metrics by saying proverbially that "anything is  
12 possible" is not sufficient. Second, while it is feasible that  
13 manipulation may conceivably occur for any performance  
14 metric, PG&E has a robust validation process to ensure the  
15 accuracy of reported performance. Additionally, these  
16 financial metrics are specifically audited by Deloitte &  
17 Touche LLP, PG&E's independent external auditor.

18 Lastly, TURN argues that PG&E's reliance on Senate  
19 Bill (SB) 901 and Assembly Bill (AB) 1054 is misplaced.  
20 TURN's position is misleading. Neither statute prohibits  
21 recovery of incentive compensation costs, in general, nor  
22 requires exclusion of financial performance metrics. The  
23 Commission retains discretion to evaluate STIP costs based  
24 on reasonableness and alignment with ratepayer interests.

25 The safety certification arising out of AB 1054 includes  
26 a regulatory requirement that an electric utility company  
27 establish an approved incentive compensation structure  
28 which would:

29 ...promote safety as a priority and...ensure public  
30 safety and utility financial stability with performance  
31 metrics, including incentive compensation based on

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**36** Cal Advocates Response to PG&E Data Request PGE\_CalAdvocates034-Q01(d-e), dated 3/10/26, in Appendix B, at the end of this exhibit.

meeting performance metrics that are measurable and enforceable ...<sup>37</sup>

PG&E's purpose for highlighting this language is to reinforce the interrelatedness of safety and financial stability within an effective incentive plan. Please note: PG&E has received such certification (recently renewed March 2, 2026 for an additional year) and asserts that its STIP metrics—particularly its Safety and Financial metrics—are well-aligned with the regulatory requirement cited above.

**ii) Safety Metrics Drive Accountability and Ownership to Key Safety Outcomes**

Cal Advocates and TURN question the benefits of the Safety metrics. Cal Advocates offers the opinion that these metrics do not necessarily improve Safety, and TURN takes the position that Safety should be a core responsibility, not something ratepayers pay for each year.

Incentive plans, such as PG&E's STIP, are important tools to reinforce key Company outcomes. Two of PG&E's stands are "Everyone and Everything is always safe" and "Catastrophic Wildfires shall stop." Accordingly, the emphasis of safety in STIP goes beyond a day-to-day commitment to keeping safety front of mind. It incentivizes employees to look outside of the safety of their immediate work to think about how their individual efforts are contributing to the overall achievement of key safety initiatives which are critical to the commitment to the safety of PG&E's customers. Additionally, inclusion of these metrics within STIP incentivizes employees to meet or exceed the Company targets. Conversely, failure to perform in these areas would result in below target to zero payment—something which would not be achievable through base compensation.

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<sup>37</sup> [Pub. Util. Code, § 8389](#), (a)(4).

The impact of PG&E's dedication to safety is evident in the 2025 National Safety Council's (NSC) Safety Barometer Results, with the Employee Survey's placing at 84.0 percentile<sup>38</sup> and the Contractor Survey's placing at 88.8 percentile.<sup>39</sup> These show the level of commitment of PG&E's leaders and employees to making safety a part of core job responsibilities.

### 3) STIP Is At-Risk Pay and Is Not Guaranteed Compensation

Cal Advocates claims that the STIP plan metrics are ineffective because they change and fail to provide a stable incentive framework. Cal Advocates and TURN question PG&E's approach to target setting, which they view as effectively allowing guaranteed payouts and placing the burden of lower performance on ratepayers. Lastly, the parties criticize PG&E's use of target-level forecasting.

#### a) Consistency of PG&E's Overall STIP Design

Since 2021, PG&E's STIP has consistently emphasized safety and operational performance at 70-75 percent weight, including at least a 35 percent focus on wildfire safety outcome metrics.

#### b) PG&E's STIP Is Not a Form of 'Guaranteed Compensation'

STIP, by design, is 'at-risk' compensation, and not a form of 'guaranteed compensation.' Specifically, it is comprised of various performance metrics which are scored based on the performance relative to predefined targets. While the ultimate overall STIP score is typically based on the performance of all these STIP metrics, PG&E's People and Compensation Committee retains the right to reduce the Company score—or zero it out, altogether—based on circumstances and its discretion.

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<sup>38</sup> PG&E Employee NSC Safety Barometer Results, 2025, in Appendix B at the end of this exhibit.

<sup>39</sup> PG&E Contractor NSC Safety Barometer Results, 2025, in Appendix B at the end of this exhibit.

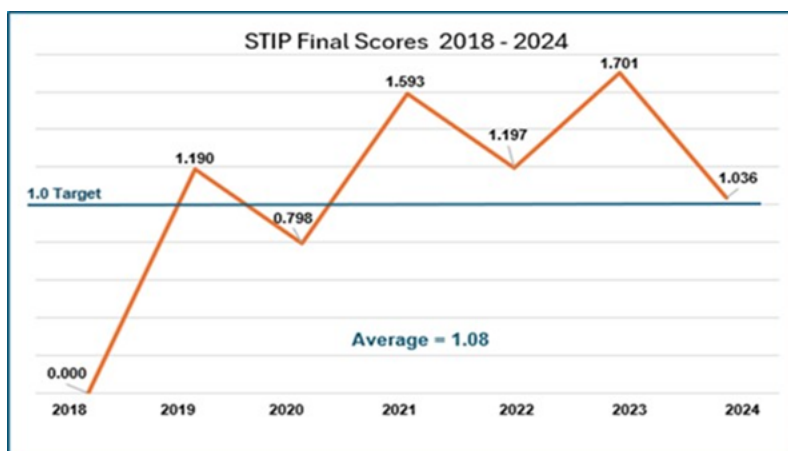
1 PG&E's STIP plan design, including performance metrics  
2 and targets, is the responsibility of PG&E's People and  
3 Compensation Committee, comprised of independent members  
4 of PG&E Corporation's Board of Directors, acting pursuant to  
5 applicable corporate governance laws and fiduciary obligations.  
6 While management may provide recommendations, the  
7 Committee retains sole authority to approve the STIP structure  
8 and targets, as described in PG&E's Joint Notice of 2025  
9 Annual Meetings and Joint Proxy Statement.<sup>40</sup>

10 In exercising this authority, the Committee considers  
11 quantitative and qualitative factors, including historical  
12 performance, forward-looking operational plans, and external  
13 conditions affecting outcomes. Because performance against  
14 STIP metrics may vary year-to-year due, in part, to factors  
15 beyond management control, prior-year results do not  
16 guarantee future performance, and the Committee's process  
17 establishes challenging but reasonable targets aligned with  
18 PG&E's operational objectives and recognized incentive design  
19 best practices. This variability can be seen in the overall STIP  
20 scores year-over-year in Figure 3-2 below.

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<sup>40</sup> Joint Notice of 2025 Annual Meetings Joint Proxy Statement, available at:  
[https://s1.q4cdn.com/880135780/files/doc\\_financials/2025/ar/2025-PG-E-Proxy-Statement.pdf](https://s1.q4cdn.com/880135780/files/doc_financials/2025/ar/2025-PG-E-Proxy-Statement.pdf), p. 54, (accessed 3/11/26).

**FIGURE 3-2  
STIP COMPANY SCORES 2018-2024**



PG&E takes the position that forecasting at target reflects expected performance and is consistent with standard ratemaking practice. Target-level forecasts do not guarantee payouts; actual STIP payments depend on achievement of performance goals and may be greater than target (with the amounts above target borne solely by shareholders), or below target, or even zero.

Forecasting at threshold would systematically understate expected costs and increase forecast-to-actual volatility. The parties' focus on maximum payout percentages for select positions ignores the overall structure of the program and the distribution of incentive opportunities across the workforce.

#### **d. Conclusion**

PG&E asserts that its STIP is reasonable, consistent with Commission precedent, and necessary to support safe, reliable, and efficient utility operations. The parties have not demonstrated that PG&E's proposed STIP costs are unreasonable, nor that a different proportion of cost-sharing should be applied to its STIP than is applied to other utilities. Intervenor's recommendations would weaken performance accountability and impair PG&E's ability to manage its workforce effectively. The Commission should reject the proposed disallowances and approve PG&E's STIP forecast.

## **E. Non-Qualified Retirement Plans**

Companywide Expense in this chapter's non-qualified retirement plans provides non-qualified defined retirement (pension) benefits to eligible participants. Non-qualified retirement benefits have three components: (1) the SERP, (2) the Defined Contribution Retirement Benefit, which includes the PG&E Corporation SRSP and the PG&E Corporation Defined Contribution Executive Retirement Supplemental Plan, and (3) Retirement Excess.<sup>41</sup> Non-qualified retirement plans such as these help to restore benefits for employees whose earnings exceed the limitations established by the Internal Revenue Code (IRC) in the qualified plans, allowing employees who exceed the limits to continue to accrue benefits. In this section, PG&E will address the SERP and SRSP expense recommendations raised by Cal Advocates, the only party to comment on these proposals.

### **1. Supplement Executive Retirement Plan**

#### **a. PG&E Position**

PG&E's original forecast for SERP was \$1.170 million, which represents a 50 percent reduction from the last recorded year. In response to a Cal Advocates data request, PG&E provided corrections to its workpapers for the SERP recorded adjusted and forecast after discovering inadvertent errors in the data provided. PG&E provided Cal Advocates with its updated forecast of \$3.137 million in a data response.<sup>42</sup> The updated forecast similarly incorporates a 50 percent reduction from the updated recorded costs from 2024.

#### **b. Party Position(s)**

##### **1) Cal Advocates**

Cal Advocates states the Commission should adopt its recommendation for no ratepayer funding for PG&E's SERP.<sup>43</sup>

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<sup>41</sup> Retirement Excess plan cost and description is provided in Exhibit (PG&E-8), p. 4-57, line 2 and p. 4-60, lines 6-17.

<sup>42</sup> PG&E's response to Data Request CalAdvocates\_116-Q004-Q009 and its attachments, dated 10/1/25 in Appendix B, at the end of this exhibit.

<sup>43</sup> CA-20, p. 2, lines 21-22.

**a) Ratepayers Should not Fund Supplemental Benefit Programs**

Cal Advocates argues that, with the affordability crisis and with PG&E's compensation well above market, ratepayers should not be burdened with funding these benefit programs which provide benefits beyond the legal 401(k) limits.<sup>44</sup>

**c. PG&E Response**

PG&E disagrees with Cal Advocates' recommendation of no ratepayer funding for PG&E's SERP.

**1) PG&E's Forecast Incorporates Cost Sharing**

PG&E prepared its 2027 GRC forecast with affordability in mind. The forecast expenses represent payments to former employees who accrued benefits under the SERP while working for the Company and whose payments began after they separated from the Company. Recovery of non-qualified plan expenses are on a "pay as you go" basis. Cal Advocates has long argued for equal sharing of SERP expenses.<sup>45</sup> In PG&E's 2014 GRC decision<sup>46</sup> (PG&E's last fully-litigated GRC), the Commission adopted 50 percent of PG&E's SERP forecast for non-qualified retirement plans for ratemaking purposes. Consistent with that guidance, PG&E has already reduced its 2027 GRC forecast for SERP from \$6.086 million in 2024 to \$3.137 million in 2027. Similarly, the Commission upheld equal sharing of non-qualified retirement plan costs between ratepayers and shareholders in recent SCE and Sempra GRC decisions.<sup>47</sup>

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<sup>44</sup> CA-20, p. 28, lines 5-7.

<sup>45</sup> CA-20, p. 27, line 23 to p. 28, line 1.

<sup>46</sup> D.14-08-032, pp. 533-535.

<sup>47</sup> D.25-09-030, p. 665 (SCE 2025 GRC); D.24-12-074, p.748 (Sempra 2024 GRC); D.21-08-036, pp. 421-422 (SCE 2021 GRC); D.19-09-051, p.553 (Sempra 2019 GRC); D.15-11-021, p.275 (SCE 2015 GRC).

## 2) Non-Qualified Benefits Are Necessary to Attract and Retain Qualified Executives

Cal Advocates claims that supplemental benefits programs which are in excess of federal limits, such as non-qualified retirement plans, serve to further enhance benefits to employees who are already highly compensated. PG&E disagrees with this claim. Benefits such as these are part of the competitive benefits package needed to attract and promote the retention of qualified executives. According to the Commission, “Ratepayers benefit by being served by a utility that can retain executives and managers who are familiar with the corporate culture, policies and objectives.”<sup>48</sup> Without such a plan, employees would be forfeiting benefits due to limitations set by the IRC. This is supported by D.14-08-032, where the Commission notes:

These non-qualified plans make retired employees whole for benefits they would have received, but for IRS limitations on qualified trust funding. The IRS tax laws address separate public purposes, but do not determine appropriate ratemaking treatment of these costs.<sup>49</sup>

### d. Conclusion

In its testimony, Cal Advocates acknowledges that PG&E’s forecasts are 50 percent of PG&E’s 2024 recorded costs.<sup>50</sup> Because PG&E has already reduced its SERP 2027 forecast by \$2.949 million (net of escalation), no additional forecast reductions are warranted.

## 2. Supplemental Retirement Savings Plan

### a. PG&E Position

PG&E’s original forecast for SRSP was \$1.979 million, which represents a 50 percent reduction from the last recorded year. In response to a Cal Advocates data request, PG&E provided corrections to its workpapers for the SRSP recorded adjusted and forecast after discovering inadvertent errors in the data provided. In discovery, PG&E

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<sup>48</sup> D.14-08-032, p. 535.

<sup>49</sup> D.14-08-032, p. 533.

<sup>50</sup> CA-20, p. 14, lines 18-19.



provided Cal Advocates with its updated forecast of \$0.845 million.<sup>51</sup>

The updated forecast similarly incorporates a 50 percent reduction from the updated recorded costs from 2024.

## **b. Party Position(s)**

### **1) Cal Advocates**

Cal Advocates' position for PG&E's SRSP is consistent with their position for PG&E's SERP, as discussed in Section E.1.b.1 above.

## **c. PG&E Response**

PG&E disagrees with Cal Advocates' recommendation for the reasons identified in Section E.1.c above.

## **d. Conclusion**

In its testimony, Cal Advocates acknowledges that PG&E's forecasts are 50 percent of PG&E's 2024 recorded costs.<sup>52</sup> Because PG&E has already reduced its SRSP 2027 forecast by \$0.845 million (net of escalation), no additional forecast reductions are warranted.

## **F. Rewards and Recognition Program**

Companywide Expense in this chapter's R&R program gives leaders opportunities to provide recognition to employees who have gone above and beyond their normal job responsibilities.<sup>53</sup> In this section, PG&E will address the expense recommendations raised by Cal Advocates and TURN.

### **1. Rewards and Recognition**

#### **a. PG&E Position**

PG&E's 2027 forecast (excluding EOC awards) is \$9.137 million, calculated as an average of the recorded totals for the R&R Program in 2023 and 2024, which were the first two complete years under the restructured R&R Program.<sup>54</sup>

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<sup>51</sup> PG&E's response to Data Request CalAdvocates\_116-Q004-Q009 and its attachments, dated 10/1/25 in Appendix B, at the end of this exhibit.

<sup>52</sup> CA-20, p. 14, lines 18-19.

<sup>53</sup> Exhibit (PG&E-8), p. 3-30, lines 11-16; p. 3-31, lines 1-8.

<sup>54</sup> Exhibit (PG&E-8), p. 3-30, lines 23-27.

The R&R program includes both monetary and non-monetary awards to provide a range of award options, depending on the nature of the recipient's accomplishments. This recognition provides a means of reinforcing specific exemplary efforts towards the organization's annual goals and/or incentive metric targets, as well as work outside of goals and metric targets identified and rewarded in other compensation programs, such as annual merit awards or STIP.

**b. Party Position(s)**

**1) Cal Advocates**

Cal Advocates states that PG&E requests \$9.137 million for its R&R Program, and recommends zero funding for this program.<sup>55</sup>

**a) The R&R Program Favors Management Rather Than Rank and File Employees**

PG&E claims that eligibility for each type of recognition depends on whether the recipient is Non-Represented or Represented. The R&Rs for Non-Represented employees follow guidelines while those for Represented employees are defined by letter agreement. This indicates this program favors management.<sup>56</sup>

**b) The R&R Program Request Is Significantly Higher Than Those of the Other California Utilities**

PG&E's request for its R&R Program is significantly higher than those of the other California utilities.<sup>57</sup>

**c) The Commission Will Not Consider Program Costs Eligible for Ratepayer Funding if They Result in Above-Market Total Compensation**

In D.04-07-022, the Commission stated that program costs such as these might be eligible for ratepayer funding if the program does not place the employees' total compensation

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<sup>55</sup> CA-20, p. 2, lines 21-22.

<sup>56</sup> CA-20, p. 30, lines 5-10.

<sup>57</sup> CA-20, p. 30, line 20 to p. 31, line 8.

1 above market. PG&E's average total compensation is well  
 2 above market.<sup>58</sup>

## 3 **2) TURN**

4 TURN recommends disallowing the total forecast R&R Program  
 5 cost of \$21.14 million for both the HR and EP&R segments.<sup>59</sup>

### 6 **a) There Are Better, More Cost-Effective Ways to Motivate** 7 **Employees and Build a Successful Culture**

8 PG&E's testimony indicates its R&R Program may include  
 9 monetary and/or non-monetary awards. TURN reiterates this  
 10 variety of tools may offer options other than PG&E's request for  
 11 funding.<sup>60</sup>

### 12 **b) PG&E's Compensation Is Already Higher Than Other** 13 **California Utilities**

14 The Commission denied the R&R Program funding in the  
 15 2023 GRC based, in part, on PG&E's compensation being  
 16 higher than the other California utilities.<sup>61</sup>

### 17 **c) PG&E's Total Compensation Remains Higher Than Market**

18 According to the TCS provided in Chapter 7 of testimony,  
 19 PG&E's Target Total Compensation and its Actual Total  
 20 Compensation exceeds the + / - 10 percent range, even with the  
 21 R&R Program excluded.<sup>62</sup>

### 22 **d) PG&E's Excessive R&R Program Costs Are Not Simply the** 23 **Result of a Larger Workforce**

24 TURN cites SCE's use of a percent-of-labor-costs ratio it  
 25 uses to develop its recognition budget. If the same

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**58** CA-20, p. 30, lines 14-19.

**59** TURN-15, p.19, lines 16-17.

**60** TURN-15, p. 23, line 14 to p. 24, line 2.

**61** TURN-15, p. 20, lines 12-14.

**62** TURN-15, p. 20, line 10 to p. 21, line 7.

methodology is applied to PG&E's R&R Program, the proposed budget would be about \$3.351 million.<sup>63</sup>

**e) PG&E's R&R Program Appears to Be an Additional Bonus**

Despite actual cash compensation which is above market, PG&E's average R&R Program payment was \$4,362 in 2023 and \$2,876 in 2024 (excluding EOC awards). The STIP award, which contains an Individual Performance Modifier, is the more appropriate venue for paying for outstanding performance.<sup>64</sup>

**c. PG&E Response**

PG&E disagrees with the recommendations by Cal Advocates and TURN to disallow funding for PG&E's \$9.137 million request for its R&R Program (excluding EOC awards).<sup>65</sup> The parties' positions are based on incomplete comparisons with similar programs at smaller utilities, mischaracterizations of program design, and an incorrect conflation of discretionary recognition with base and incentive compensation. As discussed below, the R&R Program is a reasonable and appropriate management tool which supports safety, operational performance, and employee engagement, and does not result in above-market compensation.

**1) R&R Program and Total Compensation**

Cal Advocates and TURN both express concerns about funding an additional compensation program when PG&E's total compensation is already above market.

As Cal Advocates stated in testimony, in D.04-07-022, the Commission stated that program costs such as those in the R&R Program might be eligible for ratepayer funding if the program does not place the employees' total compensation above market.<sup>66</sup>

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<sup>63</sup> TURN-15, p. 22, lines 4-13.

<sup>64</sup> TURN-15, p. 23, lines 1-13.

<sup>65</sup> Exhibit (PG&E-8), p. 3-30, lines 23-27.

<sup>66</sup> CA-20, p. 30, lines 16-18.

The majority of Non-Represented R&R awards are granted to employees in the Senior Director/Director/Chief, Senior Manager/Manager/Supervisor, and Professional categories. As shown in the copy of Table 1 of Willis Towers Watson's TCS<sup>67</sup> (Figure 3-3 below), both Target Total Compensation and Actual Total Compensation for these classifications are less than 10 percent above market. The Professional classification includes a mix of Non-Represented and Represented employees, which explains why the combined group appears higher above market than the management classifications alone.

**FIGURE 3-3**  
**PG&E VERSUS MARKET — COMPETITIVE SUMMARY**

| PG&E Employee Category                      | TCS Benchmark Jobs | PG&E Total Study EE Headcount <sup>1</sup> | PG&E EEs in Benchmark Jobs | PG&E Compared to Market |                                |                                |              |                                 |                                 |                         |
|---------------------------------------------|--------------------|--------------------------------------------|----------------------------|-------------------------|--------------------------------|--------------------------------|--------------|---------------------------------|---------------------------------|-------------------------|
|                                             |                    |                                            |                            | Base Salary             | Target Total Cash <sup>2</sup> | Actual Total Cash <sup>2</sup> | Benefits     | Target Total Comp. <sup>3</sup> | Actual Total Comp. <sup>3</sup> | Target LTI <sup>4</sup> |
| Executive                                   | 43                 | 72                                         | 43                         | 22.83%                  | 29.03%                         | 122.0%                         | 28.3%        | 28.8%                           | 41.1%                           | 5.0%                    |
| Senior Director/Director/Chief              | 60                 | 544                                        | 332                        | -1.40%                  | -2.06%                         | 24.5%                          | -1.6%        | -2.0%                           | 4.3%                            | 13.6%                   |
| Senior Manager/Manager/Principal/Supervisor | 88                 | 4,521                                      | 2,727                      | -0.07%                  | 0.30%                          | 4.6%                           | -0.5%        | 0.1%                            | 3.1%                            | 4.9%                    |
| Professional                                | 106                | 8,164                                      | 5,020                      | 6.73%                   | 5.90%                          | 8.2%                           | 3.5%         | 5.3%                            | 7.2%                            | N/A                     |
| Physical/Technical                          | 63                 | 11,624                                     | 6,892                      | 25.06%                  | 20.11%                         | 19.8%                          | 12.1%        | 18.2%                           | 18.0%                           | N/A                     |
| Clerical                                    | 13                 | 2,687                                      | 1,555                      | 38.31%                  | 33.03%                         | 32.9%                          | 17.2%        | 28.4%                           | 28.3%                           | N/A                     |
| <b>Total<sup>4</sup></b>                    | <b>373</b>         | <b>27,612</b>                              | <b>16,569</b>              | <b>16.08%</b>           | <b>13.34%</b>                  | <b>15.35%</b>                  | <b>7.65%</b> | <b>11.91%</b>                   | <b>13.00%</b>                   | <b>9.55%</b>            |

By contrast, Target Total Compensation and Actual Total Compensation for the Executive, Physical/Technical, and Clerical classifications are well above market. Executive employees are not eligible for the R&R Program, and therefore should not be considered in any evaluation of the program. Additionally, the incumbents in the Physical/Technical and Clerical categories are

<sup>67</sup> Exhibit (PG&E-8), p. 7-4, Table 1.

1 primarily Represented employees. Their eligibility for, and payment  
 2 under, the R&R Program is governed by negotiated collective  
 3 bargaining agreements which reflect the compensation priorities  
 4 established by the unions during contract negotiations.

## 5 **2) Alternatives to R&R Program**

6 TURN contends that STIP is the appropriate vehicle for  
 7 recognizing outstanding performance and that the R&R Program  
 8 functions as an additional bonus program. PG&E disagrees.

9 STIP is a structured, annual incentive program with predefined  
 10 performance metrics and payout timing. The R&R Program, by  
 11 contrast, is designed to recognize specific actions or achievements  
 12 when they occur, including one-time efforts which may not be  
 13 reflected in annual incentive metrics (or any other performance  
 14 goals). As the two programs serve distinct purposes and operate on  
 15 different time horizons, the STIP is not a suitable alternative to the  
 16 R&R program.

## 17 **3) Comparison With Other Utilities**

18 Cal Advocates' and TURN's arguments rely on comparisons  
 19 between PG&E's R&R Program budget and the recognition budgets  
 20 of other California utilities.<sup>68</sup> These comparisons are incomplete  
 21 and misleading, because they fail to account for material differences  
 22 in workforce size, operational scope, and risk profile. TURN also  
 23 repeatedly misrepresents PG&E's request for the Compensation  
 24 R&R Program as \$21.14 million. This is misleading and implies that  
 25 the amount requested for PG&E's Compensation R&R Program is  
 26 much higher than it is—especially in comparison with other  
 27 California utilities.

28 PG&E serves a significantly larger and more diverse service  
 29 territory and operates under heightened safety and wildfire-related  
 30 requirements relative to the utilities cited. Simple dollar  
 31 comparisons of recognition budgets, without normalization for these

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<sup>68</sup> CA-20, p. 30, line 20 to p. 31, line 4; TURN-15, p. 22, lines 4-19.

factors, do not provide a reasonable basis for concluding that PG&E's forecast is excessive.

#### **4) R&R Program Does Not Favor Management**

Cal Advocates asserts that the R&R Program favors management because award parameters differs between Represented and Non-Represented employees. This assertion is incorrect. Differences in program administration reflect collective bargaining requirements, not preferential treatment. For Represented employees, recognition parameters are governed by negotiated letter agreements. For Non-Represented employees, PG&E applies internal guidelines, including the \$100 guideline referenced by Cal Advocates. These differences are necessary to ensure compliance with labor agreements and do not indicate inequitable treatment. Both Represented and Non-Represented employees are eligible for recognition based on demonstrated contributions aligned with PG&E's safety, reliability, and customer service objectives.

#### **5) R&R Program Forecasts**

TURN's proposed alternative budget, derived by applying another utility's labor-cost ratio to PG&E, is overly simplistic and does not reflect PG&E's operational realities. PG&E's forecast appropriately considers workforce size, safety priorities, and the scale of activities requiring recognition. Further, R&R Program costs represent a relatively small portion of total labor costs, while supporting outcomes which reduce operational risk and improve safety and performance. The fact that other utilities choose to fund recognition programs at lower levels does not establish that PG&E's forecast is unreasonable.

**TABLE 3-2**  
**PROPOSED COMPENSATION R&R PROGRAM FUNDING PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line<br>No. | PG&E Proposal | Cal Advocates | TURN      | PG&E Rebuttal<br>Position |
|-------------|---------------|---------------|-----------|---------------------------|
| 1           | \$9,137       | \$(9,137)     | \$(9,137) | \$9,137                   |

**d. Conclusion**

PG&E's R&R Program is a reasonable, well-established management tool which complements PG&E's compensation framework, supports critical safety and operational objectives, and benefits customers. The recommendations by Cal Advocates and TURN to disallow funding for the R&R Program are unsupported by the record and based on flawed assumptions. PG&E therefore respectfully requests that the Commission authorize the forecasted R&R Program costs.

**G. Labor Escalation**

Companywide Expense in this chapter provides the foundation for labor escalation rates used in forecasting labor expense. In this section, PG&E will address the expense recommendations raised by Cal Advocates.

**1. PG&E Position**

PG&E's Labor Escalation forecast is 3.75 percent<sup>69</sup> for 2025-2027, developed using the methodology described in opening testimony,<sup>70</sup> which involves the following steps: (a) determine base year GWIs for Represented employees (from Collective Bargaining Agreements); (b) determine base year merit budget for Non-Represented employees (from internal and external analysis); and (c) calculate the Average Labor Escalation, as illustrated in Table 4-2 of the 2023 GRC, shown here for reference.<sup>71</sup>

<sup>69</sup> Exhibit (PG&E-8), p. 3-33, Table 3-6.

<sup>70</sup> Exhibit (PG&E-8), p. 3-32, line 20 to p. 3-34, line 12.

<sup>71</sup> A.21-06-021, Exhibit (PG&E-8), p. 4-22, Table 4-2, line 8.



**FIGURE 3-4  
2023 GRC LABOR ESCALATION RATE**

| Line No. | Employee Category                          | 2021  | 2022  | 2023-2026 |
|----------|--------------------------------------------|-------|-------|-----------|
| 1        | IBEW Represented Clerical Employees        | 3.00% | 3.75% | 3.75%     |
| 2        | IBEW Represented Physical Employee         | 3.00% | 3.75% | 3.75%     |
| 3        | ESC Represented Employees                  | 3.00% | 3.75% | 3.75%     |
| 4        | SEIU Represented Employees                 | 3.00% | 3.00% | 3.00%     |
| 5        | Non-Represented Employees                  | 3.07% | 3.07% | 3.07%     |
| 6        | Average Labor Escalation – All Employees   | 3.03% | 3.46% | 3.46%     |
| 7        | Average Labor Escalation – Operating Units | 3.02% | 3.52% | 3.52%     |
| 8        | Average Labor Escalation – A&G             | 3.06% | 3.28% | 3.28%     |

For the 2027 GRC, with all the values—Represented GWIs for all three unions and the Non-Represented merit budget—at 3.75 percent, the average labor escalation rate is also 3.75 percent.

The proposed Labor Escalation forecast relies on annual planning for Non-Represented and Represented employees. PG&E develops its annual merit increase budget for Non-Represented employees using a combination of external market data from four recognized compensation surveys (Mercer, AON, Willis Towers Watson, and World At Work), analysis of Represented General Wage Increases (GWI) to maintain internal equity, and internal planning inputs. This methodology was consistent with that previously proposed and adopted<sup>72</sup> in GRC cases in 2020 and 2023.

For Represented employees, the negotiated GWI acts to align base wages with the external market.<sup>73</sup> For Non-Represented employees, merit increase budgets are developed from analysis of external data (from four nationally-recognized market survey sources) and internal data (GWIs for PG&E's three unions). Alignment to these markets is crucial for recruiting and retaining the skilled and qualified workforce necessary for performing

<sup>72</sup> D.20-12-005, pp. 230-231; D.23-11-069, pp. 614-616.

<sup>73</sup> For PG&E labor negotiations, “external market” refers to compensation data for other companies, particularly those in Northern California and/or the utility industry.

essential operational tasks and ensuring the delivery of safe and reliable services to customers.<sup>74</sup>

**a. Party Position**

**1) Cal Advocates**

Cal Advocates recommends the Commission adopt labor escalation rates for 2025 to 2030 based on IHS Global Insight<sup>75</sup> (2.4 percent for 2025, 3.4 percent for 2026, 3.4 percent for 2027, 3.1 percent for 2028, 2.9 percent for 2029, 2.7 percent for 2030, and 2.8 percent for 2031).<sup>76</sup>

**a) PG&E's Does Not Provide Adequate Justification for Its Proposed Average Labor Escalation for 2025-2031**

According to Cal Advocates, PG&E states it examined external project budget planning data, but did not name its sources, limiting transparency and evaluability.<sup>77</sup>

**b) PG&E Aligned Its Merit Budget With the Represented GWI, Rather Than Independent Data Showing Market Trends for Non-Represented Employees**

PG&E claims the external data it examined showed a market increase of ~4.0 percent, so it opted to set its Non-Represented merit budget in alignment with the Represented 3.75 percent GWIs for its three unions. The Represented contracts containing these GWIs expired at the end of 2025, meaning escalation assumptions beyond that date are not based on executed contracts.

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<sup>74</sup> To the extent PG&E has a signed labor contract, PG&E will provide an updated labor escalation.

<sup>75</sup> CA-20, p. 2, lines 28-30.

<sup>76</sup> CA-20, p. 32, lines 10-11.

<sup>77</sup> CA-20, p.32, lines 1-2.

**c) TCS Shows PG&E's Existing Compensation Already Exceeds Market**

PG&E's TCS shows that its compensation levels are already above market, particularly employees in the Physical/Technical, Clerical, and Executive categories. If PG&E management continues paying its employees above market, then shareholders should pay the difference between what is authorized and what is paid out.<sup>78</sup>

**d) IHS/Markit Global Insight Power Planner (Q2 2025) Wage Forecasts Project Lower Wage Increases Than PG&E's Proposed Escalation**

Cal Advocates analyzed PG&E's labor escalation method and wage percent change forecasts in the Utility Price and Wage Indicator of the Power Planner 2025 second quarter publication from the IHS/Markit Global Insight. IHS/Markit Global Insight's utility cost forecasts were used and approved in the GRC proceedings for other utilities.<sup>79</sup>

**b. PG&E Response**

**1) Cal Advocates Fails to Account for PG&E's Specific Labor Conditions**

PG&E disagrees with Cal Advocates' arguments concerning the labor escalation rates used in PG&E's forecasting, and urges the Commission to reject Cal Advocates' recommendation to substitute labor escalation rates based on a single forecast source. In stark contrast to Cal Advocates, PG&E's labor forecast relied on information from four leading compensation survey providers with long-term experience forecasting in International, United States (U.S.), and California labor markets. These sources were all known to Cal Advocates, and it failed to provide information that these sources are not reasonable to source for labor rates.

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<sup>78</sup> CA-20, p. 33, lines 3-20.

<sup>79</sup> CA-20, p. 32, line 7 to p. 33, line 2.

Cal Advocates' arguments also fail to account for PG&E's specific labor conditions and misconstrue the purpose of labor escalation, which is to reasonably forecast the cost pressures necessary to maintain a skilled, safety-critical workforce in competitive California labor markets.<sup>80</sup>

## 2) Justification for Average Labor Escalation 2025-2031

Cal Advocates asserts that PG&E failed to adequately justify its labor escalation assumptions, because it alleges PG&E referenced external budget planning data without identifying specific sources, thereby limiting transparency. This is incorrect. A description of the methodology for determining PG&E's labor escalation rate is described in PG&E's opening testimony.<sup>81</sup> The testimony clearly references the PG&E data from four external expert national surveys—Mercer, AON, WTW, and World At Work<sup>82</sup>—relied upon to develop an annual merit budget. Also, in its discovery response to Cal Advocates' question concerning data used to determine the wage increase for Non-Represented Employees, PG&E produced the following table<sup>83</sup> which shows the 2024 projected wage increase data from Mercer, AON, Willis Towers Watson,<sup>84</sup> and World At Work:

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<sup>80</sup> D.20-12-005, p. 230 states, "We [the Commission] also find that the proposed escalation rates will enable PG&E's salaries to remain competitive and will not negatively impact the level of service provided by PG&E and its ability to perform its duties and obligations in a safe and reliable manner."

<sup>81</sup> Exhibit (PG&E-8), p. 3-32, line 20 to p. 3-34, line 12.

<sup>82</sup> Exhibit (PG&E-8), p. 3-34, lines 5-6.

<sup>83</sup> PG&E's response to Data Request CalAdvocates\_116-Q003Atch05, dated 9/22/25 in Appendix B, at the end of this exhibit.

<sup>84</sup> The report from Willis Towers Watson was specific to the Energy industry, and did not provide national data.

**FIGURE 3-5  
MERIT BUDGET DATA – EXTERNAL MARKET**

| Survey Source | Employee Group  | 2024 Avg Total Increase (Proj) - Incl. 0s |         |             |                   | 2024 Avg Total Increase (Proj) - Excl. 0s |         |             |                   |
|---------------|-----------------|-------------------------------------------|---------|-------------|-------------------|-------------------------------------------|---------|-------------|-------------------|
|               |                 | National                                  | CA/West | SF/Bay Area | Utility or Energy | National                                  | CA/West | SF/Bay Area | Utility or Energy |
| Mercer        | All (non-union) | 3.5%                                      | -       | -           | 4.0%              | 3.7%                                      | -       | -           | 4.0%              |
|               | Ex/Salaried     | 3.3%                                      | -       | -           | 3.4%              | 3.5%                                      | -       | -           | 3.5%              |
|               | NEx/Hourly      | 3.1%                                      | -       | -           | 3.3%              | 3.5%                                      | -       | -           | 3.5%              |
| Aon           | All             | 4.5%                                      | 4.6%    | -           | 4.2%              | 4.6%                                      | 4.7%    | -           | 4.4%              |
|               | Management      | 4.3%                                      | 4.2%    | -           | 3.8%              | 4.6%                                      | 4.6%    | -           | 4.1%              |
|               | Professional    | 4.3%                                      | 4.3%    | -           | 3.8%              | 4.6%                                      | 4.6%    | -           | 4.0%              |
|               | Support         | 4.0%                                      | 3.8%    | -           | 3.9%              | 4.4%                                      | 4.5%    | -           | 4.1%              |
|               | Hourly          | 3.7%                                      | 3.6%    | -           | 3.8%              | 4.4%                                      | 4.5%    | -           | 4.1%              |
| WTW           | All             | -                                         | -       | -           | -                 | -                                         | -       | -           | 4.0%              |
|               | MMP*            | -                                         | -       | -           | -                 | -                                         | -       | -           | 4.0%              |
|               | Support         | -                                         | -       | -           | -                 | -                                         | -       | -           | 3.9%              |
|               | Prod+Man Labor  | -                                         | -       | -           | -                 | -                                         | -       | -           | 3.8%              |
| World at Work | All             | 3.9%                                      | 3.8%    | 3.8%        | 4.3%              | 4.0%                                      | 3.9%    | 3.9%        | 4.4%              |
|               | Ex/Salaried     | 3.9%                                      | 3.8%    | 3.8%        | 4.3%              | 4.0%                                      | 3.9%    | 3.8%        | 4.4%              |
|               | NEx/Hourly      | 4.1%                                      | 4.0%    | 4.0%        | 4.0%              | 4.1%                                      | 4.0%    | 4.0-4.1%    | 4.2%              |

\* MMP: Middle Management and Professional

Figure 3-5 shows the average of the projected increase values (far right column) is 4.0 percent. By selecting an increase of 3.75 percent, in alignment with the GWI for its three unions, PG&E opted for the more conservative choice for its Non-Represented merit budget which, in turn, resulted in a lower labor escalation rate.

PG&E did not provide the underlying detailed reporting used in calculating the above survey results, due to its proprietary nature. However, this does not undermine the reasonableness of PG&E's escalation assumptions. Utilities routinely rely on confidential compensation surveys which cannot be fully-disclosed without compromising commercial sensitivity and violating confidentiality agreements. Transparency does not require disclosure of every internal planning input where the resulting assumptions are reasonable, consistent with observed trends and past practice, and aligned with contractual wage structures.

Importantly, PG&E's escalation proposal reflects prudent analysis, grounded in observed compensation practices and foreseeable labor obligations, rather than reliance on a single forecast source. Compensation professionals recognize that using a single source in benchmarking:

1 ...could lead to a narrow perspective that overlooks vital  
 2 nuances in the market. A singular data source may not capture  
 3 the full spectrum of industry standards, regional variations, or  
 4 emerging trends. Additionally, decisions based solely on one  
 5 dataset may inadvertently perpetuate biases or  
 6 inaccuracies...<sup>85</sup>

7 In this instance, Cal Advocates' reliance on a single source of  
 8 wage data<sup>86</sup> is not as optimal as relying on data sources from four  
 9 nationally-recognized compensation experts.

10 Incorporating multiple sources not only strengthens the  
 11 credibility of the wage analysis, but also mitigates the risk of bias or  
 12 inaccuracies which may be inherent in single-source data. In all  
 13 statistical modeling, it is possible for one source of data to present  
 14 an outlying view of conclusions. By retaining multiple sources,  
 15 PG&E ensured it was gathering more accurate trends of labor  
 16 escalation. This multi-source approach ultimately supports more  
 17 robust and defensible findings.

18 The possibility of finding a source of data out of line with other  
 19 industry experts is evident with regards to Cal Advocates labor  
 20 escalation analysis. Of the five sources of data, the four PG&E  
 21 relied upon above and adding IHS/Markit Global for sake of  
 22 argument, only one—not surprisingly, the one chosen by  
 23 Cal Advocates—is the only source to foresee labor escalation of  
 24 less than three percent. All the other sources indicate labor  
 25 escalation ranging from 3.5-4.4 percent for the Energy Industry.  
 26 Additionally, without clarification from Cal Advocates, it appears the  
 27 IHS/Markit Global data is U.S. national data, which would result in  
 28 lower results than if values were provided for California (and  
 29 particularly, Northern California). Cal Advocates had possession of

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<sup>85</sup> Compensation Resources, "Are You Using Multiple Salary Surveys When Conducting Compensation Benchmarking?" available at: <https://www.compensationresources.com/insights/compensation-benchmarking-salary-surveys-0425/#:~:text=Additionally,%20decisions%20based%20solely%20on,the%20nuances%20behind%20the%20numbers>. (accessed 3/21/26).

<sup>86</sup> Cal Advocates Response to PG&E Data Request PGE\_CalAdvocates015-Q03(e-f), dated 3/10/26, in Appendix B, at the end of this exhibit.

1 this information, but did not include discussion of the sources in its  
 2 analysis. Instead, it selected the source—IHS/Markit Global—most  
 3 advantageous to support finding a lower rate.

4 This evidence of bias is reason to favor PG&E's multi-expert  
 5 analysis and more representative of labor trends. Without an  
 6 appropriate labor escalation rate, PG&E risks unacceptable  
 7 difficulties in attracting and retaining a skilled workforce necessary  
 8 to ensure the safe and reliable delivery of service. The Commission  
 9 recognized this reality when it found:

10 We also find that the proposed escalation rates will enable  
 11 PG&E's salaries to remain competitive and will not negatively  
 12 impact the level of service provided by PG&E and its ability to  
 13 perform its duties and obligations in a safe and reliable  
 14 manner.<sup>87</sup>

15 PG&E also relied on these same sources of information in the  
 16 2023 GRC and in the 2020 GRC. Neither Cal Advocates nor any  
 17 other party raised an issue with reliance on these sources.  
 18 Therefore, PG&E had reason to reasonably rely on this consistency  
 19 from recent and previous regulatory outcomes. It is reasonable to  
 20 conclude that PG&E's reliance on these sources aligns with both  
 21 regulatory expectations and precedent.

### 22 **3) Aligning Merit Budget With GWI Is Appropriate**

23 Cal Advocates contends that PG&E improperly aligned its  
 24 Non-Represented merit budget with Represented GWIs, rather than  
 25 independent market data, and argues that escalation assumptions  
 26 beyond 2025 lack contractual support. This incorrect conclusion  
 27 should be rejected for two reasons. First, PG&E demonstrated  
 28 above that it did rely on four independent sources of data. Second,  
 29 Commission precedent establishes it is reasonable to rely on  
 30 information coming out of union negotiations.

31 As stated in PG&E's response to Cal Advocates' first argument  
 32 above, PG&E's aligning its Non-Represented merit budget with  
 33 Represented GWIs is a reasonable, prudent, and, in this case,

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<sup>87</sup> D.20-12-005, p. 230.

conservative approach to maintaining internal equity, workforce stability, and operational continuity. PG&E employs an integrated workforce in which Represented and Non-Represented employees compete in the same labor markets and frequently work alongside one another. Divergent wage growth assumptions between these groups would create internal compression, undermine morale, and increase attrition risk, particularly in hard-to-fill technical and safety-critical roles.

Although Represented labor agreements expire at the end of 2025, forecasting beyond the current contract term necessarily requires reasonable judgment. Historical bargaining outcomes and prevailing labor market conditions support the continued use of escalation assumptions beyond the existing contract period. PG&E's approach reflects a balanced and forward-looking assessment of known contractual increases and expected labor market realities, not speculative or excessive growth.

Further, the use of union-negotiated GWI has been accepted. Therefore, Cal Advocates' suggestion that using negotiated GWI is improper is not consistent with Commission precedent.<sup>88</sup>

#### **4) TCS Should Not Be Used for Labor Escalation**

Cal Advocates argues that PG&E's TCS shows PG&E's compensation levels are already above market, implying that additional escalation is unjustified and any excess should be borne by shareholders. This argument is also flawed.

The TCS does not present a labor analysis in the same manner as an escalation study; attempting to use a Total Compensation Study to derive labor escalation is inappropriate. The TCS is a

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<sup>88</sup> D.23-11-069, p. 616, "The Commission finds that PG&E's proposal is consistent with historical practice and is based, in part, on authorized escalations that cannot be avoided by PG&E due to labor agreements"; D.14-08-032, p. 610, "We adopt PG&E's proposed labor escalation rate of 2.79 percent. We find this weighted average rate reasonable as it reflects PG&E's most recent collective bargaining agreement for the 2012-2014 period. We do not automatically presume that wages and increases included in a collective bargaining agreement with represented workers are ipso facto reasonable for purposes of rate recovery or labor escalation."



point-in-time comparison of compensation levels from a representative sampling of PG&E jobs in each employee category, and does not constitute a forward-looking assessment of future labor cost pressures. Compensation's being above market at a single point does not insulate PG&E from future wage growth driven by inflation, labor market competition, regulatory requirements, or evolving skill demands. In addition, aggregate TCS results mask significant variation across job families, geographic locations, and critical skill sets.

Maintaining competitive compensation over time is necessary to ensure workforce readiness, system reliability, and safe operations. Labor escalation forecasts are intended to preserve service quality and operational readiness, not to expand real compensation advantages. Continued escalation is therefore reasonable and consistent with PG&E's obligation to provide safe and reliable service at just and reasonable rates under Public Utilities Code Section 451.

## **5) IHS Global Insight and PG&E Benchmarking**

Cal Advocates recommends the Commission adopt labor escalation rates for 2025-2031 derived from IHS/Markit Global Insight wage forecasts. Cal Advocates argues these forecasts are reasonable and have been relied upon in other GRCs.

PG&E does not dispute that IHS/Markit Global Insight provides a useful macroeconomic reference. However, generalized utility wage forecasts do not adequately reflect PG&E-specific labor conditions, workforce composition, or operating environment. PG&E's workforce is disproportionately concentrated in high-skill, safety-critical classifications within California labor markets which experience sustained wage pressure, elevated cost-of-living impacts, and intense competition for qualified technical talent. PG&E's apprenticeship programs make its Represented workforce attractive, especially for recruiters at other utilities in the Northern California region. These localized and occupational dynamics are not captured by national or sector-level forecasts.

Further, prior Commission reliance on IHS forecasts in other utilities' proceedings does not establish that those forecasts are appropriate for PG&E in this case. Labor escalation must be evaluated based on the Utility's actual workforce needs, operational risks, and labor market exposure. Substituting generalized escalation rates for PG&E's proposed approach would understate the labor cost pressures PG&E is reasonably expected to face during the forecast period.

**c. Conclusion**

PG&E's proposed labor escalation rate is reasonable and was calculated using methodology employed consistently in previous rate cases. As illustrated in PG&E's second response in this section, with PG&E's decision to align their Non-Represented merit budget with the GWIs for its three unions, PG&E was making a reasonable, prudent, and, in this case, conservative decision which resulted in a lower labor escalation rate than it would have been, had they opted to go with the external market data.

Additionally, PG&E disagrees with Cal Advocates' proposal that PG&E's labor escalation rates be decreased, based on the data from IHS Global Insights. In making this proposal, Cal Advocates relies on generalized wage forecasts and point-in-time compensation metrics to argue that PG&E's proposed escalation is unjustified. Those arguments, however, fail to account for PG&E-specific labor conditions and misconstrue the purpose of labor escalation – which is to reasonably forecast the cost pressures necessary to maintain a skilled, safety-critical workforce in competitive California labor markets. For all of the above reasons, PG&E urges the Commission to reject Cal Advocates' recommendation to substitute labor escalation rates based on a single forecast source.

**H. Non-Financial Recommendations**

In this section, PG&E will address the recommendations raised by Cal Advocates for the salary reporting threshold requirements for the annual GO No. 77-M Report.

## 1. General Order 77-M

### a. PG&E Position

The Commission's salary threshold set forth in GO No. 77-M for reporting employee compensation has not been updated since 2004. In that year, the Commission increased the reporting threshold from \$85,000 to \$125,000.<sup>89</sup> Similarly, the \$250,000 threshold for higher-levels of reporting was imposed in 2006 and has not updated since.<sup>90</sup>

In the roughly 20 years since these reporting thresholds were set, PG&E's 77-M Report has become increasingly voluminous and unwieldy. In the last 10 years alone, the number of employees reported at the lower threshold has steadily grown from a little over 4,000 employees in 2014 to the current 19,257 in 2024. This represents about 70 percent of our current employee population. As our administrative burden has increased, so, too, the report has become less accessible to its audience.

PG&E is seeking the authority to revise the lower reporting level to \$207,000 and the higher reporting level to \$391,000, starting in 2027, which is today's equivalent labor cost to the levels set in 2004 and 2006, respectively, using the Consumer Price Index (CPI) calculator.<sup>91</sup>

### b. Party Position(s)

#### 1) Cal Advocates

Cal Advocates states the Commission should adopt its recommendation for increased salary reporting threshold requirements for the annual GO No. 77-M Report.<sup>92</sup> Cal Advocates recommends that the Commission set a reporting threshold of \$195,000 and a higher-level threshold of \$350,000, around 90 percent of PG&E's requested reporting levels, to

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<sup>89</sup> D.04-08-055, p. 14, Finding of Fact 8; p. 15, Conclusions of Law 2.

<sup>90</sup> D.06-12-029, adopting the currently effective GO 77-M.

<sup>91</sup> U.S. Bureau of Labor Statistics, CPI Inflation Calculator, available at: [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm) (accessed 3/11/26).

<sup>92</sup> CA-20, p. 2, lines 31-32.

1 include a slightly larger number of covered employees in the  
2 reporting.<sup>93</sup>

3 **c. PG&E Response**

4 PG&E accepts Cal Advocates' recommendation that the  
5 Commission set a reporting threshold of \$195,000 and a higher-level  
6 threshold of \$350,000. PG&E believes these adjusted reporting levels  
7 would achieve the Commission's information-gathering purposes while  
8 reducing the administrative burden and voluminous nature of the current  
9 report. The reported information would provide "access to meaningful  
10 data for review of the ratemaking process."<sup>94</sup>

11 However, it is crucial that future adjustments are not left stagnant for  
12 decades, as has occurred in the past. Going forward, PG&E requests  
13 that the thresholds be adjusted automatically year-over-year, using the  
14 CPI to adjust the reporting threshold. This would avoid the need for  
15 updates to the threshold and would keep the reporting levels more  
16 appropriate and relevant.

17 PG&E acknowledges that the Commission may wish to make  
18 changes such as these in a manner which would be applicable to all  
19 utilities. For that reason, PG&E would welcome a revisiting of these  
20 issues in an update and modification of GO 77-M.

21 **d. Conclusion**

22 Both PG&E and Cal Advocates recognize the need to modernize the  
23 salary reporting thresholds for the annual GO No. 77-M Report to reflect  
24 more current labor costs and ensure meaningful and manageable  
25 reporting. PG&E also believes that automatically adjusting thresholds  
26 annually based on the CPI is a practical solution which will maintain the  
27 relevance and effectiveness of the reporting requirements over time.  
28 PG&E urges the Commission to approve PG&E and Cal Advocates'  
29 recommendations.

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<sup>93</sup> CA-20, p. 35, lines 6-9.

<sup>94</sup> D.04-08-055, p. 5.

1 **I. Conclusion**

2 For the reasons discussed above, PG&E recommends that its 2027  
 3 expense forecast in Table 3-3 be adopted.

**TABLE 3-3**  
**2027 ADJUSTED EXPENSE FORECAST – PG&E (ALL PROGRAMS)**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Program               | Filed Forecast <sup>(a)</sup> | Errata or Forecast Adjustments <sup>(b)</sup> | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|-----------------------|-------------------------------|-----------------------------------------------|---------------------------------------|
| 1        | Short Term Incentives | \$292,140                     | –                                             | \$292,140                             |
| 2        | Non-Qualified: SERP   | 1,170                         | \$1,967                                       | 3,137                                 |
| 3        | Non-Qualified: SRSP   | 1,979                         | (1,134)                                       | 845                                   |
| 4        | Total <sup>(d)</sup>  | \$295,290                     | \$833                                         | \$296,123                             |

(a) Reflects PG&E forecast as reflected filed on May 15, 2025.

(b) Reflects PG&E forecast as updated in PG&E's November 10, 2025, errata filing and incorporates the update from PG&E's response to Data Request CalAdvocates\_116-Q004-Q009 and its attachments, dated 10/1/25 in Appendix B, at the end of this exhibit.

(c) Reflects PG&E forecast position as of March 31, 2026, and incorporates the update from PG&E's response to Data Request CalAdvocates\_116-Q004-Q009 and its attachments, dated 10/1/25 in Appendix B, at the end of this exhibit.

(d) Totals may include rounding differences.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 4**  
**REBUTTAL TESTIMONY ON**  
**EMPLOYEE BENEFITS**

| Medical Affordability and Alternative Forecast                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                          | See Section C.1. for Rebuttal |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------|
| PG&E TY 2027 Request (Affordability)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Expense: \$650.8 million | Units: N/A                    |
| <p>PG&amp;E’s primary <i>Affordability</i> forecast is approximately \$90 million lower than the forecast of actual medical costs (called Alternative forecast). The Affordability forecast consists of three additional requests: (1) a two-way Medical Balancing Account (MBA), (2) transfer of funds from Voluntary Employee Benefits Association (VEBA) Trust to offset medical forecast (Trust Repurposing), and (3) PTYR of 3 percent. Additional detail:</p> <ul style="list-style-type: none"><li>• <u>MBA</u>: A two-way MBA will manage cost differences between forecast and actual costs. It is essential for two reasons. First, the inherent complexity and variability in forecasting medical expenses – including the various factors outside of PG&amp;E’s control – warrant approval on similar terms the Commission have approved undisputed accounts in SCE’s last two GRCs. The Commission should not apply materially different standards to utilities absent a demonstrated factual distinction. None has been shown. Second, the MBA is further justified by PG&amp;E’s decision to absorb substantial forecast risk to reduce customer costs.</li><li>• <u>Trust Repurposing</u>: Repurposing \$500 million from an overfunded VEBA trust will assist in temporarily funding the Medical benefits forecast. This unique opportunity would deliver immediate savings to customers as a demonstration of our commitment to customer affordability.</li></ul>                                                                                                                                    |                          |                               |
| PG&E TY 2027 Request (Alternative)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Expense: \$738.8 million | Units: N/A                    |
| <p>The Alternative forecast is a actuarial projection of future medical costs prepared by a widely-respected consultant. These projections are unchallenged. The Alternative forecast package consists of two additional requests: (1) PTYR of 6.9 percent, and (3) authorization of VEBA Trust Repurposing.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                          |                               |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                          |                               |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Expense: \$639.1 million |                               |
| <p><b>PG&amp;E Response:</b> <u>Forecast</u>: Cal Advocates’ proposed reduction is \$100 million less than the actuarial forecast and \$10 million less than the Affordability forecast. Cal Advocates’ erroneous forecast methodology identifies five-year average annual growth rate of \$7.07 percent in cost per participant yet applies this rate only once to the 2024 recorded cost to derive a 2027 value. It, therefore, misapplies its own cost trend assumptions. If the Commission were to accept Cal Advocates’ methodology using the 5-year average growth rate, the recommended forecast should be \$733.903 million, which aligns closer with the Alternative actual forecast.</p> <p>Cal Advocates’ proposed rejection of the MBA unreasonably increases risk for PG&amp;E and customers, and ignores its own testimony that medical balancing accounts provide protection for customers and utilities: “ [A MBA] ensures that <i>ratepayers will ultimately fund the actual cost</i> to provide medical benefits.... if medical expenses increase beyond the level forecast by Cal Advocates, then any additional expense will be captured in the balancing account and [the utility] <i>is at no risk for recovery</i>.”<sup>1</sup></p> <p>Cal Advocates’ rejection of a trust repurposing proposal reflects a misreading of the VEBA trust agreement, as this agreement does not prohibit use of funds to apply to medical forecast. Further, as a protections will allow the funds repurposed to be used only for payment of eligible medical claims and reasonable administrative expenses.</p> |                          |                               |

<sup>1</sup> Cal Advocates (CA-19), A.23-05-010 (SCE 2025 GRC), pp.10; D.25-09-030, pp. 660, 750-751.

| Party Financial Recommendations, cont.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| The Utility Reform Network (TURN)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Scenario 1<br>Expense: \$650.8 million |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Scenario 2<br>Expense: \$675.9 million |
| <p><b>PG&amp;E Response:</b> PG&amp;E agrees with TURN that the Affordability forecast reflects a reasonable effort to reduce customer impacts, however, TURN's rejection of the two-way MBA fails to recognize that medical cost volatility cannot be effectively managed without a balancing mechanism, particularly where PG&amp;E has assumed downside risk to benefit ratepayers.</p> <p>TURN's alternative forecast is based on flawed comparisons that improperly combine elements of PG&amp;E's distinct actuarial and affordability forecasts, misinterpret participation rates, and inconsistently apply per-participant cost assumptions.</p> <p>TURN conditionally accepts a trust repurposing proposal, with conditions that PG&amp;E accepts except for a request for a cap on insurance or Commission pre-approval of an insurance policy. These proposals present an unreasonable burden on insurance procurement. Instead, as with all insurance procurement, the Commission is requested to approve a forecast and permit PG&amp;E discretion to negotiate for a policy within that forecast.</p> |                                        |
| SBUA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Expense: \$562.6 million               |
| <p><b>PG&amp;E Response:</b> SBUA offers no specific justification for its proposed medical reduction and relies instead on an unsophisticated headcount adjustment that ignores actuarial analysis, claims experience, contractual obligations, and market benchmarks. PG&amp;E's medical forecast is grounded in comprehensive actuarial modeling and reflects negotiated plan designs that PG&amp;E cannot unilaterally alter. PG&amp;E's Exhibit 1, Chapter 1 provides response to SBUA's proposed headcount argument.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                        |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                        |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                        |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                        |
| PG&E believes that Cal Advocates, TURN, and SBUA assumptions are incorrect and should not be considered. PG&E respectfully asks the commission to adopt the forecasts for the Active Medical Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                        |



| Active Health Minus Medical Benefits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            | See Section C.2 – C.8. of Rebuttal |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Expense: \$29.019 million  | Units: N/A                         |
| Beyond Medical Benefits, presented in the previous summary, PG&E provides employees with a variety of health and welfare benefits recognized as active plans to improve employee health, reduce healthcare costs, boost morale, increase productivity, and ultimately enhance employee retention. Benefit activities are designed to ensure that the Company, its employees, and customers receive the maximum value from the financial resources allocated to benefits. The programs included in this summary are Dental, Vision, Employee Healthcare Contributions, EAP, MHSUD, Employee Wellness, and Group Life. |                            |                                    |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |                                    |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Expense: \$25.449 million  |                                    |
| Cal Advocates made recommendations on three active health programs which are Dental, EAP, and MHSUD. PG&E's response to these recommendations is listed below.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                    |
| PG&E Response: PG&E's forecast for the below mentioned programs is Dental (\$39.864M), EAP (\$2.938M), and MHSUD (\$29.440M).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                            |                                    |
| Dental – Cal Advocates recommends an alternative forecast methodology for the Dental program. Their methodology is based on an adjusted headcount and a five year average growth rate in cost per participant, escalated through 2027.                                                                                                                                                                                                                                                                                                                                                                               |                            |                                    |
| EAP – Cal Advocates contends that EAP costs have demonstrated relative stability, and thus EAP should have a slower rate of growth than the broader benefit-cost trends.                                                                                                                                                                                                                                                                                                                                                                                                                                             |                            |                                    |
| MHSUD - Cal Advocates proposes an alternative forecasting methodology and claims the historical costs for MHSUD are relatively stable. Cal Advocates argues that mental health program costs would not experience higher growth from 2024 to 2027 than the broader medical plan costs which they argue face greater inflation and utilization.                                                                                                                                                                                                                                                                       |                            |                                    |
| PG&E does not agree with Cal Advocates recommendations to reduce the above-mentioned forecasts.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                            |                                    |
| SBUA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Expense: \$(1.269) million |                                    |
| SBUA made recommendations on eight active health programs which are Medical, Dental, Vision, Employee Healthcare Contributions, EAP, MHSUD, Employee Wellness, and Group life. PG&E's response to these recommendations is listed below.                                                                                                                                                                                                                                                                                                                                                                             |                            |                                    |
| PG&E Response: SBUA proposed a 2% headcount reduction across all PG&E Benefit programs. It provided no evidence supporting how it derived its calculation, and no evidence or analysis discussing specific benefit programs. SBUA's recommendation is based solely on its proposed reduction to overall headcount for the Company and provides no specific evidence against each of the forecasts. The unsupported proposal, discussed at Exhibit 1, Chapter 1, should be denied.                                                                                                                                    |                            |                                    |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |                                    |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                            |                                    |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                            |                                    |
| PG&E believes that Cal Advocates and SBUA assumptions are incorrect and should not be considered. PG&E respectfully asks the commission to adopt the forecasts for the Active Health Plans.                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                                    |

| Tuition Refund Program                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                          | See Section D.1. of Rebuttal |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Expense: \$3.017 million | Units: N/A                   |
| The Tuition Refund Program promotes the education advancement of employees by supporting their enrollment in career or job-related courses at accredited institutions outside of PG&E. The career or job-related educational courses taken at accredited institutions supports workforce development and supports the skills needed to deliver safe, reliable, and affordable utility service.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                          |                              |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                          |                              |
| Public Advocates Office<br>(Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Expense: \$2.7 million   |                              |
| <p><b>PG&amp;E Response:</b> PG&amp;E forecasts \$3.017 million for Tuition Refund. The forecast was developed using a 5-year average participation rate multiplied by the average cost per participant.</p> <p>Cal Advocates' recommendation to reduce the Tuition Refund Program forecast relies on a methodology that materially understates forecasted costs. Cal Advocates' approach fails to account for inflation by using nominal five-year average costs per participant, applies no escalation from 2024 to 2027 despite known M&amp;S cost growth, and relies on a static 2024 eligible population that does not reflect workforce growth over the forecast period. Correcting these methodological errors by applying base-year costs and appropriate escalation results in a 2027 forecast approximately \$0.33 million higher than Cal Advocates' estimate. Because Cal Advocates' recommendation is driven by inconsistent and understated assumptions, it should be rejected.</p> |                          |                              |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          |                              |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                          |                              |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                          |                              |
| PG&E believes that Cal Advocates assumptions are incorrect and should not be considered. PG&E respectfully asks the commission to adopt the forecast for the Tuition Refund Program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                          |                              |

| Relocation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           | See Section D.2. of Rebuttal |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Expense: \$11.112 million | Units: N/A                   |
| This program seeks funding to support the Relocation program, which aims at easing the transition to or within California following the acceptance of a new role by providing essential financial and logistical support to employees and interns. This program plays a vital role in PG&E's strategy to attract, retain, and cultivate the right talent, ensuring that personnel are positioned effectively.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                           |                              |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                           |                              |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Expense: \$10.5 million   |                              |
| <p><b>PG&amp;E Response:</b> PG&amp;E disputes Cal Advocates recommendation to reduce the Relocation Program forecast by \$0.578 million. Cal Advocates' alternative forecast recommendation relies on a 5-year average cost per participant expressed in nominal dollars and applies that average to a 2024 relocation-eligible population without escalation to the 2027 test year. By not adjusting costs to reflect inflation or escalating from the base year to the test year, Cal Advocates' approach understates expected relocation expenses. PG&amp;E's forecast methodology, by contrast, incorporates escalation and historical cost variability and therefore provides a more reasonable estimate of anticipated relocation expenses in the 2027 test year.</p> <p>Updating Cal Advocates forecast methodology, using the 5-year average cost per participant in base year dollars and escalating the result using PG&amp;E's M&amp;S escalation rates, the 2027 forecast recommendation would be \$11.895 million, which is \$1.362 million higher than the amount calculated by Cal Advocates and \$0.783 higher than PG&amp;E's 2027 Forecast.</p> |                           |                              |
| SBUA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Expense: \$0              |                              |
| <p><b>PG&amp;E Response:</b> PG&amp;E Disputes SBUA's recommendation to eliminate the Relocation program.</p> <p>SBUA's recommendation to eliminate the Relocation program lacks sufficient justification. SBUA identifies taxable income as a reason to reduce funding for the Relocation program, however, this is completely irrelevant to the terms of the program. Identifying "taxable income" does not constitute evidence opposing the Relocation program. The Commission should reject SBUA's recommendation and approve the entire forecast.</p> <p>Moreover, SBUA concern overlooks essential operational requirements that make relocation indispensable for PG&amp;E. For instance, PG&amp;E frequently relocates specialized staff to areas with urgent infrastructure needs, ensuring reliable service across regions with varying costs of living. The Relocation program is vital for recruiting and retaining qualified employees in essential roles and maintaining operational effectiveness across the organization.</p>                                                                                                                      |                           |                              |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                           |                              |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                           |                              |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           |                              |
| If Cal Advocates' position is adopted, the Relocation Program would have less funding to support employees who are relocating to or within California after accepting a role at PG&E. This would significantly limit PG&E's ability to attract and retain qualified talent, create inequities for employees facing high-cost moves, and hinder operational needs that rely on employee mobility across the state. If SBUA's recommendation to eliminate the Relocation program is adopted, this will drastically affect PG&E's ability to recruit and retain qualified employees.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                           |                              |

| Service Award Program                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                   | See Section D.3. for Rebuttal |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Expense: \$0.897M | Units: N/A                    |
| PG&E's Service Awards Program serves as a formal recognition of employees who have consistently contributed to and shown commitment to the Company through continuous service. This program is designed to reduce turnover rates and acknowledge the investment made in employee training by recognizing tenure.                                                                                                                                                                                                                                                                             |                   |                               |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |                               |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Expense: \$0      |                               |
| PG&E Response: The forecast for Service Awards was developed using average cost per service award multiplied by the number of expected service awards redeemed. PG&E's Service Awards Program serves as a formal recognition of employees who have consistently contributed to and shown commitment to the Company through continuous service. This program is designed to reduce turnover rates and acknowledge the investment made in employee training by recognizing tenure. PG&E disputes Cal Advocates recommendation to reduce the Service Award Program forecast by \$0.897 million. |                   |                               |
| Cal Advocates misrepresents the intent of Service Awards. Recognizing service anniversary milestones is important because it demonstrates to coworkers that their contributions to PG&E are valued, seen and appreciated. This can lead to increased coworker joy, fostering a more positive work environment and a stronger sense of organizational community, with the result being reduced turnover, increased productivity, improving safety and reliability and incorporating cost reduction measures.                                                                                  |                   |                               |
| PG&E Service Awards program is designed to recognize continuous employee service. Recognizing employees plays a critical role in retaining experienced employees many who perform safety-critical and operationally complex work. Retention of long-tenured employees preserves institutional knowledge, reduces operational risk, and supports safe and reliable service, outcomes that are directly aligned with ratepayer interests and reduces the costs associated with training new hires when experienced employees depart.                                                           |                   |                               |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |                               |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                   |                               |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |                               |
| If Cal Advocates position is adopted the Service Award Program would lack the funding required to continue offering the program which directly affects PG&E's ability to recognize employees for their commitment and hard work.                                                                                                                                                                                                                                                                                                                                                             |                   |                               |

| Short-Term Disability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           | See Section E.1. for Rebuttal |
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| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Expense: \$28.871 million | Units: N/A                    |
| The Short-Term Disability proposals seeks funding to support employees' financial wellbeing while unable to work due to an injury, illness, or while caring for a ill or injured family member.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                           |                               |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                           |                               |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Expense: \$2.05 million   |                               |
| <p><b>PG&amp;E Response:</b> PG&amp;E's 2027 GRC forecast for STD Voluntary Plan (VP) and Paid Family Leave (PFL) Benefit Program is \$28.8 million. The forecast was developed using cost projection based on 2020 to 2024 usage.</p> <p>Cal Advocates states the Commission should adopt a TY 2027 amount of \$2.05 million for STD Benefit and Paid Family Leave, which is \$26.75 million lower than PG&amp;E's request. Cal Advocates suggests PG&amp;E did not quantify savings associated with the VP.</p> <p>PG&amp;E disputes Cal Advocates recommendation to reduce the Short-Term Disability and Paid Family Leave forecast by \$26.8 million. PG&amp;E disputes Cal Advocates proposed \$26.75 million reduction to the VP/PFL forecast, which fails to account for salary growth, changes in leave experience, and state-mandated rate and contribution adjustments. The Voluntary Plan and Paid Family Leave benefits support safe and reliable operations by allowing employees to take medically necessary leave or family leave without financial hardship, reducing safety and operational risks associated with premature returns to work. More than 98 percent of eligible employees elect the Voluntary Plan, which provides greater income protection than the State Plan and is a negotiated component of PG&amp;E's overall compensation package. PG&amp;E recommends that the Commission adopt the VP/PFL forecast as presented.</p> |                           |                               |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                           |                               |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           |                               |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                           |                               |
| If the Commission were to adopt Cal Advocates' recommendation, PG&E would be unable to recover the reasonable costs of providing its negotiated Short-Term Disability Voluntary Plan and Paid Family Leave benefits. This would undermine PG&E's ability to maintain a competitive, bargained time-off benefits program and could require reductions or changes to benefits that employees rely on for income replacement during periods of disability, family care, or parental leave. Such an outcome would negatively affect workforce stability, employee wellbeing, and PG&E's ability to attract and retain a skilled and experienced workforce.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                               |

| LTD Trust Contributions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                           | See Section E.2. for Rebuttal |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Expense: \$47.531 million | Units: N/A                    |
| This Long-Term Disability program provides partial income replacement and continued medical and life insurance coverage to employees who are unable to work due to illness or injury. Benefits are funded through PG&E’s contributions to tax-efficient trusts and are designed to ensure participants receive support while managing costs prudently to customers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                               |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                           |                               |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Expense: \$30.9 million   |                               |
| <p><b>PG&amp;E Response:</b> PG&amp;E’s \$47.6 million LTD Trust forecast is based on WTW’s actuarial estimate and includes \$47.5 million in trust contributions and \$43 thousand in related administrative and actuarial costs.</p> <p>PG&amp;E strongly disputes Cal Advocates’ \$30.9 million LTD Trust contribution forecast, which is based on recorded 2023 and 2024 contributions, as well as the arguments advanced to justify reliance on recorded contributions rather than actuarial costs. Cal Advocates, and TURN, share the same fundamental flaw: both rely on historical averages or recorded contributions rather than an appropriate forward-looking funding forecast grounded in updated actuarial projections. PG&amp;E further maintains that Cal Advocates mischaracterizes both PG&amp;E’s contribution strategy and the role actuarial costs play in determining appropriate funding levels.</p> |                           |                               |
| The Utility Reform Network (TURN)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Expense: \$30.812 million |                               |
| <p><b>PG&amp;E Response:</b> As noted above, PG&amp;E’s \$47.6 million LTD Trust forecast is based on WTW’s actuarial estimate and includes \$47.5 million in trust contributions and \$43 thousand in related administrative and actuarial costs.</p> <p>PG&amp;E strongly disputes TURN’s \$30.812 million LTD Trust contribution recommendation and the arguments advanced to justify reliance on averaged historical costs rather than a forward-looking actuarial forecast. Like Cal Advocates, TURN’s methodology suffers from the fundamental flaw in relying on historical data rather than a forward-looking forecast grounded in updated actuarial projection.</p>                                                                                                                                                                                                                                               |                           |                               |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                           |                               |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                           |                               |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                           |                               |
| TURN’s and Cal Advocates’ recommendations misinterpret Commission precedent, mischaracterize PG&E’s treatment of historical versus forecasted actuarial costs, and are inconsistent with cost-of-service ratemaking principles. Accordingly, PG&E urges the Commission to authorize the \$47.6 million LTD Trust contribution forecast, which is based on WTW’s actuarial projection of accrued LTD cost and is designed to support prudent prefunding, limit intergenerational cost shifting, and preserve trust investment earnings that help moderate future customer costs. By contrast, per WTW’s analysis, maintaining contributions at \$30.9 million would cause the projected trust balance to decline to approximately \$38.2 million, a nearly a \$100 million reduction by the end of 2031.                                                                                                                    |                           |                               |

| Workforce Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   | See Section F.1. – F.2. for Rebuttal |
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| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Expense: \$3.343M | Units: N/A                           |
| PG&E’s Workforce Management Program is intended to support a stable and healthy work environment while enabling PG&E to manage workforce impacts associated with business changes, including technological advancements, organizational restructuring, process changes, outsourcing, and fluctuations in project or customer demand. The program is comprised of two components (1) provides outplacement assistance services to support employees in transitioning to other roles within the company or to external opportunities, and includes (2) severance and transitional pay, as applicable.                                                                                                                                                                                               |                   |                                      |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |                                      |
| The Utility Reform Network (TURN)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Expense: \$3.287M |                                      |
| PG&E Response: PG&E’s Severance and Transitional Pay workpaper had a calculation error and agrees with TURNS recommended forecast of \$3.287 million.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |                                      |
| While PG&E agrees with TURN’s recommended forecast, PG&E respectfully disagrees with TURN’s recommendation that shareholders should fund 50 percent of Severance and Transitional Pay costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |                                      |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                   |                                      |
| TURN states regardless of the current forecast, the Commission should require shareholders to share 50 percent of the costs of the Outplacement and Severance and Transitional Pay programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |                                      |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                   |                                      |
| PG&E agrees with TURN’s recommended forecast but respectfully disagrees with TURN’s recommendation that shareholders should fund 50 percent of Outplacement and Severance and Transitional Pay costs. These programs are standard, necessary components of responsible workforce management—not as discretionary actions that generate shareholder benefit. PG&E reorganizes or aligns staffing levels to support safe, reliable and changing operational needs of the organization. As reflected in the record, costs fluctuate with the number of employees impacted and operational requirements, not with shareholder driven decisions. No evidence suggests these programs are implemented to create shareholder savings, nor that they deviate from Commission recognized utility practice. |                   |                                      |

| Retirement Savings Plan (401 (k))                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                     | See Section G.1. for Rebuttal |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Expense: \$204.851M | Units: N/A                    |
| All employees are eligible to participate in the Retirement Savings Plan (RSP) upon hire and are fully vested in all contributions and earnings. Employer matching contributions vary by hire date and employee group, and participants may choose from a range of investment options.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                     |                               |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |                               |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Expense: \$154.833M |                               |
| <p><b>PG&amp;E Response:</b> PG&amp;E forecasts \$204.851 million for the Retirement Savings Plan. The forecast was developed using a historical average plus match formula. All employees qualify to participate in the 401k program. Employees may choose to make contributions on a pre-tax or after-tax basis. Each participant is entirely vested in the account value, including all contributions made by the employer and any investment returns.</p> <p>Cal Advocates recommends using an alternate forecasting approach based on the recorded 2024 population eligible for RSP, applied to the five-year (2020-2024) average participation rate (Adjusted Headcount). PG&amp;E believes Cal Advocates methodology is flawed as it fails to account for important variables such as annual merit increases, adjustments in the employee match resulting from new participants joining the plan and the escalation of the forecast from 2024 to 2027.</p>                                                                                                                                                 |                     |                               |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                     |                               |
| SBUA states that further inquiry into PG&E's retirement savings plans proposal is warranted. SBUA recommends that PG&E refine its benefits to allow for reasonable costs. It asks that the costs for all employee benefits remain steady or decrease.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |                               |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |                               |
| PG&E disputes the recommendations by Cal Advocates and SBUA to reduce or hold flat the Retirement Savings Plan forecast. Cal Advocates' methodology understates costs by failing to reflect key drivers of employer matching expenses, including headcount growth, changes in participant mix, annual merit increases, and labor escalation from 2024 through 2027, which alone increases its recommendation by approximately \$14.7 million. In contrast, PG&E's forecast appropriately incorporates salary growth, workforce expansion, multiple match formulas, employee turnover, and float credit offsets, resulting in a more accurate projection of expected costs. SBUA's recommendation similarly ignores workforce demographic shifts toward higher match eligibility, continued headcount growth, and the direct impact of salary increases on employer contributions and relies on unsupported headcount reduction assumptions addressed elsewhere in PG&E's testimony. Accordingly, PG&E recommends that the Commission adopt the Retirement Savings Plan forecast as presented in this application. |                     |                               |



| Retirement Excess                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                   | See Section G.2. for Rebuttal |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Expense: \$2.733M | Units: N/A                    |
| The Retirement Excess Plan serves as a non-qualified retirement program that delivers retirement benefits to non-officer employees whose tax-qualified benefits are constrained by the Employee Retirement Income Security Act of 1974 (ERISA).                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |                               |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |                               |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Expense: \$0.919M |                               |
| PG&E Response: PG&E's 2027 GRC forecast for Retirement Excess Plan is \$2.733 million. The forecast is based on continuing annuity payments to retirees receiving benefits in 2024 and the monthly administrative cost for the Retirement Excess Plan. No escalation was applied to the forecast.                                                                                                                                                                                                                                                                                                                                                                                                        |                   |                               |
| Cal Advocates states that a supplemental benefit that exists solely because an employee's compensation exceeds federal caps is not essential to utility operations and is not required to attract or retain the workforce needed to provide safe and reliable service. PG&E believes Cal Advocates assumption is incorrect; the retirement excess plan does not solely exist because an employee exceeds federal caps and is essential for utility operations. PG&E's Excess Plan is designed to restore (or "make whole") retirement benefits which would otherwise be lost or forfeited due to Internal Revenue Code (IRC) limits through a nonqualified plan that mirrors the limited qualified plan. |                   |                               |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |                               |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                   |                               |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                   |                               |
| PG&E believes that Cal Advocates assumptions are incorrect and should not be considered. PG&E respectfully asks the commission to adopt the forecast for the Retirement Excess Plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                               |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 4  
REBUTTAL TESTIMONY ON  
EMPLOYEE BENEFITS

TABLE OF CONTENTS

|                                                                                                                                                                                                   |      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| A. Introduction.....                                                                                                                                                                              | 4-1  |
| B. Summary of Party Positions .....                                                                                                                                                               | 4-1  |
| 1. Summary of Party Positions.....                                                                                                                                                                | 4-1  |
| 2. Uncontested Programs .....                                                                                                                                                                     | 4-3  |
| 3. Summary of Parties' Non-Financial Recommendations .....                                                                                                                                        | 4-3  |
| a. Medical Balancing Account (MBA) .....                                                                                                                                                          | 4-3  |
| b. Voluntary Employees' Voluntary Employees' Beneficiary<br>Association Trust Repurposing Proposal – Request for<br>Commission Review of Insurance Proposal or Cap on Insurance<br>Proposal ..... | 4-4  |
| C. Active Health and Welfare Benefits .....                                                                                                                                                       | 4-5  |
| 1. Medical.....                                                                                                                                                                                   | 4-7  |
| a. PG&E Position .....                                                                                                                                                                            | 4-7  |
| b. Party Positions.....                                                                                                                                                                           | 4-8  |
| 1) The Establishment of a Two-Way Medical Balancing Account.....                                                                                                                                  | 4-8  |
| 2) VEBA Trust Repurposing Proposal .....                                                                                                                                                          | 4-8  |
| 3) Active Medical Plan Forecast .....                                                                                                                                                             | 4-9  |
| 4) Post Test-Year Medical Escalation .....                                                                                                                                                        | 4-9  |
| c. PG&E Response .....                                                                                                                                                                            | 4-10 |
| 1) PG&E Requests the Establishment of a Two-Way Medical<br>Balancing Account, Consistent With the Approved<br>Mechanism for SCE .....                                                             | 4-10 |
| 2) PG&E Recommends Adopting the VEBA Trust Repurposing<br>Proposal to Support Customer Affordability .....                                                                                        | 4-13 |
| 3) PG&E Recommends the Adoption of the Affordability Rates<br>Alternative .....                                                                                                                   | 4-20 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 4  
REBUTTAL TESTIMONY ON  
EMPLOYEE BENEFITS

TABLE OF CONTENTS  
(CONTINUED)

|                                                                                 |      |
|---------------------------------------------------------------------------------|------|
| 4) Post Test-Year Escalation Rate .....                                         | 4-29 |
| d. Conclusion.....                                                              | 4-30 |
| 2. Dental.....                                                                  | 4-30 |
| a. PG&E Position .....                                                          | 4-30 |
| b. Party Position(s) .....                                                      | 4-31 |
| 1) Cal Advocates .....                                                          | 4-31 |
| 2) SBUA .....                                                                   | 4-31 |
| c. PG&E Response .....                                                          | 4-31 |
| 1) PG&E's Forecast Methodology Is Correct.....                                  | 4-31 |
| 2) SBUA's Recommendation to Reduce the Dental Program Is<br>Not Supported ..... | 4-31 |
| d. Conclusion.....                                                              | 4-32 |
| 3. Vision .....                                                                 | 4-32 |
| a. PG&E Position .....                                                          | 4-32 |
| b. Party Position(s) .....                                                      | 4-32 |
| c. PG&E Response .....                                                          | 4-32 |
| d. Conclusion.....                                                              | 4-32 |
| 4. Employee Healthcare Contributions.....                                       | 4-33 |
| a. PG&E Position.....                                                           | 4-33 |
| b. Party Position(s) .....                                                      | 4-33 |
| c. PG&E Response .....                                                          | 4-33 |
| d. Conclusion.....                                                              | 4-33 |
| 5. Employee Assistance Program .....                                            | 4-33 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 4  
REBUTTAL TESTIMONY ON  
EMPLOYEE BENEFITS

TABLE OF CONTENTS  
(CONTINUED)

|    |                                                                                              |      |
|----|----------------------------------------------------------------------------------------------|------|
| a. | PG&E Position .....                                                                          | 4-33 |
| b. | Party Position(s) .....                                                                      | 4-34 |
|    | 1) Cal Advocates .....                                                                       | 4-34 |
|    | 2) SBUA Suggests the Elimination of EAP Program .....                                        | 4-34 |
| c. | PG&E Response .....                                                                          | 4-34 |
|    | 1) PG&E's Forecast Methodology Is Correct.....                                               | 4-34 |
|    | 2) EAP Cost Trend .....                                                                      | 4-35 |
|    | 3) Expected Market Conditions and Need to Maintain Market<br>Competitiveness.....            | 4-36 |
|    | 4) PG&E Refutes Recommendation to Eliminate the EAP in<br>SBUA's Data Request Response ..... | 4-38 |
| d. | Conclusion.....                                                                              | 4-39 |
| 6. | Mental Health and Substance Use Disorder .....                                               | 4-39 |
| a. | PG&E Position .....                                                                          | 4-39 |
| b. | Party Position(s) .....                                                                      | 4-40 |
|    | 1) Cal Advocates .....                                                                       | 4-40 |
|    | 2) SBUA .....                                                                                | 4-40 |
| c. | PG&E Response .....                                                                          | 4-41 |
|    | 1) Proposed Alternative Forecast Method for MHSUD .....                                      | 4-41 |
|    | 2) MHSUD Cost Trend .....                                                                    | 4-42 |
|    | 3) MHSUD Inflation and Utilization .....                                                     | 4-43 |
|    | 4) PG&E Refutes the Recommendation to Eliminate the<br>Funding for MHSUD .....               | 4-45 |
| d. | Conclusion.....                                                                              | 4-46 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 4  
REBUTTAL TESTIMONY ON  
EMPLOYEE BENEFITS

TABLE OF CONTENTS  
(CONTINUED)

|                                                                                                                    |      |
|--------------------------------------------------------------------------------------------------------------------|------|
| 7. Employee Wellness.....                                                                                          | 4-46 |
| a. PG&E Position .....                                                                                             | 4-46 |
| b. Party Position(s) .....                                                                                         | 4-47 |
| c. PG&E Response .....                                                                                             | 4-47 |
| 1) SBUA's Recommendation to Reduce the Employee Wellness<br>Forecast Is Not Supported .....                        | 4-47 |
| 2) PG&E Refutes the Assertion in SBUA's Data Request<br>Response That Employee Wellness Is a Redundant Program.... | 4-47 |
| d. Conclusion.....                                                                                                 | 4-47 |
| 8. Group Life .....                                                                                                | 4-48 |
| a. PG&E Position.....                                                                                              | 4-48 |
| b. Party Position(s) .....                                                                                         | 4-48 |
| c. PG&E Response .....                                                                                             | 4-48 |
| d. Conclusion.....                                                                                                 | 4-48 |
| D. Other Benefits .....                                                                                            | 4-48 |
| 1. Tuition Refund Program .....                                                                                    | 4-49 |
| a. PG&E Position .....                                                                                             | 4-49 |
| b. Party Position(s) .....                                                                                         | 4-49 |
| c. PG&E Response .....                                                                                             | 4-50 |
| 1) Cal Advocates Assumptions and Methodology Are Incorrect.....                                                    | 4-50 |
| d. Conclusion.....                                                                                                 | 4-51 |
| 2. Relocation .....                                                                                                | 4-51 |
| a. PG&E Position .....                                                                                             | 4-51 |
| b. Party Position(s) .....                                                                                         | 4-52 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 4  
REBUTTAL TESTIMONY ON  
EMPLOYEE BENEFITS

TABLE OF CONTENTS  
(CONTINUED)

|    |                                                                                                           |      |
|----|-----------------------------------------------------------------------------------------------------------|------|
| c. | PG&E Response .....                                                                                       | 4-52 |
| 1) | Cal Advocates Forecast Assumptions Are Incorrect .....                                                    | 4-52 |
| 2) | The Relocation Program Is Essential for Maintaining a Skilled<br>Workforce.....                           | 4-53 |
| d. | Conclusion.....                                                                                           | 4-54 |
| 3. | Service Awards .....                                                                                      | 4-54 |
| a. | PG&E Position .....                                                                                       | 4-54 |
| b. | Party Position(s) .....                                                                                   | 4-54 |
| c. | PG&E Response .....                                                                                       | 4-55 |
| 1) | Commission Historic Approval of Service Awards.....                                                       | 4-55 |
| 2) | PG&E Service Awards .....                                                                                 | 4-55 |
| 3) | PG&E Demonstrates Loyalty in Tenure .....                                                                 | 4-56 |
| d. | Conclusion.....                                                                                           | 4-58 |
| E. | Leave of Absence and Disability Benefits, Including Long-Term Disability<br>Trust Contributions .....     | 4-58 |
| 1. | Short Term Disability Voluntary Plan and Paid Family Leave .....                                          | 4-60 |
| a. | PG&E Position .....                                                                                       | 4-60 |
| b. | Party Position(s) .....                                                                                   | 4-60 |
| 1) | Cal Advocates .....                                                                                       | 4-60 |
| c. | PG&E Response .....                                                                                       | 4-60 |
| 1) | PG&E's STD and PFL Forecast Reasonably Reflects the<br>Cost of Providing Essential Employee Benefits..... | 4-61 |
| 2) | Due to EDD Design Changes PG&E Did Not Realize the Cost<br>Savings Projected in Its 2023 GRC.....         | 4-62 |
| d. | Conclusion.....                                                                                           | 4-64 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 4  
REBUTTAL TESTIMONY ON  
EMPLOYEE BENEFITS

TABLE OF CONTENTS  
(CONTINUED)

|                                                                                                                                                       |      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 2. LTD Trust Contributions .....                                                                                                                      | 4-65 |
| a. PG&E Position .....                                                                                                                                | 4-65 |
| b. Party Position(s) .....                                                                                                                            | 4-65 |
| 1) TURN .....                                                                                                                                         | 4-65 |
| 2) Cal Advocates .....                                                                                                                                | 4-66 |
| c. PG&E Response .....                                                                                                                                | 4-66 |
| 1) The Parties Strained Proposals to Limit the LTD Contribution<br>Are Inconsistent With Commission Precedent .....                                   | 4-66 |
| 2) Accrual-Based Ratemaking Consistent With Precedent .....                                                                                           | 4-68 |
| 3) Backward-Looking Methods Disregard Forward Cost Drivers .....                                                                                      | 4-68 |
| 4) Inconsistent With Cost-of-Service Model .....                                                                                                      | 4-69 |
| 5) In Totality, Each of the Parties' Arguments Backward-Looking<br>and Non-Ratemaking Methodologies Are Inappropriate and<br>Should Be Rejected ..... | 4-70 |
| d. Conclusion .....                                                                                                                                   | 4-82 |
| F. Workforce Management Program .....                                                                                                                 | 4-82 |
| 1. Severance and Transitional Pay .....                                                                                                               | 4-83 |
| a. PG&E Position .....                                                                                                                                | 4-83 |
| b. Party Position(s) .....                                                                                                                            | 4-83 |
| c. PG&E Response .....                                                                                                                                | 4-83 |
| d. Conclusion .....                                                                                                                                   | 4-84 |
| 2. Outplacement Assistance .....                                                                                                                      | 4-84 |
| a. PG&E Position .....                                                                                                                                | 4-84 |
| b. Party Position(s) .....                                                                                                                            | 4-85 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 4  
REBUTTAL TESTIMONY ON  
EMPLOYEE BENEFITS

TABLE OF CONTENTS  
(CONTINUED)

|                                                                                                                                            |      |
|--------------------------------------------------------------------------------------------------------------------------------------------|------|
| c. PG&E Response .....                                                                                                                     | 4-85 |
| d. Conclusion.....                                                                                                                         | 4-85 |
| G. Post-Retirement Benefits, Including Trust Contributions .....                                                                           | 4-85 |
| 1. Retirement Savings Plan (401K).....                                                                                                     | 4-86 |
| a. PG&E Position.....                                                                                                                      | 4-86 |
| b. Party Position(s) .....                                                                                                                 | 4-87 |
| c. PG&E Response .....                                                                                                                     | 4-87 |
| 1) Cal Advocates .....                                                                                                                     | 4-87 |
| 2) SBUA .....                                                                                                                              | 4-89 |
| d. Conclusion.....                                                                                                                         | 4-90 |
| 2. Retirement Excess .....                                                                                                                 | 4-90 |
| a. PG&E Position.....                                                                                                                      | 4-90 |
| b. Party Position(s) .....                                                                                                                 | 4-91 |
| 1) Cal Advocates .....                                                                                                                     | 4-91 |
| c. PG&E Response .....                                                                                                                     | 4-91 |
| 1) Importance of Excess Plan to Attract and Retain Experienced<br>Coworkers .....                                                          | 4-92 |
| 2) Clarifying the Trend of Long-Service Coworkers Beyond<br>Age 65 in the Excess Plan Population .....                                     | 4-92 |
| 3) Offering the Excess Plan Ensures We Follow Through and<br>Keep Our Promises to Deliver on Benefits We Have Already<br>Committed to..... | 4-94 |
| 4) Importance of Excess Plan to Attract and Retain Experienced<br>Coworkers .....                                                          | 4-95 |
| d. Conclusion.....                                                                                                                         | 4-95 |



PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 4  
REBUTTAL TESTIMONY ON  
EMPLOYEE BENEFITS

TABLE OF CONTENTS  
(CONTINUED)

|                    |      |
|--------------------|------|
| H. Conclusion..... | 4-95 |
|--------------------|------|

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 4**  
**REBUTTAL TESTIMONY ON**  
**EMPLOYEE BENEFITS**

**A. Introduction**

This rebuttal testimony responds to the direct testimony of Public Advocates Office at the California Public Utilities Commission (Cal Advocates),<sup>1</sup> The Utility Reform Network (TURN),<sup>2</sup> Small Business Utility Advocates (SBUA),<sup>3</sup> Energy Producers and Users Coalition and Indicated Shippers (EPUC/IS),<sup>4</sup> regarding Pacific Gas and Electric Company's (PG&E or the Company) Exhibit (PG&E-20), Chapter 4, Employee Benefits.<sup>5</sup>

TURN submitted errata testimony on March 20, 2026, this did not allow PG&E sufficient time to evaluate the Errata; therefore, TURN's errata positions are not reflected or addressed in this testimony.

Party positions are summarized in Section B, while detailed party positions and PG&E's rebuttal is provided in the succeeding sections, by program.

**B. Summary of Party Positions**

**1. Summary of Party Positions**

PG&E's forecast<sup>6</sup> and party recommendations are summarized in Table 4-1 (expense) and detailed in Table 4-2, Table 4-9, Table 4-12, Table 4-15, Table 4-16 below.

Note, where a party has provided only a total program forecast recommendation for contested programs with unitized work, PG&E has extrapolated the impact to units utilizing PG&E's unit cost.

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<sup>1</sup> CA-21.

<sup>2</sup> TURN-15.

<sup>3</sup> SBUA-01.

<sup>4</sup> EPUC-/S-001.

<sup>5</sup> All references to PG&E exhibits are to the testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025, errata filing.

<sup>6</sup> All references to PG&E forecasts represent the most up-to-date forecast as reflected in testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025 errata filing.

**TABLE 4-1**  
**2027 COMPANYWIDE EXPENSE FORECAST– PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Companywide Item                                                            | PG&E Filed Forecast <sup>(a)</sup> | Parties' Proposed Increases/(Reductions) <sup>(b)</sup> |                     |                     | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|-----------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------|---------------------|---------------------|---------------------------------------|
|          |                                                                             |                                    | Cal Advocates <sup>(e)</sup>                            | TURN <sup>(f)</sup> | SBUA <sup>(g)</sup> |                                       |
| 1        | Active Health and Welfare                                                   | \$679,801                          | \$(15,264)                                              | –                   | \$(118,505)         | \$679,801                             |
| 2        | Other Benefit Plans                                                         | 15,154                             | (1,827)                                                 | –                   | (11,112)            | 15,154                                |
| 3        | Leave of Absence and Disability Benefits, Including LTD Trust Contributions | 81,853                             | (43,483)                                                | \$(16,719)          | –                   | 81,853                                |
| 4        | Workforce Management                                                        | 5,085                              | 0                                                       | (3,413)             | –                   | 3,343                                 |
| 5        | Post Retirement Plans, including Trust Contributions                        | 217,584                            | (57,831)                                                | –                   | –                   | 211,585                               |
| 6        | Total <sup>(d)</sup>                                                        | \$999,476                          | \$(118,405)                                             | \$(20,132)          | \$(129,617)         | \$991,736                             |

(a) Reflects the most up-to-date forecast as reflected in testimony filed on May 15, 2025, as updated in PG&E's November 10, 2025, errata filing.

(b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

(e) CA-21, p. 4, Table 21-2.

(f) TURN-15, p. 27, lines 17-20 (Medical); p. 33, line 14 (LTD); p. 38, lines 7-8 (Workforce Management).

(g) SBUA-01, p. 48, Table "SBUA Proposal".

## 2. Uncontested Programs

As shown in the tables below, no party made recommendations related to PG&E's forecast for the following programs:

- Family Support;
- Adoption Reimbursement;
- LTD Admin, Compliance, and Actuarial;
- Short-Term Disability (STD) Admin, Compliance, and Actuarial;
- Task Bank and Job Functional Analysis (JFA);
- Qualified Defined-Benefit Retirement Plan Admin Costs;
- Post-Retirement Medical Plan;
- Post-Retirement Life Insurance Plan;
- PBOP Medical Trust Contribution; and
- PBOP Life Trust Contribution.

## 3. Summary of Parties' Non-Financial Recommendations

### a. Medical Balancing Account (MBA)

TURN, Cal Advocates, and EPUC/IS unreasonably deny PG&E's request to establish a two-way balancing account, a particularly egregious stance given that no party opposed Southern California Edison Company's (SCE) similar two-way account<sup>7</sup> Cal Advocates cited favorably to the two-way account for SCE:

Cal Advocates also argues that, in the event SCE's actual medical expenses are greater than forecast, the additional costs will be captured in the Medical Programs Balancing Account.<sup>8</sup>

The interveners' inconsistent recommendations for the utilities cannot be reasonably explained. The risks of medical costs are

---

<sup>7</sup> Decision (D.) 25-09-030, pp. 750-751, "No party specifically contested SCE's proposed continuation and modification the MPBA. We find reasonable and approve SCE's request".

<sup>8</sup> D.25-09-030, p. 660.

managed by California IOUs, and it deserves uniform protection against rising costs.<sup>9</sup>

**b. Voluntary Employees' Voluntary Employees' Beneficiary Association Trust Repurposing Proposal – Request for Commission Review of Insurance Proposal or Cap on Insurance Proposal**

TURN supports a trust repurposing proposal with conditions that include Commission review and a cap on insurance.<sup>10</sup> The reasoning provided for these conditions do not warrant adding the administrative complexity and burden in this instance. TURN also recommends reporting of the results of a trust repurposing proposal,<sup>11</sup> and PG&E finds this reasonable. Finally, TURN recommends PG&E clarify the repurposed amount will earn a return in the subaccount and be used solely to pay for active medical claims under the proposal, which PG&E agrees to.<sup>12</sup>

Cal Advocates recommend denying the proposal asserting it is prohibited by the Voluntary Employees' Beneficiary Association (VEBA) Welfare Trust Agreement,<sup>13</sup> provides no benefit to plan participants<sup>14</sup> and offers no protection to ratepayers.<sup>15</sup> They also characterize this as a "healthcare blank check."<sup>16</sup> PG&E strongly disputes all these assessments.

---

<sup>9</sup> Cal Advocates positively referred to the benefits of a two-way account for customers and utilities, as it testified in SCE's GRC: "SCE has a Medical Programs Balancing Account which ensures that *ratepayers will ultimately fund the actual cost* to provide medical benefits to SCE's employees. Therefore, if medical expenses increase beyond the level forecast by Cal Advocates, any additional expense will be captured in the balancing account and *SCE is at no risk for recovery.*" A.23-05-010, CA-19, p. 10 (Feb. 29, 2024).

<sup>10</sup> TURN-18, p. 4, lines 20-24.

<sup>11</sup> TURN-18, p. 4, line 31 to p. 5, line 2.

<sup>12</sup> TURN-18, p. 4, lines 10-14.

<sup>13</sup> CA-21, p. 8, lines 5-8.

<sup>14</sup> CA-21, p. 8, lines 19-21.

<sup>15</sup> CA-21, p. 9, lines 16-20.

<sup>16</sup> CA-21, p. 9, lines 16-20.

1 **C. Active Health and Welfare Benefits**

2 PG&E provides employees with a range of health and welfare benefits that  
3 are classified as active plans and programs. These benefits are intended to  
4 support employee health and well-being, promote workforce stability, and  
5 contribute to organizational effectiveness, while also addressing the  
6 management of healthcare-related expenditures. In this section, PG&E will  
7 address the expense recommendations raised by Cal Advocates, TURN, SBUA,  
8 and EPUC/IS for these programs.

**TABLE 4-2**  
**2027 ACTIVE HEALTH AND WELFARE EXPENSE FORECAST– PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Companywide Item                       | PG&E Filed Forecast <sup>(a)</sup> | Parties' Proposed Increases/(Reductions) <sup>(b)</sup> |                     |                     | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|----------------------------------------|------------------------------------|---------------------------------------------------------|---------------------|---------------------|---------------------------------------|
|          |                                        |                                    | Cal Advocates <sup>(e)</sup>                            | TURN <sup>(f)</sup> | SBUA <sup>(g)</sup> |                                       |
| 1        | Medical (Affordability) <sup>(i)</sup> | \$650,781                          | \$(11,694)                                              | –                   | \$(88,216)          | \$650,781                             |
| 2        | Dental                                 | 39,865                             | (485)                                                   | –                   | (6,447)             | 39,865                                |
| 3        | Vision                                 | 3,904                              | 0                                                       | –                   | (517)               | 3,904                                 |
| 4        | Employee Healthcare Contributions      | (51,100)                           | 0                                                       | –                   | 9,359               | (51,100)                              |
| 5        | Employee Assistance Program            | 2,939                              | (486)                                                   | –                   | (2,939)             | 2,939                                 |
| 6        | Mental Health                          | 29,440                             | (2,599)                                                 | –                   | (29,440)            | 29,440                                |
| 7        | Employee Wellness <sup>(h)</sup>       | 2,789                              | 0                                                       | –                   | (284)               | 2,789                                 |
| 8        | Group Life                             | 1,182                              | 0                                                       | –                   | (20)                | 1,182                                 |
| 9        | Total <sup>(d)</sup>                   | \$679,801                          | \$(15,264)                                              | –                   | \$(118,505)         | \$679,801                             |

(a) Reflects the most up-to-date forecast as reflected in testimony filed on May 15, 2025, as updated in PG&E's November 10, 2025, errata filing.

(b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

(e) CA-21, p. 4, Table 21-2.

(f) TURN-15, p. 27, lines 17-20. TURN's Alternative recommendation is \$675,912 million (TURN-15, p. 27, lines 21-22).

(g) SBUA-01, p. 48, Table "SBUA Proposal".

(h) Includes Employee Wellness and Employee Assistance Program (EAP) forecast for PG&E Corporation/PSP2.

(i) PG&E's Alternative (WTW) Forecast is \$739 million.

## 1. Medical

### a. PG&E Position

In its opening testimony, PG&E requested the Commission decide between two medical forecasts: (1) a Primary Affordability forecast that is \$90 million lower than the Alternative and includes a two-way Medical Balancing Account, and (2) an Alternative, traditional actuarial forecast developed by Willis Towers Watson (WTW). Parties made recommendations by selecting components from each proposal. In this rebuttal testimony, PG&E will address the following components embedded in the requests in opening testimony:

- The establishment of a two-way active medical balancing account (MBA),
- Approval to temporarily reduce customer rates through the re-purposing of overfunding within the retiree medical trust for active medical costs,
- Alternative cost forecasts, and
- Medical post-test year escalation rates.

These requests are rooted in PG&E's commitment to create greater affordability for customers through a proposed reduction of ~\$1 billion over 2027-2030 as demonstrated in Table 4-3.

**TABLE 4-3  
FORECAST CUSTOMER SAVINGS OVER 2027 GRC CYCLE  
(MILLIONS OF NOMINAL DOLLARS)**

| Line No. | Description                    | 2027   | 2028    | 2029    | 2030    | 2027-2030 |
|----------|--------------------------------|--------|---------|---------|---------|-----------|
| 1        | WTW Forecast                   | \$739  | \$790   | \$845   | \$903   | \$3,277   |
| 2        | <u>Savings to Customers:</u>   |        |         |         |         |           |
| 3        | Trust Repurpose Payments       | \$0    | \$(37)  | \$(234) | \$(219) | \$(490)   |
| 4        | Potential Savings Opportunity  | \$(88) | \$(120) | \$(154) | \$(192) | \$(554)   |
| 5        | Total Savings to Customers     | \$(88) | \$(157) | \$(388) | \$(411) | \$(1,044) |
| 6        | Medical Cost Included in Rates | \$651  | \$633   | \$456   | \$492   | \$2,232   |



**b. Party Positions**

**1) The Establishment of a Two-Way Medical Balancing Account.**

Cal Advocates recommends to reject the MBA, stating that it allows PG&E to recover all medical expenses above the adopted forecast, effectively giving the utility a blank check. They also state that PG&E has not proposed adequate accountability measures for the two-way MBA to ensure controlled spending and demonstrate prudent management.<sup>17</sup>

TURN recommends that the Commission decline to adopt PG&E's request for an MBA.<sup>18</sup>

EPUC-IS opposes a new two-way MBA. PG&E has failed to demonstrate that the deferred costs proposed for tracking are reasonable and recoverable.<sup>19</sup>

**2) VEBA Trust Repurposing Proposal**

Cal Advocates recommend denying the trust repurposing, asserting that it is prohibited by the VEBA Welfare Trust Agreement,<sup>20</sup> provides no benefit to plan participants<sup>21</sup> and further argues that PG&E's proposal offers no protection to ratepayers<sup>22</sup> and characterizes it as a "healthcare blank check."<sup>23</sup>

As stated in the Non-Financial Recommendation Summary section, TURN conditionally supports the trust repurposing proposal, subject to Commission review, a cap on the proposed insurance purchase, and post-implementation reporting requirements. TURN also recommends denying flexibility for similar proposals involving

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<sup>17</sup> CA-21, p. 9, lines 5-8.

<sup>18</sup> TURN-15, p. 27, lines 14-15.

<sup>19</sup> EPUC/IS-001, p. 74, lines 9-11.

<sup>20</sup> CA-21, p. 8, lines 8-9.

<sup>21</sup> CA-21, p. 8, lines 19-21.

<sup>22</sup> CA-21, p. 9, lines 16-20.

<sup>23</sup> CA-21, p. 9, lines 16-20.

1 this trust until PG&E evaluates and reports on the outcome of this  
2 proposal in its 2031 testimony.<sup>24</sup>

### 3) **Active Medical Plan Forecast**

4 Cal Advocates, TURN, and SBUA all recommend that the  
5 Alternative Medical Forecast developed by WTW be rejected.

6 Cal Advocates and SBUA recommended to reject the  
7 affordability forecast and submitted an alternate recommendation.  
8 TURN recommends that the affordability forecast be adopted by the  
9 commission but also submitted a recommendation for a maximum  
10 forecast if the original forecast is rejected by the commission.

#### a) **Cal Advocates Alternative Forecast Recommendation**

11 Cal Advocates recommends a forecast of  
12 \$639.087 million.<sup>25</sup>

#### b) **TURN's Recommends PG&E's Affordability Forecast Be Adopted if Not Proposes an Alternative Forecast Recommendation<sup>26</sup>**

17 TURN recommends the Commission adopt PG&E's  
18 affordability forecast of \$650.781 million or alternatively, TURN  
19 recommends a forecast maximum of \$675.912 million.<sup>27</sup>

#### c) **SBUA's Alternative Forecast Recommendation**

21 SBUA recommends a forecast of \$562.565 million.<sup>28</sup>

### 4) **Post Test-Year Medical Escalation**

23 Cal Advocates recommends the commission approve 3 percent  
24 for the Post Test-Year (PTYR).<sup>29</sup> No other parties had  
25 recommendations for the PTYR.

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<sup>24</sup> TURN-18, p. 4, lines 27-31.

<sup>25</sup> CA-21, p. 13, lines 6-7.

<sup>26</sup> TURN-15, p. 1, line 30 to p. 2, line 8.

<sup>27</sup> TURN-15, p. 27, line 22.

<sup>28</sup> SBUA-01, p. 48, Table "SBUA Proposal", line 1.

<sup>29</sup> CA-21, p. 4, line 9.

**c. PG&E Response**

**1) PG&E Requests the Establishment of a Two-Way Medical Balancing Account, Consistent With the Approved Mechanism for SCE**

Costs recorded in:

[two-way] balancing accounts are appropriate when costs are highly uncertain and/or difficult to forecast, either because the utility is implementing a new program or because the costs are driven by external factors not subject to utility control.<sup>30</sup>

Annual medical costs are influenced by a complex interaction of factors, including medical inflation and trend rates, introduction of new drugs to market, benefit plan design, enrollment shifts, employee demographics, clinical risk profiles, statutory and regulatory mandates, and collectively bargained obligations. In addition, Union contracts dictate the health plan design and cost-sharing framework. PG&E is contractually bound to adhere to these terms without deviation. Accordingly, medical costs are uniquely volatile and materially unpredictable as many of these factors and their interaction with each other, are heavily influenced by external factors outside of PG&E's control. Even small deviations in trend assumptions can translate into tens of millions of dollars of variable. No parties dispute this point.

Given the inherent complexity and variability in forecasting medical expenses—including the various factors outside of PG&E's control—implementation of a two-way MBA is necessary to appropriately manage cost differences between forecasted and actual costs incurred.<sup>31</sup>

This recommendation is consistent with the Commission's decision to establish a two-way MBA for SCE.<sup>32</sup> Specifically, the

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<sup>30</sup> D.19-03-025, p. 60.

<sup>31</sup> Exhibit (PG&E-8), p. 4-21, lines 20-27.

<sup>32</sup> D.25-09-030, pp. 750-751, "No party specifically contested SCE's proposed continuation and modification the MPBA. We find reasonable and approve SCE's request."

1 medical costs the utilities are facing are the same in California. The  
 2 utilities are uniform in terms of the uncertainty it is facing with regard  
 3 to medical costs. In fact, medical costs in California are increasing  
 4 across employer-sponsored coverage, reflecting broad market  
 5 forces affecting employers generally rather than any utility-specific  
 6 condition. The California Health Benefits Survey reports substantial  
 7 increases in employer premiums in California since 2022.<sup>33</sup>

8 In SCE's 2025 GRC, Cal Advocates, and no other party,  
 9 opposed continuation of SCE's medical balancing account.<sup>34</sup>  
 10 Cal Advocates was particularly mindful of utility costs when it  
 11 acknowledged the role of protecting customers *and* the utility.  
 12 According to the SCE GRC decision:

13 Cal Advocates also argues that, in the event SCE's actual  
 14 medical expenses are greater than forecast, the additional costs  
 15 will be captured in the [medical balancing account].<sup>35</sup>

16 In its testimony, Cal Advocates acknowledged the need to  
 17 manage the risks to the utility:

18 SCE has a Medical Programs Balancing Account which ensures  
 19 that *ratepayers will ultimately fund the actual cost to provide medical*  
 20 *benefits* to SCE's employees. Therefore, if medical expenses  
 21 increase beyond the level forecast by Cal Advocates, any additional  
 22 expense will be captured in the balancing account and *SCE is at no*  
 23 *risk for recovery*.<sup>36</sup>

24 The testimony demonstrates an appropriate consideration is the  
 25 risk of utility recovery for appropriately incurred costs. The  
 26 inconsistent positions taken against PG&E vis-à-vis SCE is

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<sup>33</sup> KFF/CHCF California Health Benefits Survey 2025 (Nov. 13, 2025), available at:  
<https://www.chcf.org/wp-content/uploads/2025/11/CaliforniaHealthBenefitSurvey2025.pdf> (accessed Mar. 22, 2026).

<sup>34</sup> D.25-09-030, pp. 748, 750-751, "No party specifically contested SCE's proposed continuation and modification the [Medical Programs Balancing Account]. We find reasonable and approve SCE's request."

<sup>35</sup> D.25-09-030, p. 660.

<sup>36</sup> A.23-05-010, CA-19, p. 10 (Feb. 29, 2024) (emphasis added).

1 unreasonable, particularly given SCE's two-way account has existed  
2 for multiple GRCs.

3 As part of their recommendation to deny PG&E's request to  
4 establish a two-way balancing account, Cal Advocates, TURN, and  
5 EPUC/IS appear to believe this would eliminate PG&E's  
6 accountability in maintaining reasonable medical costs, thereby  
7 exposing customers to greater risk. PG&E disagrees with this  
8 perspective.

9 Consistent with SCE's two-way balancing account treatment,  
10 PG&E's proposal would include an annual prudence review  
11 (i.e., audit) comparable to the current CPUC audit of SCE. This  
12 review evaluates the difference between the revenue authorized in  
13 the GRC and the actual costs incurred, and would ensure PG&E's  
14 continued accountability to ensure the prudence of actual costs  
15 incurred and requested for recovery. Within SCE's case,  
16 Cal Advocates,<sup>37</sup> TURN,<sup>38</sup> and EPUC/IS<sup>39</sup> did not oppose their  
17 two-way balancing account, which included the prudence review.  
18 The parties did not indicate their rationale for the inconsistent  
19 positions between PG&E and SCE despite the companies having  
20 very similar medical cost risk profiles.

21 The Commission should not apply materially different standards  
22 to PG&E's proposal absent a demonstrated factual distinction.  
23 None has been shown.

24 This decision fundamentally changes the risk profile. PG&E  
25 knowingly accepted the risk that actual costs could exceed the  
26 authorized amount, even with prudent management. PG&E's  
27 request for the MBA is not just a safeguard against routine  
28 forecasting errors, but a targeted tool to manage the specific,  
29 quantified downside risk PG&E has taken on for ratepayers' benefit.  
30 Without the MBA, PG&E would be penalized for prioritizing

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<sup>37</sup> CA-21, p. 9, line 20 to p. 10, line 14.

<sup>38</sup> TURN-18, p. 58, lines 4-16.

<sup>39</sup> EPUC/IS-01, p. 77, lines 3-19.

1 affordability, discouraging utilities from making similar  
 2 customer-focused decisions in the future. Notably, intervenors have  
 3 not addressed this critical risk or offered a viable alternative for  
 4 managing it.

5 PG&E's proposal is reasonable, symmetrical, and grounded in  
 6 established ratemaking practice. It is further justified by PG&E's  
 7 decision to absorb substantial forecast risk in order to reduce  
 8 customer costs. Intervenors' objections rest on inconsistent  
 9 positions and unsupported characterizations, not on evidence.

10 For these reasons, the Commission should approve PG&E's  
 11 proposed two-way Medical Balancing Account.

## 12 **2) PG&E Recommends Adopting the VEBA Trust Repurposing** 13 **Proposal to Support Customer Affordability**

14 PG&E recommends repurposing \$500 million less  
 15 administrative costs<sup>40</sup> from the overfunded Represented VEBA trust  
 16 to help temporarily fund Active Medical benefits and pass these  
 17 savings on to customers as a demonstration of its commitment to  
 18 customer affordability.

19 PG&E identified a unique opportunity for temporary medical cost  
 20 relief associated with an unlikely need to make contributions to the  
 21 Represented Medical VEBA trust through 2034, in the median  
 22 scenario,<sup>41</sup> as the trust is currently overfunded relative to the  
 23 associated obligation.<sup>42</sup> Although PG&E still does not expect to  
 24 request contributions before 2034, certain scenarios may be  
 25 associated with a marginally increased likelihood of proposing  
 26 contributions during the 2031 GRC. This opportunity would entail  
 27 PG&E repurposing a portion of this over-funding to active medical  
 28 costs with a direct benefit to customer bills.

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<sup>40</sup> The estimated \$10 million in administrative costs includes legal fees, insurance costs and other administrative fees.

<sup>41</sup> Exhibit (PG&E-8), p. 4-20, fn. 22.

<sup>42</sup> WTW conducted stochastic (probabilistic) analysis to model the impact on future funding after repurposing \$500 million in a subaccount.

1 In the next section, PG&E's responds to several arguments  
2 raised by intervenors.

3 **a) Welfare Agreement Does Not Prohibit the Use or**  
4 **Repurposing of Funding**

5 Cal Advocates conclusory statement that the repurposing is  
6 "prohibited by the Welfare Trust Agreement" is incorrect.<sup>43</sup> The  
7 Agreement does not prohibit the use or repurposing of funding  
8 as proposed, which will be further discussed in the VEBA  
9 Repurposing Maintains Protections and Oversight section. If  
10 approved by the Commission, PG&E anticipates taking the  
11 following steps that would not cause a violation of the  
12 Agreement:

- 13 • First, the active medical plan will be merged into the retiree  
14 medical plan. At that point, the single remaining medical  
15 plan will be the existing retiree medical plan referred to in  
16 the Trust Agreement cited by Cal Advocates.
  - 17 – Because the ongoing plan will be the retiree medical  
18 plan (to be renamed as the "medical plan" without  
19 reference to retirees), the use of trust assets for active  
20 employees would be permissible under the terms of the  
21 plan and the trust and consistent with the exclusive  
22 benefit requirement.
- 23 • Second, as part of the merger, the subaccount will be  
24 created in the trust for use only for the payment of  
25 represented employee medical claims.
  - 26 – As such, PG&E agrees with TURN<sup>44</sup> and confirms that  
27 the \$500 million transferred less administrative costs to  
28 a designated sub-account within the Represented  
29 VEBA trust will remain in the trust and be used solely  
30 for payment of eligible medical claims and reasonable  
31 administrative expenses. Investment earnings on

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<sup>43</sup> CA-21, p. 8, line 9.

<sup>44</sup> TURN-18, p. 4, lines 10-14.

1 amounts held in the sub-account will accrue within the  
2 trust and will not be available for any purpose other than  
3 payment of eligible medical claims and reasonable  
4 administrative expenses under the approved  
5 repurposing structure.

6 **i) Insurance Pre-Approval and Cost Cap is Not Necessary**

7 In order to mitigate the risk of significant excise taxes  
8 associated with the repurposing of assets in the VEBA  
9 Trust, PG&E plans to procure an insurance policy that  
10 provides financial protection to protect against potential  
11 adverse tax consequences. However, PG&E disagrees with  
12 TURN's recommendations to: (1) obtain pre-approval of the  
13 insurance policy, and (2) imposing a cost cap on the  
14 insurance policy purchase.

15 TURN's position of obtaining pre-approval of an  
16 insurance policy is impractical as there is generally a fixed  
17 time in which an insurance quote is valid or will be honored  
18 by an insurance carrier after its release (30 to 60 days is a  
19 common period). Once the period lapses, an insurance  
20 carrier retains the right to reset the pricing (risk of higher  
21 cost) or issue a new quote. Because PG&E would procure  
22 the insurance only after Commission approval of the VEBA  
23 trust repurposing, pre-approval of the insurance policy could  
24 create a material risk of a stale quote, potentially requiring  
25 additional administrative effort to re-obtain pricing and  
26 exposing ratepayers to higher costs.

27 TURN's position of establishing a cost cap on this  
28 insurance policy is also impractical for two reasons;  
29 insurance markets are inherently volatile, driven by factors  
30 outside PG&E's control, and coverage for tax risk would be  
31 incorporated into a broader insurance policy for which  
32 insurers do not separately price individual risk components.  
33 Additionally, TURN does not provide an indication on what a



1 “reasonable cost cap” should be, nor do they provide a  
2 specific dollar amount to be applied to the purchase.<sup>45,46</sup>

3 The application of a cost cap limits purchasing  
4 decisions on the part of PG&E and may potentially limit  
5 PG&E’s ability to procure a sufficient amount of coverage to  
6 protect against the tax exposure, depending on the value of  
7 the tax exposure, if rendered by the IRS, and value of the  
8 cap set for the purchase of insurance. The commercial  
9 insurance markets cycle through different procurement  
10 periods or phases throughout the year based on a variety of  
11 factors that can influence pricing. For example, there is  
12 generally a finite amount of capacity or insurance available  
13 in the market for any single type of product. As the capacity  
14 is used up, pricing can change (e.g., increase) for the  
15 remaining coverage that exists for purchasers of insurance.  
16 Commercial markets also routinely evaluate the financial  
17 performance of their overall book of accounts throughout  
18 the year and may adjust pricing based on how the book  
19 performs. If an insurance carrier does not meet their yearly  
20 financial targets, they may seek to collect higher insurance  
21 premiums on new accounts to offset the performance.

22 Finally, insurance pricing methodology is typically  
23 considered proprietary and carriers do not generally break  
24 down how individual risk factors contribute to total premium,  
25 thus, imposing a cap based on assumed pricing drivers is  
26 speculative.

27 TURN’s request also runs counter to Commission  
28 precedent stating the only relevant inquiry in assessing the  
29 reasonable cost recovery of insurance premiums is the  
30 prudence of the utility’s procurement decision.<sup>47</sup> TURN’s

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<sup>45</sup> TURN-18, p. 4, lines 15-25.

<sup>46</sup> TURN’s response to PG&E Data Request PGE\_TURN019-Q001, dated March 10, 2026 in Appendix B, at the end of this exhibit.

<sup>47</sup> D.20-09-024, p. 63, Finding of Fact (FOF) 22.

1 testimony has not presented argument that PG&E's  
 2 insurance procurement process is unreasonable. PG&E's  
 3 insurance procurement process includes employing brokers  
 4 with expertise and knowledge of current markets to ensure  
 5 we receive competitive pricing.<sup>48</sup>

6 TURN also supports its proposal by broadly referring to  
 7 a "current political climate."<sup>49,50</sup> PG&E does not respond to  
 8 whether there is a current political climate, and how it  
 9 should be viewed. PG&E strongly objects that subjective  
 10 views of a political climate should justify a punitive measure  
 11 against a utility, or in any way affect consideration of the  
 12 proposal.

13 PG&E maintains employee benefit protections,  
 14 including the cost of insurance, represents reasonable costs  
 15 of service necessary to support a utility's operations and are  
 16 appropriately evaluated through the Commission's standard  
 17 framework. Consistent with this, the Commission has  
 18 generally addressed the reasonableness of insurance  
 19 expense through the cost-of-service framework, and any  
 20 targeted scrutiny has typically arisen in the context of  
 21 incremental recovery requests rather than line-by-line  
 22 review of policy terms. Thus, if an additional administrative  
 23 remedy is deemed reasonable in this case, the excise  
 24 insurance product for this initial proposal should be subject  
 25 to the same level of review as insurance proposals included  
 26 in Exhibit (PG&E-9), Chapter 3, Insurance. If needed, future  
 27 requests for insurance coverage, related to Trust  
 28 Repurposing will be presented in the insurance chapter in

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<sup>48</sup> See, D.20-09-024, p. 65, FOF 39, "Using a broker enables utilities to access a variety of insurance providers as well as the ability to leverage the broker's expertise and knowledge of current markets to obtain the most competitive pricing."

<sup>49</sup> TURN-18, p. 4, lines 15-25.

<sup>50</sup> TURN's response to PG&E's Data Request PGE\_TURN019-Q001, dated March 10, 2026 in Appendix B, at the end of this exhibit.

the next GRC cycle. For these reasons, PG&E maintains pre-approval review of the final policy (or an undefined “reasonable” cost cap) is not necessary to protect ratepayers and could introduce needless procedural friction into implementation.

**ii) PG&E Agrees to Include Testimony in Its 2031 GRC, Related to the Trust Repurposing**

PG&E agrees with TURN’s proposal for post implementation reporting in the 2031 GRC. PG&E believes it is appropriate given the novel nature of this proposal and supports providing a report in a future GRC regarding the implementation experience.

Further, PG&E does not contest that any future repurposing for this trust should be evaluated based on the specific record and conditions at that time and agrees not to pursue similar proposals until it is reported how the current proposal fared in its Test Year 2031 testimony.

**iii) VEBA Repurposing Maintains Protections and Oversight**

Under the proposed structure, Cal Advocates’ assertion that repurposing surplus PBOP assets provides no benefit to PBOP plan participants is incorrect because those assets would be earmarked to fund medical benefits for participants in the surviving plan, including represented active employees.

Cal Advocates’ characterization of PG&E’s VEBA repurposing proposal as a “healthcare blank check” is not supported by the structure or safeguards included in PG&E’s proposal. The proposal does not create unrestricted access to trust assets, nor does it authorize discretionary spending outside established ratemaking and trust governance frameworks.

1           The proposal maintains the existing VEBA trust  
2           structure, under which funds remain legally restricted to  
3           qualifying employee benefit purposes. Repurposing does  
4           not allow PG&E to redirect funds for unrelated uses or  
5           corporate purposes. To repeat, no part of the proposal  
6           violates the Agreement's "Exclusive Benefit" provision 2.4  
7           that trust funds are used only for participants and  
8           beneficiaries. Instead, the proposal simply allows certain  
9           VEBA assets to be applied to eligible employee benefit  
10          costs within the trust framework, consistent with the  
11          tax-advantaged and trust-restricted nature of VEBA assets.

12          Additionally, as previously mentioned, PG&E's proposal  
13          includes explicit structural protections, including the use of  
14          dedicated sub-accounts that preserve earnings attribution  
15          and funding transparency. These accounting controls  
16          ensure that assets associated with specific funding  
17          purposes remain identifiable and that any use of funds  
18          continues to be traceable and subject to ratemaking review.

19          The proposal also does not eliminate Commission  
20          oversight. As PG&E stated in response to TURN's  
21          arguments, PG&E understands and agrees that reporting on  
22          the status of the Trust in the next GRC provides  
23          Commission information to perform its oversight function.

24          Contrary to Cal Advocates' statement,<sup>51</sup> repurposing  
25          existing VEBA assets can reduce future ratepayer funding  
26          needs by allowing previously contributed funds to be used  
27          efficiently for eligible benefit obligations rather than allowing  
28          excess assets to remain restricted to narrow historical uses.

29          Accordingly, PG&E contends Cal Advocates' reading is  
30          overinclusive and asserts that, through appropriate  
31          amendments to the plan and trust arrangement, the  
32          proposal can be implemented consistent with the

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<sup>51</sup> CA-21, p. 8, lines 20-21.

exclusive-benefit requirement. PG&E's proposal can also be implemented with Commission approval, through appropriate plan and trust amendments that satisfy the exclusive-benefit requirement, preserve VEBA governance and oversight, and ensure that surplus assets are used efficiently for eligible medical benefits rather than imposing avoidable future costs on ratepayers.

### 3) PG&E Recommends the Adoption of the Affordability Rates Alternative

In its opening testimony, PG&E outlined two active medical cost recovery scenarios: (a.) a traditional approach based on an actuarial analysis performed by WTW for Medical Benefits, with a 2027 forecast of \$738.576 million<sup>52</sup> and (b.) an alternative affordability forecast of \$650.781 million<sup>53</sup> which reflects significant reductions to the actuarial analysis associated with (i) the temporary repurposing of VEBA Trust assets, as discussed above and (ii) other possible cost reductions (see Table 4-4). Of these alternatives, PG&E recommends the Commission adopt the affordability forecast. Note: If the Commission does not agree to the repurposing of VEBA Trust assets, the amounts collected in rates should be updated to reflect the following:

**TABLE 4-4**  
**AFFORDABILITY FORECAST COLLECTED IN RATES WITHOUT TRUST REPURPOSING**  
**(MILLIONS OF NOMINAL DOLLARS)**

| Line No. | Description                                                       | 2027  | 2028  | 2029  | 2030  | 2027-2030 |
|----------|-------------------------------------------------------------------|-------|-------|-------|-------|-----------|
| 1        | Affordability Forecast Net of Trust Repurpose – In Rates          | \$651 | \$633 | \$456 | \$492 | \$2,232   |
| 2        | Trust Repurpose Payments Disallowance                             | \$0   | \$37  | \$234 | \$219 | \$490     |
| 3        | Updated Affordability Forecast With No Trust Repurpose – In Rates | \$651 | \$670 | \$690 | \$711 | \$2,722   |

The WTW actuarial forecast reflects the full set of market, demographic, and utilization trends that will drive PG&E's actual

<sup>52</sup> Exhibit (PG&E-8), p. 4-6, line 3 (Alternative Medical forecast).

<sup>53</sup> Exhibit (PG&E-8), WP 4-6, line 3.

medical spend.<sup>54</sup> Accordingly, the WTW actuarial forecast best represents a realistic expectation of future medical costs. However, PG&E carefully considered customer impacts when developing the Primary Affordability forecast that is proactively about \$90 million and \$550M less than the WTW 2027 and 2027-2030 forecasts, respectively. Although PG&E does not have direct line of sight into the specific activities and actions that will achieve these reductions, this demonstrates PG&E's commitment to pursue permissible cost savings opportunities, such as those discussed in open testimony.

Cal Advocates, TURN, and SBUA, see Table 4-5, all developed the following cost forecast recommendations that PG&E believes are not realistic and are unreasonable:

**TABLE 4-5  
PARTY RECOMMENDATIONS FOR ACTIVE MEDICAL  
(MILLIONS OF NOMINAL DOLLARS)**

| Line No. | Description                     | 2027  |
|----------|---------------------------------|-------|
| 1        | PG&E Affordability Forecast     | \$651 |
| 2        | Cal Advocates                   | \$639 |
| 3        | TURN (with a Cost Cap of \$675) | \$651 |
| 4        | SBUA                            | \$563 |

**a) Cal Advocates**

PG&E disagrees with Cal Advocates recommendation to adopt the un-escalated affordability forecast without associated two-way balancing account.

**i) Cal Advocates Recommends Un-Escalated Methodology**

Cal Advocates' main argument is that applying escalated costs to an adjusted headcount yields a forecast of approximately \$640 **million**, which is very close to PG&E's initial forecast.<sup>55</sup>

<sup>54</sup> Exhibit (PG&E-8), WP 4-11 to WP 4-12.

<sup>55</sup> CA-21, p. 13, lines 3-6.

1 PG&E disagrees with Cal Advocates' recommendation  
2 to use the initial Affordability forecast submitted prior to the  
3 errata. In response to data discovery, PG&E identified a  
4 calculation error and revised the forecast from  
5 \$639.087 million to \$650.781 million, the updated forecast  
6 was reflected in PG&E's errata filing (dated November 10,  
7 2025).<sup>56</sup> The error occurred because the calculation used  
8 an incorrect medical escalation.

9 Cal Advocates methodology calculated a 5-year  
10 average growth rate of cost per participant. This calculation  
11 resulted in an annual growth rate of 7.07 percent. Applying  
12 this growth rate to the 2024 cost per participant of \$22.40  
13 increases it to \$23.99. When this escalated cost is applied  
14 to an adjusted headcount, calculated using the 2024  
15 medical benefit-eligible population and the 5-year  
16 (2020-2024) average participation rate, the total comes to  
17 about \$640 million.<sup>57</sup>

18 Cal Advocates forecast methodology misapplies its own  
19 cost trend assumption by treating a multi-year forecast as  
20 though it were a single-year projection. Cal Advocates  
21 identifies a 5-year average annual growth rate of  
22 7.07 percent in cost per participant yet applies this rate only  
23 once to the 2024 recorded cost to derive a Test Year 2027  
24 value. This approach fails to recognize that Test Year 2027  
25 is three years removed from the 2024 base year and  
26 therefore requires the growth rate to be applied for each  
27 intervening year (2025, 2026, and 2027). A 5-year average  
28 growth rate represents an annual rate, not a one-time  
29 adjustment, and standard forecasting practice requires that  
30 such a rate be compounded over the full forecast horizon.  
31 By applying only a single year of growth, Cal Advocates

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<sup>56</sup> Exhibit (PG&E-8), p. 4-15, lines 10-11.

<sup>57</sup> CA-21, p. 13, lines 2-5.

1 understates the cost per participant and, by extension, total  
 2 forecast costs. Even if the Commission were to accept  
 3 Cal Advocates' methodology using the 5-year average  
 4 growth rate, the recommended forecast should be  
 5 \$733.903 million which aligns closer with the WTW forecast  
 6 as demonstrated in Table 4-6.

**TABLE 4-6**  
**COMPARISON OF INITIAL AND CORRECTED CAL ADVOCATES**  
**FORECAST RECOMMENDATION**  
**(NOMINAL DOLLARS)**

| Line No. | Description                      | Cal Advocates Calculated Forecast |           |           | Cal Advocates Corrected Forecast Applying Growth Rate Annually |           |           |
|----------|----------------------------------|-----------------------------------|-----------|-----------|----------------------------------------------------------------|-----------|-----------|
|          |                                  | 2025                              | 2026      | 2027      | 2025                                                           | 2026      | 2027      |
| 1        | 5-Year Average Growth Rate       | 7.07%                             | None      | None      | 7.07%                                                          | 7.07%     | 7.07%     |
| 2        | Escalated Cost PEY (\$ thousand) | \$23.99                           | \$23.99   | \$23.99   | \$23.99                                                        | \$25.68   | \$27.50   |
| 3        | Adjusted Headcount               | 26,687                            | 26,687    | 26,687    | 26,687                                                         | 26,687    | 26,687    |
| 4        | Forecast (\$ million)            | \$640.164                         | \$640.164 | \$640.164 | \$640.164                                                      | \$685.433 | \$733.903 |

7 **b) TURN**

8 PG&E disagrees with TURN's recommendation to adopt the  
 9 affordability forecast without associated two-way balancing  
 10 account. Further, PG&E disagrees with TURN's proposal for an  
 11 alternative forecast, with a maximum forecast, if the  
 12 Commission were to not adopt the affordability forecast.

13 **i) TURN Recommends Primary (Affordability) Forecast**  
 14 **Without MBA**

15 TURN recommends the commission approve PG&E's  
 16 Primary Affordability Forecast without the MBA. PG&E  
 17 agrees that PG&E's Primary Affordability forecast is the  
 18 most appropriate but strongly disagrees with the  
 19 recommendation that a companion MBA is inappropriate.

20 PG&E's Affordability forecast with balancing account is  
 21 the most appropriate proposal because forecasting medical  
 22 expenses is complex and unpredictable, including factors  
 23 beyond PG&E's control, a two-way MBA is needed to  
 24 effectively manage differences between projected and



actual costs. Please see Section C.1.c.1) for a detailed response to the need for MBA.

**ii) TURN's Alternative Recommendation of a Maximum Forecast Is Flawed and Should Not Be Adopted**

TURN recommends a maximum forecast of \$675.912<sup>58</sup> should PG&E's Primary Affordability forecast without associated MBA be rejected.

TURN's argument relies on a participant based forecast methodology.<sup>59</sup> Their recommended justification is based on a significant mischaracterization of PG&E's forecast presentations. In particular, TURN incorrectly combines different elements of the PG&E Alternative (WTW) forecast, resulting in an inaccurate comparison of per-person costs and a flawed interpretation of overall plan participation rates.

As described in Section C.1.a, PG&E presented two distinct forecasts to transparently reflect different actuarial and affordability perspectives. (1) The Primary (Affordability) forecast reflects a lower per participant cost assumption, while the (2) Alternative forecast reflects a higher actuarial estimate developed by WTW. TURN's testimony conflates these separate forecasts by selectively disaggregating components from the Alternative forecast and recombining them in a manner that incorrectly suggests the two PG&E forecasts are based on essentially the same per participant costs.

When TURN's own analytical logic is applied consistently and correctly to PG&E's forecasts, the error in TURN's comparison becomes evident. As shown in Table 4-7 PG&E's Primary (Affordability) forecast assumes a significantly lower per participant cost than the Alternative

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<sup>58</sup> TURN-15, p. 27, line 22.

<sup>59</sup> TURN-15, p. 27, line 27; p. 28, lines 1-3.

1 forecast, approximately \$4,653 less per participant (PG&E  
 2 provides as Figure 4-1 TURN's Table 3 below). This cost  
 3 difference, combined with modest differences in participant  
 4 counts, explains the variance in total forecasted costs and  
 5 directly refutes TURN's assertion that PG&E's forecasts are  
 6 cost equivalent.

7 Accordingly, TURN's recommendation is based on a  
 8 faulty premise. PG&E's Primary forecast does not rely on  
 9 the same per participant cost assumptions as the  
 10 Alternative forecast and, in fact, reflects a materially lower  
 11 unit cost. TURN's comparison therefore does not provide a  
 12 valid basis for rejecting PG&E's forecast or its associated  
 13 funding request.

14 Additionally, TURN implies that PG&E participant rate is  
 15 not 94 percent although PG&E detailed this in  
 16 Workpapers<sup>60</sup> and data discovery.<sup>61</sup> TURN again  
 17 misinterprets the information provided in workpapers<sup>62</sup> as  
 18 miscalculated PG&E's Alternative forecast participation rate  
 19 of 91.2 percent<sup>63</sup> (or 92.1 percent<sup>64</sup>) when both forecasts  
 20 rely on the same participation rate of 94 percent,<sup>65</sup> based  
 21 on 5-year average of enrolled participants. Further, TURN  
 22 continues to misinterpret PG&E's data to derives its own  
 23 participation rate of 87.1 percent by averaging historical  
 24 participant factors from 2020 through 2024, while excluding  
 25 2022.<sup>66</sup> PG&E notes that employee headcount dipped  
 26 slightly in 2022 due to PG&E sponsored Voluntary

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<sup>60</sup> Exhibit (PG&E-8), WP 4-12, Additional Assumption section.

<sup>61</sup> PG&E's response to Data Request TURN\_043-Q002, dated September 9, 2025 in Appendix B, at the end of this exhibit.

<sup>62</sup> Exhibit (PG&E-8), WP 4-9.

<sup>63</sup> TURN-15, p. 29, line 14.

<sup>64</sup> TURN-15, p. 30, lines 2-3.

<sup>65</sup> Exhibit (PG&E-8), WP 4-6, line 13.

<sup>66</sup> TURN-15, p. 30, lines 10-13; Table 4.

Severance Program. The resulting fluctuation in medical plan participation accurately reflects how enrollment responds to workforce changes and should therefore be included in the historical record. Lastly, TURN multiplies its calculated participant count of 25,707 by a per-participant cost from WTW to produce a maximum forecast of \$675.913 million.<sup>67</sup> However, TURN's testimony inconsistently references multiple per-participant cost figures.<sup>68</sup>

Due to the numerous and fundamental errors in TURN's forecasting approach, including incorrectly combining distinct forecast components, applying inconsistent headcount total and participation rates, and selectively excludes key historical data, TURN's recommendation is deeply flawed and should not be considered as an alternative forecast recommendation.

**TABLE 4-7**  
**CORRECTED COMPARISON BETWEEN PG&E'S TWO FORECASTS**

| Line No. | Forecast                         | Per-Participant Cost <sup>(a)</sup><br>(Whole dollars) | Participants <sup>(b)</sup> | Total Forecast <sup>(c)</sup><br>(\$ thousands) |
|----------|----------------------------------|--------------------------------------------------------|-----------------------------|-------------------------------------------------|
| 1        | PG&E Alternative (WTW Actuarial) | \$28,112                                               | 27,179                      | \$738,576                                       |
| 2        | PG&E Primary (Affordability)     | \$23,459                                               | 27,741                      | \$ 650,781                                      |

(a) PG&E Alternative: PG&E-8, WP 4-9, column L (2027), line 57 (total cost PEPY) PG&E Primary: Calculation - total forecast/participants.

(b) PG&E Alternative: PG&E-8, WP 4-9, column L (2027), line 56 (expected enrollment) PG&E Affordability: PG&E-8, WP 4-6, line 6

(c) PG&E Alternative: PG&E-8, WP 4-9, line 3 (under PG&E Alternative Forecast header) PG&E Primary: PG&E-8, WP 4-9, line 3 (under PG&E Affordability Forecast header)

<sup>67</sup> TURN-15, p. 31, line 18 to p. 32, line 2.

<sup>68</sup> TURN-15, p. 32, fn. 97 states \$26,262; p. 32, line 1 states \$26,626; p. 32, fn. 96 when following the description results in \$26,293.

**FIGURE 4-1**  
**TURN-15, TABLE 3**

| <b>Table 3: Comparison of WTW and PG&amp;E's LTD Forecast</b>                                                                                    |                                         |                                 |                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------|-----------------------|
| <b>Source</b>                                                                                                                                    | <b>Per-Participant Cost<sup>1</sup></b> | <b>Participants<sup>2</sup></b> | <b>Total Forecast</b> |
| WTW                                                                                                                                              | \$26,293                                | 27,179                          | \$714,626             |
| PG&E                                                                                                                                             | \$26,624                                | 27,741                          | \$738,576             |
| <sup>1</sup> WTW: PG&E-8, WP 4-9, "Net PG&E Cost PEPY" line under "Total Medical/Rx/MHSA". PG&E: Calculated (\$738.576M / 27.741k participants). |                                         |                                 |                       |
| <sup>2</sup> WTW: WP 4-9, "Expected Enrollment" line under "Total Medical/Rx/MHSA". PG&E: WP 4-6:6.                                              |                                         |                                 |                       |

**c) SBUA**

**i) Medical Forecast**

SBUA recommends a 2 percent reduction in headcount for the medical program which results in an overall medical forecast reduction of approximately \$77 million.<sup>69</sup> PG&E addresses SBUA headcount reduction in Exhibit (PG&E-13), Chapter 1, Section C.f.

SBUA states that PG&E proposals with regard to employee benefits is extremely generous to its employees. SBUA can appreciate PG&E's goal of recruiting and retaining quality employees with its benefits package. However, California rate payers are struggling under the weight of extremely high utility rates. The commission must weigh the overall benefit to ratepayers to continue to maintain such generous employee benefits against the overall financial impact on ratepayers.<sup>70</sup>

Citing affordability concerns, SBUA argues for a reduction to the medical forecast based on its

<sup>69</sup> SBUA-01, p. 46, lines 11-21; p. 48, Table line 1.

<sup>70</sup> SBUA-01, p. 48, lines 7-12.

1 recommendation for a companywide 2 percent headcount  
 2 reduction.<sup>71</sup> PG&E disagrees with their recommendation.  
 3 PG&E's response to the overall headcount reduction is  
 4 presented in Exhibit (PG&E-13), Chapter 1, Section C.f.

5 For this specific section, PG&E disagrees with SBUA's  
 6 reduction to the Medical forecast, which is based on a  
 7 recommended 2 percent decrease in headcount. SBUA  
 8 argues for a reduction to the medical forecast but does not  
 9 present a specific argument for the reduction other than  
 10 recommending a 2 percent headcount reduction. PG&E  
 11 disagrees with their recommendation.

12 PG&E disputes SBUA's recommendation to use a  
 13 unsophisticated headcount calculation to reduce the reduce  
 14 the Medical forecast. PG&E's medical forecast is the most  
 15 accurate and reliable estimate available, as it is grounded in  
 16 current actuarial analyses,<sup>72</sup> market  
 17 benchmarking,<sup>73,74,75,76,77,78,79,80</sup> and observed medical  
 18 claims experience.<sup>81</sup> See our testimony above in Section  
 19 C.1.a.

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<sup>71</sup> SBUA-01, p. 46, lines 8-21.

<sup>72</sup> Exhibit (PG&E-8), WP 4-9 to WP 4-12.

<sup>73</sup> Exhibit (PG&E-8), WP 4-263 to WP 4-361, WTW – 2022 Best Practices in Healthcare Survey.

<sup>74</sup> Exhibit (PG&E-8), WP 4-362 to WP 4-416, WTW – 2022 Survey of Global Health Insurers.

<sup>75</sup> Exhibit (PG&E-8), WP 4-417 to WP 4-432, WTW – 2023 Best Practices in Healthcare Survey.

<sup>76</sup> Exhibit (PG&E-8), WP 4-433 to WP 4-492, WTW – 2023 Survey of Global Health Insurers.

<sup>77</sup> Exhibit (PG&E-8), WP 4-493 to WP 4-510, WTW – 2024 Best Practices in Healthcare Survey.

<sup>78</sup> Exhibit (PG&E-8), WP 4-511 to WP 4-694, 2024 Best Practices in Healthcare Survey.

<sup>79</sup> Exhibit (PG&E-8), WP 4-695 to WP 4-759, 2024 Survey of Global Health Insurers.

<sup>80</sup> Exhibit (PG&E-8), WP 4-760 to WP 4-861, 2025 Survey of Global Health Insurers.

<sup>81</sup> Exhibit (PG&E-8), WP 4-9 to WP 4-12, Line-item descriptions ending in "incurred claims."

1                    **ii) Other Active Benefit Headcount Related Forecasts**  
 2                    **Reductions**

3                    SBUA's characterization of the Company's employee  
 4                    benefits as "extremely generous" is not supported by the  
 5                    record and does not reflect the purpose or structure of  
 6                    PG&E's benefits programs. PG&E's benefits are not  
 7                    discretionary enhancements; they are essential components  
 8                    of a market competitive total compensation package that  
 9                    enables PG&E to attract and retain the skilled workforce  
 10                    required to meet the Commission's expectations for safety  
 11                    and reliability. In addition, Union contracts dictate health  
 12                    plan design and cost-sharing framework, which takes  
 13                    precedence over discretionary plan changes and limits  
 14                    PG&E's ability to modify benefits unilaterally.

15                    Given the substantial amount of evidence provided,  
 16                    SBUA cannot simply provide two words, "extremely  
 17                    generous" as the sum total response. SBUA has provided  
 18                    no information calling into question the substantial evidence  
 19                    in support of PG&E's actuarial forecast

20                    **4) Post Test-Year Escalation Rate**

21                    A proposed Post Test-Year (PTY) escalation rate of 3 percent  
 22                    for 2027-2030 would result in annual savings of 3.9 percent, from  
 23                    the actuarial forecast of 6.9 percent.<sup>82</sup>

24                    No party objected to a PTYR of 3 percent, proposed as part of  
 25                    the Affordability Forecast. If the two-way medical balancing account  
 26                    and the trust repurposing in conjunction with the affordability  
 27                    forecast is approved, PG&E recommends this 3 percent PTYR. If  
 28                    the components of the Affordability Forecast proposal is rejected,  
 29                    then PG&E requests a 6.9 percent PTYR.

30                    PG&E's actuarial projection assumes a 7 percent medical trend  
 31                    for the majority of our participants, a 7 percent dental trend, and a

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<sup>82</sup> Exhibit (PG&E-8), p. 4-15, line 27 to p. 4-16, line 2.

10 percent pharmacy trend.<sup>83</sup> These assumptions are less than what the healthcare industry is seeing nationwide with costs approaching levels that haven't been seen since the early 2000's.<sup>84</sup>

#### 4 d. Conclusion

5 The Affordability forecast delivers the lowest reasonable Test Year  
6 estimate while maintaining ratepayer protection through the MBA, which  
7 ensures transparency, auditability, and prudent management of medical  
8 cost volatility. While parties offered differing recommendations,  
9 including proposals to deny the MBA, reject trust repurposing, and  
10 impose headcount reductions, none presented a comprehensive  
11 alternative capable of managing the inherent unpredictability of  
12 healthcare costs. Trust repurposing, when implemented through  
13 appropriate plan and trust amendments, remains a lawful, cost-reducing  
14 mechanism that directly benefits ratepayers. PG&E therefore  
15 recommends that the Commission adopt the Affordability forecast,  
16 authorize the two-way MBA, and approve VEBA trust repurposing. If the  
17 Commission elects not to authorize the MBA, PG&E urges adoption of  
18 the WTW actuarial forecast as the most accurate and defensible basis  
19 for medical cost recovery.

## 20 2. Dental

### 21 a. PG&E Position

22 PG&E's 2027 GRC forecast for Dental Benefits is \$39.865 million.  
23 The forecast is based on 2024 incurred claims, administrative fees, a  
24 modest 3 percent claim trend, and average 2024 enrollment.<sup>85</sup>

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<sup>83</sup> Exhibit (PG&E-8), WP 4-9 to WP 4-10.

<sup>84</sup> National Health Expenditures, 2023: Health Care Spending Growth Outpaced GDP for the First Time Since the Pandemic as Utilization Rose, available at: [Health Care Spending Outpaced GDP](#)

<sup>85</sup> Exhibit (PG&E-8), p. 4-27, lines 3-5.

**b. Party Position(s)**

**1) Cal Advocates**

Cal Advocates proposes an alternative methodology, based on an adjusted headcount and a 5-year average growth rate in cost per participant, escalated through 2027. Using this approach, the resulting forecast is \$39.380 million.<sup>86</sup>

**2) SBUA**

SBUA proposes a 2 percent headcount reduction across all PG&E's benefit programs. This reduction results in a reduced Test Year forecast of \$6.447 million.<sup>87</sup>

**c. PG&E Response**

The recommendations to reduce the Dental forecast should be rejected.

**1) PG&E's Forecast Methodology Is Correct**

PG&E disagrees with Cal Advocates recommended alternative methodology for forecasting the Dental Program. PG&E applies an actuarially developed 3 percent dental trend to capture expected claims experience and cost inflation. In contrast, Cal Advocates' alternative method, substituting PG&E's stable baseline with a 2024 adjusted headcount, applying a 5-year average participation rate, and using historical average cost growth, introduces unnecessary volatility, and ignores actuarial cost drives.

**2) SBUA's Recommendation to Reduce the Dental Program Is Not Supported**

PG&E disputes SBUA's recommendation to reduce the Dental forecast. Their recommendation is based solely on its proposed reduction to overall headcount for the Company. More specifically, SBUA provided its recommended headcount totals, then suggested those totals should apply to limit the Dental forecast. PG&E's

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<sup>86</sup> CA-21, p.13, lines 10-14; p.14, lines 9-18.

<sup>87</sup> SBUA-01, p. 48, Table line 2.



response to the overall headcount reduction is presented in Exhibit (PG&E-13), Chapter 1, Section C.f.

Please see Section C.1.c.3)c) for the response to SBUA's recommendation to reduce Active Benefit Proposals.

#### **d. Conclusion**

For reasons discussed above, PG&E continues to support adoption of its Dental Program forecast of \$39.865 million for the 2027 TY and does not agree with the alternative forecasting approaches proposed by either Cal Advocates or SBUA.

### **3. Vision**

#### **a. PG&E Position**

PG&E's forecast for Vision benefits is \$3.904 million. The forecast is based on 2024 claims, administrative and compliance fees, and assumes a 2 percent vision cost trend developed by WTW.<sup>88</sup>

#### **b. Party Position(s)**

SBUA proposes a 2 percent headcount reduction across all PG&E's benefit programs. This results in a reduced forecast of \$0.517 million.<sup>89</sup>

#### **c. PG&E Response**

The proposed reduction to the Vision forecast should be denied. SBUA's recommendation is based solely on its proposed reduction to overall headcount for the Company and provides no specific evidence against the Vision forecast. PG&E's response to the overall headcount reduction is presented in Exhibit (PG&E 13), Chapter 1, Section C.f.

Please see Section C.1.c.3)c)ii) for the response to SBUA's recommendation to reduce Active Benefit Proposals.

#### **d. Conclusion**

For reasons discussed above, PG&E respectfully requests that the Commission adopt PG&E's proposed Vision Program forecast of \$3.904 million in full for the 2027 TY.

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<sup>88</sup> Exhibit (PG&E-8), p. 4-28, lines 6-10.

<sup>89</sup> SBUA-01, p. 48, Table line 3.

#### 4. Employee Healthcare Contributions

##### a. PG&E Position

PG&E's forecast for Employee Healthcare contributions is \$51.100 million. The forecast is based on 2024 premium projections for medical, dental, and vision benefits developed by WTW for non-represented employees and on the 2024 cost per employee for represented employees.<sup>90</sup>

##### b. Party Position(s)

SBUA proposes a two percent headcount reduction across all PG&E's benefit programs. This reduction results in a reduced forecast of \$9.359 million.<sup>91</sup>

##### c. PG&E Response

PG&E disputes SBUA's recommendation to reduce the Employee Healthcare Contributions forecast. Their recommendation is based solely on its proposed reduction to overall headcount for the Company, and provides no specific evidence against the Employee Healthcare forecast. PG&E's response to the overall headcount reduction is presented in Exhibit (PG&E-13), Chapter 1, Section C.f.

Please see Section C.1.c.3)c)ii) for the response to SBUA's recommendation to reduce Active Benefit Proposals.

##### d. Conclusion

PG&E respectfully requests that the Commission adopt PG&E's proposed Employee Healthcare Contributions Program forecast of \$51.100 million in full for TY 2027.

#### 5. Employee Assistance Program

##### a. PG&E Position

PG&E's 2027 GRC forecast for the Employee Assistance Program (EAP) is \$2.939 million, which includes per employee per month program fees and the cost of onsite services such as support following

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<sup>90</sup> Exhibit (PG&E-8), p. 4-29, lines 15-21.

<sup>91</sup> SBUA-01, p. 48, Table line 4.

traumatic workplace events and support provided to Department of Transportation (DOT) covered employees.<sup>92</sup> EAP provides timely and effective support to employees and their families which helps mitigate the need for higher cost external healthcare services and supports workplace safety, operational continuity, and employee productivity.<sup>93</sup>

**b. Party Position(s)**

**1) Cal Advocates**

Cal Advocates recommends a Test Year forecast of \$2.453 million, which is \$0.48 million lower than PG&E's request.<sup>94</sup> It contends that EAP costs have demonstrated relative stability, and thus EAP should have a slower rate of growth broader benefit-cost trends which had an average growth of 10.9 percent.<sup>95</sup>

**2) SBUA Suggests the Elimination of EAP Program**

In propounding discovery responses, SBUA provided a recommendation to eliminate EAP, indicating that the EAP program is duplicative of Mental Health and Substance Use Disorder Program.<sup>96</sup>

**c. PG&E Response**

PG&E disputes each of the parties' recommendations and requests full funding of PG&E's projections for the EAP of \$2.939 million. The EAP plays a crucial role in maintaining a healthy, safe, and productive workforce.

**1) PG&E's Forecast Methodology Is Correct**

PG&E disagrees with Cal Advocates proposed alternative methodology for forecasting the EAP. Cal Advocates approach, using the last recorded year cost per participant applied to the 2024

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<sup>92</sup> Exhibit (PG&E-8), p. 4-31, lines 10-17.

<sup>93</sup> Exhibit (PG&E-8), p. 4-31, lines 23-28.

<sup>94</sup> CA-21, p. 15, lines 4-5.

<sup>95</sup> CA-21, p. 16, lines 3-13.

<sup>96</sup> SBUA's response to PG&E Data Request PGE\_SBUA003, dated February 20, 2026 in Appendix B, at the end of this exhibit.

eligible population does not take into account escalation, expected market conditions, trends, demand for workplace support services, and headcount growth into consideration. This method assumes static utilization and costs. By disregarding these factors Cal Advocates recommended methodology understates expected EAP costs and does not accurately reflect the anticipated cost of the program. In contrast, the methodology used by WTW for PG&E's forecast takes the additional factors described above into account.<sup>97</sup>

## 2) EAP Cost Trend

PG&E refutes the claim that the program's cost per participant has been relatively stable, with the only significant fluctuation being a 50 percent decrease between 2020 and 2021.<sup>98</sup> Looking at the 2020-2021 data alone does not show the full picture, especially because those were pandemic years during which utilization of all types of services in the economy were affected. Looking beyond 2020-2021, the recorded actuals show variability with a marked increase of 92 percent from 2021 to 2022, a modest decrease from 2022 to 2023 of 12 percent, and finally an increase of 28 percent from 2023 to 2024. Overall from the start of the recorded period in 2020 to the end in 2024, EAP program costs show 21 percent increase.<sup>99</sup> Thus, there is clear variability, not stability, from year-to-year and when taking a holistic view there is a clear upward trend.

Cal Advocates cited a report to support their statement that broader medical plan costs face greater inflation and utilization.<sup>100</sup> But the report does not actually specify an expected rate of inflation

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<sup>97</sup> Exhibit (PG&E-8), p. 4-14, lines 10-16; Exhibit (PG&E-8), WP 4-28; WP 4-32; WP 4-269, line 1; WP 4-280; WP 4-291 to WP 4-293; WP 4-305 to WP 4-306; WP 4-323; WP 4-419; WP 4-421, line 2.

<sup>98</sup> CA-21, p. 16, lines 3-5.

<sup>99</sup> PG&E's response to Data Request CalAdvocates\_118-Q118Supp01Rev01, dated October 31, 2025 and attachment CalAdvocates\_118-Q001Supp01Rev01Atch01(line 8, columns V-Z) in Appendix B, at the end of this exhibit.

<sup>100</sup> CA-21, p. 16, lines 9-10.

and utilization for EAPs. The report does not indicate it analyzed EAPs at all. In fact, the report only looks at premium rates for health plans and generalizes these trends based on a sample of 18 large group health plans and do not take into account PG&E's health plan growth, as described in PG&E workpapers.<sup>101</sup> It does not specify whether any EAP costs were included in the premiums of the health plans referenced in the report. And finally, the report doesn't cite any costs other than premiums, such as claims. Thus, the assumption that EAP costs would increase at a lower rate than the medical plan is based on facts not in evidence.

PG&E also disputes the contention that a narrower subset in EAP compared to the broader medical plan would lead to smaller percentage growth.<sup>102</sup> Percentages compare a whole to its own parts so percentages will change with the size of its own subset and not compared to the size of another subset. In this case, comparing a percentage increase of broader medical plan costs to a percentage increase of EAP costs is a false equivalency.

### **3) Expected Market Conditions and Need to Maintain Market Competitiveness**

PG&E asserts that a forecast greater than what was proposed by Cal Advocates is necessary due to expected market conditions, industry trends, and the need to maintain market competitiveness in a time of high demand and low supply of mental health providers.

The projected increase in demand for behavioral health, mental health, and substance use disorder services in the United States is well documented according to the Health Resources & Services Administration.<sup>103</sup> And shortages are expected for many

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<sup>101</sup> Exhibit (PG&E-8), WP 4-2, line 7; WP 4-4; WP 4-7; WP 4-12.

<sup>102</sup> CA-21, p. 16, lines 9-13.

<sup>103</sup> HRSA Health Workforce, Health Workforce Projections, available at: <https://bhw.hrsa.gov/data-research/projecting-health-workforce-supply-demand> (accessed Mar. 12, 2026).

1 professions in the industry such as marriage and family therapists  
2 and mental health and substance abuse social workers.<sup>104</sup>

3 As an example, the National Center for Health Workforce  
4 Analysis projects a supply of 51,960 full time marriage and family  
5 therapists and a demand for 62,030. That gap continues to widen  
6 into 2038 with a supply of 51,720 and demand for 85,560.<sup>105</sup>

7 These estimates are based on current use in the United States  
8 and do not account for the large amount of unmet need that exists  
9 for these same services which would result in even greater  
10 shortages.

11 Given this expected supply shortage and increased demand,  
12 EAP provider fees will likely increase, resulting in higher program  
13 costs like: (1) An increase in per participant fees, (2) Higher rates  
14 for onsite providers which will be needed to attract and retain  
15 qualified professionals, and (3) increased utilization of onsite  
16 services which will result in more billed hours. And while  
17 Cal Advocates states that PG&E's market competitiveness rationale  
18 for increased costs is undermined by broader benefit cost trends,  
19 as stated above, growth rates of medical and EAP are not  
20 analogous.

21 PG&E opposes the proposed 6 percent increase recommended  
22 in Cal Advocates' rebuttal testimony and disputes the assertion that  
23 PG&E's forecasted 27 percent increase is not consistent with past  
24 trends. As noted above, costs have shown a steady increase. And  
25 PG&E's forecast accounted for relevant factors outside of past cost  
26 trends.

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<sup>104</sup> HRSA Data Warehouse, Workforce Projections, available at:  
<<https://data.hrsa.gov/topics/health-workforce/nchwa/workforce-projections>> (accessed  
Mar. 12, 2026).

<sup>105</sup> HRSA Data Warehouse, Workforce Projections, available at:  
<<https://data.hrsa.gov/topics/health-workforce/nchwa/workforce-projections>> (accessed  
Mar. 12, 2026).

1                   **4) PG&E Refutes Recommendation to Eliminate the EAP in**  
 2                   **SBUA's Data Request Response**

3                   PG&E argues that without an EAP, the costs currently  
 4                   associated with that program would simply shift onto other budgets  
 5                   like the medical plan, workers' compensation, productivity,  
 6                   employee turnover, and safety incidents. The EAP is intended to  
 7                   support employees in many aspects of their lives including  
 8                   interpersonal relationships at work and personal issues outside of  
 9                   work, resulting in fewer distracted employees who are safer and  
 10                  more productive. In addition, as with most types of health  
 11                  conditions, when issues related to mental health and emotional  
 12                  wellbeing go unaddressed, it makes recovery more challenging and  
 13                  thus more expensive. Unaddressed mental health issues can  
 14                  manifest as physical health issues which are treated and paid for  
 15                  within the medical plan or workers' compensation costs. In addition,  
 16                  employee turnover may increase due to behavioral or work quality  
 17                  issues that arise, or a desire to leave the company due to being  
 18                  unhappy at work.

19               PG&E also disputes SBUA's claim that PG&E declined to  
 20               explain the purpose and function of the EAP. As PG&E stated in  
 21               discovery response to SBUA, the EAP is described in detail in  
 22               Exhibit (PG&E 8), Chapter 4, page 4-31 to 4-33.<sup>106</sup>

23               Finally, PG&E disagrees with SBUA's assertion that the EAP is  
 24               duplicative of the Mental Health and Substance Use Disorder  
 25               program (MHSUD) or that the MHSUD, EAP, and employee  
 26               wellness programs appear to be redundant programs. In fact, they  
 27               all serve different functions. The Employee Wellness Program  
 28               offers nonclinical resources for overall wellbeing like annual  
 29               biometric screenings and access to the digital wellness platform and  
 30               is discussed further in Section C.7. PG&E prepared Table 4-8 to  
 31               outline the differences between PG&E EAP and MHSUD.

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<sup>106</sup> PG&E's response to Data Request SBUA\_001-Q022, dated November 14, 2024 in Appendix B, at the end of this exhibit.

**TABLE 4-8  
EAP AND MHSUD COMPARISON**

| Line No. | Element       | PG&E Employee Assistance Program (EAP)                                                                                                                                                                                                                       | PG&E Mental Health and Substance Use Disorder (MHSUD)                                                                                                                                  |
|----------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1        | Scope         | Short-term, solution-focused outpatient counseling; onsite services provided by licensed counselors; workplace-focused services                                                                                                                              | Continuing, long-term, intensive inpatient and outpatient treatment for substance use disorders and mental health conditions that are listed in the Diagnostic and Statistical Manual. |
| 2        | Access        | Limited, free sessions                                                                                                                                                                                                                                       | Insurance-based, cost-sharing applies                                                                                                                                                  |
| 3        | Services      | Counseling, legal/financial, crisis response, case oversight for DOT-covered employees for substance use disorder treatment, trainings, self-help app and website, HR/leader consults, referrals to additional resources, support after returning from leave | Inpatient/outpatient care, ABA, residential care                                                                                                                                       |
| 4        | Eligibility   | All employees, covered dependents and household members                                                                                                                                                                                                      | Covered employees and dependents under PG&E health plans                                                                                                                               |
| 5        | Referral path | Can refer to MHSUD for extended care                                                                                                                                                                                                                         | May receive referrals from EAP                                                                                                                                                         |

#### **d. Conclusion**

PG&E requests the full proposed funding of \$2.939 million for the EAP 2027 TY forecast as it is fundamental to maintaining a healthy and safe workforce. It is not duplicative of other programs and benefits and the forecast should account for expected headcount, trends, market and industry conditions, and the expected rise in costs due to supply and demand.

### **6. Mental Health and Substance Use Disorder**

#### **a. PG&E Position**

PG&E's 2027 GRC forecast for MHSUD is \$29.440 million, an increase of \$4.6 million as compared to 2024 recorded, driven by increase in plan participants and actuarial forecasted cost trends for



large employer-sponsored plans and the Northern California benefits marketplace and PG&E's health plans specifically.<sup>107</sup>

The MHSUD benefit plays a crucial role in the health plan for all participants of the Anthem Blue Cross administered Health Account Plan (HAP) and inpatient substance use treatment and applied behavior analysis (ABA) for Kaiser HAP participants (all other MHSUD coverage for Kaiser participants is integrated into the Kaiser HAP medical benefits).<sup>108</sup>

## **b. Party Position(s)**

### **1) Cal Advocates**

Cal Advocates recommends \$26.841 million for MHSUD, which is \$2.599 million lower than PG&E's request. In general, Cal Advocates proposes an alternative forecasting methodology and claims the historical costs for MHSUD is relatively stable.<sup>109,110,111</sup> Cal Advocates argues that mental health program costs would not experience higher growth from 2024 to 2027 than the broader medical plan costs which they argue face greater inflation and utilization.<sup>112</sup>

### **2) SBUA**

PG&E requested additional information from SBUA in propounding discovery to enable a response to their position on MHSUD funding since their rebuttal testimony did not provide any recommendations or supporting detail. Instead SBUA recommended eliminating \$20 million in funding and contends that

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<sup>107</sup> Exhibit (PG&E-8), p. 4-35, lines 3-6.

<sup>108</sup> Exhibit (PG&E-8), p. 4-34, lines 14-22.

<sup>109</sup> CA-21, p. 16, lines 19-21.

<sup>110</sup> CA-21, p. 18, lines 9-14.

<sup>111</sup> CA-21, p. 17, lines 17-19.

<sup>112</sup> CA-21, p. 18, lines 5-8.

the MHSUD program is redundant, indicating that MHSUD is duplicative of the EAP.<sup>113</sup>

**c. PG&E Response**

PG&E disputes each of the parties' recommendations and requests full funding of PG&E's projections for MHSUD of \$29.440 million. The proposed alternative forecast method and positions on cost trend, inflation, and utilization don't account for relevant factors: expected cost trends for large employer sponsored plans, the Northern California benefits marketplace, or factors for PG&E's health plans specifically. Further, it leaves out anticipated industry trends, inflation, expected market conditions, and projected supply shortage and increased demand (utilization).

**1) Proposed Alternative Forecast Method for MHSUD**

PG&E opposes the alternative forecast method proposed by Cal Advocates.<sup>114</sup> Using the 2024 eligible population as a starting point doesn't take into account expected headcount growth, which PG&E did consider.<sup>115</sup> Additionally, using a 5-year average of per participant cost growth rate in previous years does not consider other relevant factors like expected market conditions and forward-looking trends, which again PG&E did consider in its methodology.<sup>116</sup>

If we were to use a 5-year average of the total cost growth rate which is 57% and apply it to TY 2027, we could expect a 43 percent increase from 2024 to 2027, over two times PG&E's projected 19 percent increase.

For these reasons, using Cal Advocates' proposed alternative forecast method without looking at relevant factors outside of this limited framing will not reflect an accurate anticipated cost for MHSUD.

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<sup>113</sup> SBUA's Response to PG&E Data Request PGE\_SBUA003, dated February 20, 2026 in Appendix B, at the end of this exhibit.

<sup>114</sup> CA-21, p. 18, lines 8-13.

<sup>115</sup> Exhibit (PG&E-8), WP 4-7 to WP 4-12; WP 4-33, line 6; WP 4-35 to WP 4-37.

<sup>116</sup> Exhibit (PG&E-8), p. 4-14, lines 10-16; Exhibit (PG&E-8), WP 4-279; WP 4-291 to WP 4-293; WP 4-302; WP 4-305; WP 4-419; WP 4-421; WP 4-427.

## 2) MHSUD Cost Trend

PG&E disagrees with the position taken by Cal Advocates which contends historical recorded costs do not show a consistent upward trend.<sup>117</sup>

Actual recorded costs continued to rise from 2020 to 2024 from \$15.76 million to \$24.78 million which is a 57 percent increase.<sup>118</sup> This stands in direct contradiction to Cal Advocates' statement that there have not been sustained growth in costs.<sup>119</sup> And while Cal Advocates states that costs declined from 2022 to 2023,<sup>120</sup> the actual decrease reflected is only around 1 percent. Cal Advocates' rebuttal testimony refers to variability<sup>121</sup> in historical recorded costs for MHSUD, however, they base their forecasting calculations on what they describe as a stable cost trend.<sup>122</sup> Cal Advocates states that there hasn't been a consistent upward trend in MHSUD costs but also states that there was a 37.6 percent increase from 2023 to 2024.<sup>123</sup> These statements are contradictory.

PG&E contends that the increase in cost from 2023 to 2024 is not an outlier but rather reflects the upward cost trend in the health care industry<sup>124</sup> (and much of the U.S. economy).<sup>125</sup> However, if we were to take 2024 out of the calculation and disregard trends, inflation, and market conditions, that would leave us with a 14 percent increase from 2020 to 2023.<sup>126</sup> Cal Advocates

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<sup>117</sup> CA-21, p. 17, lines 16-18.

<sup>118</sup> Exhibit (PG&E-8), p. 4-11, Table 4-4, line 6.

<sup>119</sup> CA-21, p. 18, line 1.

<sup>120</sup> CA-21, p. 17, line 19.

<sup>121</sup> CA-21, p. 18, lines 1-2.

<sup>122</sup> CA-21, p. 17, line 18 to p. 18, line 1.

<sup>123</sup> CA-21, p. 17, lines 18-19.

<sup>124</sup> National Health Expenditure Fact Sheet, available at: <<https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/nhe-fact-sheet>> (accessed Mar. 13, 2026).

<sup>125</sup> U.S. Bureau of Labor Statistics Consumer Price Index, available at: <<https://www.bls.gov/cpi/>> (accessed Mar. 13, 2026).

<sup>126</sup> Exhibit (PG&E-8), p. 4-11, Table 4-4, line 6.

proposes only an 8 percent increase from 2024 to 2027 which is not sufficient, even based on a conservative historical growth rate alone.

### 3) MHSUD Inflation and Utilization

PG&E disputes Cal Advocates' contention that broader medical plan costs face greater inflation and utilization than MHSUD.<sup>127</sup> In fact, mental health costs are rising at twice the pace of medical.<sup>128</sup> The report Cal Advocates cited to support this statement does not actually specify an expected rate of inflation and utilization for MHSUD costs. The report does not indicate whether MHSUD costs were included in the health plans documented in the report. And the report only looks at premium rates for health plans and generalizes these trends based on a sample of 18 large group health plans and do not take into account PG&E's plan growth, as described in PG&E workpapers.<sup>129</sup> And finally, the report does not cite any costs other than premiums, such as claims. Thus, the assumption that MHSUD costs would not increase at a rate higher than the medical plan is based on facts not in evidence.

PG&E also disputes the contention that a narrower subset in mental health compared to the broader medical plan would lead to a smaller percentage growth.<sup>130</sup> Percentages compare a whole to its own parts so percentages will change with the size of its own subset and not compared to the size of another subset. In this case, comparing a percentage increase of broader medical plan costs to a percentage increase of MHSUD costs is like comparing apples to oranges.

In addition, PG&E's MHSUD actual recorded costs show a 57 percent increase from 2020 to 2024, and Cal Advocates themselves note a 37.6 percent increase from 2023 to 2024 alone.

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<sup>127</sup> CA-21, p. 18, lines 5-6.

<sup>128</sup> BSI Corporate Benefits, Managing the Rising Cost of Mental Health Care, available at: <<https://bsicorporate.com/managing-the-rising-cost-of-mental-health-care-how-bsi-is-supporting-employers-and-members/>> (accessed Mar. 12, 2026).

<sup>129</sup> Exhibit (PG&E-8), WP 4-2, line 7; WP 4-4; WP 4-7to WP 4-12.

<sup>130</sup> CA-21, p. 18, lines 5-8.

1 With these historical increases, we should expect a similar increase  
2 to occur from 2024 to 2027.

3 Lastly, Cal Advocates doesn't account for expected cost trends  
4 for large employer-sponsored plans, the Northern California benefits  
5 marketplace, and PG&E's health plans specifically as does our  
6 actuary, WTW.<sup>131</sup> They also do not account for the expected rise in  
7 demand and decreasing supply in the mental health industry. The  
8 Health Resources & Services Administration projects an increase in  
9 demand for behavioral health, mental health, and substance use  
10 disorder services in the United States and shortages are expected  
11 for many professions in the mental health industry such as marriage  
12 and family therapists and mental health and substance abuse social  
13 workers.<sup>132</sup>

14 As an example, the National Center for Health Workforce  
15 Analysis projects a supply of 51,960 full-time marriage and family  
16 therapists and a demand for 62,030. That gap continues to widen  
17 into 2038 with a supply of 51,720 and demand for 85,560.<sup>133</sup>

18 These estimates are based on current use in the United States  
19 and do not account for the large amount of unmet need that exists  
20 for these same services which could result in even higher shortages.  
21 Given these projections, plan participant demands for MHSUD  
22 services and the cost for those services will likely increase, resulting  
23 in higher claims cost which accounts for the majority of our  
24 forecast.<sup>134</sup>

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<sup>131</sup> Exhibit (PG&E-8), p. 4-34, lines 4-6.

<sup>132</sup> Health Resources & Services Administration, Health Workforce Projections, available at: <<https://bhw.hrsa.gov/data-research/projecting-health-workforce-supply-demand>> (accessed Mar. 12, 2026).

<sup>133</sup> HRSA Data Warehouse, Workforce Projections, available at: <<https://data.hrsa.gov/topics/health-workforce/nchwa/workforce-projections>> (accessed Mar. 12, 2026).

<sup>134</sup> PG&E's response to Data Request SBUA 001-Q021, dated October 30, 2025 in Appendix B, at the end of this exhibit.

#### 4) PG&E Refutes the Recommendation to Eliminate the Funding for MHSUD

PG&E refutes SBUA's recommendation in response to PG&E propounding discovery to eliminate the \$20 million in funding for PG&E's MHSUD program.<sup>135</sup>

PG&E contends that the employee medical plan would not be complete without covering the cost of mental health treatment such as counseling, psychiatry, or inpatient substance use disorder. Covering physical health costs via the health plan and eliminating the mental health coverage from the health plan is discriminatory against people with mental health conditions.

In addition, the costs currently associated with that program would simply shift onto other costs like the physical health side of the medical plan, workers' compensation, productivity, employee turnover, and safety incidents. If issues related to mental health or substance use disorders are not covered, many would likely go unaddressed. As with most other types of health conditions, when mental health issues go unaddressed, it makes recovery longer, more challenging, and more expensive to address. The costs of which will inevitably shift over into the workers' compensation budget, increased safety incidents, or the broader medical plan via emergency room visits, liver failure, or other resulting physical health issues.<sup>136</sup> In addition, behavioral issues, work quality issues, and employee turnover for those who need affordable access to MHSUD services may increase which will be costly.

Additionally, PG&E disagrees with the assertion that MHSUD is redundant or duplicative of the EAP and employee wellness programs. The EAP and MHSUD programs are distinct from one another as they serve different functions, please refer to Table 4-8—

<sup>135</sup> SBUA's response to PG&E Data Request PGE\_SBUA003, dated February 20, 2026 in Appendix B, at the end of this exhibit.

<sup>136</sup> Mental Health America, Is your body sending warning signs about your mental health?, available at: < <https://mhanational.org/resources/is-your-body-sending-warning-signs-about-your-mental-health/>> (accessed Mar. 13, 2026).

EAP and MHSUD comparison above for more detail. And EAP and MHSUD differ from the employee wellness program which offers non-clinical resources for overall wellbeing like annual biometric screenings and access to the digital wellness platform. Thus, these programs are not redundant.

#### **d. Conclusion**

PG&E requests PG&E's full proposed funding of \$29.440 million 2027 TY forecast for MHSUD as it is an important piece of the overall medical plan and not duplicative of the EAP or wellness programs. The proposed forecast methods and positions on trend, inflation, and utilization don't consider relevant factors like expected demand increases and supply shortfalls which will affect corresponding cost for and utilization of services. Eliminating funding for this program is unreasonable and doesn't align with the worldview of today's market in which mental health needs are viewed as imperative<sup>137</sup> and thus coverage of these services in the overall medical plan is a minimum expectation for workers.<sup>138</sup>

### **7. Employee Wellness**

#### **a. PG&E Position**

PG&E's 2027 GRC forecast for Employee Wellness is \$2.789 million. The forecast was developed using last recorded year plus escalation.<sup>139</sup>

PG&E's Employee Wellness Program supports employee health and well-being by improving health outcomes, reducing illness, and promoting safety and productivity while helping manage long term healthcare costs. The program includes annual health screenings,

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<sup>137</sup> National Alliance on Mental Illness, Poll of Public Perspectives on the U.S. Mental Health Care System (2025), available at: <https://www.nami.org/research/publications-reports/survey-reports/poll-of-public-perspectives-on-the-u-s-mental-health-care-system-2025/> (accessed Mar. 13, 2025).

<sup>138</sup> Conexus Insurance Partners, Mental Health Benefits in 2025/2026: What's Changing – and What Employees Can Expect, available at: <https://conexusinsurance.com/employee-benefits/mental-health-benefits-2025-2026-employee-expectation/> (accessed Mar. 13, 2025)

<sup>139</sup> Exhibit (PG&E-8), p. 4-35, lines 11-13.

health information services, and a wellness platform with personalized assessments and tools, as well as offerings such as health coaching, tobacco cessation, nutrition and sleep resources, mindfulness and stress management, wellness challenges, and support for lactation rooms.

**b. Party Position(s)**

SBUA proposes a 2 percent headcount reduction across all PG&E's benefit programs. This reduction results in a reduced forecast of \$0.284 million over the forecast period.<sup>140</sup>

**c. PG&E Response**

**1) SBUA's Recommendation to Reduce the Employee Wellness Forecast Is Not Supported**

PG&E disputes SBUA's recommendation to reduce the Employee Wellness forecast. Their recommendation is based solely on its proposed reduction to overall headcount for the Company, and not on testimony specifically challenging the Employee Wellness forecast. PG&E's response to the overall headcount reduction is presented in Exhibit (PG&E 13), Chapter 1, Section C.f.

Please see Section C.1.c.3)c)ii) for the response to SBUA's recommendation to reduce Active Benefit Proposals.

**2) PG&E Refutes the Assertion in SBUA's Data Request Response That Employee Wellness Is a Redundant Program**

PG&E disagrees with the assertion that Employee Wellness is redundant or duplicative of the EAP and MHSUD programs. Refer to PG&E's response in Section C.6.c.4).

**d. Conclusion**

For reasons discussed above, PG&E respectfully requests that the Commission adopt PG&E's proposed Employee Wellness Program forecast of \$2.789 million.

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<sup>140</sup> SBUA-01, p. 48, Table line 7.



## 8. Group Life

### a. PG&E Position

PG&E's 2027 GRC forecast for Group Life and AD&D Insurance Benefits is \$1.182 million. The forecast is based on negotiated contracts with Metropolitan Life Insurance Company, commonly known as MetLife.<sup>141</sup>

### b. Party Position(s)

SBUA, SBUA proposes a 2 percent headcount reduction across all PG&E's benefit programs. This reduction results in a reduced Test Year forecast of \$0.020 million.<sup>142</sup>

### c. PG&E Response

PG&E disputes SBUA's recommendation to reduce the Group Life forecast. Their recommendation is based solely on its proposed reduction to overall headcount for the Company. It did not provide testimony specifically challenging the Group Life forecast. PG&E's response to the overall headcount reduction is presented in Exhibit (PG&E 13), Chapter 1, Section C.f.

Please see Section C.1.c.3)c)ii) for the response to SBUA's recommendation to reduce Active Benefit Proposals.

### d. Conclusion

PG&E respectfully requests that the Commission adopt PG&E's proposed Group Life Program forecast in full.

## D. Other Benefits

PG&E offers a selection of other benefits programs that are designed to assist employees in managing various work and life events and reward and/or offer assistance in other key areas.<sup>143</sup> In this section, PG&E will address the expense recommendations raised by Cal Advocates.

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<sup>141</sup> Exhibit (PG&E-8), p. 4-36, lines 13-16.

<sup>142</sup> SBUA-01, p. 48, Table line 8.

<sup>143</sup> Exhibit (PG&E-8), p. 4-37, lines 5-7.

**TABLE 4-9**  
**2027 OTHER BENEFIT PLAN EXPENSE FORECAST– PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Companywide Item       | PG&E Filed Forecast <sup>(a)</sup> | Parties' Proposed Increases/(Reductions) <sup>(b)</sup> |                     | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|------------------------|------------------------------------|---------------------------------------------------------|---------------------|---------------------------------------|
|          |                        |                                    | Cal Advocates <sup>(e)</sup>                            | SBUA <sup>(f)</sup> |                                       |
| 1        | Family Support         | \$118                              | 0                                                       |                     | \$118                                 |
| 2        | Adoption Reimbursement | 10                                 | 0                                                       |                     | 10                                    |
| 3        | Tuition Refund         | 3,017                              | \$(352)                                                 |                     | 3,017                                 |
| 4        | Relocation             | 11,112                             | (578)                                                   | \$(11,112)          | 11,112                                |
| 5        | Service Awards         | 897                                | (897)                                                   |                     | 897                                   |
| 6        | Total <sup>(d)</sup>   | \$15,154                           | \$(1,827)                                               | \$(11,112)          | \$15,154                              |

- (a) Reflects the most up-to-date forecast as reflected in testimony filed on May 15, 2025, as updated in PG&E's November 10, 2025 errata filing.
- (b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.
- (c) Reflects PG&E forecast position as of March 31, 2026.
- (d) Totals may include rounding differences.
- (e) CA 21, p. 20, Table 21-8.
- (f) SBUA's response to PG&E Data Request PGE\_SBUA003, dated February 20, 2026 in Appendix B, at the end of this exhibit.

## 1. Tuition Refund Program

### a. PG&E Position

PG&E forecasts \$3.017 million for Tuition Refund. The forecast was developed using a 5-year average participation rate multiplied by the average cost per participant.<sup>144</sup>

### b. Party Position(s)

Cal Advocates recommends a 2027 forecast totals \$2.7 million, which is \$0.35 million lower than PG&E's TY 2027 forecast of \$3.02 million.<sup>145</sup> Cal Advocates recommends an adjusted headcount based on the 2024 Tuition Refund-eligible population multiplied by the 5-year average participation rate.<sup>146,147</sup>

<sup>144</sup> Exhibit (PG&E-8), p. 4-40, lines 17-20.

<sup>145</sup> CA-21, p. 22, lines 4-5.

<sup>146</sup> CA-21, p. 21, lines 17-19.

<sup>147</sup> CA-21, p. 21, line 20 to p. 22, line 1.

**c. PG&E Response**

**1) Cal Advocates Assumptions and Methodology Are Incorrect**

PG&E disagrees with Cal Advocates recommendation to reduce the Tuition Refund Program by \$0.352 million. Cal Advocates' forecast methodology understates the 2027 forecast for Tuition Refund for three reasons.

First, by relying on the 5-year average cost per participant in nominal dollars, the methodology does not consider the effect of inflation.

Second, by not escalating from 2024 to 2027 it further understates the forecast as it ignores annual M&S escalation over the period.

Third, using 2024 eligible population does not account for increases in PG&E's workforce. These factors result in a forecast that is artificially understated.

By using Cal Advocates' stated 5-year average cost per participant in base year dollars and applying PG&E M&S escalation rates<sup>148</sup> the result would be a TY forecast of \$2.996 million, which is \$0.331 million higher than the amount calculated by Cal Advocates.

For comparison, Table 4-10 shows the forecast assumptions and results by PG&E and Cal Advocates.

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<sup>148</sup> Exhibit (PG&E-10), p. 15-3, Table 15-1 (Admin).

**TABLE 4-10**  
**TUITION REFUND ASSUMPTIONS BY PARTY**

| Line No. | Description                                                   | PG&E <sup>(a)</sup>                                      | Cal Advocates                                         | Cal Advocates Adjusted for Escalation                    |
|----------|---------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|
| 1        | Eligible Participants (Headcount)                             | 28,7222027<br>Forecast)                                  | 28,525<br>(2024 HC)                                   | 28,525<br>(2024 HC)                                      |
| 2        | 5-Year Average Participation Rate                             | 2%                                                       | 2%                                                    | 2%                                                       |
| 3        | 5-Year Average Cost Per Participant<br>(Thousands of Dollars) | \$4.47<br>(Base Year \$)                                 | \$4.14<br>(Nominal \$)                                | \$4.47<br>(Base Year \$)                                 |
| 4        | M&S Escalation: 2024-2027                                     | 2004-2025: 1.24%<br>2025-2026: 0.93%<br>2026-2027: 1.89% | 2024-2025: None<br>2025-2026: None<br>2026-2027: None | 2004-2025: 1.24%<br>2025-2026: 0.93%<br>2026-2027: 1.89% |
| 5        | Forecast (Millions of Dollars)                                | \$3.017                                                  | \$2.665                                               | \$2.996                                                  |

**d. Conclusion**

For all the reasons stated above, PG&E recommends that the Commission adopt the \$3.017 million 2027 TY forecast for the Tuition Refund Program as presented in this application.

**2. Relocation**

**a. PG&E Position**

PG&E forecasts \$11.112 million for Relocation.<sup>149</sup> The forecast was developed using the average cost per relocation, multiplied by average number of relocations per non-bidding requisition and then escalating the amount to 2027 dollars. A 5-year average was determined to be appropriate as costs fluctuate from year to year.<sup>150</sup>

The Relocation Program at PG&E provides essential financial and logistical support to qualifying employees aimed at easing the transition to or within California following the acceptance of a new role. This program plays a vital role in PG&E's strategy to attract, retain, and cultivate the right talent, ensuring that personnel are positioned effectively.<sup>151</sup>

<sup>149</sup> Exhibit (PG&E-8), p. 4-41, line 5.

<sup>150</sup> Exhibit (PG&E-8), p. 4-41, lines 5-10.

<sup>151</sup> Exhibit (PG&E-8), p. 4-41, lines 5-21.

**b. Party Position(s)**

Cal Advocates recommends a 2027 TY forecast that totals \$10.5 million, which is \$0.58 million lower than PG&E's forecast.<sup>152</sup>

Cal Advocates recommends an adjusted headcount based on the 2024 Relocation eligible population multiplied by the 5-year average participation rates, which is then multiplied by the 5-year average cost per participant.<sup>153</sup>

In a propounding discovery, SBUA recommended that the relocation benefit be eliminated, based on current tax law.<sup>154</sup>

**c. PG&E Response**

PG&E disputes Cal Advocates recommendation to reduce the Relocation forecast by \$0.58 million. PG&E's forecast is developed using a 5-year historical average of recorded relocation costs, reflecting the variability in relocation activity and cost per participant over time, and escalated to 2027 dollars using PG&E's approved materials and services escalation rates. This methodology is intended to reasonably estimate future costs based on observed experience rather than reliance on a single-year snapshot.

**1) Cal Advocates Forecast Assumptions Are Incorrect**

Cal Advocates' alternative forecast recommendation relies on a 5-year average cost per participant expressed in nominal dollars and applies that average to a 2024 relocation-eligible population without escalation to the 2027 test year. By not adjusting costs to reflect inflation or escalating from the base year to the test year, Cal Advocates' approach understates expected relocation expenses. As a result, the proposed reduction produces a forecast that does not reflect the cost levels PG&E expects to incur in 2027.

PG&E's forecast methodology, by contrast, incorporates escalation and historical cost variability and therefore provides a

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<sup>152</sup> CA-21, p. 23, lines 14-16.

<sup>153</sup> CA-21, p. 23, lines 9-12.

<sup>154</sup> SBUA's response to PG&E Data Request PGE\_SBUA003, dated February 20, 2026 in Appendix B, at the end of this exhibit.

more reasonable estimate of anticipated relocation expenses in the 2027 test year.

Updating Cal Advocates forecast methodology, using the 5-year average cost per participant in base year dollars and escalating the result using PG&E's M&S escalation rates,<sup>155</sup> the 2027 forecast recommendation would be \$11.895 million, which is \$1.362 million higher than the amount calculated by Cal Advocates and \$0.783 higher than PG&E's 2027 Forecast. For comparison Table 4-11 below shows the forecast assumptions used by PG&E and Cal Advocates to develop the 2027 TY Forecast.

**TABLE 4-11  
COMPARISON OF INITIAL AND CORRECTED CAL ADVOCATES FORECAST  
RECOMMENDATION**

| Line No. | Description                                                | Cal Advocates   | Cal Advocates Adjusted for Escalation |
|----------|------------------------------------------------------------|-----------------|---------------------------------------|
| 1        | Eligible Participants (Headcount)                          | 28,525          | 28,525                                |
|          |                                                            | (2024 HC)       | (2024 HC)                             |
| 2        | 5-Year Average Participation Rate                          | 2.3%            | 2.3%                                  |
| 3        | 5-Year Average Cost Per Participant (Thousands of Dollars) | \$28.51         | \$30.92                               |
|          |                                                            | (Nominal \$)    | (Base \$)                             |
| 4        | M&S Escalation: 2024-2027                                  | 2024-2025: None | 2004-2025: 1.24%                      |
|          |                                                            | 2025-2026: None | 2025-2026: 0.93%                      |
|          |                                                            | 2026-2027: None | 2026-2027: 1.89%                      |
| 5        | Calculated Forecast (Millions of Dollars)                  | \$10.534        | \$11.895                              |

## 2) The Relocation Program Is Essential for Maintaining a Skilled Workforce

SBUA's recommendation to eliminate the Relocation program lacks sufficient justification. SBUA identifies taxable income as a reason to reduce funding for the Relocation program, however, this is completely irrelevant to the terms of the program. Identifying "taxable income" does not constitute evidence opposing the Relocation program. The Commission should reject SBUA's recommendation and approve the entire forecast.

<sup>155</sup> Exhibit (PG&E-10), p. 15-3, Table 15-1 (Admin).

Moreover, SBUA concern overlooks essential operational requirements that make relocation indispensable for PG&E. For instance, PG&E frequently relocates specialized staff to areas with urgent infrastructure needs, ensuring reliable service across regions with varying costs of living. The Relocation program is vital for recruiting and retaining qualified employees in essential roles and maintaining operational effectiveness across the organization.

#### **d. Conclusion**

For all the reasons stated above, PG&E recommends that the Commission adopt the Relocation forecast as presented in this application.

### **3. Service Awards**

#### **a. PG&E Position**

PG&E forecasts \$0.897 million for Service Awards. The forecast for Service Awards was developed using average cost per service award multiplied by the number of expected service awards redeemed. PG&E's Service Awards Program serves as a formal recognition of employees who have consistently contributed to and shown commitment to the Company through continuous service. This program is designed to reduce turnover rates and acknowledge the investment made in employee training by recognizing tenure.<sup>156</sup>

#### **b. Party Position(s)**

Cal Advocates recommends the Commission should reject PG&E's 2027 GRC request of \$0.897 million for Service Awards.<sup>157</sup> Among its claims, it says that there is no quantifiable evidence to support ratepayer funding and that because loyalty is difficult to measure, it should not be funded without showing direct ratepayer benefits.<sup>158,159,160</sup>

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<sup>156</sup> Exhibit (PG&E-8), p.4-42, lines 3-6; p. 4-42, lines 12-16.

<sup>157</sup> CA-21, p. 24, lines 20-21.

<sup>158</sup> CA-21, p. 24, lines 7-9.

<sup>159</sup> CA-21, p. 24, lines 17-20.

<sup>160</sup> CA-21, p. 24, lines 16-17.

**c. PG&E Response**

PG&E disputes Cal Advocates recommendation to reduce the Service Awards forecast by \$0.897 million.

**1) Commission Historic Approval of Service Awards**

The Commission does not have a consistent history regarding the Service Awards forecast for PG&E. The Awards was denied in the PG&E 2023 GRC decision.<sup>161</sup> However, before that decision, the last time the Commission has previously recognized that service recognition programs provide operational benefits related to employee continuity and job performance, which provide benefit to ratepayers. In PG&E's 2014 GRC the Commission found the following:

We conclude that service recognition is related somewhat to the employees' job activities and continuity of employment but is also related to building loyalty between the employees and the companies. Accordingly, in order to allocate a share of the costs to corporate shareholders, we reduce PG&E's forecast of ratepayer funding for this item by \$650,000. This treatment provides some recognition of the benefits to ratepayers while also considering corporate shareholder benefits relating to building loyalty between the employees and the company.<sup>162</sup>

**2) PG&E Service Awards**

Cal Advocates misrepresents the intent of Service Awards. Recognizing service anniversary milestones is important because it demonstrates to coworkers that their contributions to PG&E are valued, seen and appreciated. This can lead to increased coworker joy, fostering a more positive work environment and a stronger sense of organizational community, with the result being reduced turnover, increased productivity, improving safety and reliability and incorporating cost reduction measures.

Cal Advocates' unsupported statement that employee morale is not important to a utility's operations<sup>163</sup> is incorrect and reflects a

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<sup>161</sup> D.23-11-069, pp. 632-633.

<sup>162</sup> D.14-08-032, pp. 536-537.

<sup>163</sup> CA-21, p. 24, lines 14-18.



misunderstanding of operations. Employee morale is directly related to business outcomes. Consultants that understand the industry readily conclude that, “Organizations and teams with higher employee engagement and lower active disengagement perform at higher levels,” and have a direct connection to, “substantially better customer engagement, higher productivity, better retention, fewer accidents, and 21% higher profitability.”<sup>164</sup> These are business outcomes obviously sought by a utility that has an utmost responsibility and utmost expectation of delivering safe and reliable energy on a consistent basis. Cal Advocates’ assertion lacks evidence and does not discredit the evidence provided supporting the need for service awards and other related benefits. In addition, the service anniversary reward satisfies the standard of a “just and reasonable” cost that should be approved pursuant to California Public Utilities Code section 451.

The Service Award Program is highly valued by PG&E employees. This is demonstrated by consistently high redemption rates, which average 95 percent—significantly above other employers average of 80 percent and even surpass the best-in-class rate of 85 percent.

### 3) PG&E Demonstrates Loyalty in Tenure

PG&E Service Awards program is designed to recognize continuous employee service. Recognizing employees plays a critical role in retaining experienced employees many who perform safety-critical and operationally complex work. Retention of long-tenured employees preserves institutional knowledge, reduces operational risk, and supports safe and reliable service, outcomes that are directly aligned with ratepayer interests and reduces the

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<sup>164</sup> Gallup, Workplace, *The Benefits of Employee Engagement*, (June 20, 2013), available at: <<https://www.gallup.com/workplace/236927/employee-engagement-drives-growth.aspx>> (accessed Mar. 22, 2026); Gallup, News, *Employee Engagement on the Rise in the U.S.* (Aug. 26, 2018), available at: <<https://news.gallup.com/poll/241649/employee-engagement-rise.aspx>> (accessed Mar. 22, 2026).

costs associated with training new hires when experienced employees depart.

Loyalty is reflected in the tenure of PG&E coworkers. The Service Award Program recognizes coworkers in 5-year service milestones, and each year, we have coworkers celebrating years of service as high as 30-, 40-, and even 50-plus years. In 2025, PG&E celebrated 551 coworkers milestone anniversaries between 30 and 55 years.

Under Pub. Util. Code § 451, the Commission authorizes rates that recover the reasonable operating expenses necessary to provide safe and reliable service.

The Commission has quantified the cost of losing tenured employees in some instances. For example, Affiliate Rules decision, Decision (D.) 06-12-029, Rule V.G.2.c. includes a provision that:

[W]hen an employee of a utility is transferred, assigned, or otherwise employed by the affiliate, the affiliate shall make a one-time payment to the utility in an amount equivalent to 25% of the employee's base annual compensation... <sup>165</sup>

The purpose of this transfer fee, which was to compensate the Utility (and ratepayers) for the costs associated with the departure, was discussed in D.97-12-088, as follows:

In PG&E's holding company decision, we adopted a transfer fee provision similar to that adopted in SDG&E's holding company decision, D.95-12-018, slip op. at 45, Ordering Paragraph 8. This condition recognizes the ratepayers' costs expended in hiring and training employees and in losing talented utility personnel to the holding company or the affiliates. (See D.96-11-017, slip op. at 38.) It provides for a 25 percent transfer fee of the employees' base annual compensation for all nonclerical personnel, unless the utility can demonstrate that some lesser percentage (up to 15%) is more appropriate for the class of employee. <sup>166</sup>

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<sup>165</sup> D.06-12-029, Appendix A-3, p. 15.

<sup>166</sup> D.97-12-088, p. 65.

1           **d. Conclusion**

2                   For all the reasons stated above, PG&E recommends that the  
3                   Commission adopt the Service Awards as presented in this application.

4   **E. Leave of Absence and Disability Benefits, Including Long-Term Disability**  
5   **Trust Contributions**

6           Leave of absence, paid family leave, and disability benefits serve as crucial  
7   wage protection measures for our employees during times of medical  
8   challenges. These benefits are essential when individuals face prolonged  
9   periods of inability to work due to long-term health conditions, when they require  
10   time to care for a sick family member, or when they wish to bond with a new  
11   addition to their family.<sup>167</sup>

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<sup>167</sup> Exhibit (PG&E-8), p. 4-43, lines 22-27.

**TABLE 4-12**  
**2027 LEAVE OF ABSENCE AND DISABILITY BENEFITS PLAN EXPENSE FORECAST– PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Companywide Item                  | PG&E Filed Forecast <sup>(a)</sup> | Parties' Proposed Increases/(Reductions) <sup>(b)</sup> |                     |                     | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|-----------------------------------|------------------------------------|---------------------------------------------------------|---------------------|---------------------|---------------------------------------|
|          |                                   |                                    | Cal Advocates <sup>(e)</sup>                            | TURN <sup>(f)</sup> | SBUA <sup>(g)</sup> |                                       |
| 1        | LTD Admin, Compliance, Actuarial  | \$43                               | \$0                                                     | –                   | –                   | \$43                                  |
| 2        | LTD Trust Contribution            | 47,531                             | (16,662)                                                | \$(16,719)          | –                   | 47,531                                |
| 3        | STD Admin, Compliance, Actuarial  | 5,272                              | 0                                                       | –                   | –                   | 5,272                                 |
| 4        | STD Benefit and Paid Family Leave | 28,871                             | (26,821)                                                | –                   | –                   | 28,871                                |
| 5        | Task Bank and JFA                 | 136                                | 0                                                       | –                   | –                   | 136                                   |
| 6        | Total <sup>(d)</sup>              | \$81,853                           | \$(43,483)                                              | \$(16,719)          | –                   | \$81,853                              |

(a) Reflects the most up-to-date forecast as reflected in testimony filed on May 15, 2025, as updated in PG&E's November 10, 2025, errata filing.

(b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

(e) CA-21, p. 4, Table 21-2.

(f) TURN-15, p. 33, line 14.

(g) SBUA made no recommendations for these programs.

## 1. Short Term Disability Voluntary Plan and Paid Family Leave

### a. PG&E Position

PG&E's 2027 GRC forecast for STD Voluntary Plan (VP) and Paid Family Leave (PFL) Benefit Program is \$28.871 million. The forecast was developed using cost projection based on 2020 to 2024 usage.<sup>168</sup>

PG&E's VP/PFL is part of the comprehensive time off benefits package designed to provide reasonable benefits to employees to support their financial wellbeing when they are unable to work. These benefits allow employees to take the time off necessary due to an injury or illness or to care for a family member who is ill and are essential to the Company's ability to keep a diverse, skilled, experienced and dedicated staff healthy and focused on delivering safe and reliable service to its customers.

### b. Party Position(s)

#### 1) Cal Advocates

Cal Advocates states the Commission should adopt a TY 2027 amount of \$2.05 million for STD Benefit and Paid Family Leave, which is \$26.75 million lower than PG&E's request.<sup>169</sup> Additionally, Cal Advocates suggests PG&E did not quantify savings associated with the VP.<sup>170</sup>

### c. PG&E Response

PG&E disputes Cal Advocates proposed forecast reduction of \$26.75 million for the VP/PFL Program. PG&E's program directly supports safe, reliable utility operations by enabling employees to take medically necessary or family leave without financial hardship. This ensures that employees are able to return to work fully recovered, rather than prematurely due to monetary pressures, thereby enhancing overall workplace safety. As a result, ratepayers benefit from reduced safety and operational risks, since healthy, well-rested employees are better

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<sup>168</sup> Exhibit (PG&E-8), p. 4-49, lines 23-25.

<sup>169</sup> CA-21, p. 29, lines 5-7.

<sup>170</sup> CA-21, p. 31, lines 20-21.

equipped to maintain essential services and respond effectively to emergencies.

PG&E continues to offer employees a modified sick leave program, including a STD program paid through a Voluntary Plan (VP). The VP/PFL programs are described below:

- VP/PFL: Beginning January 1, 2018, PG&E introduced a new Voluntary STD Plan (VP). This plan is offered in place of the California State Disability Insurance plan (the “State Plan”). In both the State Plan and PG&E VP, employees may be eligible for up to 52 weeks of short-term disability benefits, and a maximum of 8 weeks of paid family leave benefits. The State Plan pays benefits of 60 to 90 percent of the employees’ base pay up to a maximum of \$1,681 per week, effective January 1, 2025. In contrast, the Voluntary Plan provides 60 percent of base pay, but without a cap. STD payments from the Voluntary and State plans are tax free to the employee.<sup>171</sup>

The 60 percent partial wage continuation benefits are provided either by the Voluntary Plan or the State Plan based on the employees’ election. Employee contributions are intended to cover most of the Voluntary Plan benefit costs, with the remainder covered by PG&E. PG&E provides a supplemental payment for STD leaves, which raises the total compensation from 60 percent to 70 percent, post-tax.<sup>172</sup>

More than 98 percent of PG&E’s eligible workforce choose to be covered under the Voluntary Plan, including both union- and non-union-represented employees.

# **1) PG&E’s STD and PFL Forecast Reasonably Reflects the Cost of Providing Essential Employee Benefits**

Cal Advocates recommendation to set VP/PFL expense equal to the historical expense from 2016 is not reasonable. The recommendation does not account for the key drivers for increased costs which include increases in PG&E

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<sup>171</sup> Exhibit (PG&E-8), p. 4-50, lines 12-29.

<sup>172</sup> Exhibit (PG&E-8), p. 4-50, line 29 to p. 4-51, line 3.

1 salaries, changes in leave experience, and weekly rate adjustments  
 2 and contribution levels set forth by the Employment Development  
 3 Department (EDD).<sup>173</sup>

4 These costs directly support employee access to Short Term  
 5 Disability and Paid Family Leave benefits and allow employees to  
 6 take medically related or family necessary leaves and return to work  
 7 fully able to perform their duties safely. Funding these programs in  
 8 full is essential to supporting workforce health and safety and  
 9 ensuring employees are not incentivized to return to work before  
 10 they are medically ready.

11 PG&E's participation in Voluntary Plan was negotiated<sup>174</sup> and  
 12 its costs are part of PG&E's overall compensation package, which is  
 13 necessary for attracting and retaining qualified employees.

## 14 **2) Due to EDD Design Changes PG&E Did Not Realize the Cost** 15 **Savings Projected in Its 2023 GRC**

16 PG&E did not claim any cost savings related to the STD and  
 17 PFL programs in its 2027 GRC filing. Nonetheless, PG&E's forecast  
 18 should be approved. While overall Workforce Unavailable Due to  
 19 Health percentages have decreased since 2023, indicating  
 20 productivity improvements,<sup>175</sup> these do not translate into direct cost  
 21 savings for the STD and PFL programs. PG&E's 2023 analysis had  
 22 a Plan design that would draw down sick balances before Voluntary  
 23 Plan benefits would be paid. However, the EDD pulled back their  
 24 prior approval of this design, which impacted benefit utilization and  
 25 cost shift benefits from 100 percent pay through sick time to the 60  
 26 percent pay under the Voluntary Plan. As a result of the design  
 27 change implemented by EDD, PG&E did not realize the cost savings  
 28 projected in its 2023 GRC forecast.

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<sup>173</sup> Exhibit (PG&E-8), p. 4-49, line 26 to p. 4-50, line 8.

<sup>174</sup> Agreement between Pacific Gas and Electric Company and Local Union No. 1245 of International Brotherhood of Electrical Workers, available at:  
 <<https://ibew1245.com/wp-content/uploads/2021/11/2022-2025-Physical-Agreement-FINAL.pdf>> (accessed Mar. 22, 2026).

<sup>175</sup> Exhibit (PG&E-8), p. 4-8, Figure 4-2.

1           As noted above, PG&E's STD and PFL benefits help to remove  
2           the financial burdens that may direct employees to return to work  
3           sooner than they are ready. The population this would affect the  
4           most is our customer facing, front line employees who keep the  
5           lights on and gas flowing.

6           In addition, the Voluntary Plan offers peace of mind to both  
7           employees and their families by ensuring that financial support is  
8           available during challenging times. This allows individuals to  
9           concentrate on their personal well-being and return to work when  
10          fully ready, fostering a supportive and productive work environment  
11          overall. This support helps maintain a safe and healthy workforce,  
12          which is essential for fulfilling our commitments to deliver safe and  
13          reliable service.

14          Table 4-13 shows a side by side comparison of the State Plan  
15          and PG&E's Voluntary Plan benefits, highlighting key differences  
16          and Table 4-14 provides an illustrative example with a side by side  
17          comparison using PG&E job examples to detail benefits received  
18          under each plan. With changes to the state of California rate being  
19          70 percent, PG&E will pay higher weekly rates (salaries under  
20          \$145,000) as shown in our last example for a Hybrid Worker.<sup>176</sup>

21          This comparison shows how the Voluntary Plan is better for our  
22          coworkers through greater income protection than provided by the  
23          State Plan which, in turn, helps the Company continue to provide a  
24          workforce that supports its ultimate mission and goals to deliver safe  
25          and reliable energy to our customers.

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<sup>176</sup> CA-21, p. 30, lines 1-4, and fn. 131.



**TABLE 4-13  
COMPARISON OF STATE PLAN AND PG&E VOLUNTARY PLAN**

| Line No. | Plan feature                                                                                            | State plan                                                                                                                                                                                                                                 | PG&E voluntary plan (VP)                                                                                                       |
|----------|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| 1        | Wage replacement percentage and Maximum Weekly Benefit Amount for both Disability and Paid Family Leave | 70/90% <sup>1</sup> of eligible base period earnings, divided by 13 for a weekly amount, for individuals who earned 1/3 or more than the state's average quarterly wage, up to a weekly maximum, of \$1,681 (eff 1/1/25) whichever is less | 60 percent weekly Basic Wage Rate on the date of Disability with NO weekly maximum                                             |
| 2        | Eligibility                                                                                             | <p>Must have earned at least \$300 during an eligible quarter from which SDI deductions were withheld</p> <p>Must be employed or actively looking for work at time disability/family leave begins</p> <p>Must have lost wages</p>          | <p>Upon hire</p> <p>Must be employed with PG&amp;E at time disability/paid family leave begins</p> <p>Must have lost wages</p> |

**TABLE 4-14  
STATE PLAN AND PG&E VOLUNTARY PLAN BENEFIT COMPARISON**

| Line No. | PG&E Jobs               | PG&E VP Weekly Benefit | Actual PG&E VP Benefit Rate % | State Weekly Benefit (Estimate) | Actual Benefit Rate % From SDI |
|----------|-------------------------|------------------------|-------------------------------|---------------------------------|--------------------------------|
| 1        | Customer Facing Utility | \$1,779                | 60%                           | \$1,681                         | 57%                            |
| 2        | Customer Facing Utility | \$1,800                | 60%                           | \$1,681                         | 56%                            |
| 3        | Customer Facing Utility | \$1,936                | 60%                           | \$1,681                         | 52%                            |
| 4        | Hybrid Utility          | \$1,661                | 70%                           | \$1,661                         | 70%                            |
| 5        | Hybrid Utility          | \$1,762                | 60%                           | \$1,681                         | 57%                            |
| 6        | Hybrid Utility          | \$2,172                | 60%                           | \$1,681                         | 46%                            |

**d. Conclusion**

For reasons discussed above, PG&E continues to support adoption of its STD and PFL Program forecast of \$28.871 million for the 2027 TY and does not agree with the alternative forecasting proposed by Cal Advocates. PG&E's forecast remains the most accurate, reasonable, and consistent representation of anticipated STD and PFL Program costs. PG&E respectfully requests that the Commission adopt PG&E's proposed STD and PFL forecast in full.

## 2. LTD Trust Contributions

### a. PG&E Position

PG&E strongly urges the Commission to authorize PG&E's forecast of \$47.531 million for the LTD Trust, which includes \$47.5 million in trust contributions and \$43 thousand in administrative, compliance, and actuarial costs.<sup>177</sup> The forecast was developed by PG&E's actuary, WTW, using ASC 712-10 accounting costs,<sup>178</sup> which provides an actuarially grounded estimate of LTD benefit costs. Approving \$47.5 million in contributions will help maintain trust funding over the long-term and support additional investment earnings; not doing so would likely increase the risk of higher customer costs over time due to reduced trust assets and foregone trust investment earnings.<sup>179</sup>

### b. Party Position(s)

#### 1) TURN

TURN recommends that the Commission reject PG&E's proposed \$16.6 million (54 percent) increase to the LTD trust contribution and instead adopt a \$30.812 million forecast based on the five-year average of Pay As You Go costs, net of actuarial liability changes and return on plan assets.<sup>180</sup> Their primary arguments are to recommend an alternative forecast methodology, to lower the forecast and to suggest that their forecast is consistent with a 1996 decision.<sup>181</sup> TURN advances several arguments, including:

- Proposing an alternative forecast methodology;

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<sup>177</sup> Exhibit (PG&E-8), p. 4-46, lines 4-6.

<sup>178</sup> FASB, Accounting Standards Codification, available at: <<https://asc.fasb.org/Home>> (accessed Mar. 22, 2026).

<sup>179</sup> PG&E's response to Data Request TURN\_043-Q004(c), dated October 7, 2025 in Appendix B, at the end of this exhibit.

<sup>180</sup> TURN-15, p. 2, lines 9-12.

<sup>181</sup> TURN-15, p. 2, line 14.

- Asserting their proposal would maintain a “positive” trust balance while remaining consistent with D.96.12-005 and balancing stakeholder interests;
- Emphasizing that the 2024 year-end trust balance has not materially changed since 2022;
- Stating net costs align to the 2023 GRC contribution level and that participant counts are declining relative to PG&E’s forecast;
- Citing a late actuarial revision they contend further supports slight, downward pressure on projected 2031 Test Year contributions;
- Contending higher contributions create ratepayer opportunity costs; and
- Alleging the absence of a defined trust “goal” valuation.

## 2) Cal Advocates

The Commission should adopt a forecast of Trust Contributions equal to the cost recorded in both 2023 and 2024, which is \$30.9 million.<sup>182</sup> Additionally, Cal Advocates advances the following in support of their position:

- Stating rate recovery should be based on trust contributions, not accounting cost;
- Noting PG&E contributed less than the full actuarial accounting cost but claiming PG&E could have voluntarily contributed the full amount; and
- Assertion PG&E has not treated actuarial costs as determinant of LTD contributions.

### c. PG&E Response

#### 1) The Parties Strained Proposals to Limit the LTD Contribution Are Inconsistent With Commission Precedent

TURN and Cal Advocates both recommend the Commission reject PG&E’s \$47.531 million LTD contribution forecast and instead adopt forecasts anchored to historical levels. TURN proposes a

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<sup>182</sup> CA-21, p. 29, lines 1-2.

1 contribution forecast of \$30.812 million<sup>183</sup> for 2023-2026 million  
 2 based on historical accounting costs, while Cal Advocates  
 3 recommends \$30.9 million<sup>184</sup> based on recorded contributions in  
 4 2023 and 2024. Both proposals would result in an effective  
 5 reduction of approximately \$67 million in LTD contributions over the  
 6 GRC period. PG&E disagrees with both TURN and Cal Advocates'  
 7 alternative forecast methodologies.

8 While the proposals differ in form, they share the same  
 9 fundamental flaw: both rely on historical averages or recorded  
 10 contributions rather than an appropriate forward-looking funding  
 11 forecast grounded in updated actuarial projections. For example,  
 12 TURN's recommendation is premised on the assumption that  
 13 because the historical accounting costs of the LTD program have  
 14 remained near \$30.812 million in recent years and that the LTD trust  
 15 balance has remained positive over that period, future funding  
 16 requirements can continue to be met at a similar level.<sup>185</sup> PG&E  
 17 strongly disagrees with this conclusion for several reasons:

18 First, historical accounting costs do not necessarily reflect future  
 19 costs. In this case, PG&E presented a thorough, forward-looking  
 20 actuarial forecast and while several objections were raised, PG&E  
 21 maintains those have not undermined the underlying actuarial  
 22 methodology or conclusions. Second, using historical accounting  
 23 cost as a proxy for future funding requirements is inconsistent with  
 24 CPUC D.92-12-015 and D.95-12-055, which adopted accrual-based  
 25 accounting and forward-looking ratemaking principles.<sup>186</sup> Third, by  
 26 anchoring LTD trust contributions to historical accounting costs and  
 27 contribution levels rather than projected obligations, both TURN and  
 28 Cal Advocates' proposals increase the risk of systematic

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<sup>183</sup> TURN-15, p. 33, line 13.

<sup>184</sup> CA-21, p. 30, line 10.

<sup>185</sup> TURN-15, p. 33, lines 12-18.

<sup>186</sup> D.92-12-055 and D.95-12-055 adopted accrual-based accounting for ratemaking (FAS 106 for postretirement benefits other than pensions (PBOP); and FAS 112 for long-term disability (LTD)).

underfunding and cost deferral, potentially exposing future ratepayers to higher costs.

Finally, both approaches are also inconsistent with PG&E's cost-of-service framework, which relies on projected costs necessary to provide service in the test and attrition years.

## **2) Accrual-Based Ratemaking Consistent With Precedent**

Despite disagreeing with TURN and Cal Advocates assumption that prior LTD accounting costs and contributions will continue at the same level going forward, PG&E does not argue that historical experience should be disregarded. On the contrary, historical accounting costs and utilization trends are critical inputs to PG&E's forecasts. Historical costs are appropriately used to inform forward-looking projections, however, PG&E does not consider historical levels as a substitute for forward looking projections.

PG&E's actuarial consultant, WTW, develops forward-looking LTD cost projections by projecting the ASC 712 accrued cost (referred to as "net LTD cost" in WP 4-83). This projection incorporates expected pay-as-you-go benefit payments, changes in actuarial accrued liability, and anticipated investment returns, all based on reasonable and transparent actuarial assumptions. This methodology, described in Exhibit (PG&E-8), WP 4-83,<sup>187</sup> translates historical experience into a forecast that reflects expected changes in workforce demographics, benefit utilization, wage growth, and medical cost trends. Notably, net LTD costs are projected to increase even with assumed trust asset growth and related investment returns. Without those offsets, projected costs would be higher still. In contrast, TURN and Cal Advocates approaches do not account for these known cost drivers.<sup>188</sup>

## **3) Backward-Looking Methods Disregard Forward Cost Drivers**

TURN's reliance on historical accounting cost is inconsistent with CPUC precedent. Decision 95-12-055 is the foundational

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<sup>187</sup> Exhibit (PG&E-8), WP 4-83.

<sup>188</sup> Exhibit (PG&E-8), WP 4-90 to WP 4-109.

1 authority establishing LTD as a recoverable cost of service and  
 2 confirms that rate recovery is based on accrued costs funded  
 3 through trust contributions, not on a static historical cost basis.  
 4 D.92-12-015 further emphasizes the principle of intergenerational  
 5 equity,<sup>189</sup> requiring that each generation of ratepayers fund the  
 6 benefits earned during the period in which service is provided.  
 7 A methodology that anchors future funding levels only to historical  
 8 accounting costs and contributions fails to fully capture future cost  
 9 accruals resulting from changes in both the number of LTD  
 10 beneficiaries and the per-participant cost of benefits.

11 WTW's projections show that PG&E expects increases in both  
 12 the number of employees receiving LTD benefits and the cost per  
 13 LTD participant over the forecast period.<sup>190</sup> TURN's methodology  
 14 does not capture either of these effects and therefore understates  
 15 the accrued cost of providing LTD benefits in future years.

16 Next, anchoring LTD trust contributions to historical accounting  
 17 costs and contribution levels rather than projected obligations  
 18 increases the risk of systematic underfunding and cost deferral,  
 19 exposing future ratepayers to higher contributions. These  
 20 approaches mask emerging funding needs in the near term and  
 21 shifts costs into later periods, creating avoidable volatility and the  
 22 potential for rate shock. Such deferral undermines funding stability  
 23 and is inconsistent with the Commission's long-standing preference  
 24 for forward-looking ratemaking that aligns costs with the customers  
 25 who benefit from service.

#### 26 **4) Inconsistent With Cost-of-Service Model**

27 Both TURN and Cal Advocates' recommendations are also  
 28 inconsistent with PG&E's cost-of-service ratemaking model. The

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<sup>189</sup> "An inter-generational inequity presently arises with PBOP costs because, under the present cash basis of accounting, future generations of ratepayers pay for the cost of PBOP benefits earned today while current ratepayers pay for the cost of PBOP benefits earned in prior years." (D.92-12-015, 46 CPUC2d 499, 1992 Cal.PUC LEXIS 864). The Commission subsequently applied these same intergenerational equity and accrual-based ratemaking principles to long-term disability (LTD) costs in D.95-12-055.

<sup>190</sup> Exhibit (PG&E-8), WP 4-83.

Commission has repeatedly held that employee benefits, including LTD, are necessary costs of operating and maintaining the utility system and are appropriately included in rates when supported by reasonable, forward-looking projections and subject to actuarial standards of practice<sup>191</sup> and trust protections. By relying solely on historical accounting cost and contributions, both parties capture only a portion of the expected LTD accruals, which departs from the Commission's long-standing forward-looking ratemaking framework.

**5) In Totality, Each of the Parties' Arguments Backward-Looking and Non-Ratemaking Methodologies Are Inappropriate and Should Be Rejected**

In response to TURN and Cal Advocates testimony, PG&E further responds specifically to each of the party's positions below:

- TURN
  - TURN's Alternate Forecast Methodology;
  - Notion of "positive" trust balance;
  - Forecast consistency with D.96-12-005 and balancing stakeholder interests;
  - Participant counts declined versus PG&E's expectations;
  - Net costs align with 2023 GRC contribution level;
  - Actuarial revision modestly supports lower forecast;
  - Higher contributions create ratepayer opportunity costs;
  - PG&E does not have a "goal" trust valuation;
- Cal Advocates
  - Cal Advocates characterization for basis of comparison for the 2027 TY contribution;
  - Claim PG&E has not treating actuarial costs as determinative in ratemaking; and
  - Assertion PG&E could have voluntarily contributed above the authorized recovery level.

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<sup>191</sup> Exhibit (PG&E-8), WP 4-84 to WP 4-87.

1                                    **i) PG&E Disputes TURN's Alternate Forecast**

2                                    TURN makes an error in its own calculations. TURN's  
 3                                    forecast, based on the 5-year average of the Pay As You  
 4                                    Go Cost net of changes to actuarial liability and return on  
 5                                    plan assets<sup>192</sup> equaling \$30.812 million as the average for  
 6                                    the years 2020-2024 is instead using six years of data  
 7                                    (2019-2024).<sup>193</sup> Calculated correctly using a 5-year  
 8                                    average, TURN's forecast amounts to \$30.393 million.<sup>194</sup>  
 9                                    TURN's forecast, which should not be adopted for other  
 10                                    reasons, should nonetheless be based on the accurate  
 11                                    methodology.

12                                    TURN relies on a backward-looking average rather than  
 13                                    a forward-looking funding analysis. By averaging prior  
 14                                    outcomes, the proposal blends several volatile and  
 15                                    independent drivers: investment returns, liability changes,  
 16                                    claim experience, and demographic dynamics into a single  
 17                                    figure and assumes that result will persist. This averaging  
 18                                    does not evaluate whether the underlying drivers are  
 19                                    expected to change, nor does it reflect updated actuarial  
 20                                    assumptions or projected claim experience. It replaces an  
 21                                    assumption-based projection of future obligations with a  
 22                                    historical cost, even though LTD costs should be  
 23                                    determined with a forecast-driven and non-linear actuarial  
 24                                    framework.

25                                    PG&E continues to maintain that rate recovery is based  
 26                                    on trust contributions, which are informed by disability

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<sup>192</sup> TURN-15, p. 33, lines 14-16.

<sup>193</sup> Calculated from PG&E's response to Data Request TURN\_114-Q003Atch01, dated January 30, 2026 in Appendix B, at the end of this exhibit. Also noted in TURN errata. Refer to Total Net LTD costs for years 2019-2024.

<sup>194</sup> Calculated from PG&E's response to Data Request TURN\_114-Q003Atch01, dated January 30, 2026 in Appendix B, at the end of this exhibit. Refer to Total Net LTD costs for years 2020-2024.



payouts and accrual costs,<sup>195</sup> and that repeatedly funding below actuarially determined accrued cost risks shifting costs to future customers<sup>196</sup> by reducing investment earnings and deferring funding of benefits earned.

**ii) Inadequacy of a “Positive” Balance as a Funding Standard**

PG&E strongly rejects the notion that maintaining a “positive balance”<sup>197</sup> constitutes an adequate funding standard or provides a reasonable forward-looking funding basis for the LTD trust. A funding target focused solely on maintaining a positive balance disregards forward-looking actuarial projections, allows contributions to fall below the cost of benefits as they accrue, and embeds and institutionalizes the risk of underfunding and cost deferral into the ratemaking framework. Permitting trust contributions to fall below actuarially projected costs defers obligations across rate case cycles, suppresses trust investment earnings, and ultimately increases the risk in exposing future ratepayers to higher costs.

**iii) Trust Balance Alone Not a Valid Funding Standard**

TURN states that the LTD Trust balance has remained largely unchanged since 2022, despite the Commission’s decision in the 2023 GRC not to adopt PG&E’s proposed \$45.313 million LTD Trust contribution.<sup>198</sup> TURN’s reliance

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<sup>195</sup> D.92-12-055 and D.95-12-055 adopted accrual-based accounting for ratemaking (FAS 106 for postretirement benefits other than pensions (PBOP); and FAS 112 for long-term disability (LTD)).

<sup>196</sup> “An inter-generational inequity presently arises with PBOP costs because, under the present cash basis of accounting, future generations of ratepayers pay for the cost of PBOP benefits earned today while current ratepayers pay for the cost of PBOP benefits earned in prior years.” (D.92-12-015, 46 CPUC2d 499, 1992 Cal.PUC LEXIS 864). The Commission subsequently applied these same intergenerational equity and accrual-based ratemaking principles to long-term disability (LTD) costs in D.95-12-055.

<sup>197</sup> TURN-15, p. 33, lines 16-18.

<sup>198</sup> TURN-15, p. 34, lines 5-7.

on the trust asset balance being “nearly unchanged” over a limited period likewise does not demonstrate funding sufficiency and is inaccurate. Trust asset levels over any short window reflect the combined effect of contributions, benefit payments, investment returns, and actuarial adjustments. The appropriate inquiry is whether the authorized contribution level prudently funds projected obligations and maintains reasonable liquidity and funded status relative to those obligations across the forecast horizon. A stable asset balance, by itself, does not substitute for that analysis.

Additionally, TURN notes the trust balance fell from \$142.6 million at the end of 2022 to \$139.4 million at the end of 2024. In actuality, the balance has fallen to \$134 million<sup>199</sup> at the end of 2025, closely in line with WTW’s projections.<sup>200</sup> Should the contributions remain at \$30.9 million, by the end of 2031, WTW’s analysis shows the trust balance is expected to erode to \$38.2 million, which is close to a \$100 million dollar decrease over six years.<sup>201</sup> This is a direct result of costs in excess of contributions.

**iv) PG&E Rejects Claims of Consistency With D.96-12-005 and Balanced Stakeholder Financial Interests<sup>202</sup>**

A departure from contributing an amount based on projected accrued costs is inconsistent with D.12-015<sup>203</sup> and, if repeated, will increase long-term costs to ratepayers

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<sup>199</sup> PG&E Corporation, Form 10-K for the year ended December 31, 2025, Fair Value Measurements footnote (Long-Term Disability Trust), reporting \$134 million.

<sup>200</sup> PG&E’s response to Data Request TURN\_043-Q008Supp01Atch01, dated January 14, 2026 in Appendix B, at the end of this exhibit. 2025 EOY Trust Assets at \$132.6 million.

<sup>201</sup> PG&E’s response to Data Request TURN\_043-Q004(c), dated October 7, 2025 and attachment TURN\_043-Q004Atch02 in Appendix B, at the end of this exhibit.

<sup>202</sup> TURN-15, p. 33, lines 16-18.

<sup>203</sup> D.92-12-015, 46 CPUC 2d 499, FOF 52 and Ordering Paragraph 2.

1 resulting from reduced investment earnings. Importantly,  
 2 D.92-12-015 emphasizes intergenerational equity,<sup>204</sup>  
 3 whereby each generation of ratepayers should fund benefits  
 4 earned during their service period. Not making the  
 5 actuarially projected contributions risks shifting costs to  
 6 future ratepayers, potentially increasing their financial  
 7 burden over time.

8 **v) LTD Contributions Are Driven by Actuarial Factors, Not**  
 9 **Headcount Alone**

10 TURN also contends that PG&E's justification for  
 11 increased LTD contributions based on expected growth in  
 12 headcount are unsupported by the record, noting that LTD  
 13 participant counts (headcount) have steadily declined since  
 14 at least 2014 and continued to decrease between the 2023  
 15 and 2027 GRC filings, contrary to PG&E's prior  
 16 expectations.<sup>205</sup>

17 TURN fails to acknowledge that the contribution  
 18 forecast is driven by other factors besides participant  
 19 headcount. The contribution forecast includes multiple  
 20 actuarial inputs, including projected benefit cost trends,  
 21 wage levels, claim incidence and duration, and  
 22 demographic exit assumptions. Notably, the projection  
 23 reflects the expected net effect of new entrants and exits  
 24 based on the current demographic profile of the plan  
 25 population and recent historical experience. Headcount

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<sup>204</sup> “An inter-generational inequity presently arises with PBOP costs because, under the present cash basis of accounting, future generations of ratepayers pay for the cost of PBOP benefits earned today while current ratepayers pay for the cost of PBOP benefits earned in prior years.” (D.92-12-015, 46 CPUC2d 499, 1992 Cal.PUC LEXIS 864). The Commission subsequently applied these same intergenerational equity and accrual-based ratemaking principles to long-term disability (LTD) costs in D.95-12-055.

<sup>205</sup> TURN-15, p. 34, lines 9-16.

trends alone do not determine contribution requirements.<sup>206,207</sup>

The headcount has been falling because of prior plan changes and stronger return-to-work/plan management efforts, which reduced costs more than originally anticipated in the 2023 GRC, however, those effects are expected to taper off as the changes become “fully realized” over the next few years (e.g., shortened benefit duration and waiting-period changes). The forecast does not simply extend the recent decline; it models headcount as new entrants minus exits, assuming about 75 new LTD entrants per year based on observed experience, and projecting exits due to recovery, reaching the end of benefits, SSDI denial, or mortality.<sup>208</sup>

Headcount is also expected to increase as plan exits are projected to slow in the outer years based on the current demographics of the plan population as of December 1, 2024, meaning new entrants are expected to exceed exits once the near-term effects of prior changes have worked through the population.<sup>209</sup>

#### **vi) Historical Costs Do Not Justify Repeating the Prior Contribution Level**

TURN’s claim that 2020-2024 average net LTD costs align with the 2023 GRC contribution level<sup>210</sup> is backward-looking and does not establish that the same contribution level will be prudent in the 2027-2030 period.

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<sup>206</sup> PG&E’s response to Data Request TURN\_112-Q001, dated January 29, 2026 in Appendix B, at the end of this exhibit.

<sup>207</sup> PG&E’s response to Data Request TURN\_043-Q008Supp01Atch01, dated January 14, 2026 in Appendix B, at the end of this exhibit.

<sup>208</sup> PG&E’s response to Data Request TURN\_112-Q001, dated January 29, 2026 in Appendix B, at the end of this exhibit.

<sup>209</sup> PG&E’s response to Data Request TURN\_112-Q001, dated January 29, 2026 in Appendix B, at the end of this exhibit.

<sup>210</sup> TURN-15, p. 34, line 16 to p. 35, line 2.

TURN fails to understand that the authorized contribution should be established to prudently fund projected obligations and maintain reasonable liquidity and funded status across the forecast horizon, not whether it matches a historical average that can be materially influenced by period-specific investment returns and other transitory factors. Forward-looking actuarial projections indicate that net LTD costs are expected to materially exceed the prior contribution level during the GRC period, which is precisely why a historical “alignment” is not a reliable funding standard. Repeating a contribution level below the actuarially determined amount can reduce investment earnings and shift costs to future ratepayers, undermining intergenerational equity and increasing long-run customer costs.

#### **vii) Impact of Actuarial Revisions Are Misplaced**

TURN noted PG&E’s actuary identified an error that overstated forecasted LTD participant counts for 2029 and 2030.<sup>211</sup> TURN references that, once corrected, projected LTD Trust contributions for the next GRC cycle are lower (\$68.534 million) than previously forecast (\$73.448 million), and asserts this further supports the downward pressure on expected contribution requirements.<sup>212</sup> However, the identified correction concerned outer-year projections and does not alter the actuarial basis for the TY 2027 request. PG&E’s longstanding practice is to maintain the test year LTD contribution throughout the GRC cycle even if actuarial values are updated.

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<sup>211</sup> TURN-15, p. 35, lines 3-14.

<sup>212</sup> TURN-15, p. 34, lines 13-14.

More importantly, even with the refinement, projected contribution requirements remain significantly<sup>213</sup> above TURN's proposed flat historical average of \$30.812 million,<sup>214</sup> underscoring that a backward-looking average fails to capture the program's forward cost trajectory.

**A) Credit-Card “Opportunity Cost” Is Not a Ratemaking Standard**

TURN's assertion that a larger LTD Trust balance is not necessarily in the interest of ratepayers relies on an opportunity cost comparison to high-interest credit card debt.<sup>215</sup> The comparison is not a ratemaking standard and does not provide a workable policy basis for determining LTD trust contributions. It assumes a particular household financial profile and a non-regulatory comparator (credit card APR) that is not established in the record as representative across the customer class nor tied to the statutory/decisional framework governing recovery of employee benefit costs through Commission authorized trust contributions.

**B) A Fixed Trust “Goal” Valuation Is Neither Required nor Appropriate**

TURN states that PG&E does not have a defined target or objective for the appropriate size of the LTD Trust Fund and has not articulated what level of assets constitutes “sufficient” funding. TURN argues that, absent a clear trust-fund valuation goal, ratepayers

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<sup>213</sup> PG&E's response to Data Request TURN\_112-Q001, dated January 29, 2026 in Appendix B, at the end of this exhibit.

<sup>214</sup> TURN-15, p. 33, line 13.

<sup>215</sup> TURN-15, p. 35, line 15 to p. 36, line 15.

1 should not be required to fund increased LTD Trust  
2 contributions.<sup>216</sup>

3 Since LTD liabilities and cash flows change over  
4 time with claim incidence and duration, wage levels,  
5 discount rates, and investment performance, a fixed  
6 dollar target is not an appropriate nor an informative  
7 metric.

#### 8 **viii) Cal Advocates**

##### 9 **A) Disputing Cal Advocates Basis of Comparison for** 10 **the 2027 TY Contribution**

11 Cal Advocates mischaracterizes PG&E's  
12 position<sup>217</sup> in several respects. First, Cal Advocates  
13 incorrectly assumes PG&E believes trust contributions  
14 should equal actuarial costs. PG&E does not claim that  
15 trust contributions should equal actuarial costs.  
16 Instead, PG&E maintains trust contributions should be  
17 informed by actuarial projections.<sup>218</sup>

18 Second, PG&E is not seeking recovery of actual  
19 ASC 712-10 accounting costs. Rather, PG&E seeks  
20 authorization for a forward-looking trust contribution  
21 informed by updated actuarial assumptions regarding  
22 liability growth and expected trust funded needs. PG&E  
23 acknowledges that basing trust contributions on  
24 projected ASC 712-10 costs will introduce dispersion  
25 versus actual ASC 712-10 costs, but that dispersion will  
26 be automatically trued-up in the subsequent GRC. For  
27 example, if contributions exceed actual accounting  
28 costs, all else equal, future contribution requests will be  
29 lower. Conversely, if contributions are lower than actual

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<sup>216</sup> TURN-15, p. 37, lines 1-8.

<sup>217</sup> CA-21, p. 28, lines 1-8.

<sup>218</sup> PG&E's response to Data Request CalAdvocates\_210-Q003, dated November 12, 2025 in Appendix B, at the end of this exhibit.

1 accounting costs, all else equal future, future  
 2 contribution requests will be higher. PG&E relies on  
 3 this true-up mechanism<sup>219,220</sup> to adjust for differences  
 4 in contributions versus actual accounting costs, but  
 5 does not expect the trust contributions in a specific  
 6 calendar year to exactly match the ASC 712-10  
 7 accounting cost. For these reasons, PG&E is not  
 8 seeking recovery of actual recorded costs.

9 Third, Cal Advocates misstates \$30.9 million as the  
 10 “basis” for the 2027 Test Year request. The 2027 Test  
 11 Year request should not be<sup>221</sup> anchored to historical  
 12 accounting cost, not contributions.

13 Additionally, the divergence between trust  
 14 contributions and accounting cost cited<sup>222</sup> by  
 15 Cal Advocates arose only in the 2023 GRC, when 2024  
 16 trust contributions totaled \$30.9 million while the  
 17 recorded ASC 712-10 accounting cost was  
 18 \$42.6 million.<sup>223</sup> In that same proceeding, the  
 19 projected ASC 712-10 cost was \$45.3 million,<sup>224</sup>  
 20 demonstrating that the historical accounting cost closely  
 21 aligned with the actuarial projection.

22 More importantly, PG&E strongly maintains that if  
 23 the Commission continues approving contributions  
 24 below projected and actual ASC 712-10 costs,  
 25 ratepayers will be negatively impacted in the future.

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<sup>219</sup> D.92-12-015 and D.95-12-055 establish true-up mechanisms for the PBOP and LTD. CPUC resolutions (e.g., Resolution G-3362) and advice letters such as AL 3480-G and AL 4228-G, confirm this practice.

<sup>220</sup> PG&E’s response to Data Request CalAdvocates\_210-Q003, dated November 12, 2025 in Appendix B, at the end of this exhibit.

<sup>221</sup> CA-21, p. 28, lines 1-8.

<sup>222</sup> CA-21, p. 28, lines 13-14.

<sup>223</sup> CA-21, p. 28, line 4.

<sup>224</sup> D.23-11-069, pp. 558-559.



**B) Cal Advocates Claim PG&E Has Not Treated Actuarial Costs as Determinative in Ratemaking Is Incorrect**

Cal Advocates states that because PG&E contributed \$30.9 million, in both 2023 and 2024 (both below the actual accounting cost), this demonstrates that PG&E has not treated actuarial costs as determinative ratemaking.<sup>225</sup> PG&E agrees that rate recovery must equal contributions and that the authorized contribution was \$30.9 million in those years. However, PG&E disagrees that Cal Advocates characterization that PG&E has not treated actuarial costs as determinative making because it violates decision D.95-12-055,<sup>226</sup> which establishes that rate recovery must equal trust contributions. PG&E maintains that projected actuarial costs appropriately inform a forward-looking trust contribution level, with any differences between contributions and actual accounting costs addressed through the Commission-approved true-up process in subsequent GRCs.

The fact that prior authorized contributions were below the actuarial projected cost does not establish that actuarial projections should be disregarded when setting a forward-looking contribution level. The Commission's adoption of a lower LTD contribution level in the 2023 GRC reflected the evidentiary record in that proceeding and does not establish an ongoing funding standard for the 2027 proceeding.<sup>227</sup>

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<sup>225</sup> CA-21, p. 28, lines 18-22.

<sup>226</sup> D.95-12-055.

<sup>227</sup> D.23-11-069, p. 559.

A contribution level that simply repeats a prior GRC authorization does not reflect changes in projected liability, claim experience, headcount, wage levels, demographic dynamics, and market returns. While trust assets can fund the difference if accounting costs exceed contribution levels in a given year, increased reliance on drawdowns reduces the asset base available to earn returns and compounds over time through lower investment earnings, increasing the likelihood of higher long-term costs to ratepayers. PG&E suggests that the Commission reconsider that approach because of the negative impact it will have on future ratepayers resulting from a smaller investment balance.<sup>228</sup>

**C) Voluntarily Contributing Above the Authorized Recovery Level Violates Cost of Service Ratemaking Precedent**

Cal Advocates claims PG&E could have voluntarily contributed above the authorized recovery level if it believed higher funding was appropriate.<sup>229</sup> PG&E strongly disagrees with this assertion and highlights that contributing more to the LTD trusts than the Commission allowed violates cost of service ratemaking precedent. Voluntary shareholder funding is not a ratemaking standard and does not answer whether the authorized contribution level prudently funds projected obligations. Moreover, PG&E maintains the relevant inquiry is not whether PG&E could have made discretionary, unrecovered contributions, but whether the contribution level authorized for recovery in rates

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<sup>228</sup> PG&E's response to Data Request TURN\_43-Q004(c), dated October 7, 2025 and attachment TURN\_043-Q004Atch02 in Appendix B, at the end of this exhibit.

<sup>229</sup> CA-21, p. 28, lines 14-17.

supports sustainable trust funding over the forecast horizon.

#### d. Conclusion

For these reasons, PG&E strongly urges the Commission to authorize the \$47.6 million LTD Trust contribution forecast, which is based on WTW's ASC 712-10 actuarial projection of accrued LTD cost and is intended to support prudent prefunding, reduce intergenerational cost shifting, and preserve trust investment earnings that help moderate future customer cost.

#### F. Workforce Management Program

PG&E's Workforce Management Program is intended to support a stable and healthy work environment while enabling PG&E to manage workforce impacts associated with business changes, including technological advancements, organizational restructuring, process changes, outsourcing, and fluctuations in project or customer demand. The program provides outplacement assistance services to support employees in transitioning to other roles within the company or to external opportunities, and includes severance and transitional pay, as applicable.

**TABLE 4-15**  
**2027 WORKFORCE MANAGEMENT PROGRAM EXPENSE FORECAST– PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Companywide Item               | PG&E Filed Forecast(a) | Parties' Proposed Increases/(Reductions)(b) |           |         | PG&E Rebuttal Position(c) |
|----------|--------------------------------|------------------------|---------------------------------------------|-----------|---------|---------------------------|
|          |                                |                        | Cal Advocates(e)                            | TURN(f)   | SBUA(g) |                           |
| 1        | Severance and Transitional Pay | \$5,028                | 0                                           | \$(3,385) | –       | \$3,287                   |
| 2        | Outplacement Assistance        | 57                     | 0                                           | (28)      | –       | 57                        |
| 3        | Total(d)                       | \$5,085                | 0                                           | \$(3,413) | –       | \$3,343                   |

(a) Reflects the most up-to-date forecast as reflected in testimony filed on May 15, 2025, as updated in PG&E's November 10, 2025, errata filing.

(b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

(e) Cal Advocates did not contest PG&E's Workforce Management Programs.

(f) TURN-15, p. 39, Tables 5 & 6.

(g) SBUA did not contest PG&E's Workforce Management Programs.

## 1. Severance and Transitional Pay

### a. PG&E Position

PG&E's initial forecast for severance and transitional pay was \$5.028 million.<sup>230</sup> PG&E's workpaper had a calculation error and agrees with TURN's recommended forecast of \$3.287 million.

### b. Party Position(s)

TURN states regardless of the current forecast, the Commission should require shareholders to share 50 percent of the costs of the Severance and Transitional Pay program.<sup>231</sup>

### c. PG&E Response

PG&E agrees with TURN's recommended forecast of \$3.287 million for Severance and Transitional Pay, consistent with PG&E's correction of a calculation error in its workpapers. PG&E respectfully disagrees with TURN's recommendation that shareholders should fund 50 percent of Severance and Transitional Pay costs. TURN argues that under the principal of "cost-causation," costs should follow the benefit.<sup>232</sup> TURN's assumption that shareholders would capture 100 percent of the savings is unrealistic. Under the principle of forecast ratemaking, there will be instances where the adopted forecast could be higher than actuals during the GRC Cycle. Conversely the opposite can also occur, and PG&E would not be able to recover the higher cost.

These programs are standard, necessary components of responsible workforce management, not as discretionary actions that generate shareholder benefit. PG&E reorganizes or aligns staffing levels to support safe, reliable and changing operational needs of the organization. As reflected in the record, costs fluctuate with the number of employees impacted and operational requirements, not with shareholder driven decisions.

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<sup>230</sup> Exhibit (PG&E-8), p. 4-54, lines 4-5.

<sup>231</sup> TURN-15, p. 38, lines 17-18.

<sup>232</sup> TURN-15, p. 39, line 13.

Under Pub. Util. Code § 451, the Commission authorizes rates that recover the reasonable operating expenses necessary to provide safe and reliable service. The CPUC has consistently treated employee compensation and benefits as recoverable operating expenses in General Rate Cases, subject to review for reasonableness and prudence, and includes such costs in the authorized revenue requirement.

Requiring shareholder funding would be inconsistent with longstanding cost of service ratemaking, which treats employee transition costs in the same manner as other labor related expenses reviewed and adopted in GRC proceedings. In SCE's recent GRC decision the cost for Severance was unopposed by all parties.<sup>233</sup> In addition, the costs of Severance and Outplacement Assistance costs were approved in PG&E's 2023 GRC decision,<sup>234</sup> although costs were reduced the reduction was not as a cost sharing proposal but rather a difference in forecast methodology.

No evidence suggests these programs are implemented to create shareholder savings, nor that they deviate from Commission recognized utility practice. PG&E therefore supports adoption of the corrected forecast but opposes TURN's proposed cost sharing mechanism.

#### **d. Conclusion**

For all the reasons stated above, PG&E recommends that the Commission adopt the Severance and Transitional Pay forecast as presented in this application.

## **2. Outplacement Assistance**

### **a. PG&E Position**

PG&E forecasts a total of \$0.057 million for Outplacement Assistance.<sup>235</sup>

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<sup>233</sup> D.25-09-030, p. 632.

<sup>234</sup> D.23-11-069, pp. 600-601.

<sup>235</sup> Exhibit (PG&E-8), p. 4-55, lines 3-4.

**b. Party Position(s)**

TURN states the cost of the Outplacement Assistance Program be equally shared with shareholders, under a claimed principle of “cost-causation.” It claims that when layoffs occur between rate cases, shareholders capture 100 percent of the resulting labor savings until the next rate case resets the revenue requirement.<sup>236</sup>

**c. PG&E Response**

PG&E respectfully disagrees with TURN’s recommendation that shareholders should fund 50 percent of Outplacement Assistance costs. For these reasons stated in Section F.1.c. PG&E opposes TURN’s proposed shareholder cost share for the Outplacement Assistance Program.

**d. Conclusion**

PG&E recommends that the Commission adopt the Outplacement Assistance as presented in this application.

**G. Post-Retirement Benefits, Including Trust Contributions**

This section provides an overview of PG&E’s retirement and post-retirement benefits programs and describes the methodology PG&E uses to calculate the costs associated with these plans. The discussion highlights key plan provisions relevant to cost development and recovery.

The expenses presented and requested for recovery in this section primarily reflect PG&E’s employer contributions, including matching contributions to employees’ 401(k) accounts and contributions to tax-qualified benefit trusts. These costs also include PG&E’s contributions to trusts that fund post-retirement medical and life insurance benefits. Contributions made through these tax-advantaged arrangements provide a current tax benefit to PG&E, which is reflected in lower revenue requirements and passed through to customers at the time the contributions are made.

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<sup>236</sup> TURN-15, p. 39, lines 4-5.

**TABLE 4-16**  
**2027 POST-RETIREMENT BENEFITS EXPENSE FORECAST– PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Companywide Item        | PG&E Filed Forecast <sup>(a)</sup> | Parties' Proposed Increases/(Reductions) <sup>(b)</sup> |                     |                     | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|-------------------------|------------------------------------|---------------------------------------------------------|---------------------|---------------------|---------------------------------------|
|          |                         |                                    | Cal Advocates <sup>(e)</sup>                            | TURN <sup>(f)</sup> | SBUA <sup>(g)</sup> |                                       |
| 1        | Retirement Savings Plan | \$211,744                          | \$(56,911)                                              | –                   | –                   | \$204,852                             |
| 2        | Retirement Excess       | 1,839                              | (920)                                                   | –                   | –                   | 2,733                                 |
| 3        | PostRet Pension (PAYG)  | 180                                | 0                                                       | –                   | –                   | 180                                   |
| 4        | PBOP – Medical Trust    | –                                  | 0                                                       | –                   | –                   | –                                     |
| 5        | PostRet Med (PAYG)      | 542                                | 0                                                       | –                   | –                   | 542                                   |
| 6        | PBOP – Life Trust       | –                                  | 0                                                       | –                   | –                   | –                                     |
| 7        | PostRet Life (PAYG)     | 3,279                              | 0                                                       | –                   | –                   | 3,279                                 |
| 8        | Total <sup>(d)</sup>    | \$217,584                          | \$(57,831)                                              | –                   | –                   | \$211,585                             |

(a) Reflects the most up-to-date forecast as reflected in testimony filed on May 15, 2025, as updated in PG&E's November 10, 2025, errata filing.

(b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

(e) CA 21, p. 4, Table 21-2.

(f) TURN did not contest PG&E's Post Retirement Benefits Programs.

(g) SBUA did not contest PG&E's Post Retirement Benefits Programs.

## 1. Retirement Savings Plan (401K)

### a. PG&E Position

PG&E's original forecast was \$211.744 million for the Retirement Savings Plan. PG&E identified an error and corrected it in a data response<sup>237</sup> the updated forecast for the Retirement Savings Plan is \$204.851. The forecast was developed using a historical average plus match formula.<sup>238</sup> All employees qualify to participate in the 401k program. Employees may choose to make contributions on a pre-tax or after-tax basis. Each participant is entirely vested in the account value,

<sup>237</sup> PG&E's response to Data Request CalAdvocates\_247-Q002, dated November 25, 2025 and attachment CalAdvocates\_247-Q002Atch01 in Appendix B, at the end of this exhibit.

<sup>238</sup> Exhibit (PG&E-8), p. 4-58, lines 4-6.

including all contributions made by the employer and any investment returns.<sup>239</sup>

Employees hired after January 2013 are eligible to participate in the cash balance plan and qualify for an employer matching contribution of \$0.75 dollar for every dollar contributed to their 401k, applicable to employee contribution of up to 8 percent of their salary. Employees hired before January 2013 who are part of final average pay formulas in the Retirement Plan, the employer provides a matching contribution on their contributions, capped at 6 percent of their salary.

**b. Party Position(s)**

Cal Advocates' recommendation is \$154.8 million, which is \$56.9 million lower than PG&E's TY 2027 forecast.<sup>240</sup> Cal Advocates recommends using an alternate forecasting approach based on the recorded 2024 population eligible for RSP, applied to the 5-year (2020-2024) average participation rate (Adjusted Headcount).<sup>241</sup>

SBUA states that further inquiry into PG&E's retirement savings plans proposal is warranted. SBUA recommends that PG&E refine its benefits to allow for reasonable costs. It asks the costs for all employee benefits remain steady or decrease.<sup>242</sup>

**c. PG&E Response**

PG&E disputes both Cal Advocates and SBUA's recommendations to reduce the Retirement Savings plan forecast.

**1) Cal Advocates**

Cal Advocates methodology is flawed as it fails to account for important variables such as annual merit increases, adjustments in the employee match resulting from new participants joining the plan and the escalation of the forecast from 2024 to 2027. By ignoring

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<sup>239</sup> Exhibit (PG&E-8), p. 4-58, lines 17-21.

<sup>240</sup> CA-21, p. 34, lines 7-9.

<sup>241</sup> CA-21, p. 35, lines 17-19.

<sup>242</sup> SBUA-01, p. 49, lines 1 and 11-12; p. 50, lines 1-2.



these variables Cal Advocates recommended forecast methodology results in an artificially understated forecast.

First, Cal Advocates forecast does not factor in year-over-year changes in employer match costs driven by new entrants to the cash balance plan who qualify for different matching formulas in the 401k plan upon hire.<sup>243</sup>

Second, annual merit increases impact the amount of PG&E's employer match. As salaries increase, employer match will also increase.<sup>244</sup> It does not appear Cal Advocates incorporated an annual merit increase into their analysis.

Third, Cal Advocates forecast did not apply a labor escalation factor from 2024 to 2027. This alone artificially reduces Cal Advocates recommended forecast. Applying escalation to Cal Advocates recommendation increases it by approximately \$14.681 million as shown in Table 4-17.<sup>245</sup>

**TABLE 4-17**  
**CAL ADVOCATES FORECAST COMPARED TO FORECAST WITH ESCALATION**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Year | Escalation | Cal Advocates Initial Forecast | Escalation | Cal Advocates Forecast with Escalation Applied | Difference |
|----------|------|------------|--------------------------------|------------|------------------------------------------------|------------|
| 1        | 2025 | N/A        | \$154,833                      | 2.40%      | \$158,549                                      |            |
| 2        | 2026 | N/A        | \$154,833                      | 3.40%      | \$163,940                                      |            |
| 3        | 2027 | N/A        | \$154,833                      | 3.40%      | \$169,513                                      | \$14,681   |

PG&E's calculation of its 401(k) program is more appropriate because it includes salary increase, headcount growth, and various

<sup>243</sup> PG&E's response to Data Request CalAdvocates\_247-Q002, dated November 25, 2025 and attachment CalAdvocates\_247-Q002Atch01 in Appendix B, at the end of this exhibit.

<sup>244</sup> PG&E's response to Data Request CalAdvocates\_247-Q002, dated November 25, 2025 and attachment CalAdvocates\_247-Q002Atch01 in Appendix B, at the end of this exhibit.

<sup>245</sup> Using Cal Advocates recommended labor escalation rates (IHS Global Insights) found in CA-20, p. 34, Table 18-13.

1 match formulas.<sup>246</sup> In addition, PG&E's cost modeling incorporates  
 2 an expected reduction in total annual match expense by accounting  
 3 for employees who terminate during the plan year and therefore do  
 4 not receive a full year of matching contributions. This approach  
 5 ensures that projected match costs more accurately reflect actual  
 6 participant behavior and plan eligibility. Lastly PG&E's calculation  
 7 also factors in the float credit which reduces overall administration  
 8 costs year-over-year. In 2025 float credit yielded a \$607 thousand  
 9 savings in total administration costs.<sup>247</sup>

10 For all the reasons, PG&E recommends that the Commission  
 11 adopt the Retirement Savings forecast as presented in this  
 12 application.

## 13 **2) SBUA**

14 SBUA's recommendation that PG&E's RSP should remain  
 15 steady or decrease overtime is incorrect and should be rejected.  
 16 PG&E has three reasons which follows.

17 First, the Retirement Savings Plan uses multiple matching  
 18 formulas that vary based on the pension plan an employee  
 19 participates in. Employees hired before 2013 receive a lower match  
 20 formula (about 34 percent of the population) and employees hired  
 21 after 2013 receive a higher match (about 66 percent of the  
 22 population). As our more tenured employees exit the workforce, we  
 23 will see a growing proportion of new hires who are eligible for the  
 24 higher match formula. This shift in workforce demographics means  
 25 that match costs will increase over time, making it not feasible to  
 26 reduce or hold match costs flat.

27 Second, PG&E continues to experience steady headcount  
 28 growth driven by the talent required to continue to provide safe and

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**246** PG&E's response to Data Request CalAdvocates\_247-Q002, dated November 25, 2025 and attachment CalAdvocates\_247-Q002Atch01 in Appendix B, at the end of this exhibit.

**247** PG&E's response to Data Request CalAdvocates\_247-Q002, dated November 25, 2025 and attachment CalAdvocates\_247-Q002Atch01 in Appendix B, at the end of this exhibit.

reliable service. As our workforce expands, we anticipate a corresponding increase in employer match costs, given the direct relationship between employee participation levels and Retirement Savings Plan matching obligations.<sup>248</sup>

Third, annual salary increases impact the amount of PG&E's employer match, as salaries increase employer match will also increase. PG&E disputes SBUA's recommendation to reduce all retirement benefits. Their recommendation is based solely on its proposed a reduction to overall headcount for the Company.<sup>249</sup> PG&E's response to the overall headcount reduction is presented in PG&E Exhibit (PG&E-13), Chapter 1, Section C.f.

For these reasons, SBUA's recommendation to remain steady or decrease are not valid and should not be adopted.

#### **d. Conclusion**

For these reasons stated above, PG&E recommends that the Commission adopt the Retirement Savings forecast as presented in this application.

## **2. Retirement Excess**

### **a. PG&E Position**

PG&E's original 2027 GRC forecast for Retirement Excess Plan is \$1.839 million. PG&E identified an error and corrected it in a data response<sup>250</sup> the updated forecast for the Retirement Excess Plan is \$2.733. The forecast is based on continuing annuity payments to retirees receiving benefits in 2024 and the monthly administrative cost for the Retirement Excess Plan. No escalation was applied to the forecast.<sup>251</sup>

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<sup>248</sup> PG&E's response to Data Request CalAdvocates\_247-Q002(c), dated November 25, 2025 in Appendix B, at the end of this exhibit.

<sup>249</sup> SBUA-01, p. 46, lines 13-19.

<sup>250</sup> PG&E's response to Data Request CalAdvocates\_188-Q002, dated October 31, 2025 and attachment CalAdvocates\_118-Q001Supp01Rev01Atch01 in Appendix B, at the end of this exhibit.

<sup>251</sup> Exhibit (PG&E-8), p. 4-59, line 29 to p. 4-60, line 2.

**b. Party Position(s)**

**1) Cal Advocates**

Cal Advocates recommends \$0.920 million for 2027, or \$0.920 lower than PG&E's request.<sup>252</sup> Cal Advocates states that a supplemental benefit that exists solely because an employee's compensation exceeds federal caps is not essential to utility operations and is not required to attract or retain the workforce needed to provide safe and reliable service.<sup>253</sup>

Cal Advocates also states that PG&E made inconsistent statements regarding who benefits from this plan. PG&E's responses do not show that a "majority" of participants qualify due to age or long service, but instead more participants entered the plan because their compensation or accrued benefits exceed federal limits.<sup>254</sup>

SBUA states this program should be eliminated as a cost-cutting measure to the benefit of ratepayers,<sup>255</sup> claiming that older employee are costly to maintain and newer employees do not receive the same benefit as the older employees.<sup>256</sup> SBUA claims they are uncertain why a "retention mechanism" would be needed for these employees, stating that these employees could work as Contractors if they want to continue working.<sup>257</sup>

**c. PG&E Response**

PG&E disputes each of the parties' recommendations and requests full funding of PG&E's projections for the Retirement Excess Plan.

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<sup>252</sup> CA-21, p. 36, lines 6-7.

<sup>253</sup> CA-21, p. 37, lines 10-13.

<sup>254</sup> CA-21, p. 37, line 14 to p. 38, line 2.

<sup>255</sup> SBUA-01, p. 50, lines 9-11.

<sup>256</sup> SBUA-01, p. 50, lines 8-9.

<sup>257</sup> SBUA-01, p. 51, lines 1-2.

## 1) Importance of Excess Plan to Attract and Retain Experienced Coworkers

Cal Advocates assumption is incorrect; the retirement excess plan does not solely exist because an employee exceeds federal caps and is essential for utility operations. PG&E's Excess Plan is designed to restore (or "make whole") retirement benefits which would otherwise be lost or forfeited due to Internal Revenue Code (IRC) limits through a nonqualified plan that mirrors the limited qualified plan. Excess Plans are often available to rank and file employees (as is the case for PG&E's Excess Plan) and should not be confused with special Supplemental Executive Retirement Programs (SERP) which some organizations use to deliver additional benefits to specific executive groups.

PG&E's Excess Plan is offered as an attraction and retention tool to ensure fairness in retirement benefits by protecting participants (particularly older, long-career coworkers) from losing or forfeiting benefits due to IRC limits. Without such a plan, such individuals would be disincentivized to continue to deploy their vast experience with PG&E, which would be to the detriment of the ratepayer given such experience is hard to replicate (and the cost of their training has been to some extent paid for by the ratepayer). Industry knowledgeable consultants indicate that:

Research suggests that direct replacement costs can reach as high as 50%-60% of an employee's annual salary, with total costs associated with turnover ranging from 90 percent to 200 percent of annual salary.<sup>258</sup>

## 2) Clarifying the Trend of Long-Service Coworkers Beyond Age 65 in the Excess Plan Population

To address Cal Advocates assertion that PG&E has made inconsistent statements regarding who benefits from this plan, PG&E would like to provide the following clarification, which

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<sup>258</sup> SHRM Executive Network, The Myth of Replaceability: Preparing for the Loss of Key Employees (Jan. 21, 2025), available at: <<https://www.shrm.org/executive-network/insights/myth-replaceability-preparing-loss-key-employees>> (accessed Mar. 22, 2026).

illustrates two main points: (1) the 2024 data point provided where PG&E confirmed that 45 of 98 participants (45.9 percent) qualified as “long-serving employees past age 65”<sup>259</sup> was based on the total commencements to date as of January 1, 2024, meaning for the total number of commencements to date through December 31, 2023, and (2) the ratio of participants over age 65 that have commenced their Excess Plan benefit per year, to the total Excess Plan commencements. This clarification will demonstrate the trend by year of longer tenured coworkers entering the Excess Plan.

The table below summarizes the number of Excess Plan payment commencements from 2021 through 2025, including the proportion of participants over age 65 for each year:

**TABLE 4-18  
EXCESS PLAN COMMENCEMENTS**

| Line No. | Year | Commencements of Participants over Age 65 | Total Excess Plan Commencements | Total Excess Plan Commencements to Date |
|----------|------|-------------------------------------------|---------------------------------|-----------------------------------------|
| 1        | 2021 | 14                                        | 16                              | 46                                      |
| 2        | 2022 | 15                                        | 18                              | 64                                      |
| 3        | 2023 | 26                                        | 34                              | 98                                      |
| 4        | 2024 | 14                                        | 17                              | 115                                     |
| 5        | 2025 | 12                                        | 15                              | 130                                     |

The data by year demonstrates the trend of longer tenured coworkers entering the Excess Plan. To further clarify the participant population, are former coworkers who were beyond age 65 when their employment ended, and are now a retiree that qualified for the Excess Plan benefit. The extent to which experienced employees continue to work into their 70s has increased significantly in the last decade or so as a result of improved health and increased societal awareness of age discrimination. These coworkers offer PG&E valuable experience, productivity, loyalty, and industry knowledge, essential for

<sup>259</sup> PG&E’s response to Data Request CalAdvocates\_210-Q002, dated November 12, 2025 (incorrectly dated as 11/12/24) in Appendix B, at the end of this exhibit.

maintaining utility operations. PG&E is actively building a diverse workforce reflecting the diversity of our customers to meet the needs of the communities we serve, and we believe that diverse teams outperform others and enhance overall company productivity. Without the Excess Plan, there is a significant financial disincentive to remain in employment when long-tenured, older employees exceed the Section 415(b) percentage limit which can occur even at relatively low-income levels. We anticipate that other costs associated with replacing such coworkers would far outweigh the relatively small cost of preserving value which they had already earned earlier in their careers and is at risk of being eroded due to mechanisms in the IRC rules which may not have anticipated the increased prevalence of deferred retirement.

**3) Offering the Excess Plan Ensures We Follow Through and Keep Our Promises to Deliver on Benefits We Have Already Committed to**

PG&E disagrees with SBUA's belief that the Excess Plan should be eliminated as a cost-cutting measure to the benefit of ratepayers.<sup>260</sup> SBUA's claim that older workers are costly to maintain is a false statement. PG&E's Excess Plan is commonplace amongst utilities (and in other industries) and is designed to restore (or "make whole") retirement benefits which would otherwise be lost or forfeited due to Internal Revenue Code (IRC) limits through a nonqualified plan that mirrors the limited qualified plan. The Excess Plan is available to rank and file employees and should not be confused with special Supplemental Executive Retirement Programs (SERP) which some organizations use to deliver additional benefits to specific executive groups. PG&E agrees that newer employees earning a benefit under Cash Balance do not receive the same benefit as the older employees with a Final Pay or Final Average Pay benefit. That being said, newer employees earning a benefit under the Cash Balance

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<sup>260</sup> SBUA-01, p. 50, lines 9-11.

1 pension formula could still become eligible for benefits under the  
2 Excess Plan.

#### 3 **4) Importance of Excess Plan to Attract and Retain Experienced** 4 **Coworkers**

5 PG&E also disagrees with SBUA's statement that they are  
6 uncertain why a "retention mechanism" would be needed for these  
7 employees, with the added suggestion that perhaps they could work  
8 as contractors if they want to continue working.<sup>261</sup> PG&E's Excess  
9 Plan is offered as an attraction and retention tool to ensure fairness  
10 in retirement benefits by protecting participants (particularly older,  
11 long-career coworkers) from losing or forfeiting benefits due to IRC  
12 limits. Without such a plan, such individuals would be  
13 disincentivized to continue work for PG&E, which would be to the  
14 detriment of the ratepayer given such experience is hard to replicate  
15 (and the cost of their training has been paid for by the ratepayer).  
16 These coworkers offer PG&E valuable experience, productivity,  
17 loyalty, and industry knowledge—essential for maintaining utility  
18 operations. Such coworkers provide significant value to PG&E as  
19 productive, experienced and loyal team members with deep  
20 knowledge of our industry and strong work ethics.

#### 21 **d. Conclusion**

22 For these reasons stated above, PG&E recommends that the  
23 Commission adopt the Excess Plan forecast as presented in this  
24 application.

#### 25 **H. Conclusion**

26 For the reasons discussed above, PG&E recommends that its 2027  
27 expense forecast in Table 4-19 be adopted.

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<sup>261</sup> SBUA-01, p. 51, lines 1-2.



**TABLE 4-19**  
**2027 ADJUSTED EXPENSE FORECAST – PG&E (ALL PROGRAMS)**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Program                                  | Filed Forecast <sup>(a)</sup> | Errata or Forecast Adjustments <sup>(b)</sup> | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|------------------------------------------|-------------------------------|-----------------------------------------------|---------------------------------------|
| 1        | <u>Active Health and Welfare</u>         |                               |                                               |                                       |
| 2        | Medical                                  | \$650,781                     | —                                             | \$650,781                             |
| 3        | Dental                                   | 39,865                        | —                                             | 39,865                                |
| 4        | Vision                                   | 3,904                         | —                                             | 3,904                                 |
| 5        | Employee Healthcare Contributions        | (51,100)                      | —                                             | (51,100)                              |
| 6        | EAP                                      | 2,939                         | —                                             | 2,939                                 |
| 7        | Mental Health                            | 29,440                        | —                                             | 29,440                                |
| 8        | Employee Wellness <sup>(h)</sup>         | 2,789                         | —                                             | 2,789                                 |
| 9        | Group Life                               | 1,182                         | —                                             | 1,182                                 |
| 10       | Subtotal Active Health and Welfare       | \$679,801                     | —                                             | \$679,801                             |
| 11       | <u>Other Benefit Programs</u>            |                               |                                               |                                       |
| 12       | Family Support                           | \$118                         | —                                             | \$118                                 |
| 13       | Adoption Reimbursement                   | 10                            | —                                             | 10                                    |
| 14       | Tuition Refund                           | 3,017                         | —                                             | 3,017                                 |
| 15       | Relocation                               | 11,112                        | —                                             | 11,112                                |
| 16       | Service Awards                           | 897                           | —                                             | 897                                   |
| 17       | Subtotal Other Benefit Programs          | \$15,154                      | —                                             | \$15,154                              |
| 18       | <u>Leave of Absence and Disability</u>   |                               |                                               |                                       |
| 19       | LTD Admin, Compliance, Actuarial         | \$43                          |                                               | \$43                                  |
| 20       | LTD Trust Contribution                   | 47,531                        | -                                             | 47,531                                |
| 21       | STD Admin, Compliance, Actuarial         | 5,272                         | —                                             | 5,272                                 |
| 22       | STD Benefit and Paid Family Leave        | 28,871                        | —                                             | 28,871                                |
| 23       | Task Bank and JFA                        | 136                           | —                                             | 136                                   |
| 24       | Subtotal Leave of Absence and Disability | \$81,853                      | —                                             | \$81,853                              |

**TABLE 4-19**  
**2027 ADJUSTED EXPENSE FORECAST – PG&E (ALL PROGRAMS)**  
**(THOUSANDS OF NOMINAL DOLLARS)**  
**(CONTINUED)**

| Line No. | Program                           | Filed Forecast <sup>(a)</sup> | Errata or Forecast Adjustments <sup>(b)</sup> | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|-----------------------------------|-------------------------------|-----------------------------------------------|---------------------------------------|
| 25       | <u>Workforce Management</u>       |                               |                                               |                                       |
| 26       | Severance and Transitional Pay    | \$5,028                       | \$(1,741)                                     | \$3,287                               |
| 27       | Outplacement Assistance           | 57                            | –                                             | 57                                    |
| 28       | Subtotal Workforce Management     | \$5,085                       | \$(1,741)                                     | \$3,343                               |
| 29       | <u>Post-Retirement Benefits</u>   |                               |                                               |                                       |
| 30       | Retirement Savings Plan           | \$211,744                     | \$(6,892)                                     | \$204,852                             |
| 31       | Retirement Excess                 | 1,839                         | 894                                           | 2,733                                 |
| 32       | PostRet Pension (PAYG)            | 180                           | –                                             | 180                                   |
| 33       | PBOP – Medical Trust              | –                             | –                                             | –                                     |
| 34       | PostRet Med (PAYG)                | 542                           | –                                             | 542                                   |
| 35       | PBOP – Life Trust                 | –                             | –                                             | –                                     |
| 36       | PostRet Life (PAYG)               | 3,279                         | –                                             | 3,279                                 |
| 37       | Subtotal Post-Retirement Benefits | \$217,584                     | \$(5,998)                                     | \$211,585                             |
| 38       | Grand Total <sup>(d)</sup>        | \$999,476                     | \$(7,739)                                     | \$991,736                             |

(a) Reflects PG&E forecast as filed on May 15, 2025.

(b) Reflects PG&E forecast as updated in PG&E's November 10, 2025 errata filing.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 5**  
**REBUTTAL TESTIMONY ON**  
**OCCUPATIONAL HEALTH**

| Alternative Security Program (ASP) and Regulatory Fees<br>(Companywide Expense)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                          | See Section C.1 for Rebuttal |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
| <b>PG&amp;E TY 2027 Request</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Expense: \$3.341M</b> | <b>Units: N/A</b>            |
| This program seeks \$3.431 million for Test Year (TY) 2027 expenses for WC ASP and Regulatory Fees. The ASP are fees charged by the Self-Insurer's Security Fund, which is an organization created by the State legislature.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                          |                              |
| <b>Party Financial Recommendations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                          |                              |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Expense: \$3.269M        | .                            |
| <p><b>PG&amp;E Response:</b></p> <p>Cal Advocates recommends a forecast of \$3.269 million in TY 2027, reflecting a reduction of \$0.162 million to PG&amp;E's ASP forecast. Cal Advocates did not recommend changes to PG&amp;E's Regulatory Fee forecast methodology.</p> <p>PG&amp;E disagrees with Cal Advocates' recommended forecast reduction. Cal Advocates either misunderstood or misinterpreted PG&amp;E's position related to the application of ASP premium credits. In either case, no forecast reduction is warranted. PG&amp;E's TY 2027 forecast accurately reflected the average historical recorded costs, including ASP premium credits issued for 2021-2024, when calculating the forecast.</p> |                          |                              |
| <b>Party Non-Financial Recommendations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                          |                              |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                          |                              |
| <b>Conclusion</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                          |                              |
| PG&E requests the Commission to adopt its forecast to fund the assessed costs of PG&E's mandatory participation in the ASP.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                          |                              |

| Light Duty Payroll (Companywide Expense)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                   | See Section C.2 for Rebuttal |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Expense: \$1.299M |                              |
| This program seeks \$1.299 million for Test Year (TY) 2027 expenses for Light Duty Payroll. PG&E's Light Duty Payroll pays the wages of employees who are returned to work in a light or transitional capacity. As of April 2023, eligibility for PG&E's light duty payroll is limited to those placed through the Task Bank due to an occupational injury or illness.                                                                                                                                                                                                                                                                                                                      |                   |                              |
| PG&E's original forecast was \$1.204 million. PG&E found an inadvertent error increasing the forecast as described in Section C.2.c.2; p. 5-13 to 5-14, Figure 5-6; Table 5-2.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |                              |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |                              |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Expense: \$0.884M |                              |
| PG&E Response:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |                              |
| Cal Advocates recommends applying PG&E's most recent recorded adjusted expenses for a forecast of \$0.884 million in TY 2027, reflecting a reduction of \$0.320 million.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                   |                              |
| PG&E disagrees with Cal Advocates recommended forecast methodology and reduction. Cal Advocates either misunderstood or misinterpreted PG&E's position related to the impacts of the April 2023 policy change on program participation and forecast. In either case, no forecast reduction is warranted. PG&E's TY 2027 forecast accurately accounts for the impacts of the April 2023 policy change by using the 5-year average of historical recorded costs attributed only to Task Bank participation in the Light Duty program. Further, Cal Advocates' proposed forecast methodology is not reasonable, because it only considers the lowest year of expense without Labor Escalation. |                   |                              |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                   |                              |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                   |                              |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |                              |
| PG&E requests the Commission to adopt its forecast to fund the Light Duty payroll, which provides productive work for injured workers whose temporary work restrictions cannot be accommodated in their base position and reduces Workers' Compensation claim costs.                                                                                                                                                                                                                                                                                                                                                                                                                        |                   |                              |

| Musculoskeletal Disorder (MSD) Prevention (Companywide Expense)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   | See Section C.3 for Rebuttal |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Expense: \$8.648M | Units: N/A                   |
| This program seeks \$8.648 million for Test Year (TY) 2027 expenses for MSD Prevention (Ergonomic/Industrial Athlete Programs). The Ergonomics and Industrial Athlete programs provide proactive and reactive musculoskeletal injury interventions for office and field-based employees to ensure compliance with Cal/OSHA. The program must include worksite evaluations, control of exposures causing repetitive motion injuries, and employee training.                                                                                                                                                                                                                                                                                                                  |                   |                              |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |                              |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Expense: \$7.588M |                              |
| PG&E Response:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |                              |
| Cal Advocates recommends a forecast of \$7.588 million in TY 2027, reflecting a reduction of \$1.060 million to PG&E’s MSD Prevention Program.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |                              |
| PG&E disagrees with Cal Advocates’ recommended forecast reduction. Cal Advocates either misunderstood or misinterpreted PG&E’s testimony, workpapers and responses to data requests relating to PG&E’s forecast. In either case, no forecast reduction is warranted. PG&E’s forecast is reasonable and supported by testimony, related workpapers and responses to data discovery. PG&E’s forecast was developed using vendor contract fees for 2025 and 2026, assuming stabilization at full staffing levels, with standard escalation applied for TY 2027. Other than the new Functional Movement Screening forecast in 2027 and wearables introduced in 2024, the contract fees represent historical and ongoing support of programs at the new negotiated vendor rates. |                   |                              |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                   |                              |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                   |                              |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |                              |
| PG&E requests the Commission to adopt its forecast to fund the MSD Prevention Program, which is a form of Workers’ Compensation cost containment, and designed to reduce the number and severity of injuries, thereby reducing long term costs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |                              |

| Wellness Programs (Companywide Expense)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                   | See Section D.1 for Rebuttal |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Expense: \$0.625M | Units: N/A                   |
| <p>This program seeks \$1.042 million for TY 2027 expenses for the Wellness Programs. PG&amp;E’s Health and Wellness data Warehouse supports up to date strategic analytics, online dashboards and query, and information driven policy and benefit design. PG&amp;E’s Fit4U program focuses on improving the health and well-being of employees who have sustained one or more workers’ compensation injuries by providing them with the resources to maintain a healthy lifestyle.</p> <p>PG&amp;E agrees to reduce \$0.417 million from its 2027 TY Wellness Programs forecast.</p> |                   |                              |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                   |                              |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Expense: \$0.625M |                              |
| <p><b>PG&amp;E Response:</b></p> <p>Cal Advocates recommends a forecast of \$0.625 million in TY 2027 for PG&amp;E’s Wellness Programs, reflecting a reduction of \$0.417 million.</p> <p>PG&amp;E agrees with Cal Advocates’ recommendation to remove the \$0.417 million forecasted costs associated with the Fit4U program from its 2027 TY Wellness Programs forecast.</p>                                                                                                                                                                                                         |                   |                              |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                   |                              |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |                              |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |                              |
| <p>PG&amp;E’s \$0.625 million 2027 TY forecast for the Wellness Programs is reasonable and requests the Commission to adopt PG&amp;E’s updated forecast.</p>                                                                                                                                                                                                                                                                                                                                                                                                                           |                   |                              |

| PG&E's Drug and Alcohol Testing Program (Companywide Expense)                                                                                                                                                                                                                                                                                                                                                                                    |                   | See Section E.1 for Rebuttal |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------|
| PG&E TY 2027 Request                                                                                                                                                                                                                                                                                                                                                                                                                             | Expense: \$1.632M | Units: N/A                   |
| This program seeks \$1.632 million for TY 2027 expenses for the Drug and Alcohol Testing (DOT Testing) Program. PG&E's Drug and Alcohol Testing Program outlines specific rules and requirements for employees in certain jobs covered by the United States Department of Transportation's (DOT) procedures for a drug free workplace.                                                                                                           |                   |                              |
| Party Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |                              |
| Public Advocates Office (Cal Advocates)                                                                                                                                                                                                                                                                                                                                                                                                          | Expense: \$1.212M |                              |
| PG&E Response:                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |                              |
| Cal Advocates recommends a forecast of \$1.212 million in TY 2027, reflecting a reduction of \$0.420 million to PG&E's DOT Drug and Alcohol Testing program.                                                                                                                                                                                                                                                                                     |                   |                              |
| PG&E disagrees with Cal Advocates' recommendations for its Drug and Alcohol Testing Program. PG&E's forecast is reasonable and appropriately represents increases in vendor fees, estimated costs for the DOT amended regulations to include oral fluid testing, and the added Applicant Installers into the contractor drug and alcohol program monitoring for Pipeline Safety.                                                                 |                   |                              |
| Party Non-Financial Recommendations                                                                                                                                                                                                                                                                                                                                                                                                              |                   |                              |
| None.                                                                                                                                                                                                                                                                                                                                                                                                                                            |                   |                              |
| Conclusion                                                                                                                                                                                                                                                                                                                                                                                                                                       |                   |                              |
| PG&E requests the Commission to adopt its forecast to fund PG&E's Drug and Alcohol Testing Program, which supports ongoing drug and alcohol testing services required to comply with current regulations. In addition, once the DOT satisfies the required certification needed to implement its amended regulations to include oral fluid testing, PG&E will be expected to comply with administering the testing in certain collections cases. |                   |                              |



PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 5  
REBUTTAL TESTIMONY ON  
OCCUPATIONAL HEALTH

TABLE OF CONTENTS

|                                                                                           |      |
|-------------------------------------------------------------------------------------------|------|
| A. Introduction.....                                                                      | 5-1  |
| B. Summary of Party Positions .....                                                       | 5-1  |
| 1. Summary of Party Positions.....                                                        | 5-1  |
| 2. Uncontested Programs .....                                                             | 5-3  |
| C. Workers' Compensation .....                                                            | 5-3  |
| 1. WC Alternative Security Program and Regulatory Fees .....                              | 5-3  |
| a. PG&E Position.....                                                                     | 5-3  |
| b. Party Position(s) .....                                                                | 5-4  |
| 1) Cal Advocates .....                                                                    | 5-4  |
| c. PG&E Response .....                                                                    | 5-4  |
| 1) PG&E's Application of ASP Premium Credits Is Correct.....                              | 5-5  |
| d. Conclusion.....                                                                        | 5-7  |
| 2. Light Duty Payroll.....                                                                | 5-8  |
| a. PG&E Position.....                                                                     | 5-8  |
| b. Party Position(s) .....                                                                | 5-8  |
| 1) Cal Advocates .....                                                                    | 5-8  |
| c. PG&E Response .....                                                                    | 5-9  |
| 1) PG&E Correctly Considers the April 2023 Policy Change on<br>Program Participation..... | 5-10 |
| 2) PG&E Correctly Reflects the April 2023 Policy Change on<br>Light Duty Forecast.....    | 5-11 |
| 3) PG&E Forecast Methodology Is Correct .....                                             | 5-15 |
| d. Conclusion.....                                                                        | 5-15 |
| 3. Musculoskeletal Disorder Prevention (Ergonomic/Industrial Athlete<br>Programs) .....   | 5-16 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 5  
REBUTTAL TESTIMONY ON  
OCCUPATIONAL HEALTH

TABLE OF CONTENTS  
(CONTINUED)

|    |                                                                                              |      |
|----|----------------------------------------------------------------------------------------------|------|
| a. | PG&E Position .....                                                                          | 5-16 |
| b. | Party Position(s) .....                                                                      | 5-16 |
| 1) | Cal Advocates .....                                                                          | 5-16 |
| c. | PG&E Response .....                                                                          | 5-17 |
| 1) | PG&E's Forecast for Functional Movement Screening and<br>Wearable Technology Is Correct..... | 5-18 |
| 2) | Expanded Industrial Athlete Services.....                                                    | 5-22 |
| 3) | PG&E Provided Industrial Athlete Forecast Justification .....                                | 5-23 |
| 4) | One-Time Ergonomic Tools and Assessments .....                                               | 5-27 |
| d. | Conclusion.....                                                                              | 5-29 |
| D. | On-Site Health and Wellness Programs .....                                                   | 5-29 |
| 1. | Wellness Programs .....                                                                      | 5-29 |
| a. | PG&E Position.....                                                                           | 5-29 |
| b. | Cal Advocates Position.....                                                                  | 5-30 |
| c. | PG&E Response .....                                                                          | 5-30 |
| d. | Conclusion.....                                                                              | 5-30 |
| E. | Other Health and Safety Programs.....                                                        | 5-30 |
| 1. | PG&E's Drug and Alcohol Testing Program.....                                                 | 5-31 |
| a. | PG&E Position.....                                                                           | 5-31 |
| b. | Party Position(s) .....                                                                      | 5-31 |
| 1) | Cal Advocates .....                                                                          | 5-31 |
| c. | PG&E Response .....                                                                          | 5-32 |
| 1) | PG&E Correctly Included Oral Fluid Testing During the<br>Forecast Period.....                | 5-32 |

PACIFIC GAS AND ELECTRIC COMPANY  
CHAPTER 5  
REBUTTAL TESTIMONY ON  
OCCUPATIONAL HEALTH

TABLE OF CONTENTS  
(CONTINUED)

2) Forecast Costs Required to Comply With Current Regulations... 5-33

d. Conclusion..... 5-34

F. Non-Financial Recommendations ..... 5-35

G. Conclusion..... 5-35

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 5**  
**REBUTTAL TESTIMONY ON**  
**OCCUPATIONAL HEALTH**

**A. Introduction**

This rebuttal testimony responds to the direct testimony of the Public Advocates Office at the California Public Utilities Commission (Cal Advocates),<sup>1</sup> regarding Pacific Gas and Electric Company's (PG&E) Exhibit (PG&E-8), Chapter 5, Occupational Health.<sup>2</sup>

PG&E's testimony for the Occupational Health and Other Health and Safety Programs Companywide Expense forecast of \$57.810 million is organized into three program categories:

- 1) Workers' Compensation (WC): Forecast of \$51.109 million;
- 2) On-Site Health and Wellness Programs: Forecast of \$4.792 million; and
- 3) Other Health and Safety Programs: Forecast of \$1.910 million.

Party positions are summarized in Section B, while detailed party positions and PG&E's rebuttal is provided in the succeeding sections, by program.

**B. Summary of Party Positions**

**1. Summary of Party Positions**

Cal Advocates is the only party that opposes PG&E's forecast.

Cal Advocates proposes forecast reductions for Workers' Compensation (\$1.542 million), On-Site Health and Wellness Programs (\$0.417 million) and Other Health and Safety Programs (\$0.420 million). PG&E's forecast<sup>3</sup> and party recommendations are set forth in Tables 5-1 and 5-2 below.

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<sup>1</sup> CA-22.

<sup>2</sup> All references to PG&E exhibits are to the testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025, errata filing.

<sup>3</sup> All references to PG&E forecasts represent the most up-to-date forecast as reflected in testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025 errata filing.

**TABLE 5-1**  
**2027 COMPANYWIDE ITEM EXPENSE FORECAST – PG&E AND PARTIES**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Companywide Item                                                               | PG&E Filed Forecast <sup>(a)</sup> | Parties' Proposed Increases/ (Reductions) <sup>(b)</sup> |  | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|--------------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------|--|---------------------------------------|
|          |                                                                                |                                    | Cal Advocates <sup>(e)</sup>                             |  |                                       |
| 1        | WC Benefit Payments                                                            | \$32,657                           | \$0                                                      |  | \$32,657                              |
| 2        | WC Alternative Security Program (ASP) and Reg Fees                             | 3,431                              | (162)                                                    |  | 3,431                                 |
| 3        | WC Admin and Cost Containment                                                  | 5,170                              | 0                                                        |  | 5,170                                 |
| 4        | Light Duty Payroll                                                             | 1,204                              | (320)                                                    |  | 1,299                                 |
| 5        | WC Musculoskeletal Disorder (MSD) Prevention                                   | 8,648                              | (1,060)                                                  |  | 8,648                                 |
| 6        | Subtotal Workers' Compensation                                                 | \$51,109                           | \$(1,542)                                                |  | \$51,204                              |
| 7        | Other Safety: Clinics                                                          | \$3,705                            | \$0                                                      |  | \$3,705                               |
| 8        | Other Safety: Wellness                                                         | 1,042                              | (417)                                                    |  | 625                                   |
| 9        | Fitness for Duty                                                               | 44                                 | 0                                                        |  | 44                                    |
| 10       | Subtotal On-Site Health and Wellness                                           | \$4,792                            | \$(417)                                                  |  | \$4,374                               |
| 11       | Other Safety: California Division of Occupational Safety and Health (Cal/OSHA) | \$278                              | \$0                                                      |  | \$278                                 |
| 12       | Drug and Alcohol (United States Department of Transportation (DOT)) Testing    | 1,632                              | (420)                                                    |  | 1,632                                 |
| 13       | Subtotal Other Health and Safety                                               | \$1,910                            | \$(420)                                                  |  | \$1,910                               |
| 14       | Total <sup>(d)</sup>                                                           | \$57,810                           | \$(2,379)                                                |  | \$57,488                              |

(a) Reflects the most up-to-date forecast as reflected in testimony filed on May 15, 2025, and as updated in PG&E's November 10, 2025 errata filing.

(b) Forecast may reflect calculation if recommendation was to increase/reduce forecast by a percentage.

(c) Reflects PG&E forecast position as of March 31, 2026.

(d) Totals may include rounding differences.

(e) CA-22, p.4, Table 22-2.

## 2. Uncontested Programs

As shown in the tables above, no party made recommendations related to PG&E's forecast for the following programs:

- Workers' Compensation Benefit Payments of \$32.657 million;
- Workers' Compensation Admin and Cost Containment of \$5.170 million;
- On-Site and Near-Site Health Clinics of \$3.705 million;
- Fitness for Duty Programs of \$0.044 million; and
- Cal/OSHA Medical Surveillance Programs of \$0.278 million.

## C. Workers' Compensation

Companywide Expense in this section includes Workers' Compensation, which is governed by a complex legal and regulatory framework. The Company has been permissibly self-insured and self-administered for Workers' Compensation since the Workers' Compensation Act was enacted on January 1, 1918. A more detailed description of Workers' Compensation is in our Direct Testimony.<sup>4</sup> In this section, PG&E will address the expense recommendations raised by Cal Advocates for the contested Workers' Compensation Programs. Uncontested programs are included in Section B.2. above.

### 1. WC Alternative Security Program and Regulatory Fees

#### a. PG&E Position

PG&E forecasts \$3.431 million for Test Year (TY) 2027 expenses for WC Alternative Security Program (ASP) and Regulatory Fees.<sup>5</sup> The ASP are fees charged by the Self-Insurer's Security Fund, which is an organization created by the State legislature. Under the ASP, Self-Insurer's Security Fund provides an aggregated security deposit for all investment grade California self-insured companies and charges a fee to cover the cost of providing the collateral. PG&E's participation in the ASP is mandatory.<sup>6</sup> Self-Insured companies are also assessed fees

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<sup>4</sup> Exhibit (PG&E-8), p. 5-7, line 1 to p. 5-8, line 3.

<sup>5</sup> Exhibit (PG&E-8), p. 5-11, lines 19-20.

<sup>6</sup> Exhibit (PG&E-8), p. 5-12, lines 11-23; Labor Code, § 3701 and § 3701.8.

by California's Department of Industrial Relations to fund Cal/OSHA, and the Division of Workers' Compensation.<sup>7</sup>

**b. Party Position(s)**

**1) Cal Advocates**

Cal Advocates recommends a forecast of \$3.269 million in TY 2027 for PG&E's WC ASP and Regulatory Fees, reflecting a reduction of \$0.162 million to PG&E's ASP forecast.<sup>8</sup> Cal Advocates did not recommend changes to PG&E's Regulatory Fee forecast methodology.<sup>9</sup>

**a) Application of ASP Premium Credits in Forecast**

Cal Advocates claims PG&E's ASP premium credits in 2024 exceeded the ASP Assessment and net ASP costs were negative.<sup>10</sup> Cal Advocates further claims PG&E confirmed its forecast is based on historical averaging and assumes no future premium ASP credits in the forecast period.<sup>11</sup>

Cal Advocates recommends adjusting PG&E's forecast by replacing PG&E's forecasted ASP net-of-credits level with the average recorded ASP net-of-credits for 2021-2024,<sup>12</sup> stating this adjustment removes a portion of PG&E's forecast that is driven by a zero-credit assumption unsupported by PG&E's recent recorded experience.<sup>13</sup>

**c. PG&E Response**

PG&E disagrees with Cal Advocates' recommended forecast methodology for its WC ASP and Regulatory Fees program.

Cal Advocates either misunderstood or misinterpreted PG&E's position

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<sup>7</sup> Exhibit (PG&E-8), p. 5-12, line 24 to p. 5-13, line 2; Labor Code, § 62.5 and § 62.6.

<sup>8</sup> CA-22, p.13, lines 1-4 and Table 22-7.

<sup>9</sup> CA-22, p.13, lines 20-21.

<sup>10</sup> CA-22, p.13, lines 13-15.

<sup>11</sup> CA-22, p.13, lines 15-16.

<sup>12</sup> CA-22, p.13, lines 18-20.

<sup>13</sup> CA-22, p.13, lines 22-23.

related to the application of ASP premium credits. In either case, no forecast reduction is warranted. The discussion below describes how PG&E's forecast methodology, including the application of premium credits, is correct and should be adopted.

### 1) PG&E's Application of ASP Premium Credits Is Correct

PG&E disputes Cal Advocates assertion ASP premiums credits for 2024 resulted in negative ASP costs in 2024. The ASP premium credit in 2024 was equal to, not greater than, the ASP Assessment without any premium credits.<sup>14</sup> The Self Insurer's Security Fund (SISF) issues ASP Assessments based on SISF's fiscal year—which begins in July and ends in June the following year—and any premium credits issued are applied at that time. See Figure 5-1 as provided in response to Cal Advocates data request,<sup>15</sup> which shows that there were no negative costs in 2024, or any year.

**FIGURE 5-1**  
**ASP FISCAL YEAR ASSESSMENTS AND CREDITS**

| Workers' Compensation - Alternative Security Program (ASP)<br>(\$000s) |                               |           |           |           |           |           |           |
|------------------------------------------------------------------------|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Line No.                                                               | Fiscal Year (July to June)    | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
| 1                                                                      | Assessment Amount             | \$4,764   | \$3,394   | \$2,838   | \$2,569   | \$1,640   | \$1,328   |
| 2                                                                      | Premium Credit <sup>(1)</sup> | (\$721)   | (\$324)   | (\$804)   | (\$976)   | (\$1,640) | (\$1,328) |
| 3                                                                      | Paid Amount                   | \$4,044   | \$3,070   | \$2,034   | \$1,593   | \$0       | \$0       |

<sup>(1)</sup> Credit granted to founding long term Self-Insurer's Security Fund (SISF) members

PG&E amortizes the expense over a 12-month period.<sup>16</sup> For example, the amortized ASP assessment and premium credits for the bills issued for fiscal years 2023-2024 and 2024-2025 were recorded in 2024 (January-June 2024 and July-December 2024, respectively). See Figure 5-2 for a calculation of how the fiscal year

<sup>14</sup> Exhibit (PG&E-8), WP 5-6.

<sup>15</sup> PG&E's response to Data Request CalAdvocates\_159-Q006, dated October 20, 2025 and attachment CalAdvocates\_159-Q006-Atch01 in Appendix B, at the end of this exhibit.

<sup>16</sup> Exhibit (PG&E-8), WP 5-3, lines 3, 10, and 17.



assessment and credits translate to calendar year recorded costs. This amortization further demonstrates that PG&E's accounting did not lead to a negative credit assessment in 2024.

**FIGURE 5-2**  
**ASP ASSESSMENT AND CREDIT CALCULATION**

| Example ASP Assessment and Credit Calculation |                         |                          |                                           |                          |                          |                                           |
|-----------------------------------------------|-------------------------|--------------------------|-------------------------------------------|--------------------------|--------------------------|-------------------------------------------|
| Fiscal Year (July to June)                    | 2022-2023               | 2023-2024                | 2024-2025                                 |                          |                          |                                           |
| Assessment Amount                             | \$2,569                 | \$1,640                  | \$1,328                                   |                          |                          |                                           |
| Premium Credit                                | (\$976)                 | (\$1,640)                | (\$1,328)                                 |                          |                          |                                           |
| Calendar Year                                 | Jan-June 2023<br>(a)    | July-Dec 2023<br>(b)     | 2023 Full Year<br>(recorded)<br>(a) + (b) | Jan-June 2024<br>(a)     | July-Dec 2024<br>(b)     | 2024 Full Year<br>(recorded)<br>(a) + (b) |
| ASP Gross Amount                              | $\$2569 / 2 = \$1284$   | $\$1640 / 2 = \$820$     | \$2,104                                   | $\$1640 / 2 = \$820$     | $\$1328 / 2 = \$664$     | \$1,484                                   |
| ASP Credits                                   | $(\$976) / 2 = (\$488)$ | $(\$1640) / 2 = (\$820)$ | (\$1,308)                                 | $(\$1640) / 2 = (\$820)$ | $(\$1328) / 2 = (\$664)$ | (\$1,484)                                 |
| ASP Net of Credits                            |                         |                          | \$796                                     |                          |                          | \$0                                       |

PG&E agrees that using a historical average of 2021-2024 recorded costs net of credits to develop the ASP forecast is appropriate even though the Workers' Compensation ASP credits are not guaranteed each year.<sup>17</sup> However, PG&E disputes Cal Advocates testimony that PG&E used a zero-credit assumption and did not assume future premium credits when developing its ASP TY forecast. As explained below, PG&E developed its forecast incorporating credits.

PG&E's ASP cost forecast was developed using an average of 2021-2024 historical program costs, which includes premium credits that can vary from year to year.<sup>18</sup> PG&E excluded 2020 recorded costs because the assessment was atypically high due to its credit rating post-bankruptcy.<sup>19</sup> PG&E applied the historical recorded ASP Assessment net-of-credits for 2021 to 2024. See Figure 5-3 as provided in response to Cal Advocates data request in a working

<sup>17</sup> Exhibit (PG&E-8), p. 5-11, lines 24-25.

<sup>18</sup> Exhibit (PG&E-8), p. 5-11, lines 26-28; PG&E's response to Data Request CalAdvocates\_110-Q002, dated September 15, 2025 in Appendix B, at the end of this exhibit.

<sup>19</sup> Exhibit (PG&E-8), p. 5-12, lines 1-2, and Exhibit (PG&E-8), WP 5-1, line 2; WP 5-5, line 2.

Excel file with formulas.<sup>20</sup> This further demonstrates that PG&E accurately accounted for the historical issuance of premium credits, thus incorporating future premium credits when developing its forecast.

**FIGURE 5-3**  
**HISTORICAL CALENDAR YEAR RECORDED ASP COSTS**

| Line No. | Workers' Compensation - Combined ASP and Regulatory Fees (\$000s) |          |         |         |           |           |           |           |           |
|----------|-------------------------------------------------------------------|----------|---------|---------|-----------|-----------|-----------|-----------|-----------|
|          | Calendar Year                                                     | Recorded |         |         |           |           | Forecast  |           |           |
|          |                                                                   | 2020     | 2021    | 2022    | 2023      | 2024      | 2025      | 2026      | 2027      |
| 1        | ASP Gross Amount                                                  | \$4,079  | \$3,116 | \$2,704 | \$2,104   | \$1,484   | \$2,352   | \$2,352   | \$2,352   |
| 2        | ASP Credits                                                       | (\$522)  | (\$564) | (\$890) | (\$1,308) | (\$1,484) | (\$1,061) | (\$1,061) | (\$1,061) |
| 3        | ASP Net of Credits <sup>(1)</sup>                                 | \$3,557  | \$2,552 | \$1,814 | \$796     | \$0       | \$645     | \$1,291   | \$1,291   |
| 4        | Regulatory Fees <sup>(2)</sup>                                    | \$2,384  | \$2,370 | \$2,568 | \$1,965   | \$1,413   | \$2,140   | \$2,140   | \$2,140   |
| 5        | WC ASP and Regulatory Fees                                        | \$5,941  | \$4,922 | \$4,382 | \$2,762   | \$1,413   | \$2,785   | \$3,431   | \$3,431   |

<sup>(1)</sup> Forecast is average of 2021-2024 costs, with 2025 forecast half of average after applying credits received for fiscal year 2024-2025

<sup>(2)</sup> Forecast is average of 2020-2024 costs

PG&E sought clarification with Cal Advocates through a discovery request to support its forecast and recommended reduction, asking for a working Excel file with formulas. Cal Advocates responded with their forecast amount and referenced back to PG&E documents previously provided.<sup>21</sup> Cal Advocates' recommendation to adjust PG&E's forecast lacks a calculation showing how their methodology, using the average recorded ASP net-of-credits from 2021 to 2024, differs from PG&E's approach. As described above, in testimony, related workpapers, and in response to Cal Advocates data request, PG&E correctly used an average of 2021-2024 recorded costs net-of-credits to develop its forecast.

#### **d. Conclusion**

PG&E accurately accounts for average historical recorded costs, including the ASP premium credits, when calculating the forecast. For

<sup>20</sup> PG&E's response to Data Request CalAdvocates\_159-Q006, dated October 20, 2025 and attachment CalAdvocates\_159-Q006-Atch01 in Appendix B, at the end of this exhibit.

<sup>21</sup> CalAdvocates' response to PG&E Data Request PGE\_CalAdvocates\_006-Q01a and Q01b, and related workpaper, dated March 4, 2026 in Appendix B, at the end of this exhibit.

all the reasons stated above, PG&E's \$3.431 million 2027 TY forecast for WC ASP and Regulatory Fees is reasonable and requests the California Public Utilities Commission (Commission) to adopt PG&E's forecast as presented in its application.

## **2. Light Duty Payroll**

### **a. PG&E Position**

PG&E 2027 GRC forecasts \$1.299 million for TY expenses for Light Duty Payroll.<sup>22</sup> PG&E's Light Duty Payroll pays the wages of employees who are returned to work in a light or transitional capacity. Limiting the amount of time an injured worker is away from their usual and customary job due to an injury in effect reduces claim costs, and benefits employees, as generally, the sooner an employee returns to the workforce in some capacity, the better the employee's recovery outcome. As of April 2023, eligibility for PG&E's light duty payroll is limited to those placed through the Task Bank due to an occupational injury or illness.<sup>23</sup>

Placing injured workers on Light Duty payroll through PG&E's Task Bank provides productive work for injured workers whose temporary work restrictions cannot be accommodated in their base classification, providing temporary, transitional task assignment for injured workers for up to six months for occupational injuries or illness.<sup>24</sup>

### **b. Party Position(s)**

#### **1) Cal Advocates**

Cal Advocates recommends a forecast of \$0.884 million in TY 2027 for Light Duty Payroll, reflecting a reduction of \$0.320 million to PG&E's forecast.<sup>25</sup>

<sup>22</sup> Exhibit (PG&E-8), p. 5-19, lines 14-15. PG&E's original forecast was \$1.204 million. PG&E found an inadvertent error increasing the forecast as described below in Section C.2.c.2; p. 5-14, Figure 5-6; Table 5-2.

<sup>23</sup> Exhibit (PG&E-8), p. 5-19, line 25 to p. 5-20, line 8.

<sup>24</sup> Exhibit (PG&E-8), p. 5-20, lines 9-14.

<sup>25</sup> CA-22, p. 11, Table 22-6; p. 12, lines 21-22.

**a) April 2023 Policy Change Impact on Program Participation**

Cal Advocates states PG&E reported that, following the April 2023 policy change, the number of employees placed on Light Duty declined substantially from 129 to 22 in 2024 and that after PG&E limited Light Duty eligibility to Transitional Task Bank participants in April 2023, program participation dropped and remained low.<sup>26</sup>

**b) April 2023 Policy Change Impact on Light Duty Forecast**

Cal Advocates states PG&E's TY 2027 Light Duty Payroll forecast does not accurately reflect sustained reductions in program participation resulting from the April 2023 policy change,<sup>27</sup> and PG&E's TY 2027 Light Duty Payroll forecast overstates expected costs because it relies on historical averages that include cost data from before the April 2023 policy change.<sup>28</sup>

**c) Forecast Methodology**

Cal Advocates recommends applying PG&E's most recent recorded adjusted expenses, which more accurately reflect the reduced scope of the Light Duty Program following the policy change, to forecast the 2027 expense amount.<sup>29</sup>

**c. PG&E Response**

PG&E disagrees with Cal Advocates recommended forecast methodology for its Light Duty Payroll program. Cal Advocates either misunderstood or misinterpreted PG&E's position related to the impacts of the April 2023 policy change on program participation and forecast. Further, Cal Advocates' proposed forecast methodology is not reasonable, because it only considers one year of expense without Labor Escalation. The discussion below describes how PG&E's

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<sup>26</sup> CA-22, p. 11, line 22 to p. 12, line 1.

<sup>27</sup> CA-22, p. 12, lines 19-21.

<sup>28</sup> CA-22, p. 12, lines 9-11.

<sup>29</sup> CA-22, p. 12, lines 14-16.

1 forecast methodology, including the impacts of the April 2023 policy  
2 change, is correct and requests it be adopted.

3 **1) PG&E Correctly Considers the April 2023 Policy Change on**  
4 **Program Participation**

5 PG&E agrees with Cal Advocates that following the April 2023  
6 policy change, participation in the Light Duty Program substantially  
7 declined. However, PG&E disputes this resulted in the same  
8 decline in the Task Bank Program participation.<sup>30</sup>

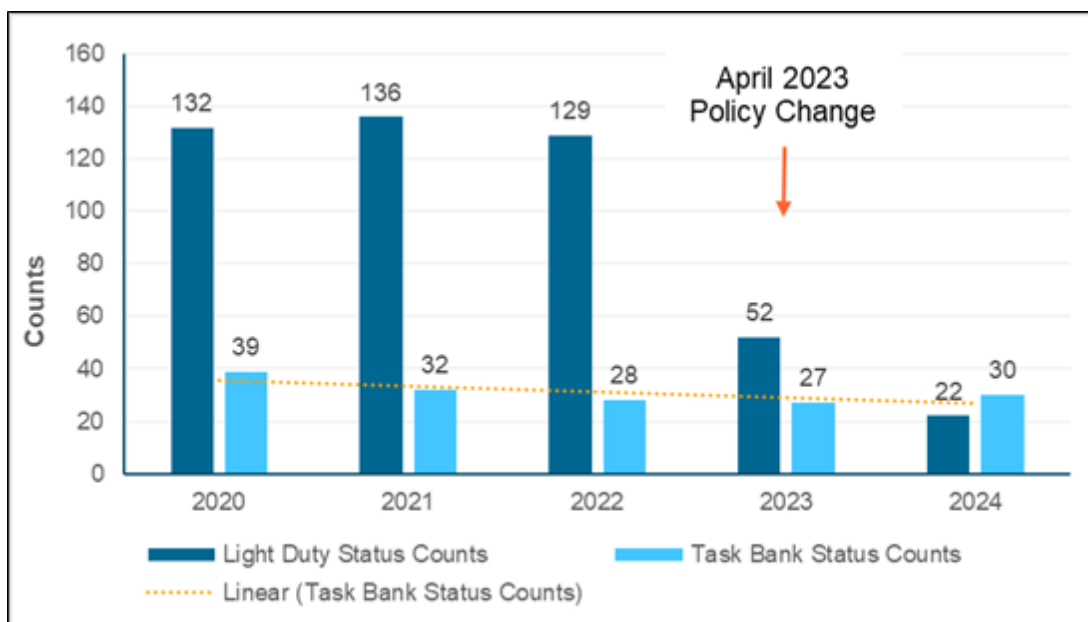
9 The effect of the April 2023 Light Duty Payroll policy change  
10 limited participation to only those who are placed through the Task  
11 Bank due to an occupational injury or illness.<sup>31</sup> It did not change  
12 the criterion for those who are eligible to be placed into a Task Bank  
13 Assignment. See Figure 5-4 below which shows Task Bank  
14 Participation before and after the April 2023 policy change, and thus  
15 demonstrates participation was not significantly impacted by the  
16 change. From this analysis, the Commission should conclude  
17 PG&E accurately accounts for the historical trend of Task Bank  
18 participation in Light Duty Payroll in its forecast as discussed below.

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<sup>30</sup> PG&E's response to Data Request CalAdvocates\_159-Q004, Tables 2 and 3, dated October 20, 2025 in Appendix B, at the end of this exhibit.

<sup>31</sup> Exhibit (PG&E-8), p. 5-20, lines 1-2.

**FIGURE 5-4  
TASK BANK PARTICIPATION**



## 2) PG&E Correctly Reflects the April 2023 Policy Change on Light Duty Forecast

PG&E disputes Cal Advocates assertion its TY 2027 Light Duty Payroll forecast does not accurately reflect sustained reductions in program participation resulting from the April 2023 policy change. Further, PG&E disagrees it overstated expected costs because of reliance on historical averages that include cost data from before the April 2023 policy change. As shown herein, PG&E accurately accounted for the decline in overall Light Duty participation and costs in the forecast development. While Cal Advocates had this information in its possession, its analysis does not show it considered this information, making its recommendations incorrect and unreliable.

PG&E's Light Duty Payroll program forecast was developed using a weighted average of 2020-2024 historical program costs for *only the Transitional Task Bank participants*, thus equalizing the cost trends for all historical years. The highest weights are applied to the most current two years, 2023 and 2024, and then escalated

1 the labor expense sum to 2027 dollars.<sup>32</sup> Stated otherwise, PG&E  
2 isolated the Task Bank historical participation in the Light Duty  
3 Program before the April 2023 policy change when averaging  
4 multi-year historical costs used to develop the forecast, and applied  
5 more weight to the most recent years of recorded expense. It is  
6 appropriate for PG&E to rely on multi-year historical averages to  
7 include recorded costs attributed to Task Bank Participants before  
8 the April 2023 policy change and in doing so, PG&E did not  
9 overstate Light Duty Payroll expected costs. See Figure 5-5 below,  
10 as provided in Workpapers<sup>33</sup> and in response to Cal Advocates  
11 data request<sup>34</sup> which demonstrates how PG&E accurately  
12 distinguished between overall Light Duty Payroll costs and costs  
13 attributable to the Task Bank when developing the forecast.

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<sup>32</sup> Exhibit (PG&E-8), p. 5-19, lines 19-24; Exhibit (PG&E-8), WP 5-5, line 4.

<sup>33</sup> Exhibit (PG&E-8), WP 5-49, Exhibit 6, Sheet 3.

<sup>34</sup> PG&E's response to Data Request CalAdvocates\_159-Q004, dated October 20, 2025, and attachment CalAdvocates\_159-Q004Atch01, in Appendix B, at the end of this exhibit.

**FIGURE 5-5**  
**LIGHT DUTY PAYROLL AND TASK BANK HISTORICAL AND FORECAST COSTS**

| PACIFIC GAS & ELECTRIC COMPANY<br>Workers' Compensation Self-Insurance Program<br><br>Payment Forecast for Calendar Years 2024-2027<br>Light Duty Payroll |                                   |                              |                                      |                 |                                  |                                          |                           |                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------|--------------------------------------|-----------------|----------------------------------|------------------------------------------|---------------------------|------------------------------|
| Payment<br>Year<br>(1)                                                                                                                                    | All Light Duty<br>Workdays<br>(2) | Task Bank<br>Workdays<br>(3) | % of<br>Task Bank<br>Workdays<br>(4) | Selected<br>(5) | All Light Duty<br>Payroll<br>(6) | Estimated<br>Task Bank<br>Payroll<br>(7) | Selected<br>Weight<br>(8) | Light Duty<br>Payroll<br>(9) |
| 2020                                                                                                                                                      | 7,181                             | 2,387                        | 33%                                  | 33%             | \$4,316,493                      | \$1,424,443                              | 15.0%                     | \$4,316,493                  |
| 2021                                                                                                                                                      | 7,684                             | 1,862                        | 24%                                  | 24%             | 4,828,432                        | 1,158,824                                | 15.0%                     | 4,828,432                    |
| 2022                                                                                                                                                      | 8,153                             | 2,320                        | 28%                                  | 28%             | 5,066,177                        | 1,418,529                                | 20.0%                     | 5,066,177                    |
| 2023                                                                                                                                                      | 3,268                             | 2,121                        | 65%                                  | 65%             | 1,967,108                        | 1,278,620                                | 25.0%                     | 1,967,108                    |
| 1/1/24 - 6/30/24                                                                                                                                          |                                   |                              |                                      |                 |                                  | \$508,954                                | 25.0%                     | \$508,954                    |
| 7/1/24 - 12/31/24                                                                                                                                         |                                   |                              |                                      |                 |                                  |                                          |                           | 425,510                      |
| 2025                                                                                                                                                      |                                   |                              |                                      |                 |                                  |                                          |                           | 1,118,089                    |
| 2026                                                                                                                                                      |                                   |                              |                                      |                 |                                  |                                          |                           | 1,118,089                    |
| 2027                                                                                                                                                      |                                   |                              |                                      |                 |                                  |                                          |                           | 1,118,089                    |

Notes:  
 (2) and (3) Provided by PG&E.  
 (4) (3) / (2).  
 (5) Selected based on (4).  
 (6) Provided by PG&E. Effective April 2023, employees are eligible for Light Duty only when placed through the Task Bank program.  
 (7) (5) x (6).  
 1/1/24 - 6/30/24 provided by PG&E. Assuming all payroll is Task Bank payroll.  
 (8) Selected by WTW.  
 (9) 2020-6/30/24 provided by PG&E. 7/1/24-2027 based on (7), (8), and actual data as of November 2024; reflects Task Bank payroll.

1 In response to Cal Advocates data request,<sup>35</sup> PG&E identified  
 2 an inadvertent error in its testimony and workpaper. The 2024 Light  
 3 Duty payroll recorded costs were underestimated in the 5-year  
 4 average calculated. Only January-June (6 months) of 2024  
 5 recorded costs were included versus the full estimated costs for the  
 6 year as presented in Figure 5-5, column (9) above, resulting in a  
 7 lower weighted average for this year. With the full recorded costs  
 8 used for 2024 in the 5-year average, the TY forecast increases by  
 9 \$95 thousand as demonstrated in Figure 5-6 below. The corrected

<sup>35</sup> PG&E's response to Data Request CalAdvocates\_159-Q004, dated October 20, 2025 in Appendix B, at the end of this exhibit.



- 1 forecast was provided in response to Cal Advocates data request<sup>36</sup>  
 2 and is included in PG&E's Rebuttal position in Tables 5-1 and 5-2.

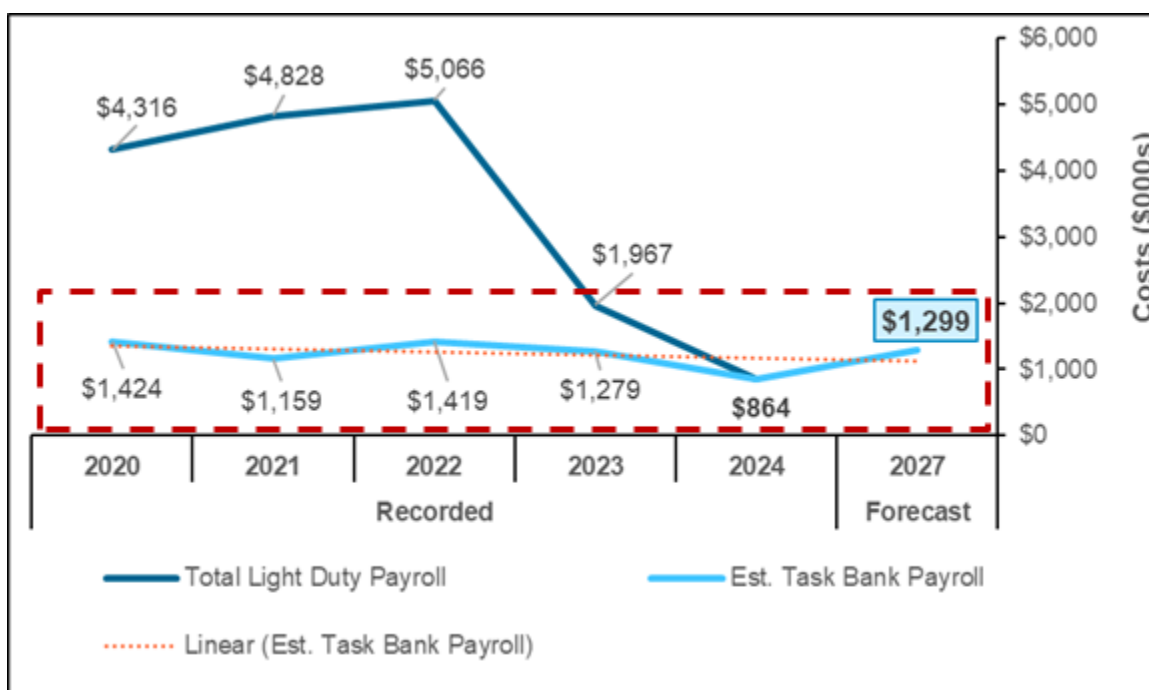
**FIGURE 5-6**  
**ORIGINAL AND UPDATED LIGHT DUTY FORECAST TABLES**

| Light Duty Payroll<br>(\$000s)                                                                                                                                       |                                       |                   |       |       |       |                     |          |       |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------|-------|-------|-------|---------------------|----------|-------|---------------------|
| Original Forecast Calculation                                                                                                                                        |                                       | Recorded Adjusted |       |       |       |                     | Forecast |       |                     |
| Line                                                                                                                                                                 | Description                           | 2020              | 2021  | 2022  | 2023  | 2024                | 2025     | 2026  | 2027                |
| 1                                                                                                                                                                    | Total Light Duty Payroll              | 4,316             | 4,828 | 5,066 | 1,967 | 864                 | 1,118    | 1,160 | 1,204               |
| 2                                                                                                                                                                    | Est. Task Bank Payroll <sup>(1)</sup> | 1,424             | 1,159 | 1,419 | 1,279 | 509                 | 1,118    |       |                     |
| 3                                                                                                                                                                    | Weights                               | 0.15              | 0.15  | 0.20  | 0.25  | 0.25                |          |       |                     |
| 4                                                                                                                                                                    | Labor Escalation                      |                   |       |       |       |                     |          | 3.75% | 3.75%               |
| <sup>(1)</sup> Jan-June (6 months) of estimated 2024 Light Duty Payroll was used when applying the weights and calculating the 5-year average for the 2025 forecast. |                                       |                   |       |       |       |                     |          |       |                     |
| Corrected Forecast Calculation                                                                                                                                       |                                       | Recorded Adjusted |       |       |       |                     | Forecast |       |                     |
| Line                                                                                                                                                                 | Description                           | 2020              | 2021  | 2022  | 2023  | 2024 <sup>(2)</sup> | 2025     | 2026  | 2027 <sup>(2)</sup> |
| 1                                                                                                                                                                    | Total Light Duty Payroll              | 4,316             | 4,828 | 5,066 | 1,967 | 864                 | 1,207    | 1,252 | 1,299               |
| 2                                                                                                                                                                    | Est. Task Bank Payroll <sup>(1)</sup> | 1,424             | 1,159 | 1,419 | 1,279 | 864                 | 1,207    |       |                     |
| 3                                                                                                                                                                    | Weights                               | 0.15              | 0.15  | 0.20  | 0.25  | 0.25                |          |       |                     |
| 4                                                                                                                                                                    | Labor Escalation                      |                   |       |       |       |                     |          | 3.75% | 3.75%               |
| <sup>(1)</sup> Full year of 2024 recorded Light Duty Payroll was used when applying the weights and calculating the 5-year average for the 2025 forecast.            |                                       |                   |       |       |       |                     |          |       |                     |
| <sup>(2)</sup> 2024 recorded and 2025-2027 forecast costs updated in PG&E's next errata filing.                                                                      |                                       |                   |       |       |       |                     |          |       |                     |

- 3 In summary, PG&E considered the decline in overall Light Duty  
 4 participation and costs in the forecast development. As illustrated in  
 5 Figure 5-7 below, PG&E accurately accounted for this by using only  
 6 Light Duty Payroll cost trends attributable to Task Bank participants  
 7 in its forecast.

<sup>36</sup> PG&E's response to Data Request CalAdvocates\_159-Q004Atch01, dated October 20, 2025 in Appendix B, at the end of this exhibit.

**FIGURE 5-7**  
**LIGHT DUTY PAYROLL COST TRENDS FOR TASK BANK PARTICIPANTS**



### 3) PG&E Forecast Methodology Is Correct

PG&E disagrees with Cal Advocates forecast methodology of applying PG&E's most recent recorded adjusted expenses as being appropriate to forecast the 2027 Light Duty expense amount. Using the lowest year of expense does not consider historical Task Bank participation or costs. In addition, Cal Advocates did not consider Labor Escalation in its recommended forecast, which Cal Advocates did not dispute as being reasonable to apply to Light Duty Payroll expenses and the Commission adopted as reasonable in 2023.<sup>37</sup>

#### d. Conclusion

PG&E accurately accounts for average historical recorded costs attributed only to Task Bank participation when calculating the Light Duty Payroll forecast. For all the reasons stated above, PG&E's \$1.299 million 2027 TY forecast for Light Duty Payroll is reasonable and requests the Commission to adopt PG&E's forecast as presented in Tables 5-1 and 5-2.

<sup>37</sup> D.23-11-069, p. 555.

### 3. Musculoskeletal Disorder Prevention (Ergonomic/Industrial Athlete Programs)

#### a. PG&E Position

PG&E forecasts \$8.648 million for TY 2027 expenses for Musculoskeletal Disorder (MSD) Prevention (Ergonomic/Industrial Athlete Programs).<sup>38</sup> The Ergonomics and Industrial Athlete programs provide proactive and reactive musculoskeletal injury interventions for office and field-based employees to ensure compliance with Cal/OSHA. The program must include worksite evaluations, control of exposures causing repetitive motion injuries, and employee training. These Program elements are another form of Workers' Compensation cost containment and are designed to reduce the number and severity of injuries, thereby reducing long-term costs. The Program elements including Office ergonomics, Industrial Athlete Program and Post Offer Physical Assessments are further described in Section B.3.f.2 of PG&E's Direct Testimony.<sup>39</sup>

#### b. Party Position(s)

##### 1) Cal Advocates

Cal Advocates recommends \$7.588 million for PG&E's MSD Prevention and Industrial Athlete Program activities in TY 2027, which is a downward adjustment of \$1.060 million to PG&E's request of \$8.648 million.<sup>40</sup>

##### a) Functional Movement Screening and Associated Wearables

Cal Advocates claims PG&E's TY 2027 forecast includes approximately \$0.504 million for new Functional Movement Screening software and \$0.051 million for associated wearable devices.<sup>41</sup> Cal Advocates further state these costs represent

<sup>38</sup> Exhibit (PG&E-8), p. 5-21, lines 4-5.

<sup>39</sup> Exhibit (PG&E-8), p. 5-21, line 24 to p. 5-25, line 8.

<sup>40</sup> CA-22, p. 8, lines 20-22 and p. 9, Table 22-5.

<sup>41</sup> CA-22, p. 9, lines 6-8, citing PG&E's testimony, Exhibit (PG&E-8), Chapter 5, pp. 5-21 to 5-23, in support of this statement.

new program tools not reflected in historical recorded expenses, are not required to operate the baseline Industrial Athlete Program and are unnecessary.<sup>42</sup>

**b) Expanded Industrial Athlete Services**

Cal Advocates claims PG&E's TY forecast includes approximately \$0.320 million for expanded Industrial Athlete Services, reflecting increased vendor staffing levels and expanded service availability relative to historical operations.<sup>43</sup>

**c) Justification of the Industrial Athlete Forecast**

Cal Advocates claims PG&E did not provide verifiable and traceable documentation to justify its forecasts. In the absence of demonstrated increases in utilization or quantified benefits, PG&E's forecasted expansion of Industrial Athlete vendor services is not supported.<sup>44</sup>

**d) One-Time Ergonomic Tools and Assessments**

Cal Advocates claims PG&E's TY 2027 forecast also includes approximately \$0.185 million for one-time ergonomic tools and assessments associated with its MSD Prevention activities.<sup>45</sup> Cal Advocates claims PG&E did not demonstrate that these one-time ergonomic expenditures are associated with measurable improvements in employee outcomes or quantified reductions in workers' compensation costs reflected in the TY 2027 revenue requirement.<sup>46</sup>

**c. PG&E Response**

PG&E disagrees with Cal Advocates' recommendations for its MSD Prevention (Ergonomic/Industrial Athlete Programs). Cal Advocates either misunderstood or misinterpreted PG&E's testimony, workpapers

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<sup>42</sup> CA-22, p. 9, lines 10-13.

<sup>43</sup> CA-22, p. 9, lines 14-16.

<sup>44</sup> CA-22, p. 10, lines 5-8.

<sup>45</sup> CA-22, p. 10, lines 10-11.

<sup>46</sup> CA-22, p. 10, lines 14-16.

1 and responses to data requests relating to PG&E's forecast. The  
2 discussion below describes how PG&E's forecast, including the  
3 clarifications to forecast amounts and program benefits, is correct and  
4 requests it be adopted.

5 **1) PG&E's Forecast for Functional Movement Screening and**  
6 **Wearable Technology Is Correct**

7 PG&E disputes Cal Advocates assertion its forecast includes  
8 \$0.504 million for new Functional Movement Screening software  
9 and \$0.051 million for associated wearable devices, and these costs  
10 are not reflected in historical expenses. In Cal Advocates'  
11 testimony, the citation used of PG&E's testimony for these forecast  
12 amounts is not supported.<sup>47</sup>

13 Please see Figure 5-8 (lines 2 and 4) below as provided in  
14 response to Cal Advocates' data request,<sup>48</sup> that details the correct  
15 amount of \$0.115 million for PG&E's TY 2027 forecast for the new  
16 Functional Movement Screening software, and its forecast for  
17 ongoing wearables expense is incorporated in the overall Industrial  
18 Athlete program fees.

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<sup>47</sup> CA-22, p. 9, lines 6-8, fn. 16 cites Exhibit (PG&E-8), Chapter 5, pp. 5-21 to 5-23.

<sup>48</sup> Exhibit (PG&E-8), WP 5-10, line 2 and 4; PG&E's response to Data Request CalAdvocates\_159-Q003, dated October 20, 2025 in Appendix B, at the end of this exhibit.

**FIGURE 5-8**  
**MSD PREVENTION RECORDED AND FORECAST EXPENSE**

| <p align="center">Workpapers Supporting<br/>Chapter 5, Occupational Health<br/>Workers' Compensation</p> <p align="center">MSD Prevention - Ergonomic and Industrial Athlete Detail<br/>(\$000s)</p> |                                   |          |         |         |         |          |         |         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------|---------|---------|---------|----------|---------|---------|
| Line<br>No.                                                                                                                                                                                          |                                   | Recorded |         |         |         | Forecast |         |         |
|                                                                                                                                                                                                      |                                   | 2020     | 2021    | 2022    | 2023    | 2024     | 2025    | 2027    |
| 1                                                                                                                                                                                                    | Office Ergonomics <sup>(1)</sup>  | \$2,825  | \$3,434 | \$2,457 | \$2,573 | \$3,371  | \$3,261 | \$3,323 |
| 2                                                                                                                                                                                                    | Industrial Athlete <sup>(1)</sup> | \$2,783  | \$2,775 | \$3,807 | \$3,912 | \$4,292  | \$4,761 | \$4,851 |
| 3                                                                                                                                                                                                    | POPA                              | \$139    | \$140   | \$224   | \$202   | \$294    | \$335   | \$359   |
| 4                                                                                                                                                                                                    | Functional Movement Screening     |          |         |         |         |          |         | \$115   |
| 5                                                                                                                                                                                                    | Grand Total                       | \$5,748  | \$6,350 | \$6,487 | \$6,687 | \$7,957  | \$8,357 | \$8,648 |

<sup>(1)</sup> Includes wearables and vendor administrative expense for implementation and maintenance of ergonomic data / technology.

PG&E sought clarification with Cal Advocates through a discovery request asking for a working Excel file with formulas, and page and line citations to PG&E's testimony (Exhibit (PG&E-8)), Ch. 5, Workpapers, and/or data responses in support of its recommended forecast and reductions. In addition, PG&E clarified in the discovery request to Cal Advocates, the \$0.504 million and \$0.051 million represent recorded costs in 2024, and not PG&E's TY 2027 forecast.<sup>49</sup> As shown in Figure 5-9 below, PG&E's year-over-year historical expense walk for 2023 to 2024 in workpapers reflects recorded costs of \$0.504 million for *ergonomic risk management software* (which is different from Functional Movement Screening) and \$0.051 million for wearable technology.<sup>50</sup>

<sup>49</sup> PG&E's Data Request PGE\_CalAdvocates\_008-Q02-Q03 and Tables 1, 2, 3a and 3b, dated February 19, 2026 in Appendix B, at the end of this exhibit.

<sup>50</sup> Exhibit (PG&E-8), WP 5-4, line 27.

**FIGURE 5-9**  
**MSD PREVENTION HISTORICAL EXPENSE WALK FOR 2023-2024**

| Historical and Forecast Year over Year Walk<br>Nominal Dollars<br>(\$000s) |                   |        |                                                                                                                                                                                           |
|----------------------------------------------------------------------------|-------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Line                                                                       | Description       | Amount | Comments, Assumptions, Descriptions                                                                                                                                                       |
| 27                                                                         | WC MSD Prevention | 1,270  | Implementation of new ergonomics risk management software (\$504K), including the addition of wearable technology (\$51.1K), increased utilization of program and vendor contract expense |

In response to PG&E's discovery request, Cal Advocates did not provide calculations or page and line references to PG&E's testimony, workpapers or data responses, and claims PG&E carried these 2024 Functional Movement Screening pilot and wearable costs forward into 2027 and that PG&E's testimony and workpapers support this claim. Further, Cal Advocates claims "PG&E explicitly states the software implantation includes the addition of wearable technology."<sup>51</sup> PG&E disputes these assertions. A review of PG&E's testimony, workpapers and data responses show that Cal Advocates misunderstood PG&E's position.

PG&E stated its MSD Prevention recorded and forecast costs "Includes wearables and vendor administrative expense for implementation and maintenance of ergonomic data/technology," as shown in Figure 5-8 above. However, the same recorded costs experience in 2024 are not carried over to TY 2027.

<sup>51</sup> CalAdvocates' response to PG&E Data Request PGE\_CalAdvocates\_008-Q02-Q04a, and related workpaper, dated March 4, 2026 in Appendix B, at the end of this exhibit.

PG&E stated in testimony historical averages were not used and the plans to pilot Functional Movement Screening is in 2027, as captured below:

PG&E's forecast for Musculoskeletal Disorder Prevention program costs were developed primarily using vendor administration fees for 2025 that support all program components as described below, assumes stabilization at full staffing levels, and then escalating the sum to 2027 dollars.<sup>31</sup> Historical averages were not used due to the expansion of program services and costs for additional vendor resources over the years as discussed below. In addition, in 2027, PG&E plans to pilot a voluntary Functional Movement Screenings software for field-based workers to determine musculoskeletal deficiencies and design tailored strengthening and conditioning programs.<sup>32</sup> Functional Movement Screenings is a foundational activity in furtherance of the Musculoskeletal Disorder Prevention program benefits and is further discussed in Exhibit (PG&E-7), Chapter 1.<sup>33</sup>

These recorded and forecast costs are further clarified below:

- The \$0.504 million recorded costs in 2024 were for *ergonomic risk management software* and were not carried over into the 2027 TY forecast;
- The \$0.051 million recorded costs in 2024 for wearable technology were not carried over into the 2027 TY forecast. The 2027 TY wearables device forecast is \$0.019 million and is included in the Industrial Athlete program fees (see Figure 5-14 below); and
- PG&E's 2027 TY forecast for Functional Movement Screening is \$0.115 million.

PG&E disputes Cal Advocates claims that these costs are unnecessary. PG&E described the new Functional Movement Screening and its benefits in testimony, and included additional program description references.<sup>52</sup> Cal Advocates' did not provide

<sup>52</sup> Exhibit (PG&E-8), p. 5-21, lines 17-23; Exhibit (PG&E-7), p. 1-34, lines 1-25; A.24-05-008, PG&E 2024 RAMP Report, (PG&E-7), p. 3-42, lines 4-18.



an explanation or documentation for how they concluded from the justification we provided the program is unnecessary.<sup>53</sup> Absent this information, it is not clear what Cal Advocates considered as deficient or unjustified when making its determination.

## 2) Expanded Industrial Athlete Services

PG&E opposes Cal Advocates' forecast and corresponding reduction of \$0.320 million for expanded Industrial Athlete Services. PG&E sought clarification with Cal Advocates through a discovery request asking for a working Excel file with formulas, and page and line citations to PG&E's testimony (Exhibit (PG&E-8)), Chapter 5, Workpapers, and/or data responses in support of its recommended forecast and reductions. While Cal Advocates responded with their forecast amount and referenced back to PG&E documents previously provided,<sup>54</sup> it remains unclear how Cal Advocates calculated its recommended reduction and what Cal Advocates considered as reflective of increased vendor staffing levels and expanded service availability relative to historical operations. In response to a showing in data request responses, testimony, and workpapers,<sup>55</sup> a party's alternative recommendation should provide justifications and information for PG&E's review and response. Cal Advocates failed to give PG&E this opportunity.

As stated in testimony, PG&E increased the number of athletic trainers beginning in 2022<sup>56</sup> and did not use historical recorded averages in its forecast because of expansion efforts in prior years. PG&E's forecast was developed using negotiated vendor contract fees for 2025 and 2026, assuming stabilization at full staffing levels,

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<sup>53</sup> CalAdvocates' response to PG&E Data Request PGE\_CalAdvocates\_008-Q04b and Q05, dated March 4, 2026 in Appendix B, at the end of this exhibit.

<sup>54</sup> CalAdvocates' response to PG&E Data Request PGE\_CalAdvocates\_008-Q06 and Q07, and related workpaper, dated March 4, 2026 in Appendix B, at the end of this exhibit.

<sup>55</sup> Exhibit (PG&E-8), p. 5-23, line 6 to p. 5-24, line 14; Exhibit (PG&E-8), WP 5-10 and WP 5-11; PG&E's response to Data Request CalAdvocates\_159-Q003, dated October 20, 2025 in Appendix B, at the end of this exhibit.

<sup>56</sup> Exhibit (PG&E-8), p. 5-22, lines 17-18; p. 5-23, lines 14-15.

1 with standard escalation applied for TY 2027.<sup>57</sup> Outside of the new  
 2 Functional Movement Screening in 2027, and wearables discussed  
 3 above, PG&E's forecast did not assume new or additional  
 4 expansion of Industrial Athlete services beyond the staffing  
 5 increases that began in 2022, and assumed stabilization at full  
 6 staffing levels in forecast years.

### 7 **3) PG&E Provided Industrial Athlete Forecast Justification**

8 PG&E disputes Cal Advocates assertion we failed to provide  
 9 verifiable and traceable documentation to justify its forecasts, and  
 10 that PG&E did not demonstrate increased Industrial Athlete  
 11 utilization or program benefits. PG&E provided substantial detail in  
 12 support of its Industrial Athlete forecast in testimony, related  
 13 workpapers and in response to Cal Advocates data request as  
 14 demonstrated above.

- 15 • Program Utilization: While PG&E agrees the percentage of  
 16 eligible employees utilizing one-on-one Industrial Athlete  
 17 services annually has remained relatively stable (approximately  
 18 30 to 31 percent),<sup>58</sup> the eligible workforce and number of  
 19 employees participating in the program during those recent  
 20 years has increased as shown in Figure 5-10 below. PG&E  
 21 provided Cal Advocates with a table of the data described below  
 22 in response to a data request.<sup>59</sup>

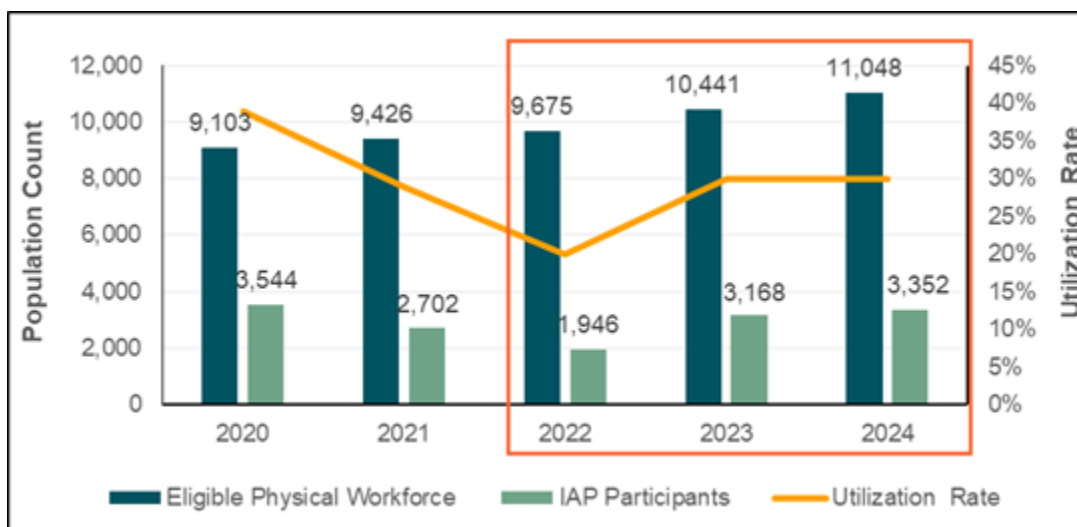
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<sup>57</sup> Exhibit (PG&E-8), p. 5-21, lines 11-14; Exhibit (PG&E-8), WP 5-5, line 5; PG&E's response to Data Request CalAdvocates\_159-Q003, dated October 20, 2025 in Appendix B, at the end of this exhibit.

<sup>58</sup> CA-22, p. 9, line 18-19.

<sup>59</sup> PG&E's response to Data Request CalAdvocates\_159-Q003, dated October 20, 2025 in Appendix B, at the end of this exhibit.

**FIGURE 5-10  
ONE ON ONE IA PROGRAM UTILIZATION**



In addition, this is not the sole measure of program utilization, as referenced in testimony, related workpapers, and in response to Cal Advocates data request.<sup>60</sup> The Industrial Athlete program utilization rate (e.g., participants per eligible population) includes one-on-one sessions by distinct employees only and does not include group event participation. Prior to 2022, the Industrial Athlete program participation was measured by the count of distinct employees and not separated by type of service (individual session or group event). Details of the Industrial Athlete program individual sessions and group events for 2022-2024 are included in Figure 5-11 below and were provided in response to Cal Advocates data request.

While Cal Advocates provides little explanation of what verifiable and traceable documentation means, PG&E provides such documentation. Cal Advocates does not appear to have explained why this undisputed evidence is not “verifiable and traceable” and fails to fully support our forecast. The Cal advocates witness should

<sup>60</sup> Exhibit (PG&E-8), p. 5-23 line 18 to p. 5-24, line 5 and WP 5-11; PG&E’s response to Data Request CalAdvocates\_159-Q003, dated October 20, 2025 in Appendix B, at the end of this exhibit.

have the experience to explain to PG&E what documentation it believes is necessary in this specialized area.

**FIGURE 5-11**  
**MSD PREVENTION-INDUSTRIAL ATHLETE PROGRAM PARTICIPATION**

| Line No. | Year                | No. of Services     |              |                          | Type of Encounter |            |
|----------|---------------------|---------------------|--------------|--------------------------|-------------------|------------|
|          |                     | Individual Services | Group Events | Group event participants | Proactive         | Discomfort |
| 1        | 2022 <sup>(1)</sup> | 8,128               | 6,537        | 76,175                   | 68%               | 32%        |
| 2        | 2023                | 11,158              | 12,331       | 130,688                  | 81%               | 19%        |
| 3        | 2024                | 12,152              | 15,321       | 169,504                  | 88%               | 12%        |

<sup>(1)</sup> New vendor onboarded in 2022 with eight months to reach full staffing levels

- Quantified Program Benefits: PG&E's focus on proactively addressing ergonomic risk contributed to 58 percent fewer ergonomic-related DART cases since 2020, with a more dramatic decrease experienced beginning in 2022 as shown in Figure 5-12 below and provided in response to Cal Advocates data request.<sup>61</sup>

**FIGURE 5-12**  
**PERCENT OF ERGONOMIC-RELATED DART CASES**

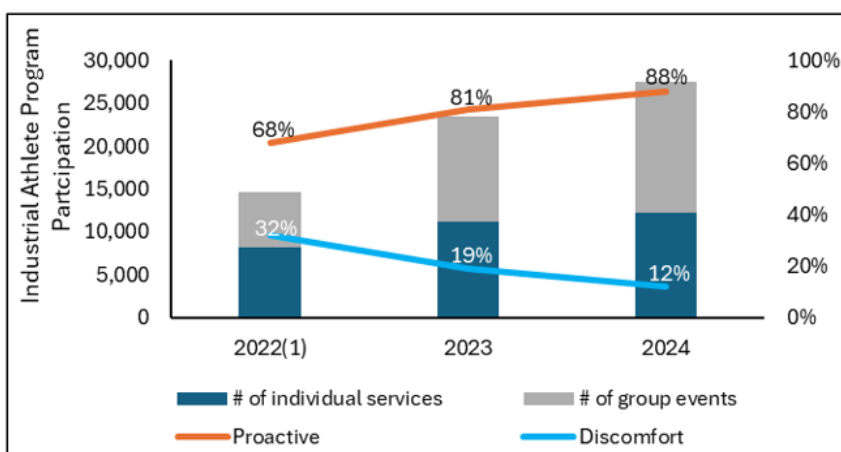
| Line No. | Year | All DARTs | Ergo DARTs | % of Ergo DARTs | % Reduction from 2020 |
|----------|------|-----------|------------|-----------------|-----------------------|
| 1        | 2024 | 211       | 81         | 38%             | -58%                  |
| 2        | 2023 | 191       | 94         | 49%             |                       |
| 3        | 2022 | 172       | 90         | 52%             |                       |
| 4        | 2021 | 261       | 161        | 62%             |                       |
| 5        | 2020 | 332       | 194        | 58%             |                       |

Since 2022, the Industrial Athlete Program has promoted and tracked group events following industry best practices for delivering musculoskeletal injury prevention education and training. Group events participation for 2024 reached 15.3 events per eligible physical workforce worker, providing multiple opportunities to

<sup>61</sup> Exhibit (PG&E-8), p. 5-22, Figure 5-10; PG&E's response to Data Request CalAdvocates\_159-Q003, dated October 20, 2025 in Appendix B, at the end of this exhibit.

interface with the program over the course of the year. As group events have increased, preventative encounters for both group and one-on-one services have also increased, aligning with the above-mentioned decrease in ergonomics-related injuries, as provided in testimony and in response to Cal Advocates data request<sup>62</sup> and illustrated below in Figure 5-13.

**FIGURE 5-13**  
**MSD INDUSTRIAL ATHLETE PROGRAM PARTICIPATION**



<sup>(1)</sup> New vendor onboarded in 2022 with eight months to reach full staffing levels

In 2024, 95 percent of musculoskeletal cases that began as self-care (defined by OSHA first aid guidelines) that worked with an athletic trainer remained at self-care.<sup>63</sup> Improved reporting and high self-care rates (and reducing the DART Rate) for ergonomic-related injuries are beneficial because self-care cases do not have medical or Workers' Compensation benefit payment costs,<sup>64</sup> which is a form of cost avoidance. The overall costs for ergonomic related injuries, and thus the benefits for the reduction of these injuries, are embedded into Workers' Compensation

<sup>62</sup> Exhibit (PG&E-8), p. 5-24, Figure 5-12; PG&E's response to Data Request CalAdvocates\_159-Q003, dated October 20, 2025, in Appendix B, at the end of this exhibit.

<sup>63</sup> Exhibit (PG&E-8), p. 5-24, lines 6-8.

<sup>64</sup> PG&E's response to Data Request CalAdvocates\_159-Q003, dated October 20, 2025 in Appendix B, at the end of this exhibit.

1 [historical] benefits payment record, and thus into the forecasted  
2 expense.<sup>65</sup>

#### 3 **4) One-Time Ergonomic Tools and Assessments**

4 PG&E opposes Cal Advocates assertion PG&E's TY 2027  
5 forecast includes approximately \$0.185 million for one-time  
6 ergonomic tools and assessments. In Cal Advocates' testimony, the  
7 citation of PG&E's workpapers used for this statement and forecast  
8 amounts is not supported, as it references a different program's  
9 workpapers.<sup>66</sup>

10 In response to PG&E's data request seeking clarification of Cal  
11 Advocates forecast amounts, Cal Advocates claims PG&E's own  
12 support documents characterize these as "one time ergonomic tools  
13 and assessments" and that PG&E presented these items "as  
14 episodic/tool and assessment enhancements, not necessary to  
15 operate the existing baseline program and are therefore not  
16 recurring operational requirements."<sup>67</sup> Cal Advocates also  
17 incorrectly concludes that these costs are not reflected in historical  
18 recorded expenses because PG&E's recorded-year presentations  
19 do not show these tool/ assessment enhancements as an  
20 established, recurring historical cost element across multiple years.  
21 PG&E disputes these assertions.

22 Cal Advocates did not provide calculations or page and line  
23 references to PG&E's testimony, workpapers or data response  
24 supporting their argument, as requested in the data request.

25 While it is not clear which fees Cal Advocates used to calculate  
26 \$0.185 million, PG&E can understand where there may be  
27 confusion in interpreting the table of Industrial Athlete program fees  
28 PG&E provided.

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<sup>65</sup> Exhibit (PG&E-8), p. 5-24, lines 12-14.

<sup>66</sup> CA-22, p.10, lines 10-11, fn. 21 cites Exhibit (PG&E-8) 2027 GRC Corporate Items Ch. 5 Occupational Health On-Site Health and Wellness Programs Workpapers.

<sup>67</sup> CalAdvocates' response to PG&E Data Request PGE\_CalAdvocates\_008-Q08 to Q10, and related workpaper, dated March 4, 2026 in Appendix B, at the end of this exhibit.

PG&E's data response, with working formulas, showed the ongoing annual program fees in support of its forecast.<sup>68</sup> The 2025 and 2026 fees represent annual amounts that occur once per year, or in the case of staffing, are multiplied by the number of people supporting the program, then averaged for the total annual forecast amount. They do not represent one-time ergonomic tools or assessments. See Figure 5-14 below for an updated table summarizing and clarifying the Industrial Athlete annual program fees and breaking them out by type (staffing, supplies, wearables).

**FIGURE 5-14**  
**SUMMARY OF INDUSTRIAL ATHLETE PROGRAM FEES**

| Line No. | Program Fees for 2025-2026                   | Quantity                     | Fees        |             | Total Annual Fee |
|----------|----------------------------------------------|------------------------------|-------------|-------------|------------------|
| 1        | Industrial Athlete                           |                              | 2025        | 2026        | \$4,761,063      |
| 2        | Staffing                                     |                              |             |             |                  |
| 3        | Onsite Industrial Injury Prevention Staffing | Staff + overtime<br>Per year | \$4,495,806 | \$4,630,668 | \$4,563,237      |
| 4        | Consulting Medical director                  |                              | \$11,564    | \$11,911    | \$11,738         |
| 5        | Account mgmt                                 |                              | \$12,306    | \$12,676    | \$12,491         |
| 6        | Overtime hours                               |                              | \$84,000    | \$84,000    | \$84,000         |
| 8        | Supplies, Materials, Travel                  |                              |             |             |                  |
| 9        | Travel expenses                              | Per year                     | \$30,000    | \$30,000    | \$30,000         |
| 10       | PPE / FR clothing                            | Per year                     | \$21,000    | \$21,630    | \$21,315         |
| 11       | Supplies and equipment                       | Per year                     | \$18,900    | \$19,467    | \$19,184         |
| 12       | Wearables                                    |                              |             |             |                  |
| 13       | Vendor wearables fee                         | Per year                     | \$12,375    | \$24,750    | \$18,563         |
| 14       | Vendor wearable technology                   | Per year                     | \$396       | \$396       | \$396            |
| 15       | Vendor materials <sup>1</sup>                | Per year                     | \$280       | \$280       | \$140            |

<sup>1</sup> Correct annual fee is \$280, though an inadvertent error in calculation resulted in \$140 included in total

In summary, PG&E's forecast was developed using vendor contract fees for 2025 and 2026, assuming stabilization at full staffing levels, with standard escalation applied for TY 2027.<sup>69</sup> Other than the new Functional Movement Screening forecast in 2027 and wearables introduced in 2024, the contract fees for 2025 and 2026 represent historical and ongoing support of programs at the new negotiated vendor rates, which may increase from time to

<sup>68</sup> PG&E's response to Data Request CalAdvocates\_159-Q003Atch01, dated October 20, 2025 in Appendix B, at the end of this exhibit.

<sup>69</sup> Exhibit (PG&E-8), p. 5-21, lines 11-14; Exhibit (PG&E-8), WP 5-5, line 5.

time due to standard inflationary factors. The benefits of these ongoing programs are discussed above in Section C.3.c.3.

#### **d. Conclusion**

PG&E's forecast is supported by testimony, related workpapers and responses to data discovery. Cal Advocates did not provide support for its recommended reductions or descriptions for the specific program expansion or one-time expenses to exclude. In addition, Cal Advocates misinterpreted recorded and forecast costs for Functional Movement Screening and wearables. For all the reasons described above, PG&E's \$8.648 million 2027 TY forecast for MSD Prevention (Ergonomic/ Industrial Athlete Programs) is reasonable and requests the Commission to adopt PG&E's forecast as presented in its application.

### **D. On-Site Health and Wellness Programs**

Companywide Expense in this section includes PG&E's On-Site Health and Wellness Program which includes on-site and near-site clinics, the Health and Wellness data warehouse, the Fit4U Program, and the Fitness for Duty Assurance Program. These programs are designed to help prevent injuries and reduce injury severity. In this section, PG&E will address the expense recommendations raised by Cal Advocates for the contested On-Site Health and Wellness Programs. Uncontested programs are included in Section B.2. above.

#### **1. Wellness Programs**

##### **a. PG&E Position**

PG&E forecasts \$1.042 million for TY 2027 expenses for the Wellness Programs. PG&E's Health and Wellness data Warehouse supports up-to-date strategic analytics, on-line dashboards and query, and information-driven policy and benefit design.<sup>70</sup> PG&E's Fit4U Program focuses on improving the health and well-being of employees who have sustained one or more workers' compensation injuries by providing them with the resources to maintain a healthy lifestyle.<sup>71</sup>

See Section D.1.c. for updates to PG&E's position.

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<sup>70</sup> Exhibit (PG&E-8), p. 5-30, lines 4-8.

<sup>71</sup> Exhibit (PG&E-8), p. 5-30, lines 9-12.



**b. Cal Advocates Position**

Cal Advocates recommends a forecast of \$0.625 million in TY 2027 for PG&E's Wellness Programs, reflecting a reduction of \$0.417 million to PG&E's forecast for the removal of the forecasted expansion costs associated with the Fit4U Program.<sup>72</sup>

Cal Advocates states PG&E acknowledged the pilot's small sample size and mixed outcomes made it difficult to project any future benefits and that despite having operated Fit4U from 2019 to 2020, PG&E was unable to use that historical experience to provide evidence quantifying the benefits or otherwise supporting the forecasted Fit4U expansion.<sup>73</sup>

**c. PG&E Response**

PG&E agrees with Cal Advocates' recommendation to remove the \$0.417 million forecasted costs associated with the Fit4U Program from its 2027 TY Wellness Programs forecast.

**d. Conclusion**

PG&E's \$0.625 million 2027 TY forecast for the Wellness Programs is reasonable and requests the Commission to adopt PG&E's updated forecast.

**E. Other Health and Safety Programs**

Companywide Expense in this section describes the Other Health and Safety Programs. These include compliance obligations associated with Cal/OSHA Medical Surveillance and PG&E's Drug and Alcohol Testing Program for employees in certain jobs. The jobs are Class-A commercial drivers and those who perform functions directly related to pipeline safety regulations, as these jobs are covered by the DOT's procedures for a drug-free workplace.<sup>74</sup> In this section, PG&E will address the expense recommendations raised by Cal Advocates for the contested Other Health and Safety Programs. Uncontested programs are included in Section B.2. above.

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<sup>72</sup> CA-22, p. 6, line 19 to p. 7, line 2 and Table 22-4.

<sup>73</sup> CA-22, p. 8, lines 1-3.

<sup>74</sup> Exhibit (PG&E-8), p. 5-31, lines 24 to p. 5-32, lines 2.

## 1. PG&E's Drug and Alcohol Testing Program

### a. PG&E Position

PG&E forecasts \$1.632 million for TY 2027 expenses for the Drug and Alcohol Testing (DOT Testing) Program.<sup>75</sup> PG&E's Drug and Alcohol Testing Program outlines specific rules and requirements for employees in certain jobs covered by the DOT's procedures for a drug free workplace. The Transportation Safety team tracks Drug and Alcohol Program enrollment and compliance, including DOT covered positions for the Gas Operations and Commercial motor vehicle drivers to maintain all DOT Drug and Alcohol testing pools. Additional Program description is in PG&E's Direct Testimony.<sup>76</sup>

### b. Party Position(s)

#### 1) Cal Advocates

Cal Advocates recommends \$1.212 million for PG&E's DOT Drug and Alcohol Testing expenses in TY 2027, which is \$0.420 million lower than PG&E's TY 2027 forecast of \$1.632 million.<sup>77</sup>

#### a) Oral Fluid Testing During the Forecast Period

Cal Advocates states PG&E's forecast assumes implantation of oral fluid testing during the forecast period despite acknowledged uncertainty regarding when the required U.S. Department of Health and Human Services laboratory certifications will occur.<sup>78</sup> Further, Cal Advocates states until these regulations changes are implemented, it is entirely unreasonable for ratepayers to bear those costs.<sup>79</sup>

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<sup>75</sup> Exhibit (PG&E-8), p. 5-34, lines 3-4 and WP 5-23.

<sup>76</sup> Exhibit (PG&E-8), p. 5-35, lines 1-22.

<sup>77</sup> CA-22, p.14, lines 14-16 and Table 22-8.

<sup>78</sup> CA-22, p.15, lines 18-20.

<sup>79</sup> CA-22, p.16, lines 1-3.

**b) Forecast Costs Not Required to Comply With Current Regulations**

Cal Advocates claims PG&E explained its forecast reflects increased vendor contract costs beginning in 2025 and includes additional program elements associated with oral fluid testing, including expanded testing panels, administrative fees, software, on-site collection services, and monitoring services beyond minimum DOT compliance requirements.<sup>80</sup>

Cal Advocates states PG&E's forecast includes costs associated with expanded testing scope, vendor service enhancements, and administrative services that are not required to comply with current DOT regulations.<sup>81</sup> Cal Advocates further states PG&E's forecast includes costs for testing methods and program expansions that PG&E may not be legally permitted to use during the TY, and these include costs forecasted in PG&E's 2025-2027 vendor contracts and monitoring agreements, which PG&E concedes are contingent on regulatory conditions not yet satisfied.<sup>82</sup>

**c. PG&E Response**

PG&E disagrees with Cal Advocates' recommendations for its Drug and Alcohol Testing Program. The discussion below describes how PG&E's forecast is correct and requests it be adopted.

**1) PG&E Correctly Included Oral Fluid Testing During the Forecast Period**

PG&E agrees that its TY 2027 Drug and Alcohol Testing Program includes estimated costs for the required oral fluid testing that is not yet operational. However, PG&E disagrees it is not reasonable to include these costs for TY 2027 when the DOT has amended the regulations to include oral fluid testing but has not yet satisfied the required certification of at least two Department of

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<sup>80</sup> CA-22, p.15, lines 4-8.

<sup>81</sup> CA-22, p.15, lines 16-18.

<sup>82</sup> CA-22, p.15, lines 20-24.

1 Health and Human Services laboratories needed to implement this  
 2 change. Once this is done, and absent an affirmative recission to  
 3 the amended regulation, PG&E will be expected to comply with  
 4 administering required oral fluid testing in certain collections cases.

## 5 **2) Forecast Costs Required to Comply With Current Regulations**

6 PG&E opposes Cal Advocates' assertion its forecast includes  
 7 costs not required to comply with current DOT regulations to the  
 8 extent these costs are not specific to oral fluid testing.

9 PG&E disputes Cal Advocates' claim that PG&E associated with  
 10 oral fluid testing monitoring services beyond minimum DOT  
 11 compliance requirements. PG&E stated in testimony anticipated  
 12 oral fluid administration cost drivers include replacement of expired  
 13 tests, limited testing sites, and training to collect (administer) the  
 14 new test type.<sup>83</sup> PG&E did not include monitoring services as an  
 15 associated oral fluid testing program element.

16 While PG&E agrees that its forecast for 2025-2027 vendor  
 17 contract includes, in part, costs for testing methods and program  
 18 expansions that PG&E concedes are contingent on regulatory  
 19 conditions not yet satisfied (e.g., oral fluid testing), PG&E disputes  
 20 Cal Advocates assertion that PG&E conceded its separate  
 21 2025-2027 monitoring agreements forecast also includes costs that  
 22 are contingent on regulatory conditions not yet satisfied.

23 The Pipeline Safety vendor monitoring agreements and services  
 24 provided are unrelated to oral fluid testing and are in place to satisfy  
 25 current regulatory requirements.<sup>84</sup> PG&E outlined in testimony its  
 26 Drug and Alcohol Testing Program forecast *also* includes DOT  
 27 Applicant Installers *added* into the contractor drug and alcohol  
 28 program monitoring.<sup>85</sup> The increase in Applicant Installers added

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<sup>83</sup> Exhibit (PG&E-8), p. 5-34, lines 17-19.

<sup>84</sup> 49 Code of Federal Regulations (CFR) § 40.1—Procedures for Transportation Workplace Drug and Alcohol Testing Programs and 49 CFR § 199—Pipeline and Hazardous Materials Safety Administration, Drug and Alcohol Testing Program (§ 199.115 and § 199.245).

<sup>85</sup> Exhibit (PG&E-8), p. 5-34, lines 22-24.

1 into the contractor drug and alcohol program is a result of the  
 2 Applicant Installers performing covered tasks as described in 49  
 3 CFR § 199.<sup>86</sup> PG&E included in workpapers, and in response to  
 4 Cal Advocates data request, the estimated TY 2027 forecast costs  
 5 for Pipeline Safety monitoring agreements, inclusive of Applicant  
 6 Installers is \$0.110 million.<sup>87</sup>

7 PG&E sought clarification with Cal Advocates through a  
 8 discovery request asking for a working Excel file with formulas and  
 9 additional documentation to support Cal Advocates forecast and  
 10 recommended reduction. While Cal Advocates responded with their  
 11 forecast amount and referenced back to PG&E documents  
 12 previously provided, Cal Advocates did not provide the requested  
 13 calculations with formulas or other support documentation.<sup>88</sup> Thus,  
 14 it remains unclear how Cal Advocates calculated its recommended  
 15 reductions to the Drug and Alcohol Testing. In addition, Cal  
 16 Advocates did not dispute increases in vendor fees for ongoing drug  
 17 and alcohol testing services which are required to comply with  
 18 current regulations. Without the calculation details and a possible  
 19 misunderstanding of which services and fees (e.g. monitoring  
 20 agreements) are associated with new oral fluid testing, it is not  
 21 reasonable for PG&E to distinguish which specific costs or vendor  
 22 fee increases Cal Advocates is proposing to exclude or reduce as  
 23 part of its \$0.420 million forecast reduction.

#### 24 **d. Conclusion**

25 PG&E's forecast appropriately represents increases in vendor fees,  
 26 estimated costs for the DOT amended regulations to include oral fluid

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<sup>86</sup> PG&E Applicant Installer Pre-Qualification Requirements, Five Minute Meeting, available at: <<https://www.pge.com/assets/pge/docs/about/doing-business-with-pge/5mm-applicant-installer-pre-qualification-requirements-101524-r1.pdf>> (accessed Mar. 12, 2026).

<sup>87</sup> PG&E's response to Data Request CalAdvocates\_159-Q008, dated October 20, 2025 in Appendix B, at the end of this exhibit.

<sup>88</sup> CalAdvocates' response to PG&E Data Request PGE\_CalAdvocates\_007-Q01 and Q02, and related workpaper, dated March 4 2026 in Appendix B, at the end of this exhibit.

1 testing, and the added Applicant Installers into the contractor drug and  
2 alcohol program monitoring. For all the reasons described above,  
3 PG&E's \$1.632 million 2027 TY forecast for PG&E's Drug and Alcohol  
4 Testing Program is reasonable and requests the Commission to adopt  
5 PG&E's forecast as presented in its application.

6 **F. Non-Financial Recommendations**

7 No additional concerns were raised by parties.

8 **G. Conclusion**

9 For the reasons discussed above, PG&E recommends that its 2027  
10 expense forecast in Table 5-2 be adopted.

**TABLE 5-2**  
**2027 ADJUSTED EXPENSE FORECAST – PG&E (ALL PROGRAMS)**  
**(THOUSANDS OF NOMINAL DOLLARS)**

| Line No. | Program or MWC Description           | Filed Forecast <sup>(a)</sup> | Errata or Forecast Adjustments <sup>(b)</sup> | PG&E Rebuttal Position <sup>(c)</sup> |
|----------|--------------------------------------|-------------------------------|-----------------------------------------------|---------------------------------------|
| 1        | WC Benefit Payments                  | \$32,657                      | –                                             | \$32,657                              |
| 2        | WC ASP and Reg Fees                  | 3,431                         | –                                             | 3,431                                 |
| 3        | WC Admin and Cost Containment        | 5,170                         | –                                             | 5,170                                 |
| 4        | Light Duty Payroll                   | 1,204                         | 95                                            | 1,299                                 |
| 5        | WC MSD Prevention                    | 8,648                         | –                                             | 8,648                                 |
| 6        | Subtotal Workers' Compensation       | \$51,109                      | \$95                                          | \$51,204                              |
| 7        | Other Safety: Clinics                | \$3,705                       | –                                             | \$3,705                               |
| 8        | Other Safety: Wellness               | 1,042                         | \$(417)                                       | 625                                   |
| 9        | Fitness for Duty                     | 44                            | –                                             | 44                                    |
| 10       | Subtotal On-Site Health and Wellness | \$4,792                       | \$(417)                                       | \$4,374                               |
| 11       | Other Safety: Cal/OSHA               | \$278                         | –                                             | \$278                                 |
| 12       | DOT Testing                          | 1,632                         | –                                             | 1,632                                 |
| 13       | Subtotal Other Health and Safety     | \$1,910                       | –                                             | \$1,910                               |
| 14       | Total <sup>(d)</sup>                 | \$57,810                      | \$(322)                                       | \$57,488                              |

- (a) Reflects PG&E forecast as filed on May 15, 2025, and as updated in PG&E's November 10, 2025 errata filing.
- (b) Reflects PG&E forecast updates since the November 10, 2025, errata filing.
- (c) Reflects PG&E forecast position as of March 31, 2026.
- (d) Totals may include rounding differences.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 6**  
**REPORT ON INCLUSION AND BELONGING**

**THIS CHAPTER HAS NO REBUTTAL**



**PACIFIC GAS AND ELECTRIC COMPANY**  
**CHAPTER 7**  
**TOTAL COMPENSATION STUDY**

**THIS CHAPTER HAS NO REBUTTAL**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDIX A**  
**BENEFIT PLAN REPORTING**

**THIS APPENDIX HAS NO REBUTTAL**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**APPENDIX B**  
**DATA RESPONSES INCLUDED AS APPENDIX B**  
**TO PG&E'S REBUTTAL TESTIMONY**

PACIFIC GAS AND ELECTRIC COMPANY  
2027 GENERAL RATE CASE  
PEOPLE, COMPENSATION & BENEFITS – EXHIBIT (PG&E-20)  
DATA RESPONSES INCLUDED AS APPENDIX B  
TO PG&E'S REBUTTAL TESTIMONY

TABLE OF CONTENTS

| Chapter | Data Request Number                                              | Topic                                                     |
|---------|------------------------------------------------------------------|-----------------------------------------------------------|
| 2       | GRC-2027-PhI_DR_CalAdvocates_055-Q001                            | People Immediate Office filled positions                  |
| 2       | GRC-2027-PhI_DR_CalAdvocates_055-Q003                            | Vacancy Savings                                           |
| 2       | GRC-2027-PhI_DR_CalAdvocates_055-Q005                            | People TNS                                                |
| 2       | GRC-2027-PhI_DR_CalAdvocates_172-Q007                            | People Leadership Model                                   |
| 2       | GRC-2027-PhI_DR_CalAdvocates_172-Q010                            | Total Rewards, Compensation and Benefits filled positions |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q004                            | Non-Qualified Retirement Plans                            |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q004Atch01                      | Non-Qualified Retirement Plans                            |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q004Atch02                      | Non-Qualified Retirement Plans                            |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q005                            | Non-Qualified Retirement Plans                            |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q006                            | Non-Qualified Retirement Plans                            |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q006Supp01                      | Non-Qualified Retirement Plans                            |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q007                            | Non-Qualified Retirement Plans                            |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q008                            | Non-Qualified Retirement Plans                            |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q009                            | Non-Qualified Retirement Plans                            |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q009Supp01                      | Non-Qualified Retirement Plans                            |
| 3       | A2505009 Public Advocates Office Response to PGE_CalAdvocates015 | Labor Escalation                                          |
| 3       | PGE Employee 2025 NSC Safety Barometer Results                   | STIP                                                      |
| 3       | PGE Contractor 2025 NSC Safety Barometer Results                 | STIP                                                      |
| 3       | GRC-2027-PhI_DR_CalAdvocates_116-Q003Atch05                      |                                                           |

PACIFIC GAS AND ELECTRIC COMPANY  
2027 GENERAL RATE CASE  
PEOPLE, COMPENSATION & BENEFITS – EXHIBIT (PG&E-20)  
DATA RESPONSES INCLUDED AS APPENDIX B  
TO PG&E'S REBUTTAL TESTIMONY

TABLE OF CONTENTS  
(CONTINUED)

| Chapter | Data Request Number                                                                                                                                                           | Topic                                                  |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| 3       | A2505009 Public Advocates Office Response to PG&E_CalAdvocates034                                                                                                             | STIP                                                   |
| 4       | A.23-05-010 Report on the Results of Operations for Southern California Edison Company General Rate Case Test Year 2025 Employee Benefits, Training and Support (Part 1 of 2) | Medical Balancing Account                              |
| 4       | GRC-2027-PhI_DR_SBUA_001-Q022                                                                                                                                                 | Employee Assistance Program                            |
| 4       | GRC-2027-PhI_DR_PGE_SBUA003                                                                                                                                                   | Employee Assistance Program                            |
| 4       | GRC-2027-PhI_DR_SBUA_001-Q021                                                                                                                                                 | MHSUD                                                  |
| 4       | GRC-2027-PhI_DR_PGE_CalAdvocates035                                                                                                                                           | Leave of Absense and Disability Benefits               |
| 4       | GRC-2027-PhI_DR_CalAdvocates_247-Q002                                                                                                                                         | Retirement Savings Plan                                |
| 4       | GRC-2027-PhI_DR_CalAdvocates_210-Q002                                                                                                                                         | Retirement Excess Plan                                 |
| 4       | GRC-2027-Ph1_DR_TURN_019-Q001                                                                                                                                                 | Trust Repurposing                                      |
| 4       | GRC-2027-PhI_DR_TURN_043-Q002                                                                                                                                                 | Medical                                                |
| 4       | GRC-2027-PhI_DR_CalAdvocates_118-Q001Supp01Rev01Atch01                                                                                                                        | Benefit plan cost elements                             |
| 4       | GRC-2027-PhI_DR_CalAdvocates_118-Q001Supp01Rev01                                                                                                                              | Benefit plan cost elements                             |
| 4       | GRC-2027-PhI_DR_CalAdvocates_TURN_043_Q004                                                                                                                                    | LTD Trust                                              |
| 4       | GRC-2027-PhI_DR_CalAdvocates_188-Q002                                                                                                                                         | Retirement Excess                                      |
| 5       | GRC-2027-PhI_DR_CalAdvocates_159-Q003                                                                                                                                         | MSD Prevention Program (Ergonomics/Industrial Athlete) |
| 5       | GRC-2027-PhI_DR_CalAdvocates_159-Q003Atch01                                                                                                                                   | MSD Prevention Program (Ergonomics/Industrial Athlete) |
| 5       | GRC-2027-PhI_DR_PGE_CalAdvocates008                                                                                                                                           | MSD Prevention Program (Ergonomics/Industrial Athlete) |

PACIFIC GAS AND ELECTRIC COMPANY  
 2027 GENERAL RATE CASE  
 PEOPLE, COMPENSATION & BENEFITS – EXHIBIT (PG&E-20)  
 DATA RESPONSES INCLUDED AS APPENDIX B  
 TO PG&E'S REBUTTAL TESTIMONY

TABLE OF CONTENTS  
 (CONTINUED)

| Chapter | Data Request Number                                               | Topic                                                  |
|---------|-------------------------------------------------------------------|--------------------------------------------------------|
| 5       | A2505009 Public Advocates Office Response to PG&E_CalAdvocates008 | MSD Prevention Program (Ergonomics/Industrial Athlete) |
| 5       | GRC-2027-PhI_DR_CalAdvocates_159-Q004                             | Light Duty Payroll forecast                            |
| 5       | GRC-2027-PhI_DR_CalAdvocates_159-Q004Atch01                       | Light Duty Payroll forecast                            |
| 5       | GRC-2027-PhI_DR_CalAdvocates_110-Q002                             | Alternative Security Program (ASP)                     |
| 5       | GRC-2027-PhI_DR_CalAdvocates_159-Q006                             | Alternative Security Program (ASP)                     |
| 5       | GRC-2027-PhI_DR_CalAdvocates_159-Q006Atch01                       | Alternative Security Program (ASP)                     |
| 5       | A2505009 Public Advocates Office Response to PG&E_CalAdvocates006 | Alternative Security Program (ASP)                     |
| 5       | GRC-2027-PhI_DR_CalAdvocates_159-Q008                             | Drug and Alcohol Testing Program                       |
| 5       | A2505009 Public Advocates Office Response to PG&E_CalAdvocates007 | Drug and Alcohol Testing Program                       |
| 5       | PG&E GRC 2027 Cal Advocates Working Papers_Banarsee               | Various                                                |

**PACIFIC GAS AND ELECTRIC COMPANY**  
**General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_055-Q001                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_055-Q001 |
| <b>Request Date:</b>              | July 31, 2025                         |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-055-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | August 14, 2025                       |
| <b>PG&amp;E Witness(es):</b>      | Deb Sinta – People                    |

**SUBJECT: CHAPTER 2 PEOPLE ORGANIZATION; WORKPAPER EXCEL VERSION EX. 08 CH. 2;  
AND WORKPAPER EXCEL VERSION EX. 08 CH. 3**

**QUESTION 001**

Referring to PG&E Workpapers Excel Version, Ex. 08, Ch. 2 Excel document “01\_People Organization Department WP”, tab “6\_HC”, please provide the following:

- a. Explain what work is estimated to be done by the increased FTEs for each department within the People Organization.
- b. For each of the 5 vacancies in 2024 for Coworker Experience, please provide the date each of these vacancies began, how they began (retired, fired, promoted, etc.), when a replacement job listing was posted, what part of the process the hiring is in (job listed, interview, hired, etc.), if the position has been filled, a copy of the job description with salary range, the amount included in the forecast for 2027 regarding this position, and the amount of average overtime for the department where the vacancy is located (if applicable).
- c. For the negative 5 FTEs being forecasted in Coworker Experience, please explain how the expense reduction due to the decrease in total FTEs is reflected in Coworker Experience’s Admin & Gen Salaries from 2025 to 2027.
- d. There is 1 vacancy in 2024 for Coworker Relations. Please explain why the Coworker Relations department is requesting an additional 1 FTE.
- e. For the 1 vacancy in 2024 for Coworker Relations, please provide the date the vacancy began, how it began (retired, fired, promoted, etc.), when a replacement job listing was posted, what part of the process the hiring is in (job listed, interview, hired, etc.), if the position has been filled, a copy of the job description with salary range, the amount included in the forecast for 2027 regarding this position, and the amount of average overtime for the department where the vacancy is located (if applicable).
- f. For the 1 FTE being requested in Coworker Relations, please provide when a job listing was posted, what part of the process the hiring is in (job listed, interviews, hired, etc.), if the position has been filled, a copy of the job description with salary

range, the amount included in the forecast for 2027 regarding this position, and the amount of average overtime for the department employees where the position is located (if applicable).

- g. For the 4 vacancies in 2024 for Rewards, Compensation & Benefits, please provide the date each of these vacancies began, how they began (retired, fired, promoted, etc.), when a replacement job listing was posted, what part of the process the hiring is in (job listed, interview, hired, etc.), if the position has been filled, a copy of the job description with salary range, the amount included in the forecast for 2027 regarding this position, and the amount of average overtime for the department where the vacancy is located (if applicable).
- h. There are 2 vacancies in 2024 for Talent, Culture & People. Please explain why the Talent, Culture & People department is requesting an additional 4 FTEs.
- i. For the 2 vacancies in 2024 for Talent, Culture & People, please provide the date each of these vacancies began, how they began (retired, fired, promoted, etc.), when a replacement job listing was posted, what part of the process the hiring is in (job listed, interview, hired, etc.), if the position has been filled, a copy of the job description with salary range, the amount included in the forecast for 2027 regarding this position, and the amount of average overtime for the department where the vacancy is located (if applicable).
- j. For the 4 FTEs being requested in the Talent, Culture & People, please provide when a job listing was posted, what part of the process the hiring is in (job listed, interviews, hired, etc.), if the position has been filled, a copy of the job description with salary range, the amount included in the forecast for 2027 regarding this position, and the amount of average overtime for the department employees where the position is located (if applicable).
- k. Please explain what a “negative vacancy” means and how the situation arises.
- l. Please explain why, if there are negative 3 vacancies in 2024 for People Immediate Office, the department is requesting an additional 2 FTEs.
- m. For the 2 FTEs being requested in the People Immediate Office, please provide when a job listing was posted, what part of the process the hiring is in (job listed, interviews, hired, etc.), if the position has been filled, a copy of the job description with salary range, the amount included in the forecast for 2027 regarding this position, and the amount of average overtime for the department employees where the position is located (if applicable).
- n. Provide the headcount for Coworker Experience, Coworker Relations, People Immediate Office, Rewards, Compensation & Benefits, and Talent Culture & People for 2020-2024. If this doesn’t match the number of authorized and requested GRC-funded FTEs, please explain which positions have a higher FTE.
- o. Explain the annual fluctuations in headcount for Coworker Experience, Coworker Relations, People Immediate Office, Rewards, Compensation & Benefits, and Talent Culture & People for each year from 2020 to 2024.
- p. Provide the number of FTE vacancies for Coworker Experience, Coworker Relations, People Immediate Office, Rewards, Compensation & Benefits, and Talent Culture & People for 2020 – 2024, and for how long each position was vacant.



- q. Explain the annual fluctuations in the number of FTE vacancies for Coworker Experience, Coworker Relations, People Immediate Office, Rewards, Compensation & Benefits, and Talent Culture & People for each year from 2020 to 2024, i.e. retirements, terminations, promotions, etc.
- r. Explain the methodology used to forecast FTEs for 2025-2027 for each department within the People Organization.
- s. Explain why the current staffing levels in each department in the People Organization were insufficient to address PG&E's TY activities and to meet operational or compliance duties. Provide all supporting documentation, including internal reviews and analyses.
- t. Provide the number of headcounts and FTEs, along with associated labor expenses, requested, authorized, and spent for each department within the People Organization for the related years covered by the 2023 GRC, along with all supporting documentation.

### ANSWER 001

Due to several department reorganizations within People, the year-end FTEs do not align with the forecast FTEs by department (2025-2027) shown in schedule 6, WP 2-17. To show a better comparison by department, PG&E is providing an updated FTE forecast workpaper that aligns the 2024 data with the forecast. The responses to this data request are based on the data shown in the updated workpaper (see "*GRC-2027-Phi\_DR\_CalAdvocates\_055-Q001Atch01*").

It is important to note that historical costs were adjusted to correspond with the 2027 forecast in the workpapers as filed. These adjustments are shown in WP 2-15 and 2-16.

- a. The People Organization is requesting an increase of 2 FTEs from 2024 to 2025. These positions are within the Immediate Office and the Talent, Culture, and People Organization.
  - The position within the Immediate Office is for Senior Executive Assistant directly supporting the Chief People Office to support the multiple complex companywide functions.
  - The position within Talent, Culture, and People, in the People Partner department, is for a Director, People Partner. The People Partner role is a strategic partner and team leader, who provides regional support for front-line coworkers. in regional locations, to support coworkers
- b. The People Organization at year end 2024 had a total of nine vacant positions. Please see "*GRC 2027-Phi\_DR\_CalAdvocates\_055-Q001Atch02*" for Job Title, department, vacancy reason, job posting date, hiring status, start date, attachment reference to job description, and amount included in 2027 forecast. As shown in the revised FTE forecast workpaper these vacancies were in the Immediate Office (3), Talent, Culture, and People (2) and Rewards, Compensation, and Benefits (4). The attachment contains data for 10 vacant positions, reflecting the early hiring of the additional headcount in People Immediate Office in 2024 instead of 2025.

The vacant positions are Management level which are exempt and not eligible for overtime.

- c. As shown in the revised FTE forecast workpaper, Coworker Experience is not forecasting a change in headcount.
- d. As shown in the revised FTE forecast workpaper, Coworker Relations is not forecasting a change in headcount.
- e. As shown in the revised FTE forecast workpaper, Coworker Relations did not have any vacancies at the end of 2024.
- f. As shown in the revised FTE forecast workpaper, Coworker Relations is not forecasting any incremental headcount.
- g. As shown in the revised FTE forecast workpaper, Rewards, Compensation & Benefits had a total of four vacant positions at the end of 2024. For the details on these vacant positions please refer to the response to subpart b. above.
- h. As shown in the revised FTE forecast workpaper, Talent, Culture, and People Organization had a total of two vacant positions at the end of 2024 and is requesting one incremental headcount. Please refer to the response to subparts a. and b. above.
- i. As shown in the revised FTE forecast workpaper, Talent, Culture, and People Organization had a total of two vacant positions at the end of 2024. Please refer to response to subpart b. above.
- j. As shown in the revised FTE forecast workpaper, Talent, Culture, and People Organization had a total of two vacant positions at the end of 2024 and is requesting one incremental headcount. Please refer to the responses to subparts a. and b. above.
- k. A negative vacancy could occur when the actual headcount is above the headcount target (year-end FTEs plus vacancies). For example, when PG&E hires summer interns the intern position would be included in a department actual headcount but is not included in the headcount target, creating a negative vacancy.
- l. As shown in the revised FTE forecast workpaper, People Immediate Office had three vacant positions and requested one incremental headcount. Please refer to responses to subparts a. and b. above.
- m. As noted in response to subpart a. above, there were a total of two incremental FTEs planned in 2025, one in People Immediate Office and one in Talent, Culture, and People.

The position in People Immediate Office has been filled with a start date of 9/9/2024. Please see “*GRC 2027-PhI\_DR\_CalAdvocates\_055-Q001Atch09*” for the official job posting, which includes the job description and salary range.

The position in Talent, Culture & People has been filled with a start date of 4/1/2025. Please see “*GRC 2027-PhI\_DR\_CalAdvocates\_055-Q001Atch06*” for the official job posting, which includes the job description and salary range

These positions are Management level which are exempt and not eligible for overtime.

- n. Due to changes implemented in the People organization structure since the 2023 GRC, departmental and organizational data including headcount are not directly

comparable across cases. The annual FTEs fluctuate year to year based on the following organizational changes:

- Centralization of the Enterprise Change Office (ECO) from the Enterprise to the People organization
- Significant reorganizations within the People team impacting the department showing, and
- Reorganizations moving departments out of the People team. PG&E Academy and Employee Investigations costs were included in its Human Resources request based on the organizational structure at the time of the filing. Subsequently, PG&E Academy was reorganized into the Safety Organization<sup>1</sup> and Employee Investigations was reorganized into the General Counsel and Ethics & Compliance organization<sup>2</sup>. Both of these departments are not included in the People Organization request in the 2027 GRC.

The table below shows the year-end headcount for the People Organization, reflecting its structure at the close of each year. The 2023 GRC headcount corresponds to the People Organization as it was at the time of filing. Because of significant reorganizations, the data is not directly comparable across different years. PG&E is providing the forecast years in the 2023 GRC (2023-2026). 2023 GRC Decision authorized department forecast rather than the number of FTEs.

| People Organization |                          |                                     |
|---------------------|--------------------------|-------------------------------------|
| Year                | Total Year-End Headcount | Headcount included 2023 GRC Request |
| 2020                | 389                      | N/A                                 |
| 2021                | 268                      | N/A                                 |
| 2022                | 251                      | N/A                                 |
| 2023                | 262                      | 392                                 |
| 2024                | 260                      | 392                                 |
| 2025                | N/A                      | 392                                 |
| 2026                | N/A                      | 392                                 |

- Please refer to subpart n. above.
- PG&E is unable to provide the historical vacant positions due the multiple reorganizations during the time period.
- The number of vacancies can fluctuate annually for a variety of reasons including voluntary and/or involuntary resignations, retirements, internal movements, organizational changes, and leaves of absences.
- FTEs forecast for 2025 are based off 2024 internal approved targets plus two incremental FTEs. The People Organization is maintaining staffing at 2025 levels

<sup>1</sup> Safety Organizations costs are discussed in PG&E 2027 GRC in Exhibit (PG&E-7), Chapter 1.

<sup>2</sup> Employee Investigations costs are discussed in PG&E 2027 GRC in Exhibit (PG&E-9), Chapter 5.

for the years 2026 and 2027, consistent with PG&E's strategy to control expenses and support the affordability of customer bills.

- s. The People Organization is requesting two incremental headcount which is less than a 1 percent increase over the GRC period. As described in testimony, Exhibit (PG&E-8), 202, lines 14-17:

*A recent benchmark report by The Hackett Group revealed that PG&E's Human Resource functions headcount is 36 percent lower compared to its peers.<sup>3</sup> By operating considerably lower than its counterparts, PG&E is enabling customers to benefit from a reduced forecast in labor expense .*

- t. As noted in response to subpart n. above, the People organization has undergone several reorganizations moving headcount between People departments and in and out of the People organization since the 2023 GRC. The headcount and labor dollars requested and authorized in the 2023 GRC do not align with the current structure of the People Organization included in the current case.

The table below shows the total People organization's actual labor expenses based on the organizational structure in place at the end of each year and the requested and authorized labor based on the organizational structure requested in the 2023 GRC. For the FTEs in the same time period refer to response subpart n. above.

PG&E's total labor amounts authorized in the 2023 GRC are calculated in the Results of Operation Model at the Corporate Service level (which includes People). PG&E has calculated a representative figure for the labor authorized for the People Exhibit. The amounts were calculated using a proration of PG&E's 2023 final decision amounts and escalated for 2024 through 2026.

| <b>Labor (FERC 920 and Direct Assigned Non-A&amp;G<sup>4</sup>) (in millions)</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> |
|-----------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| 2023 GRC Request                                                                  | \$72.0      | \$74.4      | \$76.9      | \$79.4      |
| 2023 GRC Authorized                                                               | \$74.0      | \$76.0      | \$78.1      | \$80.4      |
| Actual Recorded labor (FERC 920 and Direct Assigned A&G) <sup>5</sup>             | \$33.5      | \$36.5      | N/A         | N/A         |

<sup>3</sup> Hackett Group Benchmark Report.

<sup>4</sup> Direct Assigned A&G included both Labor and materials and employee related expense. The majority of the cost is labor.

<sup>5</sup> People Organization recorded FERC Account 920 and Direct Assigned (Non-A&G), workpapers supporting Exhibit (PG&E-8), Chapter 2, WP 2-3.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_055-Q003                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_055-Q003 |
| <b>Request Date:</b>              | July 31, 2025                         |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-055-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | August 13, 2025                       |
| <b>PG&amp;E Witness(es):</b>      | Lisa Laanisto – People                |

**SUBJECT: CHAPTER 2 PEOPLE ORGANIZATION; WORKPAPER EXCEL VERSION EX. 08 CH. 2;  
AND WORKPAPER EXCEL VERSION EX. 08 CH. 3**

**QUESTION 003**

Referring to PG&E Workpapers Excel Version, Ex. 08, Ch. 3 Excel document “01\_2027 GRC Corporate Items\_STIP\_Initial”, tab “1 2020-2027”, please provide the following:

a. The Utility Non-Officer STIP forecasted expenses(\$000s) for 2025-2027 are as follows:

- 2025: \$259,800
- 2026: \$269,543
- 2027: \$279,651

Explain how PG&E forecasted the above costs from 2025 to 2027 and why PG&E chose not to normalize the 2020-2024 expenses. Provide the methodology and calculation, along with all supporting documentation.

b. The Utility Officer STIP forecasted expenses(\$000s) for 2025-2027 are as follows:

- 2025: \$11,237
- 2026: \$11,658
- 2027: \$12,095

Explain how PG&E forecasted the above costs from 2025 to 2027 and why PG&E chose not to normalize the 2020-2024 expenses. Provide the methodology and calculation, along with all supporting documentation.

c. The PG&E Corporation Non-Officer STIP forecasted expenses (\$000s) for 2025-2027 are as follows:

- 2025: \$202

- 2026: \$204
- 2027: \$208

Explain how PG&E forecasted the above costs from 2025 to 2027 and why PG&E chose to normalize the 2020-2024 expenses instead of escalating the 2024 expense. Provide the methodology and calculation, along with all supporting documentation.

**ANSWER 003**

a–c. Please see response and attachments for GRC-2027-Phil\_DR\_CalAdvocates\_046, Q001 and Q003 for the methodology and calculation.

Historical costs for 2020–2024 reflect the actual STIP payouts. PG&E is unable to normalize historical expenditures as proposed by Cal Advocates. Actual payout amounts fluctuate annually due to factors such as adjustments in company performance scores, wage escalation, and demographic changes.

Note: PG&E did not normalize 2020-2024 costs to PG&E Corporation Non-Officer STIP consistent with the other STIP categories.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_055-Q005                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_055-Q005 |
| <b>Request Date:</b>              | July 31, 2025                         |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-055-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | August 14, 2025                       |
| <b>PG&amp;E Witness(es):</b>      | Deb Sinta – People                    |

**SUBJECT: CHAPTER 2 PEOPLE ORGANIZATION; WORKPAPER EXCEL VERSION EX. 08 CH. 2;  
AND WORKPAPER EXCEL VERSION EX. 08 CH. 3**

**QUESTION 005**

Referring to pages 2-6 of Ex. PG&E-8, Ch. 2, which states, “The 2027 contract and consultant spend forecast is \$1.1 million, which is a \$1.1 (sic) increase over the 2024 contract spend. The increase in contract spend is funding to support initiatives to further the People True North Strategy.” Please explain the following:

- a. Explain what work will be done under the People True North Strategy.
- b. Provide all the related costs for the People True North Strategy from 2020 to 2024 in the People Immediate Office.
- c. If these costs for the People True North Strategy program were booked elsewhere from 2020 to 2024, please identify where they were booked, the amounts recorded each year, and the number of FTEs assigned to this program for each year.
- d. Explain the annual fluctuations in the costs for the People True North Strategy from 2020 to 2024.
- e. Provide the justifications for funding People True North Strategy through the 2027 GRC, the evaluation of the direct benefit to ratepayers, company decisions, and internal assessments, along with all supporting documentation.
- f. Provide the estimated and itemized cost breakdown (labor and non-labor) for the \$1.1 million, along with all supporting documentation.
- g. Explain how employees record time and costs under People True North Strategy.
- h. Provide the vendor selection standards, measurable outcomes, and performance metrics associated with the People True North Strategy for 2025-2027.
- i. Provide the benchmark used, the cost-benefit analysis, and the cost-effectiveness study for these consultant and contract costs.

**Answer 005**

- a. The People True North Strategy includes multiple initiatives that are designed to develop & grow people, maximize organizational effectiveness, create the right environment and empower coworker experience. These initiatives aim to develop a workforce with skills suited to future demands, improve team effectiveness in providing safe, reliable, affordable services, promote a sense of belonging among coworkers, and encourage customer-focused practices.
- b. PG&E does not track the costs specifically for the People True North Strategy in a separate order and cannot provide the historical trend spend for this work.
- c. Refer to response b. above.
- d. Refer to response b. above.
- e. The People True North Strategy is designed as a long-term commitment, benefiting both customers and the Company by building a capable, engaged workforce for years to come. This strategic focus on sustained development leads to more reliable, efficient service and a consistently better customer experience. For the Company, these ongoing initiatives enhance performance and innovation by fostering employee growth and a positive work environment, ensuring the organization remains dedicated to delivering value to the communities it serves well into the future.
- f. The \$1.1 million forecast is included as all non-labor. The dollars are forecast centrally to prioritize the spending needs. The work currently being performed for the People TNS is done by existing People employees. As the plans mature and additional work is identified, we will evaluate the need to utilize consultants and contractors or additional employees to help facilitate this work.
- g. With the exception of work being performed for Electric and Gas the People organization does not track time to specific orders.
- h. The People organization follows the enterprise standard for vendor selection for the People True North Strategy proposal. Please refer to “*GRC-2027-Phi\_DR\_CalAdvocates\_055-Q005Atch01*” for PG&E’s Sourcing Standard: SCM-6003S.

The People TNS business plans are under development and will be available in 2026. The current performance metric associated with the People TNS is the Joy at Work Key Performance Indicator (KPI). The 2025 Joy at Work KPI is an index score of Known, Loved, Proud and Joy while working for the Company. KPIs are evaluated annually.

- i. Refer to response f. above.



**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_172-Q007                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_172-Q007 |
| <b>Request Date:</b>              | October 13, 2025                      |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-172-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | November 4, 2025                      |
| <b>PG&amp;E Witness(es):</b>      | Deb Sinta – People                    |

**SUBJECT: CHAPTER 2 PEOPLE ORGANIZATION; CHAPTER 3 COMPENSATION AND LABOR ESCALATION**

**QUESTION 007**

Referring to PG&E’s response to Cal Advocates data request PubAdv-PG&E-109-WY2, Q. 9a-b, attachment GRC-2027-PhI\_DR\_CalAdvocates\_109-Q009Atch01, department Talent, Culture & People, tab “FERC 923 Forecast”, please answer the following questions:

- a. For each of the following, please explain what type of work is being done. In an Excel spreadsheet, provide a list of business needs, activities, and projects for each of the following planning order items that have already been identified and approved by management, which total each planning order item’s respective 2025 forecast expenses:
  - Planning Order 5067377 ECO-Breakthrough - \$10.920 million
  - Planning Order TBD People Partners - \$3.940 million
  - Planning Order TBD Leadership Development - \$3.940 million
  - Planning Order 5070293 Employee Relations Initiatives - \$4.140 million
  - Planning Order 5037770 EVP Expense - \$1.059 million
  - Planning Order 5070316 Background Checks - \$0.940 million
  - Planning Order 5070317 Recruiting Contractor - \$0.425 million
  - Planning Order 5070315 Recruiting - \$0.417 million
  - Planning Order 5070318 Employment Testing - \$0.392 million
  - Planning Order 5070393 ECO - Joy on Wheels - \$0.340 million
  - Planning Order 5070323 ECO - Finance Simulation Course – BTS - \$0.300 million
  - Planning Order 5070326 Leading@PG&E - \$0.200 million

- Planning Order 5070389 Getting Things Done - Certification - \$0.175 million
  - Planning Order 5070321 Safety Leadership Courses \$0.101 million
- b. For Planning Order 5067377 ECO-Breakthrough, please explain what work is being done by contractors and consultants and justify the necessity of those works from 2025 to 2027.
  - c. Please explain why costs under the Planning Order 5067377 ECO-Breakthrough are projected to decrease from 2025 to 2027.
  - d. Please explain why there are two entries for Planning Order 5067377 ECO-Breakthrough.
  - e. If PG&E cannot provide the identified and approved business needs/activities/strategic projects for any of the above requested planning order item, please provide a justification.
  - f. For Planning Order 5070290 Exec Compensation Risk Compliance, please explain what work is done under this planning order and explain why PG&E believes the cost associated with Exec Compensation Risk Compliance should not be covered by shareholders under CPUC code §706.
  - g. For Planning Order 5070225 Exec Comp CPUC Audit, please explain what work is done under this planning order and explain why PG&E believes the costs associated with Exec Comp CPUC Audit should not be covered by shareholders under CPUC code §706.
  - h. For Planning Order 5070225 Exec Comp CPUC Audit, please confirm whether it relates to the independent auditor required under CPUC code §706.
  - i. For Planning Order 5070227 Total Compensation Study (GRC), please provide the contracts and/or vendor quotes for the Total Compensation Study (GRC) and provide the payout timeline by PG&E for the 2027 GRC.
  - j. For Planning Order 5070227 Total Compensation Study (GRC), please explain why the payment for the Total Compensation Study should not be a one-time payment in 2025.

**ANSWER 007**

**Attachments to this response contain CONFIDENTIAL information described in the attached Declaration Supporting Confidential Designation dated November 4, 2025.**

- a. Refer to “GRC-2027-PhI\_DR\_CalAdvocates\_172-Q007Atch01.xlsx” for the explanation of the work being performed for the list of planning orders listed in the request.
- b. The work being forecast in planning order 5067377 ECO-Breakthrough is being performed by outside consultants. For the justification of the work being performed in 2025-2027 refer to PG&E’s response to CalAdv\_172-Q003b.
- c. As described in PG&E’s response to CalAdv\_172-Q003b, the costs under the Planning Order 5067377 ECO-Breakthrough are projected to decrease from 2025 to 2027 because the work is being transitioned from consulting projects to in house, as the People Partners develop resources and continuing learning opportunities to

further support enablement and adoption of breakthrough thinking, actions, and outcomes internally.

- d. Planning Order 5067377 ECO-Breakthrough includes two entries to differentiate between outside consultant costs and travel related expenses.
- e. Not Applicable
- f. The work that is performed and is recorded to Planning Order 5070290 – Executive Compensation Risk Compliance are a necessary component of maintaining compliance with CPUC requirements for the General Order (GO) 77-M report and Securities and Exchange Commission (SEC) disclosure requirements for the proxy statement. The proxy statement provides information regarding executive compensation, governance and performance alignment. These are incurred in the normal course of operations to ensure compliance, transparency, and effective oversight.

The work that is performed and recorded to Planning Order 5070290 is an appropriate request for recovery in this GRC. California Public Utilities Code section 706(b) states that compensation for officers “shall be paid solely by shareholders of the electrical corporation or gas corporation.” Compensation is defined as consideration of any value. In contrast to the statute, the costs in Planning Order 5070290 do not represent consideration paid to an officer.

- g. The work that is performed and is recorded to Planning Order 5070255 – Executive Compensation CPUC Audit – relates to an independent auditor responsible for verifying the full disclosure of all elements of the Executive Compensation for the PG&E Corporation and Pacific Gas and Electric Company. The disclosure is reported on the Executive Compensation Supplement containing the Compensation Granted and Compensation Opportunity and the Compensation Received or Deferred to the General Order (GO) 77-M Report filed with the California Public Utilities Commission (CPUC). The Auditor’s letter verifies that all elements of total compensation are fully disclosed, clearly described and comprehensive, is required as part of the GO-77M Report requirements.

The work that is performed and recorded to Planning Order 5070255 is an appropriate request for recovery in this GRC. California Public Utilities Code section 706(b) states that compensation for officers “shall be paid solely by shareholders of the electrical corporation or gas corporation.” Compensation is defined as consideration of any value. In contrast to the statute, the costs in Planning Order 5070255 do not represent consideration paid to an officer.

- h. See response to subpart g. above. The costs are for an independent auditor for verifying disclosures in the annual 77-M Report filed with the CPUC.
- i. The payments for the Total Compensation Study for the 2027 General Rate case can be found in “GRC-2027\_Phi\_DR\_CalAdvocates\_172-Q007Atch02CONF.xlsx”.  
For the Statement of Work for the Total Compensation Study refer to “GRC-2027\_Phi\_DR\_CalAdvocates\_172-Q007Atch03CONF.pdf”.
- j. The work for the Total Compensation study is not a one-time payment, as shown in PG&E’s response to subpart i. above. The payments were made at milestones over 2024 when the study started, and 2025 when the study was completed.  
Furthermore, additional payments may be required if Willis Towers Watson is called

upon to provide further expertise in support of GRC activities, such as data discovery, hearings, or rebuttal phases.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_172-Q010                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_172-Q010 |
| <b>Request Date:</b>              | October 13, 2025                      |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-172-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | October 28, 2025                      |
| <b>PG&amp;E Witness(es):</b>      | Deb Sinta – People                    |

**SUBJECT: CHAPTER 2 PEOPLE ORGANIZATION; CHAPTER 3 COMPENSATION AND LABOR ESCALATION**

**QUESTION 010**

Referring to PG&E’s response to Cal Advocates data request PubAdv-PG&E-055-WY2, Q. 1a-b, attachment GRC-2027-PhI\_DR\_CalAdvocates\_055-Q001Atch02, as shown below:

- a. The People Organization is requesting an increase of 2 FTEs from 2024 to 2025. These positions are within the Immediate Office and the Talent, Culture, and People Organization.
- The position within the Immediate Office is for Senior Executive Assistant directly supporting the Chief People Office to support the multiple complex companywide functions.
  - The position within Talent, Culture, and People, in the People Partner department, is for a Director, People Partner. The People Partner role is a strategic partner and team leader, who provides regional support for front-line coworkers. in regional locations, to support coworkers
- b. The People Organization at year end 2024 had a total of nine vacant positions. Please see “GRC 2027-PhI\_DR\_CalAdvocates\_055-Q001Atch02” for Job Title, department, vacancy reason, job posting date, hiring status, start date, attachment reference to job description, and amount included in 2027 forecast. As shown in the revised FTE forecast workpaper these vacancies were in the Immediate Office (3), Talent, Culture, and People (2) and Rewards, Compensation, and Benefits (4). The attachment contains data for 10 vacant positions, reflecting the early hiring of the additional headcount in People Immediate Office in 2024 instead of 2025.
- The vacant positions are Management level which are exempt and not eligible for overtime.

| Job Title                          | Department               | Vacancy Reason | Job Posting Date | Hiring Status | Start Date | Reference for Job Description | Amount included in 2027 forecast (\$ thousands) | Notes                                                                              |
|------------------------------------|--------------------------|----------------|------------------|---------------|------------|-------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------|
| Principal/Manager Level            | Immediate Office         | Repurposed     | N/A              | N/A           | N/A        | N/A                           | \$277                                           | Open position                                                                      |
| Principal Lean Program Manager     | Immediate Office         | New            | 03/20/2025       | Filled        | 07/01/2025 | Atch 03                       | \$131                                           |                                                                                    |
| Senior Director, Enterprise Change | Talent, Culture & People | New            | 01/27/2025       | Filled        | 02/24/2025 | Atch 04                       | \$132                                           |                                                                                    |
| Program Manager, Principal         | Talent, Culture & People | Backfill       | 05/22/2025       | Filled        | 06/09/2024 | Atch 05                       | \$267                                           |                                                                                    |
| Director, HR Business Partner      | Talent, Culture & People | Repurposed     | 01/29/2025       | Filled        | 07/01/2025 | Atch 06                       | \$278                                           |                                                                                    |
| Director, HR Business Partner      | Talent, Culture & People | Repurposed     | 03/26/2025       | Filled        | 04/01/2025 | Atch 06                       | \$208                                           |                                                                                    |
| Chief of Staff, Principal          | Total Rewards            | New            | 01/29/2025       | Filled        | 04/14/2025 | Atch 07                       | \$232                                           |                                                                                    |
| Compensation Analyst               | Total Rewards            | Backfill       | 06/24/2024       |               | 01/06/2025 | Atch 08                       | \$100                                           |                                                                                    |
| Compensation Analyst, Senior       | Total Rewards            | Backfill       | N/A              | N/A           | N/A        | N/A                           | \$131                                           | Open position. Work currently being done by contractor.                            |
| Manager, Compensation              | Total Rewards            | Backfill       | N/A              | N/A           | N/A        | N/A                           | \$232                                           | Open position. Work currently being done by an employee on a temporary assignment. |

<sup>1</sup> The forecast for these positions was included in the People Immediate Office subsequent to the filing these positions were repurposed to Talent, Culture, and People.

Please answer the following questions:

- a. Please confirm whether the People Organization is forecasting nine or ten vacancies for 2027, the programs in which each is located, and the total TY 2027 forecast related to the vacancies.
- b. Please quantify the impact of each of these vacancies in terms of overtime worked by others, work that is delayed or abandoned, contractors hired to perform work typically completed by these employees, etc.
- c. For the vacant Principle/Manager Level position in the Immediate Office, please provide the following:
  - i. When this position was vacated.
  - ii. The hiring schedule from the vacancy date to TY 2027. Include when and where PG&E posted the job, whether any offers were made, and the current status of this vacancy.
  - iii. The job description for this position.
- d. For the vacant Compensation Analyst in Total Rewards, please provide the following:
  - i. When this position was vacated.
  - ii. The hiring schedule from the vacancy date to TY 2027. Include when and where PG&E posted the job, whether any offers were made, and the current status of this vacancy.
  - iii. The job description for this position.
- e. For the temporary filled Manager Compensation in Total Rewards, please provide the following:
  - i. When this position was vacated.
  - ii. The hiring schedule from the vacancy date to TY 2027. Include when and where PG&E posted the job, whether any offers were made, and the current status of this vacancy.
  - iii. The job description for this position.
  - iv. The department from which the employee on a temporary assignment originates, and in which Exhibit and Chapter can a description of that department be found in this TY 2027 GRC.

**ANSWER 010**

- a. The People organization is forecasting a total of 267 FTEs and zero vacant positions in 2027. The labor forecast reflects a vacancy savings of \$472 thousand as shown in WP 2-18, line 2. The vacancy savings is an offset to labor to account for fluctuations in staffing levels throughout the year.
- b. The People is forecasting zero vacant positions in 2027.

The People Organization frequently engages contractors or staff augmentation resources to maintain business continuity and address operational needs. Most employees within the People Organization hold management positions and, as such, do not log overtime hours.

- c. For the vacant Principle/Manager Level position in the Immediate Office, please see below:
  - i. The Principal/Manager position has been vacant for more than one year.
  - ii. The Principal/Manager position is currently under review to assess where support is most needed. Once a decision has been made, PG&E will proceed with posting this position. As noted in CalAdv\_055-Q01, vacant positions that were held in the Immediate Office were evaluated and deployed to departments within the organization with the most staffing need.
  - iii. Currently there is no associated job description for this vacancy. As detailed in subpart Ci, PG&E is determining what position is needed to support the organization.
- d. For the vacant Compensation Analyst in Total Rewards, please see below:
  - i. The Compensation Analyst position has been vacated for more than one year, however a contractor has been in place for the majority of that time.
  - ii. The People Organization is not hiring for this open headcount. The headcount is being held for an employee who is working on a temporary assignment outside of the People Organization. Once the temporary assignment has concluded the employee will return to People Organization.
  - iii. There is no associated job description for this headcount as PG&E is not posting this as an open position, as detailed in subpart dii.
- e. For the temporary filled Manager Compensation in Total Rewards, please see below:
  - i. The Manager compensation position was vacated in 2024.
  - ii. The temporary assignment was posted internally and filled in October 2024. The successful candidate was made permanent in October 2025. The position is no longer vacant.
  - iii. Please see GRC-2027-PhI\_DR\_CalAdvocates\_172-Q010Atch01 for the Manager, Compensation job description.
  - iv. The employee that was on temporary assignment for the Manager Compensation position was a Total Rewards employee within the People

Organization. The description of the Total Rewards department can be found in Exhibit (PG&E-8), Chapter 2, pp. 2-16 to 2-20.



**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_116-Q004                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_116-Q004 |
| <b>Request Date:</b>              | September 8, 2025                     |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-116-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | October 1, 2025                       |
| <b>PG&amp;E Witness(es):</b>      | Lisa Laanisto – People                |

**SUBJECT: CHAPTER 3 COMPENSATION & LABOR ESCALATION; WORKPAPER EXCEL  
VERSION EX. 08, CH. 3**

**QUESTION 004**

Referring to PG&E’s response to Cal Advocates data request PubAdv-PG&E-018-WY2, Q. 5b, PG&E states, “Please refer to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-3, known as ‘walk’, for year over year changes to PG&E Utility SERP expenses.” Please explain the following:

- a. Are participating employees the only driver for Utility SERP expenses? If not, please explain.
- b. Explain the year-to-year fluctuation in participating employee amounts for 2020-2024.
- c. Explain the methodology for estimating participating employee amounts for 2025-2027.
- d. Provide the estimated number of participating employees for 2025-2027.
- e. Explain what costs are included in the Utility SERP from 2020 to 2027.
- f. In an Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Utility SERP expenses in 2020 by participating employees, showing each employee’s job title, base salary, Utility SERP % of base salary, total participating employee amount, and Utility SERP payout that total to \$0 million. Provide all supporting documentation.
- g. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Utility SERP expenses in 2021 by participating employees, showing each employee’s job title, base salary, Utility SERP % of base salary, total participating employee amount, and Utility SERP payout that total to \$0 million (the formula intact in each cell showing PG&E’s calculation). Provide all supporting documentation.
- h. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Utility SERP expenses in 2022 by participating employees, showing each employee’s job title, base salary, Utility SERP % of base salary, total participating

employee amount, and Utility SERP payout that total to \$1.380 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the increase in payments to plan participants. Provide all supporting documentation.

- i. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Utility SERP expenses in 2023 by participating employees, showing each employee's job title, base salary, Utility SERP % of base salary, total participating employee amount, and Utility SERP payout that total to \$1.696 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the increase in payments to plan participants. Provide all supporting documentation.
- j. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Utility SERP expenses in 2024 by participating employees, showing each employee's job title, base salary, Utility SERP % of base salary, total participating employee amount, and Utility SERP payout that total to \$2.341 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the increase in payments to plan participants. Provide all supporting documentation.

#### **ANSWER 004**

The response to "*GRC-2027-PhI\_DR\_CalAdvocates\_018-Q005*", subparts b-e inadvertently referred to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-3, but should have referred to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-14.

During our preparation of this data response, PG&E found an inadvertent error in our testimony/workpaper. PG&E's response below provides the correction, which will also be included in a future errata submission or at hearings.

The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SERP payments made. The correct amounts are provided in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. Responses to subparts a-j are based on the revised recorded adjusted actuals included in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch02*", tab Utility SERP.

- a. The expenses represent payments to former employees who accrued benefits under the Utility SERP while working for the company and payments begin after they have separated from the company. Plan participants are the primary driver for Utility SERP expenses. A participant's benefit is based on various factors, such as their covered compensation, years of service, and annuity election, and their monthly amount is fixed. Payments begin the seventh month following a participant's benefit commencement date, and their first payment includes the monthly annuity payment for the seventh month plus a lump sum payment equal to the first six monthly annuity payments with interest.
- b. The year-over-year fluctuation in participating employee amounts for 2020-2024 is primarily driven by the number of plan participants in a given year and the amount of their benefit. The number of plan participants may change, for example, due to

benefit commencement or death, which would impact how much is paid out in a year.

- c. The forecast methodology for 2025-2027 is described in workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-15, such that the forecast is 50% of 2024 recorded costs with no escalation for the Utility and M&S escalation for the Corporation. The assumption for participating retirees for 2025 – 2027 is the same number of participants in 2024. See also response to “*GRC-2027-PhI\_DR\_CalAdvocates\_055-Q004*”, which also responded with detail on how PG&E forecasted SERP expenses for 2025-2027.
- d. PG&E’s forecast for 2025-2027 is based on 2024 recorded adjusted costs, which include an adjustment for 50% cost recovery. In 2024, there were 42 participants who received Utility SERP payments. PG&E estimates the number of participants will remain unchanged until a participant becomes deceased.
- e. The Utility SERP costs represent the actual payments made to participants in years 2020-2024. While PG&E was in bankruptcy, Utility SERP payments to participants were on hold. When PG&E emerged from bankruptcy in 2020, a true-up of payments, including interest, were made to participants resulting in the increased recorded costs in 2020. The catch-up payments, interest, and other, as well as a reduction for 50% cost recovery, have been adjusted from the recorded costs.

As noted in subpart c above, the 2025-2027 costs represent 50% of 2024 recorded costs with no escalation for the Utility and escalation for the Corporation.

- f-j. See attachment “*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch02*”, tab Utility SERP. Note that participants of the Utility SERP are former employees who no longer have a job title or a base salary.

**PACIFIC GAS AND ELECTRIC COMPANY  
2027 GENERAL RATE CASE  
Exhibit (PG&E-08) People, Compensation & Benefits**

**Workpapers Supporting  
Chapter 3 Compensation and Labor Escalation: Non-Qualified Retirement Plans**

**TABLE OF CONTENTS**

| Title                                                              | Schedule |
|--------------------------------------------------------------------|----------|
| <b>Company-Wide Expenses</b>                                       |          |
| ▪ Historical and Forecast Expenses (Nominal and Base Year Dollars) | 1        |
| ▪ Historical Adjustments                                           | 2        |
| ▪ Historical and Forecast Year over Year Walk                      | 3        |
| ▪ Forecast Methodology/Assumptions                                 | 4        |

PACIFIC GAS AND ELECTRIC COMPANY  
2027 GENERAL RATE CASE  
Exhibit (PG&E-08) People, Compensation & Benefits

Workpapers Supporting  
Chapter 3 Compensation and Labor Escalation: Non-Qualified Retirement Plans

Historical and Forecast Expenses  
Nominal and Base Year Dollars  
(\$000s)

| Line                     | Description                                                     | Resource     | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         | 2026         | 2027         |
|--------------------------|-----------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1                        | PG&E Utility SERP                                               | OTH          | 824          | 820          | 813          | 793          | 761          | 761          | 761          | 761          |
| 2                        | PG&E Corporation SRSP                                           | M&S          | 2,062        | 2,227        | 2,251        | 2,271        | 2,282        | 2,310        | 2,332        | 2,376        |
| 3                        | <b>Total PG&amp;E Supplemental Executive Retirement Plans</b>   |              | <b>2,886</b> | <b>3,047</b> | <b>3,064</b> | <b>3,065</b> | <b>3,043</b> | <b>3,071</b> | <b>3,093</b> | <b>3,137</b> |
| 4                        |                                                                 |              |              |              |              |              |              |              |              |              |
| 5                        |                                                                 |              |              |              |              |              |              |              |              |              |
| 6                        | PG&E Utility SRSP                                               | OTH          | 1,202        | 608          | 878          | 992          | 835          | 835          | 835          | 835          |
| 7                        | PG&E Corporation SRSP                                           | M&S          | 155          | 273          | 55           | 168          | 10           | 10           | 10           | 11           |
| 8                        | <b>Total PG&amp;E Supplemental Retirement Savings Plans [1]</b> |              | <b>1,357</b> | <b>881</b>   | <b>933</b>   | <b>1,159</b> | <b>845</b>   | <b>845</b>   | <b>845</b>   | <b>845</b>   |
| 9                        |                                                                 |              |              |              |              |              |              |              |              |              |
| 10                       | <b>TOTAL PG&amp;E NON-QUALIFIED RETIREMENT PLANS</b>            |              | <b>4,243</b> | <b>3,928</b> | <b>3,997</b> | <b>4,224</b> | <b>3,888</b> | <b>3,917</b> | <b>3,938</b> | <b>3,982</b> |
| 11                       |                                                                 |              |              |              |              |              |              |              |              |              |
| 12                       | <b>Year to Year Change</b>                                      |              |              | <b>(315)</b> | <b>69</b>    | <b>227</b>   | <b>(336)</b> | <b>28</b>    | <b>22</b>    | <b>44</b>    |
| 13                       |                                                                 |              |              |              |              |              |              |              |              |              |
| 14                       |                                                                 |              |              |              |              |              |              |              |              |              |
| 15                       | Escalation Factor                                               | LAB          | 0.8768       | 0.9036       | 0.9332       | 0.9639       | 1.0000       | 1.0375       | 1.0764       | 1.1168       |
| 16                       | Escalation Factor                                               | M&S          | 0.8476       | 0.8848       | 0.9348       | 0.9751       | 1.0000       | 1.0124       | 1.0218       | 1.0412       |
| 17                       | Escalation Factor                                               | OTH          | 1.0000       | 1.0000       | 1.0000       | 1.0000       | 1.0000       | 1.0000       | 1.0000       | 1.0000       |
| 18                       | Escalation Factor                                               | Medical      | 1.0000       | 1.0000       | 1.0000       | 1.0000       | 1.0000       | 1.0000       | 1.0000       | 1.0000       |
| 19                       | Escalation Factor                                               | Wage-related | 0.8768       | 0.9036       | 0.9332       | 0.9639       | 1.0000       | 1.0375       | 1.0764       | 1.1168       |
| <b>Base Year Dollars</b> |                                                                 |              |              |              |              |              |              |              |              |              |

|    |                                                                 |     |              |              |              |              |              |              |              |              |
|----|-----------------------------------------------------------------|-----|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 20 | PG&E Utility SERP                                               | OTH | 824          | 820          | 813          | 793          | 761          | 761          | 761          | 761          |
| 21 | PG&E Corporation SRSP                                           | M&S | 2,432        | 2,517        | 2,408        | 2,329        | 2,282        | 2,282        | 2,282        | 2,282        |
| 22 | <b>Total PG&amp;E SERP Plans</b>                                |     | <b>3,256</b> | <b>3,337</b> | <b>3,221</b> | <b>3,123</b> | <b>3,043</b> | <b>3,043</b> | <b>3,043</b> | <b>3,043</b> |
| 23 |                                                                 |     |              |              |              |              |              |              |              |              |
| 24 |                                                                 |     |              |              |              |              |              |              |              |              |
| 25 | PG&E Utility SRSP                                               | OTH | 1,202        | 608          | 878          | 992          | 835          | 835          | 835          | 835          |
| 26 | PG&E Corporation SRSP                                           | M&S | 182          | 309          | 58           | 172          | 10           | 10           | 10           | 10           |
| 27 | <b>Total PG&amp;E Supplemental Retirement Savings Plans [1]</b> |     | <b>1,385</b> | <b>917</b>   | <b>936</b>   | <b>1,164</b> | <b>845</b>   | <b>845</b>   | <b>845</b>   | <b>845</b>   |
| 28 |                                                                 |     |              |              |              |              |              |              |              |              |
| 29 | <b>TOTAL PG&amp;E NON-QUALIFIED RETIREMENT PLANS</b>            |     | <b>4,641</b> | <b>4,253</b> | <b>4,158</b> | <b>4,286</b> | <b>3,888</b> | <b>3,888</b> | <b>3,888</b> | <b>3,888</b> |
| 30 |                                                                 |     |              |              |              |              |              |              |              |              |
| 31 | <b>Year to Year Change</b>                                      |     |              | <b>(388)</b> | <b>(96)</b>  | <b>129</b>   | <b>(398)</b> | <b>-</b>     | <b>0</b>     | <b>(0)</b>   |

Note:

<sup>1</sup> Recorded Adjusted includes adjustments to remove catch-up payments, interest, and other. Also includes the adjustment to reflect 50% of recorded costs, consistent with forecast methodology.  
<sup>2</sup> The Forecast for 2025-2027 is based on 2024 Recorded Adjusted, with no escalation for the Utility and escalation for the Corporation, and includes the adjustment to reflect 50% of recorded costs.  
[1] Includes the recorded and forecast for DC-ESRP.

PACIFIC GAS AND ELECTRIC COMPANY  
2027 GENERAL RATE CASE  
Exhibit (PG&E-08) People, Compensation & Benefits  
Workpapers Supporting  
Chapter 3 Compensation and Labor Escalation: Non-Qualified Retirement Plans

Historical Adjustments  
Nominal Dollars  
(\$000s)

| Line                           | Description                    | 2020           | 2021           | 2022           | 2023           | 2024           | Explanation                                                                                                                                                                   | Ref |
|--------------------------------|--------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Recorded</b>                |                                |                |                |                |                |                |                                                                                                                                                                               |     |
| 1                              | PG&E Utility SERP              | 3,284          | 1,640          | 1,622          | 1,587          | 1,523          | Payments to former utility employees under the Utility Supplemental Executive Retirement Plan.                                                                                |     |
| 2                              | PG&E Corporation SERP          | 8,173          | 4,454          | 4,502          | 4,543          | 4,564          | Payments to former utility employees and Corporation employees under the Corporation Supplemental Executive Retirement Plan.                                                  |     |
| 4                              | PG&E Utility SRSP              | 2,405          | 1,216          | 1,756          | 1,983          | 1,670          | Includes distribution payments to former utility employees from the Supplemental Retirement Savings Plan and Defined Contribution Executive Supplemental Retirement Plan.     |     |
| 5                              | PG&E Corporation SRSP          | 309            | 546            | 109            | 336            | 20             | Includes distribution payments to former Corporation employees from the Supplemental Retirement Savings Plan and Defined Contribution Executive Supplemental Retirement Plan. |     |
| 6                              |                                | <b>14,171</b>  | <b>7,855</b>   | <b>7,989</b>   | <b>8,448</b>   | <b>7,776</b>   |                                                                                                                                                                               |     |
| <b>Total Recorded</b>          |                                |                |                |                |                |                |                                                                                                                                                                               |     |
| <b>Adjustments</b>             |                                |                |                |                |                |                |                                                                                                                                                                               |     |
| 7                              | PG&E Utility SERP              | (1,636)        | -              | -              | -              | -              | Catch-up payments, interest, and other                                                                                                                                        |     |
| 8                              | PG&E Utility SERP              | -              | -              | 5              | -              | -              | Adjustment for participant misclassification from Retirement Excess to Utility SERP                                                                                           |     |
| 9                              | PG&E Utility SERP              | (824)          | (820)          | (813)          | (793)          | (761)          | Adjustment for 50% cost recovery                                                                                                                                              |     |
| 10                             | PG&E Corporation SERP          | (4,049)        | -              | -              | -              | -              | Catch-up payments, interest, and other                                                                                                                                        |     |
| 11                             | PG&E Corporation SERP          | (2,062)        | (2,227)        | (2,251)        | (2,271)        | (2,282)        | Adjustment for 50% cost recovery                                                                                                                                              |     |
| 12                             | PG&E Utility SRSP              | (1,202)        | (608)          | (878)          | (992)          | (835)          | Adjustment for 50% cost recovery                                                                                                                                              |     |
| 13                             | PG&E Corporation SRSP          | (155)          | (273)          | (55)           | (168)          | (10)           | Adjustment for 50% cost recovery                                                                                                                                              |     |
|                                | <b>Total Adjustments</b>       | <b>(9,928)</b> | <b>(3,928)</b> | <b>(3,992)</b> | <b>(4,224)</b> | <b>(3,888)</b> |                                                                                                                                                                               |     |
| <b>Recorded Adjusted</b>       |                                |                |                |                |                |                |                                                                                                                                                                               |     |
| 14                             | PG&E Utility SERP              | 824            | 820            | 813            | 793            | 761            |                                                                                                                                                                               |     |
| 15                             | PG&E Corporation SERP          | 2,062          | 2,227          | 2,251          | 2,271          | 2,282          |                                                                                                                                                                               |     |
| 16                             | PG&E Utility SRSP              | 1,202          | 608            | 878            | 992            | 835            |                                                                                                                                                                               |     |
| 17                             | PG&E Corporation SRSP          | 155            | 273            | 55             | 168            | 10             |                                                                                                                                                                               |     |
| 18                             |                                | <b>4,243</b>   | <b>3,928</b>   | <b>3,997</b>   | <b>4,224</b>   | <b>3,888</b>   |                                                                                                                                                                               |     |
| <b>Total Recorded Adjusted</b> |                                |                |                |                |                |                |                                                                                                                                                                               |     |
| <b>Year to Year Change</b>     |                                |                |                |                |                |                |                                                                                                                                                                               |     |
| 19                             | PG&E Utility SERP              |                | (4)            | (6)            | (20)           | (32)           |                                                                                                                                                                               |     |
| 20                             | PG&E Corporation SERP          |                | 165            | 24             | 21             | 10             |                                                                                                                                                                               |     |
| 21                             | PG&E Utility SRSP              |                | (594)          | 270            | 114            | (157)          |                                                                                                                                                                               |     |
| 22                             | PG&E Corporation SRSP          |                | 118            | (218)          | 113            | (158)          |                                                                                                                                                                               |     |
| 23                             |                                |                | <b>(315)</b>   | <b>69</b>      | <b>227</b>     | <b>(336)</b>   |                                                                                                                                                                               |     |
|                                | <b>Total Recorded Adjusted</b> |                |                |                |                |                |                                                                                                                                                                               |     |

**PACIFIC GAS AND ELECTRIC COMPANY  
2027 GENERAL RATE CASE  
Exhibit (PG&E-08) People, Compensation & Benefits**

**Workpapers Supporting  
Chapter 3 Compensation and Labor Escalation: Non-Qualified Retirement Plans**

**Historical and Forecast Year over Year Walk  
Nominal Dollars  
(\$000s)**

| Line      | Description                   | Amount         | Comments, Assumptions, Descriptions        |
|-----------|-------------------------------|----------------|--------------------------------------------|
| <b>1</b>  | <b>2020 Recorded Adjusted</b> | <b>\$4,243</b> |                                            |
| 2         |                               |                |                                            |
| 3         | PG&E Utility SERP             | (4)            | Decrease in payments to plan participants. |
| 4         | PG&E Corporation SERP         | 165            | Increase in payments to plan participants. |
| 5         | PG&E Utility SRSP             | (594)          | Decrease in payments to plan participants. |
| 6         | PG&E Corporation SRSP         | 118            | Increase in payments to plan participants. |
| 7         |                               |                |                                            |
| 8         |                               |                |                                            |
| <b>9</b>  | <b>2021 Recorded Adjusted</b> | <b>\$3,928</b> |                                            |
| 10        |                               |                |                                            |
| 11        | PG&E Utility SERP             | (6)            | Decrease in payments to plan participants. |
| 12        | PG&E Corporation SERP         | 24             | Increase in payments to plan participants  |
| 13        | PG&E Utility SRSP             | 270            | Increase in payments to plan participants  |
| 14        | PG&E Corporation SRSP         | (218)          | Decrease in payments to plan participants. |
| 15        |                               |                |                                            |
| 16        |                               |                |                                            |
| <b>17</b> | <b>2022 Recorded Adjusted</b> | <b>\$3,997</b> |                                            |
| 18        |                               |                |                                            |
| 19        | PG&E Utility SERP             | (20)           | Decrease in payments to plan participants. |
| 20        | PG&E Corporation SERP         | 21             | Increase in payments to plan participants  |
| 21        | PG&E Utility SRSP             | 114            | Increase in payments to plan participants  |
| 22        | PG&E Corporation SRSP         | 113            | Increase in payments to plan participants  |
| 23        |                               |                |                                            |
| 24        |                               |                |                                            |
| <b>25</b> | <b>2023 Recorded Adjusted</b> | <b>\$4,224</b> |                                            |
| 26        |                               |                |                                            |
| 27        | PG&E Utility SERP             | (32)           | Decrease in payments to plan participants. |
| 28        | PG&E Corporation SERP         | 10             | Increase in payments to plan participants  |
| 29        | PG&E Utility SRSP             | (157)          | Decrease in payments to plan participants. |
| 30        | PG&E Corporation SRSP         | (158)          | Decrease in payments to plan participants. |
| 31        |                               |                |                                            |
| 32        |                               |                |                                            |
| <b>33</b> | <b>2024 Recorded Adjusted</b> | <b>\$3,888</b> |                                            |
| 34        |                               |                |                                            |
| 35        | PG&E Utility SERP             | -              | No change                                  |
| 36        | PG&E Corporation SERP         | 28             | Increase due to escalation                 |
| 37        | PG&E Utility SRSP             | -              | No change                                  |
| 38        | PG&E Corporation SRSP         | 0              | Increase due to escalation                 |
| 39        |                               |                |                                            |
| 40        |                               |                |                                            |
| <b>41</b> | <b>2025 Forecast</b>          | <b>\$3,917</b> |                                            |
| 42        |                               |                |                                            |
| 43        | PG&E Utility SERP             | -              | No change                                  |
| 44        | PG&E Corporation SERP         | 21             | Increase due to escalation                 |
| 45        | PG&E Utility SRSP             | -              | No change                                  |
| 46        | PG&E Corporation SRSP         | 0              | Increase due to escalation                 |
| 47        |                               |                |                                            |
| 48        |                               |                |                                            |
| <b>49</b> | <b>2026 Forecast</b>          | <b>\$3,938</b> |                                            |
| 50        |                               |                |                                            |
| 51        | PG&E Utility SERP             | -              | No change                                  |
| 52        | PG&E Corporation SERP         | 44             | Increase due to escalation                 |
| 53        | PG&E Utility SRSP             | -              | No change                                  |
| 54        | PG&E Corporation SRSP         | 0              | Increase due to escalation                 |
| 55        |                               |                |                                            |
| <b>56</b> | <b>2027 Forecast</b>          | <b>\$3,982</b> |                                            |

**PACIFIC GAS AND ELECTRIC COMPANY  
2027 GENERAL RATE CASE  
Exhibit (PG&E-08) People, Compensation & Benefits**

**Workpapers Supporting  
Chapter 3 Compensation and Labor Escalation: Non-Qualified Retirement Plans**

**Company-Wide Expense:      Non-Qualified Retirement Plans**

**Forecast Methodology/Assumptions:**

The Non-Qualified Retirement Plans (SERP and SRSP) forecast is 50% of 2024 recorded costs with no escalation for the Utility and M&S escalation for the Corporation. The assumption for participating retirees for 2025 – 2027 is the same number of participants in 2024.

The same methodology was applied for the attrition years 2028-2030.



| Participant                                | Recorded Adjusted PG&E Utility SERP Expenses (\$) |                   |                   |                   |                   |  |
|--------------------------------------------|---------------------------------------------------|-------------------|-------------------|-------------------|-------------------|--|
|                                            | 2020                                              | 2021              | 2022              | 2023              | 2024              |  |
| Participant 1                              | \$ 15,810                                         | \$ 15,810         | \$ 15,810         | \$ 15,810         | \$ 15,810         |  |
| Participant 2                              | \$ 25,460                                         | \$ 25,460         | \$ 25,460         | \$ 25,460         | \$ 25,460         |  |
| Participant 3                              | \$ 13,832                                         | \$ 13,832         | \$ 13,832         | \$ 13,832         | \$ 13,832         |  |
| Participant 4                              | \$ 28,018                                         | \$ 28,018         | \$ 28,018         | \$ 28,018         | \$ 28,018         |  |
| Participant 5                              | \$ 13,562                                         | \$ 13,562         | \$ 13,562         | \$ 13,562         | \$ 13,562         |  |
| Participant 6                              | \$ 46,649                                         | \$ 46,649         | \$ 46,649         | \$ 46,649         | \$ 46,649         |  |
| Participant 7                              | \$ 2,271                                          | \$ 2,271          | \$ 568            | \$ -              | \$ -              |  |
| Participant 8                              | \$ 16,104                                         | \$ 16,104         | \$ 16,104         | \$ 16,104         | \$ 16,104         |  |
| Participant 9                              | \$ 36,106                                         | \$ 36,106         | \$ 36,106         | \$ 36,106         | \$ 36,106         |  |
| Participant 10                             | \$ 26,633                                         | \$ 26,633         | \$ 26,633         | \$ 26,633         | \$ 26,633         |  |
| Participant 11                             | \$ 87,554                                         | \$ 87,554         | \$ 87,554         | \$ 87,554         | \$ 87,554         |  |
| Participant 12                             | \$ 37,380                                         | \$ 37,380         | \$ 37,380         | \$ 37,380         | \$ 37,380         |  |
| Participant 13                             | \$ 40,567                                         | \$ 40,567         | \$ 40,567         | \$ 40,567         | \$ 40,567         |  |
| Participant 14                             | \$ 42,176                                         | \$ 42,176         | \$ 42,176         | \$ 42,176         | \$ 42,176         |  |
| Participant 15                             | \$ 28,980                                         | \$ 28,980         | \$ 28,980         | \$ 28,980         | \$ 28,980         |  |
| Participant 16                             | \$ 11,792                                         | \$ 11,792         | \$ 11,792         | \$ 11,792         | \$ 11,792         |  |
| Participant 17                             | \$ 88,834                                         | \$ 88,834         | \$ 88,834         | \$ 88,834         | \$ 88,834         |  |
| Participant 18                             | \$ 17,886                                         | \$ 17,886         | \$ 17,886         | \$ 13,415         | \$ -              |  |
| Participant 19                             | \$ 37,407                                         | \$ 37,407         | \$ 37,407         | \$ 37,407         | \$ 37,407         |  |
| Participant 20                             | \$ 61,879                                         | \$ 61,879         | \$ 61,879         | \$ 61,879         | \$ 61,879         |  |
| Participant 21                             | \$ 43,971                                         | \$ 43,971         | \$ 43,971         | \$ 43,971         | \$ 43,971         |  |
| Participant 22                             | \$ 12,980                                         | \$ 12,980         | \$ 12,980         | \$ 12,980         | \$ 12,980         |  |
| Participant 23                             | \$ 38,830                                         | \$ 38,830         | \$ 38,830         | \$ 38,830         | \$ 38,830         |  |
| Participant 24                             | \$ 56,230                                         | \$ 56,230         | \$ 56,230         | \$ 56,230         | \$ 56,230         |  |
| Participant 25                             | \$ 33,034                                         | \$ 33,034         | \$ 33,034         | \$ 33,034         | \$ 33,034         |  |
| Participant 26                             | \$ 19,281                                         | \$ 19,281         | \$ 19,281         | \$ 17,674         | \$ (1,607)        |  |
| Participant 27                             | \$ 29,419                                         | \$ 29,419         | \$ 29,419         | \$ 29,419         | \$ 29,419         |  |
| Participant 28                             | \$ 39,083                                         | \$ 39,083         | \$ 39,083         | \$ 19,542         | \$ -              |  |
| Participant 29                             | \$ 33,484                                         | \$ 33,484         | \$ 33,484         | \$ 33,484         | \$ 33,484         |  |
| Participant 30                             | \$ 11,832                                         | \$ 11,832         | \$ 11,832         | \$ 11,832         | \$ 11,832         |  |
| Participant 31                             | \$ 3,404                                          | \$ 2,269          | \$ -              | \$ -              | \$ -              |  |
| Participant 32                             | \$ 2,614                                          | \$ 2,614          | \$ 2,614          | \$ 2,614          | \$ 2,614          |  |
| Participant 33                             | \$ 94,308                                         | \$ 94,308         | \$ 94,308         | \$ 94,308         | \$ 94,308         |  |
| Participant 34                             | \$ 9,640                                          | \$ 9,640          | \$ 9,640          | \$ 9,640          | \$ 9,640          |  |
| Participant 35                             | \$ 15,902                                         | \$ 15,902         | \$ 15,902         | \$ 15,902         | \$ 15,902         |  |
| Participant 36                             | \$ 1,232                                          | \$ 1,232          | \$ 821            | \$ -              | \$ -              |  |
| Participant 37                             | \$ 5,334                                          | \$ 5,334          | \$ 5,334          | \$ 5,334          | \$ 445            |  |
| Participant 38                             | \$ 66,555                                         | \$ 66,555         | \$ 66,555         | \$ 66,555         | \$ 66,555         |  |
| Participant 39                             | \$ 19,715                                         | \$ 19,715         | \$ 19,715         | \$ 19,715         | \$ 19,715         |  |
| Participant 40                             | \$ 13,774                                         | \$ 13,774         | \$ 13,774         | \$ 13,774         | \$ 13,774         |  |
| Participant 41                             | \$ 308,814                                        | \$ 308,814        | \$ 308,814        | \$ 308,814        | \$ 308,814        |  |
| Participant 42                             | \$ 25,647                                         | \$ 25,647         | \$ 25,647         | \$ 25,647         | \$ 25,647         |  |
| Participant 43                             | \$ 2,953                                          | \$ 2,953          | \$ 2,953          | \$ 2,953          | \$ 2,953          |  |
| Participant 44                             | \$ 2,908                                          | \$ 2,908          | \$ 2,908          | \$ 2,908          | \$ 1,212          |  |
| Participant 45                             | \$ 5,410                                          | \$ 5,410          | \$ 2,705          | \$ -              | \$ -              |  |
| Participant 46                             | \$ 18,535                                         | \$ 11,121         | \$ 927            | \$ -              | \$ -              |  |
| Participant 47                             | \$ 54,375                                         | \$ 54,375         | \$ 54,375         | \$ 36,250         | \$ -              |  |
| Participant 48                             | \$ -                                              | \$ -              | \$ 4,538          | \$ 3,404          | \$ 851            |  |
| Participant 49                             | \$ -                                              | \$ -              | \$ -              | \$ 9,771          | \$ 19,542         |  |
| Participant 50                             | \$ -                                              | \$ -              | \$ -              | \$ -              | \$ 23,848         |  |
| Total                                      | \$ 1,648,163                                      | \$ 1,639,615      | \$ 1,626,871      | \$ 1,586,742      | \$ 1,522,735      |  |
| Less adjustment for 50% cost recovery      | \$ (824,081)                                      | \$ (819,807)      | \$ (813,436)      | \$ (793,371)      | \$ (761,368)      |  |
| <b>Total Recorded Adjusted<sup>1</sup></b> | <b>\$ 824,081</b>                                 | <b>\$ 819,807</b> | <b>\$ 813,436</b> | <b>\$ 793,371</b> | <b>\$ 761,368</b> |  |

<sup>1</sup> Recorded Adjusted includes adjustments to remove catch-up payments, interest, and other. Also includes the adjustment to reflect 50% of recorded costs, consistent with forecast methodology.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_116-Q005                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_116-Q005 |
| <b>Request Date:</b>              | September 8, 2025                     |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-116-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | October 1, 2025                       |
| <b>PG&amp;E Witness(es):</b>      | Lisa Laanisto – People                |

**SUBJECT: CHAPTER 3 COMPENSATION & LABOR ESCALATION; WORKPAPER EXCEL  
VERSION EX. 08, CH. 3**

**QUESTION 005**

Referring to PG&E’s response to Cal Advocates data request PubAdv-PG&E-018-WY2, Q. 5c, PG&E states, “Please refer to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-3, known as ‘walk’, for year over year changes to PG&E Corporation SERP expenses.” Please explain the following:

- a. Is participating employees the only driver for Corporation SERP expenses? If not, please explain.
- b. Explain the year-to-year fluctuation in participating employee amounts for 2020-2024.
- c. Explain the methodology for estimating participating employee amounts for 2025-2027.
- d. Provide the estimated number of participating employees for 2025-2027.
- e. Explain what costs are included in the Corporation SERP from 2020 to 2027.
- f. In an Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SERP expenses in 2020 by participating employees, showing each employee’s job title, base salary, Corporation SERP % of base salary, total participating employee amount, and Corporation SERP payout that total to \$11.287 million (the formula intact in each cell showing PG&E’s calculation). Provide all supporting documentation.
- g. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SERP expenses in 2021 by participating employees, showing each employee’s job title, base salary, Corporation SERP % of base salary, total participating employee amount, and Corporation SERP payout that total to \$0 million (the formula intact in each cell showing PG&E’s calculation). Identify and highlight expense changes associated with the decrease in payments to plan participants. Provide all supporting documentation.

- h. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SERP expenses in 2022 by participating employees, showing each employee's job title, base salary, Corporation SERP % of base salary, total participating employee amount, and Corporation SERP payout that total to \$0.031 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the increase in payments to plan participants. Provide all supporting documentation.
- i. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SERP expenses in 2023 by participating employees, showing each employee's job title, base salary, Corporation SERP % of base salary, total participating employee amount, and Corporation SERP payout that total to \$0 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the decrease in payments to plan participants. Provide all supporting documentation.
- j. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SERP expenses in 2024 by participating employees, showing each employee's job title, base salary, Corporation SERP % of base salary, total participating employee amount, and Corporation SERP payout that total to \$0 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the increase in payments to plan participants. Provide all supporting documentation.

#### ANSWER 005

The response to "*GRC-2027-PhI\_DR\_CalAdvocates\_018-Q005*", subparts b-e inadvertently referred to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-3, but should have referred to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-14.

During our preparation of this data response, PG&E found an inadvertent error in our testimony/workpaper. PG&E's response below provides the correction, which will also be included in a future errata submission or at hearings.

The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Corporation SERP payments made. The correct amounts are provided in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. Responses to subparts a-j are based on the revised recorded adjusted actuals included in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch02*", tab Corporation SERP.

- a. The expenses represent payments to former employees who accrued benefits under the Corporation SERP while working for the company and payments begin after they have separated from the company. Plan participants are the primary driver for Corporation SERP expenses. A participant's benefit is based on various factors, such as their covered compensation, years of service, and annuity election, and their monthly amount is fixed. Payments begin the seventh month following a participant's benefit commencement date, and their first payment includes the

monthly annuity payment for the seventh month plus a lump sum payment equal to the first six monthly annuity payments with interest.

- b. The year-over-year fluctuation in participating employee amounts for 2020-2024 is primarily driven by the number of plan participants in a given year and the amount of their benefit. The number of plan participants may change, for example, due to benefit commencement or death, which would impact how much is paid out in a year.
- c. The forecast methodology for 2025-2027 is described in workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-15, such that the forecast is 50% of 2024 recorded costs with no escalation for the Utility and M&S escalation for the Corporation. The assumption for participating retirees for 2025 – 2027 is the same number of participants in 2024. See also response to “*GRC-2027-PhI\_DR\_CalAdvocates\_055-Q004*”, which also responded with detail on how PG&E forecasted SERP expenses for 2025-2027.
- d. PG&E’s forecast for 2025-2027 is based on 2024 recorded adjusted costs, which include an adjustment for 50% cost recovery. In 2024, there were 104 participants who received Corporation SERP payments. PG&E estimates the number of participants will remain unchanged until a participant commences their benefit or becomes deceased.
- e. The Corporation SERP costs represent the actual payments made to participants in years 2020-2024. While PG&E was in bankruptcy, Corporation SERP payments to participants were on hold. When PG&E emerged from bankruptcy in 2020, a true-up of payments, including interest, were made to participants resulting in the increased recorded costs in 2020. The catch-up payments, interest, and other, as well as a reduction for 50% cost recovery, have been adjusted from the recorded costs.

As noted in subpart c above, the 2025-2027 costs represent 50% of 2024 recorded costs with no escalation for the Utility and escalation for the Corporation.

- f-j. See attachment “*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch02*”, tab Corporation SERP. Note that participants of the Corporation SERP are former employees who no longer have a job title or a base salary.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_116-Q006                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_116-Q006 |
| <b>Request Date:</b>              | September 8, 2025                     |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-116-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | October 1, 2025                       |
| <b>PG&amp;E Witness(es):</b>      | Lisa Laanisto – People                |

**SUBJECT: CHAPTER 3 COMPENSATION & LABOR ESCALATION; WORKPAPER EXCEL  
VERSION EX. 08, CH. 3**

**QUESTION 006**

Referring to PG&E’s response to Cal Advocates data request PubAdv-PG&E-046-WY2, Q. 7ac, PG&E states:

a-c. Please GRC-2027-PhI\_DR\_CalAdvocates\_046-Q007Atch01. Note: 2023 request is based on PG&E Reply Brief. Both request and authorized have been adjusted to align with PG&E 2027 GRC forecast.

| (\$000s)                                           |          |                                |      |       |       |       |          |       |       |                       |         |
|----------------------------------------------------|----------|--------------------------------|------|-------|-------|-------|----------|-------|-------|-----------------------|---------|
| Description                                        | Resource | Recorded Adjusted <sup>1</sup> |      |       |       |       | Forecast |       |       | 2023 GRC <sup>2</sup> |         |
|                                                    |          | 2020                           | 2021 | 2022  | 2023  | 2024  | 2025     | 2026  | 2027  | Reques                | Authori |
| PG&E Utility SERP                                  | OTH      | -                              | -    | 1,380 | 1,696 | 2,341 | 1,170    | 1,170 | 1,170 | 829                   | 797     |
| PG&E Corporation SERP                              | M&S      | 11,287                         | -    | 31    | -     | -     | -        | -     | -     | 2,221                 | 2,098   |
| Total PG&E Supplemental Executive Retirement Plans |          | 11,287                         | -    | 1,411 | 1,696 | 2,341 | 1,170    | 1,170 | 1,170 | 3,050                 | 2,895   |

Please explain the following:

- Explain what has been changed in the request and authorized to align with PG&E 2027 GRC forecast for Utility SERP and Corporation SERP. Provide PG&E’s calculation that it relied upon to allocate, move, and track its request and authorized costs for its Utility SERP and Corporation SERP, including costs that were moved from one section to another based on its showing/organization and forecast included in its 2023 and 2027 GRCs.
- Explain whether the corresponding changes have been made to the 2020-2024 recorded adjusted expenses. If yes, provide PG&E’s calculation that it relied upon to allocate, change, and track its recorded adjusted expenses for Utility SERP and Corporation SERP for 2020-2024.
- Explain why PG&E overspent the Utility SERP expenses authorized in 2023 by \$0.899 million. Provide all supporting documentation, including justifications, internal assessments, factors leading to the overspending, company records, etc.

- d. Explain how PG&E utilized the \$2.098 million authorized for the Corporation SERP in 2023 when the company recorded a \$0 expense for 2023.
- e. If the \$2.098 million for Corporation SERP authorized in 2023 was redirected to other departments within/outside of the People Organization, please explain how it was redirected.
- f. The PG&E SERP recorded adjusted expenses in 2020 were \$11.287 million, as stated in the above screenshot. D.23-11-069, pg. 610 (a copy is attached to this data request for your convenience), shows that PG&E's SERP 2020 recorded adjusted cost was \$2.832 million. Please explain the discrepancies and provide accurate recorded adjusted expenses from 2020 to 2024 for Utility SERP and Corporation SERP.

## ANSWER 006

During our preparation of this data response, PG&E found an inadvertent error in our testimony/workpaper. PG&E's response below provides the correction, which will also be included in a future errata submission or at hearings.

- a. PG&E is conducting a review of the 2023 GRC authorized amounts for these plans and will provide a supplemental response. Please expect this additional information to be delivered by October 15th, following completion of the analysis.
- b. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SERP and Corporation SERP payments made. The correct amounts are provided in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. 2020-2024 recorded adjusted represent the actual payments made to participants in years 2020-2024, adjusted for catch-up payments, interest, and other, as well as a reduction for 50% cost recovery.
- c. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SERP and Corporation SERP payments made. The correct amounts are provided in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. In 2023, Utility SERP expenses were \$793 thousand which is comparable to the authorized amount.
- d. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SERP and Corporation SERP payments made. The correct amounts are provided in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. In 2023, Corporation SERP expenses were \$2.271, which was more than the authorized amount.
- e. See response to subpart d above.
- f. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SERP and Corporation SERP payments made. The correct amounts are provided in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                                               |
|-----------------------------------|---------------------------------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_116-Q006                                         |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_116-Q006Supp01                   |
| <b>Request Date:</b>              | September 8, 2025                                             |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-116-WY2                                           |
| <b>Requesting Party:</b>          | Public Advocates Office                                       |
| <b>Requester:</b>                 | Wen Yang                                                      |
| <b>Date Sent:</b>                 | October 1, 2025 (Original)<br>October 15, 2025 (Supplemental) |
| <b>PG&amp;E Witness(es):</b>      | Lisa Laanisto – People                                        |

**SUBJECT: CHAPTER 3 COMPENSATION & LABOR ESCALATION; WORKPAPER EXCEL  
VERSION EX. 08, CH. 3**

**QUESTION 006**

Referring to PG&E's response to Cal Advocates data request PubAdv-PG&E-046-WY2, Q. 7ac, PG&E states:

a-c. Please GRC-2027-PhI\_DR\_CalAdvocates\_046-Q007Atch01. Note: 2023 request is based on PG&E Reply Brief. Both request and authorized have been adjusted to align with PG&E 2027 GRC forecast.

| (\$000s)                                           |          |                                |      |       |       |       |          |       |       |                       |         |
|----------------------------------------------------|----------|--------------------------------|------|-------|-------|-------|----------|-------|-------|-----------------------|---------|
|                                                    |          | Recorded Adjusted <sup>1</sup> |      |       |       |       | Forecast |       |       | 2023 GRC <sup>2</sup> |         |
| Description                                        | Resource | 2020                           | 2021 | 2022  | 2023  | 2024  | 2025     | 2026  | 2027  | Reques                | Authori |
| PG&E Utility SERP                                  | OTH      | -                              | -    | 1,380 | 1,696 | 2,341 | 1,170    | 1,170 | 1,170 | 829                   | 797     |
| PG&E Corporation SERP                              | M&S      | 11,287                         | -    | 31    | -     | -     | -        | -     | -     | 2,221                 | 2,098   |
| Total PG&E Supplemental Executive Retirement Plans |          | 11,287                         | -    | 1,411 | 1,696 | 2,341 | 1,170    | 1,170 | 1,170 | 3,050                 | 2,895   |

Please explain the following:

- a. Explain what has been changed in the request and authorized to align with PG&E 2027 GRC forecast for Utility SERP and Corporation SERP. Provide PG&E's calculation that it relied upon to allocate, move, and track its request and authorized costs for its Utility SERP and Corporation SERP, including costs that were moved from one section to another based on its showing/organization and forecast included in its 2023 and 2027 GRCs.
- b. Explain whether the corresponding changes have been made to the 2020-2024 recorded adjusted expenses. If yes, provide PG&E's calculation that it relied upon to allocate, change, and track its recorded adjusted expenses for Utility SERP and Corporation SERP for 2020-2024.

- c. Explain why PG&E overspent the Utility SERP expenses authorized in 2023 by \$0.899 million. Provide all supporting documentation, including justifications, internal assessments, factors leading to the overspending, company records, etc.
- d. Explain how PG&E utilized the \$2.098 million authorized for the Corporation SERP in 2023 when the company recorded a \$0 expense for 2023.
- e. If the \$2.098 million for Corporation SERP authorized in 2023 was redirected to other departments within/outside of the People Organization, please explain how it was redirected.
- f. The PG&E SERP recorded adjusted expenses in 2020 were \$11.287 million, as stated in the above screenshot. D.23-11-069, pg. 610 (a copy is attached to this data request for your convenience), shows that PG&E's SERP 2020 recorded adjusted cost was \$2.832 million. Please explain the discrepancies and provide accurate recorded adjusted expenses from 2020 to 2024 for Utility SERP and Corporation SERP.

### ANSWER 006

During our preparation of this data response, PG&E found an inadvertent error in our testimony/workpaper. PG&E's response below provides the correction, which will also be included in a future errata submission or at hearings.

- a. PG&E is conducting a review of the 2023 GRC authorized amounts for these plans and will provide a supplemental response. Please expect this additional information to be delivered by October 15th, following completion of the analysis.
- b. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SERP and Corporation SERP payments made. The correct amounts are provided in "*GRC-2027-Phl\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. 2020-2024 recorded adjusted represent the actual payments made to participants in years 2020-2024, adjusted for catch-up payments, interest, and other, as well as a reduction for 50% cost recovery.
- c. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SERP and Corporation SERP payments made. The correct amounts are provided in "*GRC-2027-Phl\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. In 2023, Utility SERP expenses were \$793 thousand which is comparable to the authorized amount.
- d. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SERP and Corporation SERP payments made. The correct amounts are provided in "*GRC-2027-Phl\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. In 2023, Corporation SERP expenses were \$2.271, which was more than the authorized amount.
- e. See response to subpart d above.
- f. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SERP and Corporation SERP



payments made. The correct amounts are provided in “*GRC-2027-Phil\_DR\_CalAdvocates\_116-Q004Atch01*” and will be updated in a future errata filing.

**ANSWER 006 SUPPLEMENTAL 01**

PG&E provided an updated workpaper “*GRC-2027-Phil\_DR\_CalAdvocates\_116-Q004Atch01*”, which corrected the recorded and forecast amounts in this GRC. PG&E’s 2027 GRC SERP expense forecasting methodology is consistent with the 2023 GRC in that it takes 50% of the base year recorded costs with no escalation for the Utility and M&S escalation for the Corporation. PG&E’s authorized amounts from the 2023 GRC Decision provided in the previous data response remain unchanged.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_116-Q007                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_116-Q007 |
| <b>Request Date:</b>              | September 8, 2025                     |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-116-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | October 1, 2025                       |
| <b>PG&amp;E Witness(es):</b>      | Lisa Laanisto – People                |

**SUBJECT: CHAPTER 3 COMPENSATION & LABOR ESCALATION; WORKPAPER EXCEL  
VERSION EX. 08, CH. 3**

**QUESTION 007**

Referring to PG&E’s response to Cal Advocates data request PubAdv-PG&E-018-WY2, Q. 5d, PG&E states, “Please refer to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-3, known as ‘walk’, for year over year changes to PG&E Utility SRSP expenses.” Please explain the following:

- a. Are participating employees the only driver for Utility SRSP expenses? If not, please explain.
- b. Explain the year-to-year fluctuation in participating employee amounts for 2020-2024.
- c. Explain the methodology for estimating participating employee amounts for 2025-2027.
- d. Provide the estimated number of participating employees for 2025-2027.
- e. Explain what costs are included in the Utility SRSP from 2020 to 2027.
- f. In an Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Utility SRSP expenses in 2020 by participating employees, showing each employee’s job title, base salary, Utility SRSP % of base salary, total participating employee amount, and Utility SRSP payout that total to \$4.906 million (the formula intact in each cell showing PG&E’s calculation). Provide all supporting documentation.
- g. In the same Excel spreadsheet, provide a cost breakdown of recorded PG&E Utility SRSP expenses in 2021 by participating employees, showing each employee’s job title, base salary, SRSP % of base salary, total participating employee amount, and SRSP payout that total to \$6.015 million (the formula intact in each cell showing PG&E’s calculation). Identify and highlight expense changes associated with the increase in payments to plan participants. Provide all supporting documentation.

- h. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Utility SRSP expenses in 2022 by participating employees, showing each employee's job title, base salary, Utility SRSP % of base salary, total participating employee amount, and Utility SRSP payout that total to \$2.894 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the decrease in payments to plan participants. Provide all supporting documentation.
- i. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Utility SRSP expenses in 2023 by participating employees, showing each employee's job title, base salary, Utility SRSP % of base salary, total participating employee amount, and Utility SRSP payout that total to \$3.411 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the increase in payments to plan participants. Provide all supporting documentation.
- j. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Utility SRSP expenses in 2024 by participating employees, showing each employee's job title, base salary, Utility SRSP % of base salary, total participating employee amount, and Utility SRSP payout that total to \$3.958 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the increase in payments to plan participants. Provide all supporting documentation.

## ANSWER 007

The response to "*GRC-2027-PhI\_DR\_CalAdvocates\_018-Q005*", subparts b-e inadvertently referred to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-3, but should have referred to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-14.

During our preparation of this data response, PG&E found an inadvertent error in our testimony/workpaper. PG&E's response below provides the correction, which will also be included in a future errata submission or at hearings.

The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SRSP payments made. The correct amounts are provided in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. Responses to subparts a-j are based on the revised recorded adjusted actuals included in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch02*", tab Utility SRSP.

- a. The expenses represent payments to former Utility employees who accrued benefits under the SRSP and DC-ESRP while working for the company and payments begin after they have separated from the company. Plan participants and timing of distributions are the primary drivers for Utility SRSP expenses. A participant's benefit may be comprised of the difference in receiving the full employer match on 401(k) contributions, which cannot be provided through the 401(k) due to Employee Retirement Income Security Act limitations, and

company contributions equal to 7% of base salary and Short-Term Incentive Plan (STIP) pay. Distributions of benefits may commence as early as seven months following termination and participants may choose to receive their future distributions in a lump-sum or up to 10 annual installments.

- b. The year-over-year fluctuation in participating employee amounts for 2020-2024 is primarily driven by the number of plan participants receiving a distribution in a given year and the amount of their benefit. The number of plan participants may change, for example, due to the distribution schedule of their accrued benefit, which would impact how much is paid out in a year.
- c. The forecast methodology for 2025-2027 is described in workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-15, such that the forecast is 50% of 2024 recorded costs with no escalation for the Utility and M&S escalation for the Corporation. The assumption for participating retirees for 2025 – 2027 is the same number of participants in 2024. See also response to “*GRC-2027-PhI\_DR\_CalAdvocates\_055-Q004*”, which also responded with detail on how PG&E forecasted SERP expenses for 2025-2027.
- d. PG&E’s forecast for 2025-2027 is based on 2024 recorded adjusted costs, which include an adjustment for 50% cost recovery. In 2024, there were 32 participants who received Utility SRSP payments. PG&E cannot estimate the number of participants who will receive a payment in the future years as the population varies based on separation date and distribution schedule.
- e. The Utility SRSP costs represent the actual distribution payments made to participants in years 2020-2024 and include a reduction for 50% cost recovery. As noted in subpart c above, the 2025-2027 costs represent 50% of 2024 recorded costs with no escalation for the Utility and escalation for the Corporation.
- f-j. See attachment “*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch02*”, tab Utility SRSP. Note that participants of the Utility SRSP are former employees who no longer have a job title or a base salary.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_116-Q008                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_116-Q008 |
| <b>Request Date:</b>              | September 8, 2025                     |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-116-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | October 1, 2025                       |
| <b>PG&amp;E Witness(es):</b>      | Lisa Laanisto – People                |

**SUBJECT: CHAPTER 3 COMPENSATION & LABOR ESCALATION; WORKPAPER EXCEL  
VERSION EX. 08, CH. 3**

**QUESTION 008**

Referring to PG&E’s response to Cal Advocates data request PubAdv-PG&E-018-WY2, Q. 5e, PG&E states, “Please refer to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-3, known as ‘walk’, for year over year changes to PG&E Corporation SRSP expenses.” Please explain the following:

- a. Are participating employees the only driver for Corporation SRSP expenses? If not, please explain.
- b. Explain the year-to-year fluctuation in participating employee amounts for 2020-2024.
- c. Explain the methodology for estimating participating employee amounts for 2025-2027.
- d. Provide the estimated number of participating employees for 2025-2027.
- e. Explain what costs are included in the Corporation SRSP from 2020 to 2027.
- f. In an Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SRSP expenses in 2020 by participating employees, showing each employee’s job title, base salary, Corporation SRSP % of base salary, total participating employee amount, and Corporation SRSP payout that total to \$1.471 million (the formula intact in each cell showing PG&E’s calculation). Provide all supporting documentation.
- g. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SRSP expenses in 2021 by participating employees, showing each employee’s job title, base salary, Corporation SRSP % of base salary, total participating employee amount, and Corporation SRSP payout that total to \$7,000 (the formula intact in each cell showing PG&E’s calculation). Identify and highlight expense changes associated with the decrease in payments to plan participants. Provide all supporting documentation.

- h. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SRSP expenses in 2022 by participating employees, showing each employee's job title, base salary, Corporation SRSP % of base salary, total participating employee amount, and Corporation SRSP payout that total to \$0 million (the formula intact in each cell showing PG&E's calculation). Identify and highlight expense changes associated with the decrease in payments to plan participants. Provide all supporting documentation.
- i. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SRSP expenses in 2023 by participating employees, showing each employee's job title, base salary, Corporation SRSP % of base salary, total participating employee amount, and Corporation SRSP payout that total to \$0 million (the formula intact in each cell showing PG&E's calculation). Provide all supporting documentation.
- j. In the same Excel spreadsheet, provide a line-item cost breakdown of recorded PG&E Corporation SRSP expenses in 2024 by participating employees, showing each employee's job title, base salary, Corporation SRSP % of base salary, total participating employee amount, and Corporation SRSP payout that total to \$0 million (the formula intact in each cell showing PG&E's calculation). Provide all supporting documentation

### ANSWER 008

The response to "*GRC-2027-PhI\_DR\_CalAdvocates\_018-Q005*", subparts b-e inadvertently referred to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-3, but should have referred to workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-14.

During our preparation of this data response, PG&E found an inadvertent error in our testimony/workpaper. PG&E's response below provides the correction, which will also be included in a future errata submission or at hearings.

The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Corporation SRSP payments made. The correct amounts are provided in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. Responses to subparts a-j are based on the revised recorded adjusted actuals included in "*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch02*", tab Corporation SRSP.

- a. The expenses represent payments to former Corporation employees who accrued benefits under the SRSP and DC-ESRP while working for the company and payments begin after they have separated from the company. Plan participants and timing of distributions are the primary drivers for Corporation SRSP expenses. A participant's benefit may be comprised of the difference in receiving the full employer match on 401(k) contributions, which cannot be provided through the 401(k) due to Employee Retirement Income Security Act limitations, and company contributions equal to 7% of base salary and Short-Term Incentive Plan (STIP) pay. Distributions of benefits may commence as early as seven months following

termination and participants may choose to receive their future distributions in a lump-sum or up to 10 annual installments.

- b. The year-over-year fluctuation in participating employee amounts for 2020-2024 is primarily driven by the number of plan participants receiving a distribution in a given year and the amount of their benefit. The number of plan participants may change, for example, due to the distribution schedule of their accrued benefit, which would impact how much is paid out in a year.
- c. The forecast methodology for 2025-2027 is described in workpapers supporting, Exhibit (PG&E-8), Volume I, Chapter 3, WP 3-15, such that the forecast is 50% of 2024 recorded costs with no escalation for the Utility and M&S escalation for the Corporation. The assumption for participating retirees for 2025 – 2027 is the same number of participants in 2024. See also response to “*GRC-2027-PhI\_DR\_CalAdvocates\_055-Q004*”, which also responded with detail on how PG&E forecasted SERP expenses for 2025-2027.
- d. PG&E’s forecast for 2025-2027 is based on 2024 recorded adjusted costs, which include an adjustment for 50% cost recovery. In 2024, there were 3 participants who received Corporation SRSP payments. PG&E cannot estimate the number of participants who will receive a payment in the future years as the population varies based on separation date and distribution schedule.
- e. The Corporation SRSP costs represent the actual distribution payments made to participants in years 2020-2024 and include a reduction for 50% cost recovery. As noted in subpart c above, the 2025-2027 costs represent 50% of 2024 recorded costs with no escalation for the Utility and escalation for the Corporation.
- f-j. See attachment “*GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch02*”, tab Corporation SRSP. Note that participants of the Utility SRSP are former employees who no longer have a job title or a base salary.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_116-Q009                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_116-Q009 |
| <b>Request Date:</b>              | September 8, 2025                     |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-116-WY2                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Wen Yang                              |
| <b>Date Sent:</b>                 | October 1, 2025                       |
| <b>PG&amp;E Witness(es):</b>      | Lisa Laanisto – People                |

**SUBJECT: CHAPTER 3 COMPENSATION & LABOR ESCALATION; WORKPAPER EXCEL  
VERSION EX. 08, CH. 3**

**QUESTION 009**

Referring to PG&E's response to Cal Advocates data request PubAdv-PG&E-046-WY2, Q. 7ac, PG&E states:

a-c. Please GRC-2027-PhI\_DR\_CalAdvocates\_046-Q007Atch01. Note: 2023 request is based on PG&E Reply Brief. Both request and authorized have been adjusted to align with PG&E 2027 GRC forecast.

| Line | Description                                                     | Resource | Recorded Adjusted <sup>1</sup> |              |              |              |              | Forecast     |              |              | 2023 GRC <sup>2</sup> |              |
|------|-----------------------------------------------------------------|----------|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|--------------|
|      |                                                                 |          | 2020                           | 2021         | 2022         | 2023         | 2024         | 2025         | 2026         | 2027         | Reque                 | Authori      |
| 1    | PG&E Utility SERP                                               | OTH      | -                              | -            | 1,380        | 1,696        | 2,341        | 1,170        | 1,170        | 1,170        | 829                   | 797          |
| 2    | PG&E Corporation SERP                                           | M&S      | 11,287                         | -            | 31           | -            | -            | -            | -            | -            | 2,221                 | 2,098        |
| 3    | <b>Total PG&amp;E Supplemental Executive Retirement Plans</b>   |          | <b>11,287</b>                  | <b>-</b>     | <b>1,411</b> | <b>1,696</b> | <b>2,341</b> | <b>1,170</b> | <b>1,170</b> | <b>1,170</b> | <b>3,050</b>          | <b>2,895</b> |
| 4    |                                                                 |          |                                |              |              |              |              |              |              |              |                       |              |
| 5    |                                                                 |          |                                |              |              |              |              |              |              |              |                       |              |
| 6    | PG&E Utility SRSP                                               | OTH      | 4,906                          | 6,015        | 2,894        | 3,411        | 3,958        | 1,979        | 1,979        | 1,979        | 357                   | 357          |
| 7    | PG&E Corporation SRSP                                           | M&S      | 1,471                          | 7            | -            | -            | -            | -            | -            | -            | 20                    | 19           |
| 8    | <b>Total PG&amp;E Supplemental Retirement Savings Plans [1]</b> |          | <b>6,377</b>                   | <b>6,021</b> | <b>2,894</b> | <b>3,411</b> | <b>3,958</b> | <b>1,979</b> | <b>1,979</b> | <b>1,979</b> | <b>377</b>            | <b>376</b>   |
| 9    |                                                                 |          |                                |              |              |              |              |              |              |              |                       |              |
| 10   | <b>TOTAL PG&amp;E NON-QUALIFIED RETIREMENT PLANS</b>            |          | <b>17,663</b>                  | <b>6,021</b> | <b>4,305</b> | <b>5,107</b> | <b>6,299</b> | <b>3,150</b> | <b>3,150</b> | <b>3,150</b> | <b>3,427</b>          | <b>3,271</b> |

Please explain the following:

- a. Explain what has been changed in the request and authorized to align with PG&E 2027 GRC forecast for Utility SRSP and Corporation SRSP. Provide PG&E's calculation that it relied upon to allocate, move, and track its request and authorized costs for its Utility SRSP and Corporation SRSP, including costs that were moved from one section to another based on its showing/organization and forecast included in its 2023 and 2027 GRCs.
- b. Explain whether the corresponding changes have been made to the 2020-2024 recorded adjusted expenses. If yes, provide PG&E's calculation that it relied upon to allocate, change, and track its recorded adjusted expenses for Utility SRSP and Corporation SRSP for 2020-2024.



- c. Explain why PG&E overspent the SRSP expenses authorized in 2023 by \$3.054 million. Provide all supporting documentation, including justifications, internal assessments, factors leading to the overspending, company records, etc.
- d. Explain how PG&E utilized the \$0.019 million authorized for the Corporation SRSP in 2023 when the company recorded a \$0 expense for 2023.
- e. If the \$0.019 million for Corporation SRSP authorized in 2023 was redirected to other departments within/outside of the People Organization, please explain how it was redirected.
- f. The PG&E Utility SRSP recorded expenses in 2020 were \$17.663 million, as stated in the above screenshot. D.23-11-069, pg. 610, shows that PG&E's SRSP 2020 recorded adjusted cost was \$0.334 million. Please explain the discrepancies and provide accurate recorded adjusted expenses from 2020 to 2024 for Utility SRSP and Corporation SRSP.

### ANSWER 009

During our preparation of this data response, PG&E found an inadvertent error in our testimony/workpaper. PG&E's response below provides the correction, which will also be included in a future errata submission or at hearings.

- a. PG&E is conducting a review of the 2023 GRC authorized amounts for these plans and will provide a supplemental response. Please expect this additional information to be delivered by October 15th, following completion of the analysis.
- b. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SRSP and Corporation SRSP payments made. The correct amounts are provided in "GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01" and will be updated in a future errata filing. 2020-2024 recorded adjusted represent the actual distribution payments made to participants in years 2020-2024 and include a reduction for 50% cost recovery.
- c. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SRSP and Corporation SRSP payments made. The correct amounts are provided in "GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01" and will be updated in a future errata filing. In 2023, Utility SRSP expenses were \$992 thousand which was more than the authorized amount.
- d. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SRSP and Corporation SRSP payments made. The correct amounts are provided in "GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01" and will be updated in a future errata filing. In 2023, Corporation SRSP expenses were \$168 thousand which was more than the authorized amount.
- e. See response to subpart d above.
- f. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SRSP and

Corporation SRSP payments made. The correct amounts are provided in “GRC-2027-PhI\_DR\_CalAdvocates\_116-Q004Atch01” and will be updated in a future errata filing.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                                               |
|-----------------------------------|---------------------------------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_116-Q009                                         |
| <b>PG&amp;E File Name:</b>        | GRC-2027-Phi_DR_CalAdvocates_116-Q009Supp01                   |
| <b>Request Date:</b>              | September 8, 2025                                             |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-116-WY2                                           |
| <b>Requesting Party:</b>          | Public Advocates Office                                       |
| <b>Requester:</b>                 | Wen Yang                                                      |
| <b>Date Sent:</b>                 | October 1, 2025 (Original)<br>October 15, 2025 (Supplemental) |
| <b>PG&amp;E Witness(es):</b>      | Lisa Laanisto – People                                        |

**SUBJECT: CHAPTER 3 COMPENSATION & LABOR ESCALATION; WORKPAPER EXCEL  
VERSION EX. 08, CH. 3**

**QUESTION 009**

Referring to PG&E's response to Cal Advocates data request PubAdv-PG&E-046-WY2, Q. 7ac, PG&E states:

a-c. Please GRC-2027-Phi\_DR\_CalAdvocates\_046-Q007Atch01. Note: 2023 request is based on PG&E Reply Brief. Both request and authorized have been adjusted to align with PG&E 2027 GRC forecast.

| Line | Description                                                     | Resource | Recorded Adjusted <sup>1</sup> |              |              |              |              | Forecast     |              |              | 2023 GRC <sup>2</sup> |              |
|------|-----------------------------------------------------------------|----------|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|--------------|
|      |                                                                 |          | 2020                           | 2021         | 2022         | 2023         | 2024         | 2025         | 2026         | 2027         | Reque                 | Authori      |
| 1    | PG&E Utility SERP                                               | OTH      | -                              | -            | 1,380        | 1,696        | 2,341        | 1,170        | 1,170        | 1,170        | 829                   | 797          |
| 2    | PG&E Corporation SERP                                           | M&S      | 11,287                         | -            | 31           | -            | -            | -            | -            | -            | 2,221                 | 2,098        |
| 3    | <b>Total PG&amp;E Supplemental Executive Retirement Plans</b>   |          | <b>11,287</b>                  | <b>-</b>     | <b>1,411</b> | <b>1,696</b> | <b>2,341</b> | <b>1,170</b> | <b>1,170</b> | <b>1,170</b> | <b>3,050</b>          | <b>2,895</b> |
| 4    |                                                                 |          |                                |              |              |              |              |              |              |              |                       |              |
| 5    |                                                                 |          |                                |              |              |              |              |              |              |              |                       |              |
| 6    | PG&E Utility SRSP                                               | OTH      | 4,906                          | 6,015        | 2,894        | 3,411        | 3,958        | 1,979        | 1,979        | 1,979        | 357                   | 357          |
| 7    | PG&E Corporation SRSP                                           | M&S      | 1,471                          | 7            | -            | -            | -            | -            | -            | -            | 20                    | 19           |
| 8    | <b>Total PG&amp;E Supplemental Retirement Savings Plans [1]</b> |          | <b>6,377</b>                   | <b>6,021</b> | <b>2,894</b> | <b>3,411</b> | <b>3,958</b> | <b>1,979</b> | <b>1,979</b> | <b>1,979</b> | <b>377</b>            | <b>376</b>   |
| 9    |                                                                 |          |                                |              |              |              |              |              |              |              |                       |              |
| 10   | <b>TOTAL PG&amp;E NON-QUALIFIED RETIREMENT PLANS</b>            |          | <b>17,663</b>                  | <b>6,021</b> | <b>4,305</b> | <b>5,107</b> | <b>6,299</b> | <b>3,150</b> | <b>3,150</b> | <b>3,150</b> | <b>3,427</b>          | <b>3,271</b> |

Please explain the following:

- a. Explain what has been changed in the request and authorized to align with PG&E 2027 GRC forecast for Utility SRSP and Corporation SRSP. Provide PG&E's calculation that it relied upon to allocate, move, and track its request and authorized costs for its Utility SRSP and Corporation SRSP, including costs that were moved from one section to another based on its showing/organization and forecast included in its 2023 and 2027 GRCs.
- b. Explain whether the corresponding changes have been made to the 2020-2024 recorded adjusted expenses. If yes, provide PG&E's calculation that it relied upon to allocate, change, and track its recorded adjusted expenses for Utility SRSP and Corporation SRSP for 2020-2024.

- c. Explain why PG&E overspent the SRSP expenses authorized in 2023 by \$3.054 million. Provide all supporting documentation, including justifications, internal assessments, factors leading to the overspending, company records, etc.
- d. Explain how PG&E utilized the \$0.019 million authorized for the Corporation SRSP in 2023 when the company recorded a \$0 expense for 2023.
- e. If the \$0.019 million for Corporation SRSP authorized in 2023 was redirected to other departments within/outside of the People Organization, please explain how it was redirected.
- f. The PG&E Utility SRSP recorded expenses in 2020 were \$17.663 million, as stated in the above screenshot. D.23-11-069, pg. 610, shows that PG&E's SRSP 2020 recorded adjusted cost was \$0.334 million. Please explain the discrepancies and provide accurate recorded adjusted expenses from 2020 to 2024 for Utility SRSP and Corporation SRSP.

### ANSWER 009

During our preparation of this data response, PG&E found an inadvertent error in our testimony/workpaper. PG&E's response below provides the correction, which will also be included in a future errata submission or at hearings.

- a. PG&E is conducting a review of the 2023 GRC authorized amounts for these plans and will provide a supplemental response. Please expect this additional information to be delivered by October 15th, following completion of the analysis.
- b. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SRSP and Corporation SRSP payments made. The correct amounts are provided in "*GRC-2027-Phl\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. 2020-2024 recorded adjusted represent the actual distribution payments made to participants in years 2020-2024 and include a reduction for 50% cost recovery.
- c. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SRSP and Corporation SRSP payments made. The correct amounts are provided in "*GRC-2027-Phl\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. In 2023, Utility SRSP expenses were \$992 thousand which was more than the authorized amount.
- d. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SRSP and Corporation SRSP payments made. The correct amounts are provided in "*GRC-2027-Phl\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing. In 2023, Corporation SRSP expenses were \$168 thousand which was more than the authorized amount.
- e. See response to subpart d above.
- f. The 2020-2024 recorded adjusted actuals provided in testimony and workpapers did not include the correct amounts for Utility SRSP and Corporation SRSP payments made. The correct amounts are provided in "*GRC-2027-*

*Phl\_DR\_CalAdvocates\_116-Q004Atch01*" and will be updated in a future errata filing.

**ANSWER 009 SUPPLEMENTAL 01**

PG&E provided an updated workpaper "*GRC-2027-Phl\_DR\_CalAdvocates\_116-Q004Atch01*", which corrected the recorded and forecast amounts in this GRC. PG&E's 2027 GRC SRSP expense forecasting methodology is consistent with the 2023 GRC in that it takes 50% of the base year recorded costs with no escalation for the Utility and M&S escalation for the Corporation. PG&E's authorized amounts from the 2023 GRC Decision provided in the previous data response remain unchanged.



*Public Advocates Office  
California Public Utilities Commission*

(PG&E-20)

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San Francisco, CA 94102

<http://publicadvocates.cpuc.ca.gov>

**PUBLIC ADVOCATES OFFICE  
DATA RESPONSE  
Pacific Gas & Electric Company Test Year 2027 General Rate Case  
A.25-05-009**

**Date:** 10 March 2026

**Origination Date:** 19 February 2026

**Response Due:** **10 March 2026**

**To:** Hannah Keller  
cc: [GRC@pge.com](mailto:GRC@pge.com)

GRC 2027 Coordinators:  
[GRCCaseCoordinators@pge.com](mailto:GRCCaseCoordinators@pge.com)

**From:** Dao Phan, Project Coordinator  
Public Advocates Office  
505 Van Ness Avenue, Room 4104  
San Francisco, CA 94102 [dao.phan@cpuc.ca.gov](mailto:dao.phan@cpuc.ca.gov)

**Data Request No:** GRC-2023-PhI\_DR\_PGE\_CalAdvocates015

**GENERAL OBJECTIONS**

Cal Advocates objects to each data request to the extent that it mischaracterizes Cal Advocates' opening testimony.

Cal Advocates objects to each data request to the extent that it is overly broad, unduly burdensome, or not reasonably calculated to lead to the discovery of admissible evidence.

Cal Advocates objects to each instruction and data request as overly broad and unduly burdensome to the extent that it seeks documents or information that PG&E will possess when it receives Cal Advocates' opening testimony. Responding to such requests would be oppressive, unduly burdensome, and unnecessarily expensive, and the burden of responding to such requests is substantially the same or less for PG&E as for Cal Advocates. All such documents and information will not be produced.

Cal Advocates objects to each instruction and data request to the extent that it seeks



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information or documents protected from disclosure by the attorney-client privilege, attorney work product doctrine, or any other applicable privilege.

**PG&E Question 1:**

**Referring to Cal Advocates Testimony, Exhibit CA-20, Labor Escalation, page 31, line 9 through page 34, line 8 (including Table 18-13):**

a. Provide all documents (including internal Cal Advocates analyses, third-party information, statistics, benchmarking information) Cal Advocates reviewed in preparing its analysis of PG&E's labor escalation. Include the documents considered by Cal Advocates, regardless of whether it is cited in the testimony.

**Public Advocates Office Response to Question 1:**

Please see Cal Advocates' workpapers, A2505009 Public Advocates Office People (W. Yang) Compensation Benefits Part 1 of 3 (CA-20-WP), which were provided to PG&E in February 2026.

**PG&E Question 2:**

**Referring to Cal Advocates Testimony, Exhibit CA-20, p. 32, lines 1-2:**

a. Confirm that PG&E provided Cal Advocates with the names of at least four sources of information used for labor escalation and budget planning. See: GRC-2027-Phl\_CalAdvocates\_116-Q003Atch05; GRC-2027-Phl\_DR\_CalAdvocates\_235-Q001Atch02 [identifying Mercer, AON, Willis Towers Watson, World at Work].

**Public Advocates Office Response to Question 2:**

Cal Advocates confirms that those four sources were included in the named response.

**PG&E Question 3:**

**Referring to Cal Advocates Testimony, Exhibit CA-20, p. 32, lines 7-10:**

- a. Provide all documents Cal Advocates reviewed to conduct its analysis of "wage percent change forecasts."
- b. Provide the "Utility Price and Wage Indicator of the Power Planner 2025 second quarter publication."



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(PG&E-20)

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- c. Provide all documents from ISH/Market Global Insight reviewed to conduct its analysis of labor escalation.
- d. Provide all documents for any “econometric forecasting firm” (CA-20, p. 32, footnote 142) reviewed to conduct its analysis of labor escalation.
- e. Confirm that the IHS/Market Global Insights document referred to at page 32, line 10 is the only third-party forecast information from a forecasting firm that Cal Advocates considered for its review of PG&E’s labor escalation.
- f. If Cal Advocates reviewed information from any other firm that provides forecasting information – including but not limited to Willis Towers Watson, AON, Mercer, and WorldatWork – then provide all information. Please exclude information PG&E provided to Cal Advocates in data responses.

**Public Advocates Office Response to Question 3a-3d:**

Please see Cal Advocates’ workpapers, A2505009 Public Advocates Office People (W. Yang) Compensation Benefits Part 1 of 3 (CA-20-WP), which were provided to PG&E in February 2026.

**Public Advocates Office Response to Question 3e-3f:**

IHS Markit/Global Insights was the only source that Cal Advocates consulted for its review of PG&E’s labor escalation.

**PG&E Question 4:**

**Referring to Cal Advocates Testimony, Exhibit CA-20, p. 32, lines 7-10:**

- a. Provide all documents Cal Advocates reviewed to conduct its analysis of “wage percent change forecasts.”
- b. Provide the “Utility rice (*sic*) and Wage Indicator of the Power Planner 2025 second quarter publication.”
- c. PG&E provided data request responses to Cal Advocates, including but not limited to PubAdv-PG&E-116-WY2, Q. 3b.; GRC-2027- PhI\_CalAdvocates\_235-Q001Atch02, and GRC-2027- PhI\_DR\_CalAdvocates\_116-Q003.
- d. Does Cal Advocates contend that the information provided regarding labor escalation was not information the PG&E should have relied upon for its proposed labor escalation rate?
  - i. Provide a detailed explanation of all reasons Cal Advocates contends that PG&E should not have relied on this data to calculate the labor escalation rate.
- e. Does Cal Advocates contend that the forecast information from Willis Towers Watson is not a credible source of labor forecast information? If yes, provide all reasons for this conclusion.





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- f. Does Cal Advocates contend that PG&E should not have relied upon forecast information from Willis Towers Watson for its labor escalation proposal? If yes, provide all reasons for this conclusion.
- g. Does Cal Advocates contend that the forecast information from AON is not a credible source of labor forecast information? If yes, provide all reasons for this conclusion.
- h. Does Cal Advocates contend that PG&E should not have relied upon forecast information from AON for its labor escalation proposal? If yes, provide all reasons for this conclusion.
- i. Does Cal Advocates contend that the forecast information from Mercer is not a credible source of labor forecast information? If yes, provide all reasons for this conclusion.
- j. Does Cal Advocates contend that PG&E should not have relied upon forecast information from Mercer for its labor escalation proposal? If yes, provide all reasons for this conclusion.
- k. Does Cal Advocates contend that the forecast information from World at Work is not a credible source of labor forecast information? If yes, provide all reasons for this conclusion.
- l. Does Cal Advocates contend that PG&E should not have relied upon forecast information from World at Work for its labor escalation proposal? If yes, provide all reasons for this conclusion.

**Public Advocates Office Response to Question 4a-4b:**

Please see Cal Advocates' workpapers, A2505009 Public Advocates Office People (W. Yang) Compensation Benefits Part 1 of 3 (CA-20-WP), which were provided to PG&E in February 2026.

**Public Advocates Office Response to Question 4c-4l:**

Cal Advocates makes no contentions regarding whether these sources are credible or whether PG&E should have relied on them. The Commission has relied on IHS Markit/Global Insights as a credible source for labor escalation in past GRCs as was noted in CA-20, pp. 31-32. See Cal Advocates' workpapers, A2505009 Public Advocates Office People (W. Yang) Compensation Benefits Part 1 of 3 (CA-20-WP), for the citations to those Commission decisions.

**PG&E Question 5:**

**Referring to Cal Advocates Testimony, Exhibit CA-20, p. 33, lines 7-9:**

- a. Please confirm that Cal Advocates did not serve a discovery request to PG&E that requested disaggregated compensation data.

**Public Advocates Office Response to Question 5:**



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Cal Advocates notes that Exhibit CA-20, page 33, footnote 149 contains an error. Instead of citing Cal Advocates Exhibit CA-19, it should rather cite Exhibit CA-22, which covers the Total Compensation Study. This witness cannot comment on discovery carried out in Exhibit CA-22.

**PG&E Question 6:**

**Referring to Cal Advocates Testimony, Exhibit CA-20, p. 34, Table 18-13:**

a. Please provide all documents (including statistics, data calculations) Cal Advocates relied upon to in support of Table 18-13. This excludes information it received from PG&E

**Public Advocates Office Response to Question 6:**

Please see Cal Advocates' workpapers, A2505009 Public Advocates Office People (W. Yang) Compensation Benefits Part 1 of 3 (CA-20-WP), which were provided to PG&E in February 2026.

All responses prepared by Stacey Hunter.



Pacific Gas and Electric Company (PG&E)  
Employee  
NSC Safety Barometer Results  
Executive Summary



(PG&E-20)

## NSC SAFETY BAROMETER

### Your Survey

Your NSC Safety Barometer survey was conducted in January - February 2025.

Survey administered via anonymous online link in English and Spanish.

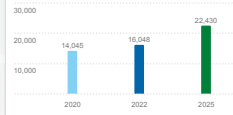
35% of respondents provided improvement feedback in the comments section.

The NSC Safety Barometer elicits employee responses to 50 statements regarding foundational safety elements. These components are grouped into six performance categories of safety excellence: Management Commitment (7 items), Supervisor Engagement (9 items), Employee Involvement (9 items), Safety Support Activities (10 items), Safety Support Climate (10 items), Organizational Climate (5 items). For a broad measurement of the survey results, a relative overall score (includes all the responses across all 50 items) is included to provide an overall snapshot of your safety management system health and culture.



[Click here for Online Results PDF\(s\).](#)

Response Count ▾



### Overall Response Rate

2025: 53.7%

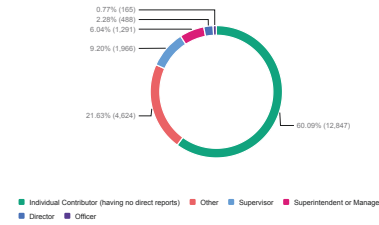
2022: 63.9%

2020: 58.0%



[Click here for tips on using Dashboard Filters](#)

### Responses by Role ▾



### NSC Database Benchmark

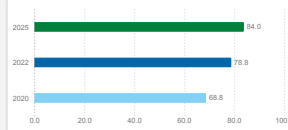
1,400 Businesses

To generate comparative percentile scores, 2025 average response scores were compared with 1,400 businesses in the NSC Database.

### Overall Percentile Score



### Overall Percentile Score



### Management Commitment Percentile

81.1

### Supervisor Engagement Percentile

93.7

### Employee Involvement Percentile

76.4

### Safety Support Activities Percentile

76.8

### Safety Support Climate Percentile

80.6

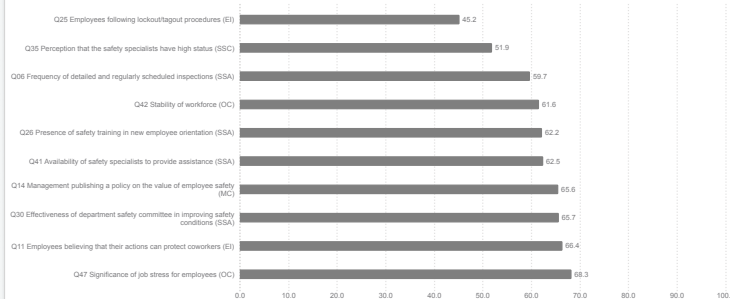
### Organizational Climate Percentile

77.2

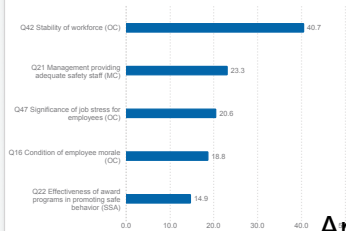
### Best Performing Components (Top Strengths)



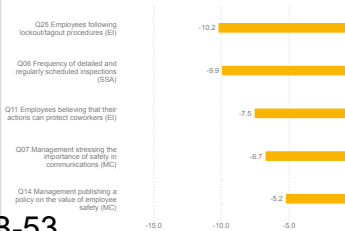
### Lower-Performing Components (Focus Areas)



### Most Improved Components



### Least Improved Components



## Your NSC Safety Barometer

(PG&amp;E-20)

This page provides you with foundational information about the **NSC Safety Barometer** items and six safety performance categories.

### [NSC Safety Barometer](#) (click here to view survey form)

NSC Employee Perception Surveys provide comprehensive, sensitive leading indicator metrics to assess your safety culture, identify strengths and opportunities, and gaps in your safety management system that can assist in prioritizing continuous improvement efforts. The **NSC Safety Barometer** is a validated safety survey, asking respondents to indicate their level of agreement with 50 standardized general safety statements (Q01-Q50) assessing safety management system health and safety culture. These statements describe activities or conditions related to the administrative, operational, technical, and cultural elements of the safety management system, representing six fundamental safety performance categories or areas of safety excellence: Management Commitment (7 items), Supervisor Engagement (9 items), Employee Involvement (9 items), Safety Support Activities (10 items), Safety Support Climate (10 items), Organizational Climate (5 items). Descriptions of the six performance categories and their respective standard items are below.



#### Management Commitment

Management Commitment items describe ways in which top & middle management demonstrate their leadership and commitment to safety in the form of words, actions, organizational strategy, and personal engagement.

- Q07 Management's views on the importance of safety are seldom stressed in employee communications.
- Q14 Management has published a written policy that expresses their attitude about employee safety.
- Q21 Management has provided adequate staff to manage and support its safety program.
- Q31 Management sets a positive safety example through their words and actions.
- Q34 Management regularly participates in safety program activities.
- Q40 It is well known that management ignores a person's safety performance when determining raises and promotions.
- Q49 Management annually sets safety goals for which all employees are held accountable.



#### Supervisor Engagement

Supervisor Engagement items consider primary roles through which supervisors communicate their support for safety: leader, manager, controller, trainer, organizational representative, and advocate for employees.

- Q05 My supervisor maintains a high standard of job safety performance.
- Q12 My supervisor's behavior often goes against safe job procedures.
- Q19 My supervisor enforces safe job procedures.
- Q24 My supervisor understands the job safety problems I face.
- Q28 My supervisor seldom acts on employee safety suggestions.
- Q32 My supervisor has successfully fit safety into the work process.
- Q38 The training provided through my supervisor helps me do my job safely.
- Q43 Employees are afraid to report safety problems to their supervisors.
- Q44 My supervisor always investigates safety incidents, including lost workday cases.



#### Employee Involvement

Employee Involvement items specify selected actions and reactions that are critical to making a safety program work. Emphasis is given to personal engagement, responsibility, and compliance.

- Q01 It is common for employees to take part in identifying and eliminating worksite hazards.
- Q04 Employees often get involved in developing or revising worksite safety and health practices.
- Q11 I can protect myself and coworkers through my actions while on the job.
- Q18 I understand the safety and health regulations relating to my job.
- Q20 Standardized precautions are used by employees who deal with hazardous materials.
- Q25 Employees are familiar with and follow regular lockout/tagout procedures.
- Q37 Employees take part when accident or incident investigations occur.
- Q46 Many employees don't use the personal protective equipment necessary to do their jobs safely.
- Q50 Employees rarely take part in the development of safety requirements for their jobs.



#### Safety Support Activities

Safety Support Activities items probe the presence or quality of various safety program practices, with a focus on communications, training, inspection, maintenance, and emergency response.

- Q06 Detailed inspections of the facilities are made at regular, frequent intervals.
- Q08 Safety meetings are held less often than they should be.
- Q13 Designated employees are well trained in emergency practices, including evacuation.
- Q15 Near hit accidents/incidents are thoroughly investigated.
- Q22 Awards and recognition programs used in this organization are not good at promoting safe employee behavior.
- Q26 Safety training is part of every new employee's orientation.
- Q29 Emergency response procedures are almost never tested to make sure they are working.
- Q30 The work of the department safety committee improves safety conditions.
- Q33 The system of preventive maintenance for facilities, tools, and machinery operates poorly.
- Q41 The safety specialists are readily available to provide advice and assistance.



#### Safety Support Climate

Safety Support Climate items ask employees across an organization for general beliefs, impressions, and observations about management's commitment and underlying values with regard to safety.

- Q03 Safety takes a back seat to production.
- Q10 Management shows that it cares about employee safety.
- Q17 Management does no more than the law requires to keep employees safe.
- Q23 Job performance standards are higher than safety performance standards.
- Q27 I believe management is sincere in its efforts to ensure employee safety.
- Q35 The safety specialists have high status in this organization.
- Q36 Hazards that are not fixed right away by supervisors are often ignored.
- Q39 Medical resources are sufficient for treating the injuries that occur.
- Q45 Ventilation, lighting, noise, and other environmental conditions are kept at a good level.
- Q48 Management insists that supervisors think about safety when doing their jobs.



#### Organizational Climate

Organizational Climate items probe general conditions that interact with the safety program to affect its ultimate success, such as teamwork, morale, and employee turnover.

- Q02 There is frequent contact and communication between employees and management.
- Q09 Good teamwork exists among departments.
- Q16 Employee morale is poor.
- Q42 This organization has a stable workforce.
- Q47 Job stress is a significant problem for me and my coworkers.

## Understanding Your Results

This page provides you with key information about average response scores and benchmarking.

(PG&E-20)

### Average Response Scores

To ensure the quality of survey responses, two-thirds of the **NSC Safety Barometer** statements are positively phrased while other statements are negatively phrased. Respondent agreement with a positive statement or disagreement with a negative statement has a positive safety implication for the safety culture. Disagreement with a positive statement or agreement with a negative description has a negative implication. For each statement, average response scores were calculated by assigning the following values to responses:

- +2 = strongly positive response**  
(strongly agreeing with positively phrased item/strongly disagreeing with negatively phrased item);
- +1 = positive response**  
(agreeing with positively phrased item/disagreeing with negatively phrased item);
- 0 = neutral response;**
- 1 = negative response**  
(disagreeing with positively phrased item/agreeing with negatively phrased item);
- 2 = strongly negative response**  
(strongly disagreeing with positively phrased item/strongly agreeing with negatively phrased item).

### Benchmarking

Average response scores are compared with the NSC Database for each of the 50 **NSC Safety Barometer** items and each of the six safety performance categories. A percentile score expresses the percentage of NSC Database businesses with a lower average response score than your business. Possible percentile scores range from 0 to 100, with 0 representing the lowest score in the NSC Database and 100 representing the highest. For example, a percentile score of 100 indicates that all of the businesses in the NSC Database received a lower average response score than your business; a percentile score of 50 indicates that half of the businesses were lower than your business.



A percentile score above 50, the NSC Database average, indicates above average performance, whereas a score below 50 indicates below average performance when compared to NSC Database organizations. Scores below 20 are considered low, while scores of 80 or above are described as high. Scores of 90 or above indicate very high safety performance, as derived from employee perceptions.

### Value of Benchmarking

The **true value** of benchmarking in employee survey analysis is it neutralizes inaccuracy in the survey results, allowing organizations to compare scored items and take action. Inherent in all survey work, every survey item has its own natural performance. Some items tend to be answered more positively or negatively than other items. This has to do with the wording of the item, topic being addressed, or both. Benchmarking is a unit of analysis that will allow you to easily identify high and low scores across items and prioritize areas for action planning. The following is an example comparing two **NSC Safety Barometer** survey items.

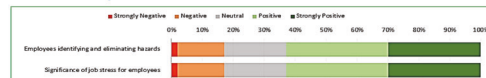
Two survey items:

Q01) It is common for employees to take part in identifying and eliminating worksite hazards  
NSC Database average score of 1.137 and a standard deviation of .27

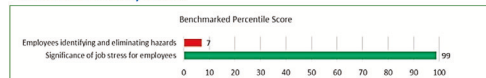
Q47) Job stress is a significant problem for me and my coworkers  
NSC Database average score of -.208 and a standard deviation of .36

If survey results were provided with only average response scores (on a scale of -2 to +2) and your organization produced the same average response score for both of these items, this result can be interpreted that these items are performing rather equally. However, applying our NSC Benchmark can reveal on the true status of this safety component in your safety culture, as derived from employee perceptions. In this example, benchmarking actually reveals that despite garnering the same average score, (Q47) would produce a percentile score of 99 and would be identified as a strength, whereas (Q1) would be performing below average, producing a percentile score of 7. Ultimately, benchmarking enables your organization to correctly interpret and take action based on more accurate survey results. *See image below for visual on benchmarking in action.*

#### Standard Survey Results



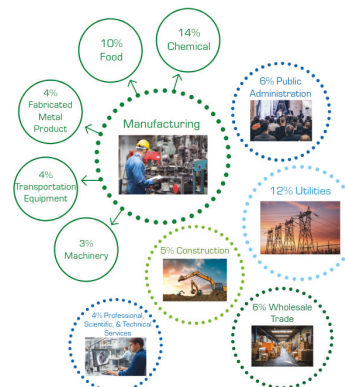
#### Benchmarked Survey Results



### NSC Database

NSC Database includes millions of employee responses from businesses across various industries and countries. The businesses in the NSC Database do not represent a national average. NSC Database businesses tend to be high performing, safety culture focused organizations with emerging and mature safety systems.

Average response scores were compared to businesses within the NSC Database for each of the 50 **NSC Safety Barometer** items and each of the six safety performance categories. If year to year comparisons are available, the same benchmark group is retained to allow direct comparison across survey years. Given the components assessed with the **NSC Safety Barometer** are key for all businesses in building and maintaining a positive safety culture, we compare you to the entire NSC Database to ensure the most accurate and precise results. Although specific risk may vary by industry, the six areas of excellence and their respective components are applicable to all organizations.





[Click here for Online Results PDF\(s\)](#)

## Overall & Safety Performance Category

This page contains your overall percentile score and safety performance category percentile scores.



[Click here for tips on Dashboard Filters](#)

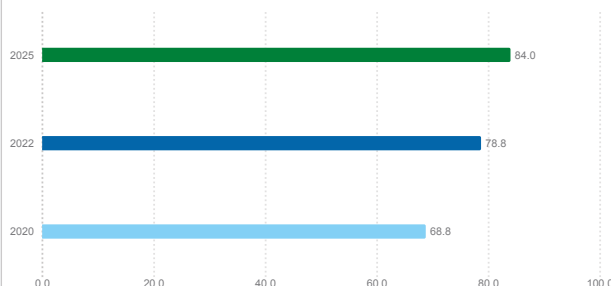
(PG&E-20)

### Overall

For a broad measurement of the survey results, a relative overall score (includes all the responses across all 50 items) is included to provide an overall snapshot of your safety management system health and culture.

The overall percentile score in 2025 is a high score of 84.0, indicating that you scored higher than 84.0% of the NSC Database businesses, overall. This is a notable increase of +5.2 points since the 2022 survey.

#### Overall Percentile Score ⓘ



### Safety Performance Category

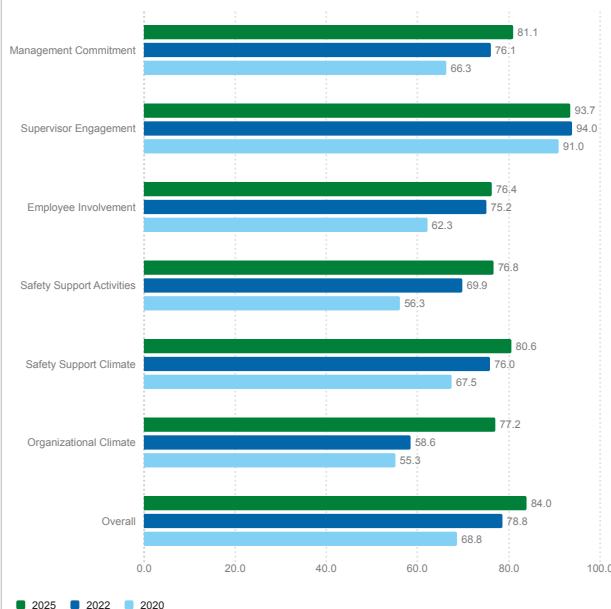
All 50 **NSC Safety Barometer** items are associated with one of the six safety performance categories: Management Commitment (7 items), Supervisor Engagement (9 items), Employee Involvement (9 items), Safety Support Activities (10 items), Safety Support Climate (10 items), and Organizational Climate (5 items). Performance category percentile scores are generated by comparing performance category average response scores (calculated from employee responses to the corresponding **NSC Safety Barometer** items) to the NSC Database.

Percentile scores by performance area highlight broad strengths and opportunities. If a specific performance category is underperforming compared with other performance categories, specific components from the lowest-performing performance category should be considered for action planning. Typically, high performing safety cultures will see consistency among performance category scores.

The overall percentile score in 2025 is a high score of 84.0, indicating that you scored higher than 84.0% of the NSC Database businesses overall. This is a notable increase of +5.2 points since the 2022 survey. In 2025, all six performance category percentile scores were above the NSC Database average of 50. Additionally, increases in score from the previous survey were achieved in five of the six performance categories. As in the previous survey, Supervisor Engagement held the highest performance category score in 2025 of 93.7, yet saw a decrease of -0.3 points. Employee Involvement generated the lowest score in 2025 of 76.4, an increase in score of +1.2 points from the previous survey. Organizational Climate showed the most improvement in score from the previous survey of +18.6 points.

Additionally, average response scores (scale -2 to +2) by performance category are displayed below along with another table that provides the average response score (scale -2 to +2) for the 0, 50th, and 100th percentile for all the businesses in the NSC Database. This gives you an idea of the distribution of the scores for each performance category and how your average response score compares.

#### Percentile Scores of Performance Categories ⓘ



#### Percentile Scores of Performance Categories ⓘ

|                           | 2020 | 2022 | 2025 |
|---------------------------|------|------|------|
| Management Commitment     | 66.3 | 76.1 | 81.1 |
| Supervisor Engagement     | 91.0 | 94.0 | 93.7 |
| Employee Involvement      | 62.3 | 75.2 | 76.4 |
| Safety Support Activities | 56.3 | 69.9 | 76.8 |
| Safety Support Climate    | 67.5 | 76.0 | 80.6 |
| Organizational Climate    | 55.3 | 58.6 | 77.2 |

#### Average Scores of Performance Categories ⓘ

| Year | Management Commitment | Supervisor Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|------|-----------------------|-----------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| 2025 | 0.885                 | 1.199                 | 0.998                | 0.791                     | 0.885                  | 0.654                  | 0.920   |
| 2022 | 0.834                 | 1.208                 | 0.990                | 0.736                     | 0.840                  | 0.460                  | 0.873   |
| 2020 | 0.758                 | 1.142                 | 0.900                | 0.631                     | 0.766                  | 0.421                  | 0.795   |

#### Average Scores of NSC Database ⓘ

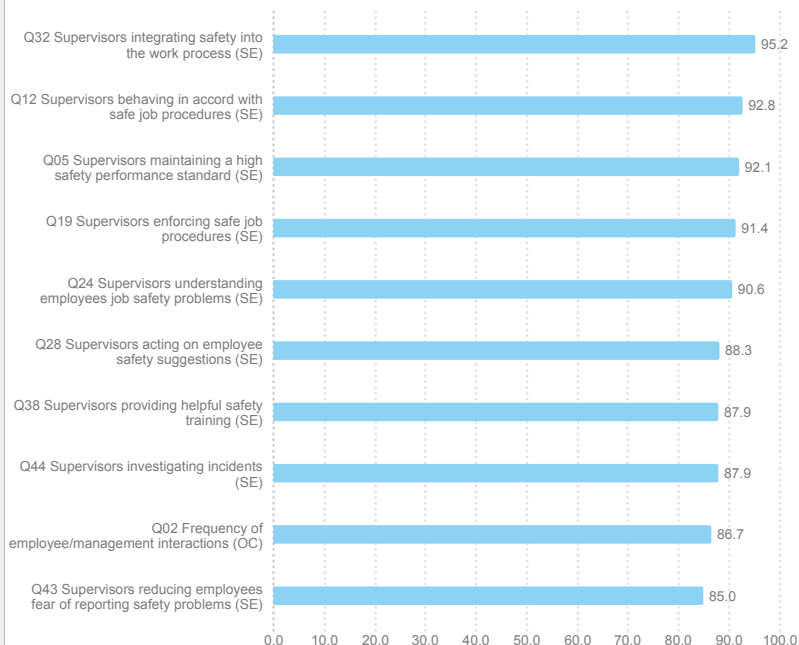
| Percentile | Management Commitment | Supervisor Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | OVERALL |
|------------|-----------------------|-----------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| 0          | -0.536                | -0.167                | -0.024               | -0.511                    | -0.574                 | -0.800                 | -0.375  |
| 50th       | 0.645                 | 0.811                 | 0.822                | 0.583                     | 0.629                  | 0.381                  | 0.664   |
| 100th      | 1.617                 | 1.700                 | 1.628                | 1.578                     | 1.509                  | 1.533                  | 1.579   |

## Strengths and Focus Areas

(PG&E-20)

This page contains your organization's top and bottom-performing components on the NSC Safety Barometer.

### Best Performing Components (Top Strengths)



### Best-Performing Components

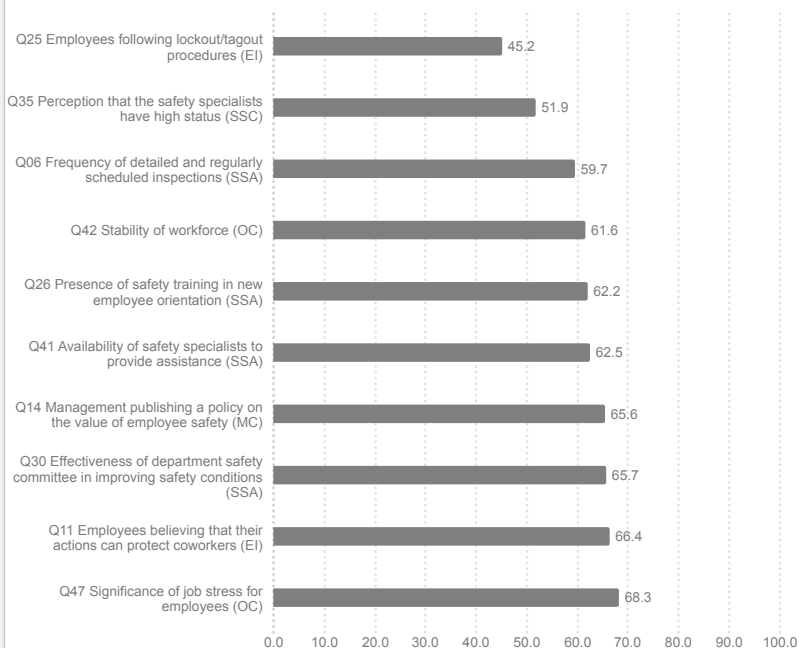
The ten highest-performing components received scores ranging from 85.0 to 95.2.

Of the best performing components identified by employees

- 9 are from the Supervisor Engagement category, and
- 1 is from the Organizational Climate category.

There were no items from the Management Commitment, Employee Involvement, Safety Support Activities, or Safety Support Climate categories in this group of best-performing components. To view safety component results by performance category, please refer to specific performance category pages.

### Lower-Performing Components (Focus Areas)



### Lower-Performing Components

Forty-nine of the 50 components scored above the 50th percentile. Although components with below average percentiles (below 50) are usually identified as potential target areas, the ten lowest-ranking components with scores of 68.3 or below can be used to establish current improvement opportunities.

Of the components identified as focus areas:

- 4 are from the Safety Support Activities category,
- 2 each are from the Employee Involvement and Organizational Climate categories, and
- 1 each is from the Management Commitment and Safety Support Climate categories.

There were no items from the Supervisor Engagement category in this group of lower-performing components. To view safety component results by performance category, please refer to specific performance category pages.

### Keys for Analysis: Component Clustering

A cluster is three or more components from the same performance category among the top- or bottom-performing components. Clustering among top-performing components indicates strengths in a particular performance category. The goal is to achieve representation from each performance category among your top performers. Clustering among bottom-performing components indicates the performance category is an opportunity area. It is recommended to choose at least one component from the cluster as a future action item.



## 50 Standard NSC Safety Barometer Components

This page contains percentile scores, average response scores, and percent distributions for each NSC Safety Barometer component.

(PG&E-20)

### Summary

The majority of employee responses regarding your organization's safety program are above average compared to the NSC Database participants. **Forty-nine of the 50 standard components received percentiles above the 50th percentile**, which is considered the NSC Database average.

Further examination shows: **28** components achieved percentile scores at or above the 76th percentile, **21** components received percentiles from the 50th to 75th percentile, **1** component received a percentile from the 25th to 49th percentile, and **0** components generated a percentile below the 25th percentile.

### Scores by Safety Component

| Statement Number; Component (Performance Category)                                    | Percentile Score ▼ | Strongly Positive | Positive | Neutral | Negative | Strongly Negative | Average |
|---------------------------------------------------------------------------------------|--------------------|-------------------|----------|---------|----------|-------------------|---------|
| Q32 Supervisors integrating safety into the work process (SE)                         | 95.2               | 43.1%             | 45.1%    | 10.1%   | 1.2%     | 0.5%              | 1.29    |
| Q12 Supervisors behaving in accord with safe job procedures (SE)                      | 92.8               | 60.1%             | 31.0%    | 5.6%    | 1.9%     | 1.5%              | 1.46    |
| Q05 Supervisors maintaining a high safety performance standard (SE)                   | 92.1               | 54.4%             | 36.1%    | 7.8%    | 0.9%     | 0.7%              | 1.43    |
| Q19 Supervisors enforcing safe job procedures (SE)                                    | 91.4               | 49.3%             | 42.2%    | 7.4%    | 0.7%     | 0.4%              | 1.39    |
| Q24 Supervisors understanding employees job safety problems (SE)                      | 90.6               | 37.2%             | 48.0%    | 12.0%   | 2.0%     | 0.8%              | 1.19    |
| Q28 Supervisors acting on employee safety suggestions (SE)                            | 89.3               | 34.8%             | 42.1%    | 13.9%   | 5.8%     | 3.5%              | 0.99    |
| Q44 Supervisors investigating incidents (SE)                                          | 87.9               | 27.8%             | 39.9%    | 30.3%   | 1.3%     | 0.7%              | 0.93    |
| Q38 Supervisors providing helpful safety training (SE)                                | 87.9               | 32.9%             | 48.2%    | 16.1%   | 2.1%     | 0.7%              | 1.10    |
| Q02 Frequency of employee/management interactions (OC)                                | 86.7               | 38.3%             | 45.1%    | 12.1%   | 3.3%     | 1.3%              | 1.16    |
| Q43 Supervisors reducing employees fear of reporting safety problems (SE)             | 85.0               | 29.4%             | 47.9%    | 16.2%   | 4.7%     | 1.8%              | 0.98    |
| Q40 Management including safety in job promotion reviews (MC)                         | 84.7               | 25.3%             | 35.9%    | 32.1%   | 4.4%     | 2.3%              | 0.77    |
| Q31 Management setting a positive safety example (MC)                                 | 84.5               | 32.3%             | 47.8%    | 14.9%   | 3.4%     | 1.6%              | 1.06    |
| Q45 Perception that good environmental conditions are kept (SSC)                      | 84.4               | 21.8%             | 47.6%    | 26.0%   | 3.4%     | 1.1%              | 0.86    |
| Q36 Belief that hazards not fixed right away will still be addressed (SSC)            | 82.7               | 21.3%             | 43.8%    | 27.3%   | 6.1%     | 1.4%              | 0.77    |
| Q17 Belief that management does more than law requires (SSC)                          | 82.4               | 26.8%             | 42.3%    | 18.4%   | 8.3%     | 4.1%              | 0.79    |
| Q46 Employees using necessary personal protective equipment (EI)                      | 82.2               | 31.2%             | 44.3%    | 19.9%   | 3.4%     | 1.2%              | 1.01    |
| Q03 Priority of safety relative to production (SSC)                                   | 81.0               | 38.6%             | 38.3%    | 11.9%   | 6.6%     | 4.7%              | 0.99    |
| Q04 Employees being involved in safety and health practices (EI)                      | 80.3               | 21.1%             | 45.5%    | 27.4%   | 4.8%     | 1.1%              | 0.81    |
| Q10 Belief that management shows it cares for employee safety (SSC)                   | 78.9               | 43.1%             | 42.5%    | 10.6%   | 2.5%     | 1.3%              | 1.24    |
| Q34 Management participating in safety activities on a regular basis (MC)             | 78.8               | 26.4%             | 43.2%    | 22.4%   | 5.9%     | 2.1%              | 0.86    |
| Q13 Designated employees well trained in emergency practices (SSA)                    | 78.5               | 25.9%             | 46.9%    | 22.8%   | 3.4%     | 1.0%              | 0.93    |
| Q50 Employees taking part in the development of safety requirements (EI)              | 78.0               | 16.0%             | 39.8%    | 30.6%   | 10.7%    | 3.0%              | 0.55    |
| Q15 Thoroughness of near hit investigations (SSA)                                     | 77.7               | 29.2%             | 43.1%    | 24.9%   | 2.0%     | 0.8%              | 0.98    |
| Q09 Condition of departmental teamwork (OC)                                           | 77.5               | 23.8%             | 46.4%    | 19.9%   | 7.3%     | 2.7%              | 0.81    |
| Q48 Belief that management insists supervisors think about safety (SSC)               | 77.0               | 33.3%             | 48.1%    | 16.9%   | 1.2%     | 0.5%              | 1.13    |
| Q08 Frequency of safety meeting occurrence (SSA)                                      | 76.7               | 27.3%             | 43.1%    | 19.2%   | 7.2%     | 3.2%              | 0.84    |
| Q01 Employees identifying and eliminating hazards (EI)                                | 76.7               | 46.3%             | 43.4%    | 8.8%    | 1.0%     | 0.5%              | 1.34    |
| Q27 Belief that management is sincere in safety efforts (SSC)                         | 76.1               | 43.0%             | 43.4%    | 10.0%   | 2.4%     | 1.3%              | 1.24    |
| Q49 Management setting annual safety goals (MC)                                       | 75.3               | 26.6%             | 46.7%    | 22.8%   | 3.0%     | 0.8%              | 0.95    |
| Q22 Effectiveness of award programs in promoting safe behavior (SSA)                  | 74.8               | 14.1%             | 32.9%    | 35.3%   | 12.5%    | 5.3%              | 0.38    |
| Q18 Belief that employees understand safety and health requirements (EI)              | 74.2               | 41.2%             | 51.8%    | 6.1%    | 0.7%     | 0.2%              | 1.33    |
| Q16 Condition of employee morale (OC)                                                 | 73.7               | 17.8%             | 38.6%    | 26.7%   | 11.2%    | 5.7%              | 0.52    |
| Q23 Safety standards relative to job performance standards (SSC)                      | 73.5               | 15.5%             | 39.5%    | 28.8%   | 11.6%    | 4.7%              | 0.49    |
| Q33 Quality of preventive maintenance system operation (SSA)                          | 72.0               | 14.8%             | 35.4%    | 38.2%   | 8.2%     | 3.4%              | 0.50    |
| Q39 Perception that medical resources are sufficient (SSC)                            | 71.4               | 21.4%             | 42.9%    | 31.4%   | 3.2%     | 1.1%              | 0.80    |
| Q37 Employees take part when accident or incident investigations occur (EI)           | 69.8               | 15.4%             | 40.0%    | 38.2%   | 5.1%     | 1.2%              | 0.63    |
| Q07 Management stressing the importance of safety in communications (MC)              | 69.8               | 31.2%             | 36.9%    | 12.7%   | 10.9%    | 8.3%              | 0.72    |
| Q20 Employees using standardized precautions for hazardous materials (EI)             | 69.5               | 30.0%             | 44.7%    | 24.2%   | 0.8%     | 0.4%              | 1.03    |
| Q29 Occurrence of emergency response procedures testing (SSA)                         | 69.0               | 20.0%             | 37.6%    | 33.1%   | 7.0%     | 2.3%              | 0.66    |
| Q21 Management providing adequate safety staff (MC)                                   | 68.8               | 24.3%             | 43.8%    | 24.2%   | 5.5%     | 2.2%              | 0.82    |
| Q47 Significance of job stress for employees (OC)                                     | 68.3               | 9.0%              | 26.3%    | 29.6%   | 23.8%    | 11.4%             | -0.02   |
| Q11 Employees believing that their actions can protect coworkers (EI)                 | 66.4               | 50.7%             | 43.3%    | 5.5%    | 0.3%     | 0.2%              | 1.44    |
| Q30 Effectiveness of department safety committee in improving safety conditions (SSA) | 65.7               | 21.1%             | 44.1%    | 31.1%   | 2.7%     | 1.0%              | 0.81    |
| Q14 Management publishing a policy on the value of employee safety (MC)               | 65.6               | 30.6%             | 44.0%    | 22.3%   | 2.3%     | 0.8%              | 1.01    |
| Q41 Availability of safety specialists to provide assistance (SSA)                    | 62.5               | 22.2%             | 42.7%    | 28.7%   | 4.8%     | 1.6%              | 0.79    |
| Q26 Presence of safety training in new employee orientation (SSA)                     | 62.2               | 42.4%             | 41.8%    | 14.1%   | 1.4%     | 0.4%              | 1.24    |
| Q42 Stability of workforce (OC)                                                       | 61.6               | 22.0%             | 46.8%    | 19.9%   | 8.6%     | 2.6%              | 0.77    |
| Q06 Frequency of detailed and regularly scheduled inspections (SSA)                   | 58.7               | 22.2%             | 36.8%    | 37.0%   | 3.1%     | 0.9%              | 0.76    |
| Q35 Perception that the safety specialists have high status (SSC)                     | 51.9               | 15.8%             | 31.2%    | 43.7%   | 7.1%     | 2.1%              | 0.52    |
| Q25 Employees following lockout/tagout procedures (EI)                                | 45.2               | 23.8%             | 35.9%    | 37.1%   | 2.5%     | 0.7%              | 0.80    |

### Keys for Analysis:

**Quartiles, Benchmarked Scores, Elevated Neutral Responses, and Negative Average Response Scores**

Percentile scores for each of the standard 50 NSC Safety Barometer components were generated. Average performance compared to the NSC Database is indicated by the 50th percentile. The Scores by Safety Component table is color-coded with components scoring in the top quartile shaded green (76th percentile and above), components scoring in the third quartile shaded yellow (the 50th to 75th percentile range), components scoring in the second quartile shaded orange (25th to 49th percentile range), and components scoring in the bottom quartile shaded red (below the 25th percentile).

**The primary focus in interpreting your survey results should be placed on benchmarked percentile scores.**

Components with the highest average response scores or a high percentage of positive responses are not necessarily the best performing elements. Since some statements tend to be answered more positively or negatively than others, comparing results against the NSC Database automatically adjusts for and minimizes these types of naturally occurring biases. However, average response scores and response distributions can provide supplemental information to elicit additional insights into your survey data.

#### Elevated neutral responses (≥30.0%)

Elevated neutral response rates may indicate that components or their related programs are not sufficiently visible from the employee perspective, increased communication, education, or awareness may be key.

#### Negative Average Response Scores

Negative average response scores indicate that employees have negative perceptions of that particular component and should be considered along with percentile score when determining action planning priorities.



## Year to Year Comparisons

This page provides year to year comparisons for the 50 NSC Safety Barometer components.

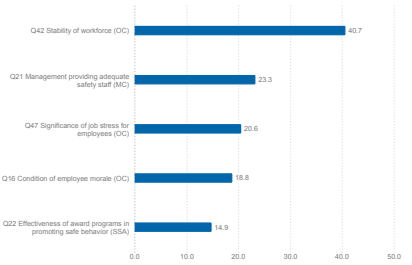
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### Most Improved Components

Since the previous survey, 36 components showed improvement, including eight components with a double-digit increase in percentile score. Of these, the stability of workforce (Q42) achieved a dramatic increase in score of +40.7 points. Management providing adequate safety staff (Q21) showed the second largest increase in score of +23.3 points.

Additionally, nine of the ten components identified as priority improvement opportunities in the previous survey showed improvements. This indicates that strategic actions taken since the previous survey to manage and build the success of these components were beneficial.

#### Most Improved Components

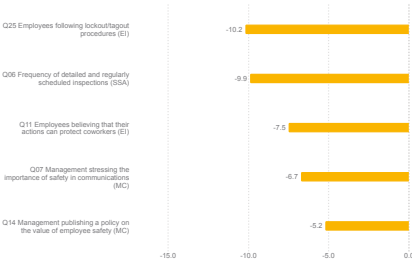


### Least Improved/Declining Components

In total 12 items showed declines in percentile score from the previous survey. Of these, one component showed a double-digit decrease. Employees following lockout/tagout procedures (Q25) showed a notable decrease in score of -10.2 points, while frequency of detailed and regularly scheduled inspections decreased by -9.9 points.

Five components identified as top performers in the previous survey decreased in score, while two remained the same. Attention to declining items may be beneficial when selecting components for countermeasure development.

#### Least Improved/Declining Components



### Component Percentile Scores by Survey Year Summary

From the previous survey, an increase in percentile score was achieved for 36 of the 50 components, two components remained the same, while 12 components showed decreases in score.

#### Scores by Safety Component

| Statement Number, Component (Performance Category)                                    | 2025 Percentile Score | 2022 Percentile Score | 2020 Percentile Score | Percentile Change 2022-2025 |
|---------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
| Q42 Stability of workforce (OC)                                                       | 61.6                  | 20.9                  | 29.1                  | 40.7                        |
| Q21 Management providing adequate safety staff (MC)                                   | 68.8                  | 45.5                  | 42.7                  | 23.3                        |
| Q47 Significance of job stress for employees (OC)                                     | 68.3                  | 47.7                  | 48.9                  | 20.6                        |
| Q16 Condition of employee morale (OC)                                                 | 73.7                  | 54.9                  | 56.1                  | 18.8                        |
| Q22 Effectiveness of award programs in promoting safe behavior (SSA)                  | 74.8                  | 59.9                  | 54.8                  | 14.9                        |
| Q25 Perception that the safety specialists have high status (SSC)                     | 51.9                  | 39.5                  | 24.9                  | 12.4                        |
| Q30 Effectiveness of department safety committee in improving safety conditions (SSA) | 65.7                  | 55.6                  | 44.2                  | 10.1                        |
| Q50 Employees taking part in the development of safety requirements (EI)              | 78.0                  | 67.9                  | 58.2                  | 10.1                        |
| Q15 Thoroughness of near hit investigations (SSA)                                     | 77.7                  | 68.5                  | 65.7                  | 9.2                         |
| Q49 Management setting annual safety goals (MC)                                       | 75.3                  | 67.4                  | 53.9                  | 7.9                         |
| Q04 Employees being involved in safety and health practices (EI)                      | 80.3                  | 72.4                  | 65.7                  | 7.9                         |
| Q41 Availability of safety specialists to provide assistance (SSA)                    | 62.5                  | 55.1                  | 44.6                  | 7.4                         |
| Q34 Management participating in safety activities on a regular basis (MC)             | 78.8                  | 71.8                  | 47.5                  | 7.0                         |
| Q29 Occurrence of emergency response procedures testing (SSA)                         | 69.0                  | 62.0                  | 60.9                  | 7.0                         |
| Q09 Condition of departmental teamwork (OC)                                           | 77.5                  | 70.7                  | 58.6                  | 6.8                         |
| Q27 Belief that management is sincere in safety efforts (SSC)                         | 76.1                  | 69.5                  | 60.9                  | 6.6                         |
| Q33 Quality of preventive maintenance system operation (SSA)                          | 72.0                  | 66.6                  | 54.8                  | 5.4                         |
| Q11 Management setting a positive safety example (MC)                                 | 84.5                  | 79.2                  | 68.5                  | 5.3                         |
| Q10 Belief that management shows it cares for employee safety (SSC)                   | 76.9                  | 73.8                  | 63.0                  | 5.1                         |
| Q40 Management including safety in job promotion reviews (MC)                         | 84.7                  | 79.7                  | 74.6                  | 5.0                         |
| Q13 Designated employees well trained in emergency practices (SSA)                    | 78.5                  | 73.7                  | 73.3                  | 4.8                         |
| Q20 Employees using standardized precautions for hazardous materials (EI)             | 69.5                  | 64.8                  | 54.0                  | 4.7                         |
| Q17 Belief that management does more than law requires (SSC)                          | 82.4                  | 77.7                  | 76.0                  | 4.7                         |
| Q08 Frequency of safety meeting occurrence (SSA)                                      | 76.7                  | 72.4                  | 51.0                  | 4.3                         |
| Q36 Belief that hazards not fixed right away will still be addressed (SSC)            | 82.7                  | 78.9                  | 70.5                  | 3.8                         |
| Q23 Safety standards relative to job performance standards (SSC)                      | 73.5                  | 69.7                  | 66.3                  | 3.8                         |
| Q46 Employees using necessary personal protective equipment (EI)                      | 82.2                  | 79.3                  | 69.9                  | 2.9                         |
| Q03 Priority of safety relative to production (SSC)                                   | 81.0                  | 78.2                  | 73.1                  | 2.8                         |
| Q26 Presence of safety training in new employee orientation (SSA)                     | 62.2                  | 59.6                  | 48.1                  | 2.6                         |
| Q45 Perception that good environmental conditions are kept (SSC)                      | 84.4                  | 82.1                  | 70.7                  | 2.3                         |
| Q44 Supervisors investigating incidents (SE)                                          | 87.9                  | 86.0                  | 82.5                  | 1.9                         |
| Q02 Frequency of employee/management interactions (OC)                                | 86.7                  | 85.6                  | 71.7                  | 1.1                         |
| Q37 Employees take part when accident or incident investigations occur (EI)           | 69.8                  | 69.0                  | 54.6                  | 0.8                         |
| Q32 Supervisors integrating safety into the work process (SE)                         | 95.2                  | 94.5                  | 91.3                  | 0.7                         |
| Q48 Belief that management insists supervisors think about safety (SSC)               | 77.0                  | 76.4                  | 66.6                  | 0.6                         |
| Q39 Perception that medical resources are sufficient (SSC)                            | 71.4                  | 70.9                  | 68.8                  | 0.5                         |
| Q43 Supervisors reducing employees fear of reporting safety problems (SE)             | 85.0                  | 85.0                  | 80.5                  | 0.0                         |
| Q05 Supervisors maintaining a high safety performance standard (SE)                   | 92.1                  | 92.1                  | 88.1                  | 0.0                         |
| Q19 Supervisors enforcing safe job procedures (SE)                                    | 91.4                  | 91.6                  | 87.5                  | -0.2                        |
| Q24 Supervisors understanding employees job safety problems (SE)                      | 90.6                  | 91.3                  | 83.6                  | -0.7                        |
| Q12 Supervisors behaving in accord with safe job procedures (SE)                      | 92.8                  | 94.2                  | 92.9                  | -1.4                        |
| Q38 Supervisors providing helpful safety training (SE)                                | 87.9                  | 89.7                  | 78.1                  | -1.8                        |
| Q01 Employees identifying and eliminating hazards (EI)                                | 76.7                  | 78.6                  | 73.3                  | -1.9                        |
| Q28 Supervisors acting on employee safety suggestions (SE)                            | 88.3                  | 91.4                  | 91.4                  | -3.1                        |
| Q18 Belief that employees understand safety and health requirements (EI)              | 74.2                  | 79.1                  | 68.4                  | -4.9                        |
| Q14 Management publishing a policy on the value of employee safety (MC)               | 65.6                  | 70.8                  | 58.5                  | -5.2                        |
| Q07 Management stressing the importance of safety in communications (MC)              | 69.8                  | 76.5                  | 80.2                  | -6.7                        |
| Q11 Employees believing that their actions can protect coworkers (EI)                 | 66.4                  | 73.9                  | 62.2                  | -7.5                        |
| Q06 Frequency of detailed and regularly scheduled inspections (SSA)                   | 59.7                  | 69.6                  | 34.9                  | -9.9                        |
| Q25 Employees following lockout/tagout procedures (EI)                                | 45.2                  | 55.4                  | 34.4                  | -10.2                       |



## Management Commitment Components

This page displays another view of the **NSC Safety Barometer** component percentile scores, average response scores, and percent distributions for only Management Commitment components.

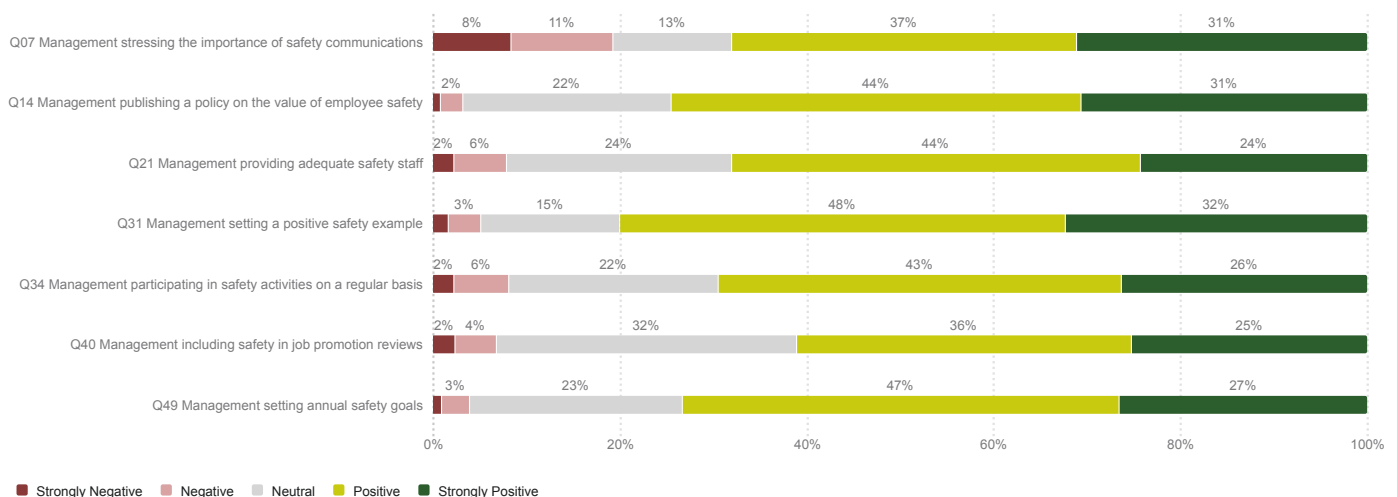
### Percentile Scores of Management Commitment Components ⓘ

| Component                                                            | 2020 | 2022 | 2025 ▼ |
|----------------------------------------------------------------------|------|------|--------|
| Q40 Management including safety in job promotion reviews             | 74.6 | 79.7 | 84.7   |
| Q31 Management setting a positive safety example                     | 68.5 | 79.2 | 84.5   |
| Q34 Management participating in safety activities on a regular basis | 47.5 | 71.8 | 78.8   |
| Q49 Management setting annual safety goals                           | 53.9 | 67.4 | 75.3   |
| Q07 Management stressing the importance of safety communications     | 80.2 | 76.5 | 69.8   |
| Q21 Management providing adequate safety staff                       | 42.7 | 45.5 | 68.8   |
| Q14 Management publishing a policy on the value of employee safety   | 58.5 | 70.8 | 65.6   |

### Average Response Scores of Management Commitment Components ⓘ

| Component                                                            | 2020   | 2022   | 2025   |
|----------------------------------------------------------------------|--------|--------|--------|
| Q07 Management stressing the importance of safety communications     | 0.8438 | 0.7981 | 0.7177 |
| Q14 Management publishing a policy on the value of employee safety   | 0.9638 | 1.0447 | 1.0143 |
| Q21 Management providing adequate safety staff                       | 0.5951 | 0.6240 | 0.8246 |
| Q31 Management setting a positive safety example                     | 0.8807 | 0.9965 | 1.0592 |
| Q34 Management participating in safety activities on a regular basis | 0.6117 | 0.7917 | 0.8582 |
| Q40 Management including safety in job promotion reviews             | 0.6592 | 0.7091 | 0.7747 |
| Q49 Management setting annual safety goals                           | 0.7476 | 0.8763 | 0.9538 |

### Response Distributions of Management Commitment Components ▼





## Supervisor Engagement Components

This page displays another view of the **NSC Safety Barometer** component percentile scores, average response scores, and percent distributions for only Supervisor Engagement components.

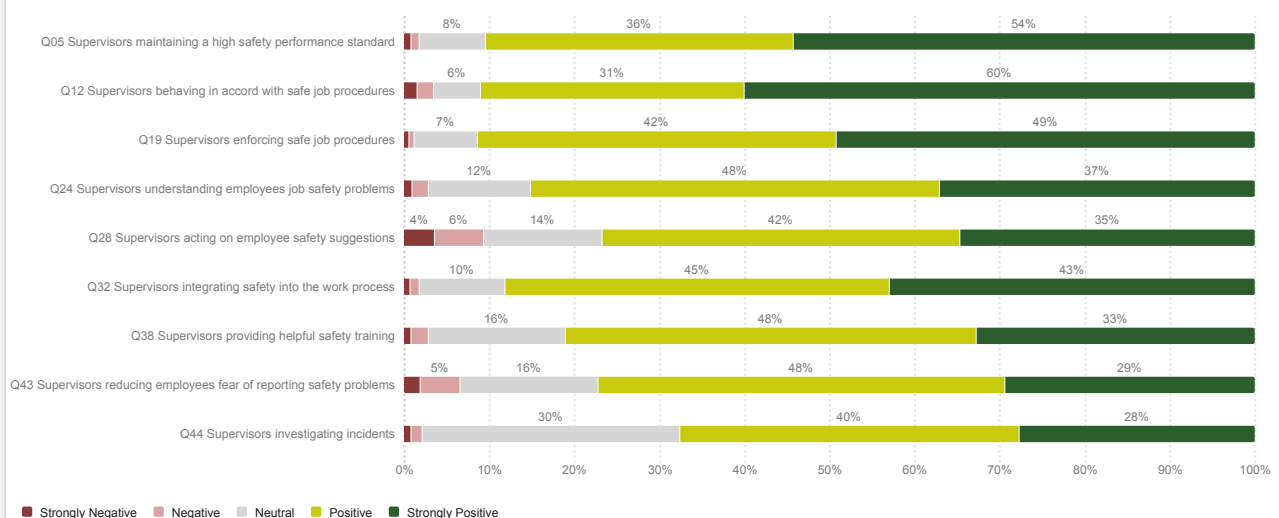
### Percentile Scores of Supervisor Engagement Components ⓘ

| Component                                                            | 2020 | 2022 | 2025 ▼ |
|----------------------------------------------------------------------|------|------|--------|
| Q32 Supervisors integrating safety into the work process             | 91.3 | 94.5 | 95.2   |
| Q12 Supervisors behaving in accord with safe job procedures          | 92.9 | 94.2 | 92.8   |
| Q05 Supervisors maintaining a high safety performance standard       | 88.1 | 92.1 | 92.1   |
| Q19 Supervisors enforcing safe job procedures                        | 87.5 | 91.6 | 91.4   |
| Q24 Supervisors understanding employees job safety problems          | 83.6 | 91.3 | 90.6   |
| Q28 Supervisors acting on employee safety suggestions                | 91.4 | 91.4 | 88.3   |
| Q44 Supervisors investigating incidents                              | 82.5 | 86.0 | 87.9   |
| Q38 Supervisors providing helpful safety training                    | 78.1 | 89.7 | 87.9   |
| Q43 Supervisors reducing employees fear of reporting safety problems | 80.5 | 85.0 | 85.0   |

### Average Response Scores of Supervisor Engagement Components ⓘ

| Component                                                            | 2020   | 2022   | 2025   |
|----------------------------------------------------------------------|--------|--------|--------|
| Q05 Supervisors maintaining a high safety performance standard       | 1.3559 | 1.4260 | 1.4252 |
| Q12 Supervisors behaving in accord with safe job procedures          | 1.4638 | 1.4947 | 1.4633 |
| Q19 Supervisors enforcing safe job procedures                        | 1.3313 | 1.3988 | 1.3926 |
| Q24 Supervisors understanding employees job safety problems          | 1.1145 | 1.1965 | 1.1876 |
| Q28 Supervisors acting on employee safety suggestions                | 1.0495 | 1.0499 | 0.9880 |
| Q32 Supervisors integrating safety into the work process             | 1.1783 | 1.2771 | 1.2898 |
| Q38 Supervisors providing helpful safety training                    | 0.9973 | 1.1302 | 1.1043 |
| Q43 Supervisors reducing employees fear of reporting safety problems | 0.9345 | 0.9822 | 0.9847 |
| Q44 Supervisors investigating incidents                              | 0.8312 | 0.8981 | 0.9279 |

### Response Distributions of Supervisor Engagement Components





## Employee Involvement Components

This page displays another view of the NSC Safety Barometer component percentile scores, average response scores, and percent distributions for only Employee Involvement components.

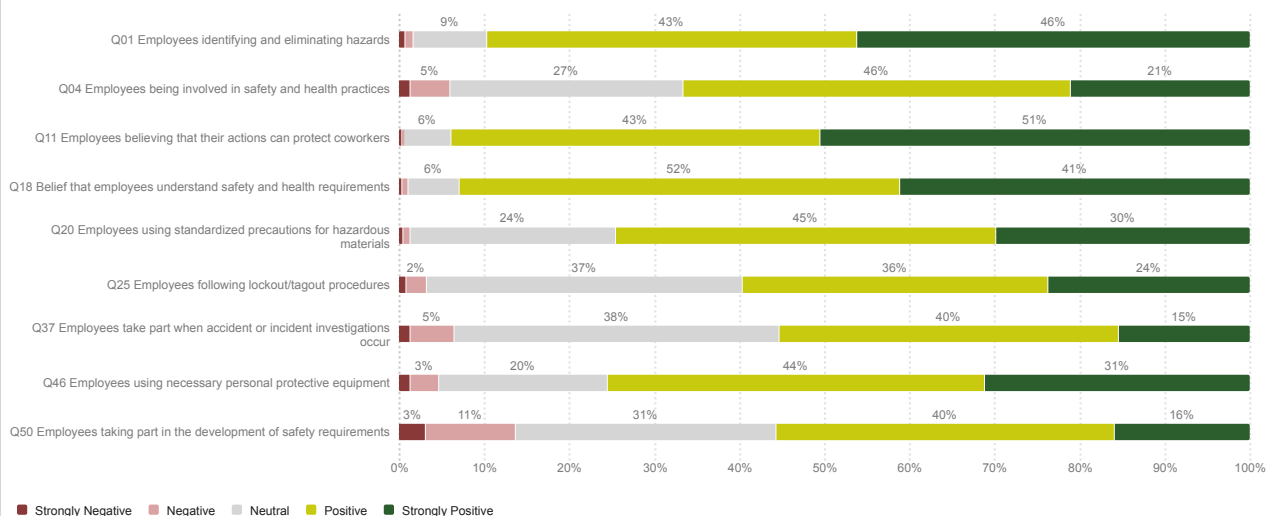
### Percentile Scores of Employee Involvement Components ⓘ ⌵

| Component                                                              | 2020 | 2022 | 2025 ▼ |
|------------------------------------------------------------------------|------|------|--------|
| Q46 Employees using necessary personal protective equipment            | 69.9 | 79.3 | 82.2   |
| Q04 Employees being involved in safety and health practices            | 65.7 | 72.4 | 80.3   |
| Q50 Employees taking part in the development of safety requirements    | 58.2 | 67.9 | 78.0   |
| Q01 Employees identifying and eliminating hazards                      | 73.3 | 78.6 | 76.7   |
| Q18 Belief that employees understand safety and health requirements    | 68.4 | 79.1 | 74.2   |
| Q37 Employees take part when accident or incident investigations occur | 54.6 | 69.0 | 69.8   |
| Q20 Employees using standardized precautions for hazardous materials   | 54.0 | 64.8 | 69.5   |
| Q11 Employees believing that their actions can protect coworkers       | 62.2 | 73.9 | 66.4   |
| Q25 Employees following lockout/tagout procedures                      | 34.4 | 55.4 | 45.2   |

### Average Response Scores of Employee Involvement Components ⓘ ⌵

| Component                                                              | 2020   | 2022   | 2025   |
|------------------------------------------------------------------------|--------|--------|--------|
| Q01 Employees identifying and eliminating hazards                      | 1.3143 | 1.3551 | 1.3397 |
| Q04 Employees being involved in safety and health practices            | 0.6810 | 0.7409 | 0.8072 |
| Q11 Employees believing that their actions can protect coworkers       | 1.4140 | 1.4727 | 1.4390 |
| Q18 Belief that employees understand safety and health requirements    | 1.3000 | 1.3562 | 1.3304 |
| Q20 Employees using standardized precautions for hazardous materials   | 0.9184 | 0.9992 | 1.0310 |
| Q25 Employees following lockout/tagout procedures                      | 0.6744 | 0.8958 | 0.7971 |
| Q37 Employees take part when accident or incident investigations occur | 0.5050 | 0.6260 | 0.6327 |
| Q46 Employees using necessary personal protective equipment            | 0.8602 | 0.9722 | 1.0113 |
| Q50 Employees taking part in the development of safety requirements    | 0.3908 | 0.4638 | 0.5508 |

### Response Distributions of Employee Involvement Components ⌵





## Safety Support Activities Components

This page displays another view of the NSC Safety Barometer component percentile scores, average response scores, and percent distributions for only Safety Support Activities components.

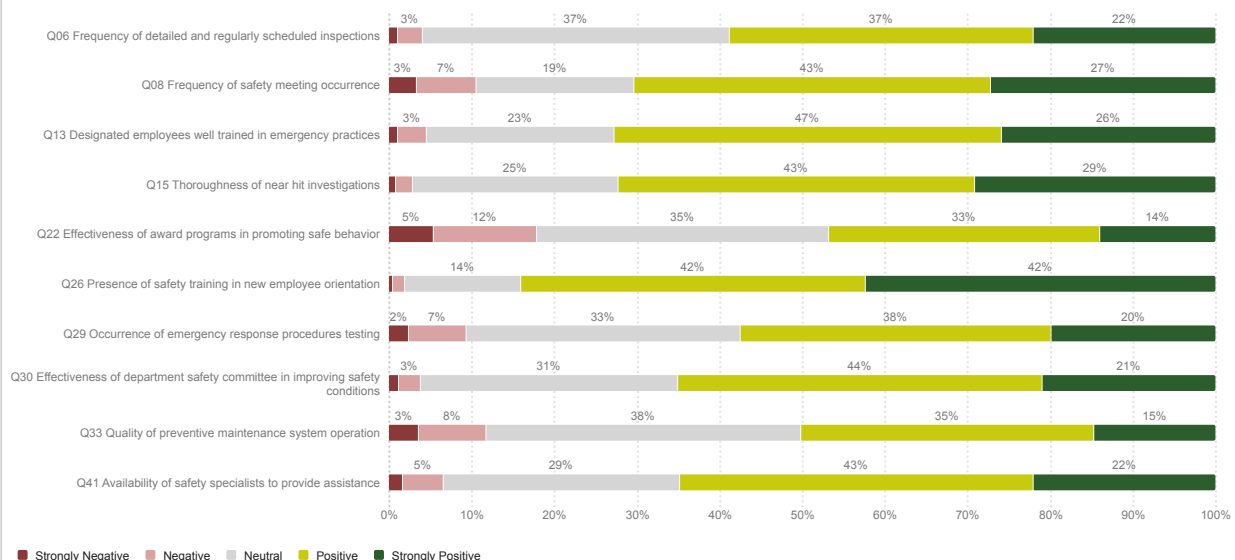
### Percentile Scores of Safety Support Activities Components ⓘ

| Component                                                                       | 2020 | 2022 | 2025 ▼ |
|---------------------------------------------------------------------------------|------|------|--------|
| Q13 Designated employees well trained in emergency practices                    | 73.3 | 73.7 | 78.5   |
| Q15 Thoroughness of near hit investigations                                     | 65.7 | 68.5 | 77.7   |
| Q08 Frequency of safety meeting occurrence                                      | 51.0 | 72.4 | 76.7   |
| Q22 Effectiveness of award programs in promoting safe behavior                  | 54.8 | 59.9 | 74.8   |
| Q33 Quality of preventive maintenance system operation                          | 54.8 | 66.6 | 72.0   |
| Q29 Occurrence of emergency response procedures testing                         | 60.9 | 62.0 | 69.0   |
| Q30 Effectiveness of department safety committee in improving safety conditions | 44.2 | 55.6 | 65.7   |
| Q41 Availability of safety specialists to provide assistance                    | 44.6 | 55.1 | 62.5   |
| Q26 Presence of safety training in new employee orientation                     | 48.1 | 59.6 | 62.2   |
| Q06 Frequency of detailed and regularly scheduled inspections                   | 34.9 | 69.6 | 59.7   |

### Average Response Scores of Safety Support Activities Components ⓘ

| Component                                                                       | 2020   | 2022   | 2025   |
|---------------------------------------------------------------------------------|--------|--------|--------|
| Q06 Frequency of detailed and regularly scheduled inspections                   | 0.5359 | 0.8607 | 0.7614 |
| Q08 Frequency of safety meeting occurrence                                      | 0.5322 | 0.7907 | 0.8403 |
| Q13 Designated employees well trained in emergency practices                    | 0.8891 | 0.8927 | 0.9333 |
| Q15 Thoroughness of near hit investigations                                     | 0.8573 | 0.8842 | 0.9800 |
| Q22 Effectiveness of award programs in promoting safe behavior                  | 0.1939 | 0.2353 | 0.3781 |
| Q26 Presence of safety training in new employee orientation                     | 1.1308 | 1.2284 | 1.2441 |
| Q29 Occurrence of emergency response procedures testing                         | 0.5658 | 0.5810 | 0.6594 |
| Q30 Effectiveness of department safety committee in improving safety conditions | 0.6551 | 0.7226 | 0.8145 |
| Q33 Quality of preventive maintenance system operation                          | 0.3288 | 0.4431 | 0.4997 |
| Q41 Availability of safety specialists to provide assistance                    | 0.6119 | 0.7130 | 0.7900 |

### Response Distributions of Safety Support Activities Components ▼





## Safety Support Climate Components

This page displays another view of the NSC Safety Barometer component percentile scores, average response scores, and percent distributions for only Safety Support Climate components.

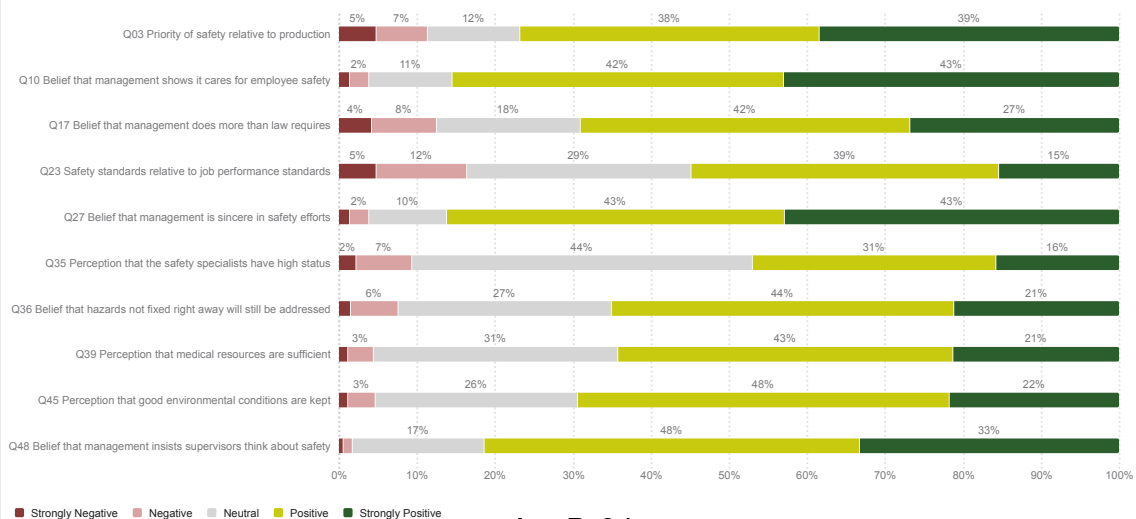
### Percentile Scores of Safety Support Climate Components ⓘ

| Component                                                            | 2020 | 2022 | 2025 ▼ |
|----------------------------------------------------------------------|------|------|--------|
| Q45 Perception that good environmental conditions are kept           | 70.7 | 82.1 | 84.4   |
| Q36 Belief that hazards not fixed right away will still be addressed | 70.5 | 78.9 | 82.7   |
| Q17 Belief that management does more than law requires               | 76.0 | 77.7 | 82.4   |
| Q03 Priority of safety relative to production                        | 73.1 | 78.2 | 81.0   |
| Q10 Belief that management shows it cares for employee safety        | 63.0 | 73.8 | 78.9   |
| Q48 Belief that management insists supervisors think about safety    | 66.6 | 76.4 | 77.0   |
| Q27 Belief that management is sincere in safety efforts              | 60.9 | 69.5 | 76.1   |
| Q23 Safety standards relative to job performance standards           | 66.3 | 69.7 | 73.5   |
| Q39 Perception that medical resources are sufficient                 | 68.8 | 70.9 | 71.4   |
| Q35 Perception that the safety specialists have high status          | 24.9 | 39.5 | 51.9   |

### Average Response Scores of Safety Support Climate Components ⓘ

| Component                                                            | 2020   | 2022   | 2025   |
|----------------------------------------------------------------------|--------|--------|--------|
| Q03 Priority of safety relative to production                        | 0.9030 | 0.9605 | 0.9949 |
| Q10 Belief that management shows it cares for employee safety        | 1.0828 | 1.1814 | 1.2351 |
| Q17 Belief that management does more than law requires               | 0.7049 | 0.7311 | 0.7938 |
| Q23 Safety standards relative to job performance standards           | 0.4213 | 0.4502 | 0.4946 |
| Q27 Belief that management is sincere in safety efforts              | 1.1178 | 1.1894 | 1.2422 |
| Q35 Perception that the safety specialists have high status          | 0.2608 | 0.4110 | 0.5156 |
| Q36 Belief that hazards not fixed right away will still be addressed | 0.6341 | 0.7270 | 0.7744 |
| Q39 Perception that medical resources are sufficient                 | 0.7835 | 0.7987 | 0.8033 |
| Q45 Perception that good environmental conditions are kept           | 0.7040 | 0.8231 | 0.8565 |
| Q48 Belief that management insists supervisors think about safety    | 1.0351 | 1.1184 | 1.1257 |

### Response Distributions of Safety Support Climate Components ▼





## Organizational Climate Components

This page displays another view of the **NSC Safety Barometer** component percentile scores, average response scores, and percent distributions for only Organizational Climate components.

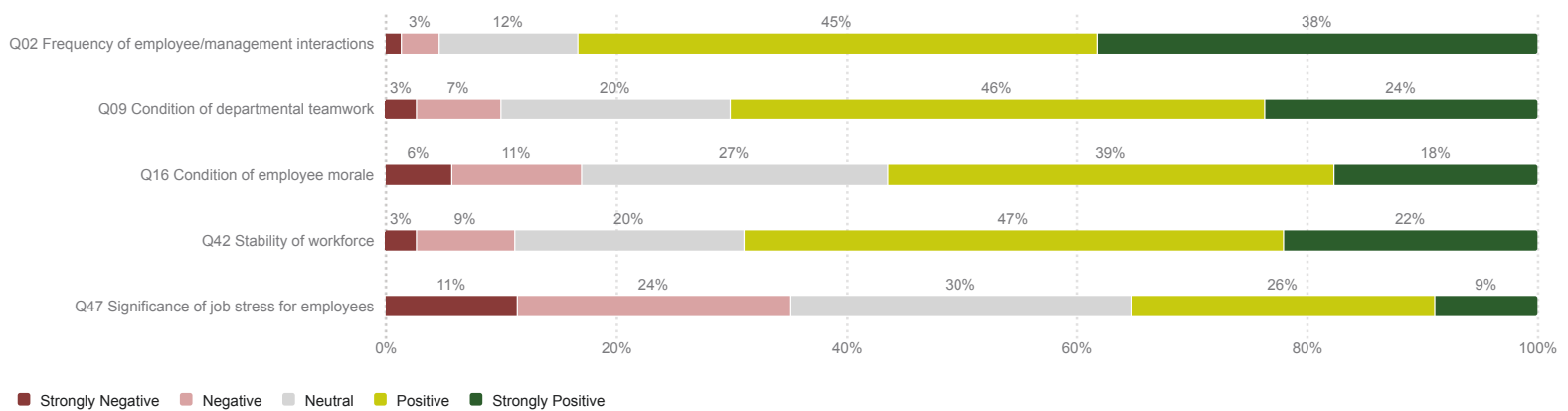
### Percentile Scores of Organizational Climate Components ⓘ

| Component                                         | 2020 | 2022 | 2025 ▼ |
|---------------------------------------------------|------|------|--------|
| Q02 Frequency of employee/management interactions | 71.7 | 85.6 | 86.7   |
| Q09 Condition of departmental teamwork            | 58.6 | 70.7 | 77.5   |
| Q16 Condition of employee morale                  | 56.1 | 54.9 | 73.7   |
| Q47 Significance of job stress for employees      | 48.9 | 47.7 | 68.3   |
| Q42 Stability of workforce                        | 29.1 | 20.9 | 61.6   |

### Average Response Scores of Organizational Climate Components ⓘ

| Component                                         | 2020    | 2022    | 2025    |
|---------------------------------------------------|---------|---------|---------|
| Q02 Frequency of employee/management interactions | 0.9757  | 1.1434  | 1.1571  |
| Q09 Condition of departmental teamwork            | 0.5836  | 0.7408  | 0.8127  |
| Q16 Condition of employee morale                  | 0.2670  | 0.2516  | 0.5154  |
| Q42 Stability of workforce                        | 0.4565  | 0.3580  | 0.7713  |
| Q47 Significance of job stress for employees      | -0.2072 | -0.2197 | -0.0228 |

### Response Distributions of Organizational Climate Components ▾







## Comparison by Position

Survey respondents were asked to provide demographic information at the conclusion of the NSC Safety Barometer. These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

Number of Responses 23,430

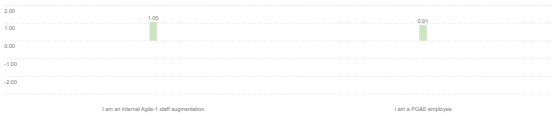
| Position                                    | Count  |
|---------------------------------------------|--------|
| I am a PG&E employee                        | 20,365 |
| I am an internal Agile-1 staff augmentation | 2,065  |

### Average Response Scores by Position

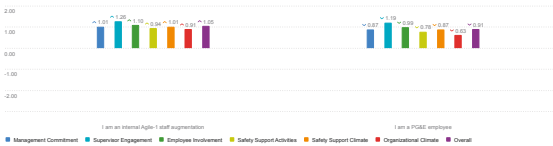
Average response scores, on a scale of -2 to +2, were calculated for demographic subgroups. The following tables and figures reflect these comparisons across the 50 standard items, six performance categories, and overall. For comparisons by the six performance categories and overall, an upward pointing caret ^ indicates that the group's perceptions were significantly higher than the other groups', whereas a downward pointing caret v indicates perceptions from that particular group were significantly lower than the other groups'.

In general, overall safety perceptions are more positive for internal Agile-1 staff augmentation respondents than for PG&E employees. Internal Agile-1 staff augmentation respondents generated significantly higher average response scores across all six performance categories. Meaningful differences in employee perceptions point to an opportunity to customize action planning efforts to elevate perceptions for lower-scoring groups.

### Overall Average Response Score



### Overall and Performance Category Average Response Scores



### Overall and Performance Category Average Response Scores

| Position                                    | Management Commitment | Supervisor Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|---------------------------------------------|-----------------------|-----------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| I am an internal Agile-1 staff augmentation | 1.05                  | 1.05                  | 1.05                 | 1.05                      | 1.05                   | 1.05                   | 1.05    |
| I am a PG&E employee                        | 0.87                  | 1.19                  | 0.99                 | 0.76                      | 0.87                   | 0.63                   | 0.91    |

### Safety Component Average Response Scores

| Group - Standard Questions                                                            | I am a PG&E employee | I am an internal Agile-1 staff augmentation |
|---------------------------------------------------------------------------------------|----------------------|---------------------------------------------|
| Q01 Employees identifying and eliminating hazards (EI)                                | 1.33                 | 1.45                                        |
| Q02 Frequency of employee/management interactions (OC)                                | 1.14                 | 1.34                                        |
| Q03 Priority of safety relative to production (SSC)                                   | 0.99                 | 1.04                                        |
| Q04 Employees being involved in safety and health practices (EI)                      | 0.80                 | 0.93                                        |
| Q05 Supervisors maintaining a high safety performance standard (SE)                   | 1.42                 | 1.52                                        |
| Q06 Frequency of detailed and regularly scheduled inspections (SSA)                   | 0.74                 | 0.99                                        |
| Q07 Management stressing the importance of safety in communications (MC)              | 0.72                 | 0.67                                        |
| Q08 Frequency of safety meeting occurrence (SSA)                                      | 0.83                 | 0.96                                        |
| Q09 Condition of departmental teamwork (OC)                                           | 0.79                 | 1.04                                        |
| Q10 Belief that management shows it cares for employee safety (SSC)                   | 1.21                 | 1.44                                        |
| Q11 Employees believing that their actions can protect coworkers (EI)                 | 1.43                 | 1.53                                        |
| Q12 Supervisors behaving in accord with safe job procedures (SE)                      | 1.46                 | 1.46                                        |
| Q13 Designated employees well trained in emergency practices (SSA)                    | 0.92                 | 1.10                                        |
| Q14 Management publishing a policy on the value of employee safety (MC)               | 1.00                 | 1.20                                        |
| Q15 Thoroughness of near hit investigations (SSA)                                     | 0.96                 | 1.14                                        |
| Q16 Condition of employee morale (OC)                                                 | 0.48                 | 0.84                                        |
| Q17 Belief that management does more than law requires (SSC)                          | 0.79                 | 0.82                                        |
| Q18 Belief that employees understand safety and health requirements (EI)              | 1.32                 | 1.45                                        |
| Q19 Supervisors enforcing safe job procedures (SE)                                    | 1.38                 | 1.50                                        |
| Q20 Employees using standardized precautions for hazardous materials (EI)             | 1.02                 | 1.13                                        |
| Q21 Management providing adequate safety staff (MC)                                   | 0.80                 | 1.07                                        |
| Q22 Effectiveness of award programs in promoting safe behavior (SSA)                  | 0.37                 | 0.50                                        |
| Q23 Safety standards relative to job performance standards (SSC)                      | 0.48                 | 0.59                                        |
| Q24 Supervisors understanding employees job safety problems (SE)                      | 1.18                 | 1.25                                        |
| Q25 Employees following lockout/tagout procedures (EI)                                | 0.78                 | 0.92                                        |
| Q26 Presence of safety training in new employee orientation (SSA)                     | 1.23                 | 1.40                                        |
| Q27 Belief that management is sincere in safety efforts (SSC)                         | 1.22                 | 1.42                                        |
| Q28 Supervisors acting on employee safety suggestions (SE)                            | 1.00                 | 0.91                                        |
| Q29 Occurrence of emergency response procedures testing (SSA)                         | 0.65                 | 0.71                                        |
| Q30 Effectiveness of department safety committee in improving safety conditions (SSA) | 0.80                 | 0.97                                        |
| Q31 Management setting a positive safety example (MC)                                 | 1.04                 | 1.29                                        |
| Q32 Supervisors integrating safety into the work process (SE)                         | 1.28                 | 1.40                                        |
| Q33 Quality of preventive maintenance system operation (SSA)                          | 0.49                 | 0.62                                        |
| Q34 Management participating in safety activities on a regular basis (MC)             | 0.84                 | 1.00                                        |
| Q35 Perception that the safety specialists have high status (SSC)                     | 0.49                 | 0.79                                        |
| Q36 Belief that hazards not fixed right away will still be addressed (SSC)            | 0.77                 | 0.87                                        |
| Q37 Employees take part when accident or incident investigations occur (EI)           | 0.62                 | 0.74                                        |
| Q38 Supervisors providing helpful safety training (SE)                                | 1.09                 | 1.26                                        |
| Q39 Perception that medical resources are sufficient (SSC)                            | 0.79                 | 0.91                                        |
| Q40 Management including safety in job promotion reviews (MC)                         | 0.77                 | 0.82                                        |
| Q41 Availability of safety specialists to provide assistance (SSA)                    | 0.77                 | 0.97                                        |
| Q42 Stability of workforce (OC)                                                       | 0.75                 | 0.98                                        |
| Q43 Supervisors reducing employees fear of reporting safety problems (SE)             | 0.98                 | 1.02                                        |
| Q44 Supervisors investigating incidents (SE)                                          | 0.92                 | 0.99                                        |
| Q45 Perception that good environmental conditions are kept (SSC)                      | 0.84                 | 0.98                                        |
| Q46 Employees using necessary personal protective equipment (EI)                      | 1.01                 | 1.01                                        |
| Q47 Significance of job stress for employees (OC)                                     | -0.05                | 0.29                                        |
| Q48 Belief that management insists supervisors think about safety (SSC)               | 1.11                 | 1.27                                        |
| Q49 Management setting annual safety goals (MC)                                       | 0.95                 | 1.01                                        |
| Q50 Employees taking part in the development of safety requirements (EI)              | 0.54                 | 0.64                                        |

Comparison by Role

Survey respondents were asked to provide demographic information at the conclusion of the NIOSH Safety Barometer. These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

| Number of Responses                               |        |
|---------------------------------------------------|--------|
| Role                                              | Count  |
| Individual Contributor (having no direct reports) | 12,847 |
| Other                                             | 4,624  |
| Supervisor                                        | 1,966  |
| Superintendent or Manager                         | 1,291  |
| No response                                       | 1,048  |
| Director                                          | 488    |
| Other                                             | 165    |

Average Response Scores by Role

Average response scores, on a scale of 2 to 4, were calculated for demographic subgroups. The following tables and figures reflect these comparisons across the 50 standard items, six performance categories, and overall. For comparisons by the six performance categories and overall, an upward pointing caret “^” indicates that the group’s perceptions were significantly higher than the other group, whereas a downward pointing caret “v” indicates perceptions from that particular group were significantly lower than the other group.

In general, overall safety perceptions are positive for all roles. Directors generally held the most positive safety perceptions, while employees that identified “other” reported the least positive perceptions. Differences in average response scores were significant across all six categories. Meaningful differences in employee perceptions point to an opportunity to customize action planning efforts to elevate perceptions for lower-scoring groups.

Overall Average Response Score



Overall and Performance Category Average Response Scores



Overall and Performance Category Average Response Scores

| Role                                              | Management Commitment | Supervisor Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|---------------------------------------------------|-----------------------|-----------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| Director                                          | ^ 2.25                | ^ 2.27                | ^ 2.23               | ^ 2.26                    | ^ 2.25                 | ^ 2.26                 | ^ 2.17  |
| Superintendent or Manager                         | ^ 2.13                | ^ 2.14                | ^ 2.12               | ^ 2.12                    | ^ 2.08                 | ^ 2.15                 | ^ 2.07  |
| Other                                             | ^ 2.07                | 1.08                  | ^ 2.08               | ^ 2.01                    | ^ 2.03                 | ^ 2.03                 | ^ 2.07  |
| Supervisor                                        | ^ 2.05                | ^ 2.07                | ^ 2.09               | ^ 2.05                    | ^ 2.05                 | ^ 2.08                 | ^ 2.05  |
| Individual Contributor (having no direct reports) | ^ 2.08                | 1.20                  | ^ 2.07               | ^ 2.19                    | ^ 2.07                 | ^ 2.02                 | ^ 2.00  |
| Other                                             | ^ 2.14                | ^ 2.11                | ^ 2.07               | ^ 2.15                    | ^ 2.02                 | ^ 2.07                 | ^ 2.06  |

Safety Component Average Response Scores

| Group: Standard Questions                                                             | Director | Individual Contributor (having no direct reports) | Other | Other | Superintendent or Manager | Supervisor |
|---------------------------------------------------------------------------------------|----------|---------------------------------------------------|-------|-------|---------------------------|------------|
| Q1 Employees identifying and eliminating hazards (S)                                  | 1.52     | 1.32                                              | 1.46  | 1.36  | 1.41                      | 1.44       |
| Q2 Frequency of employee/management interactions (IC)                                 | 1.48     | 1.15                                              | 1.28  | 1.07  | 1.43                      | 1.36       |
| Q3 Priority of safety relative to production (SIC)                                    | 1.27     | 1.00                                              | 0.86  | 0.86  | 1.21                      | 1.17       |
| Q4 Employees being involved in safety and health practices (S)                        | 1.13     | 0.77                                              | 0.83  | 0.80  | 0.89                      | 0.88       |
| Q5 Supervisors maintaining a high safety performance standard (S)                     | 1.54     | 1.42                                              | 1.42  | 1.38  | 1.53                      | 1.49       |
| Q6 Frequency of detailed and regularly scheduled inspections (S/A)                    | 0.98     | 0.72                                              | 1.05  | 0.85  | 0.84                      | 0.89       |
| Q7 Management eliminating the frequency of safety in communications (S/C)             | 1.23     | 0.61                                              | 0.79  | 0.25  | 1.15                      | 0.90       |
| Q8 Frequency of safety meeting occurrence (S/A)                                       | 1.17     | 0.87                                              | 0.88  | 0.83  | 1.10                      | 0.97       |
| Q9 Condition of departmental teamwork (S/C)                                           | 1.00     | 0.76                                              | 0.82  | 0.84  | 0.82                      | 0.81       |
| Q10 Belief that management shows its care for employee safety (S/C)                   | 1.58     | 1.22                                              | 1.39  | 1.14  | 1.46                      | 1.36       |
| Q11 Employees believing that their actions can protect co-workers (S)                 | 1.40     | 1.42                                              | 1.53  | 1.42  | 1.55                      | 1.50       |
| Q12 Supervisors behaving in accord with safe job procedures (S)                       | 1.58     | 1.49                                              | 1.33  | 1.36  | 1.60                      | 1.51       |
| Q13 Designated employees well trained in emergency practices (S/A)                    | 1.34     | 0.96                                              | 1.17  | 0.89  | 1.23                      | 0.97       |
| Q14 Management publishing a policy on the value of employee safety (S/C)              | 1.35     | 1.02                                              | 1.22  | 0.89  | 1.22                      | 1.10       |
| Q15 Thoroughness of near-miss investigations (S/A)                                    | 1.18     | 0.97                                              | 1.16  | 0.94  | 1.08                      | 1.09       |
| Q16 Condition of employee morale (S/C)                                                | 0.80     | 0.47                                              | 0.84  | 0.48  | 0.79                      | 0.47       |
| Q17 Belief that management does more than law requires (S/C)                          | 1.32     | 0.80                                              | 0.86  | 0.60  | 1.00                      | 0.94       |
| Q18 Belief that employees understand safety and health requirements (S)               | 1.59     | 1.32                                              | 1.45  | 1.32  | 1.41                      | 1.37       |
| Q19 Supervisors enforcing safe job procedures (S)                                     | 1.51     | 1.39                                              | 1.39  | 1.36  | 1.49                      | 1.45       |
| Q20 Employees using mandated procedures for hazardous materials (S)                   | 1.26     | 1.01                                              | 1.27  | 1.01  | 1.11                      | 1.14       |
| Q21 Management providing adequate safety staff (S/C)                                  | 0.96     | 0.80                                              | 1.00  | 0.80  | 0.85                      | 0.84       |
| Q22 Effectiveness of award programs in promoting safe behavior (S/A)                  | 0.42     | 0.27                                              | 0.54  | 0.36  | 0.49                      | 0.34       |
| Q23 Safety standards relative to job performance standards (S/C)                      | 0.95     | 0.48                                              | 0.45  | 0.45  | 0.64                      | 0.42       |
| Q24 Supervisors understanding employees' job safety problems (S)                      | 1.29     | 1.20                                              | 1.18  | 1.11  | 1.28                      | 1.34       |
| Q25 Employees following technological procedures (S)                                  | 0.89     | 0.76                                              | 1.05  | 0.84  | 0.81                      | 0.93       |
| Q26 Presence of safety training in new employee orientation (S/A)                     | 1.42     | 1.23                                              | 1.47  | 1.21  | 1.35                      | 1.33       |
| Q27 Belief that management is sincere in safety efforts (S/C)                         | 1.44     | 1.22                                              | 1.43  | 1.12  | 1.50                      | 1.39       |
| Q28 Supervisors acting on employee safety suggestions (S)                             | 1.45     | 1.04                                              | 0.85  | 0.68  | 1.31                      | 1.12       |
| Q29 Occurrence of emergency response procedures being (S/A)                           | 1.18     | 0.65                                              | 0.89  | 0.51  | 0.86                      | 0.76       |
| Q30 Effectiveness of department safety committee in improving safety conditions (S/A) | 1.05     | 0.79                                              | 1.07  | 0.81  | 0.81                      | 0.85       |
| Q31 Management setting a positive safety example (S/C)                                | 1.45     | 1.03                                              | 1.20  | 0.97  | 1.31                      | 1.19       |
| Q32 Supervisors integrating safety into the work process (S)                          | 1.38     | 1.29                                              | 1.32  | 1.24  | 1.36                      | 1.33       |
| Q33 Quality of preventive maintenance action program (S/A)                            | 0.75     | 0.48                                              | 0.61  | 0.47  | 0.60                      | 0.50       |
| Q34 Management participating in safety activities on a regular basis (S/C)            | 1.24     | 0.84                                              | 1.10  | 0.75  | 1.11                      | 0.96       |
| Q35 Perception that the safety specialists have high status (S/C)                     | 0.42     | 0.50                                              | 0.76  | 0.56  | 0.54                      | 0.50       |
| Q36 Belief that hazards not fixed right away will be addressed (S/C)                  | 0.47     | 0.74                                              | 0.79  | 0.70  | 0.69                      | 0.48       |
| Q37 Employees take part when accident or incident investigations are (S)              | 1.13     | 0.60                                              | 0.89  | 0.52  | 0.84                      | 0.80       |
| Q38 Supervisors providing helpful safety training (S)                                 | 1.16     | 1.08                                              | 1.20  | 1.10  | 1.14                      | 1.12       |
| Q39 Perception that medical resources are sufficient (S/C)                            | 1.11     | 0.76                                              | 1.07  | 0.79  | 0.84                      | 0.83       |
| Q40 Management including safety in job promotion review (S/C)                         | 1.12     | 0.74                                              | 0.86  | 0.65  | 1.10                      | 0.96       |
| Q41 Availability of safety specialists to provide assistance (S/A)                    | 0.98     | 0.77                                              | 1.01  | 0.80  | 0.85                      | 0.83       |
| Q42 Stability of workforce (S/C)                                                      | 0.81     | 0.75                                              | 0.86  | 0.86  | 0.73                      | 0.72       |
| Q43 Supervisors reducing employees' fear of reporting safety problems (S)             | 1.24     | 0.98                                              | 1.04  | 0.87  | 1.18                      | 1.10       |
| Q44 Supervisors investigating incidents (S/C)                                         | 1.20     | 0.80                                              | 1.01  | 0.85  | 1.12                      | 1.11       |
| Q45 Perception that good environmental conditions are kept (S/C)                      | 1.10     | 0.84                                              | 1.04  | 0.81  | 1.01                      | 0.89       |
| Q46 Employees using necessary personal protective equipment (S)                       | 1.17     | 0.99                                              | 1.18  | 0.97  | 1.12                      | 1.12       |
| Q47 Significance of job stress for employees (S/C)                                    | -0.17    | -0.34                                             | 0.14  | 0.11  | -0.16                     | -0.11      |
| Q48 Belief that management rates supervisors above other safety (S/C)                 | 1.45     | 1.10                                              | 1.29  | 1.05  | 1.36                      | 1.33       |
| Q49 Management setting annual safety goals (S/C)                                      | 1.29     | 0.94                                              | 1.15  | 0.80  | 1.17                      | 1.06       |
| Q50 Employees taking part in the development of safety requirements (S)               | 0.47     | 0.47                                              | 0.50  | 0.50  | 0.72                      | 0.44       |

(PG&E-20)

Survey respondents were asked to provide demographic information at the conclusion of the NSC Safety Barometer. These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

(PG&amp;E-20)

## Number of Responses

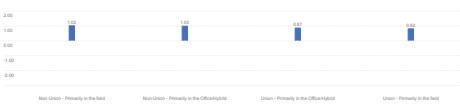
| Group                                      | Count |
|--------------------------------------------|-------|
| Non-Union - Primarily in the Offshorefield | 8,817 |
| Union - Primarily in the field             | 5,955 |
| Union - Primarily in the Offshorefield     | 5,371 |
| Non-Union - Primarily in the field         | 1,475 |
| No response                                | 1,094 |

## Average Response Scores by Group

Average response scores, on a scale of 2 to -2, were calculated for demographic subgroups. The following tables and figures reflect these comparisons across the 50 standard items, six performance categories, and overall. For comparisons by the six performance categories and overall, an upward pointing caret ^ indicates that the group's perceptions were significantly higher than the other group, whereas a downward pointing caret v indicates perceptions from that particular group were significantly lower than the other group.

In general, safety perceptions are positive across all groups. Non-Union respondents had more positive perceptions than Union regardless of work environment. Differences of this magnitude indicate that increased safety-related communications among groups may be beneficial in reducing gaps in perceptions.

## Overall Average Response Score



## Overall and Performance Category Average Response Scores



## Overall and Performance Category Average Response Scores

| Group                                      | Management Commitment | Supervisor Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|--------------------------------------------|-----------------------|-----------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| Non-Union - Primarily in the field         | 1.02                  | 1.00                  | 0.97                 | 0.94                      | 0.91                   | 0.88                   | 0.94    |
| Non-Union - Primarily in the Offshorefield | 1.00                  | 0.98                  | 0.95                 | 0.92                      | 0.89                   | 0.86                   | 0.92    |
| Union - Primarily in the Offshorefield     | 0.97                  | 0.95                  | 0.92                 | 0.89                      | 0.86                   | 0.83                   | 0.90    |
| Union - Primarily in the field             | 0.94                  | 0.92                  | 0.89                 | 0.86                      | 0.83                   | 0.80                   | 0.87    |

## Safety Component Average Response Scores

| Group | Standard Question                                                                 | Non-Union - Primarily in the field | Non-Union - Primarily in the Offshorefield | Union - Primarily in the field | Union - Primarily in the Offshorefield |
|-------|-----------------------------------------------------------------------------------|------------------------------------|--------------------------------------------|--------------------------------|----------------------------------------|
| Q01   | Employees identifying and eliminating hazards (S)                                 | 1.49                               | 1.33                                       | 1.40                           | 1.27                                   |
| Q02   | Frequency of employee/management interactions (S)                                 | 1.24                               | 1.31                                       | 1.01                           | 1.07                                   |
| Q03   | Priority of safety relative to production (SSC)                                   | 1.09                               | 1.14                                       | 0.79                           | 0.99                                   |
| Q04   | Employees being involved in safety and health practices (S)                       | 0.94                               | 0.86                                       | 0.80                           | 0.71                                   |
| Q05   | Supervisors maintaining a high safety performance standard (S)                    | 1.54                               | 1.47                                       | 1.37                           | 1.41                                   |
| Q06   | Frequency of detailed and regularly scheduled inspections (SCA)                   | 1.01                               | 0.73                                       | 0.88                           | 0.63                                   |
| Q07   | Management stressing the importance of safety in communications (SC)              | 0.83                               | 1.01                                       | 0.22                           | 0.69                                   |
| Q08   | Frequency of safety meeting occurrence (SSA)                                      | 0.91                               | 1.05                                       | 0.61                           | 0.77                                   |
| Q09   | Condition of departmental teamwork (SC)                                           | 0.81                               | 0.91                                       | 0.71                           | 0.77                                   |
| Q10   | Belief that management shows it cares for employee safety (SSC)                   | 1.35                               | 1.39                                       | 1.05                           | 1.18                                   |
| Q11   | Employees believing that their actions can protect coworkers (S)                  | 1.59                               | 1.43                                       | 1.47                           | 1.40                                   |
| Q12   | Supervisors behaving in accord with safe job procedures (S)                       | 1.05                               | 1.06                                       | 1.28                           | 1.50                                   |
| Q13   | Employed employees well trained in emergency procedures (SCA)                     | 1.04                               | 1.01                                       | 0.89                           | 0.85                                   |
| Q14   | Management publishing a policy on the value of employee safety (SC)               | 1.12                               | 1.14                                       | 0.87                           | 0.96                                   |
| Q15   | Thoroughness of new hire investigations (SSA)                                     | 1.09                               | 1.03                                       | 0.93                           | 0.94                                   |
| Q16   | Condition of employee morale (SC)                                                 | 0.69                               | 0.69                                       | 0.34                           | 0.39                                   |
| Q17   | Belief that management does more than law requires (SSC)                          | 0.87                               | 0.98                                       | 0.55                           | 0.76                                   |
| Q18   | Belief that employees understand safety and health requirements (S)               | 1.44                               | 1.36                                       | 1.30                           | 1.30                                   |
| Q19   | Supervisors enforcing safe job procedures (S)                                     | 1.50                               | 1.43                                       | 1.34                           | 1.38                                   |
| Q20   | Employees using standardized procedures for hazardous materials (S)               | 1.17                               | 1.04                                       | 1.04                           | 0.98                                   |
| Q21   | Management providing adequate safety staff (SC)                                   | 0.82                               | 0.87                                       | 0.81                           | 0.77                                   |
| Q22   | Effectiveness of award programs in promoting safe behavior (SCA)                  | 0.35                               | 0.51                                       | 0.21                           | 0.38                                   |
| Q23   | Safety standards relative to job performance standards (SSC)                      | 0.65                               | 0.66                                       | 0.42                           | 0.43                                   |
| Q24   | Supervisors understanding employee job safety problems (S)                        | 1.28                               | 1.21                                       | 1.17                           | 1.14                                   |
| Q25   | Employees following lockout/tagout procedures (S)                                 | 1.05                               | 0.69                                       | 1.00                           | 0.67                                   |
| Q26   | Frequency of safety training in new employee orientation (SCA)                    | 1.35                               | 1.39                                       | 1.26                           | 1.30                                   |
| Q27   | Belief that management is serious in safety efforts (SSC)                         | 1.34                               | 1.41                                       | 1.02                           | 1.19                                   |
| Q28   | Supervisors acting on employee safety suggestions (S)                             | 1.09                               | 1.18                                       | 0.70                           | 0.99                                   |
| Q29   | Occurrence of emergency response procedures testing (SCA)                         | 0.76                               | 0.86                                       | 0.41                           | 0.60                                   |
| Q30   | Effectiveness of department safety committee in improving safety conditions (SCA) | 0.83                               | 0.89                                       | 0.73                           | 0.79                                   |
| Q31   | Management setting a positive safety example (SC)                                 | 1.15                               | 1.23                                       | 0.84                           | 0.99                                   |
| Q32   | Supervisors integrating safety into the work process (S)                          | 1.40                               | 1.34                                       | 1.22                           | 1.27                                   |
| Q33   | Quality of preventive maintenance system operation (SCA)                          | 0.66                               | 0.57                                       | 0.37                           | 0.51                                   |
| Q34   | Management participating in safety activities on a regular basis (SC)             | 0.95                               | 1.01                                       | 0.76                           | 0.76                                   |
| Q35   | Perception that the safety specialists have high status (SSC)                     | 0.50                               | 0.57                                       | 0.47                           | 0.49                                   |
| Q36   | Belief that hazards not fixed right away will not be addressed (SSC)              | 0.86                               | 0.83                                       | 0.67                           | 0.78                                   |
| Q37   | Employees take part when accident or incident investigations occur (S)            | 0.81                               | 0.77                                       | 0.49                           | 0.54                                   |
| Q38   | Supervisors providing helpful safety training (S)                                 | 1.19                               | 1.13                                       | 1.06                           | 1.09                                   |
| Q39   | Perception that medical resources are sufficient (SSC)                            | 0.85                               | 0.82                                       | 0.61                           | 0.74                                   |
| Q40   | Management including safety in job promotion reviews (SC)                         | 0.87                               | 0.92                                       | 0.52                           | 0.80                                   |
| Q41   | Availability of safety specialists to provide assistance (SCA)                    | 0.87                               | 0.85                                       | 0.71                           | 0.77                                   |
| Q42   | Stability of workforce (SC)                                                       | 0.77                               | 0.78                                       | 0.74                           | 0.79                                   |
| Q43   | Supervisors reducing employees fear of reporting safety problems (S)              | 1.08                               | 1.08                                       | 0.81                           | 1.01                                   |
| Q44   | Supervisors investigating incidents (S)                                           | 1.15                               | 0.95                                       | 0.91                           | 0.94                                   |
| Q45   | Perception that good environmental conditions are met (SC)                        | 0.95                               | 0.83                                       | 0.78                           | 0.81                                   |
| Q46   | Employees using necessary personal protective equipment (S)                       | 1.08                               | 0.98                                       | 1.03                           | 1.02                                   |
| Q47   | Significance of job stress for employees (SC)                                     | 0.21                               | -0.06                                      | 0.14                           | -0.21                                  |
| Q48   | Belief that management makes supervisors think about safety (SSC)                 | 1.30                               | 1.24                                       | 0.98                           | 1.05                                   |
| Q49   | Management setting annual safety goals (SC)                                       | 1.07                               | 1.10                                       | 0.78                           | 0.98                                   |
| Q50   | Employees taking part in the development of safety requirements (S)               | 1.15                               | 1.16                                       | 0.42                           | 0.49                                   |

Comparison by Tenure

Survey respondents were asked to provide demographic information at the conclusion of the NSC Safety Barometer. These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

Number of Responses 354/380

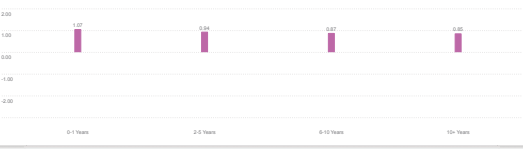
| Tenure      | Count |
|-------------|-------|
| 0-1 Years   | 1,515 |
| 2-5 Years   | 6,991 |
| 6-10 Years  | 3,224 |
| 10+ Years   | 7,655 |
| No response | 1,045 |

Average Response Scores by Tenure

Average response scores, on a scale of -2 to +2, were calculated for demographic subgroups. The following tables and figures reflect these comparisons across the 50 standard items, six performance categories, and overall. For comparisons by the six performance categories and overall, an upward pointing caret ^ indicates that the group's perceptions were significantly higher than the other groups', whereas a downward pointing caret v indicates perceptions from that particular group were significantly lower than the other groups'.

In general, overall safety perceptions are positive across all tenure groups. Employees with 0-5 years of tenure reported significantly more positive perceptions than more tenured employees. Differences in perception among higher- and lower-scoring tenure groups were meaningful. Include employees across tenure groups in action planning committees to address gaps in perception.

Overall Average Response Score by Year



Overall and Performance Category Average Response Scores



Overall and Performance Category Average Response Scores

| Tenure     | Management Commitment | Superior Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|------------|-----------------------|---------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| 0-1 Years  | ^ 1.03                | ^ 1.29              | ^ 1.09               | ^ 0.86                    | ^ 1.04                 | ^ 0.84                 | ^ 1.07  |
| 2-5 Years  | ^ 0.91                | ^ 1.21              | ^ 1.01               | ^ 0.83                    | ^ 0.91                 | ^ 0.68                 | ^ 0.94  |
| 6-10 Years | v 0.83                | v 1.18              | v 0.97               | v 0.74                    | v 0.83                 | v 0.56                 | v 0.87  |
| 10+ Years  | v 0.83                | v 1.18              | v 0.95               | v 0.71                    | v 0.82                 | v 0.53                 | v 0.85  |

Safety Component Average Response Scores

| Group - Standard Questions                                                            | 0-1 Years | 2-5 Years | 6-10 Years | 10+ Years |
|---------------------------------------------------------------------------------------|-----------|-----------|------------|-----------|
| Q01 Employees identifying and eliminating hazards (EI)                                | 1.42      | 1.31      | 1.36       | 1.31      |
| Q02 Frequency of employee/management interactions (OC)                                | 1.33      | 1.10      | 1.17       | 1.11      |
| Q03 Priority of safety relative to production (SSC)                                   | 1.11      | 0.96      | 1.01       | 0.96      |
| Q04 Employees being involved in safety and health practices (EI)                      | 0.93      | 0.76      | 0.82       | 0.78      |
| Q05 Supervisors maintaining a high safety performance standard (SE)                   | 1.57      | 1.38      | 1.44       | 1.41      |
| Q06 Frequency of detailed and regularly scheduled inspections (SSA)                   | 0.95      | 0.87      | 0.89       | 0.73      |
| Q07 Management stressing the importance of safety in communications (MC)              | 0.61      | 0.85      | 0.64       | 0.74      |
| Q08 Frequency of safety meeting occurrence (SSA)                                      | 0.97      | 0.79      | 0.86       | 0.82      |
| Q09 Condition of departmental teamwork (OC)                                           | 1.07      | 0.70      | 0.85       | 0.74      |
| Q10 Belief that management shows it cares for employee safety (SSC)                   | 1.48      | 1.14      | 1.27       | 1.16      |
| Q11 Employees believing that their actions can protect coworkers (EI)                 | 1.53      | 1.40      | 1.46       | 1.42      |
| Q12 Supervisors behaving in accord with safe job procedures (SE)                      | 1.55      | 1.44      | 1.47       | 1.43      |
| Q13 Designated employees well trained in emergency practices (SSA)                    | 1.10      | 0.86      | 0.96       | 0.88      |
| Q14 Management publishing a policy on the value of employee safety (MC)               | 1.14      | 0.96      | 1.04       | 0.96      |
| Q15 Thoroughness of near hit investigations (SSA)                                     | 1.09      | 0.91      | 1.03       | 0.95      |
| Q16 Condition of employee morale (OC)                                                 | 0.86      | 0.38      | 0.56       | 0.38      |
| Q17 Belief that management does more than law requires (SSC)                          | 0.89      | 0.76      | 0.80       | 0.77      |
| Q18 Belief that employees understand safety and health requirements (EI)              | 1.42      | 1.28      | 1.36       | 1.30      |
| Q19 Supervisors enforcing safe job procedures (SE)                                    | 1.52      | 1.33      | 1.42       | 1.36      |
| Q20 Employees using standardized precautions for hazardous materials (EI)             | 1.13      | 0.99      | 1.05       | 1.00      |
| Q21 Management providing adequate safety staff (MC)                                   | 1.11      | 0.88      | 0.89       | 0.73      |
| Q22 Effectiveness of award programs in promoting safe behavior (SSA)                  | 0.59      | 0.26      | 0.43       | 0.33      |
| Q23 Safety standards relative to job performance standards (SSC)                      | 0.62      | 0.46      | 0.48       | 0.45      |
| Q24 Supervisors understanding employees job safety problems (SE)                      | 1.29      | 1.13      | 1.20       | 1.18      |
| Q25 Employees following technological procedures (EI)                                 | 0.91      | 0.76      | 0.80       | 0.78      |
| Q26 Presence of safety training in new employee orientation (SSA)                     | 1.46      | 1.13      | 1.30       | 1.18      |
| Q27 Belief that management is sincere in safety efforts (SSC)                         | 1.45      | 1.15      | 1.28       | 1.15      |
| Q28 Supervisors acting on employee safety suggestions (SE)                            | 0.89      | 1.07      | 0.95       | 1.02      |
| Q29 Occurrence of emergency response procedures testing (SSA)                         | 0.75      | 0.85      | 0.65       | 0.63      |
| Q30 Effectiveness of department safety committee in improving safety conditions (SSA) | 1.00      | 0.71      | 0.86       | 0.76      |
| Q31 Management setting a positive safety example (MC)                                 | 1.32      | 0.94      | 1.11       | 0.96      |
| Q32 Supervisors integrating safety into the work process (SE)                         | 1.45      | 1.20      | 1.32       | 1.28      |
| Q33 Quality of preventive maintenance system operation (SSA)                          | 0.88      | 0.42      | 0.53       | 0.43      |
| Q34 Management participating in safety activities on a regular basis (MC)             | 1.02      | 0.79      | 0.89       | 0.79      |
| Q35 Perception that the safety specialists have high status (SSC)                     | 0.75      | 0.37      | 0.59       | 0.45      |
| Q36 Belief that hazards not fixed right away will still be addressed (SSC)            | 0.92      | 0.72      | 0.79       | 0.70      |
| Q37 Employees take part when accident or incident investigations occur (EI)           | 0.69      | 0.60      | 0.65       | 0.62      |
| Q38 Supervisors providing helpful safety training (SE)                                | 1.28      | 1.01      | 1.14       | 1.06      |
| Q39 Perception that medical resources are sufficient (SSC)                            | 0.92      | 0.74      | 0.83       | 0.77      |
| Q40 Management including safety in job promotion reviews (MC)                         | 0.91      | 0.72      | 0.79       | 0.73      |
| Q41 Availability of safety specialists to provide assistance (SSA)                    | 1.00      | 0.68      | 0.83       | 0.73      |
| Q42 Stability of workforce (OC)                                                       | 1.07      | 0.82      | 0.82       | 0.71      |
| Q43 Supervisors reducing employees fear of reporting safety problems (SE)             | 1.07      | 0.96      | 0.98       | 0.95      |
| Q44 Supervisors investigating incidents (SE)                                          | 0.99      | 0.91      | 0.92       | 0.91      |
| Q45 Perception that good environmental conditions are kept (SSC)                      | 1.02      | 0.77      | 0.89       | 0.80      |
| Q46 Employees using necessary personal protective equipment (EI)                      | 1.08      | 0.98      | 1.02       | 0.98      |
| Q47 Significance of job stress for employees (OC)                                     | 0.34      | -0.15     | -0.01      | -0.15     |
| Q48 Belief that management insists supervisors think about safety (SSC)               | 1.25      | 1.06      | 1.16       | 1.09      |
| Q49 Management setting annual safety goals (MC)                                       | 1.08      | 0.88      | 0.99       | 0.92      |
| Q50 Employees taking part in the development of safety requirements (EI)              | 0.75      | 0.49      | 0.57       | 0.50      |

Comparison by Primary Region

Survey respondents were asked to provide demographic information at the conclusion of the NRC Safety Barometer. These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

Number of Responses

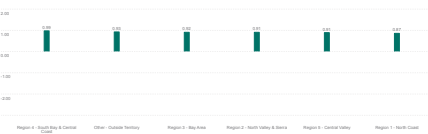
| Primary Region                       | Count |
|--------------------------------------|-------|
| Region 4 - North Coast               | 1,531 |
| Region 4 - North Valley & Sierra     | 4,537 |
| Region 4 - Bay Area                  | 7,551 |
| Region 4 - South Bay & Central Coast | 2,534 |
| Region 5 - Central Valley            | 4,413 |
| Other - Outside Territory            | 765   |
| No response                          | 1,139 |

Average Response Scores by Primary Region

Average response scores, on a scale of 2 to 4, were calculated for demographic subgroups. The following tables and figures reflect these comparisons across the 50 standard items, six performance categories, and overall. For comparisons by the six performance categories and overall, an upward pointing caret ^ indicates that the group's perceptions were significantly higher than the other group, whereas a downward pointing caret v indicates perceptions from that particular group were significantly lower than the other group.

In general, overall safety perceptions are positive across all regions. Region 4 - South Bay & Central Coast employees reported the most positive perceptions overall and in five of the six performance categories, with the exception of Organizational Climate. In contrast, Region 1 - North Coast held the least positive perceptions overall and across all six performance categories. Differences in average response scores among higher-scoring and lower-scoring primary regions were meaningful. Employees across regions should be included in results interpretation and action planning processes to provide important insights and increase safety-related engagement.

Overall Average Response Scores



Overall and Performance Category Average Response Scores



Overall and Performance Category Average Response Scores

| Primary Region                       | Management Commitment | Supervisor Engagement | Employee Investment | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|--------------------------------------|-----------------------|-----------------------|---------------------|---------------------------|------------------------|------------------------|---------|
| Region 4 - South Bay & Central Coast | ^ 3.85                | ^ 3.27                | ^ 3.10              | ^ 3.87                    | ^ 3.95                 | ^ 3.59                 | ^ 3.69  |
| Other - Outside Territory            | ^ 3.84                | v 3.18                | 1.00                | 3.81                      | 3.89                   | ^ 3.70                 | ^ 3.63  |
| Region 5 - Bay Area                  | ^ 3.82                | v 3.19                | ^ 3.07              | ^ 3.85                    | 3.89                   | ^ 3.66                 | 3.62    |
| Region 2 - North Valley & Sierra     | ^ 3.87                | ^ 3.21                | 1.00                | ^ 3.77                    | ^ 3.87                 | ^ 3.62                 | ^ 3.61  |
| Region 3 - Central Valley            | ^ 3.84                | v 3.19                | ^ 3.09              | ^ 3.78                    | 3.88                   | 3.65                   | ^ 3.61  |
| Region 1 - North Coast               | ^ 3.81                | v 3.15                | ^ 3.08              | ^ 3.75                    | ^ 3.83                 | ^ 3.61                 | ^ 3.67  |

Safety Component Average Response Scores

| Safety Component                                                                      | Other - Outside Territory | Region 1 - North Coast | Region 2 - North Valley & Sierra | Region 3 - Central Valley | Region 4 - South Bay & Central Coast | Region 5 - Bay Area |
|---------------------------------------------------------------------------------------|---------------------------|------------------------|----------------------------------|---------------------------|--------------------------------------|---------------------|
| Q01 Employees identifying and eliminating hazards (S)                                 | 3.31                      | 3.35                   | 3.38                             | 3.28                      | 3.48                                 | 3.35                |
| Q02 Frequency of employee management interaction (SIC)                                | 3.19                      | 3.00                   | 3.13                             | 3.20                      | 3.20                                 | 3.13                |
| Q03 Priority of safety relative to production (SIC)                                   | 3.06                      | 3.09                   | 3.08                             | 3.00                      | 3.08                                 | 3.02                |
| Q04 Employees being involved in safety and health practices (S)                       | 3.00                      | 3.79                   | 3.80                             | 3.82                      | 3.94                                 | 3.80                |
| Q05 Supervisor maintaining a high safety performance standard (SIC)                   | 3.39                      | 3.41                   | 3.44                             | 3.42                      | 3.50                                 | 3.42                |
| Q06 Frequency of detailed and regularly scheduled inspections (SIC)                   | 3.80                      | 3.79                   | 3.79                             | 3.71                      | 3.90                                 | 3.77                |
| Q07 Management showing the importance of safety in communications (SIC)               | 3.76                      | 3.62                   | 3.73                             | 3.76                      | 3.88                                 | 3.61                |
| Q08 Frequency of safety meetings/discussions (SIC)                                    | 3.82                      | 3.79                   | 3.85                             | 3.80                      | 3.90                                 | 3.75                |
| Q09 Condition of departmental documents (SIC)                                         | 3.85                      | 3.75                   | 3.76                             | 3.85                      | 3.85                                 | 3.82                |
| Q10 Belief that management shows a concern for employee safety (SIC)                  | 3.29                      | 3.16                   | 3.20                             | 3.29                      | 3.27                                 | 3.20                |
| Q11 Employees believing that their actions can protect coworkers (S)                  | 3.39                      | 3.45                   | 3.47                             | 3.40                      | 3.50                                 | 3.47                |
| Q12 Supervisors behaving in accord with safe job procedures (SIC)                     | 3.41                      | 3.29                   | 3.45                             | 3.48                      | 3.53                                 | 3.46                |
| Q13 Designated employees well trained in emergency practices (SIC)                    | 3.95                      | 3.82                   | 3.85                             | 3.84                      | 3.95                                 | 3.82                |
| Q14 Management publishing a policy on the value of employee safety (SIC)              | 3.08                      | 3.05                   | 3.02                             | 3.04                      | 3.08                                 | 3.05                |
| Q15 Thoroughness of near hit investigations (SIC)                                     | 3.01                      | 3.08                   | 3.09                             | 3.04                      | 3.08                                 | 3.06                |
| Q16 Condition of employee morale (SIC)                                                | 3.88                      | 3.46                   | 3.45                             | 3.56                      | 3.57                                 | 3.49                |
| Q17 Belief that management does more than law requires (SIC)                          | 3.89                      | 3.73                   | 3.79                             | 3.82                      | 3.85                                 | 3.76                |
| Q18 Belief that employees understand safety and health requirements (S)               | 3.33                      | 3.31                   | 3.33                             | 3.32                      | 3.36                                 | 3.35                |
| Q19 Supervisors enforcing safe job procedures (SIC)                                   | 3.36                      | 3.36                   | 3.40                             | 3.38                      | 3.45                                 | 3.40                |
| Q20 Employees using standardized procedures for hazardous materials (S)               | 3.01                      | 3.05                   | 3.03                             | 3.00                      | 3.18                                 | 3.03                |
| Q21 Management providing adequate safety staff (SIC)                                  | 3.84                      | 3.81                   | 3.81                             | 3.83                      | 3.89                                 | 3.85                |
| Q22 Effectiveness of award programs in promoting safe behavior (SIC)                  | 3.29                      | 3.21                   | 3.23                             | 3.43                      | 3.28                                 | 3.36                |
| Q23 Safety standards relative to job performance standards (SIC)                      | 3.82                      | 3.47                   | 3.82                             | 3.45                      | 3.58                                 | 3.52                |
| Q24 Supervisors understanding employees job safety problems (S)                       | 3.15                      | 3.17                   | 3.22                             | 3.18                      | 3.26                                 | 3.18                |
| Q25 Employees following technological procedures (S)                                  | 3.76                      | 3.81                   | 3.84                             | 3.71                      | 3.80                                 | 3.79                |
| Q26 Frequency of safety training in new employee orientation (S)                      | 3.24                      | 3.25                   | 3.23                             | 3.23                      | 3.26                                 | 3.25                |
| Q27 Belief that management is serious in safety efforts (SIC)                         | 3.27                      | 3.17                   | 3.19                             | 3.29                      | 3.28                                 | 3.21                |
| Q28 Supervisors acting on employee safety suggestions (S)                             | 3.01                      | 3.00                   | 3.01                             | 3.06                      | 3.10                                 | 3.03                |
| Q29 Occurrence of emergency response procedures training (SIC)                        | 3.71                      | 3.82                   | 3.89                             | 3.71                      | 3.87                                 | 3.68                |
| Q30 Effectiveness of department safety committee in improving safety conditions (SIC) | 3.79                      | 3.79                   | 3.79                             | 3.85                      | 3.86                                 | 3.82                |
| Q31 Management setting a positive safety example (SIC)                                | 3.14                      | 3.08                   | 3.01                             | 3.15                      | 3.09                                 | 3.03                |
| Q32 Supervisors integrating safety into the work process (S)                          | 3.27                      | 3.25                   | 3.30                             | 3.28                      | 3.34                                 | 3.30                |
| Q33 Quality of preventive maintenance systems operation (SIC)                         | 3.80                      | 3.44                   | 3.44                             | 3.51                      | 3.43                                 | 3.51                |
| Q34 Management participating in safety activities on a regular basis (SIC)            | 3.89                      | 3.80                   | 3.84                             | 3.82                      | 3.87                                 | 3.77                |
| Q35 Perception that the safety specialists have high status (SIC)                     | 3.51                      | 3.48                   | 3.49                             | 3.54                      | 3.54                                 | 3.51                |
| Q36 Belief that hazards not fixed right away will still be addressed (SIC)            | 3.76                      | 3.71                   | 3.76                             | 3.76                      | 3.87                                 | 3.79                |
| Q37 Employees take part after accident or incident investigations occur (S)           | 3.74                      | 3.87                   | 3.81                             | 3.88                      | 3.79                                 | 3.83                |
| Q38 Supervisors providing helpful safety training (S)                                 | 3.09                      | 3.05                   | 3.12                             | 3.10                      | 3.13                                 | 3.12                |
| Q39 Perception that medical resources are sufficient (SIC)                            | 3.76                      | 3.79                   | 3.81                             | 3.74                      | 3.85                                 | 3.81                |
| Q40 Management including safety in job promotion process (SIC)                        | 3.82                      | 3.46                   | 3.75                             | 3.78                      | 3.86                                 | 3.77                |
| Q41 Availability of safety specialists to provide assistance (SIC)                    | 3.77                      | 3.74                   | 3.80                             | 3.77                      | 3.80                                 | 3.84                |
| Q42 Stability of workforce (SIC)                                                      | 3.72                      | 3.74                   | 3.76                             | 3.76                      | 3.77                                 | 3.85                |
| Q43 Supervisors reducing employees fear of reporting safety problems (S)              | 3.88                      | 3.89                   | 3.87                             | 3.89                      | 3.98                                 | 3.96                |
| Q44 Supervisors investigating incidents (S)                                           | 3.04                      | 3.02                   | 3.00                             | 3.09                      | 3.16                                 | 3.04                |
| Q45 Employees report that good environmental conditions are kept (SIC)                | 3.81                      | 3.80                   | 3.84                             | 3.80                      | 3.86                                 | 3.85                |
| Q46 Employees using necessary personal protective equipment (S)                       | 3.82                      | 3.86                   | 3.82                             | 3.86                      | 3.90                                 | 3.81                |
| Q47 Significance of job stress for employees (SIC)                                    | 3.04                      | 3.01                   | 3.00                             | 3.06                      | 3.05                                 | 3.03                |
| Q48 Belief that management makes supervisors think about safety (SIC)                 | 3.15                      | 3.09                   | 3.11                             | 3.13                      | 3.20                                 | 3.10                |
| Q49 Management setting annual safety goals (SIC)                                      | 3.00                      | 3.07                   | 3.02                             | 3.00                      | 3.05                                 | 3.00                |
| Q50 Employees taking part in the development of safety organizations (S)              | 3.63                      | 3.45                   | 3.51                             | 3.58                      | 3.60                                 | 3.53                |

The Primary All Industry NSC benchmarking should be the central focus for results interpretation and action planning development, however this page will provide additional insights into how PG&E Employee responses compare to the other 175 Utilities sector businesses in the NSC Database who have taken the NSC Safety Benchmark.

### Trends in Utilities Sector (NAICS 22)

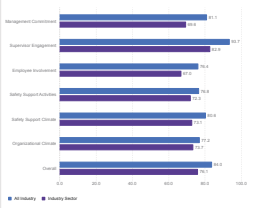
Utilities sector businesses broadly hold more positive performance category perceptions than the comprehensive NSC Database. The largest disparity between the Utilities sector and the other sectors in the NSC Database appears in Supervisor Engagement (SE) and Management Commitment (MC) especially related to management stressing the importance of safety in communications (C21). Supervisors acting on employee safety suggestions (C25) and supervisors behaving in accord with safe job procedures (C24). The Utilities sector businesses have more positive average response scores in 44 of the 50 standard items as well as across all performance categories and overall (when compared to most recent NSC Database count of 1,400 businesses). The charts that follow show how PG&E Employee compares to these 175 Utilities Sector businesses. It is recommended that this data be used as a supplement to the primary NSC benchmarking in action planning.

### Overall and Performance Categories

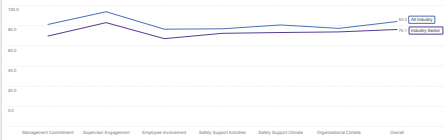
In 2025, scores are higher overall and among the performance categories when PG&E Employee is compared only to Utilities sector businesses. All six performance categories scored above the 50th percentile when compared to Utilities Sector businesses. The most substantial change in relative score was present in the Management Commitment and Supervisor Engagement categories, with a difference of 11.5 points and 10.8 points respectively.

When compared to Utilities Sector businesses only, the overall score for PG&E Employee declined by 7.9 points from a score of 84.0 in the All Industry comparison to a score of 76.1.

### Percentile Scores of Performance Categories by Benchmark Group



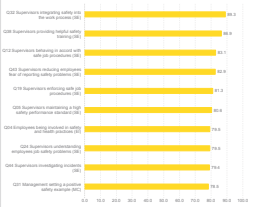
### Percentile Scores of Performance Categories by Benchmark Group



### 2025: Top Strengths

When compared with only Utilities sector businesses, many of the top strengths are similar to the strengths identified when compared to the entire NSC Database. In fact, eight components are top strengths in both comparisons (C22, C26, C12, C41, C16, C25, C24, and C44). There are two components that appear only in this Utilities Sector comparison, namely employee being involved in safety and health practices (C04) and management setting a positive safety example (C21).

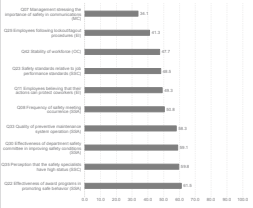
### Top Strengths: Industry-Specific



### 2025: Focus Areas

Focus areas were also similar across both sets of benchmarked comparisons. Five of the top three performing components were the same across comparison groups (C25, C42, C11, C26, and C25). Five additional components were identified as focus areas when compared only to utilities businesses, specifically, management stressing the importance of safety in communications (C21), safety standards relative to job performance standards (C23), the frequency of safety meeting occurrence (C08), the quality of preventive maintenance system operation (C33), and the effectiveness of award programs in promoting safe behavior (C22).

### Focus Areas: Industry-Specific



### Safety Component Percentile by Benchmark Group

| Group                                                                      | Standard Deviation | Year | Regulation: All Industries (Average) | Year | Regulation: All Industries (Average) | Difference Between PG&E and Industry Average |
|----------------------------------------------------------------------------|--------------------|------|--------------------------------------|------|--------------------------------------|----------------------------------------------|
| C01 Management stressing the importance of safety in communications (MC)   | 10.0               | 2025 | 51.1                                 | 2024 | 51.1                                 | 26.7                                         |
| C02 Supervisors providing helpful safety training (SE)                     | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C03 Supervisors following technological procedures (SE)                    | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C04 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C05 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C06 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C07 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C08 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C09 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C10 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C11 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C12 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C13 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C14 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C15 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C16 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C17 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C18 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C19 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C20 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C21 Management stressing the importance of safety in communications (MC)   | 10.0               | 2025 | 51.1                                 | 2024 | 51.1                                 | 26.7                                         |
| C22 Supervisors providing helpful safety training (SE)                     | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C23 Supervisors following technological procedures (SE)                    | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C24 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C25 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C26 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C27 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C28 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C29 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C30 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C31 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C32 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C33 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C34 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C35 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C36 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C37 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C38 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C39 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C40 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C41 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C42 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C43 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C44 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C45 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C46 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C47 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C48 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C49 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C50 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C51 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C52 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C53 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C54 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C55 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C56 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C57 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C58 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C59 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C60 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C61 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C62 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C63 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C64 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C65 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C66 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C67 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C68 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C69 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C70 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C71 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C72 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C73 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C74 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C75 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C76 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C77 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C78 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C79 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C80 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C81 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C82 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C83 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C84 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C85 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C86 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C87 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C88 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C89 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C90 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C91 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C92 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C93 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C94 Supervisors enforcing safety requirements (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C95 Supervisors taking part in the development of safety requirements (SE) | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C96 Supervisors behaving in accord with safe job procedures (SE)           | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C97 Supervisors acting on employee safety suggestions (SE)                 | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C98 Supervisors understanding employee job safety problems (SE)            | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C99 Supervisors enforcing safe job procedures (SE)                         | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |
| C100 Supervisors enforcing safety requirements (SE)                        | 10.0               | 2025 | 51.0                                 | 2024 | 51.0                                 | 26.8                                         |



*This page provides you with next steps on your path forward.*

It is recommended that you use these results as a guide for making continuous safety improvements. The data presented in this report can also be used to measure future progress. Employee involvement in the **NSC Safety Barometer** process is an important example of employees taking responsibility for the success of the safety management system and ultimately developing and maintaining a positive safety culture. Communications efforts by leadership should be made as soon as possible to follow-up with employees. Thanking employees, communicating results of the survey, and involving employees in the decision making process are fundamental aspects of a healthy safety culture.

## Path Forward - Action Planning

NSC recommends to use these results as a catalyst and guide for making future safety management system improvements.

### Leadership

Each focus area identified should be examined by leadership using a three-step process to:

1. investigate, discuss, and understand why the areas might have been identified as lower scoring priorities by survey respondents
2. decide whether attention to each candidate priority component aligns with broader cultural and strategic initiatives of the organization
3. select and implement specific action-oriented strategies for focus areas that are systemic or demand leadership action (e.g., Management Commitment components or areas that require substantial resources)

### Employee-led Action Planning Teams

In order to maximize use of survey results, engage in employee-led action planning that that will strengthen safety at your organization. Effective action plan development and management is key to real and sustained workplace safety improvement. Strong communication, timely action in response to employee-identified priorities, and involvement from leadership and employees are essential to your success.

- Build a team or teams of employees, supervisors, and leadership to interpret the survey results with the same three-step process described above
- Engage to develop, champion, and execute SMART action plans
- Monitor action plans and create timetable for measuring success through resurveying



Action Planning Teams should include a cross-section of employees from all levels and departments of the organization. This will allow for diverse perspectives and representatives from multiple teams to be part of the process, while also increasing interdepartmental cooperation.





Pacific Gas and Electric Company (PG&E)  
Contractor  
NSC Safety Barometer Results  
Executive Summary



(PG&E-20)

## NSC SAFETY BAROMETER

### Your Survey

Your NSC Safety Barometer survey was conducted in January - February 2025.

Survey administered via anonymous online link in English and Spanish.

42% of respondents provided improvement feedback in the comments section.

The NSC Safety Barometer elicits employee responses to 50 statements regarding foundational safety elements. These components are grouped into six performance categories of safety excellence: Management Commitment (7 items), Supervisor Engagement (9 items), Employee Involvement (9 items), Safety Support Activities (10 items), Safety Support Climate (10 items), Organizational Climate (5 items). For a broad measurement of the survey results, a relative overall score (includes all the responses across all 50 items) is included to provide an overall snapshot of your safety management system health and culture.

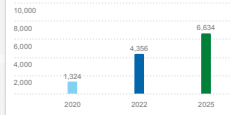


[Click here for Online Results PDF\(s\)](#)

### Overall Response Rate

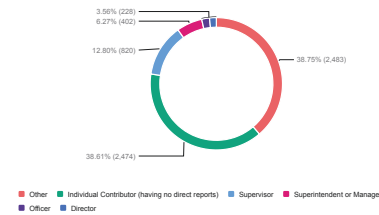
2025: 27.4%

Response Count ▾



[Click here for tips on using Dashboard Filters](#)

### Responses by Role ▾



### NSC Database Benchmark

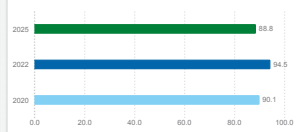
1,400 Businesses

To generate comparative percentile scores, 2025 average response scores were compared with 1,400 businesses in the NSC Database.

### Overall Percentile Score



### Overall Percentile Score



### Management Commitment Percentile

83.1

### Supervisor Engagement Percentile

89.2

### Employee Involvement Percentile

90.5

### Safety Support Activities Percentile

86.9

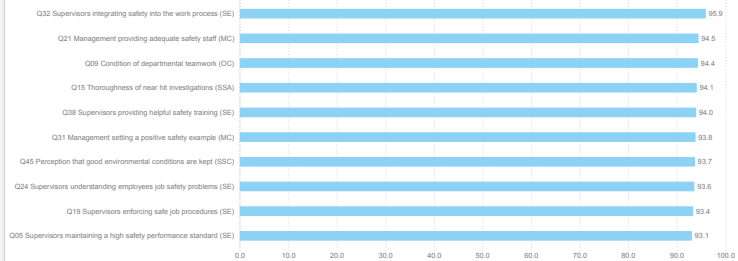
### Safety Support Climate Percentile

82.9

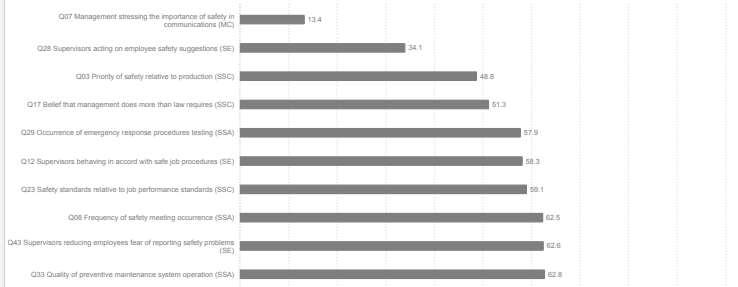
### Organizational Climate Percentile

93.3

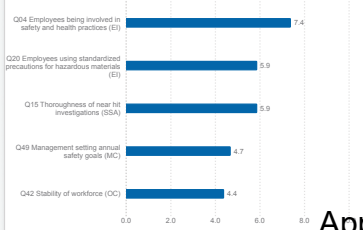
### Best Performing Components (Top Strengths)



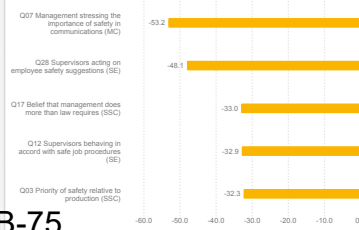
### Lower-Performing Components (Focus Areas)



### Most Improved Components



### Least Improved Components



## Your NSC Safety Barometer

(PG&amp;E-20)

This page provides you with foundational information about the **NSC Safety Barometer** items and six safety performance categories.

### [NSC Safety Barometer](#) (click here to view survey form)

NSC Employee Perception Surveys provide comprehensive, sensitive leading indicator metrics to assess your safety culture, identify strengths and opportunities, and gaps in your safety management system that can assist in prioritizing continuous improvement efforts. The **NSC Safety Barometer** is a validated safety survey, asking respondents to indicate their level of agreement with 50 standardized general safety statements (Q01-Q50) assessing safety management system health and safety culture. These statements describe activities or conditions related to the administrative, operational, technical, and cultural elements of the safety management system, representing six fundamental safety performance categories or areas of safety excellence: Management Commitment (7 items), Supervisor Engagement (9 items), Employee Involvement (9 items), Safety Support Activities (10 items), Safety Support Climate (10 items), Organizational Climate (5 items). Descriptions of the six performance categories and their respective standard items are below.



#### Management Commitment

Management Commitment items describe ways in which top & middle management demonstrate their leadership and commitment to safety in the form of words, actions, organizational strategy, and personal engagement.

- Q07 Management's views on the importance of safety are seldom stressed in employee communications.
- Q14 Management has published a written policy that expresses their attitude about employee safety.
- Q21 Management has provided adequate staff to manage and support its safety program.
- Q31 Management sets a positive safety example through their words and actions.
- Q34 Management regularly participates in safety program activities.
- Q40 It is well known that management ignores a person's safety performance when determining raises and promotions.
- Q49 Management annually sets safety goals for which all employees are held accountable.



#### Supervisor Engagement

Supervisor Engagement items consider primary roles through which supervisors communicate their support for safety: leader, manager, controller, trainer, organizational representative, and advocate for employees.

- Q05 My supervisor maintains a high standard of job safety performance.
- Q12 My supervisor's behavior often goes against safe job procedures.
- Q19 My supervisor enforces safe job procedures.
- Q24 My supervisor understands the job safety problems I face.
- Q28 My supervisor seldom acts on employee safety suggestions.
- Q32 My supervisor has successfully fit safety into the work process.
- Q38 The training provided through my supervisor helps me do my job safely.
- Q43 Employees are afraid to report safety problems to their supervisors.
- Q44 My supervisor always investigates safety incidents, including lost workday cases.



#### Employee Involvement

Employee Involvement items specify selected actions and reactions that are critical to making a safety program work. Emphasis is given to personal engagement, responsibility, and compliance.

- Q01 It is common for employees to take part in identifying and eliminating worksite hazards.
- Q04 Employees often get involved in developing or revising worksite safety and health practices.
- Q11 I can protect myself and coworkers through my actions while on the job.
- Q18 I understand the safety and health regulations relating to my job.
- Q20 Standardized precautions are used by employees who deal with hazardous materials.
- Q25 Employees are familiar with and follow regular lockout/tagout procedures.
- Q37 Employees take part when accident or incident investigations occur.
- Q46 Many employees don't use the personal protective equipment necessary to do their jobs safely.
- Q50 Employees rarely take part in the development of safety requirements for their jobs.



#### Safety Support Activities

Safety Support Activities items probe the presence or quality of various safety program practices, with a focus on communications, training, inspection, maintenance, and emergency response.

- Q06 Detailed inspections of the facilities are made at regular, frequent intervals.
- Q08 Safety meetings are held less often than they should be.
- Q13 Designated employees are well trained in emergency practices, including evacuation.
- Q15 Near hit accidents/incidents are thoroughly investigated.
- Q22 Awards and recognition programs used in this organization are not good at promoting safe employee behavior.
- Q26 Safety training is part of every new employee's orientation.
- Q29 Emergency response procedures are almost never tested to make sure they are working.
- Q30 The work of the department safety committee improves safety conditions.
- Q33 The system of preventive maintenance for facilities, tools, and machinery operates poorly.
- Q41 The safety specialists are readily available to provide advice and assistance.



#### Safety Support Climate

Safety Support Climate items ask employees across an organization for general beliefs, impressions, and observations about management's commitment and underlying values with regard to safety.

- Q03 Safety takes a back seat to production.
- Q10 Management shows that it cares about employee safety.
- Q17 Management does no more than the law requires to keep employees safe.
- Q23 Job performance standards are higher than safety performance standards.
- Q27 I believe management is sincere in its efforts to ensure employee safety.
- Q35 The safety specialists have high status in this organization.
- Q36 Hazards that are not fixed right away by supervisors are often ignored.
- Q39 Medical resources are sufficient for treating the injuries that occur.
- Q45 Ventilation, lighting, noise, and other environmental conditions are kept at a good level.
- Q48 Management insists that supervisors think about safety when doing their jobs.



#### Organizational Climate

Organizational Climate items probe general conditions that interact with the safety program to affect its ultimate success, such as teamwork, morale, and employee turnover.

- Q02 There is frequent contact and communication between employees and management.
- Q09 Good teamwork exists among departments.
- Q16 Employee morale is poor.
- Q42 This organization has a stable workforce.
- Q47 Job stress is a significant problem for me and my coworkers.

## Understanding Your Results

This page provides you with key information about average response scores and benchmarking.

(PG&E-20)

### Average Response Scores

To ensure the quality of survey responses, two-thirds of the **NSC Safety Barometer** statements are positively phrased while other statements are negatively phrased. Respondent agreement with a positive statement or disagreement with a negative statement has a positive safety implication for the safety culture. Disagreement with a positive statement or agreement with a negative description has a negative implication. For each statement, average response scores were calculated by assigning the following values to responses:

- +2 = strongly positive response**  
(strongly agreeing with positively phrased item/strongly disagreeing with negatively phrased item);
- +1 = positive response**  
(agreeing with positively phrased item/disagreeing with negatively phrased item);
- 0 = neutral response;**
- 1 = negative response**  
(disagreeing with positively phrased item/agreeing with negatively phrased item);
- 2 = strongly negative response**  
(strongly disagreeing with positively phrased item/strongly agreeing with negatively phrased item).

### Benchmarking

Average response scores are compared with the NSC Database for each of the 50 **NSC Safety Barometer** items and each of the six safety performance categories. A percentile score expresses the percentage of NSC Database businesses with a lower average response score than your business. Possible percentile scores range from 0 to 100, with 0 representing the lowest score in the NSC Database and 100 representing the highest. For example, a percentile score of 100 indicates that all of the businesses in the NSC Database received a lower average response score than your business; a percentile score of 50 indicates that half of the businesses were lower than your business.



A percentile score above 50, the NSC Database average, indicates above average performance, whereas a score below 50 indicates below average performance when compared to NSC Database organizations. Scores below 20 are considered low, while scores of 80 or above are described as high. Scores of 90 or above indicate very high safety performance, as derived from employee perceptions.

### Value of Benchmarking

The **true value** of benchmarking in employee survey analysis is it neutralizes inaccuracy in the survey results, allowing organizations to compare scored items and take action. Inherent in all survey work, every survey item has its own natural performance. Some items tend to be answered more positively or negatively than other items. This has to do with the wording of the item, topic being addressed, or both. Benchmarking is a unit of analysis that will allow you to easily identify high and low scores across items and prioritize areas for action planning. The following is an example comparing two **NSC Safety Barometer** survey items.

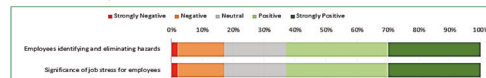
Two survey items:

Q01) It is common for employees to take part in identifying and eliminating worksite hazards  
NSC Database average score of 1.137 and a standard deviation of .27

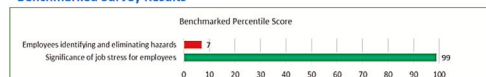
Q47) Job stress is a significant problem for me and my coworkers  
NSC Database average score of -.208 and a standard deviation of .36

If survey results were provided with only average response scores (on a scale of -2 to +2) and your organization produced the same average response score for both of these items, this result can be interpreted that these items are performing rather equally. However, applying our NSC Benchmark can clarify on the true status of this safety component in your safety culture, as derived from employee perceptions. In this example, benchmarking actually reveals that despite garnering the same average score, (Q47) would produce a percentile score of 99 and would be identified as a strength, whereas (Q1) would be performing below average, producing a percentile score of 7. Ultimately, benchmarking enables your organization to correctly interpret and take action based on more accurate survey results. *See image below for visual on benchmarking in action.*

#### Standard Survey Results



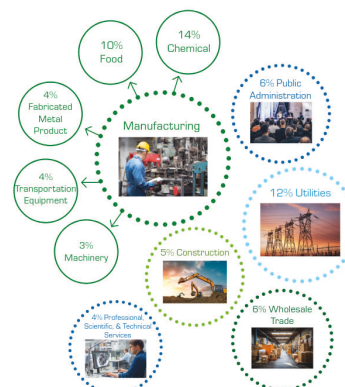
#### Benchmarked Survey Results



### NSC Database

NSC Database includes millions of employee responses from businesses across various industries and countries. The businesses in the NSC Database do not represent a national average. NSC Database businesses tend to be high performing, safety culture focused organizations with emerging and mature safety systems.

Average response scores were compared to businesses within the NSC Database for each of the 50 **NSC Safety Barometer** items and each of the six safety performance categories. If year to year comparisons are available, the same benchmark group is retained to allow direct comparison across survey years. Given the components assessed with the **NSC Safety Barometer** are key for all businesses in building and maintaining a positive safety culture, we compare you to the entire NSC Database to ensure the most accurate and precise results. Although specific risk may vary by industry, the six areas of excellence and their respective components are applicable to all organizations.





[Click here for Online Results PDF\(s\)](#)

## Overall & Safety Performance Category

This page contains your overall percentile score and safety performance category percentile scores.



[Click here for tips on Dashboard Filters](#)

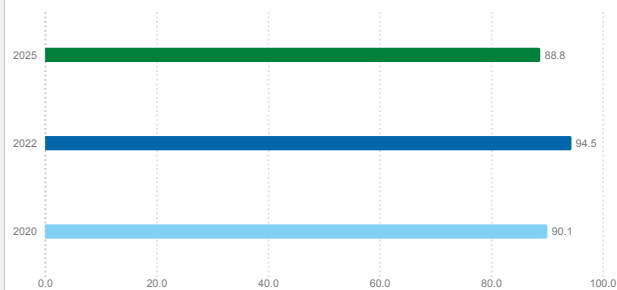
(PG&E-20)

### Overall

For a broad measurement of the survey results, a relative overall score (includes all the responses across all 50 items) is included to provide an overall snapshot of your safety management system health and culture.

The overall percentile score in 2025 is a high score of 88.8, indicating that you scored higher than 88.8% of the NSC Database businesses, overall. This is a notable decrease of -5.7 points since the 2022 survey.

#### Overall Percentile Score ⓘ



### Safety Performance Category

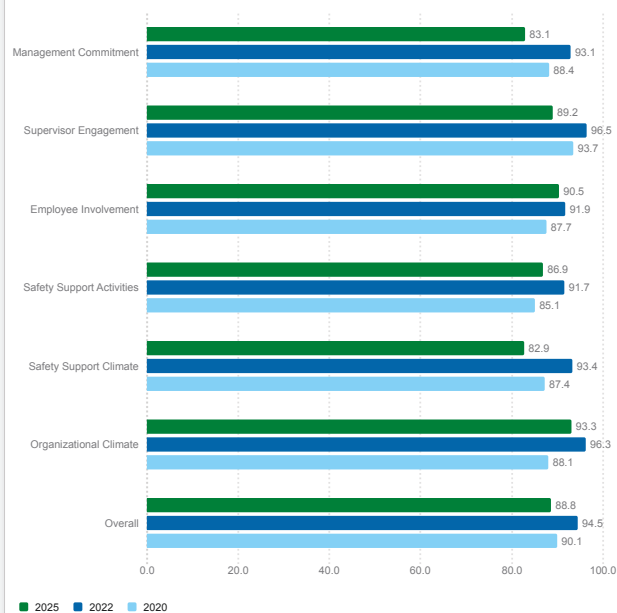
All 50 **NSC Safety Barometer** items are associated with one of the six safety performance categories: Management Commitment (7 items), Supervisor Engagement (9 items), Employee Involvement (9 items), Safety Support Activities (10 items), Safety Support Climate (10 items), and Organizational Climate (5 items). Performance category percentile scores are generated by comparing performance category average response scores (calculated from employee responses to the corresponding **NSC Safety Barometer** items) to the NSC Database.

Percentile scores by performance area highlight broad strengths and opportunities. If a specific performance category is underperforming compared with other performance categories, specific components from the lowest-performing performance category should be considered for action planning. Typically, high performing safety cultures will see consistency among performance category scores.

The overall percentile score in 2025 is a high score of 88.8, indicating that you scored higher than 88.8% of the NSC Database businesses overall. This is a notable decrease of -5.7 points since the 2022 survey. In 2025, all six performance category percentile scores were above the NSC Database average of 50. Additionally, all six performance categories saw decreases in percentile score from the previous survey. Organizational Climate held the highest performance category score in 2025 of 93.3, yet saw a decrease of -3.0 points. Safety Support Climate generated the lowest score in 2025 of 82.9, a decrease in score of -10.5 points, which is also the largest decrease in score from the previous survey.

Additionally, average response scores (scale -2 to +2) by performance category are displayed below along with another table that provides the average response score (scale -2 to +2) for the 0, 50th, and 100th percentile for all the businesses in the NSC Database. This gives you an idea of the distribution of the scores for each performance category and how your average response score compares.

#### Percentile Scores of Performance Categories ⓘ



#### Percentile Scores of Performance Categories ⓘ

|                           | 2020 | 2022 | 2025 |
|---------------------------|------|------|------|
| Management Commitment     | 88.4 | 93.1 | 83.1 |
| Supervisor Engagement     | 93.7 | 96.5 | 89.2 |
| Employee Involvement      | 87.7 | 91.9 | 90.5 |
| Safety Support Activities | 85.1 | 91.7 | 86.9 |
| Safety Support Climate    | 87.4 | 93.4 | 82.9 |
| Organizational Climate    | 88.1 | 96.3 | 93.3 |

#### Average Scores of Performance Categories ⓘ

| Year | Management Commitment | Supervisor Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|------|-----------------------|-----------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| 2025 | 0.903                 | 1.119                 | 1.126                | 0.893                     | 0.907                  | 0.890                  | 0.979   |
| 2022 | 1.052                 | 1.268                 | 1.139                | 0.977                     | 1.056                  | 0.960                  | 1.083   |
| 2020 | 0.965                 | 1.200                 | 1.091                | 0.870                     | 0.970                  | 0.798                  | 0.995   |

#### Average Scores of NSC Database ⓘ

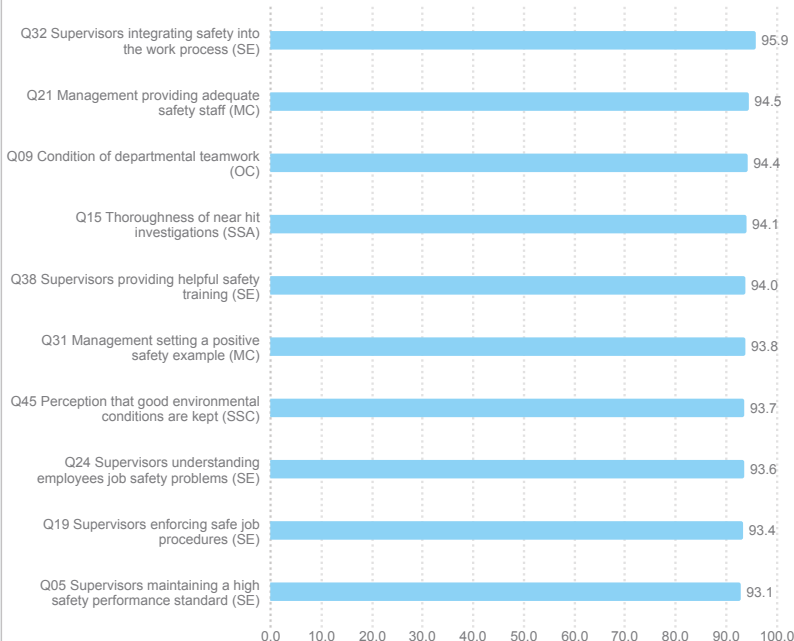
| Percentile | Management Commitment | Supervisor Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | OVERALL |
|------------|-----------------------|-----------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| 0          | -0.536                | -0.167                | -0.024               | -0.511                    | -0.574                 | -0.800                 | -0.375  |
| 50th       | 0.645                 | 0.811                 | 0.822                | 0.583                     | 0.629                  | 0.381                  | 0.664   |
| 100th      | 1.617                 | 1.700                 | 1.628                | 1.578                     | 1.509                  | 1.533                  | 1.579   |

## Strengths and Focus Areas

(PG&E-20)

This page contains your organization's top and bottom-performing components on the NSC Safety Barometer.

### Best Performing Components (Top Strengths)



### Best-Performing Components

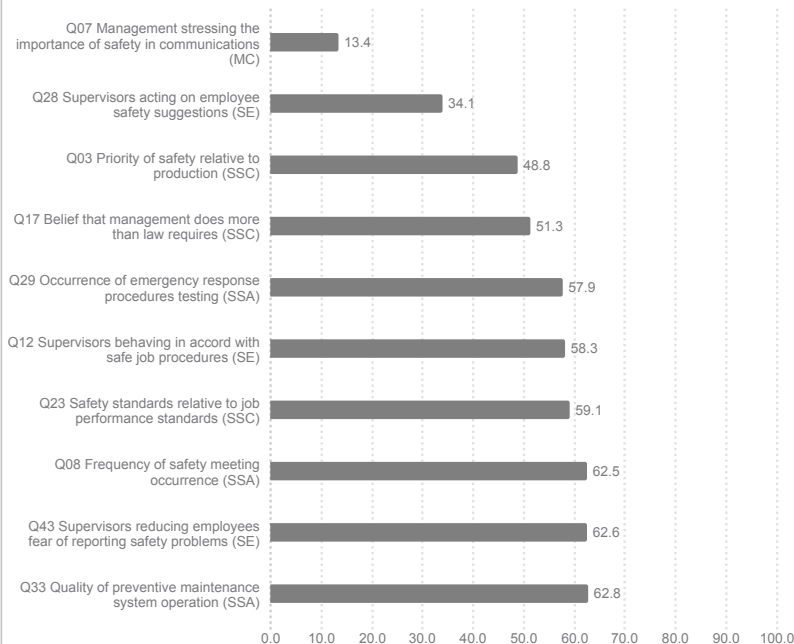
The ten highest-performing components received scores ranging from 93.1 to 95.9.

Of the best performing components identified by employees

- 5 are from the Supervisor Engagement category,
- 2 are from the Management Commitment category, and
- 1 each is from the Safety Support Activities, Safety Support Climate, and Organizational Climate categories.

There were no items from the Employee Involvement category in this group of best-performing components. To view safety component results by performance category, please refer to specific performance category pages.

### Lower-Performing Components (Focus Areas)



### Lower-Performing Components

Forty-seven of the 50 components scored above the 50th percentile. Although components with below average percentiles (below 50) are usually identified as potential target areas, the ten lowest-ranking components with scores of 62.8 or below can be used to establish current improvement opportunities.

Of the components identified as focus areas:

- 3 each are from the Supervisor Engagement, Safety Support Activities, and Safety Support Climate categories, and
- 1 is from the Management Commitment category.

There were no items from the Employee Involvement or Organizational Climate categories in this group of lower-performing components. To view safety component results by performance category, please refer to specific performance category pages.

### Keys for Analysis: Component Clustering

A cluster is three or more components from the same performance category among the top- or bottom-performing components. Clustering among top-performing components indicates strengths in a particular performance category. The goal is to achieve representation from each performance category among your top performers. Clustering among bottom-performing components indicates the performance category is an opportunity area. It is recommended to choose at least one component from the cluster as a future action item.

## 50 Standard NSC Safety Barometer Components

This page contains percentile scores, average response scores, and percent distributions for each NSC Safety Barometer component.

(PG&E-20)

### Summary

The majority of employee responses regarding your organization's safety program are above average compared to the NSC Database participants. **Forty-seven of the 50 standard components received percentiles above the 50th percentile**, which is considered the NSC Database average.

Further examination shows: **36** components achieved percentile scores at or above the 76th percentile, **11** components received percentiles from the 50th to 75th percentile, **2** components received percentiles from the 25th to 49th percentile, and **1** component generated a percentile below the 25th percentile.

### Scores by Safety Component

| Statement Number; Component (Performance Category)                                    | Percentile Score ▼ | Strongly Positive | Positive | Neutral | Negative | Strongly Negative | Average |
|---------------------------------------------------------------------------------------|--------------------|-------------------|----------|---------|----------|-------------------|---------|
| Q32 Supervisors integrating safety into the work process (SE)                         | 95.9               | 44.7%             | 43.9%    | 10.4%   | 0.8%     | 0.3%              | 1.32    |
| Q21 Management providing adequate safety staff (MC)                                   | 94.5               | 37.7%             | 44.4%    | 15.2%   | 2.0%     | 0.7%              | 1.16    |
| Q09 Condition of departmental teamwork (OC)                                           | 94.4               | 37.6%             | 43.1%    | 15.0%   | 2.9%     | 1.3%              | 1.13    |
| Q15 Thoroughness of near hit investigations (SSA)                                     | 94.1               | 41.5%             | 41.4%    | 15.1%   | 1.5%     | 0.5%              | 1.22    |
| Q38 Supervisors providing helpful safety training (SE)                                | 94.0               | 40.2%             | 45.4%    | 12.6%   | 1.5%     | 0.3%              | 1.24    |
| Q31 Management setting a positive safety example (MC)                                 | 92.9               | 40.0%             | 44.9%    | 12.8%   | 1.6%     | 0.7%              | 1.22    |
| Q45 Perception that good environmental conditions are kept (SSC)                      | 93.7               | 29.0%             | 47.5%    | 21.8%   | 1.4%     | 0.3%              | 1.03    |
| Q24 Supervisors understanding employees' job safety problems (SE)                     | 93.6               | 40.6%             | 44.6%    | 12.5%   | 1.5%     | 0.8%              | 1.23    |
| Q19 Supervisors enforcing safe job procedures (SE)                                    | 93.4               | 52.8%             | 39.3%    | 7.1%    | 0.5%     | 0.3%              | 1.44    |
| Q13 Designated employees well trained in emergency practices (SSA)                    | 93.1               | 36.1%             | 44.4%    | 16.7%   | 2.2%     | 0.7%              | 1.13    |
| Q05 Supervisors maintaining a high safety performance standard (SE)                   | 93.1               | 55.4%             | 36.0%    | 7.0%    | 1.0%     | 0.6%              | 1.45    |
| Q02 Frequency of employee/management interactions (OC)                                | 92.8               | 46.6%             | 39.8%    | 11.0%   | 1.8%     | 0.8%              | 1.29    |
| Q04 Employees being involved in safety and health practices (EI)                      | 92.7               | 32.3%             | 42.9%    | 20.5%   | 3.6%     | 0.7%              | 1.03    |
| Q44 Supervisors investigating incidents (SE)                                          | 91.4               | 31.3%             | 40.8%    | 24.9%   | 2.2%     | 0.8%              | 1.00    |
| Q06 Frequency of detailed and regularly scheduled inspections (SSA)                   | 91.3               | 38.6%             | 40.4%    | 19.3%   | 1.3%     | 0.5%              | 1.15    |
| Q18 Belief that employees understand safety and health requirements (EI)              | 91.2               | 51.6%             | 42.7%    | 5.3%    | 0.3%     | 0.2%              | 1.45    |
| Q37 Employees take part when accident or incident investigations occur (EI)           | 90.3               | 25.2%             | 42.4%    | 27.2%   | 4.1%     | 1.2%              | 0.86    |
| Q34 Management participating in safety activities on a regular basis (MC)             | 90.2               | 34.1%             | 41.8%    | 18.1%   | 4.3%     | 1.7%              | 1.02    |
| Q30 Effectiveness of department safety committee in improving safety conditions (SSA) | 90.1               | 31.9%             | 43.9%    | 22.1%   | 1.6%     | 0.5%              | 1.05    |
| Q39 Perception that medical resources are sufficient (SSC)                            | 90.0               | 29.9%             | 45.3%    | 21.3%   | 2.5%     | 1.0%              | 1.01    |
| Q01 Employees identifying and eliminating hazards (EI)                                | 89.9               | 55.9%             | 36.8%    | 6.3%    | 0.6%     | 0.4%              | 1.47    |
| Q20 Employees using standardized precautions for hazardous materials (EI)             | 89.2               | 39.4%             | 42.9%    | 16.8%   | 0.8%     | 0.2%              | 1.21    |
| Q10 Belief that management shows it cares for employee safety (SSC)                   | 88.1               | 50.7%             | 37.3%    | 9.8%    | 1.4%     | 0.8%              | 1.36    |
| Q42 Stability of workforce (OC)                                                       | 87.8               | 33.3%             | 44.4%    | 18.1%   | 3.1%     | 1.2%              | 1.06    |
| Q14 Management publishing a policy on the value of employee safety (MC)               | 87.4               | 40.9%             | 41.5%    | 15.8%   | 1.3%     | 0.4%              | 1.21    |
| Q47 Significance of job stress for employees (OC)                                     | 86.3               | 13.3%             | 28.5%    | 30.0%   | 18.8%    | 9.4%              | 0.18    |
| Q35 Perception that the safety specialists have high status (SSC)                     | 86.3               | 27.8%             | 40.6%    | 27.9%   | 2.9%     | 0.8%              | 0.92    |
| Q48 Belief that management insists supervisors think about safety (SSC)               | 86.2               | 39.0%             | 45.6%    | 13.8%   | 1.0%     | 0.5%              | 1.22    |
| Q16 Condition of employee morale (OC)                                                 | 85.8               | 25.1%             | 40.4%    | 23.5%   | 7.0%     | 4.0%              | 0.76    |
| Q41 Availability of safety specialists to provide assistance (SSA)                    | 85.0               | 34.3%             | 42.4%    | 19.7%   | 2.7%     | 0.9%              | 1.06    |
| Q27 Belief that management is sincere in safety efforts (SSC)                         | 84.8               | 48.6%             | 39.5%    | 9.9%    | 1.2%     | 0.8%              | 1.34    |
| Q11 Employees believing that their actions can protect coworkers (EI)                 | 84.7               | 59.2%             | 35.6%    | 4.9%    | 0.2%     | 0.1%              | 1.54    |
| Q36 Belief that hazards not fixed right away will still be addressed (SSC)            | 82.3               | 23.1%             | 44.3%    | 22.0%   | 7.6%     | 3.1%              | 0.77    |
| Q46 Employees using necessary personal protective equipment (EI)                      | 82.1               | 35.3%             | 41.9%    | 14.2%   | 5.6%     | 3.0%              | 1.01    |
| Q26 Presence of safety training in new employee orientation (SSA)                     | 81.1               | 53.5%             | 37.1%    | 8.2%    | 0.9%     | 0.3%              | 1.43    |
| Q49 Management setting annual safety goals (MC)                                       | 80.5               | 31.0%             | 42.6%    | 23.1%   | 2.5%     | 0.7%              | 1.01    |
| Q50 Employees taking part in the development of safety requirements (EI)              | 70.0               | 16.6%             | 38.1%    | 27.5%   | 12.2%    | 5.6%              | 0.48    |
| Q25 Employees following lockout/tagout procedures (EI)                                | 69.5               | 32.7%             | 41.2%    | 23.9%   | 1.7%     | 0.4%              | 1.04    |
| Q40 Management including safety in job promotion reviews (MC)                         | 67.2               | 23.2%             | 32.2%    | 30.2%   | 9.2%     | 5.2%              | 0.59    |
| Q22 Effectiveness of award programs in promoting safe behavior (SSA)                  | 63.3               | 14.1%             | 27.4%    | 37.2%   | 13.4%    | 7.9%              | 0.26    |
| Q33 Quality of preventive maintenance system operation (SSA)                          | 62.8               | 17.9%             | 34.9%    | 25.9%   | 12.7%    | 8.7%              | 0.41    |
| Q43 Supervisors reducing employees fear of reporting safety problems (SE)             | 62.6               | 25.7%             | 43.1%    | 19.2%   | 7.9%     | 4.1%              | 0.78    |
| Q08 Frequency of safety meeting occurrence (SSA)                                      | 62.5               | 27.3%             | 37.7%    | 17.4%   | 10.1%    | 7.4%              | 0.67    |
| Q23 Safety standards relative to job performance standards (SSC)                      | 59.1               | 16.3%             | 34.8%    | 25.2%   | 14.5%    | 9.3%              | 0.34    |
| Q12 Supervisors behaving in accord with safe job procedures (SE)                      | 58.3               | 44.9%             | 35.6%    | 9.1%    | 5.4%     | 5.0%              | 1.10    |
| Q29 Occurrence of emergency response procedures testing (SSA)                         | 57.9               | 17.8%             | 37.7%    | 29.0%   | 10.2%    | 5.2%              | 0.53    |
| Q17 Belief that management does more than law requires (SSC)                          | 51.3               | 21.9%             | 35.1%    | 19.0%   | 15.3%    | 8.7%              | 0.46    |
| Q03 Priority of safety relative to production (SSC)                                   | 48.8               | 35.4%             | 29.4%    | 11.3%   | 12.2%    | 11.7%             | 0.64    |
| Q28 Supervisors acting on employee safety suggestions (SE)                            | 34.1               | 22.0%             | 36.5%    | 19.7%   | 13.4%    | 8.4%              | 0.50    |
| Q07 Management stressing the importance of safety in communications (MC)              | 13.4               | 21.1%             | 25.6%    | 15.8%   | 20.8%    | 16.7%             | 0.13    |

### Keys for Analysis:

Quartiles, Benchmarked Scores, Elevated Neutral Responses, and Negative Average Response Scores

Percentile scores for each of the standard 50 NSC Safety Barometer components were generated. Average performance compared to the NSC Database is indicated by the 50th percentile. The Scores by Safety Component table is color-coded with components scoring in the top quartile shaded green (76th percentile and above), components scoring in the third quartile shaded yellow (the 50th to 75th percentile range), components scoring in the second quartile shaded orange (25th to 49th percentile range), and components scoring in the bottom quartile shaded red (below the 25th percentile).

**The primary focus in interpreting your survey results should be placed on benchmarked percentile scores.**

Components with the highest average response scores or a high percentage of positive responses are not necessarily the best performing elements. Since some statements tend to be answered more positively or negatively than others, comparing results against the NSC Database automatically adjusts for and minimizes these types of naturally occurring biases. However, average response scores and response distributions can provide supplemental information to elicit additional insights into your survey data.

#### Elevated neutral responses (≥30.0%)

Elevated neutral response rates may indicate that components or their related programs are not sufficiently visible from the employee perspective, increased communication, education, or awareness may be key.

#### Negative Average Response Scores

Negative average response scores indicate that employees have negative perceptions of that particular component and should be considered along with percentile score when determining action planning priorities.

## Year to Year Comparisons

This page provides year to year comparisons for the 50 NSC Safety Barometer components.

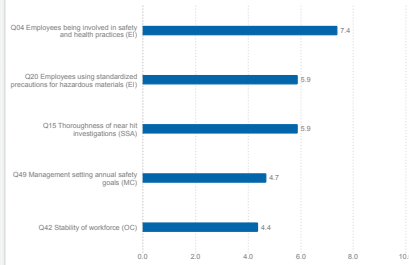
(PG&E-20)

### Most Improved Components

Since the previous survey, 13 components showed improvement. Of these, employees being involved in safety and health practices (Q04) achieved a notable increase in score of +7.4 points. Both employees using standardized precautions for hazardous materials (Q20) and thoroughness of near hit investigations (Q15) showed the second largest increases in score of +5.9 points.

Additionally, three of the ten components identified as priority improvement opportunities in the previous survey showed improvements. This indicates that strategic actions taken since the previous survey to manage and build the success of these components were beneficial.

#### Most Improved Components

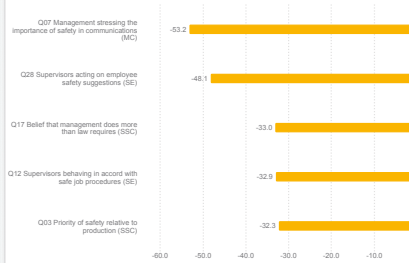


### Least Improved/Declining Components

In total 37 items showed declines in percentile score from the previous survey. Of these, 13 components showed double-digit decreases. Management stressing the importance of safety in communications (Q07) and supervisors acting on employee safety suggestions (Q28) showed remarkable decreases in score of -53.2 points and -48.1, respectively.

All 10 components identified as top performers in the previous survey decreased in score. Attention to declining items may be beneficial when selecting components for countermeasure development.

#### Least Improved/Declining Components



### Component Percentile Scores by Survey Year Summary

From the previous survey, an increase in percentile score was achieved for 13 of the 50 components, while 37 components showed decreases in score.

#### Scores by Safety Component

| Statement Number, Component (Performance Category)                                    | 2025 Percentile Score | 2022 Percentile Score | 2020 Percentile Score | Percentile Change 2022-2025 |
|---------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
| Q04 Employees being involved in safety and health practices (EI)                      | 92.7                  | 85.3                  | 78.3                  | 7.4                         |
| Q20 Employees using standardized precautions for hazardous materials (EI)             | 89.2                  | 83.3                  | 77.8                  | 5.9                         |
| Q15 Thoroughness of near hit investigations (SSA)                                     | 94.1                  | 88.2                  | 81.1                  | 5.9                         |
| Q49 Management setting annual safety goals (MC)                                       | 80.5                  | 75.8                  | 59.1                  | 4.7                         |
| Q42 Stability of workforce (OC)                                                       | 87.8                  | 83.4                  | 66.2                  | 4.4                         |
| Q13 Designated employees well trained in emergency practices (SSA)                    | 93.1                  | 90.8                  | 88.3                  | 2.3                         |
| Q30 Effectiveness of department safety committee in improving safety conditions (SSA) | 90.1                  | 88.1                  | 71.0                  | 2.0                         |
| Q39 Perception that medical resources are sufficient (SSC)                            | 90.0                  | 88.9                  | 82.8                  | 1.1                         |
| Q21 Management providing adequate safety staff (MC)                                   | 94.5                  | 93.4                  | 79.9                  | 1.1                         |
| Q01 Employees identifying and eliminating hazards (EI)                                | 89.9                  | 89.3                  | 87.4                  | 0.6                         |
| Q35 Perception that the safety specialists have high status (SSC)                     | 86.3                  | 85.8                  | 70.3                  | 0.5                         |
| Q09 Condition of departmental teamwork (OC)                                           | 94.4                  | 93.9                  | 80.1                  | 0.5                         |
| Q37 Employees take part when accident or incident investigations occur (EI)           | 90.3                  | 90.1                  | 83.7                  | 0.2                         |
| Q06 Frequency of detailed and regularly scheduled inspections (SSA)                   | 91.3                  | 91.7                  | 70.6                  | -0.4                        |
| Q45 Perception that good environmental conditions are kept (SSC)                      | 93.7                  | 94.8                  | 88.5                  | -1.1                        |
| Q44 Supervisors investigating incidents (SE)                                          | 91.4                  | 92.9                  | 87.5                  | -1.5                        |
| Q24 Supervisors understanding employees job safety problems (SE)                      | 93.6                  | 95.4                  | 88.3                  | -1.8                        |
| Q05 Supervisors maintaining a high safety performance standard (SE)                   | 93.1                  | 94.9                  | 93.1                  | -1.8                        |
| Q11 Employees believing that their actions can protect coworkers (EI)                 | 94.7                  | 96.6                  | 89.6                  | -1.9                        |
| Q41 Availability of safety specialists to provide assistance (SSA)                    | 85.0                  | 86.9                  | 74.7                  | -1.9                        |
| Q38 Supervisors providing helpful safety training (SE)                                | 94.0                  | 95.9                  | 90.3                  | -1.9                        |
| Q32 Supervisors integrating safety into the work process (SE)                         | 95.9                  | 96.2                  | 94.2                  | -2.3                        |
| Q19 Supervisors enforcing safe job procedures (SE)                                    | 93.4                  | 95.9                  | 92.1                  | -2.5                        |
| Q18 Belief that employees understand safety and health requirements (EI)              | 91.2                  | 94.0                  | 91.8                  | -2.8                        |
| Q02 Frequency of employee/management interactions (OC)                                | 92.8                  | 95.8                  | 88.4                  | -3.0                        |
| Q25 Employees following lockout/tagout procedures (EI)                                | 69.5                  | 72.6                  | 63.1                  | -3.1                        |
| Q31 Management setting a positive safety example (MC)                                 | 93.8                  | 96.9                  | 91.8                  | -3.1                        |
| Q34 Management participating in safety activities on a regular basis (MC)             | 90.2                  | 93.6                  | 78.8                  | -3.4                        |
| Q26 Presence of safety training in new employee orientation (SSA)                     | 81.1                  | 85.6                  | 73.6                  | -4.5                        |
| Q46 Employees using necessary personal protective equipment (EI)                      | 82.1                  | 87.5                  | 84.6                  | -5.4                        |
| Q14 Management publishing a policy on the value of employee safety (MC)               | 87.4                  | 93.1                  | 89.9                  | -5.7                        |
| Q10 Belief that management shows it cares for employee safety (SSC)                   | 88.1                  | 94.2                  | 86.3                  | -6.1                        |
| Q48 Belief that management insists supervisors think about safety (SSC)               | 86.2                  | 92.6                  | 86.8                  | -6.4                        |
| Q16 Condition of employee morale (OC)                                                 | 85.8                  | 93.1                  | 88.3                  | -7.3                        |
| Q47 Significance of job stress for employees (OC)                                     | 86.3                  | 94.5                  | 92.5                  | -8.2                        |
| Q27 Belief that management is sincere in safety efforts (SSC)                         | 84.8                  | 94.0                  | 86.1                  | -9.2                        |
| Q36 Belief that hazards not fixed right away will still be addressed (SSC)            | 82.3                  | 91.9                  | 83.5                  | -9.6                        |
| Q29 Occurrence of emergency response procedures testing (SSA)                         | 57.9                  | 71.9                  | 67.6                  | -14.0                       |
| Q50 Employees taking part in the development of safety requirements (EI)              | 70.0                  | 86.0                  | 83.7                  | -16.0                       |
| Q22 Effectiveness of award programs in promoting safe behavior (SSA)                  | 63.3                  | 81.4                  | 75.7                  | -18.1                       |
| Q08 Frequency of safety meeting occurrence (SSA)                                      | 62.5                  | 84.3                  | 84.3                  | -21.8                       |
| Q23 Safety standards relative to job performance standards (SSC)                      | 59.1                  | 81.4                  | 79.4                  | -22.3                       |
| Q40 Management including safety in job promotion reviews (MC)                         | 67.2                  | 90.2                  | 85.9                  | -23.0                       |
| Q33 Quality of preventive maintenance system operation (SSA)                          | 62.8                  | 88.6                  | 84.9                  | -25.8                       |
| Q43 Supervisors reducing employees fear of reporting safety problems (SE)             | 62.6                  | 90.2                  | 85.6                  | -27.6                       |
| Q03 Priority of safety relative to production (SSC)                                   | 48.8                  | 81.1                  | 88.7                  | -32.3                       |
| Q12 Supervisors behaving in accord with safe job procedures (SE)                      | 58.3                  | 91.2                  | 92.4                  | -32.9                       |
| Q17 Belief that management does more than law requires (SSC)                          | 51.3                  | 84.3                  | 82.0                  | -33.0                       |
| Q28 Supervisors acting on employee safety suggestions (SE)                            | 34.1                  | 82.2                  | 85.3                  | -48.1                       |
| Q07 Management stressing the importance of safety in communications (MC)              | 13.4                  | 66.6                  | 86.5                  | -53.2                       |





## Management Commitment Components

This page displays another view of the **NSC Safety Barometer** component percentile scores, average response scores, and percent distributions for only Management Commitment components.

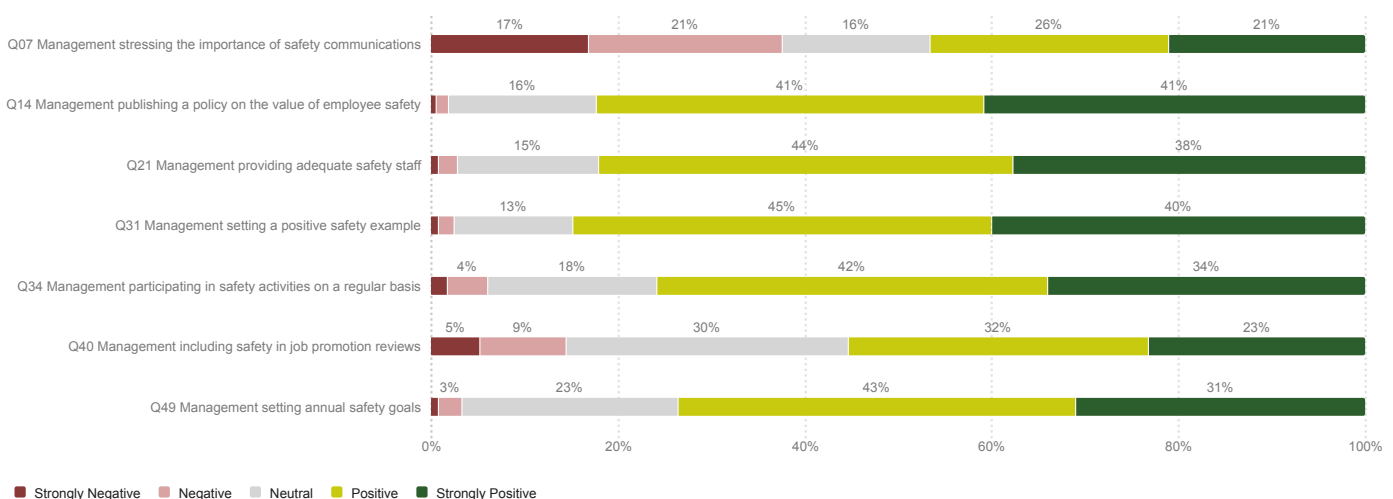
### Percentile Scores of Management Commitment Components ⓘ

| Component                                                            | 2020 | 2022 | 2025 ▼ |
|----------------------------------------------------------------------|------|------|--------|
| Q21 Management providing adequate safety staff                       | 79.9 | 93.4 | 94.5   |
| Q31 Management setting a positive safety example                     | 91.8 | 96.9 | 93.8   |
| Q34 Management participating in safety activities on a regular basis | 78.8 | 93.6 | 90.2   |
| Q14 Management publishing a policy on the value of employee safety   | 89.9 | 93.1 | 87.4   |
| Q49 Management setting annual safety goals                           | 59.1 | 75.8 | 80.5   |
| Q40 Management including safety in job promotion reviews             | 85.3 | 90.2 | 67.2   |
| Q07 Management stressing the importance of safety communications     | 86.5 | 66.6 | 13.4   |

### Average Response Scores of Management Commitment Components ⓘ

| Component                                                            | 2020   | 2022   | 2025   |
|----------------------------------------------------------------------|--------|--------|--------|
| Q07 Management stressing the importance of safety communications     | 0.9427 | 0.6772 | 0.1344 |
| Q14 Management publishing a policy on the value of employee safety   | 1.2451 | 1.2915 | 1.2112 |
| Q21 Management providing adequate safety staff                       | 0.9358 | 1.1374 | 1.1638 |
| Q31 Management setting a positive safety example                     | 1.1773 | 1.3391 | 1.2181 |
| Q34 Management participating in safety activities on a regular basis | 0.8571 | 1.1011 | 1.0231 |
| Q40 Management including safety in job promotion reviews             | 0.7834 | 0.8643 | 0.5899 |
| Q49 Management setting annual safety goals                           | 0.8015 | 0.9586 | 1.0060 |

### Response Distributions of Management Commitment Components ▾







## Supervisor Engagement Components

This page displays another view of the NSC Safety Barometer component percentile scores, average response scores, and percent distributions for only Supervisor Engagement components.

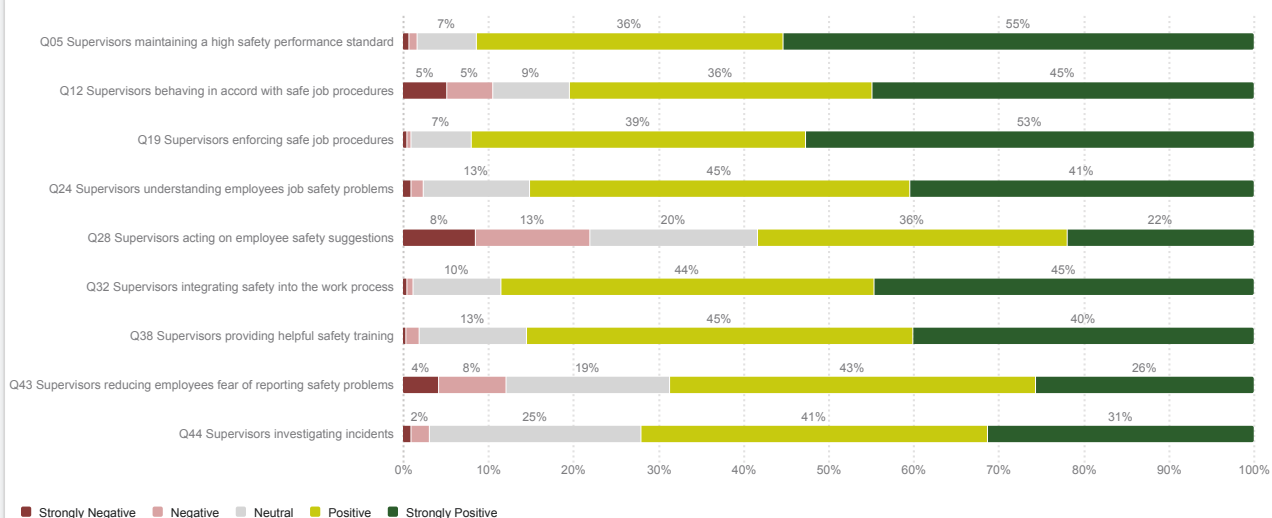
### Percentile Scores of Supervisor Engagement Components ⓘ ↕

| Component                                                            | 2020 | 2022 | 2025 ▼ |
|----------------------------------------------------------------------|------|------|--------|
| Q32 Supervisors integrating safety into the work process             | 94.2 | 98.2 | 95.9   |
| Q38 Supervisors providing helpful safety training                    | 90.3 | 95.9 | 94.0   |
| Q24 Supervisors understanding employees job safety problems          | 88.3 | 95.4 | 93.6   |
| Q19 Supervisors enforcing safe job procedures                        | 92.1 | 95.9 | 93.4   |
| Q05 Supervisors maintaining a high safety performance standard       | 93.1 | 94.9 | 93.1   |
| Q44 Supervisors investigating incidents                              | 87.5 | 92.9 | 91.4   |
| Q43 Supervisors reducing employees fear of reporting safety problems | 85.6 | 90.2 | 62.6   |
| Q12 Supervisors behaving in accord with safe job procedures          | 92.4 | 91.2 | 58.3   |
| Q28 Supervisors acting on employee safety suggestions                | 85.3 | 82.2 | 34.1   |

### Average Response Scores of Supervisor Engagement Components ⓘ ↕

| Component                                                            | 2020   | 2022   | 2025   |
|----------------------------------------------------------------------|--------|--------|--------|
| Q05 Supervisors maintaining a high safety performance standard       | 1.4453 | 1.4951 | 1.4472 |
| Q12 Supervisors behaving in accord with safe job procedures          | 1.4562 | 1.4382 | 1.0996 |
| Q19 Supervisors enforcing safe job procedures                        | 1.4105 | 1.4747 | 1.4375 |
| Q24 Supervisors understanding employees job safety problems          | 1.1598 | 1.2720 | 1.2258 |
| Q28 Supervisors acting on employee safety suggestions                | 0.9437 | 0.9075 | 0.5010 |
| Q32 Supervisors integrating safety into the work process             | 1.2685 | 1.3972 | 1.3175 |
| Q38 Supervisors providing helpful safety training                    | 1.1517 | 1.3094 | 1.2373 |
| Q43 Supervisors reducing employees fear of reporting safety problems | 0.9950 | 1.0583 | 0.7828 |
| Q44 Supervisors investigating incidents                              | 0.9245 | 1.0381 | 0.9964 |

### Response Distributions of Supervisor Engagement Components ↕





## Employee Involvement Components

This page displays another view of the NSC Safety Barometer component percentile scores, average response scores, and percent distributions for only Employee Involvement components.

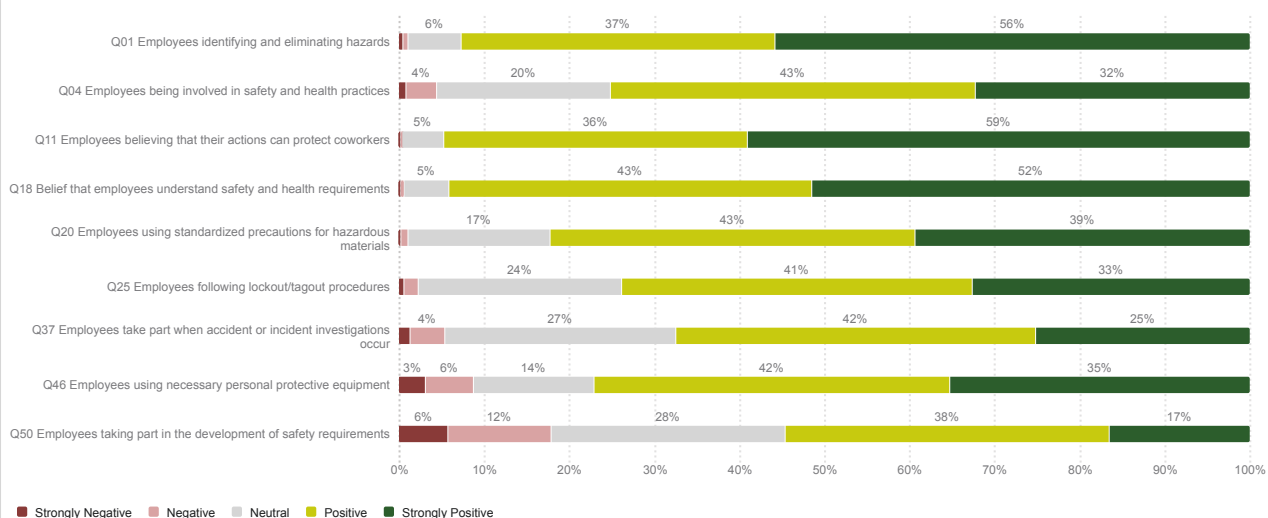
### Percentile Scores of Employee Involvement Components ⓘ ∇

| Component                                                              | 2020 | 2022 | 2025 ▼ |
|------------------------------------------------------------------------|------|------|--------|
| Q04 Employees being involved in safety and health practices            | 78.3 | 85.3 | 92.7   |
| Q18 Belief that employees understand safety and health requirements    | 91.8 | 94.0 | 91.2   |
| Q37 Employees take part when accident or incident investigations occur | 83.7 | 90.1 | 90.3   |
| Q01 Employees identifying and eliminating hazards                      | 87.4 | 89.3 | 89.9   |
| Q20 Employees using standardized precautions for hazardous materials   | 77.8 | 83.3 | 89.2   |
| Q11 Employees believing that their actions can protect coworkers       | 89.6 | 86.6 | 84.7   |
| Q46 Employees using necessary personal protective equipment            | 84.6 | 87.5 | 82.1   |
| Q50 Employees taking part in the development of safety requirements    | 83.7 | 86.0 | 70.0   |
| Q25 Employees following lockout/tagout procedures                      | 63.1 | 72.6 | 69.5   |

### Average Response Scores of Employee Involvement Components ⓘ ∇

| Component                                                              | 2020   | 2022   | 2025   |
|------------------------------------------------------------------------|--------|--------|--------|
| Q01 Employees identifying and eliminating hazards                      | 1.4428 | 1.4672 | 1.4733 |
| Q04 Employees being involved in safety and health practices            | 0.7848 | 0.8744 | 1.0252 |
| Q11 Employees believing that their actions can protect coworkers       | 1.5783 | 1.5522 | 1.5350 |
| Q18 Belief that employees understand safety and health requirements    | 1.4612 | 1.4922 | 1.4515 |
| Q20 Employees using standardized precautions for hazardous materials   | 1.0878 | 1.1439 | 1.2061 |
| Q25 Employees following lockout/tagout procedures                      | 0.9742 | 1.0742 | 1.0405 |
| Q37 Employees take part when accident or incident investigations occur | 0.7667 | 0.8593 | 0.8629 |
| Q46 Employees using necessary personal protective equipment            | 1.0411 | 1.0934 | 1.0086 |
| Q50 Employees taking part in the development of safety requirements    | 0.6288 | 0.6589 | 0.4778 |

### Response Distributions of Employee Involvement Components ∇





## Safety Support Activities Components

This page displays another view of the NSC Safety Barometer component percentile scores, average response scores, and percent distributions for only Safety Support Activities components.

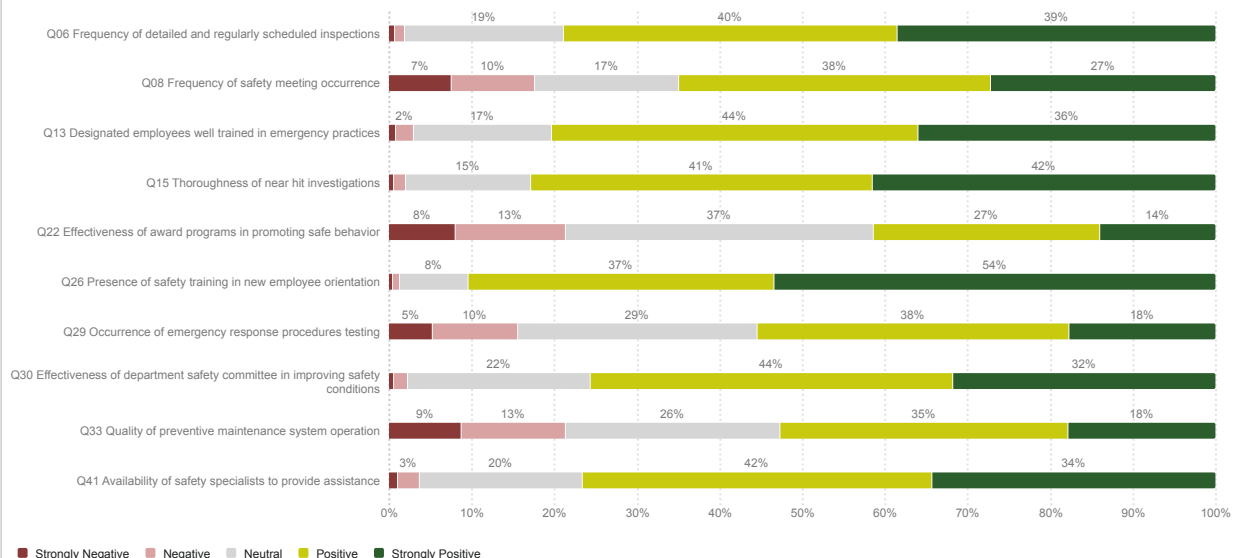
### Percentile Scores of Safety Support Activities Components ⓘ

| Component                                                                       | 2020 | 2022 | 2025 ▼ |
|---------------------------------------------------------------------------------|------|------|--------|
| Q15 Thoroughness of near hit investigations                                     | 81.1 | 88.2 | 94.1   |
| Q13 Designated employees well trained in emergency practices                    | 88.3 | 90.8 | 93.1   |
| Q06 Frequency of detailed and regularly scheduled inspections                   | 70.6 | 91.7 | 91.3   |
| Q30 Effectiveness of department safety committee in improving safety conditions | 71.0 | 88.1 | 90.1   |
| Q41 Availability of safety specialists to provide assistance                    | 74.7 | 86.9 | 85.0   |
| Q26 Presence of safety training in new employee orientation                     | 73.6 | 85.6 | 81.1   |
| Q22 Effectiveness of award programs in promoting safe behavior                  | 75.7 | 81.4 | 63.3   |
| Q33 Quality of preventive maintenance system operation                          | 84.9 | 88.6 | 62.8   |
| Q08 Frequency of safety meeting occurrence                                      | 84.3 | 84.3 | 62.5   |
| Q29 Occurrence of emergency response procedures testing                         | 67.6 | 71.9 | 57.9   |

### Average Response Scores of Safety Support Activities Components ⓘ

| Component                                                                       | 2020   | 2022   | 2025   |
|---------------------------------------------------------------------------------|--------|--------|--------|
| Q06 Frequency of detailed and regularly scheduled inspections                   | 0.8682 | 1.1569 | 1.1518 |
| Q08 Frequency of safety meeting occurrence                                      | 0.9464 | 0.9454 | 0.6729 |
| Q13 Designated employees well trained in emergency practices                    | 1.0399 | 1.0903 | 1.1292 |
| Q15 Thoroughness of near hit investigations                                     | 1.0172 | 1.1042 | 1.2208 |
| Q22 Effectiveness of award programs in promoting safe behavior                  | 0.3902 | 0.4611 | 0.2637 |
| Q26 Presence of safety training in new employee orientation                     | 1.3462 | 1.4727 | 1.4255 |
| Q29 Occurrence of emergency response procedures testing                         | 0.6457 | 0.6960 | 0.5259 |
| Q30 Effectiveness of department safety committee in improving safety conditions | 0.8513 | 1.0216 | 1.0505 |
| Q33 Quality of preventive maintenance system operation                          | 0.6626 | 0.7224 | 0.4066 |
| Q41 Availability of safety specialists to provide assistance                    | 0.9145 | 1.0869 | 1.0640 |

### Response Distributions of Safety Support Activities Components ▼





## Safety Support Climate Components

This page displays another view of the NSC Safety Barometer component percentile scores, average response scores, and percent distributions for only Safety Support Climate components.

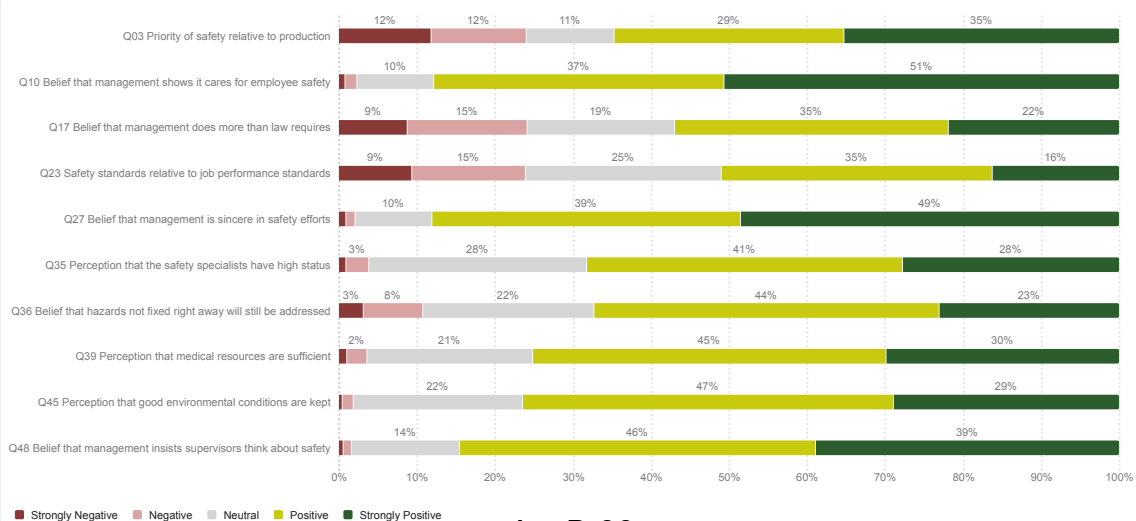
### Percentile Scores of Safety Support Climate Components ⓘ ∇

| Component                                                            | 2020 | 2022 | 2025 ▼ |
|----------------------------------------------------------------------|------|------|--------|
| Q45 Perception that good environmental conditions are kept           | 88.5 | 94.8 | 93.7   |
| Q39 Perception that medical resources are sufficient                 | 82.8 | 88.9 | 90.0   |
| Q10 Belief that management shows it cares for employee safety        | 86.3 | 94.2 | 88.1   |
| Q35 Perception that the safety specialists have high status          | 70.3 | 85.8 | 86.3   |
| Q48 Belief that management insists supervisors think about safety    | 86.8 | 92.6 | 86.2   |
| Q27 Belief that management is sincere in safety efforts              | 86.1 | 94.0 | 84.8   |
| Q36 Belief that hazards not fixed right away will still be addressed | 83.5 | 91.9 | 82.3   |
| Q23 Safety standards relative to job performance standards           | 79.4 | 81.4 | 59.1   |
| Q17 Belief that management does more than law requires               | 82.0 | 84.3 | 51.3   |
| Q03 Priority of safety relative to production                        | 88.7 | 81.1 | 48.8   |

### Average Response Scores of Safety Support Climate Components ⓘ ∇

| Component                                                            | 2020   | 2022   | 2025   |
|----------------------------------------------------------------------|--------|--------|--------|
| Q03 Priority of safety relative to production                        | 1.1209 | 0.9995 | 0.6444 |
| Q10 Belief that management shows it cares for employee safety        | 1.3298 | 1.4653 | 1.3568 |
| Q17 Belief that management does more than law requires               | 0.7840 | 0.8184 | 0.4618 |
| Q23 Safety standards relative to job performance standards           | 0.5655 | 0.5970 | 0.3425 |
| Q27 Belief that management is sincere in safety efforts              | 1.3505 | 1.4686 | 1.3395 |
| Q35 Perception that the safety specialists have high status          | 0.7009 | 0.8948 | 0.9159 |
| Q36 Belief that hazards not fixed right away will still be addressed | 0.7810 | 0.9354 | 0.7675 |
| Q39 Perception that medical resources are sufficient                 | 0.8969 | 0.9947 | 1.0072 |
| Q45 Perception that good environmental conditions are kept           | 0.9187 | 1.0691 | 1.0349 |
| Q48 Belief that management insists supervisors think about safety    | 1.2226 | 1.3021 | 1.2159 |

### Response Distributions of Safety Support Climate Components ∇





## Organizational Climate Components

This page displays another view of the **NSC Safety Barometer** component percentile scores, average response scores, and percent distributions for only Organizational Climate components.

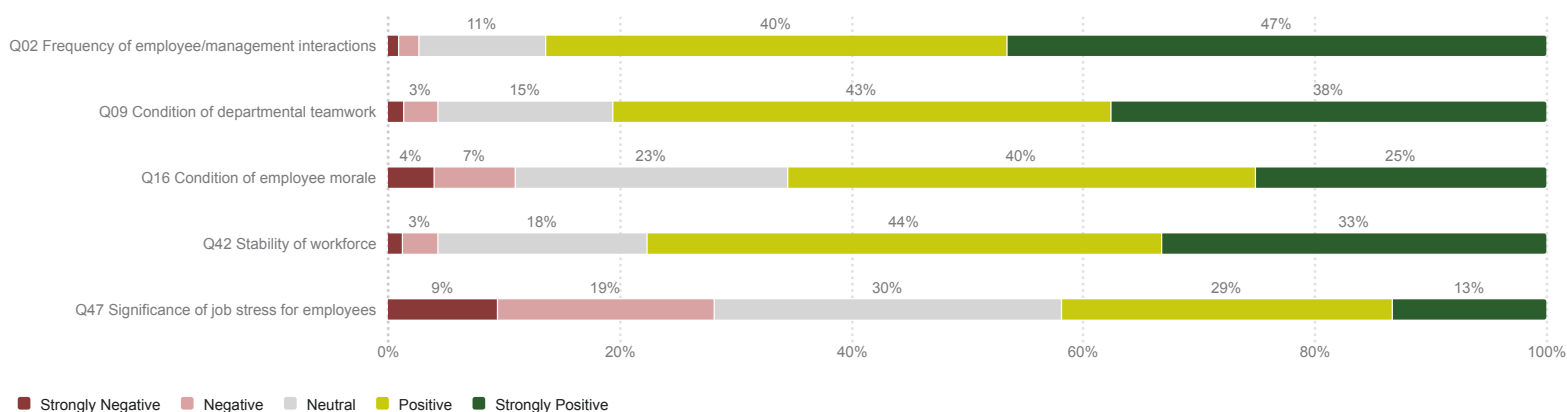
### Percentile Scores of Organizational Climate Components ⓘ

| Component                                         | 2020 | 2022 | 2025 ▼ |
|---------------------------------------------------|------|------|--------|
| Q09 Condition of departmental teamwork            | 80.1 | 93.9 | 94.4   |
| Q02 Frequency of employee/management interactions | 88.4 | 95.8 | 92.8   |
| Q42 Stability of workforce                        | 66.2 | 83.4 | 87.8   |
| Q47 Significance of job stress for employees      | 92.5 | 94.5 | 86.3   |
| Q16 Condition of employee morale                  | 88.3 | 93.1 | 85.8   |

### Average Response Scores of Organizational Climate Components ⓘ

| Component                                         | 2020   | 2022   | 2025   |
|---------------------------------------------------|--------|--------|--------|
| Q02 Frequency of employee/management interactions | 1.1802 | 1.3649 | 1.2950 |
| Q09 Condition of departmental teamwork            | 0.8447 | 1.1072 | 1.1269 |
| Q16 Condition of employee morale                  | 0.8149 | 0.9445 | 0.7578 |
| Q42 Stability of workforce                        | 0.8166 | 0.9951 | 1.0556 |
| Q47 Significance of job stress for employees      | 0.2889 | 0.3592 | 0.1763 |

### Response Distributions of Organizational Climate Components ▼



# Comparison by Position

(PG&E-20)

14

Survey respondents were asked to provide demographic information at the conclusion of the **NSC Safety Barometer**.  
These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

Number of Responses 6,634 

| Position                                | Count |
|-----------------------------------------|-------|
| I am an external third-party contractor | 6,634 |

Comparison by Role

Survey respondents were asked to provide demographic information at the conclusion of the NSC Safety Barometer. These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

Number of Responses

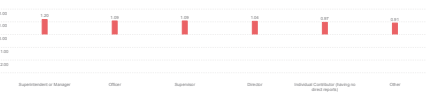
| Role                                              | Count |
|---------------------------------------------------|-------|
| Other                                             | 2,483 |
| Individual Contributor (having no direct reports) | 2,474 |
| Supervisor                                        | 620   |
| Superintendent or Manager                         | 402   |
| No response                                       | 227   |
| Officer                                           | 132   |
| Director                                          | 105   |

Average Response Scores by Role

Average response scores, on a scale of 2 to +2, were calculated for demographic subgroups. The following tables and figures reflect these comparisons across the 50 standard items, six performance categories, and overall. For comparisons by role, the performance categories and overall, an upward pointing caret ^ indicates that the group's perceptions were significantly higher than the other group, whereas a downward pointing caret v indicates perceptions from that particular group were significantly lower than the other group.

In general, overall safety perceptions are positive across all roles. Superintendent or Manager generally held the most positive safety perceptions, with significantly higher average response scores across all six performance categories and overall while employees that identified "other" reported the least positive perceptions. Meaningful differences in employee perceptions point to an opportunity to customize action planning efforts to elevate perceptions for lower-scoring groups.

Overall Average Response Scores



Overall and Performance Category Average Response Scores



Overall and Performance Category Average Response Scores

| Role                                              | Management Commitment | Supervisor Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|---------------------------------------------------|-----------------------|-----------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| Superintendent or Manager                         | 1.18                  | 1.24                  | 1.32                 | 1.12                      | 1.05                   | 1.04                   | 1.20    |
| Officer                                           | 1.07                  | 1.23                  | 1.24                 | 0.89                      | 0.94                   | 0.92                   | 1.09    |
| Supervisor                                        | 1.03                  | 1.22                  | 1.26                 | 1.00                      | 0.95                   | 0.97                   | 1.13    |
| Director                                          | 1.02                  | 1.17                  | 1.15                 | 0.97                      | 1.00                   | 0.92                   | 1.04    |
| Individual Contributor (having no direct reports) | 0.81                  | 1.12                  | 1.09                 | 0.87                      | 0.91                   | 0.86                   | 0.97    |
| Other                                             | 0.81                  | 1.02                  | 1.06                 | 0.82                      | 0.82                   | 0.86                   | 0.91    |

Safety Component Average Response Scores

| Group: Standard Item                                                                 | Director | Individual Contributor (having no direct reports) | Officer | Other | Superintendent or Manager | Supervisor |
|--------------------------------------------------------------------------------------|----------|---------------------------------------------------|---------|-------|---------------------------|------------|
| Q1 Employees identifying and eliminating hazards (S)                                 | 1.46     | 1.45                                              | 1.58    | 1.43  | 1.43                      | 1.58       |
| Q2 Frequency of employee/management interactions (IC)                                | 1.29     | 1.26                                              | 1.45    | 1.26  | 1.50                      | 1.40       |
| Q3 Priority of safety relative to production (SIC)                                   | 0.82     | 0.79                                              | 0.76    | 0.69  | 0.84                      | 0.65       |
| Q4 Employees being involved in safety and health practices (S)                       | 0.94     | 0.97                                              | 1.08    | 1.05  | 1.12                      | 1.17       |
| Q5 Supervisors maintaining a high safety performance standard (S)                    | 1.46     | 1.42                                              | 1.43    | 1.42  | 1.62                      | 1.55       |
| Q6 Frequency of detailed and regularly scheduled inspections (SA)                    | 1.11     | 1.10                                              | 1.15    | 1.15  | 1.25                      | 1.29       |
| Q7 Management displaying the importance of safety in communications (SIC)            | 0.85     | 0.29                                              | 0.48    | 0.11  | 0.51                      | 0.13       |
| Q8 Frequency of safety meeting occurrence (SA)                                       | 0.76     | 0.72                                              | 0.82    | 0.64  | 0.99                      | 0.69       |
| Q9 Condition of departmental teamwork (SIC)                                          | 0.97     | 1.10                                              | 1.03    | 1.13  | 1.20                      | 1.23       |
| Q10 Belief that management shows its care for employee safety (SIC)                  | 1.44     | 1.34                                              | 1.52    | 1.29  | 1.57                      | 1.48       |
| Q11 Employees believing that their actions can protect co-workers (S)                | 1.42     | 1.51                                              | 1.47    | 1.46  | 1.67                      | 1.45       |
| Q12 Supervisors behaving in accord with safe job procedures (S)                      | 1.25     | 1.14                                              | 1.16    | 0.97  | 1.44                      | 1.13       |
| Q13 Designated employees well trained in emergency practices (SA)                    | 1.10     | 1.09                                              | 1.20    | 1.09  | 1.29                      | 1.28       |
| Q14 Management publishing a policy on the value of employee safety (SIC)             | 1.10     | 1.19                                              | 1.40    | 1.13  | 1.41                      | 1.36       |
| Q15 Thoroughness of near hit investigations (SA)                                     | 1.14     | 1.17                                              | 1.23    | 1.18  | 1.29                      | 1.29       |
| Q16 Condition of employee morale (SIC)                                               | 0.87     | 0.75                                              | 0.88    | 0.88  | 0.99                      | 0.84       |
| Q17 Belief that management does more than law requires (SIC)                         | 0.72     | 0.49                                              | 0.72    | 0.31  | 0.88                      | 0.55       |
| Q18 Belief that employees understand safety and health requirements (S)              | 1.11     | 1.43                                              | 1.47    | 1.42  | 1.58                      | 1.15       |
| Q19 Supervisors enforcing safe job procedures (S)                                    | 1.43     | 1.41                                              | 1.43    | 1.40  | 1.59                      | 1.54       |
| Q20 Employees using mandated procedures for hazardous materials (S)                  | 1.08     | 1.18                                              | 1.25    | 1.18  | 1.37                      | 1.30       |
| Q21 Management providing adequate safety staff (SIC)                                 | 1.03     | 1.12                                              | 1.20    | 1.14  | 1.23                      | 1.29       |
| Q22 Effectiveness of award programs in promoting safe behavior (SA)                  | 0.27     | 0.29                                              | 0.29    | 0.21  | 0.45                      | 0.25       |
| Q23 Safety standards relative to job performance standards (SIC)                     | 0.59     | 0.58                                              | 0.56    | 0.59  | 0.65                      | 0.52       |
| Q24 High level understanding among employees of job safety problems (S)              | 1.12     | 1.23                                              | 1.27    | 1.18  | 1.32                      | 1.33       |
| Q25 Employees following technological procedures (S)                                 | 1.11     | 1.00                                              | 1.20    | 1.00  | 1.26                      | 1.15       |
| Q26 Presence of safety training in new employee orientation (SA)                     | 1.14     | 1.41                                              | 1.55    | 1.37  | 1.40                      | 1.14       |
| Q27 Belief that management is sincere in safety efforts (SIC)                        | 1.11     | 1.34                                              | 1.44    | 1.27  | 1.55                      | 1.42       |
| Q28 Supervisors acting on employee safety suggestions (S)                            | 0.82     | 0.59                                              | 0.83    | 0.50  | 0.87                      | 0.56       |
| Q29 Occurrence of emergency response procedures being (SA)                           | 0.74     | 0.52                                              | 0.59    | 0.46  | 0.79                      | 0.41       |
| Q30 Effectiveness of department safety committee in improving safety conditions (SA) | 0.96     | 0.99                                              | 1.16    | 1.03  | 1.23                      | 1.21       |
| Q31 Management setting a positive safety example (SIC)                               | 1.22     | 1.21                                              | 1.29    | 1.15  | 1.45                      | 1.33       |
| Q32 Supervisors integrating safety into the work process (S)                         | 1.27     | 1.30                                              | 1.41    | 1.26  | 1.52                      | 1.42       |
| Q33 Quality of preventive maintenance action program (SA)                            | 0.76     | 0.43                                              | 0.43    | 0.27  | 0.81                      | 0.50       |
| Q34 Management participating in safety activities on a regular basis (SIC)           | 1.05     | 1.02                                              | 1.17    | 0.95  | 1.23                      | 1.14       |
| Q35 Perception that the safety specialists have high status (SIC)                    | 0.81     | 0.87                                              | 1.03    | 0.87  | 1.10                      | 1.09       |
| Q36 Belief that hazards not fixed right away will be addressed (SIC)                 | 0.42     | 0.75                                              | 0.91    | 0.69  | 1.03                      | 0.46       |
| Q37 Employees take part when accident or incident investigations are (S)             | 0.97     | 0.79                                              | 1.09    | 0.80  | 1.24                      | 1.07       |
| Q38 Supervisors providing helpful safety training (S)                                | 1.09     | 1.23                                              | 1.33    | 1.19  | 1.29                      | 1.27       |
| Q39 Perception that medical resources are sufficient (SIC)                           | 1.12     | 0.97                                              | 1.17    | 0.95  | 1.22                      | 1.16       |
| Q40 Management including safety in job performance review (SIC)                      | 0.69     | 0.57                                              | 0.81    | 0.47  | 0.95                      | 0.71       |
| Q41 Availability of safety specialists to provide assistance (SA)                    | 1.09     | 1.02                                              | 1.30    | 1.00  | 1.35                      | 1.22       |
| Q42 Stability of workforce (SIC)                                                     | 0.83     | 1.01                                              | 1.09    | 1.06  | 1.16                      | 1.14       |
| Q43 Supervisors reducing employees fear of reporting safety problems (S)             | 0.91     | 0.81                                              | 0.95    | 0.88  | 1.04                      | 0.87       |
| Q44 Supervisors investigating incidents (S)                                          | 1.14     | 0.96                                              | 1.21    | 0.92  | 1.27                      | 1.19       |
| Q45 Perception that good environmental conditions are kept (SIC)                     | 1.09     | 1.01                                              | 1.14    | 0.96  | 1.21                      | 1.17       |
| Q46 Employees using necessary personal protective equipment (S)                      | 1.05     | 1.01                                              | 1.15    | 0.93  | 1.21                      | 1.14       |
| Q47 Significance of job stress for employees (SIC)                                   | 0.12     | 0.16                                              | 0.17    | 0.16  | 0.24                      | 0.19       |
| Q48 Belief that management rates experience above other (SIC)                        | 1.36     | 1.30                                              | 1.33    | 1.14  | 1.43                      | 1.37       |
| Q49 Management setting annual safety goals (SIC)                                     | 0.96     | 0.97                                              | 1.07    | 0.96  | 1.16                      | 1.16       |
| Q50 Employees taking part in the development of safety requirements (S)              | 0.46     | 0.47                                              | 0.46    | 0.46  | 0.74                      | 0.40       |

(PG&E-20)

Survey respondents were asked to provide demographic information at the conclusion of the NSC Safety Barometer. These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

## Number of Responses: 5650

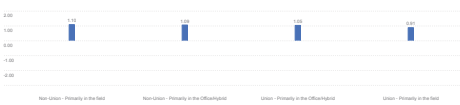
| Group                                    | Count |
|------------------------------------------|-------|
| Union - Primarily in the field           | 2,907 |
| Non-Union - Primarily in the OffHighland | 1,453 |
| Non-Union - Primarily in the field       | 780   |
| No response                              | 245   |
| Union - Primarily in the OffHighland     | 218   |

## Average Response Scores by Group

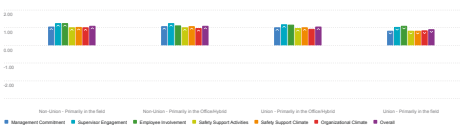
Average response scores, on a scale of -2 to +2, were calculated for demographic subgroups. The following tables and figures reflect these comparisons across the 50 standard items, six performance categories, and overall. For comparisons by the six performance categories and overall, an upward pointing caret ^ indicates that the group's perceptions were significantly higher than the other groups, whereas a downward pointing caret v indicates perceptions from that particular group were significantly lower than the other groups.

In general, safety perceptions are positive across all groups. Non-Union - Primarily in the field held the highest overall average response score followed by Non-Union - Primarily in the OffHighland. In contrast, Union - Primarily in the field held significantly lower scores across all six performance categories and overall. Differences of this magnitude indicate that increased safety-related communications among groups may be beneficial in reducing gaps in perceptions.

## Overall Average Response Score



## Overall and Performance Category Average Response Scores



## Overall and Performance Category Average Response Scores

| Group                                    | Management Commitment | Supervisor Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|------------------------------------------|-----------------------|-----------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| Non-Union - Primarily in the field       | 1.08                  | 1.05                  | 1.05                 | 1.05                      | 1.05                   | 1.05                   | 1.08    |
| Non-Union - Primarily in the OffHighland | 1.07                  | 1.05                  | 1.05                 | 1.05                      | 1.05                   | 1.05                   | 1.07    |
| Union - Primarily in the OffHighland     | 1.05                  | 1.05                  | 1.05                 | 1.05                      | 1.05                   | 1.05                   | 1.05    |
| Union - Primarily in the field           | 1.05                  | 1.05                  | 1.05                 | 1.05                      | 1.05                   | 1.05                   | 1.05    |

## Safety Component Average Response Scores

| Group | Standard Question                                                                 | Non-Union - Primarily in the field | Non-Union - Primarily in the OffHighland | Union - Primarily in the field | Union - Primarily in the OffHighland |
|-------|-----------------------------------------------------------------------------------|------------------------------------|------------------------------------------|--------------------------------|--------------------------------------|
| Q01   | Employees identifying and eliminating hazards (S)                                 | 1.05                               | 1.02                                     | 1.07                           | 1.09                                 |
| Q02   | Frequency of employee/management interactions (S)                                 | 1.02                               | 1.05                                     | 1.05                           | 1.06                                 |
| Q03   | Priority of safety relative to production (SSC)                                   | 0.81                               | 1.07                                     | 0.40                           | 0.81                                 |
| Q04   | Employees being involved in safety and health practices (S)                       | 1.14                               | 0.90                                     | 1.05                           | 1.01                                 |
| Q05   | Supervisors maintaining a high safety performance standard (S)                    | 1.05                               | 1.09                                     | 1.01                           | 1.06                                 |
| Q06   | Frequency of detailed and regularly scheduled inspections (SCA)                   | 1.23                               | 0.97                                     | 1.21                           | 1.14                                 |
| Q07   | Management stressing the importance of safety in communications (MC)              | 0.24                               | 0.74                                     | -0.13                          | 0.21                                 |
| Q08   | Frequency of safety meeting occurrence (SSA)                                      | 0.81                               | 1.05                                     | 0.49                           | 0.87                                 |
| Q09   | Condition of departmental teamwork (SC)                                           | 1.21                               | 1.14                                     | 1.11                           | 1.18                                 |
| Q10   | Belief that management shows it cares for employee safety (SSC)                   | 1.49                               | 1.46                                     | 1.29                           | 1.43                                 |
| Q11   | Employees believing that their actions can protect coworkers (S)                  | 1.62                               | 1.50                                     | 1.53                           | 1.53                                 |
| Q12   | Supervisors behaving in accord with safe job procedures (S)                       | 1.26                               | 1.49                                     | 0.91                           | 1.18                                 |
| Q13   | Employed employees well trained in emergency procedures (SCA)                     | 1.23                               | 1.13                                     | 1.11                           | 1.23                                 |
| Q14   | Management publishing a policy on the value of employee safety (MC)               | 1.34                               | 1.29                                     | 1.05                           | 1.26                                 |
| Q15   | Thoroughness of new hire investigations (SSA)                                     | 1.33                               | 1.17                                     | 1.22                           | 1.27                                 |
| Q16   | Condition of employee morale (SC)                                                 | 0.93                               | 0.99                                     | 0.83                           | 0.77                                 |
| Q17   | Belief that management does more than law requires (SSC)                          | 0.52                               | 0.52                                     | 0.26                           | 0.65                                 |
| Q18   | Belief that employees understand safety and health requirements (S)               | 1.07                               | 1.44                                     | 1.43                           | 1.46                                 |
| Q19   | Supervisors enforcing safe job procedures (S)                                     | 1.54                               | 1.46                                     | 1.41                           | 1.47                                 |
| Q20   | Employees using standardized procedures for hazardous materials (S)               | 1.30                               | 1.18                                     | 1.20                           | 1.19                                 |
| Q21   | Management providing adequate safety staff (MC)                                   | 1.30                               | 1.12                                     | 1.15                           | 1.25                                 |
| Q22   | Effectiveness of award programs in promoting safe behavior (SCA)                  | 0.24                               | 0.58                                     | 0.12                           | 0.34                                 |
| Q23   | Safety standards relative to job performance standards (SSC)                      | 0.46                               | 0.64                                     | 0.19                           | 0.54                                 |
| Q24   | Supervisors understanding employee job safety problems (S)                        | 1.25                               | 1.19                                     | 1.10                           | 1.20                                 |
| Q25   | Employees following lockout/tagout procedures (S)                                 | 1.09                               | 0.97                                     | 1.05                           | 1.11                                 |
| Q26   | Frequency of safety training in new employee orientation (SCA)                    | 1.56                               | 1.45                                     | 1.39                           | 1.43                                 |
| Q27   | Belief that management is serious in safety efforts (SSC)                         | 1.47                               | 1.47                                     | 1.26                           | 1.40                                 |
| Q28   | Supervisors acting on employee safety suggestions (S)                             | 0.69                               | 0.99                                     | 0.21                           | 0.60                                 |
| Q29   | Occurrence of emergency response procedures testing (SCA)                         | 0.67                               | 0.91                                     | 0.28                           | 0.58                                 |
| Q30   | Effectiveness of department safety committee in improving safety conditions (SCA) | 1.20                               | 1.03                                     | 1.03                           | 1.02                                 |
| Q31   | Management setting a positive safety example (MC)                                 | 1.39                               | 1.13                                     | 1.14                           | 1.23                                 |
| Q32   | Supervisors integrating safety into the work process (S)                          | 1.45                               | 1.17                                     | 1.27                           | 1.35                                 |
| Q33   | Quality of preventive maintenance system operation (SCA)                          | 0.66                               | 0.80                                     | 0.21                           | 0.65                                 |
| Q34   | Management participating in safety activities on a regular basis (MC)             | 1.12                               | 1.11                                     | 0.96                           | 1.12                                 |
| Q35   | Perception that the safety specialists have high status (SSC)                     | 1.04                               | 0.81                                     | 0.93                           | 0.96                                 |
| Q36   | Belief that hazards not fixed right away will not be addressed (SSC)              | 0.98                               | 0.95                                     | 0.85                           | 0.87                                 |
| Q37   | Employees take part when accident or incident investigations occur (S)            | 1.03                               | 0.95                                     | 0.83                           | 0.95                                 |
| Q38   | Supervisors providing helpful safety training (S)                                 | 1.36                               | 1.24                                     | 1.21                           | 1.20                                 |
| Q39   | Perception that medical resources are sufficient (SSC)                            | 1.09                               | 0.95                                     | 1.05                           | 1.06                                 |
| Q40   | Management including safety in job promotion reviews (MC)                         | 0.75                               | 0.91                                     | 0.42                           | 0.77                                 |
| Q41   | Availability of safety specialists to provide assistance (SCA)                    | 1.20                               | 1.08                                     | 1.03                           | 1.14                                 |
| Q42   | Stability of workforce (SC)                                                       | 1.16                               | 1.00                                     | 1.05                           | 1.05                                 |
| Q43   | Supervisors reducing employees fear of reporting safety problems (S)              | 0.95                               | 1.07                                     | 0.83                           | 0.88                                 |
| Q44   | Supervisors investigating incidents (S)                                           | 1.10                               | 1.02                                     | 0.96                           | 1.18                                 |
| Q45   | Perception that good environmental conditions are met (SSC)                       | 1.10                               | 1.05                                     | 1.02                           | 1.11                                 |
| Q46   | Employees using necessary personal protective equipment (S)                       | 1.18                               | 1.06                                     | 0.94                           | 1.14                                 |
| Q47   | Significance of job stress for employees (SC)                                     | 0.29                               | 0.52                                     | 0.09                           | 0.27                                 |
| Q48   | Belief that management trains supervisors think about safety (SSC)                | 1.35                               | 1.28                                     | 1.16                           | 1.32                                 |
| Q49   | Management setting annual safety goals (MC)                                       | 1.15                               | 1.02                                     | 0.97                           | 1.06                                 |
| Q50   | Employees taking part in the development of safety requirements (S)               | 1.15                               | 1.02                                     | 0.96                           | 0.94                                 |



Comparison by Tenure

Survey respondents were asked to provide demographic information at the conclusion of the NSC Safety Barometer. These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

Number of Responses

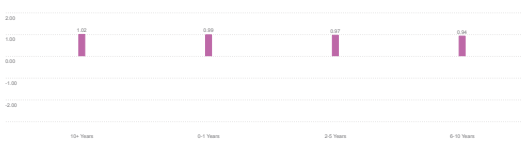
| Tenure      | Count |
|-------------|-------|
| 0-1 Years   | 1,816 |
| 2-5 Years   | 2,824 |
| 6-10 Years  | 1,121 |
| 10+ Years   | 892   |
| No response | 221   |

Average Response Scores by Tenure

Average response scores, on a scale of -2 to +2, were calculated for demographic subgroups. The following tables and figures reflect these comparisons across the 50 standard items, six performance categories, and overall. For comparisons by the six performance categories and overall, an upward pointing caret ^ indicates that the group's perceptions were significantly higher than the other groups', whereas a downward pointing caret v indicates perceptions from that particular group were significantly lower than the other groups'.

In general, overall safety perceptions are positive across all tenure groups. Employees with 10+ years of tenure reported significantly more positive perceptions overall and across five of the six performance categories, with an exception in the Organizational Climate category. In contrast, employees with 0-10 years of tenure held the least positive perceptions overall. Differences in perception among higher- and lower-scoring tenure groups were meaningful. Include employees across tenure groups in action planning committees to address gaps in perception.

Overall Average Response Score by Year



Overall and Performance Category Average Response Scores



Overall and Performance Category Average Response Scores

| Tenure     | Management Commitment | Superior Engagement | Employee Involvement | Safety Support Activities | Safety Support Climate | Organizational Climate | Overall |
|------------|-----------------------|---------------------|----------------------|---------------------------|------------------------|------------------------|---------|
| 10+ Years  | ^ 0.97                | ^ 1.15              | ^ 1.19               | ^ 0.93                    | ^ 0.98                 | 0.88                   | 1.02    |
| 0-1 Years  | v 0.93                | v 1.14              | v 1.09               | 0.90                      | v 0.94                 | v 0.99                 | 0.99    |
| 2-5 Years  | v 0.89                | 1.11                | 1.12                 | 0.89                      | v 0.90                 | 0.88                   | 0.97    |
| 6-10 Years | v 0.86                | v 1.08              | 1.13                 | v 0.85                    | v 0.85                 | v 0.82                 | v 0.94  |

Safety Component Average Response Scores

| Group - Standard Questions                                                            | 0-1 Years | 2-5 Years | 6-10 Years | 10+ Years |
|---------------------------------------------------------------------------------------|-----------|-----------|------------|-----------|
| Q01 Employees identifying and eliminating hazards (EI)                                | 1.44      | 1.53      | 1.46       | 1.50      |
| Q02 Frequency of employee/management interactions (OC)                                | 1.33      | 1.34      | 1.27       | 1.27      |
| Q03 Priority of safety relative to production (SSC)                                   | 0.73      | 0.70      | 0.63       | 0.48      |
| Q04 Employees being involved in safety and health practices (EI)                      | 0.98      | 1.09      | 1.02       | 1.05      |
| Q05 Supervisors maintaining a high safety performance standard (SE)                   | 1.48      | 1.44      | 1.44       | 1.42      |
| Q06 Frequency of detailed and regularly scheduled inspections (SSA)                   | 1.12      | 1.08      | 1.16       | 1.18      |
| Q07 Management stressing the importance of safety in communications (MC)              | 0.16      | 0.30      | 0.10       | 0.04      |
| Q08 Frequency of safety meeting occurrence (SSA)                                      | 0.77      | 0.74      | 0.65       | 0.53      |
| Q09 Condition of departmental teamwork (OC)                                           | 1.19      | 1.10      | 1.12       | 1.09      |
| Q10 Belief that management shows it cares for employee safety (SSC)                   | 1.38      | 1.40      | 1.35       | 1.32      |
| Q11 Employees believing that their actions can protect coworkers (EI)                 | 1.50      | 1.80      | 1.53       | 1.57      |
| Q12 Supervisors behaving in accord with safe job procedures (SE)                      | 1.18      | 1.08      | 1.10       | 0.97      |
| Q13 Designated employees well trained in emergency practices (SSA)                    | 1.10      | 1.14      | 1.15       | 1.14      |
| Q14 Management publishing a policy on the value of employee safety (MC)               | 1.20      | 1.29      | 1.20       | 1.21      |
| Q15 Thoroughness of near miss investigations (SSA)                                    | 1.19      | 1.23      | 1.23       | 1.23      |
| Q16 Condition of employee morale (OC)                                                 | 0.84      | 0.76      | 0.77       | 0.60      |
| Q17 Belief that management does more than law requires (SSC)                          | 0.54      | 0.49      | 0.43       | 0.39      |
| Q18 Belief that employees understand safety and health requirements (EI)              | 1.42      | 1.47      | 1.46       | 1.48      |
| Q19 Supervisors enforcing safe job procedures (SE)                                    | 1.45      | 1.43      | 1.44       | 1.42      |
| Q20 Employees using standardized precautions for hazardous materials (EI)             | 1.17      | 1.24      | 1.21       | 1.22      |
| Q21 Management providing adequate safety staff (MC)                                   | 1.17      | 1.25      | 1.14       | 1.16      |
| Q22 Effectiveness of award programs in promoting safe behavior (SSA)                  | 0.34      | 0.23      | 0.26       | 0.18      |
| Q23 Safety standards relative to job performance standards (SSC)                      | 0.44      | 0.35      | 0.34       | 0.21      |
| Q24 Supervisors understanding employee job safety problems (SE)                       | 1.24      | 1.23      | 1.23       | 1.20      |
| Q25 Employees following technological procedures (EI)                                 | 0.98      | 1.12      | 1.03       | 1.08      |
| Q26 Presence of safety training in new employee orientation (SSA)                     | 1.40      | 1.30      | 1.43       | 1.39      |
| Q27 Belief that management is sincere in safety efforts (SSC)                         | 1.36      | 1.42      | 1.33       | 1.28      |
| Q28 Supervisors acting on employee safety suggestions (SE)                            | 0.48      | 0.81      | 0.49       | 0.47      |
| Q29 Occurrence of emergency response procedures training (SSA)                        | 0.53      | 0.56      | 0.54       | 0.46      |
| Q30 Effectiveness of department safety committee in improving safety conditions (SSA) | 1.03      | 1.09      | 1.06       | 1.05      |
| Q31 Management setting a positive safety example (MC)                                 | 1.24      | 1.24      | 1.21       | 1.17      |
| Q32 Supervisors integrating safety into the work process (SE)                         | 1.33      | 1.35      | 1.31       | 1.28      |
| Q33 Quality of preventive maintenance system operation (SSA)                          | 0.49      | 0.47      | 0.38       | 0.29      |
| Q34 Management participating in safety activities on a regular basis (MC)             | 1.04      | 1.09      | 1.01       | 1.00      |
| Q35 Perception that the safety specialists have high status (SSC)                     | 0.88      | 0.97      | 0.81       | 0.93      |
| Q36 Belief that hazards not fixed right away will still be addressed (SSC)            | 0.82      | 0.74      | 0.77       | 0.72      |
| Q37 Employees take part when accident or incident investigations occur (EI)           | 0.77      | 1.04      | 0.84       | 0.82      |
| Q38 Supervisors providing helpful safety training (SE)                                | 1.24      | 1.27      | 1.23       | 1.22      |
| Q39 Perception that medical resources are sufficient (SSC)                            | 0.99      | 1.13      | 1.00       | 0.98      |
| Q40 Management including safety in job promotion reviews (MC)                         | 0.66      | 0.58      | 0.59       | 0.50      |
| Q41 Availability of safety specialists to provide assistance (SSA)                    | 1.05      | 1.12      | 1.06       | 1.05      |
| Q42 Stability of workforce (OC)                                                       | 1.07      | 1.09      | 1.05       | 1.04      |
| Q43 Supervisors reducing employees fear of reporting safety problems (SE)             | 0.84      | 0.80      | 0.78       | 0.69      |
| Q44 Supervisors investigating incidents (SE)                                          | 1.01      | 1.08      | 0.97       | 1.00      |
| Q45 Perception that good environmental conditions are kept (SSC)                      | 1.03      | 1.10      | 1.02       | 1.03      |
| Q46 Employees using necessary personal protective equipment (EI)                      | 1.01      | 1.07      | 1.01       | 0.96      |
| Q47 Significance of job stress for employees (OC)                                     | 0.29      | 0.06      | 0.18       | 0.09      |
| Q48 Belief that management insists supervisors think about safety (SSC)               | 1.24      | 1.29      | 1.20       | 1.16      |
| Q49 Management setting annual safety goals (MC)                                       | 1.03      | 1.04      | 1.00       | 0.96      |
| Q50 Employees taking part in the development of safety requirements (EI)              | 0.51      | 0.50      | 0.49       | 0.38      |

## Comparison by Primary Region

Survey respondents were asked to provide demographic information at the conclusion of the NRC Safety Barometer. These responses were used to conduct analyses and provide these subgroup comparisons.

In order to protect respondent anonymity and to avoid making inaccurate generalizations based on an inadequate sample size, comparisons were not computed for groups with fewer than five respondents.

### Number of Responses

|                                      |       |
|--------------------------------------|-------|
| Primary Region                       | 859   |
| Region 2 - North Valley & Sierra     | 2,153 |
| Region 3 - Bay Area                  | 1,460 |
| Region 4 - Central Valley            | 1,034 |
| Region 5 - North Coast               | 776   |
| Region 6 - South Bay & Central Coast | 644   |
| Other - Outside Territory            | 334   |
| No response                          | 233   |

### Average Response Scores by Primary Region

Average response scores, on a scale of 2 to 4, were calculated for demographic subgroups. The following tables and figures reflect these comparisons across the 50 standard items, six performance categories, and overall. For comparisons by the six performance categories and overall, an upward pointing caret ^ indicates that the group's perceptions were significantly higher than the other group, whereas a downward pointing caret v indicates perceptions from that particular group were significantly lower than the other group.

In general, overall safety perceptions are positive across all regions. Other - Outside Territory employees reported slightly higher overall scores in four of the six performance categories and overall, with exceptions Employee Involvement and Organizational Climate. In contrast, Region 1 - North Coast had the least positive perceptions overall and across all six performance categories. Differences in average response scores among higher-scoring and lower-scoring primary regions were meaningful. Employees across regions should be included in results interpretation and action planning processes to provide important insights and increase safety-related engagement.

### Overall Average Response Scores



### Overall and Performance Category Average Response Scores



### Overall and Performance Category Average Response Scores

| Primary Region                       | Management Commitment | Employee Involvement | Employee Involvement | Safety Support Climate | Organizational Climate | Overall |
|--------------------------------------|-----------------------|----------------------|----------------------|------------------------|------------------------|---------|
| Other - Outside Territory            | 2.85                  | 2.80                 | 2.80                 | 2.80                   | 2.75                   | 2.80    |
| Region 2 - North Valley & Sierra     | 2.80                  | 2.80                 | 2.80                 | 2.80                   | 2.75                   | 2.80    |
| Region 3 - Bay Area                  | 2.80                  | 2.80                 | 2.80                 | 2.80                   | 2.75                   | 2.80    |
| Region 4 - Central Valley            | 2.80                  | 2.80                 | 2.80                 | 2.80                   | 2.75                   | 2.80    |
| Region 5 - North Coast               | 2.75                  | 2.75                 | 2.75                 | 2.75                   | 2.70                   | 2.75    |
| Region 6 - South Bay & Central Coast | 2.75                  | 2.75                 | 2.75                 | 2.75                   | 2.70                   | 2.75    |

### Safety Component Average Response Scores

| Safety Component                                                                    | Other - Outside Territory | Region 2 - North Valley & Sierra | Region 3 - Bay Area | Region 4 - Central Valley | Region 5 - North Coast | Region 6 - South Bay & Central Coast |
|-------------------------------------------------------------------------------------|---------------------------|----------------------------------|---------------------|---------------------------|------------------------|--------------------------------------|
| Q01 Employees identifying and eliminating hazards (B)                               | 1.35                      | 1.40                             | 1.35                | 1.45                      | 1.45                   | 1.50                                 |
| Q02 Frequency of employee management interaction (B)                                | 1.35                      | 1.25                             | 1.25                | 1.35                      | 1.35                   | 1.35                                 |
| Q03 Priority of safety relative to production (B)                                   | 0.88                      | 0.64                             | 0.64                | 0.68                      | 0.68                   | 0.75                                 |
| Q04 Employees being involved in safety and health practices (B)                     | 0.88                      | 0.64                             | 1.03                | 1.03                      | 1.04                   | 0.99                                 |
| Q05 Good safety records maintaining a high safety performance standard (B)          | 1.45                      | 1.38                             | 1.45                | 1.48                      | 1.47                   | 1.43                                 |
| Q06 Frequency of detailed and regularly scheduled inspections (B)                   | 0.88                      | 1.14                             | 1.17                | 1.17                      | 1.18                   | 1.15                                 |
| Q07 Management showing the importance of safety in communications (B)               | 0.44                      | 0.64                             | 0.15                | 0.09                      | 0.08                   | 0.14                                 |
| Q08 Frequency of safety meetings/occurrences (B)                                    | 0.83                      | 0.53                             | 0.70                | 0.83                      | 0.85                   | 0.74                                 |
| Q09 Condition of departmental resources (B)                                         | 1.09                      | 1.10                             | 1.11                | 1.08                      | 1.17                   | 1.09                                 |
| Q10 Belief that management shows a concern for employee safety (B)                  | 1.38                      | 1.29                             | 1.38                | 1.43                      | 1.38                   | 1.38                                 |
| Q11 Employees believing that their actions can protect coworkers (B)                | 1.42                      | 1.49                             | 1.57                | 1.54                      | 1.54                   | 1.55                                 |
| Q12 Supervisors behaving in accord with safe job procedures (B)                     | 1.29                      | 0.88                             | 1.11                | 1.08                      | 1.05                   | 1.14                                 |
| Q13 Designated employees well trained in emergency practices (B)                    | 1.09                      | 1.11                             | 1.14                | 1.18                      | 1.17                   | 1.10                                 |
| Q14 Management publishing a policy on the value of employee safety (B)              | 1.21                      | 1.12                             | 1.25                | 1.23                      | 1.18                   | 1.20                                 |
| Q15 Thoroughness of near hit investigations (B)                                     | 1.08                      | 1.18                             | 1.25                | 1.28                      | 1.28                   | 1.17                                 |
| Q16 Condition of employee morale (B)                                                | 0.88                      | 0.58                             | 0.73                | 0.85                      | 0.78                   | 0.75                                 |
| Q17 Belief that management does more than law requires (B)                          | 0.77                      | 0.31                             | 0.53                | 0.42                      | 0.45                   | 0.40                                 |
| Q18 Belief that employees understand safety and health requirements (B)             | 1.43                      | 1.41                             | 1.48                | 1.45                      | 1.43                   | 1.44                                 |
| Q19 Supervisors enforcing safe job procedures (B)                                   | 1.41                      | 1.38                             | 1.45                | 1.47                      | 1.45                   | 1.43                                 |
| Q20 Employees using standardized procedures for hazardous materials (B)             | 1.11                      | 1.16                             | 1.23                | 1.23                      | 1.25                   | 1.19                                 |
| Q21 Management providing adequate safety staff (B)                                  | 1.08                      | 1.10                             | 1.20                | 1.17                      | 1.21                   | 1.13                                 |
| Q22 Effectiveness of award programs in promoting safe behavior (B)                  | 0.48                      | 0.13                             | 0.24                | 0.28                      | 0.28                   | 0.26                                 |
| Q23 Safety awards relative to job performance awards (B)                            | 0.60                      | 0.27                             | 0.25                | 0.31                      | 0.38                   | 0.31                                 |
| Q24 Supervisors understanding employee job safety problems (B)                      | 1.18                      | 1.21                             | 1.25                | 1.26                      | 1.19                   | 1.20                                 |
| Q25 Employees following technological procedures (B)                                | 0.80                      | 1.01                             | 1.08                | 1.06                      | 1.05                   | 1.00                                 |
| Q26 Frequency of safety training in new employee orientation (B)                    | 1.38                      | 1.38                             | 1.45                | 1.44                      | 1.45                   | 1.43                                 |
| Q27 Belief that management is serious in safety efforts (B)                         | 1.38                      | 1.30                             | 1.33                | 1.38                      | 1.35                   | 1.29                                 |
| Q28 Supervisors acting on employee safety suggestions (B)                           | 0.69                      | 0.37                             | 0.54                | 0.50                      | 0.47                   | 0.48                                 |
| Q29 Occurrence of emergency response procedures training (B)                        | 0.74                      | 0.45                             | 0.54                | 0.53                      | 0.52                   | 0.48                                 |
| Q30 Effectiveness of department safety committee in improving safety conditions (B) | 1.00                      | 0.88                             | 1.06                | 1.11                      | 1.08                   | 1.01                                 |
| Q31 Management setting a positive safety example (B)                                | 1.32                      | 1.14                             | 1.21                | 1.27                      | 1.28                   | 1.18                                 |
| Q32 Supervisors integrating safety into the work process (B)                        | 1.31                      | 1.24                             | 1.34                | 1.36                      | 1.31                   | 1.29                                 |
| Q33 Quality of preventive maintenance system operation (B)                          | 0.55                      | 0.29                             | 0.44                | 0.38                      | 0.44                   | 0.38                                 |
| Q34 Management participating in safety activities on a regular basis (B)            | 1.12                      | 0.88                             | 1.05                | 1.08                      | 0.98                   | 0.92                                 |
| Q35 Perception that the safety specialists have high status (B)                     | 0.86                      | 0.89                             | 0.93                | 0.93                      | 0.93                   | 0.90                                 |
| Q36 Belief that hazards not fixed right away will still be addressed (B)            | 0.80                      | 0.71                             | 0.76                | 0.80                      | 0.75                   | 0.79                                 |
| Q37 Employees take part after accident or incident investigations occur (B)         | 0.83                      | 0.83                             | 0.84                | 0.84                      | 0.88                   | 0.84                                 |
| Q38 Supervisors providing helpful safety training (B)                               | 1.18                      | 1.18                             | 1.25                | 1.27                      | 1.25                   | 1.24                                 |
| Q39 Perception that medical resources are sufficient (B)                            | 0.80                      | 0.84                             | 0.93                | 0.95                      | 0.95                   | 1.00                                 |
| Q40 Management including safety in health promotion efforts (B)                     | 0.71                      | 0.53                             | 0.58                | 0.58                      | 0.61                   | 0.58                                 |
| Q41 Availability of safety specialists to provide assistance (B)                    | 1.04                      | 1.00                             | 1.10                | 1.10                      | 1.07                   | 0.99                                 |
| Q42 Stability of workforce (B)                                                      | 1.02                      | 0.93                             | 1.05                | 1.12                      | 1.08                   | 1.07                                 |
| Q43 Supervisors reducing employee fear of reporting safety problems (B)             | 0.88                      | 0.73                             | 0.76                | 0.82                      | 0.75                   | 0.80                                 |
| Q44 Supervisors investigating incidents (B)                                         | 0.63                      | 0.62                             | 0.62                | 0.68                      | 0.66                   | 0.67                                 |
| Q45 Perception that good environmental conditions are kept (B)                      | 0.95                      | 0.97                             | 1.05                | 1.11                      | 1.00                   | 1.01                                 |
| Q46 Employees using necessary personal protective equipment (B)                     | 0.85                      | 0.86                             | 1.05                | 0.96                      | 1.06                   | 1.05                                 |
| Q47 Significance of job stress for employees (B)                                    | 0.33                      | 0.08                             | 0.18                | 0.26                      | 0.25                   | 0.10                                 |
| Q48 Belief that management makes supervisors think about safety (B)                 | 1.15                      | 1.14                             | 1.25                | 1.23                      | 1.22                   | 1.17                                 |
| Q49 Management setting overall safety goals (B)                                     | 0.95                      | 0.87                             | 1.05                | 1.03                      | 1.05                   | 0.95                                 |
| Q50 Employees taking part in the development of safety improvements (B)             | 0.59                      | 0.38                             | 0.49                | 0.51                      | 0.46                   | 0.45                                 |



*This page provides you with next steps on your path forward.*

It is recommended that you use these results as a guide for making continuous safety improvements. The data presented in this report can also be used to measure future progress. Employee involvement in the **NSC Safety Barometer** process is an important example of employees taking responsibility for the success of the safety management system and ultimately developing and maintaining a positive safety culture. Communications efforts by leadership should be made as soon as possible to follow-up with employees. Thanking employees, communicating results of the survey, and involving employees in the decision making process are fundamental aspects of a healthy safety culture.

## Path Forward - Action Planning

NSC recommends to use these results as a catalyst and guide for making future safety management system improvements.

### Leadership

Each focus area identified should be examined by leadership using a three-step process to:

1. investigate, discuss, and understand why the areas might have been identified as lower scoring priorities by survey respondents
2. decide whether attention to each candidate priority component aligns with broader cultural and strategic initiatives of the organization
3. select and implement specific action-oriented strategies for focus areas that are systemic or demand leadership action (e.g., Management Commitment components or areas that require substantial resources)

### Employee-led Action Planning Teams

In order to maximize use of survey results, engage in employee-led action planning that that will strengthen safety at your organization. Effective action plan development and management is key to real and sustained workplace safety improvement. Strong communication, timely action in response to employee-identified priorities, and involvement from leadership and employees are essential to your success.

- Build a team or teams of employees, supervisors, and leadership to interpret the survey results with the same three-step process described above
- Engage to develop, champion, and execute SMART action plans
- Monitor action plans and create timetable for measuring success through resurveying



Action Planning Teams should include a cross-section of employees from all levels and departments of the organization. This will allow for diverse perspectives and representatives from multiple teams to be part of the process, while also increasing interdepartmental cooperation.



# 2023 – 2024 Annual Pay Planning Merit Budget

**Decision Needed:** Determine the 2024 merit budget; 3.75% or remain at 3.25%. Based on market data, compensation recommends a merit budget of 3.75%

## Projected Total Salary Increase Budget

2023 Survey Results

| Survey Source | Employee Group  | 2024 Avg Total Increase (Proj) - Incl. 0s |         |             |                   | 2024 Avg Total Increase (Proj) - Excl. 0s |         |             |                   |
|---------------|-----------------|-------------------------------------------|---------|-------------|-------------------|-------------------------------------------|---------|-------------|-------------------|
|               |                 | National                                  | CA/West | SF/Bay Area | Utility or Energy | National                                  | CA/West | SF/Bay Area | Utility or Energy |
| Mercer        | All (non-union) | 3.9%                                      | -       | -           | 4.1%              | 4.1%                                      | -       | -           | 4.2%              |
|               | Ex/Salaried     | 3.9%                                      | -       | -           | 3.8%              | 4.0%                                      | -       | -           | 4.1%              |
|               | NEX/Hourly      | 3.7%                                      | -       | -           | 3.7%              | 4.0%                                      | -       | -           | 4.1%              |
| Aon           | All             | 4.8%                                      | 4.9%    | -           | 4.7%              | 5.0%                                      | 5.1%    | -           | 4.7%              |
|               | Management      | 4.6%                                      | 4.5%    | -           | 4.8%              | 4.9%                                      | 5.0%    | -           | 4.8%              |
|               | Professional    | 4.6%                                      | 4.5%    | -           | 4.9%              | 4.9%                                      | 4.9%    | -           | 4.9%              |
|               | Support         | 4.4%                                      | 4.3%    | -           | 4.8%              | 4.8%                                      | 4.9%    | -           | 4.8%              |
|               | Hourly          | 4.2%                                      | 3.9%    | -           | 4.6%              | 4.8%                                      | 4.8%    | -           | 4.6%              |
| WTW           | All             | -                                         | -       | -           | -                 | -                                         | -       | -           | 4.0%              |
|               | MMP*            | -                                         | -       | -           | -                 | -                                         | -       | -           | 4.0%              |
|               | Support         | -                                         | -       | -           | -                 | -                                         | -       | -           | 3.9%              |
|               | Prod+Man Labor  | -                                         | -       | -           | -                 | -                                         | -       | -           | 3.8%              |
| World at Work | All             | 4.1%                                      | 4.2%    | 4.2%        | 4.2%              | 4.1-4.2%                                  | 4.2%    | 4.2%        | 4.2%              |
|               | Ex/Salaried     | 4.1%                                      | 4.2%    | 4.3%        | 4.2%              | 4.2%                                      | 4.3%    | 4.3%        | 4.2%              |
|               | NEX/Hourly      | 4.1%                                      | 4.2%    | 4.2-4.3%    | 4.1%              | 4.2%                                      | 4.2%    | 4.2-4.3%    | 4.1%              |

\* MMP: Middle Management and Professional

1 • INTERNAL



*Public Advocates Office  
California Public Utilities Commission*

505 Van Ness Avenue  
San Francisco, CA 94102  
<http://publicadvocates.cpuc.ca.gov>

**PUBLIC ADVOCATES OFFICE  
DATA RESPONSE  
Pacific Gas & Electric Company Test Year 2027 General Rate Case  
A.25-05-009**

**Date:** 10 March 2026

**Origination Date:** 24 February 2026

**Response Due:** **10 March 2026**

**To:** Hannah Keller  
cc: [GRC@pge.com](mailto:GRC@pge.com)

GRC 2027 Coordinators:  
[GRCCaseCoordinators@pge.com](mailto:GRCCaseCoordinators@pge.com)

**From:** Dao Phan, Project Coordinator  
Public Advocates Office  
505 Van Ness Avenue, Room 4104  
San Francisco, CA 94102 [dao.phan@cpuc.ca.gov](mailto:dao.phan@cpuc.ca.gov)

**Data Request No:** GRC-2023-PhI\_DR\_PGE\_CalAdvocates034

**GENERAL OBJECTIONS**

Cal Advocates objects to each data request to the extent that it mischaracterizes Cal Advocates' opening testimony.

Cal Advocates objects to each data request to the extent that it is overly broad, unduly burdensome, or not reasonably calculated to lead to the discovery of admissible evidence.

Cal Advocates objects to each instruction and data request as overly broad and unduly burdensome to the extent that it seeks documents or information that PG&E will possess when it receives Cal Advocates' opening testimony. Responding to such requests would be oppressive, unduly burdensome, and unnecessarily expensive, and the burden of responding to such requests is substantially the same or less for PG&E as for Cal Advocates. All such documents and information will not be produced.

Cal Advocates objects to each instruction and data request to the extent that it seeks



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505 Van Ness Avenue  
San Francisco, CA 94102

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information or documents protected from disclosure by the attorney-client privilege, attorney work product doctrine, or any other applicable privilege.

**PG&E Question 1:**

**Referring to Cal Advocates CA-20, page 18, lines 7-10, wherein Cal Advocates testifies, “It is also possible for businesses and certain employees to manipulate, to some degree, a business’ cash flow by overspending on large capital projects and deferring routine maintenance expenses.”**

- a. Provide a definition of “certain employees.”
- b. Provide a detailed explanation of all the ways that a business and certain employees can manipulate a cash flow in the manner described in this testimony.
- c. Provide all documents and information supporting the testimony that a business can manipulate a cash flow in the manner described in this testimony.
- d. Provide a detailed explanation of all instances in which Cal Advocates asserts that the PG&E business or its “certain employees” have manipulated or attempted to manipulate a cash flow in the manner described in this testimony?
- e. Provide all documents and information support of all instances in which Cal Advocates asserts that the PG&E business or its “certain employees” have manipulated or attempted to manipulate a cash flow in the manner described in this testimony?

**Public Advocates Office Response to Questions 1a and 1b:**

Cal Advocates would define “certain employees” in this context to be anyone in any position with the ability to:

- overspend on capital projects or authorize such overspending;
- defer routine maintenance expense or authorize such deferrals;
- delay vendor payments or authorize payments to be delayed;
- accelerate customer collections or authorize such acceleration;
- sell receivables or authorize their sale; and/or
- use or authorize the use of journal entries to move funds between accounts for the purpose of inflating income or capital or decreasing expense.

**Public Advocates Office Response to Question 1c:**

Cal Advocates did not rely on specific documents or information in making the observation that businesses can manipulate cash flows. The ability to manipulate cash flow and core earnings in the ways described in Cal Advocates’ response to Questions 1a and 1b above is general knowledge in most accounting and business degrees.

**Public Advocates Office Response to Questions 1d and 1e:**



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Cal Advocates is not aware of and does not assert there are any specific instances in which PG&E or certain employees of PG&E have, or have attempted to, manipulate PG&E's cash flow or core earnings. However, Cal Advocates asserts that the fact that the possibility exists is a good reason why financial metrics do not belong in a ratepayer-funded Short-Term Incentive Plan.

**PG&E Question 2:**

**Referring to Cal Advocates CA-20, page 18, lines 7-10, wherein Cal Advocates testifies, "Using financial metrics as a basis for compensation creates a perverse incentive that could unintentionally encourage the opposite of its intended outcome, leading to negative or contrary results that end up costing ratepayers in the end."**

- a. Provide all documents and information which support the testimony's conclusion that "financial metrics as a basis for compensation creates a perverse incentive that could unintentionally encourage the opposite of its intended outcome, leading to negative or contrary results that end up costing ratepayers in the end."
- b. Provide a detailed explanation of all instances in which Cal Advocates asserts that PG&E's use of "financial metrics as a basis for compensation creates a perverse incentive that could unintentionally encourage the opposite of its intended outcome, leading to negative or contrary results that end up costing ratepayers in the end."
- c. Provide all documents and information which supports Cal Advocates assertion that PG&E's use of "financial metrics as a basis for compensation creates a perverse incentive that could unintentionally encourage the opposite of its intended outcome, leading to negative or contrary results that end up costing ratepayers in the end."

**Public Advocates Office Response to Question 2:**

As discussed in Cal Advocates' response to Question 1, Cal Advocates is not aware of and does not assert there are any specific instances in which PG&E or certain employees of PG&E have, or have attempted to, manipulate PG&E's cash flow or core earnings. However, Cal Advocates asserts that the fact that the possibility exists is a good reason why financial metrics do not belong in a ratepayer-funded Short-Term Incentive Plan.

**PG&E Question 3:**

**Referring to Cal Advocates CA-20, page 18, lines 11-13, wherein Cal Advocates testifies "In addition, Cal Advocates questions the reasonableness of the historical weighting for**





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**the financial performance metrics in 2024 because the weighting for financial performance in 2024 is identical to that for 2025.”**

a. Provide a detailed explanation of all reasons Cal Advocates “questions the reasonableness of the historical weighting for the financial performance metrics in 2024 because the weighting for financial performance in 2024 is identical to that for 2025.”

**Public Advocates Office Response to Question 3:**

Cal Advocates “questions the reasonableness of the historical weighting for the financial performance metrics” because historical weighting rewards the status quo rather than incentivizing improvement. One of the hallmarks of a good incentive plan is that it drives performance improvement by linking rewards directly to specific, measurable, and achievable goals rather than rewarding existing behavior. By maintaining the weighting of a prior year, PG&E’s financial performance metric is not a “stretch goal,” i.e. one that is designed to encourage employees to improve. Cal Advocates questions the reasonableness of that approach. Furthermore, PG&E frequently changes the other STIP metrics and their weighting, so the financial performance metric not being adjusted from year to year indicates complacency or a desire to ensure a payout.

All responses prepared by Stacey Hunter

|                |   |                     |
|----------------|---|---------------------|
| Docket         | : | <u>A.23-05-010</u>  |
| Exhibit Number | : | <u>CA-19</u>        |
| Commissioner   | : | <u>Douglas</u>      |
| ALJs           | : | <u>Seybert/Park</u> |
| Witness        | : | <u>Emerson</u>      |



**PUBLIC ADVOCATES OFFICE**  
**CALIFORNIA PUBLIC UTILITIES COMMISSION**

**Report on the Results of Operations  
for  
Southern California Edison Company  
General Rate Case  
Test Year 2025**

**Employee Benefits, Training and Support  
(Part 1 of 2)**

San Francisco, California  
February 29, 2024

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## **TABLE OF CONTENTS**

|                                                                                            | <b><u>Page</u></b> |
|--------------------------------------------------------------------------------------------|--------------------|
| I. INTRODUCTION .....                                                                      | 1                  |
| II. SUMMARY OF RECOMMENDATIONS .....                                                       | 1                  |
| III. OVERVIEW OF CAL ADVOCATES' ANALYSIS .....                                             | 3                  |
| IV. DISCUSSION / ANALYSIS OF EMPLOYEE BENEFITS,<br>TRAINING AND SUPPORT O&M EXPENSES ..... | 4                  |
| A.Short-Term Incentive Program (STIP) .....                                                | 4                  |
| B.Long-Term Incentive Plan (LTI) .....                                                     | 6                  |
| C.Executive Compensation .....                                                             | 8                  |
| D.Medical Programs .....                                                                   | 9                  |
| E.Executive Benefits .....                                                                 | 10                 |
| F. Recognition .....                                                                       | 11                 |
| V. WITNESS QUALIFICATIONS – CLAIR EMERSON .....                                            | 13                 |

**EMPLOYEE BENEFITS, TRAINING AND SUPPORT**  
**(Part 1 of 2)**

**I. INTRODUCTION**

This exhibit presents the analyses and recommendations of the Public Advocates Office (Cal Advocates) regarding Southern California Edison Company's (SCE or Edison) General Rate Case (GRC) requests for Operations and Maintenance (O&M) expenses related to Employee Benefits, Training and Support for Test Year (TY) 2025. SCE forecasts its Employee Training, Benefits and Support O&M expenses in Business Planning Elements (BPEs). This exhibit covers SCE's Exhibit SCE-06, Volume (Vol.) 04, Section III Employee Benefits and Programs. This SCE exhibit encompasses SCE's total compensation programs, such as base pay, short-term incentives, and long-term incentives; SCE's exhibit also covers recognition awards and employee benefits.

**II. SUMMARY OF RECOMMENDATIONS**

SCE forecasts \$516.089 million for its TY 2025 Employee Benefits and Programs O&M expenses.<sup>1</sup> The corresponding Cal Advocates' recommendation for SCE's Employee Benefits and Programs O&M expenses is \$393.587 million. Cal Advocates' recommendation is \$122.502 million less than SCE's request.

The following summarizes Cal Advocates' recommendations regarding SCE's Employee Benefits and Programs O&M expenses for TY 2025:

- Cal Advocates recommends \$43.195 million for SCE's Short-Term Incentive Program (STIP), which is \$71.991 million lower than SCE's TY request of \$115.186 million.
- Cal Advocates recommends no ratepayer funding for SCE's Long-Term Incentive Program (LTI), which is \$22.017 million lower than SCE's TY request of \$22.017 million.
- Cal Advocates recommends \$14.394 million for SCE's Executive Compensation, which is \$3.044 million lower than SCE's TY request of \$17.438 million.

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<sup>1</sup> Exhibit (Ex.) SCE-06, Vol. 04 E3, p. 35.

- Cal Advocates recommends \$126.312 million for SCE's Medical Programs, which is \$16.703 million lower than SCE's TY request of \$143.015 million.
- Cal Advocates recommends \$8.336 million for SCE's Executive Benefits, which is \$8.336 million lower than SCE's TY request of \$16.672 million.
- Cal Advocates recommends no ratepayer funding for SCE's Recognition Programs, which is \$0.411 million lower than SCE's TY request of \$0.411 million.

Regarding the Employee Benefits and Programs O&M expenses, Cal Advocates does not oppose SCE's requests for the following cost categories:

- Pension (service cost): \$79.086 million.
- Pension (non-service cost): -\$34.152 million.<sup>2</sup>
- 401(k) Savings Plan: \$122.609 million.
- Post-Retirement Benefits Other than Pension (PBOP) (service cost): \$20.772 million.
- PBOP (non-service cost): -\$20.772 million.<sup>3</sup>
- Disability Management Admin: \$1.112 million.
- Disability Programs: \$13.572 million.
- Dental Programs: \$12.281 million.
- Vision Programs: \$2.080 million.
- Group Life: \$1.239 million.
- Severance: \$1.288 million.
- Miscellaneous Benefits: \$2.235 million.

Table 19-1 on the following page compares SCE's historical data from 2018 to 2022, Cal Advocates' TY 2025 recommendation, and SCE's TY 2025 request for Employee Benefits and Programs O&M expenses:

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<sup>2</sup> Ex. SCE-06, WP Vol. 04, Book B, p. 102: "This activity describes the difference between the sum of the plan contribution for the current year and the amount of benefit obligation accumulated by active employees in the current year."

<sup>3</sup> Ex. SCE-06, WP Vol. 04, Book B, p. 131: "This activity describes the difference between the PBOP rate recoverable cost for the current year and the PBOP Service Cost for that year."

**Table 19-1**  
**Employee Benefits and Programs Expenses**  
**2018-2022 Recorded and 2025 Forecasts**  
**(\$000)**

| Description                | 2018      | 2019      | 2020      | 2021      | 2022       | SCE 2025 Forecast | Cal Advocates 2025 Forecast |
|----------------------------|-----------|-----------|-----------|-----------|------------|-------------------|-----------------------------|
|                            | \$        | \$        | \$        | \$        | \$         | \$                | \$                          |
| STIP                       | \$151,913 | \$189,066 | \$196,519 | \$203,192 | \$181,998  | \$115,186         | \$43,195                    |
| LTl                        | \$9,013   | \$10,082  | \$9,103   | \$14,553  | \$18,117   | \$22,017          | \$0                         |
| Exec. Compensation         | \$17,230  | \$14,747  | \$16,447  | \$16,771  | \$17,438   | \$17,438          | \$14,394                    |
| Recognition                | \$856     | \$687     | \$199     | \$418     | \$411      | \$411             | \$0                         |
| Pension (service cost)     | \$120,492 | \$108,941 | \$116,648 | \$125,371 | \$115,348  | \$79,086          | \$79,086                    |
| Pension (non-service cost) | -\$73,540 | -\$57,536 | -\$76,091 | -\$93,583 | -\$115,348 | -\$34,152         | -\$34,152                   |
| 401(k) Savings             | \$71,567  | \$80,295  | \$91,507  | \$95,913  | \$100,423  | \$122,609         | \$122,609                   |
| PBOP (service cost)        | \$36,316  | \$29,570  | \$37,412  | \$39,902  | \$33,361   | \$20,772          | \$20,772                    |
| PBOP (non-service cost)    | -\$18,914 | -\$23,220 | -\$37,412 | -\$39,902 | -\$33,361  | -\$20,772         | -\$20,772                   |
| Medical Programs           | \$85,278  | \$85,598  | \$78,067  | \$92,677  | \$103,981  | \$143,015         | \$126,312                   |
| Dental Plans               | \$11,256  | \$11,139  | \$11,799  | \$11,563  | \$10,757   | \$12,281          | \$12,281                    |
| Vision Service Plans       | \$2,330   | \$2,227   | \$2,339   | \$2,503   | \$1,903    | \$2,080           | \$2,080                     |
| Disability Mgmt. Admin     | \$597     | \$867     | \$1,125   | \$1,043   | \$1,077    | \$1,112           | \$1,112                     |
| Disability Programs        | \$15,203  | \$10,662  | \$11,827  | \$11,902  | \$12,113   | \$13,572          | \$13,572                    |
| Group Life                 | \$1,229   | \$1,253   | \$1,240   | \$1,244   | \$1,239    | \$1,239           | \$1,239                     |
| Severance                  | \$4,722   | \$2,651   | \$856     | \$1,672   | \$1,170    | \$1,288           | \$1,288                     |
| Miscellaneous Benefits     | \$2,976   | \$2,813   | \$2,415   | \$2,267   | \$2,228    | \$2,235           | \$2,235                     |
| Executive Benefits         | \$14,545  | \$9,446   | \$7,919   | \$10,524  | \$17,624   | \$16,672          | \$8,336                     |
| Total                      | \$453,069 | \$479,288 | \$471,919 | \$498,030 | \$470,479  | \$516,089         | \$393,587                   |

Source: SCE's response to data request (DR) PubAdv-SCE-023-CE3, Q.01, Ex. SCE-06, Vol. 04 E3, p. 68 & p. 140, and Ex. SCE-06, Vol. 04 E, p. 27.

### III. OVERVIEW OF CAL ADVOCATES' ANALYSIS

To conduct its analysis, Cal Advocates reviewed SCE's testimony and workpapers, issued data requests and analyzed SCE's responses. Cal Advocates also scheduled virtual meetings with SCE to obtain additional information and clarify forecast requests. To develop its recommendations, Cal Advocates conducted its own independent analysis, reviewed SCE's historical recorded adjusted expenses, SCE's forecast estimates, and relevant Commission decisions and precedent.

1 **IV. DISCUSSION / ANALYSIS OF EMPLOYEE BENEFITS, TRAINING AND**  
2 **SUPPORT O&M EXPENSES**

3 **A. Short-Term Incentive Program (STIP)**

4 In SCE's last GRC, the Commission adopted \$82.818 million as the appropriate  
5 level of ratepayer funding for STIP for 2021; SCE spent \$203.192 million on STIP that  
6 year.<sup>4</sup> For TY 2025, SCE requests \$115.186 million in ratepayer funding for STIP, an  
7 increase of 39% above what was previously authorized.<sup>5</sup> Cal Advocates recommends  
8 ratepayer funding of \$43.195 million for SCE's TY 2025 STIP expenses, which is  
9 \$71.991 million lower than SCE's request.

10 In SCE's 2021 GRC case, SCE weighted the metric for financial goals at 30%,  
11 and the Commission disallowed ratepayer funding for the 30% financial goals portion.<sup>6</sup>  
12 But SCE in this GRC requested a reduced financial-goal metric of 25%, which still  
13 amounts to \$28.797 million of SCE's TY STIP request.<sup>7</sup> Cal Advocates recommends  
14 that the Commission continue its longstanding policy of disallowing the financial-goal  
15 metric; and adopt an equal sharing of the remaining costs after removing the financial  
16 related STIP. Tweaking the metrics to reduce the weighting of one goal – that the  
17 Commission has consistently disallowed – to reduce the weighting of that one goal  
18 relative to the other metrics can be viewed as a strategy to increase ratepayer funding  
19 for the program. It should also be noted that SCE has modified its STIP as certain  
20 union employees are no longer included within the program.<sup>8</sup>

21 The Commission should consider what would happen if SCE lowered the  
22 weighting of the financial goals to 10% or eliminated it completely. One change to the  
23 weighting of the financial goals in a certain program should not mean that ratepayers

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<sup>4</sup> Ex. SCE-06, Vol. 04, p. 66.

<sup>5</sup> Ex. SCE-06, Vol. 04, p. 66.

<sup>6</sup> D.21-08-036 at 431-432.

<sup>7</sup> 25% of \$115.186 million equals \$28.797 million.

<sup>8</sup> Ex. SCE-06, Vol. 04, p. 49.



1 must fund the entire program. Shareholders should be expected to bear a more  
2 significant portion of STIP's costs – no matter what the metrics are.

3 The Commission also agreed with Cal Advocates on this matter in the past. In  
4 D.14-08-032, the Commission stated that “shareholders benefit from STIP as much as  
5 or more than do ratepayers.”<sup>9</sup> Therefore, shareholders should be funding as much as,  
6 or more than, ratepayers. Furthermore, STIP will be paid at a lower level if targets are  
7 not met, and it is within SCE's management's discretion whether to pay STIP at all in  
8 any given year. For these reasons, ratepayers should not be required to fund such a  
9 large “blank check” to SCE management.

10 SCE's ratepayers are facing economic struggles with increasing electric rates  
11 and bills, and this type of discretionary spending should be reined in. Ratepayers are  
12 already funding base pay, which covers the basic compliance and operations described  
13 in SCE's 2025 Company Goals. These goals include language about the following:  
14 “progress toward eliminating serious injuries and fatalities,” “maintain effective controls,”  
15 “sustain execution quality in operations,” and “improve reliability performance.”<sup>10</sup>  
16 Finally, Cal Advocates recommendation and calculation of ratepayers funding of STIP is  
17 consistent with its recommendation in PG&E's recent TY 2023 GRC. In that  
18 proceeding, the Commission found it reasonable in its D.23-11-069 to disallow  
19 ratepayer funding for the “financial goals metric” based on past precedent.<sup>11</sup> The  
20 Commission then went on to adopt an expense forecast for 2023 of \$87.212 million<sup>12</sup>  
21 which was the recommended ratepayer funding amount proposed by Cal Advocates.<sup>13</sup>

22 Ratepayers should fund no more than half of the STIP program, after the removal  
23 of the financial goals metric. Under Cal Advocates' recommendation, the STIP program  
24 expense forecast of ratepayer funding is \$43.195 million, as shown in Table 19-2 below.

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<sup>9</sup> D.14-08-032 at 520.

<sup>10</sup> Ex. SCE-06, workpapers Vol. 04, Bk. B, p. 10.

<sup>11</sup> D.23-11-069 at 609.

<sup>12</sup> D.23-11-069 at 609.

<sup>13</sup> D.23-11-069 at 606-607.

**Table 19-2**  
**Short-Term Incentive Plan**  
**SCE and Cal Advocates Proposed Ratepayer Funding Levels (\$000)**

|                                 | Proposed percentages |               | Proposed dollar amounts |               |
|---------------------------------|----------------------|---------------|-------------------------|---------------|
|                                 | SCE                  | Cal Advocates | SCE                     | Cal Advocates |
| Safety & Resiliency Goals       | 55.00%               | 27.50%        | \$63,352                | \$31,676      |
| Performance & Operational Goals | 20.00%               | 10.00%        | \$23,037                | \$11,519      |
| Financial Goals                 | 25.00%               | 0.00%         | \$28,797                | \$0           |
| Total                           | 100.00%              | 37.50%        | \$115,186               | \$43,195      |

Source: Ex SCE-06, workpapers Vol. 04, Bk. B, p. 10. The Financial Goals metric is labeled as "Achieve SCE core earnings target."

## **B. Long-Term Incentive Plan (LTI)**

SCE requested \$22.017 million for its Long-Term Incentive Plan (LTI), while Cal Advocates recommends that the amount be zero. SCE acknowledged that the Commission has admonished SCE for continuing to seek rate recovery for LTI, but SCE proceeds to request rate recovery for LTI anyway.<sup>14</sup> SCE argued that LTI is an integral part of the total compensation package, and SCE noted that new language adopted in Assembly Bill (AB) 1054 includes language about incentives.<sup>15</sup> But AB 1054 does not include any language that says ratepayers should be required to fund those incentives; it says only that electrical corporations are to establish a compensation structure for executives that includes a significant portion of LTI, which can include grants of the electrical corporation's stock. There is no indication in AB 1054 that the Legislature intended its statement about LTI programs to be anything more than a design to hold executives accountable for improving safety and mitigating wildfire risk.<sup>16</sup>

In its most recent decision on the matter, the Commission denied SCE's request for ratepayer funding of its LTI stating the following in D.21-08-036:

<sup>14</sup> Ex. SCE-06, Vol. 04, p. 69.

<sup>15</sup> Ex. SCE-06, Vol. 04, p. 71.

<sup>16</sup> Ex. SCE-06, Vol. 04, p. 71.

1 “Going back to at least the 2009 GRC, the Commission has excluded SCE’s LTI  
2 cost from rates because LTI does not align executives’ interests with ratepayer  
3 interests. SCE does not present any new arguments that would warrant a departure  
4 from this longstanding policy. We continue to find that LTI is primarily designed to  
5 reward SCE employees for promoting shareholder interests. ... Moreover, LTI is closely  
6 tied to the stock performance of EIX since LTI awards take the form of equity in EIX.  
7 SCE arguments that reconsideration of this issue is merited in light of AB 1054 are not  
8 convincing. ...Based on the foregoing, we see no reason to discontinue our  
9 longstanding policy of denying ratepayer recovery for LTI. Therefore, SCE’s request to  
10 include these costs in rates is denied.”<sup>17</sup>

11 In D.13-05-010, the Commission found that stock-based compensation tied to  
12 financial performance over a period of time “clearly demonstrates that a premium is  
13 being placed on the companies’ financial performance.”<sup>18</sup> In D.15-11-021, the  
14 Commission stated that “SCE has not demonstrated that LTI furthers the provision of  
15 safe and reliable service at just and reasonable rates.”<sup>19</sup> The Commission also noted  
16 that its past decisions held that LTI is not recoverable in rates because “LTI does not  
17 align executives’ interests with ratepayer interests.”<sup>20</sup> There is nothing new in this  
18 proceeding to indicate that SCE’s LTI program is now aligned with ratepayer interests;  
19 by design, a long-term stock-based compensation plan cannot be aligned with ratepayer  
20 interests.

21 SCE claims that its LTI program benefits ratepayers through “better retention” of  
22 its higher ranked employees.<sup>21</sup> SCE’s own testimony indicates that this argument is  
23 incorrect. In SCE’s discussion of the forecasting method used for LTI, SCE states that  
24 “higher rates of turnover in the executive population occurred over the recorded period

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<sup>17</sup> D.21-08-036 at 423-424.

<sup>18</sup> D.13-05-010 at 884.

<sup>19</sup> D.15-11-021 at 266.

<sup>20</sup> D.15-11-021 at 266 (citing D.12-11-051 at 451-452 and D.13-05-010 at 882-884).

<sup>21</sup> Ex. SCE-06, Vol. 04, p. 71.

1 compared to previous periods, resulting in a lower number of anticipated executives  
2 eligible for LTI in Test Year 2021.”<sup>22</sup> Higher rates of turnover in the executive  
3 population indicate that LTI is not providing the supposed benefit of better retention.  
4 Cal Advocates continues to recommend that ratepayers not fund LTI.

5 Cal Advocates recommends an adjustment of \$22.017 million for LTI, resulting in  
6 zero ratepayer funding.

### 7 **C. Executive Compensation**

8 SCE forecasts \$17.438 million of expenses for Executive Compensation (salaries  
9 and incentive pay), non-labor expenses, and outside services<sup>23</sup> while the corresponding  
10 Cal Advocates recommendation is \$14.394 million.

11 Cal Advocates reviewed SCE’s testimony, workpapers, and data request  
12 responses. Cal Advocates discovered that Executive Compensation includes annual  
13 Short-term incentives.<sup>24</sup> The Executive Incentive Compensation Plan (EICP) is SCE's  
14 short-term incentive compensation program for its executives.<sup>25</sup> STIP and EICP are  
15 aligned with the same set of company performance goals,<sup>26</sup> and SCE refers to the STIP  
16 program and EICP program collectively as STIP.<sup>27</sup> However, the forecast for EICP is  
17 already included in the STIP program expenses.<sup>28</sup> All of the workpapers supporting  
18 SCE’s Short-Term Incentive Program TY requests stated, “This activity presents costs  
19 associated with Short Term Incentive Program (STIP) and Executive Incentive  
20 Compensation Plan (EIC) for executives who are not officers.”<sup>29</sup>

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<sup>22</sup> Ex. SCE-06, Vol. 04, p. 66.

<sup>23</sup> Ex. SCE-06, WP Vol. 04, Book B, pp. 12-18, O&M Detail for Executive Compensation.

<sup>24</sup> Ex. SCE-06, Vol. 04, p. 56.

<sup>25</sup> Ex. SCE-06, Vol. 04, p. 59.

<sup>26</sup> Ex. SCE-06, Vol. 04, p. 63.

<sup>27</sup> Ex. SCE-06, Vol. 04, p. 62.

<sup>28</sup> Ex. SCE-06, workpapers Vol. 04 Bk. B, pp. 33, 39, 45, and 51.

<sup>29</sup> Ex. SCE-06, workpapers Vol. 04 Bk. B, pp. 33, 39, 45, and 51.

1 Because EICP was already requested in the STIP program expense, it should  
2 not also be recovered through the Executive Compensation activity. Cal Advocates  
3 recommends an adjustment of \$3.044 million.

#### 4 **D. Medical Programs**

5 SCE forecasts \$143.015 million for TY Medical Programs expense, which is an  
6 increase of \$39.034 million over the 2022 base year. Cal Advocates forecast for  
7 Medical Programs is \$126,312 million.

8 Starting in 2024, to make employees' out-of-pocket medical costs more aligned  
9 with the relevant job market, SCE will reduce the employee share of health care  
10 premiums across all medical plans, and SCE will also reduce certain medical plans' co-  
11 pays and out-of-pocket costs, and SCE will implement a standard/closed prescription  
12 drug formulary for the pharmacy program.<sup>30</sup>

13 Cal Advocates develops its forecast of medical expenses based on the increase  
14 of 21.47% that occurred from the three-year period of 2019 – 2022, which is  
15 approximately 7% per year. The recent historical recorded data shows some variability  
16 in the expense from year to year. In some years, costs have remained flat or decreased  
17 slightly while more recent data shows higher annual increases. SCE seems to rely  
18 more on the sharper increase to develop its test year forecast which results in a steep  
19 increase from the base year level of \$103.981 million to a test year increase of  
20 \$143.015 million. Cal Advocates proposes a more moderate but still sizable increase in  
21 the Test Year funding relative to the base year recorded data by relying on the 3-year  
22 increase from 2019 – 2022 of 21.47%. Cal Advocates applies this same 3-year 21.47%  
23 increase to the three-year 2022 – 2025 time frame. The 2002 recorded figure of  
24 \$103.981 million is increased by 21.47% to arrive at the appropriate 2025 test year  
25 forecast of \$126.312 million. This is a sizable increase of \$22.331 million over the base  
26 year amount of \$103.981 million.

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<sup>30</sup> Ex. SCE-06, Vol. 04, p. 118.

1 SCE has a Medical Programs Balancing Account which ensures that ratepayers  
2 will ultimately fund the actual cost to provide medical benefits to SCE's employees.<sup>31</sup>  
3 Therefore, if medical expenses increase beyond the level forecast by Cal Advocates,  
4 any additional expense will be captured in the balancing account and SCE is at no risk  
5 for recovery.

#### 6 **E. Executive Benefits**

7 SCE offers a supplemental non-qualified Executive Retirement Plan that provides  
8 benefits to certain highly paid management employees who are subject to federal  
9 compensation and contribution limits in the retirement plans which are offered to all  
10 other SCE employees. This non-qualified Executive Retirement Plan provides benefits  
11 to covered employees on the same basis as in the retirement plan offered to all other  
12 SCE employees – but without the compensation limitations or payout limitations of that  
13 retirement plan. Also, while the qualified plan recognizes only base pay, this non-  
14 qualified Executive Retirement Plan includes base pay and bonuses for elected  
15 officers.<sup>32</sup> There is no prefunded trust for the Executive Retirement Plan; the recorded  
16 expense includes benefit payments.

17 SCE's TY request for Executive Benefits is \$16.672 million. In the past, Cal  
18 Advocates had argued against any amount of ratepayer funding for these supplemental  
19 benefits because ratepayers should not fund benefits that are in excess of federal  
20 limits;<sup>33</sup> and Cal Advocates had opposed further enhancing benefits to already highly-  
21 compensated executives. However, the Commission has consistently ordered  
22 ratepayers and shareholders to equally share this expense.<sup>34</sup> SCE did not make an

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<sup>31</sup> Ex. SCE-06, Vol. 04, p. 121.

<sup>32</sup> Ex. SCE-06, Vol. 04, p. 140.

<sup>33</sup> The Internal Revenue Service limits an employee's base salary deferrals into a 401(k) account, and the total amount that can be contributed by the employee, the employer's matching contribution, and any unmatched employer contributions. For 2023, the deferral limit is \$22,500 and the total contribution limit is the lesser of \$69,000 or 100% of the employee's compensation. See <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-401k-and-profit-sharing-plan-contribution-limits>

<sup>34</sup> D.14-08-032, p. 535; D.15-11-021, p. 261, and D.19-05-020, p. 193.

1 adjustment to its forecast for Executive Benefits to reflect any sharing of this program  
2 cost with shareholders.<sup>35</sup> In light of the Commission’s history and precedent, Cal  
3 Advocates recommends ratepayer funding of no more than 50%, resulting in a total TY  
4 Executive Benefits expense of \$8.336 million.

5 As previously stated, Cal Advocates’ proposal is consistent with prior  
6 Commission precedent on this issue. Most recently, the Commission addressed the  
7 matter in D.21-08-036 as follows:

8 “Furthermore, since SCE’s 2009 GRC, the Commission has consistently allowed  
9 rate recovery of 50 percent of SCE’s Executive Benefits forecast. The Commission  
10 adopted this approach in past GRCs because Executive Benefits are based, in part, on  
11 executive bonuses, not all of which are recoverable in rates. The Commission has also  
12 found that these costs should be equally shared between ratepayers and shareholders  
13 because both receive benefits from the retention of executives and managers. These  
14 rational continue to apply in this case.”<sup>36</sup>

## 15 **F. Recognition**

16 SCE’s Recognition Programs involve both cash and non-cash awards. Cash  
17 awards are given in the form of spot bonuses, and SCE states that they are an  
18 important tool for recognizing and rewarding employees for exceptional performance  
19 and outstanding achievement. Non-cash awards are given – under the “Encore” non-  
20 cash recognition program – as program points that can be granted by co-workers with  
21 the prior approval of the next-level supervisor.<sup>37</sup>

22 The Commission has recently denied ratepayer funding for these types of  
23 programs. In D.23-11-069, the Commission found the following: “Within the context of  
24 the overall increase proposed by this rate case, the Commission does not find it  
25 reasonable for ratepayers to support the costs of small trinkets, such as engraved belt  
26 buckles, with a 2023 expense forecast of \$893,000 based on PG&E’s assertion such

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<sup>35</sup> Ex. SCE-06, Vol. 04, p. 143.

<sup>36</sup> D.21-08-036 at 421-422.

<sup>37</sup> Ex. SCE-06, Vol. 04, pp. 75-76.

1 items promote the ‘interests of customers.’ PG&E has other programs for employee  
2 recognition with metrics that are more closely tied to customer interests. PG&E may  
3 continue this program but not at ratepayer expense.”<sup>38</sup> Cal Advocates recommends  
4 zero ratepayer funding for SCE’s Recognition Program Expense, resulting in a reduction  
5 of \$0.411 million.  
6

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<sup>38</sup> D.23-11-069 at 633.



1   **V.     WITNESS QUALIFICATIONS – CLAIR EMERSON**

2           My name is Clair Emerson. My business Address is 505 Van Ness Avenue, San  
3   Francisco, California. I am employed by the California Public Utilities Commission as a  
4   Public Utilities Regulatory Analyst in the Public Advocates Office, Energy Cost of  
5   Service and Natural Gas Branch.

6           I hold a Bachelor of Arts degree in Economics from the California State  
7   University, Chico. My coursework focused on quantitative economics and applied  
8   statistical methods. Since joining Cal Advocates in 2021, I have worked on the  
9   following:

- 10           • The 2021 Pacific Gas and Electric Company Wildfire Events  
11           reasonableness review proceeding;
- 12           • The 2023 Liberty Utilities (CalPeco Electric) Various  
13           Memorandum Accounts reasonableness review proceeding;
- 14           • The Sempra 2024 GRC, in which I analyzed Compensation and  
15           Benefits; and
- 16           • The Southern California Edison Company 2025 GRC.

17           I am responsible for the preparation of this report. This concludes my statement  
18   of qualifications.

19           This completes my prepared testimony.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                  |
|-----------------------------------|----------------------------------|
| <b>PG&amp;E Data Request No.:</b> | SBUA_001-Q022                    |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_SBUA_001-Q022    |
| <b>Request Date:</b>              | October 30, 2025                 |
| <b>Requester DR No.:</b>          | 001                              |
| <b>Requesting Party:</b>          | Small Business Utility Advocates |
| <b>Requester:</b>                 | Michael Brown, Jennifer Weberski |
| <b>Date Sent:</b>                 | November 14, 2024                |
| <b>PG&amp;E Witness(es):</b>      | Allison Neves – People           |

**QUESTION 022**

On PG&E Ex-08, pg. 4-11. PG&E proposes to spend over \$2 million per year on “Employee Assistance”. What is this? Are these expenditures tax deductible for employees?

**ANSWER 022**

PG&E understands the question as referring to the Employee Assistance Program shown in line 5 of Table 4-4 and Table 4-5 (as shown on page 4-11). The Employee Assistance Program detail is described in Exhibit (PG&E-8), Chapter 4, pg. 4-31 to 4-33. These expenditures are not tax deductible for employees

**PACIFIC GAS AND ELECTRIC COMPANY 2027 GENERAL RATE CASE PHASE I  
APPLICATION 25-05-009**

**SMALL BUSINESS UTILITY ADVOCATES  
RESPONSE TO PG&E DATA REQUEST, SET THREE**

|                   |                                                                                                                                                                                                                                                                                                                 |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>TO:</b>        | <b>GRC 2027 Discovery Manager:<br/>Hannah Keller<br/>GRC Case Coordinators<br/>at <a href="mailto:GRC@pge.com">GRC@pge.com</a><br/>at <a href="mailto:GRCCaseCoordinators@pge.com">GRCCaseCoordinators@pge.com</a></b>                                                                                          |
| <b>FROM:</b>      | Michael Brown, on behalf of Small Business Utility Advocates<br>Phone: (415) 699-0261<br>Email: <a href="mailto:michael@mbrownlaw.net">michael@mbrownlaw.net</a> ;<br><br>Jennifer Weberski<br>Phone: (703) 489-2924<br>Email: <a href="mailto:Jennifer@utilityadvocates.org">Jennifer@utilityadvocates.org</a> |
| <b>DATE SENT:</b> | February 20, 2026                                                                                                                                                                                                                                                                                               |
| <b>DATE DUE:</b>  | March 6, 2026                                                                                                                                                                                                                                                                                                   |

## DATA RESPONSES

**1. SBUA provides recommendations for PG&E's employee benefits, including (1) page 5, 11-13, (2) page 46, lines 14-16, and (3) page 47, line 1 through page 51, line 3.**

**a. Please provide all workpapers, including Excel with formulas, to support SBUA's forecast recommendations for all employee benefits identified in your table. Demonstrate how you arrived at your reduced forecast for all Benefit programs listed in your testimony.**

**b. Please provide all documents supporting SBUA's forecast recommendations for all employee benefits identified in your table, if not already included in the response to the previous data request.**

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The entire recommendation for benefits cuts is shown below. The recommendations are based on responses from PG&E to SBUA data requests and the need for a streamlined, back-to-basics approach given the affordability crisis gripping California utility ratepayers.

See the Excel tables also attached.

### Headcount

PG&E's predicted headcount in the previous GRC Testimony<sup>1</sup> is less than the actual headcount which ensued.<sup>2</sup> SBUA recommends a back-to-basics approach for PG&E with reductions of 2% per year starting in 2026 through the end of the GRC period.

| PG&E Forecast Headcount 2020-2028                                        |        |        |        |        |        |        |        |        |        |
|--------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Year End                                                                 | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   | 2026   | 2027   | 2028   |
| PG&E's headcount as predicted for the commission in the last GRC Phase I | 25,600 | 27,312 | 27,492 | 27,587 | 27,609 | 27,141 | 27,227 |        |        |
| PG&E's actual headcount                                                  | 25,600 | 26,793 | 26,393 | 28,194 | 29,323 |        |        |        |        |
| PG&E's proposed headcount                                                |        |        |        |        |        | 29,512 | 29,512 | 29,512 | 29,512 |
| SBUA proposal (reduction of 2% per year during this GRC cycle)           |        |        |        |        |        | 29,512 | 28,922 | 28,343 | 27,776 |

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<sup>1</sup> D.23-11-069, p. 590.

<sup>2</sup> PG&E Ex-08.

**Employee benefits (the Commission should eliminate the \$20M in funding for the Mental Health and Substance Use Disorder Program)**

PG&E's benefits proposal is below.<sup>3</sup>

| PG&E Proposal |                                   | Forecast  |           |           |           |           |           |           |           |
|---------------|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Line No.      | Description                       | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      | 2026      | 2027      |
| 1             | Medical                           | \$389,637 | \$452,348 | \$522,876 | \$535,556 | \$597,715 | \$571,524 | \$598,957 | \$639,087 |
| 2             | Dental                            | \$26,732  | \$31,906  | \$32,347  | \$32,936  | \$35,506  | \$37,672  | \$38,751  | \$39,865  |
| 3             | Vision                            | \$2,826   | \$3,373   | \$3,259   | \$3,417   | \$3,599   | \$3,761   | \$3,832   | \$3,904   |
| 4             | Employee Healthcare Contributions | -\$36,770 | -\$38,896 | -\$39,760 | -\$40,639 | -\$44,349 | -\$47,827 | -\$49,403 | -\$51,100 |
| 5             | Employee Assistance Program       | \$1,921   | \$1,025   | \$2,060   | \$1,810   | \$2,321   | \$2,809   | \$2,872   | \$2,938   |
| 6             | Mental Health                     | \$15,760  | \$17,173  | \$18,247  | \$18,003  | \$24,780  | \$25,828  | \$27,546  | \$29,424  |
| 7             | Employee Wellness                 | \$3,464   | \$3,851   | \$3,425   | \$3,866   | \$2,661   | \$2,712   | \$2,737   | \$2,789   |
| 8             | Group Life                        | \$517     | \$527     | \$3,041   | \$1,429   | \$1,235   | \$1,156   | \$1,169   | \$1,182   |
| 9             | Grand Total                       | \$404,087 | \$471,308 | \$545,494 | \$556,378 | \$623,468 | \$597,634 | \$626,461 | \$668,089 |

<sup>3</sup> PG&E Ex-08, pg. 4-11.

SBUA recommends the following alternative funding proposal:

| SBUA Proposal |                                   | Forecast         |                  |                  |                  |                  |                  |                  |                  |
|---------------|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Line No.      | Description                       | 2020             | 2021             | 2022             | 2023             | 2024             | 2025             | 2026             | 2027             |
| 1             | Medical                           | \$389,637        | \$452,348        | \$522,876        | \$535,556        | \$597,715        | \$585,761        | \$574,045        | \$562,565        |
| 2             | Dental                            | \$26,732         | \$31,906         | \$32,347         | \$32,936         | \$35,506         | \$34,796         | \$34,100         | \$33,418         |
| 3             | Vision                            | \$2,826          | \$3,373          | \$3,259          | \$3,417          | \$3,599          | \$3,527          | \$3,456          | \$3,387          |
| 4             | Employee Healthcare Contributions | -\$36,770        | -\$38,896        | -\$39,760        | -\$40,639        | -\$44,349        | -\$43,462        | -\$42,593        | -\$41,741        |
| 5             | Employee Assistance Program       | \$1,921          | \$1,025          | \$2,060          | \$1,810          | \$2,321          | \$2,809          |                  |                  |
| 6             | Mental Health                     | \$15,760         | \$17,173         | \$18,247         | \$18,003         | \$24,780         | \$25,828         |                  |                  |
| 7             | Employee Wellness                 | \$3,464          | \$3,851          | \$3,425          | \$3,866          | \$2,661          | \$2,608          | \$2,556          | \$2,505          |
| 8             | Group Life                        | \$517            | \$527            | \$3,041          | \$1,429          | \$1,235          | \$1,210          | \$1,186          | \$1,162          |
| 9             | Grand Total                       | <b>\$404,087</b> | <b>\$471,308</b> | <b>\$545,494</b> | <b>\$556,378</b> | <b>\$623,468</b> | <b>\$613,077</b> | <b>\$572,751</b> | <b>\$561,296</b> |

The mental health, employee assistance, and employee wellness programs appear to be redundant programs.<sup>4</sup>

In response to SBUA data requests, PG&E explained that the \$20 million was associated with a third-party company called Carelton to manage MHSUD services, that was separate and in addition to the main medical plan. PG&E further explained that Mental Health and Substance Use Disorder (MHSUD) is allocated into two categories: administrative fees and claims (usage). The forecast is based on historical use of: (1) Administrative fees charged based on plan enrollment, accounting for approximately 5% of total costs; and (2) Claims spending for members utilizing MHSUD services.

<sup>4</sup> PG&E Ex-08; pp. 4-13 through 4-37

## Eliminate the employee assistance program

PG&E proposes to spend \$2M per year on an employee assistance program. The Employee Assistance Program appears to be duplicative of the Mental Health and Substance Use Disorder program.<sup>5</sup> SBUA asked PG&E to explain the purpose and function of the employee assistance program, and they declined to do so.<sup>6</sup>

## Eliminate reimbursement for employee moving expenses

Current tax law allows employees to exclude certain items from taxable income such as 1.) Dependent care flexible spending accounts and does allow direct reimbursement; 2.) qualified adoption assistance; 3.) tuition reimbursement up to \$5,250 per year; and 4.) de minimus awards of gift cards, etc.

Moving expenses, however, are taxable income. PG&E confirms that PG&E employee relocation expenses are taxable income and are not tax deductible for employees, under current federal law (post-Tax Cuts and Jobs Act).<sup>7</sup> Based on current tax law, I recommend this benefit be eliminated.

## Bring PG&E's medical cost proposals and retirement proposals in line with private sector

SBUA recommends the Commission moderate the requests with a back-to basics approach as California utility ratepayers continue to grapple with the affordability crisis. As demonstrated by the Table below, a doubling of expense in seven years is an untenable burden on PG&E ratepayers.

TABLE 4-12  
SUMMARY OF EXPENSE  
(THOUSANDS OF NOMINAL DOLLARS)

| Line No. | Description             | Recorded Adjusted |           |           |           | Forecast  |           |           |           |
|----------|-------------------------|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|          |                         | 2020              | 2021      | 2022      | 2023      | 2024      | 2025      | 2026      | 2027      |
| 1        | Retirement Savings Plan | \$119,805         | \$132,668 | \$144,667 | \$158,567 | \$175,083 | \$186,525 | \$198,575 | \$211,744 |
| 2        | Retirement Excess       | —                 | 28        | 1,508     | 1,714     | 1,839     | 1,839     | 1,839     | 1,839     |
| 3        | PostRet Pension (PAYG)  | 90                | 415       | 264       | 128       | 3         | 180       | 180       | 180       |
| 4        | PBOP – Medical Trust    | 16,802            | 19,337    | —         | —         | —         | —         | —         | —         |
| 5        | PostRet Med (PAYG)      | 118               | 120       | 600       | 566       | 542       | 542       | 542       | 542       |
| 6        | PBOP – Life Trust       | —                 | 6         | 9         | 8         | 3         | —         | —         | —         |
| 7        | PostRet Life (PAYG)     | 3,232             | 4,233     | 4,369     | 1,985     | 2,123     | 3,188     | 3,218     | 3,279     |
| 8        | Grand Total             | \$140,046         | \$156,808 | \$151,418 | \$162,968 | \$179,592 | \$192,274 | \$204,354 | \$217,584 |

<sup>5</sup> PG&E Ex-8 pp. 4-31 through 4-33.

<sup>6</sup> PG&E response to SBUA data request set 1, question 22

<sup>7</sup> PG&E response to SBUA data request set 1, question 23

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

(PG&E-20)

|                                   |                                  |
|-----------------------------------|----------------------------------|
| <b>PG&amp;E Data Request No.:</b> | SBUA_001-Q021                    |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_SBUA_001-Q021    |
| <b>Request Date:</b>              | October 30, 2025                 |
| <b>Requester DR No.:</b>          | 001                              |
| <b>Requesting Party:</b>          | Small Business Utility Advocates |
| <b>Requester:</b>                 | Michael Brown, Jennifer Weberski |
| <b>Date Sent:</b>                 | November 14, 2024                |
| <b>PG&amp;E Witness(es):</b>      | Allison Neves – People           |

**QUESTION 021**

On PG&E Ex-08, pg. 4-11 PG&E proposes to spend over \$20 million per year on employee mental health. Please provide the breakdown of this expense.

**ANSWER 021**

The Mental Health forecast of over \$20 million per year, as referenced in Exhibit (PG&E-8), page 4-11, Tables 4-1 and 4-2, line(s) 6, for Mental Health and Substance Use Disorder (MHSUD) is allocated into two categories: administrative fees and claims (usage). The forecast is based on historical use of: (1) Administrative fees charged based on plan enrollment, accounting for approximately 5% of total costs; and (2) Claims spending for members utilizing MHSUD services.

PG&E's MHSUD program is under the umbrella of Active Employee Health and Welfare Benefits. The MHSUD program description can be found in Section C.3.f. Within the MHSUD program description, testimony p. 4-34, PG&E describes:

*“The MHSUD benefit represents a managed care initiative overseen by Caelon Behavioral Health, encompassing all participants of the Anthem Blue Cross administered Health Account Plan (HAP). This program extends its services to include inpatient substance use treatment and applied behavior analysis (ABA) for Kaiser HAP participants, while all other MHSUD coverage is integrated within the Kaiser HAP medical benefits”*

More specifically, PG&E's MHSUD program provides services that are not covered under the PG&E Medical Plan, such as therapy and counseling, inpatient and outpatient psychiatric care, and inpatient and outpatient substance use treatment, for conditions that are listed in the Diagnostic and Statistical Manual—the primary reference for diagnosing mental disorders in the United States—like depression, anxiety, or eating disorders.

PG&E uses Caelon to manage MHSUD services, separate from the main medical plan. The MHSUD is managed and forecast separately and the MHSUD forecast is incremental to, and not in any way duplicative of, the Medical Plan forecast. The



forecast for these programs are not seeking recovery for the same services, as PG&E<sup>(PG&E-20)</sup>  
testimony and workpapers demonstrates and as explained above.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Request**

(PG&E-20)

|                                   |                                     |
|-----------------------------------|-------------------------------------|
| <b>To:</b>                        | Public Advocates Office             |
| <b>Recipient Name:</b>            | Maya Kang                           |
| <b>Request Date:</b>              | February 24, 2026                   |
| <b>PG&amp;E Data Request No.:</b> | PGE_CalAdvocates035                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-Phi_DR_PGE_CalAdvocates035 |
| <b>Due Date:</b>                  | March 10, 2026                      |
| <b>PG&amp;E Witness(es):</b>      | Allison Neves – People              |

Please provide electronic responses to the following questions. Hard copy responses are unnecessary. The responses should be sent as e-mail attachments to the recipients below. If the files are too large to email, please contact the Discovery Manager below to upload the documents into a folder on the Electronic Secure File Transfer (ESFT) and notify the recipient below.

GRC 2027 Discovery Manager:  
Hannah Keller  
at [GRC@pge.com](mailto:GRC@pge.com)

GRC Case Coordinators  
at [GRCCaseCoordinators@pge.com](mailto:GRCCaseCoordinators@pge.com)

**SUBJECT: LEAVE OF ABSENCE AND DISABILITY BENEFITS**

**EXHIBIT: CA-21**

1. In response to data request GRC-2027-Phi\_DR\_PGE\_CalAdvocates022 Cal Advocates states that there is no excel file with formulas to support Cal Advocates' recommendation of \$2.05 million for TY 2027 STD and Paid Family Leave.

Please provide any additional documents and information to support Cal Advocates' recommended forecast of \$2.05 million for TY 2027 STD and Paid Family Leave.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

(PG&E-20)

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_247-Q002                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_247-Q002 |
| <b>Request Date:</b>              | November 10, 2025                     |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-247-MKD                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Maya Kang                             |
| <b>Date Sent:</b>                 | November 25, 2025                     |
| <b>PG&amp;E Witness(es):</b>      | Allison Neves – People                |

**SUBJECT: EMPLOYEE BENEFITS CHAPTER 4**

**QUESTION 002**

Referring to page 4-55 of Exhibit PG&E-8 regarding the Retirement Savings Plan (RSP) or 401(k), please respond to the following:

- a. PG&E states that the 2027 forecast for the tax-qualified Retirement Savings Plan was developed using a historical average plus match formula (lines 5–6). However, lines 13–15 indicate that the 2027 forecast includes recordkeeping, administrative, and trustee fees based on 2020 cost levels plus escalation. Please clarify which methodology was actually used to develop the 2027 RSP forecast and explain how these two statements are consistent.
- b. Please provide the actual recordkeeping, administrative, and trustee fees paid each year from 2020-2025. If any fees are not paid annually, identify what time period each payment covers.
- c. Please describe in detail the match formula referenced on page 4-55. Specifically:
  - What are the components of the match formula, and how is it calculated?
  - Does the formula vary based on employee group (e.g., union vs. non-union) or hire date (e.g., cash balance plan vs. final pay plan participants)?
  - What historical period and data were used to develop the “historical average” portion of the formula?
- d. On WP 4-171, PG&E states that 401(k) administrative fees were removed from the forecast because these costs are expected to be paid from forfeiture accounts within the plan assets. Please clarify what this means. Specifically:
  - How the use of forfeiture accounts to cover administrative expenses affects the company’s forecasted costs.
  - Whether this treatment is consistent with the earlier statement that the 2027 forecast includes administrative fees based on 2020 cost levels plus escalation.

**ANSWER 002**

During our preparation of this and a previous data request, PG&E found an inadvertent error in our calculation supporting the RSP forecast. PG&E response below provides the correction.

In subpart a, PG&E provides the updated forecast methodology that resulted in a reduction of 6.8 million in 2027 for the RSP/401(k) program. Detailed calculations, with formulas, included, for 2025-2027, can be found in GRC-2027-PhI\_DR\_TURN\_43-Q0019Atch01. For your convenience, PG&E has included the attachment previously provided to TURN with this response as “GRC-2027-PhI\_DR\_CalAdvocates\_247-Q002Atch01.xlsx”.

Additionally, PG&E provides the following correction found to Exhibit (PG&E-8), Chapter 4, Testimony page 4-58, lines 13-16. The 2027 forecast includes the forecast cost for the record keeping, administrative and trustee fees at the 2024 level plus escalation

- a. PG&E assumes that Cal Advocates is referring to page 4-58 of Exhibit (PG&E-8). The 2027 forecast for the tax-qualified Retirement Savings Plan/401k program is made up of three components, (1) total contributions, (2) administrative costs, and (3) float credit. Each component has a separate forecast methodology.

PG&E provides the corrected RSP forecast methodology below:

**1. Total Contribution(s):**

- Eligible employees by Plan, taking into account anticipated growth in Cash Balance population due to new hires.
- The forecast assumes that the participation rate stays flat to 2024 actual participation rates.
- The forecast also assumes that there are no changes to match formulas.
- 2024 average wages are escalated year-over-year using 3.75%

**2. Administrative Costs:**

- Based on 2024 actuals escalated year-over-year using M&S escalation rate.

**3. Float Credit:**

- Based on five-year average of 2020-2024 actuals escalated year-over-year using M&S escalation rate.

A 401(k) float credit on an invoice typically refers to the interest or earnings generated on plan-related funds while they are temporarily held by a 401(k) administrator) during transaction processing. This period, called the float, occurs between when money leaves the plan’s trust and when it reaches employee’s 401(k) account. Float credit provides a reduction to the overall forecast as shown in the table to PG&E’s response to subpart b below.

- b. The table below are provides actual administrative costs and float credit amounts (encompassing recordkeeping, administrative, and trustee fees) paid each year from 2020 through Q3 2025:

| <b>Cost Category</b>                       | <b>2020</b>    | <b>2021</b>    | <b>2022</b>  | <b>2023</b>  | <b>2024</b>  | <b>2025<br/>(thru Q3)</b> |
|--------------------------------------------|----------------|----------------|--------------|--------------|--------------|---------------------------|
| Total Fidelity Admin Cost                  | \$919          | \$948          | \$978        | \$979        | \$1,033      | \$763                     |
| Total Gallagher Admin Cost                 | \$122          | \$80           | \$65         | \$75         | \$85         | \$68                      |
| Float Credit (against Fidelity Admin Cost) | (\$32)         | \$0            | (\$239)      | (\$631)      | (\$786)      | (\$463)                   |
| Net Admin Fees and Credits                 | <b>\$1,009</b> | <b>\$1,028</b> | <b>\$804</b> | <b>\$423</b> | <b>\$332</b> | <b>\$368</b>              |

- c. For the details of the match formula calculation and criteria, please refer to the table below.

As noted above in subpart b., the match formula above is based on 2024 actuals and not a historical average.

| <b>Hire Date</b> | <b>Classification</b> | <b>Eligibility</b>                  | <b>Match Formula</b>                                                                                |
|------------------|-----------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------|
| Before 1/1/2013  | Union                 | Eligible after 12 months of service | 1–3 yrs: \$0.60 per \$1, up to 3% of eligible pay; 3+ yrs: \$0.60 per \$1, up to 6% of eligible pay |
| Before 1/1/2013  | Non-Union             | Eligible upon hire                  | \$0.75 per \$1, up to 6% of eligible pay                                                            |
| After 1/1/2013   | Union                 | Eligible after 12 months of service | \$0.75 per \$1, up to 8% of eligible pay                                                            |
| After 1/1/2013   | Non-Union             | Eligible upon hire                  | \$0.75 per \$1, up to 8% of eligible pay                                                            |

- d. PG&E did not remove 401(k) administrative fees. PG&E inadvertently included an error on Workpaper, WP 4-171, that administrative fees were removed from the forecast because these costs are expected to be paid from forfeiture accounts within the plan assets. The forecast methodology for administrative costs including the float credits are described in subpart a. above.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

(PG&E-20)

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_210-Q002                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_210-Q002 |
| <b>Request Date:</b>              | October 28, 2025                      |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-210-MKD                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Maya Kang                             |
| <b>Date Sent:</b>                 | November 12, 2024                     |
| <b>PG&amp;E Witness(es):</b>      | Allison Neves – People                |

**SUBJECT: EMPLOYEE BENEFITS CHAPTER 4**

**QUESTION 002**

Referring to PG&E's response to PubAdv-118-MKD, question c, please answer the following:

- a. In the response, PG&E identified 45 participants covered under the program as “long-serving employees past age 65.” Please clarify whether these 45 participants are included within the 98 total participants recorded in 2024, or if they represent a separate group.
- b. For the remaining participants not classified as “long-serving employees past age 65,” please explain the reasons they are covered under this program.

**ANSWER 002**

- a. PG&E can confirm that the 45 participants identified as “long-serving employees past age 65” are included within the 98 total participants recorded in 2024.
- b. The remaining participants not classified as “long-serving employees past age 65” became eligible for the Excess Plan the benefit under their applicable pension formula. These participants’ pension benefits exceeded the annual IRS limit. PG&E’s pension benefits are subject to annual limits set by IRS Sections 415 and 401(a)(17). No matter their age, if coworkers’ pension benefits exceed these IRS limits, they become eligible for the Excess Plan.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**General Rate Case 2027 Phase I**  
**Application 25-05-009**  
**Data Response**

(PG&E-20)

|                                   |                                                |
|-----------------------------------|------------------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | TURN_019-Q001                                  |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_TURN_019-Q001                  |
| <b>Request Date:</b>              | July 3, 2025                                   |
| <b>Requester DR No.:</b>          | TURN-PG&E-019                                  |
| <b>Requesting Party:</b>          | The Utility Reform Network                     |
| <b>Requester:</b>                 | Hayley Goodson                                 |
| <b>Date Sent:</b>                 | July 18, 2025                                  |
| <b>PG&amp;E Witness(es):</b>      | Toni Tran – Engineering, Planning and Strategy |

**SUBJECT: OPERATIONAL SUPPORT**

**QUESTION 001**

Refer to Table 3-4 on WP 3-4 Provide documentation (quotes, contract, invoices) supporting the increases in 2026 and 2027 to MWC OS 2027.

**ANSWER 001**

The forecasted increase for MWC OS in 2026 and 2027 is not supported by documentation but is due to the following factors:

1. A reorganization in 2024 moved the Contract Administration team from Electric Operations into Supply Chain and therefore the increase seen in MWC OS in Exhibit 7 Supply Chain resulted in a corresponding decrease in the forecast of MWC OS in Exhibit 4 Electric Operations.
2. Anticipated rebate credits and volume discounts from vendors were moved out of MWC OS, where they had been traditionally represented, into MWC JL. This was intended to provide better visibility and tracking of operational support-related labor costs in MWC OS. Therefore, the total expenses for the Supply Chain organization are similar to prior GRCs but now represented in different MWCs. The result is that MWC OS expenses increase given MWC OS will not see the rebates that are now represented in MWC JL.
3. From 2026 to 2027, there is an anticipated \$6M increase to fund 30 incremental Procurement staffing in order to pursue initiatives that drive operational efficiencies and strategic efforts.

Please see more detail in the following table.

| <b>In thousands of dollars</b>                              | <b>MWC OS</b> |
|-------------------------------------------------------------|---------------|
| 2023 GRC Final Decision - Authorized Imputed spend for 2026 | \$9,738       |

|                                                                                                           |                 |           |
|-----------------------------------------------------------------------------------------------------------|-----------------|-----------|
| 1. Reorg - Movement of Contract Operations team into Supply Chain [previously MWC OS presented in Exh. 4] | \$8,837         | (PG&E-20) |
| 2. Impact of moving vendor rebates (credits) from OS to JL                                                | \$13,073        |           |
| <b>2026 as forecasted</b>                                                                                 | <b>\$31,647</b> |           |
| 3. Increased labor to support Procurement roadmap and strategy                                            | \$6,187         |           |
| <b>2027 as forecasted</b>                                                                                 | <b>\$37,834</b> |           |



**PACIFIC GAS AND ELECTRIC COMPANY**  
**General Rate Case 2027 Phase I**  
**Application 25-05-009**  
**Data Response**

(PG&E-20)

|                                   |                               |
|-----------------------------------|-------------------------------|
| <b>PG&amp;E Data Request No.:</b> | TURN_043-Q002                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_TURN_043-Q002 |
| <b>Request Date:</b>              | September 9, 2025             |
| <b>Requester DR No.:</b>          | TURN-PG&E-043                 |
| <b>Requesting Party:</b>          | The Utility Reform Network    |
| <b>Requester:</b>                 | Elise Torres                  |
| <b>Date Sent:</b>                 | September 23, 2025            |
| <b>PG&amp;E Witness(es):</b>      | Allison Neves – People        |

**SUBJECT: PG&E-8, CHAPTER 4 (EMPLOYEE BENEFITS)**

**Medical Costs**

**QUESTION 002**

Re. Line 2 of WP 4-7, please clarify whether the 2024 value for Total Headcount is a recorded or forecasted value. If recorded, the value implies a Participant Factor of 89% (i.e., [25,966 participants in 2024 (from Line 6 of WP 4-6)] / [29,323 employee headcount (from Line 2 of WP 4-7)]).

If TURN's interpretation regarding the 2024 recorded headcount and Participant Factor is correct, please justify the change from a recorded Participant Factor of 89% in 2024 to a forecasted figure of 94% in 2025 and beyond.

If TURN's interpretation regarding the 2024 recorded headcount and Participant Factor is not correct, please provide the correct 2024 recorded headcount and corresponding recorded Participation Factor.

**ANSWER 002**

The 2024 value for Total Headcount is a recorded value. TURN's interpretation is not correct. The headcount shown in WP 4-7 is a total Utility Employee headcount and is used as a proxy to calculate allocation of medical from the Utility to the Holding Company and also used to remove costs associated with SEC 3b-7 officers.

The participation factor of 94% used in the forecast is based on the 5-year average of those participating in benefits. The eligible population includes regular full-time employees less temporary additional, outage, summer hires, probationary intermittent, and those on long term disability.

|                                                  |    | Participation Rate  |        |        |        |        | Number of Participants |        |        |        |        | Recorded Adjusted8 |          |         |         |         | Historical Cost Per Participant (PG&E-20) |          |       |       |        |      |
|--------------------------------------------------|----|---------------------|--------|--------|--------|--------|------------------------|--------|--------|--------|--------|--------------------|----------|---------|---------|---------|-------------------------------------------|----------|-------|-------|--------|------|
|                                                  |    | Eligible Population | 2020   | 2021   | 2022   | 2023   | 2024                   | 2020   | 2021   | 2022   | 2023   | 2024               | 2020     | 2021    | 2022    | 2023    | 2024                                      | 2020     | 2021  | 2022  | 2023   | 2024 |
| Active Benefits                                  |    |                     |        |        |        |        |                        |        |        |        |        |                    |          |         |         |         |                                           |          |       |       |        |      |
| Medical                                          | 9  | 99.3%               | 98.1%  | 95.8%  | 97.9%  | 97.8%  | 22,773                 | 24,103 | 24,707 | 25,167 | 26,688 | 389,637            | 452,348  | 522,876 | 535,556 | 597,901 | 17.1                                      | 18.8     | 21.2  | 21.3  | 22.4   |      |
| Dental                                           | 9  | 100.1%              | 99.3%  | 98.8%  | 98.8%  | 98.5%  | 22,940                 | 24,390 | 25,496 | 25,399 | 26,895 | 26,731             | 31,906   | 32,347  | 32,936  | 35,506  | 1.2                                       | 1.3      | 1.3   | 1.3   | 1.3    |      |
| Vision                                           | 9  | 100.3%              | 99.6%  | 99.1%  | 99.0%  | 98.8%  | 23,004                 | 24,458 | 25,558 | 25,454 | 26,962 | 2,826              | 3,373    | 3,259   | 3,418   | 3,599   | 0.1                                       | 0.1      | 0.1   | 0.1   | 0.1    |      |
| Employee Healthcare Contributions1               | 4  | 85.5%               | 86.8%  | 91.2%  | 86.5%  | 88.6%  | 22,773                 | 24,103 | 24,707 | 25,167 | 26,688 | -36,770            | -38,896  | -39,760 | -40,639 | -44,350 | -1.6                                      | -1.6     | -1.6  | -1.6  | -1.7   |      |
| Employee Assistance Program9                     | 10 | N/A                 | N/A    | N/A    | N/A    | N/A    | 23,533                 | 25,122 | 26,312 | 26,186 | 27,752 | 1,921              | 1,025    | 2,060   | 1,810   | 2,321   | 0.1                                       | 0.0      | 0.1   | 0.1   | 0.1    |      |
| Employee Wellness2                               | 4  | N/A                 | N/A    | N/A    | N/A    | N/A    | N/A                    | N/A    | N/A    | N/A    | N/A    | 3,470              | 3,859    | 3,433   | 3,870   | 2,668   | N/A                                       | N/A      | N/A   | N/A   | N/A    |      |
| Group Life                                       | 2  | 96.0%               | 96.3%  | 101.0% | 95.7%  | 96.9%  | 24,165                 | 25,408 | 26,489 | 26,584 | 28,101 | 517                | 527      | 3,041   | 1,429   | 1,235   | 0.0                                       | 0.0      | 0.1   | 0.1   | 0.0    |      |
| Mental Health and Substance Use Disorder (MHSUD) | 9  | 99.3%               | 98.1%  | 95.8%  | 97.9%  | 97.8%  | 22,773                 | 24,103 | 24,707 | 25,167 | 26,688 | 15,760             | 17,173   | 18,247  | 18,000  | 24,780  | 0.7                                       | 0.7      | 0.7   | 0.7   | 0.9    |      |
| Other Benefits                                   |    |                     |        |        |        |        |                        |        |        |        |        |                    |          |         |         |         |                                           |          |       |       |        |      |
| Family Support3                                  |    | N/A                 | N/A    | N/A    | N/A    | N/A    | N/A                    | N/A    | N/A    | N/A    | N/A    | 0.0                | 104      | 105     | 110     | 116     | N/A                                       | N/A      | N/A   | N/A   | N/A    |      |
| Adoption Reimbursement                           | 1  | N/A                 | 0.0%   | 0.0%   | 0.0%   | 0.0%   | N/A                    | 6      | 4      | 2      | 8      | N/A                | 11.42096 | 9.7     | 4       | 14.5    | N/A                                       | 1.903493 | 2.425 | 2     | 1.8125 |      |
| Tuition Refund                                   | 1  | 2.2%                | 2.3%   | 2.4%   | 2.4%   | 2.0%   | 534                    | 595    | 625    | 654    | 564    | 2,091              | 2,484    | 2,647   | 2,792   | 2,314   | 3.9                                       | 4.2      | 4.2   | 4.3   | 4.1    |      |
| Relocation                                       | 1  | 1.2%                | 1.1%   | 1.4%   | 1.7%   | 1.2%   | 292                    | 276    | 347    | 453    | 345    | 7,301              | 10,994   | 9,093   | 9,947   | 10,192  | 25.0                                      | 39.8     | 26.2  | 22.0  | 29.5   |      |
| Service Awards                                   | 2  | 18.7%               | 19.8%  | 18.5%  | 15.5%  | 12.6%  | 4,707                  | 5,233  | 4,852  | 4,293  | 3,649  | 876                | 811      | 817     | 636     | 587     | 0.2                                       | 0.2      | 0.2   | 0.1   | 0.2    |      |
| Leave of Absence and Disability                  |    |                     |        |        |        |        |                        |        |        |        |        |                    |          |         |         |         |                                           |          |       |       |        |      |
| LTD Admin, Compliance, Actuarial4                |    | N/A                 | N/A    | N/A    | N/A    | N/A    | N/A                    | N/A    | N/A    | N/A    | N/A    | 24                 | 34       | 37      | 17      | 43      | N/A                                       | N/A      | N/A   | N/A   | N/A    |      |
| LTD Trust Contribution5                          | 5  | 2.7%                | 2.5%   | 2.4%   | 2.1%   | 1.7%   | 691                    | 672    | 630    | 599    | 500    | 28,752             | 26,216   | 45,554  | 30,869  | 30,869  | 41.6                                      | 39.0     | 72.3  | 51.5  | 61.7   |      |
| STD Admin, Compliance, Actuarial4                |    | N/A                 | N/A    | N/A    | N/A    | N/A    | N/A                    | N/A    | N/A    | N/A    | N/A    | 3,077              | 3,373    | 3,545   | 4,016   | 5,272   | N/A                                       | N/A      | N/A   | N/A   | N/A    |      |
| STD Benefit and Paid Family Leave                | 5  | 88.8%               | 90.3%  | 97.1%  | 89.0%  | 92.0%  | 23,112                 | 24,562 | 25,812 | 25,461 | 27,278 | 15,602             | 12,340   | 21,089  | 26,080  | 15,202  | 0.7                                       | 0.5      | 0.8   | 1.0   | 0.6    |      |
| Task Bank and JFA4                               |    | N/A                 | N/A    | N/A    | N/A    | N/A    | N/A                    | N/A    | N/A    | N/A    | N/A    | 106                | 128      | 139     | 161     | 147     | N/A                                       | N/A      | N/A   | N/A   | N/A    |      |
| Workforce Management                             |    |                     |        |        |        |        |                        |        |        |        |        |                    |          |         |         |         |                                           |          |       |       |        |      |
| Severance and Transitional Pay                   | 4  | 0.4%                | 0.4%   | 0.4%   | 0.3%   | 0.3%   | 100                    | 100    | 100    | 100    | 100    | -1181              | 4237     | 3981    | 2426    | 4890    | -11.81                                    | 42.37    | 39.81 | 24.26 | 48.9   |      |
| Outplacement Assistance6                         |    | N/A                 | N/A    | N/A    | N/A    | N/A    | N/A                    | N/A    | N/A    | N/A    | N/A    | 71                 | 84       | 19      | 51      | 33      | N/A                                       | N/A      | N/A   | N/A   | N/A    |      |
| Post-Retirement Benefits                         |    |                     |        |        |        |        |                        |        |        |        |        |                    |          |         |         |         |                                           |          |       |       |        |      |
| Retirement Savings Plan                          | 6  | 75.6%               | 81.4%  | 87.1%  | 84.2%  | 95.2%  | 17,332                 | 19,838 | 22,160 | 20,866 | 25,057 | 119,805            | 132,668  | 144,667 | 158,567 | 175,083 | 6.91                                      | 6.69     | 6.53  | 7.60  | 6.99   |      |
| Retirement Excess7                               |    | N/A                 | N/A    | N/A    | N/A    | N/A    | 26                     | 46     | 50     | 77     | 98     | 771                | 830      | 1376    | 2451    | 2733    | 29.7                                      | 18.0     | 27.5  | 31.8  | 27.9   |      |
| PostRet Pension (PAYG)4                          |    | N/A                 | N/A    | N/A    | N/A    | N/A    | N/A                    | N/A    | N/A    | N/A    | N/A    | 90                 | 415      | 264     | 128     | 3       | N/A                                       | N/A      | N/A   | N/A   | N/A    |      |
| PBOP - Medical Trust5                            | 7  | 64.6%               | 60.1%  | 56.6%  | 63.8%  | 57.4%  | 14,813                 | 14,657 | 14,555 | 16,306 | 15,669 | 16,802             | 19,337   | 0       | 0       | 0       | 1.1                                       | 1.3      | 0.0   | 0.0   | 0.0    |      |
| PostRet Med (PAYG)4                              |    | N/A                 | N/A    | N/A    | N/A    | N/A    | N/A                    | N/A    | N/A    | N/A    | N/A    | 118                | 120      | 600     | 566     | 542     | N/A                                       | N/A      | N/A   | N/A   | N/A    |      |
| PBOP - Life Trust5                               | 8  | 100.0%              | 100.0% | 100.0% | 100.0% | 100.0% | 17,430                 | 17,420 | 17,676 | 18,215 | 18,200 | 0                  | 6        | 9       | 8       | 3       | 0.0                                       | 0.0      | 0.0   | 0.0   | 0.0    |      |
| PostRet Life (PAYG)4                             |    | N/A                 | N/A    | N/A    | N/A    | N/A    | N/A                    | N/A    | N/A    | N/A    | N/A    | 3,233              | 4,235    | 4,371   | 1,986   | 2,124   | N/A                                       | N/A      | N/A   | N/A   | N/A    |      |

| Eligible Employee Populations                                                                 |    | 2020   | 2021   | 2022   | 2023   | 2024   |
|-----------------------------------------------------------------------------------------------|----|--------|--------|--------|--------|--------|
| Employees - Utility                                                                           |    | 25,600 | 26,793 | 26,393 | 28,194 | 29,323 |
| Employee - Hold/PSP2                                                                          |    | 9      | 11     | 12     | 12     | 12     |
| HH                                                                                            |    | 433    | 403    | 178    | 415    | 337    |
| LTD                                                                                           |    | 606    | 561    | 516    | 481    | 461    |
|                                                                                               |    |        |        |        |        |        |
| Employees less LTD and HH                                                                     | 1  | 24,561 | 25,829 | 25,699 | 27,298 | 28,525 |
| Employees less HH                                                                             | 2  | 25,167 | 26,390 | 26,215 | 27,779 | 28,986 |
| Employees less LTD                                                                            | 3  | 24,994 | 26,232 | 25,877 | 27,713 | 28,862 |
| All Employees                                                                                 | 4  | 26,648 | 27,768 | 27,099 | 29,102 | 30,133 |
| All Employees less Hold/PSP2 and LTD                                                          | 5  | 26,033 | 27,196 | 26,571 | 28,609 | 29,660 |
| All Employees less HH, Probationary Intermittent, Outage                                      | 6  | 22,920 | 24,374 | 25,442 | 24,779 | 26,330 |
| Employees age 55 with 10 years of service                                                     | 7  | 22,914 | 24,401 | 25,709 | 25,564 | 27,308 |
| Employees age 55                                                                              | 8  | 17,430 | 17,420 | 17,676 | 18,215 | 18,200 |
|                                                                                               |    |        |        |        |        |        |
| Employees less Probationary Intermittent, Outage, Temporary Additional, Summer Hires, LTD, HH | 9  | 22,927 | 24,561 | 25,796 | 25,705 | 27,291 |
| Employees less Probationary Intermittent, Outage, Temporary Additional, Summer Hires, HH      | 10 | 23,533 |        |        |        |        |

[1] Employee Healthcare Contributions include Medical and Dental

[2] PG&E's does not track participants. These health and wellness programs are voluntary and confidential and are administered by third-party vendors. Includes Corporation costs for both EAP and Employee Wellness

[3] Program allows all PG&E employee to access digital tools (i.e. care giving options, tutoring services etc.)

[4] Administration of plan, plan costs are not included

[5] Trust Contributions - number of participants is the total number of employees with open LTD claims

[6] Outplacement assistance is offered to employees who are severed. This is an optional program, PG&E experience has been approximately 82% engagement

[7] Eligibility is determined upon retirement. Actual Participation number is at on January 1 of each year

[8] Recorded Adjusted Source: As filed workpapers or errata workpapers

[9] All eligible participants are automatically enrolled in the program.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

(PG&E-20)

|                                   |                                                                                                                  |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_118-Q001                                                                                            |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_118-Q001Supp01Rev01                                                                 |
| <b>Request Date:</b>              | September 8, 2025                                                                                                |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-118-MKD                                                                                              |
| <b>Requesting Party:</b>          | Public Advocates Office                                                                                          |
| <b>Requester:</b>                 | Maya Kang                                                                                                        |
| <b>Date Sent:</b>                 | September 22, 2025 (Original)<br>October 9, 2025 (Supplemental)<br>October 31, 2025 (Supplemental 01 Revised 01) |
| <b>PG&amp;E Witness(es):</b>      | Allison Neves - People                                                                                           |

**SUBJECT: CHAPTER 4 EMPLOYEE BENEFITS**

**QUESTION 001**

Please provide a consolidated spreadsheet summarizing, for all categories under Active Benefits, Other Benefits, Leave of Absence and Disability Benefits, Workforce Management Benefits, and Post-Retirement Benefits, the historical cost per participant, the 5-year average cost per participant, and the participation rate for each program.

**ANSWER 001**

Please see GRC-2027-PhI\_DR\_CalAdvocates\_118-Q001Atch01 for participation information for PG&E benefit plans.

**ANSWER 001 SUPPLEMENTAL 01**

PG&E found errors in the data provided in “GRC-2027-PhI\_DR\_CalAdvocates\_118-Q001Atch01”. To correct those errors, PG&E is providing a supplemental attachment. Please see “GRC-2027-PhI\_DR\_CalAdvocates\_118-Q001Supp01Atch01” for the corrected information.

PG&E is currently reviewing the recorded adjusted numbers in Retirement Excess. If any changes are identified, PG&E will provide a supplemental response.

**ANSWER 001 SUPPLEMENTAL 01 REVISED 01**

PG&E has revised the supplemental response with updated historical numbers for 2020-2024 for Retirement Excess. Please see “GRC-2027-PhI\_DR\_CalAdvocates\_118-Q001Supp01Rev01Atch01.xlsx”.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**General Rate Case 2027 Phase I**  
**Application 25-05-009**  
**Data Response**

(PG&E-20)

|                                   |                               |
|-----------------------------------|-------------------------------|
| <b>PG&amp;E Data Request No.:</b> | TURN_043-Q004                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_TURN_043-Q004 |
| <b>Request Date:</b>              | September 9, 2025             |
| <b>Requester DR No.:</b>          | TURN-PG&E-043                 |
| <b>Requesting Party:</b>          | The Utility Reform Network    |
| <b>Requester:</b>                 | Elise Torres                  |
| <b>Date Sent:</b>                 | October 7, 2025               |
| <b>PG&amp;E Witness(es):</b>      | Ashley Mawhorter – Finance    |

**SUBJECT: PG&E-8, CHAPTER 4 (EMPLOYEE BENEFITS)**

**LTD**

**QUESTION 004**

Re. p. 4-46, PG&E states, “A smaller trust balance means less potential for future investment returns, which ultimately leads to higher customer cost in the future. As such, PG&E encourages the Commission to approve WTW’s trust contribution forecast—more assets in the trust should lead to additional investment earnings, which can reduce customer costs in the future.”

- a. Please provide a cost-benefit analysis that supports the referenced statement. Please provide the response in an Excel-formatted file with working cells and all assumptions identified and justified.
- b. Please provide an analysis that identifies the LTD Trust asset balance that minimizes customer costs from the present until end of 2030. Please provide the response in an Excel-formatted file with working cells and all assumptions identified and justified.
- c. Please provide the annual LTD-related accounting cost that customers can expect in 2031 assuming all of the actuarial assumptions used in the current GRC except for Trust balance remain constant and the Commission reduces PG&E’s forecast to \$30.869 million (i.e., the authorized amount from the current GRC) and makes up the expected deficit with Trust assets, thereby reducing the Trust assets available to drive cost-offsetting income. Please provide the response in an Excel formatted file with working cells and all assumptions identified and justified.

**ANSWER 004**

- a. Please see “*GRC-2027-PhI\_DR\_TURN\_043-Q004Atch01*”.
- b. The LTD Trust asset balance that minimizes customer costs would result from contributing the maximum tax-deductible contribution outlined in WP 4-83. The

maximum tax-deductible contribution represents the highest amount that can be contributed to the trust and remain tax deductible. The analysis prepared for subpart a., “GRC-2027-Phi\_DR\_TURN\_043-Q004Atch01”, demonstrates that a higher trust balance can generate higher investment earnings, which in turn can reduce future net LTD costs. (PG&E-20)

- c. “GRC-2027-Phi\_DR\_TURN\_043-Q004Atch02” shows customers can expect to pay \$79.1 million in 2031, assuming the actuarial assumptions used in the current GRC remain unchanged except for the Trust balance. The projection assumes the Commission reduces PG&E’s forecast to \$30.869 million and covers the expected deficit with Trust assets. By December 31, 2031, the analysis shows trust assets are projected to decline to \$35M, a significant reduction from the \$133M projected balance in 2025. This amount will not be sufficient to cover the anticipated pay-as-you-go costs for 2032.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

(PG&E-20)

|                                   |                                       |
|-----------------------------------|---------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_188-Q002                 |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_188-Q002 |
| <b>Request Date:</b>              | October 17, 2025                      |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-188-MKD                   |
| <b>Requesting Party:</b>          | Public Advocates Office               |
| <b>Requester:</b>                 | Maya Kang                             |
| <b>Date Sent:</b>                 | October 31, 2025                      |
| <b>PG&amp;E Witness(es):</b>      | Allison Neves – People                |

**SUBJECT: PG&E-8 EMPLOYEE BENEFITS CHAPTER 4**

**QUESTION 002**

Referring to PubAdv-PG&E-118-MKD, Supplemental Attachment 1 regarding the Retirement Excess Plan, please provide the following information:

- a. Explain the reasons for the increase in plan participants from 26 in 2020 to 98 in 2024.
- b. Provide the number of participants who became newly eligible for the Retirement Excess Plan in each year from 2020 through 2024, as well as the number of participants who exited the plan.
- c. Indicate whether the eligibility criteria or plan design changed between 2020 and 2024. For example, clarify if there were any changes in the definition of “non-officer,” the treatment of disability service accruals, or the application of IRS limits under Sections 401(a)(17) and 415.
- d. Explain why 26 participants were recorded as plan participants in 2020 while no costs were recorded for that year.
- e. Provide a detailed explanation for the increase in recorded costs from \$28,000 in 2021 to \$1,508,000 in 2022, including any accounting, actuarial, or eligibility factors that contributed to this change.
- f. Provide a detailed explanation for the increase in cost per participant from approximately \$0.6 in 2021 to \$30.6 in 2022 and describe any factors influencing this fluctuation.
- g. Provide a breakdown of participants by eligibility type for each year from 2020 through 2024, including the number and percentage of participants who qualified based on each of the following categories:
  - Exceeded §401(a)(17) compensation cap.

- Exceeded §415(b) percentage limit (100% of highest 3-year average compensation). (PG&E-20)
- Exceeded §415(b) dollar limit.
- Long-term disability.
- Any other eligibility basis.

## ANSWER 002

- a. The fluctuations in Excess Plan participation volume from 26 in 2020 to 98 in 2024 are due to new terminations and/or retirements from the company, and commencement of the pension benefit. Excess benefit amounts are calculated based on total benefit amounts, and IRS limits in effect when participants commence benefits. As coworkers continue to terminate their employment and/or retire and exceed the annual IRS limits, participation in the Excess Plan will continue to increase as well. PG&E does not forecast this data point and will always see a variance in these numbers depending on the number of coworkers that leave the company, who in turn may or may not meet the IRS benefit or pay limits. PG&E is not able to determine or define whether an active participant is currently eligible for excess benefit, since this will ultimately depend on their future compensation, future statutory limits and the future size of their benefit from the Qualified Retirement Plan.

Note that the Excess benefit is very leveraged in nature, which means that a relatively small change in compensation or benefits above the statutory limits can result in a proportionately large increase in the Excess benefit. Furthermore, the calculations are complicated by the existence of different benefit structures (Final Pay vs Cash Balance), the interaction between the IRC §401(a)(17) compensation limit, IRC §415 dollar limit and the IRC §415 percentage limit (100% of highest 3 year average pay) and differing actuarial methods (e.g. Traditional Unit Credit vs Projected Unit Credit).

- b. Please see below for the number of participants who exited and received an excess benefit.

| Census Date | Retiree Count |
|-------------|---------------|
| 1/1/2020    | 26            |
| 1/1/2021    | 46            |
| 1/1/2022    | 50            |
| 1/1/2023    | 77            |
| 1/1/2024    | 98            |

- c. PG&E did not have any plan design changes between 2020 and 2024 nor were there changes of the definition of non-officer.

Changes are limited to the 415 and 401(a)(17) limits, which are set by the IRS. (PG&E-20)  
Below are the historical limits.

| Year | 415 Limit (Defined Benefit Plans) | 401(a)(17) Annual Limit |
|------|-----------------------------------|-------------------------|
| 2020 | \$230,000                         | \$285,000               |
| 2021 | \$230,000                         | \$290,000               |
| 2022 | \$245,000                         | \$305,000               |
| 2023 | \$265,000                         | \$330,000               |
| 2024 | \$275,000                         | \$345,000               |

- d. PG&E found an inadvertent error in the supplemental response to CalAdv\_118. PG&E would like to acknowledge that there were costs for retirement excess were not included correctly for the years 2020-2024. For purposes of this response refer to the PG&E's response to CalAdv\_118 specifically "*GRC-2027-Phi\_DR\_CalAdvocates\_118-Q001Supp01Rev01Atch01*", which includes the revised historical amounts. The correction to workpapers will also be included in an upcoming errata submission. Responses to subparts d-f are based on the revision.
- In 2020, the retirement excess plan included 26 participants the cost for these participants was \$771 thousand.
- e. The increase from 2020 to 2021 was \$59 thousand. The increase was primarily due to an increase in participants from 26 to 46. As participants exceed the IRS benefit limits they become eligible for the Excess Plan.
- f. The per participant cost for 2020 is \$29.7 thousand, the per participant cost for 2021 is \$18 thousand. The reduction is due to fluctuations in administration and valuation costs.
- g. PG&E is not able to determine or define whether an active participant is currently eligible for excess benefit, since this will ultimately depend on their future compensation, future statutory limits and the future size of their benefit from the Qualified Retirement Plan.



**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

(PG&E-20)

|                                   |                                              |
|-----------------------------------|----------------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_159-Q003                        |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_159-Q003        |
| <b>Request Date:</b>              | October 6, 2025                              |
| <b>Requester DR No.:</b>          | 159                                          |
| <b>Requesting Party:</b>          | Public Advocates Office                      |
| <b>Requester:</b>                 | Dao Phan                                     |
| <b>Date Sent:</b>                 | October 20, 2025                             |
| <b>PG&amp;E Witness(es):</b>      | Heather Noble – Enterprise Health and Safety |

**SUBJECT: CHAPTER 5-7 OCCUPATIONAL HEALTH, INCLUSION AND BELONGING, TOTAL COMPENSATION**

**QUESTION 003**

In Chapter 5, PG&E discusses its musculoskeletal disorder (MSD) Prevention Program. PG&E’s testimony states that the program was “expanded” with more athletic trainers in 2022, and that in 2024, 31% of IBEW physical employees used one-on-one services. PG&E also reports that 95% of MSD cases that began as self-care remained at self-care after using the program. However, PG&E has provided limited detail on the MSD Prevention test year forecast of \$8.6 million. Please provide the following:

- a. A breakdown of the test year forecast of \$8.6 million for MSD Prevention/Ergonomics, showing all components such as vendor fees for athletic trainers, internal labor for ergonomic assessments, software, etc. Include the number of FTE or contractor hours for athletic trainers or specialists, hourly rates or fees, number of group events, and any new initiatives such as the Functional Movement Screenings pilot. If the forecast assumes “full staffing levels” of trainers and additional vendor resources, provide the staffing plan and costs for 2025-2027 (FTEs, vendors, budget.) Justify any assumed increases in service levels or costs.
- b. Provide historical data for the Industrial Athlete program and MSD prevention: yearly counts of one-on-one sessions and group event sessions from 2020-2024, utilization rate (e.g., participants per eligible population), and actual program expenditures by year. Contrast these with the amounts used in the forecast. Explain any trends.
- c. Explain how PG&E determined that expanding the MSD/Industrial Athlete program reduces costs. For example, PG&E states there is improved reporting and high selfcare rates. Provide any quantitative analysis (e.g., claim rate reductions, lower medical spend) used to estimate cost avoidance from the program’s expansion.

**ANSWER 003**

PG&E objects to all questions in this data request to the extent they are argumentative and assumes facts not in evidence, in that PG&E has provided substantial detail in support of its Musculoskeletal Disorder Prevention forecast [PG&E (Exh. 8), p. 5-21, line 1 through p. 5-24, line 9; and related workpapers]. Subject to this objection and without waiver, PG&E responds as follows:

- a. The Office Ergonomics, Industrial Athlete and Post Offer Physical Assessment (POPA) program forecasts were developed using contracted vendor fees through 2026 and standard escalation was applied for test year 2027. The Functional Movement Screening forecast was based on estimated vendor fees for licenses, App and communications, implementation and integration with current systems.

A breakdown of the test year forecast of \$8.6 million for MSD Prevention – Ergonomics/IA cost components is included in Table 1 below and in workpaper supporting Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-10. A more detailed description for 2025-2027 forecast costs and the vendor fees by program used to develop the forecast can be found in “GRC-2027-Phi\_DR\_CalAdvocates\_159-Q003Atch01.xlsx”, Tables 1 through 5. The forecast assumes no increases in service levels or costs beyond the planned vendor fees for 2025-2026, with an escalation applied for Test Year 2027.

**Table 1:**

| MSD Prevention - Ergonomic and Industrial Athlete Detail<br>(\$000s) |          |         |         |         |         |          |         |         |
|----------------------------------------------------------------------|----------|---------|---------|---------|---------|----------|---------|---------|
| Line No.                                                             | Recorded |         |         |         |         | Forecast |         |         |
|                                                                      | 2020     | 2021    | 2022    | 2023    | 2024    | 2025     | 2026    | 2027    |
| 1 Office Ergonomics <sup>(1)</sup>                                   | \$2,825  | \$3,434 | \$2,457 | \$2,573 | \$3,371 | \$3,261  | \$3,261 | \$3,323 |
| 2 Industrial Athlete <sup>(1)</sup>                                  | \$2,783  | \$2,775 | \$3,807 | \$3,912 | \$4,292 | \$4,761  | \$4,761 | \$4,851 |
| 3 POPA                                                               | \$139    | \$140   | \$224   | \$202   | \$294   | \$335    | \$352   | \$359   |
| 4 Functional Movement Screening                                      |          |         |         |         |         |          |         | \$115   |
| 5 Grand Total                                                        | \$5,748  | \$6,350 | \$6,487 | \$6,687 | \$7,957 | \$8,357  | \$8,375 | \$8,648 |

<sup>(1)</sup> Includes wearables and vendor administrative expense for implementation and maintenance of ergonomic data / technology.

- b. PG&E understands this question to be seeking historical participation data specific to the Industrial Athlete program and has responded accordingly.

Details of the Industrial Athlete program individual sessions and group events for 2022-2024 are included in Table 2 below and in workpaper supporting Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-11. Prior to 2022, the Industrial Athlete program participation was measured by the count of distinct employees and not separated by type of service (individual session or group event).

**Table 2:**

| MSD Prevention - Industrial Athlete Program Participation |                     |                     |              |                          |                   |            |
|-----------------------------------------------------------|---------------------|---------------------|--------------|--------------------------|-------------------|------------|
| Line No.                                                  |                     | No. of Services     |              |                          | Type of Encounter |            |
|                                                           | Year                | Individual Services | Group Events | Group event participants | Proactive         | Discomfort |
| 1                                                         | 2022 <sup>(1)</sup> | 8,128               | 6,537        | 76,175                   | 68%               | 32%        |
| 2                                                         | 2023                | 11,158              | 12,331       | 130,688                  | 81%               | 19%        |
| 3                                                         | 2024                | 12,152              | 15,321       | 169,504                  | 88%               | 12%        |

<sup>(1)</sup> New vendor onboarded in 2022 with eight months to reach full staffing levels

The Industrial Athlete program utilization rate (e.g., participants per eligible population) and total program expenditures for 2020-2024 are included in Table 3 below. This utilization rate includes one-on-one sessions by distinct employees only and does not include group event participation. The forecast costs for the Industrial Athlete Specialists are not calculated using the number of individual sessions or group events. Rather, the program fees are determined by the vendor labor costs for the number of Industrial Athlete Specialists needed to cover the company's service territory and associated program administration costs as detailed in "GRC-2027-PhI\_DR\_CalAdvocates\_159-Q003Atch01.xlsx", Table 3.

**Table 3:**

| Year | Eligible Physical Workforce | IAP Participants | Utilization Rate | Annual IAP Expenditure (\$000s) <sup>2</sup> |
|------|-----------------------------|------------------|------------------|----------------------------------------------|
| 2020 | 9,103                       | 3,544            | 39%              | \$2,783                                      |
| 2021 | 9,426                       | 2,702            | 29%              | \$2,527                                      |
| 2022 | 9,675                       | 1,946            | 20%              | \$3,661                                      |
| 2023 | 10,441                      | 3,168            | 30%              | \$3,912                                      |
| 2024 | 11,048                      | 3,352            | 30% <sup>1</sup> | \$4,209                                      |

<sup>1</sup> Rate of 30.34% differs slightly from the 31% presented in testimony likely due to timing of when the data was gathered.

<sup>2</sup> Excludes discontinued or other software costs not used in the development of the 2025-2027 forecast.

Explain any trends: Between 2020 and 2024, PG&E has seen a decrease in ergonomic related injuries for our field workforce, with a more dramatic decrease experienced beginning in 2022 as referenced in Figure 5-10 below from Exhibit (PGE-8), p. 5-22. Since 2022, the Industrial Athlete Program has promoted and tracked group events following industry best practices for delivering musculoskeletal injury prevention education and training. The program expects there may be a decrease in one-on-one sessions, relative to the increase in the number of group events. Group events participation for 2024 reached 15.3 events per eligible physical workforce worker, providing multiple opportunities to interface with the program over the course of the year. As group events have increased, preventative encounters for both group and one-on-one services have also increased, aligning with the decrease in ergonomics-related injuries.

**FIGURE 5-10  
PERCENT OF ERGONOMIC-RELATED DART CASES**

| Line No. | Year | All DARTs | Ergo DARTs | % of Ergo DARTs | % Reduction from 2020 |
|----------|------|-----------|------------|-----------------|-----------------------|
| 1        | 2024 | 211       | 81         | 38%             | -58%                  |
| 2        | 2023 | 191       | 94         | 49%             |                       |
| 3        | 2022 | 172       | 90         | 52%             |                       |
| 4        | 2021 | 261       | 161        | 62%             |                       |
| 5        | 2020 | 332       | 194        | 58%             |                       |

- c. Improved reporting and high self-care rates (and reducing the DART Rate) for ergonomic-related injuries are beneficial because self-care cases do not have medical or Workers' Compensation benefit payment costs. Please see "*GRC-2027-Phi\_DR\_CalAdvocates\_159-Q003Atch02.pdf*" for a 2021 analysis of Industrial Athlete: Early Symptom Intervention (ESI) Program Cost Savings.

GRC-2027-PhI\_DR\_CalAdvocates\_159-Q003Atch01  
PACIFIC GAS AND ELECTRIC COMPANY  
2027 GENERAL RATE CASE

(PG&E-20)

Exhibit (PG&E-8), People, Compensation & Benefits  
Chapter 5, Occupational Health and Other Health & Safety Companywide Expenses

**Table 1: MSD Prevention - Ergonomic and Industrial Athlete Forecast (\$000s)**

| Line No. | Cost Category / Program           | 2025           | 2026           | 2027           |
|----------|-----------------------------------|----------------|----------------|----------------|
| 1        | Office Ergonomics                 | \$3,252        | \$3,252        | \$3,314        |
| 2        | Software                          | \$9            | \$9            | \$9            |
| 3        | Industrial Athlete                | \$4,761        | \$4,761        | \$4,851        |
| 4        | POPA                              | \$335          | \$352          | \$359          |
| 5        | Functional Movement Screening     |                |                | \$115          |
| 6        | <b>Grand Total</b>                | <b>\$8,357</b> | <b>\$8,375</b> | <b>\$8,648</b> |
| 7        | 2027 M&S Standard Escalation Rate |                | 1.892%         |                |

| Line No. | Table 2: Program Fees for 2025-2026   | # of Personnel | Hrly Fee | Annual Hrs / Person | Annual Cost / Person | Total Annual Fee |
|----------|---------------------------------------|----------------|----------|---------------------|----------------------|------------------|
| 1        | Office Ergonomics                     | 17             |          |                     |                      | \$3,252,240      |
| 2        | Full-time Ergonomist                  | 11             | \$115    | 1896                | \$218,040            | \$2,398,440      |
| 3        | Part-time Ergonomist                  | 3              | \$115    | 1568                | \$180,320            | \$540,960        |
| 4        | Program Administration <sup>(1)</sup> | 3              | \$55     | 1896                | \$104,280            | \$312,840        |

<sup>(1)</sup> 2 FTEs for the program administration included in 2026-2025 were not previously accounted for in fees.

| Line No. | Table 3: Program Fees for 2025-2026             | Quantity | Fees      |           | Total Annual Fee |
|----------|-------------------------------------------------|----------|-----------|-----------|------------------|
| 1        | Industrial Athlete                              | 35       | 2025      | 2026      | \$4,761,063      |
| 2        | Onsite Industrial Injury Prevention Specialists | 21       | \$214,086 | \$220,508 | \$4,563,237      |
| 3        | Overtime hours                                  | 2        | \$66,000  |           | \$66,000         |
| 4        | LESA overtime hours                             | 2        | \$18,000  |           | \$18,000         |
| 5        | Consulting Medical director                     | 1        | \$11,564  | \$11,911  | \$11,738         |
| 6        | Account mgmt                                    | 1        | \$12,306  | \$12,676  | \$12,491         |
| 7        | Travel expenses                                 | 2        | \$30,000  |           | \$30,000         |
| 8        | PPE / FR clothing                               | 1        | \$21,000  | \$21,630  | \$21,315         |
| 9        | Supplies and equipment                          | 1        | \$18,900  | \$19,467  | \$19,184         |
| 10       | Soter wearables subscription fee                | 1        | \$12,375  | \$24,750  | \$18,563         |
| 11       | Soter wearable Sim card for charging hub        | 2        | \$396     |           | \$396            |
| 12       | Soter shoulder armbands                         | 1        | \$280     |           | \$140            |

| Line No. | Table 4: Program Fees for 2025-2026                                               | Est. Annual Qty | 2025 Fees / Test, Hr, Occur. | 2025 Est. Annual Cost | Est. Annual Qty | 2026 Fees / Test, Hr, Occur. | 2026 Est. Annual Cost |
|----------|-----------------------------------------------------------------------------------|-----------------|------------------------------|-----------------------|-----------------|------------------------------|-----------------------|
| 1        | Post Offer Physical Assessment (POPA)                                             | 2453            |                              | \$335,025             | 2453            |                              | \$352,350             |
| 2        | Test administration for positions subject to POPA                                 | 1155            | \$220                        | \$254,100             | 1155            | \$235                        | \$271,425             |
| 3        | Test scheduling for all positions subject to POPA                                 | 1155            | \$35                         | \$40,425              | 1155            | \$35                         | \$40,425              |
| 4        | Revalidation of POPA tests-Update to align POPA positions with current job duties | 95              | \$225                        | \$21,375              | 95              | \$225                        | \$21,375              |
| 5        | Develop and validate new POPA test- Est. 2 new positions/yr                       | 45              | \$225                        | \$10,125              | 45              | \$225                        | \$10,125              |
| 6        | Revalidation / development travel & expenses of new POPA tests- Est. 3/yr         | 3               | \$3,000                      | \$9,000               | 3               | \$3,000                      | \$9,000               |

| Line No. | Table 5: Program Fees for 2027                        | Quantity | 2027 Est. Fees | Year 1 Total |
|----------|-------------------------------------------------------|----------|----------------|--------------|
| 1        | Functional Movement Screening <sup>(2)</sup>          |          |                | \$115,075    |
| 2        | Test administration for all positions subject to POPA | 15       | \$5,000        | \$75,000     |
| 3        | App and communications                                | 1        | \$14,000       | \$14,000     |
| 4        | Implementation / setup                                | 1        | \$17,000       | \$17,000     |
| 5        | Software Integration                                  | 5        | \$1,815        | \$9,075      |

<sup>(2)</sup> Functional Movement Screening forecast used estimated vendor and integration costs for the future program. **Final vendor selection not made at the time of filing or this data**

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Request**

|                                   |                                              |
|-----------------------------------|----------------------------------------------|
| <b>To:</b>                        | Public Advocates Office                      |
| <b>Recipient Name:</b>            | Amrisha Banarsee                             |
| <b>Request Date:</b>              | February 19, 2026                            |
| <b>PG&amp;E Data Request No.:</b> | PGE_CalAdvocates008                          |
| <b>PG&amp;E File Name:</b>        | GRC-2027-Phi_DR_PGE_CalAdvocates008          |
| <b>Due Date:</b>                  | March 5, 2026                                |
| <b>PG&amp;E Witness(es):</b>      | Heather Noble – Enterprise Health and Safety |

Please provide electronic responses to the following questions. Hard copy responses are unnecessary. The responses should be sent as e-mail attachments to the recipients below. If the files are too large to email, please contact the Discovery Manager below to upload the documents into a folder on the Electronic Secure File Transfer (ESFT) and notify the recipient below.

GRC 2027 Discovery Manager:  
Hannah Keller  
at [GRC@pge.com](mailto:GRC@pge.com)

GRC Case Coordinators  
at [GRCCaseCoordinators@pge.com](mailto:GRCCaseCoordinators@pge.com)

**SUBJECT: MUSCULOSKELETAL DISORDER (MSD) PREVENTION (ERGONOMIC/INDUSTRIAL ATHLETE PROGRAMS)**

**EXHIBIT: CA-22**

- 1) Referring to Cal Advocates, Exhibit CA-22, page 8, line 13 through page 11, line 2 (Including Table 22-5):
  - a. Please provide a working Excel file with all formulas that support the recommended forecast for MSD/Industrial Athlete.
  - b. Provide all documentation (including the requested Excel files) that support the recommended forecast for MSD/Industrial Athlete.
- 2) Cal Advocates, CA-22, page 9, lines 6-8, Cal Advocates testifies that “PG&E’s TY 2027 forecast includes approximately \$0.504 million for new Functional Movement Screening Software and \$0.051 million for associated wearable devices.”
  - a. Please provide all page and line citations to PG&E’s testimony (Exhibit PGE-8), Chapter 5, Workpapers, and/or data responses that Cal Advocates relied upon as the basis to testify that PG&E proposed a 2027 forecast of \$0.504 million for Functional Movement Screening software and \$0.051 million forecast for associated wearable devices.
  - b. Is Cal Advocates aware the \$0.504 million and \$0.051 million represent recorded costs in 2024, and not PG&E’s TY 2027 forecast? See Table 1

below, and Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-3 to 5-4 (2023 to 2024 Recorded Costs Walk) to find information for these recorded costs.

**Table 1**

|                                                  |                   |                                                                                                                                                                                                 |
|--------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                  |                   | (PG&E-8)                                                                                                                                                                                        |
| PACIFIC GAS AND ELECTRIC COMPANY                 |                   |                                                                                                                                                                                                 |
| 2027 GENERAL RATE CASE                           |                   |                                                                                                                                                                                                 |
| Exhibit (PG&E-8) People, Compensation & Benefits |                   |                                                                                                                                                                                                 |
| Workpapers Supporting                            |                   |                                                                                                                                                                                                 |
| Chapter 5, Occupational Health                   |                   |                                                                                                                                                                                                 |
| Workers' Compensation                            |                   |                                                                                                                                                                                                 |
| Historical and Forecast Year over Year Walk      |                   |                                                                                                                                                                                                 |
| Nominal Dollars                                  |                   |                                                                                                                                                                                                 |
| (\$000s)                                         |                   |                                                                                                                                                                                                 |
| 27                                               | WC MSD Prevention | Implementation of new ergonomics risk management software (\$504K), including the addition of 1,270 wearable technology (\$51.1K), increased utilization of program and vendor contract expense |

- 3) Is Cal Advocates aware PG&E's TY 2027 forecast for Functional Movement Screening is \$0.115 million? See Table 2 below, Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-10, and PG&E's response to data request GRC-2027-Phi\_DR\_CalAdvocates\_159-Q003 for the 2027 forecast.

**Table 2**

|                                                                                                                                        |                                     | Workpapers Supporting<br>Chapter 5, Occupational Health<br>Workers' Compensation |         |         |         |         |          |         |         |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------|---------|---------|---------|---------|----------|---------|---------|
|                                                                                                                                        |                                     | MSD Prevention - Ergonomic and Industrial Athlete Detail<br>(\$000s)             |         |         |         |         |          |         |         |
| Line No.                                                                                                                               |                                     | Recorded                                                                         |         |         |         |         | Forecast |         |         |
|                                                                                                                                        |                                     | 2020                                                                             | 2021    | 2022    | 2023    | 2024    | 2025     | 2026    | 2027    |
| WP 5-10                                                                                                                                | 1 Office Ergonomics <sup>(1)</sup>  | \$2,825                                                                          | \$3,434 | \$2,457 | \$2,573 | \$3,371 | \$3,261  | \$3,261 | \$3,323 |
|                                                                                                                                        | 2 Industrial Athlete <sup>(1)</sup> | \$2,783                                                                          | \$2,775 | \$3,807 | \$3,912 | \$4,292 | \$4,761  | \$4,761 | \$4,851 |
|                                                                                                                                        | 3 POPA                              | \$139                                                                            | \$140   | \$224   | \$202   | \$294   | \$335    | \$352   | \$359   |
|                                                                                                                                        | 4 Functional Movement Screening     |                                                                                  |         |         |         |         |          |         | \$115   |
|                                                                                                                                        | 5 Grand Total                       | \$5,748                                                                          | \$6,350 | \$6,487 | \$6,687 | \$7,957 | \$8,357  | \$8,375 | \$8,648 |
| <sup>(1)</sup> Includes wearables and vendor administrative expense for implementation and maintenance of ergonomic data / technology. |                                     |                                                                                  |         |         |         |         |          |         |         |

- a. Is Cal Advocates aware PG&E's TY 2027 forecast for the Industrial Athlete Program includes the wearable devices as part of overall vendor program fees? See Table 3a below (lines 10-11), Table 3b (line 3), and PG&E's response to data request GRC-2027-Phi\_DR\_CalAdvocates\_159-Q003, Attachment 1, for the Industrial Athlete Program fees and TY 2027 forecast.

**Table 3a**

| Line No. | Table 3: Program Fees for 2025-2026             | Quantity | Fees      |           | Total Annual Fee |
|----------|-------------------------------------------------|----------|-----------|-----------|------------------|
| 1        | Industrial Athlete                              | 35       | 2025      | 2026      | \$4,761,063      |
| 2        | Onsite Industrial Injury Prevention Specialists | 21       | \$214,086 | \$220,508 | \$4,563,237      |
| 3        | Overtime hours                                  | 2        | \$66,000  |           | \$66,000         |
| 4        | LESA overtime hours                             | 2        | \$18,000  |           | \$18,000         |
| 5        | Consulting Medical director                     | 1        | \$11,564  | \$11,911  | \$11,738         |
| 6        | Account mgmt                                    | 1        | \$12,306  | \$12,676  | \$12,491         |
| 7        | Travel expenses                                 | 2        | \$30,000  |           | \$30,000         |
| 8        | PPE / FR clothing                               | 1        | \$21,000  | \$21,630  | \$21,315         |
| 9        | Supplies and equipment                          | 1        | \$18,900  | \$19,467  | \$19,184         |
| 10       | Soter wearables subscription fee                | 1        | \$12,375  | \$24,750  | \$18,563         |
| 11       | Soter wearable Sim card for charging hub        | 2        | \$396     |           | \$396            |
| 12       | Soter shoulder armbands                         | 1        | \$280     |           | \$140            |



**Table 3b**

| <b>Table 1: MSD Prevention - Ergonomic and Industrial Athlete Forecast (\$000s)</b> |                                   |                |                |                |
|-------------------------------------------------------------------------------------|-----------------------------------|----------------|----------------|----------------|
| Line No.                                                                            | Cost Category / Program           | 2025           | 2026           | 2027           |
| 1                                                                                   | Office Ergonomics                 | \$3,252        | \$3,252        | \$3,314        |
| 2                                                                                   | Software                          | \$9            | \$9            | \$9            |
| 3                                                                                   | Industrial Athlete                | \$4,761        | \$4,761        | \$4,851        |
| 4                                                                                   | POPA                              | \$335          | \$352          | \$359          |
| 5                                                                                   | Functional Movement Screening     |                |                | \$115          |
| 6                                                                                   | <b>Grand Total</b>                | <b>\$8,357</b> | <b>\$8,375</b> | <b>\$8,648</b> |
| 7                                                                                   | 2027 M&S Standard Escalation Rate |                |                | 1.892%         |

- b. Does review of Tables 1, 2 and 3a-3b to this data request cause Cal Advocates to reconsider or revise in any way its proposed forecast reduction for Functional Movement Screening software and associated wearable devices? Please provide a detailed explanation for Cal Advocates' position.
- If yes, please provide an updated table for the MSD Prevention/Industrial Athlete program TY forecast and please cite the specific pages and line numbers of Exhibit (PG&E 8), Chapter 5 Testimony or Workpapers used as the basis for Cal Advocates reduction amounts or provide supporting documentation for the calculations.
  - If no, please provide a working Excel file with all formulas and provide documentation that supports the recommended reductions of \$0.504 million for Functional Movement Screening software and \$0.051 million forecast for associated wearable devices.
- 4) Cal Advocates, CA-22, page 9, line 11-12, testified, "These costs represent new program tools that are not reflected in historical recorded expenses."
- Please confirm that, upon review of Tables 1, 2, and 3a-3b, to this data request, PG&E does have recorded expenses in the amount of \$0.504 million for risk management software and \$0.051 million for wearable technology.
  - Does Cal Advocates contend that it is inappropriate for PG&E to propose a new program?
    - If yes, please provide a detailed explanation of Cal Advocates' response.
    - Provide all documents to support Cal Advocates' conclusion that it is not appropriate to propose a forecast for a new program.
- 5) Cal Advocates, CA-22, page 9, line 12-13, testified, "These expenses are also not required to operate the baseline Industrial Athlete Program and are unnecessary."
- Please provide a detailed explanation of all reasons that Cal Advocates concludes that expenses to operate the program are not required.
  - Provide a detailed explanation of all reasons that Cal Advocates concludes that expenses to operate the program are not necessary.
  - Provide all documents (including third-party resources, and statistics) that support Cal Advocates' conclusion that the Functional Movement Screening software is not required or unnecessary.



- d. Regarding Witness Qualifications for Cal Advocates Exhibit CA-22 (page 18, lines 1-12), please detail the witness' education and work experience with Musculoskeletal Disorders Prevention Programs and in particular, Industrial Athlete Programs.
- 6) Please include a working Excel file with formulas and cite the specific pages and line numbers of Exhibit (PG&E 8), Chapter 5 Testimony or Workpapers used to calculate Cal Advocates reduction amount of \$0.320 million for expanded Industrial Athlete Services.
  - 7) Provide all documentation (including the requested working Excel files) that support the recommended reduction amount of \$0.320 million for expanded Industrial Athlete Services.
  - 8) Cal Advocates, CA-22, page 10, line 10-11, testified, "PG&E's TY 2027 forecast also includes approximately \$0.185 million for one-time ergonomic tools and assessments associated with its MSD Prevention activities."
    - a. Please include a working Excel file with formulas and cite the specific pages and line numbers of Exhibit (PG&E 8), Chapter 5 Testimony, Workpapers and/or data responses used as the basis for Cal Advocates reduction amount of \$0.185 million for one-time ergonomic tools and assessments associated with its MSD Prevention activities.
    - b. Please provide all documentation (including the requested working Excel files) used as the basis for Cal Advocates' reduction amount of \$0.185 million for one-time ergonomic tools and assessments associated with its MSD Prevention activities.
    - c. Provide a detailed explanation of what the one-time ergonomic tools and assessments Cal Advocates includes in this statement.
  - 9) Cal Advocates, CA-22, page 10, line 12-13, testified, "These costs represent non-recurring program enhancements that are not reflected in PG&E's historical recorded expenses and are justified primarily on an anticipatory basis."
    - a. Please provide a detailed explanation of how Cal Advocates concluded these costs are non-recurring program enhancements.
    - b. Provide a detailed explanation of how Cal Advocates concluded these costs are not reflected in PG&E's historical recorded expenses and are justified primarily on an anticipatory basis.
  - 10) Cal Advocates, CA-22, page 10, line 14-16, testified, "PG&E did not demonstrate that these one-time ergonomic expenditures are associated with measurable improvements in employee outcomes or quantified reductions in workers' compensation costs reflected in the TY 2027 revenue requirement."
    - a. Please provide a detailed explanation of how Cal Advocates concluded PG&E did not demonstrate that these one-time ergonomic expenditures are associated with measurable improvements in employee outcomes or quantified reductions in workers' compensation costs.



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San Francisco, CA 94102

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**PUBLIC ADVOCATES OFFICE  
DATA RESPONSE  
Pacific Gas & Electric Company Test Year 2027 General Rate Case  
A.25-05-009**

**Date:** 4 March 2026

**Origination Date:** 19 February 2026

**Response Due:** **5 March 2026**

**To:** Hannah Keller  
cc: [GRC@pge.com](mailto:GRC@pge.com)

GRC 2027 Coordinators:  
[GRCCaseCoordinators@pge.com](mailto:GRCCaseCoordinators@pge.com)

**From:** Dao Phan, Project Coordinator  
Public Advocates Office  
505 Van Ness Avenue, Room 4104  
San Francisco, CA 94102 [dao.phan@cpuc.ca.gov](mailto:dao.phan@cpuc.ca.gov)

**Data Request No:** GRC-2023-PhI\_DR\_PGE\_CalAdvocates008

**GENERAL OBJECTIONS**

Cal Advocates objects to each data request to the extent that it mischaracterizes Cal Advocates' opening testimony.

Cal Advocates objects to each data request to the extent that it is overly broad, unduly burdensome, or not reasonably calculated to lead to the discovery of admissible evidence.

Cal Advocates objects to each instruction and data request as overly broad and unduly burdensome to the extent that it seeks documents or information that PG&E will possess when it receives Cal Advocates' opening testimony. Responding to such requests would be oppressive, unduly burdensome, and unnecessarily expensive, and the burden of responding to such requests is substantially the same or less for PG&E as for Cal Advocates. All such documents and information will not be produced.

Cal Advocates objects to each instruction and data request to the extent that it seeks



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information or documents protected from disclosure by the attorney-client privilege, attorney work product doctrine, or any other applicable privilege.

**PG&E Question 1:**

Referring to Cal Advocates, Exhibit CA-22, page 8, line 13 through page 11, line 2 (Including Table 22-5):

- a. Please provide a working Excel file with all formulas that support the recommended forecast for MSD/Industrial Athlete.
- b. Provide all documentation (including the requested Excel files) that support the recommended forecast for MSD/Industrial Athlete.

**Public Advocates Office Response to Question 1:**

- a. Please refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee.
- b. Please refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee, GRC Corporate Items (PG&E 8) Ch.5\_WC Program Workpapers\_final, GRC-2027-PhI\_DR\_CalAdvocates\_159-Q003, GRC-2027-PhI\_DR\_CalAdvocates\_159-Q003 Attachment 01 and Attachment 02, PG&E-2027 GRC Ph I Prepared Testimony- Exh8-Vol 1, p. 5-8, 5-21 through 5-24.

Response prepared by Amrisha Banarsee.

**PG&E Question 2:**

Cal Advocates, CA-22, page 9, lines 6-8, Cal Advocates testifies that "PG&E's TY 2027 forecast includes approximately \$0.504 million for new Functional Movement Screening Software and \$0.051 million for associated wearable devices."

- a. Please provide all page and line citations to PG&E's testimony (Exhibit PGE-8), Chapter 5, Workpapers, and/or data responses that Cal Advocates relied upon as the basis to testify that PG&E proposed a 2027 forecast of \$0.504 million for Functional Movement Screening software and \$0.051 million forecast for associated wearable devices.
- b. Is Cal Advocates aware the \$0.504 million and \$0.051 million represent recorded costs in 2024, and not PG&E's TY 2027 forecast? See Table 1 GRC-2027-PhI\_DR\_PGE\_CalAdvocates008 Page 2 below, and Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-3 to 5-4 (2023 to 2024 Recorded Costs Walk) to find information for these recorded costs.



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**Public Advocates Office Response to Question 2:**

- a. Cal Advocates relied on PG&E testimony Exhibit (PG&E), Vol 1, Chapter 5, p. 5-21 through 5-25. PG&E Workpaper- WP 5-3 to WP 5-6, WP 5-10, Data Response GRC-2027-Phl\_DR\_CalAdvocates\_159-Q003.
- b. Cal Advocates is aware that PG&E's 2027 forecast carries forward the 2024 recorded costs of \$0.504 million for the FMS software and \$0.051 million for the wearable devices. PG&E's workpapers referenced in response to question 2a above state that these vendor costs were recorded in 2024 when the pilot program was implemented and PG&E uses those recorded costs as the basis for its TY forecast, applying escalation factors but no additional incremental spending beyond what PG&E carried forward.<sup>1</sup> Therefore, the 2027 forecast matches the 2024 recorded amounts in nominal dollars. Cal Advocates' testimony references the \$0.504 million and \$0.051 million amounts in the context of PG&E's TY 2027 forecast because PG&E's forecasting methodology deliberately carries forward the 2024 recorded FMS costs into the test year. On page 5-21 of its testimony PG&E states, "In 2027 PG&E plans to pilot a voluntary Functional Movement Screenings software for field-based workers to determine musculoskeletal deficiencies and design tailored strengthening and conditioning programs."<sup>2</sup> PG&E explicitly states the software implantation includes the addition of wearable technology. PG&E further confirms in its DR response to question 3 that "the Functional Movement Screening forecast was based on estimated vendor fees for licenses, App and communications, implantation and integration with current systems."<sup>3</sup> PG&E's own testimony and DR responses clearly demonstrate that these costs are part of PG&E's proposed 2027 forecast and not additional expenditures beyond the recorded baseline.

Response prepared by Amrisha Banarsee

**PG&E Question 3:**

Is Cal Advocates aware PG&E's TY 2027 forecast for Functional Movement Screening is \$0.115 million? See Table 2 below, Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-10, and PG&E's response to data request GRC-2027-Phl\_DR\_CalAdvocates\_159-Q003 for the 2027 forecast.

- a. Is Cal Advocates aware PG&E's TY 2027 forecast for the Industrial Athlete Program includes the wearable devices as part of overall vendor program fees? See Table 3a below (lines 10-11),

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<sup>1</sup> Exhibit (PG&E-8), Vol 1, Chapter 5, Workpapers, PG&E's response to Cal Advocates DR 159-Q003, Exhibit (Ex.) PG&E Vol 1. Chapter 5.

<sup>2</sup> Exhibit (Ex.) PG&E Vol. 1 Chapter 5, p. 5-21.

<sup>3</sup> PG&E's response to Cal Advocates DR 159-Q003



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Table 3b (line 3), and PG&E's response to data request GRC-2027-PhI\_DR\_CalAdvocates\_159-Q003, Attachment 1, for the Industrial Athlete Program fees and TY 2027 forecast.

b. Does review of Tables 1, 2 and 3a-3b to this data request cause Cal Advocates to reconsider or revise in any way its proposed forecast reduction for Functional Movement Screening software and associated wearable devices? Please provide a detailed explanation for Cal Advocates' position.

i. If yes, please provide an updated table for the MSD Prevention/Industrial Athlete program TY forecast and please cite the specific pages and line numbers of Exhibit (PG&E 8), Chapter 5 Testimony or Workpapers used as the basis for Cal Advocates reduction amounts or provide supporting documentation for the calculations.

ii. If no, please provide a working Excel file with all formulas and provide documentation that supports the recommended reductions of \$0.504 million for Functional Movement Screening software and \$0.051 million forecast for associated wearable devices.

**Public Advocates Office Response to Question 3:**

- a. Yes, Cal Advocates is aware that PG&E's workpaper identifies a TY 2027 FMS line item of \$0.115 million, as shown in PG&E's MSD forecast breakdown in WP 5-10 and as referenced/confirmed in PG&E's response to Data Response GRC-2027-PhI\_DR\_CalAdvocates\_159-Q003. Yes, Cal Advocates is aware PG&E's Industrial Athlete vendor program fees include wearable-related costs.
- b. No, review of PG&E's Tables 1-3 does not cause Cal Advocates to revise its proposed reduction. PG&E's own response confirms that the FMS forecast is based on vendor fees (licenses, app, communication, implantation, integration) and that the forecast relies on planned vendor fees through 2026 with escalation applied to TY 2027, while assuming no increases beyond planned vendor fees.<sup>4</sup> Cal Advocates maintains its position that PG&E has not provided sufficient support to justify recovery of the challenged technology/wearable related costs in TY 2027.

Response prepared by Amrisha Banarsee

**PG&E Question 4:**

Cal Advocates, CA-22, page 9, line 11-12, testified, "These costs represent new program tools that are not reflected in historical recorded expenses."

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<sup>4</sup> PG&E's response to Cal Advocates DR 159-Q003, Exh. (PG&E-8) Vol 1, Ch. 5 Workpapers 5-9 (MSD Prevention-Ergonomic and Industrial Athlete Detail)



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- a. Please confirm that, upon review of Tables 1, 2, and 3a-3b, to this data request, PG&E does have recorded expenses in the amount of \$0.504 million for risk management software and \$0.051 million for wearable technology.
- b. Does Cal Advocates contend that it is inappropriate for PG&E to propose a new program?
  - i. If yes, please provide a detailed explanation of Cal Advocates' response.
  - ii. Provide all documents to support Cal Advocates' conclusion that it is not appropriate to propose a forecast for a new program.

**Public Advocates Office Response to Question 4:**

- a. PG&E's MSD forecast support reflects approximately \$0.504M for ergonomics software and \$0.051M for wearable technology (recorded in 2024 and carried forward in the forecast construct). These are newly implemented tools and are not reflected as a recurring multi-year historical cost trend. These costs include the FMS forecast on vendor fees (licenses, app, communication, implantation, integration).
- b. No. Cal Advocates does not contend that it is inappropriate for PG&E to propose a new program or new tools. Cal Advocates' position is that PG&E must provide sufficient support to justify recovery of new program/tool costs in the test year (e.g., necessity, scope, cost basis, and demonstrated benefits/offsets). In this instance, PG&E has failed to provide sufficient support.

Response prepared by Amrisha Banarsee.

**PG&E Question 5:**

Cal Advocates, CA-22, page 9, line 12-13, testified, "These expenses are also not required to operate the baseline Industrial Athlete Program and are unnecessary."

- a. Please provide a detailed explanation of all reasons that Cal Advocates concludes that expenses to operate the program are not required.
- b. Provide a detailed explanation of all reasons that Cal Advocates concludes that expenses to operate the program are not necessary.
- c. Provide all documents (including third-party resources, and statistics) that support Cal Advocates' conclusion that the Functional Movement Screening software is not required or unnecessary.



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d. Regarding Witness Qualifications for Cal Advocates Exhibit CA-22 (page 18, lines 1-12), please detail the witness' education and work experience with Musculoskeletal Disorders Prevention Programs and in particular, Industrial Athlete Programs.

**Public Advocates Office Response to Question 5:**

- a. Please refer to Testimony Exhibit CA-22 section MSD/Industrial Athlete Program.
- b. Please refer to Testimony Exhibit CA-22 section MSD/Industrial Athlete Program.
- c. Refer to Exhibit (PG&E) Workpapers 5-3 to 5-5, PG&E DR Response CalAdvocates\_159 Question 3.
- d. Cal Advocates objects to this question to the extent it calls for information that is irrelevant and beyond the scope of this proceeding. The witness' relevant education and work experience is already provided in Exhibit CA-22. The witness does not have a degree specialized in MSD/Industrial Athlete Programs.

Response prepared by Amrisha Banarsee.

**PG&E Question 6:**

Please include a working Excel file with formulas and cite the specific pages and line numbers of Exhibit (PG&E 8), Chapter 5 Testimony or Workpapers used to calculate Cal Advocates reduction amount of \$0.320 million for expanded Industrial Athlete Services.

**Public Advocates Office Response to Question 6:**

- a. Refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee.

**PG&E Question 7:**

Provide all documentation (including the requested working Excel files) that support the recommended reduction amount of \$0.320 million for expanded Industrial Athlete Services.

**Public Advocates Office Response to Question 7:**





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- a. Refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee, 2027 GRC Corporate Items (PG&E-8), Chapter 5, PG&E-8 Ch.5, PG&E's response to DR PubAdv-PG&E-159-ABK, Q003.

Response prepared by Amrisha Banarsee.

**PG&E Question 8:**

Cal Advocates, CA-22, page 10, line 10-11, testified, "PG&E's TY 2027 forecast also includes approximately \$0.185 million for one-time ergonomic tools and assessments associated with its MSD Prevention activities."

- a. Please include a working Excel file with formulas and cite the specific pages and line numbers of Exhibit (PG&E 8), Chapter 5 Testimony, Workpapers and/or data responses used as the basis for Cal Advocates reduction amount of \$0.185 million for one-time ergonomic tools and assessments associated with its MSD Prevention activities.
- b. Please provide all documentation (including the requested working Excel files) used as the basis for Cal Advocates' reduction amount of \$0.185 million for one-time ergonomic tools and assessments associated with its MSD Prevention activities.
- c. Provide a detailed explanation of what the one-time ergonomic tools and assessments Cal Advocates includes in this statement.

**Public Advocates Office Response to Question 8:**

- a. Please refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee.
- b. Refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee.
- c. The "one-time ergonomic tools and assessments" referenced in testimony are the non-recurring, discrete items PG&E includes in its MSD/Industrial Athlete vendor fee build that are not baseline ongoing program operations. Based on PG&E's own breakdown of MSD/Ergo/Industrial Athlete Program fees, these include: one time/episodic purchase of ergonomic-related tools/equipment and supplies and one time/episodic assessment related activities reflected as discrete tasks.<sup>5</sup>

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<sup>5</sup> PG&E's response to Cal Advocates DR 159-Q003 Attachment 1, Exh. (PG&E-8) Vol 1, Ch. 5 Workpapers 5-9





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Response prepared by Amrisha Banarsee.

**PG&E Question 9:**

Cal Advocates, CA-22, page 10, line 12-13, testified, "These costs represent non-recurring program enhancements that are not reflected in PG&E's historical recorded expenses and are justified primarily on an anticipatory basis."

- a. Please provide a detailed explanation of how Cal Advocates concluded these costs are non-recurring program enhancements.
- b. Provide a detailed explanation of how Cal Advocates concluded these costs are not reflected in PG&E's historical recorded expenses and are justified primarily on an anticipatory basis.

**Public Advocates Office Response to Question 9:**

- a. Cal Advocates concluded the \$0.185 million represents non-recurring program enhancements because PG&E's own support characterizes the item as "one time ergonomic tools and assessments."<sup>6</sup> These items are presented as episodic/tool and assessment enhancements, not necessary to operate the existing baseline program and are therefore not recurring operational requirements.
- b. Cal Advocates concluded these costs are not reflected in historical recorded expenses because PG&E's recorded-year presentations do not show these tool/assessment enhancements as an established, recurring historical cost element across multiple years. Instead, they appear as recent step-change/implantation-type items or as forecast only enhancement activities. Cal Advocates further concluded the costs are justified primarily on an anticipatory basis because PG&E supports them as forward-looking enhancements rather than tying them to a demonstrated historical expense trend or qualified embedded benefits in the TY 2027 revenue requirement.<sup>7</sup>

Response prepared by Amrisha Banarsee.

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<sup>6</sup> Exh. (PG&E-8) Vol. 1 Chapter 5, Workpapers (MSD/Industrial Athlete Program).

<sup>7</sup> PG&E's response to Cal Advocates DR 159-Q003, Exh. (PG&E-8) Vol. 1 Chapter 5, Workpapers (MSD/Industrial Athlete Program).



**PG&E Question 10:**

Cal Advocates, CA-22, page 10, line 14-16, testified, “PG&E did not demonstrate that these one-time ergonomic expenditures are associated with measurable improvements in employee outcomes or quantified reductions in workers’ compensation costs reflected in the TY 2027 revenue requirement.”

a. Please provide a detailed explanation of how Cal Advocates concluded PG&E did not demonstrate that these one-time ergonomic expenditures are associated with measurable improvements in employee outcomes or quantified reductions in workers’ compensation costs

**Public Advocates Office Response to Question 10:**

- a. Cal Advocates reached this conclusion because PG&E did not show the spending of \$0.185 million on one-time ergonomic tools and assessments leads to measurable improvements (like fewer injuries, lower DART, fewer lost days) or measurable workers compensation cost reductions that are actually reflected in PG&E’s TY 2027 revenue requirement. PG&E’s support explains how it calculated the forecasted costs (vendor fees through 2026 and escalation to TY 2027) but does not identify any specific, dollar-value savings from these one-time items that were used to reduce the TY 2027 forecast. When PG&E discusses cost reduction generally, it relies on general statements rather than showing that one-time ergonomic tools/assessments produced measurable results or savings that were built into the TY 2027 forecast. General statements alone are not sufficient.

Response prepared by Amrisha Banarsee.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                             |
|-----------------------------------|---------------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_159-Q004                       |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_159-Q004       |
| <b>Request Date:</b>              | October 6, 2025                             |
| <b>Requester DR No.:</b>          | 159                                         |
| <b>Requesting Party:</b>          | Public Advocates Office                     |
| <b>Requester:</b>                 | Dao Phan                                    |
| <b>Date Sent:</b>                 | October 20, 2025                            |
| <b>PG&amp;E Witness(es):</b>      | Heather Noble– Enterprise Health and Safety |

**SUBJECT: CHAPTER 5-7 OCCUPATIONAL HEALTH, INCLUSION AND BELONGING, TOTAL  
 COMPENSATION**

**QUESTION 004**

PG&E’s testimony forecasts \$1.2 million for Light Duty Payroll in 2027, an increase of \$0.340 million over 2024. PG&E states this forecast is based on a “weighted average of 2020–2024 historical program costs for only the Transitional Task Bank participants,” with highest weight on 2023–2024. Please supply the full calculation: a table of Light Duty Payroll costs by year (2020–2024) broken out by category (transitional Task Bank, other light duty, etc.), the weights applied, and the escalation factor used to annualize to 2027. Provide the assumed 2023 and 2024 actual costs and explain why “transitional Task Bank participants” are singled out for the average. If data from 2020 were excluded, explain why. Also provide the number of employees on light duty (by day count or FTE) each year 2020–2024, and the average wage per employee on light duty for those years.

**ANSWER 004**

Please find Table 1<sup>1</sup> below for Light Duty Payroll costs for years 2020–2024. For years 2020–2023, Table 1 breaks out the Transitional Task Bank (“Task Bank”) workdays (column 3) from the total of all Light Duty Payroll workdays (column 2). The percentage of the Task Bank workdays (column 3) is then used to estimate the costs of the Light Duty Payroll program attributable to Task Bank placements for 2020-2023 (column 7). In 2024, costs were estimated using recorded actuals through November 2024. Details of the weighted calculation and escalation factor used can be found in “GRC-2027-PhI\_DR\_CalAdvocates\_159-Q004Atch01.xlsx”, Table 1, lines 1-4.

**Table 1:**

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<sup>1</sup> Referenced in Exhibit (PG&E-8), Chapter 5, WP 5-49, the Willis Towers Watson Workers’ Compensation analysis.

| Payment Forecast for Calendar Years 2024-2027<br>Light Duty Payroll |                            |                       |                               |          |                           |                                   |                    |                       |
|---------------------------------------------------------------------|----------------------------|-----------------------|-------------------------------|----------|---------------------------|-----------------------------------|--------------------|-----------------------|
| Payment<br>Year                                                     | All Light Duty<br>Workdays | Task Bank<br>Workdays | % of<br>Task Bank<br>Workdays | Selected | All Light Duty<br>Payroll | Estimated<br>Task Bank<br>Payroll | Selected<br>Weight | Light Duty<br>Payroll |
| (1)                                                                 | (2)                        | (3)                   | (4)                           | (5)      | (6)                       | (7)                               | (8)                | (9)                   |
| 2020                                                                | 7,181                      | 2,387                 | 33%                           | 33%      | \$4,316,493               | \$1,424,443                       | 15.0%              | \$4,316,493           |
| 2021                                                                | 7,884                      | 1,862                 | 24%                           | 24%      | 4,828,432                 | 1,158,824                         | 15.0%              | 4,828,432             |
| 2022                                                                | 8,153                      | 2,320                 | 28%                           | 28%      | 5,086,177                 | 1,418,529                         | 20.0%              | 5,086,177             |
| 2023                                                                | 3,268                      | 2,121                 | 65%                           | 65%      | 1,967,108                 | 1,278,620                         | 25.0%              | 1,967,108             |
| 1/1/24 - 6/30/24                                                    |                            |                       |                               |          |                           | \$508,954                         | 25.0%              | \$508,954             |
| 7/1/24 - 12/31/24                                                   |                            |                       |                               |          |                           |                                   |                    | 425,510               |
| 2025                                                                |                            |                       |                               |          |                           |                                   |                    | 1,118,089             |
| 2026                                                                |                            |                       |                               |          |                           |                                   |                    | 1,118,089             |
| 2027                                                                |                            |                       |                               |          |                           |                                   |                    | 1,118,089             |

Notes:  
 (2) and (3) Provided by PG&E.  
 (4) (3) / (2).  
 (5) Selected based on (4).  
 (6) Provided by PG&E. Effective April 2023, employees are eligible for Light Duty only when placed through the Task Bank program.  
 (7) (5) x (6).  
 1/1/24 - 6/30/24 provided by PG&E. Assuming all payroll is Task Bank payroll.  
 (8) Selected by WTW.  
 (9) 2020-6/30/24 provided by PG&E. 7/1/24-2027 based on (7), (8), and actual data as of November 2024; reflects Task Bank payroll.

During our preparation of this data response, PG&E found an inadvertent error in our testimony and workpaper. PG&E's response below provides the correction, which will also be included in a future errata submission or at hearings.

The 2024 Light Duty payroll recorded costs were underestimated in the 5-year average calculated in Exhibit (PG&E-8), Chapter 5, WP 5-49. Only January-June (6 months) of 2024 recorded costs were included versus the full estimated costs for the year as presented in Table 1, column (9), resulting in a lower weighted average for this year. With the full recorded costs used for 2024, the Test Year forecast increases by \$95 thousand as shown in "GRC-2027-Phi\_DR\_CalAdvocates\_159-Q004Atch01.xlsx", Table 2.

PG&E understands the request to provide the assumed 2023 and 2024 actual costs to be asking for the assumed 2023 Task Bank percentage of costs and the 2024 actual costs, which were attributable to Task Bank participants. The assumed 2023 percentage of Task Bank costs are in column 7 in Table 1 above and 2024 actual costs are included in "GRC-2027-Phi\_DR\_CalAdvocates\_159-Q004Atch01.xlsx", Table 1, line 1.

All years were included in the forecast developed using only costs estimated to be attributable to Task Bank participants due to the policy change effective April 2023, in which only Task Bank participants are eligible for Light Duty Payroll, thus normalizing historical averages with forecast estimates.

Detailed data for the number of employees placed on a Light Duty status and the average wage per employee on Light Duty status for each year from 2020 to 2024 are referenced below in Table 2.

**Table 2: Light Duty Status**

| Light Duty Start Year | Count of Employee <sup>1</sup> | Avg. of Annual Salary at Light Duty Start <sup>2</sup> |
|-----------------------|--------------------------------|--------------------------------------------------------|
| 2020                  | 132                            | \$114,952                                              |
| 2021                  | 136                            | \$119,458                                              |
| 2022                  | 129                            | \$123,257                                              |
| 2023                  | 52                             | \$122,893                                              |
| 2024                  | 22                             | \$125,479                                              |

<sup>1</sup> Employee count determined by the year the employee was placed on a Light Duty Payroll status beginning 1/1/2020 through 12/31/2024, even if the employee ended their Light Duty status the following calendar year. Also includes individuals placed on Light Duty status more than once in a calendar year.

<sup>2</sup> Avg. salary is based on the employee salary when placed on Light Duty status.

**Table 3: Task Bank usage**

| Task Start Year | Employee Count <sup>1</sup> |
|-----------------|-----------------------------|
| 2020            | 39                          |
| 2021            | 32                          |
| 2022            | 28                          |
| 2023            | 27                          |
| 2024            | 30                          |

<sup>1</sup> Employee count is determined by the year the task placement began, even if the employee ended their Task Assignment the following calendar year. Employee count may include individuals with more than one Task placement within a calendar year.

During our preparation of this data response, PG&E found an inadvertent error.

The count of employees placed on a Light Duty status in 2024 as referenced in Table 2 above does not match the count of employees placed through the Task Bank program in 2024 as referenced in Table 3 above and in “GRC-2027-PhI\_DR\_CalAdvocates\_159-Q005.pdf”. This is primarily the result of not all eligible Task Bank participants being placed on Light Duty status. The Light Duty Payroll forecast was developed using 2024 actual recorded costs and was not calculated using the count of employees placed on Light Duty status or a Task Assignment. Only those placed through the Task Bank program were to be eligible for Light Duty Payroll in 2024, therefore the Light Duty costs may have been underrepresented this year. The WC benefit payment savings (cost avoidance) as referenced in “GRC-2027-PhI\_DR\_CalAdvocates\_159-Q005.pdf” still applies for these Task Bank participants as the employee was paid through their base department and did not receive WC benefit payments during their Task assignment.

GRC-2027-PhI\_DR\_CalAdvocates\_159-Q004Atch01

PACIFIC GAS AND ELECTRIC COMPANY

2027 GENERAL RATE CASE

Exhibit (PG&amp;E-8), People, Compensation &amp; Benefits

Chapter 5, Occupational Health and Other Health &amp; Safety Companywide Expenses

## Light Duty Payroll

(\$000s)

| Table 1 |                                       | Recorded Adjusted |       |       |       |      | Forecast |       |       |
|---------|---------------------------------------|-------------------|-------|-------|-------|------|----------|-------|-------|
| Line    | Description                           | 2020              | 2021  | 2022  | 2023  | 2024 | 2025     | 2026  | 2027  |
| 1       | Total Light Duty Payroll              | 4,316             | 4,828 | 5,066 | 1,967 | 864  | 1,118    | 1,160 | 1,204 |
| 2       | Est. Task Bank Payroll <sup>(1)</sup> | 1,424             | 1,159 | 1,419 | 1,279 | 509  | 1,118    |       |       |
| 3       | Weights                               | 0.15              | 0.15  | 0.20  | 0.25  | 0.25 |          |       |       |
| 4       | Labor Escalation                      |                   |       |       |       |      |          | 3.75% | 3.75% |

<sup>(1)</sup> Jan-June (6 months) of estimated 2024 Light Duty Payroll was used when applying the weights and calculating the 5-year average for the 2025 forecast.

**Corrected**

| Table 2 |                                       | Recorded Adjusted |       |       |       |      | Forecast |       |       |
|---------|---------------------------------------|-------------------|-------|-------|-------|------|----------|-------|-------|
| Line    | Description                           | 2020              | 2021  | 2022  | 2023  | 2024 | 2025     | 2026  | 2027  |
| 1       | Total Light Duty Payroll              | 4,316             | 4,828 | 5,066 | 1,967 | 864  | 1,207    | 1,252 | 1,299 |
| 2       | Est. Task Bank Payroll <sup>(1)</sup> | 1,424             | 1,159 | 1,419 | 1,279 | 864  | 1,207    |       |       |
| 3       | Weights                               | 0.15              | 0.15  | 0.20  | 0.25  | 0.25 |          |       |       |
| 4       | Labor Escalation                      |                   |       |       |       |      |          | 3.75% | 3.75% |

<sup>(1)</sup> Full year of 2024 recorded Light Duty Payroll was used when applying the weights and calculating the 5-year average for the 2025 forecast.

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                              |
|-----------------------------------|----------------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_110-Q002                        |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_110-Q002        |
| <b>Request Date:</b>              | August 29, 2025                              |
| <b>Requester DR No.:</b>          | PubAdv-PG&E-110-ABK                          |
| <b>Requesting Party:</b>          | Public Advocates Office                      |
| <b>Requester:</b>                 | Amrisha Banarsee                             |
| <b>Date Sent:</b>                 | September 15, 2025                           |
| <b>PG&amp;E Witness(es):</b>      | Heather Noble – Enterprise Health and Safety |

**SUBJECT: CHAPTER 5-7 OCCUPATIONAL HEALTH, INCLUSION AND BELONGING, TOTAL COMPENSATION**

**QUESTION 002**

Referring to Ex. PG&E-8, p. 5-8, please provide the following:

- a. Explain the increase in Workers Compensation ASP and Regulatory Fees from \$1.413 million actual in 2024 to \$3.431 million forecast for the test year 2027.
- b. Provide documentation to support the requested increase.
- c. Explain what ASP and MSD stand for.

**ANSWER 002**

- a. The increase of \$2.0 million forecast for the test year 2027, compared to 2024 recorded, is primarily driven by PG&E being issued premium credits by the Self-Insurer's Security Fund in 2024 for the Alternative Security Program (ASP), which fully offset expense for this year but are not guaranteed in future years<sup>1</sup>.

The Workers' Compensation ASP and Regulatory Fees forecast for the test year 2027 was developed using an average of historical program costs as described below and in Exhibit (PG&E-8), Chapter 5, pp. 5-11 to 5-12 and Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-5.

- The ASP was developed using the four-year average of 2021-2024 historical program costs, which includes premium credits that can vary from year to year. The recorded costs for 2020 are excluded from the average due to being atypically high that year.
- The Regulatory Fees forecast was developed using the five-year average of 2020-2024 historical program costs. Using five years 5 of historical costs accounts for the volatility in program expense from one year to the next.

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<sup>1</sup> Please also refer to Exhibit (PG&E-8), Chapter 5, p. 5-11.

Regulatory Fees are incurred in December each year, using in part, the prior calendar year's recorded Workers' Compensation benefit payments when determining the fee.

Below is a table summarizing the Workers' Compensation ASP and Regulatory Fees historical costs from 2020 through the 2027 forecast (\$000s), by each cost type element<sup>2</sup>.

| Cost Type Element  | Recorded Adjusted |                |                |                |                | Forecast       |
|--------------------|-------------------|----------------|----------------|----------------|----------------|----------------|
|                    | 2020              | 2021           | 2022           | 2023           | 2024           | 2027           |
| WC ASP             | \$3.557           | \$2.552        | \$1.814        | \$0.796        | \$0            | \$1.291        |
| WC Regulatory Fees | \$2.384           | \$2.370        | \$2.568        | \$1.965        | \$1.413        | \$2.140        |
| <b>Total</b>       | <b>\$5.941</b>    | <b>\$4.922</b> | <b>\$4.382</b> | <b>\$2.761</b> | <b>\$1.413</b> | <b>\$3.431</b> |

- b. Using a historical average to develop the forecast is appropriate because the Workers' Compensation ASP credits are not guaranteed each year and the assessment amount for Regulatory Fees vary from year to year, based on state regulations and budgets, and PG&E's recorded Workers' Compensation benefit payments.
- c. ASP stands for Alternative Security Program and MSD stands for Musculoskeletal Disorder Prevention. Please refer to Exhibit (PG&E-8), p. 5-12 for the Alternative Security Program description and pp. 5-21 to 5-25 for the Musculoskeletal Disorder Prevention plan description.

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<sup>2</sup> Please also refer to Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-6, which details the ASP assessments, premium credits and amount paid by fiscal years 2019-2020 to 2024-2025.



**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                              |
|-----------------------------------|----------------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_159-Q006                        |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_159-Q006        |
| <b>Request Date:</b>              | October 6, 2025                              |
| <b>Requester DR No.:</b>          | 159                                          |
| <b>Requesting Party:</b>          | Public Advocates Office                      |
| <b>Requester:</b>                 | Dao Phan                                     |
| <b>Date Sent:</b>                 | October 20, 2025                             |
| <b>PG&amp;E Witness(es):</b>      | Heather Noble – Enterprise Health and Safety |

**SUBJECT: CHAPTER 5-7 OCCUPATIONAL HEALTH, INCLUSION AND BELONGING, TOTAL COMPENSATION**

**QUESTION 006**

PG&E forecasts \$3.4 million for Alternative Security Program (ASP) and regulatory fees in 2027, up \$2.0 million from 2024. Ex. PG&E-8, pg. 5-11 explains the increase is “primarily driven by PG&E being issued premium credits...in 2024 which fully offset expense for this year but are not guaranteed in future years,” and states the forecast uses a 2021–2024 average including those credits. Provide the actual ASP premiums and any credits received for each year 2020–2024. Show the calculation of the 2025-2027 forecast: specify the assumed annual ASP cost (gross and net of credits) and how the average was computed. Similarly, for regulatory fees, provide 2020–2024 actual payments, the method of averaging used to forecast 2027, and any assumed changes in fees (e.g. as a percentage of WC claims).

**ANSWER 006**

Please see below table and “GRC-2027-PhI\_DR\_CalAdvocates\_159-Q006Atch01.xlsx”, Table 1, for actual ASP premiums and credits received for each fiscal year 2020–2024. This information can also be found in workpaper supporting Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-6.

| Workers' Compensation - Alternative Security Program (ASP)<br>(\$000s) |                               |                |                |                |                |            |            |
|------------------------------------------------------------------------|-------------------------------|----------------|----------------|----------------|----------------|------------|------------|
| Line No.                                                               | Fiscal Year (July to June)    | 2019-2020      | 2020-2021      | 2021-2022      | 2022-2023      | 2023-2024  | 2024-2025  |
| 1                                                                      | Assessment Amount             | \$4,764        | \$3,394        | \$2,838        | \$2,569        | \$1,640    | \$1,328    |
| 2                                                                      | Premium Credit <sup>(1)</sup> | (\$721)        | (\$324)        | (\$804)        | (\$976)        | (\$1,640)  | (\$1,328)  |
| 3                                                                      | <b>Paid Amount</b>            | <b>\$4,044</b> | <b>\$3,070</b> | <b>\$2,034</b> | <b>\$1,593</b> | <b>\$0</b> | <b>\$0</b> |

<sup>(1)</sup> Credit granted to founding long term Self-Insurer's Security Fund (SISF) members

See Table 2 in “*GRC-2027-PhI\_DR\_CalAdvocates\_159-Q006Atch01.xlsx*”, Table 2, for the calculation used to develop the 2025-2027 forecast<sup>1</sup> for the ASP and Regulatory Fees by calendar year and a separate breakout of ASP gross costs.

PG&E did not forecast an assumed change in Regulatory Fees using a percentage of WC claims. The forecast was developed using an average of 2020-2024 recorded costs.

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<sup>1</sup> Referenced in Exhibit (PG&E-8), Chapter 5, WP 5-47, the Willis Towers Watson Workers’ Compensation analysis.

**GRC-2027-Phi\_DR\_CalAdvocates\_159-Q006Atch01**  
**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 GENERAL RATE CASE**  
**Exhibit (PG&E-8), People, Compensation & Benefits**  
**Chapter 5, Occupational Health and Other Health & Safety Companywide Expenses**

**Table 1** **Workers' Compensation - Alternative Security Program (ASP) (\$000s)**

| Line No. | Fiscal Year (July to June)    | 2019-2020      | 2020-2021      | 2021-2022      | 2022-2023      | 2023-2024  | 2024-2025  | Reference |
|----------|-------------------------------|----------------|----------------|----------------|----------------|------------|------------|-----------|
| 1        | Assessment Amount             | \$4,764        | \$3,394        | \$2,838        | \$2,569        | \$1,640    | \$1,328    | WP 5-6    |
| 2        | Premium Credit <sup>(1)</sup> | (\$721)        | (\$324)        | (\$804)        | (\$976)        | (\$1,640)  | (\$1,328)  | WP 5-6    |
| 3        | <b>Paid Amount</b>            | <b>\$4,044</b> | <b>\$3,070</b> | <b>\$2,034</b> | <b>\$1,593</b> | <b>\$0</b> | <b>\$0</b> | WP 5-6    |

<sup>(1)</sup> Credit granted to founding long term Self-Insurer's Security Fund (SISF) members

**Table 2** **Workers' Compensation - Combined ASP and Regulatory Fees (\$000s)**

| Line No. | Calendar Year                     | Recorded       |                |                |                |                | Forecast       |                |                |
|----------|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|          |                                   | 2020           | 2021           | 2022           | 2023           | 2024           | 2025           | 2026           | 2027           |
| 1        | ASP Gross Amount                  | \$4,079        | \$3,116        | \$2,704        | \$2,104        | \$1,484        | \$2,352        | \$2,352        | \$2,352        |
| 2        | ASP Credits                       | (\$522)        | (\$564)        | (\$890)        | (\$1,308)      | (\$1,484)      | (\$1,061)      | (\$1,061)      | (\$1,061)      |
| 3        | ASP Net of Credits <sup>(1)</sup> | \$3,557        | \$2,552        | \$1,814        | \$796          | \$0            | \$645          | \$1,291        | \$1,291        |
| 4        | Regulatory Fees <sup>(2)</sup>    | \$2,384        | \$2,370        | \$2,568        | \$1,965        | \$1,413        | \$2,140        | \$2,140        | \$2,140        |
| 5        | <b>WC ASP and Regulatory Fees</b> | <b>\$5,941</b> | <b>\$4,922</b> | <b>\$4,382</b> | <b>\$2,762</b> | <b>\$1,413</b> | <b>\$2,785</b> | <b>\$3,431</b> | <b>\$3,431</b> |

<sup>(1)</sup> Forecast is average of 2021-2024 costs, with 2025 forecast half of average after applying credits received for fiscal year 2024-2025

<sup>(2)</sup> Forecast is average of 2020-2024 costs



*Public Advocates Office  
California Public Utilities Commission*

(PG&E-20)

505 Van Ness Avenue  
San Francisco, CA 94102

<http://publicadvocates.cpuc.ca.gov>

**PUBLIC ADVOCATES OFFICE  
DATA RESPONSE  
Pacific Gas & Electric Company Test Year 2027 General Rate Case  
A.25-05-009**

**Date:** 4 March 2026

**Origination Date:** 19 February 2026

**Response Due:** **5 March 2026**

**To:** Hannah Keller  
cc: [GRC@pge.com](mailto:GRC@pge.com)

GRC 2027 Coordinators:  
[GRCCaseCoordinators@pge.com](mailto:GRCCaseCoordinators@pge.com)

**From:** Dao Phan, Project Coordinator  
Public Advocates Office  
505 Van Ness Avenue, Room 4104  
San Francisco, CA 94102 [dao.phan@cpuc.ca.gov](mailto:dao.phan@cpuc.ca.gov)

**Data Request No:** GRC-2023-PhI\_DR\_PGE\_CalAdvocates006

**GENERAL OBJECTIONS**

Cal Advocates objects to each data request to the extent that it mischaracterizes Cal Advocates' opening testimony.

Cal Advocates objects to each data request to the extent that it is overly broad, unduly burdensome, or not reasonably calculated to lead to the discovery of admissible evidence.

Cal Advocates objects to each instruction and data request as overly broad and unduly burdensome to the extent that it seeks documents or information that PG&E will possess when it receives Cal Advocates' opening testimony. Responding to such requests would be oppressive, unduly burdensome, and unnecessarily expensive, and the burden of responding to such requests is substantially the same or less for PG&E as for Cal Advocates. All such documents and information will not be produced.

Cal Advocates objects to each instruction and data request to the extent that it seeks



*Public Advocates Office  
California Public Utilities Commission*

(PG&E-20)

505 Van Ness Avenue  
San Francisco, CA 94102

<http://publicadvocates.cpuc.ca.gov>

information or documents protected from disclosure by the attorney-client privilege, attorney work product doctrine, or any other applicable privilege.

**PG&E Question 1:**

Referring to Cal Advocates, Exhibit CA-22, page 12, line 23 through page 14, line 7 (Including Table 22-7):

- a. Please provide a working Excel file with all formulas that support the recommended forecast of \$3.269 million for TY 2027 ASP and Regulatory Fee expenses.
- b. Provide all documentation (including the requested Excel files) that support the recommended forecast of \$3.269 million for TY 2027 ASP and Regulatory Fee expenses.

**Public Advocates Office Response to Question 1:**

- a. Refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee.
- b. Refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee, PG&E-Exh.8-Ch. 5, PG&E's response to Cal Advocates DR 110-Q002, PG&E's response to Cal Advocates DR 159-Q006.

*Response prepared by Amrisha Banarsee*

**PACIFIC GAS AND ELECTRIC COMPANY**  
**2027 General Rate Case Phase I**  
**Application 25-05-009**  
**Data Response**

|                                   |                                              |
|-----------------------------------|----------------------------------------------|
| <b>PG&amp;E Data Request No.:</b> | CalAdvocates_159-Q008                        |
| <b>PG&amp;E File Name:</b>        | GRC-2027-PhI_DR_CalAdvocates_159-Q008        |
| <b>Request Date:</b>              | October 6, 2025                              |
| <b>Requester DR No.:</b>          | 159                                          |
| <b>Requesting Party:</b>          | Public Advocates Office                      |
| <b>Requester:</b>                 | Dao Phan                                     |
| <b>Date Sent:</b>                 | October 20, 2025                             |
| <b>PG&amp;E Witness(es):</b>      | Heather Noble – Enterprise Health and Safety |

**SUBJECT: CHAPTER 5-7 OCCUPATIONAL HEALTH, INCLUSION AND BELONGING, TOTAL COMPENSATION**

**QUESTION 008**

PG&E forecasts \$1.6 million for 2027 Department of Transportation (DOT) drug/alcohol testing. Ex. PG&E-8, pg. 5-34, attributes this to a pending Federal requirement to add oral fluid testing (effective 2023, assumed implemented in 2025), and says the forecast is based on 2025 vendor contract fees including oral fluid expenses. Please provide copies of the 2020-2025 vendor contract or rate sheets for DOT testing to document the cost difference.

**ANSWER 008**

PG&E objects to the request to the extent that it misstates testimony. The testimony, at Exhibit (PG&E-8), p. 34, lines 2-9, states that forecast increases are primarily driven by an oral fluid testing requirement. Subject to this objection and without waiver, PG&E responds as follows:

Please see the summary table below detailing the Department of Transportation (DOT) Drug and Alcohol testing vendor fees for 2020-2024 for eScreen and National Compliance Management Service Inc. (NCMS). Copies of the vendor contract rate / fee sheets can be found in the reference attachments as noted below.

| <b>Vendor</b>  | <b>Start</b> | <b>End</b> | <b>Value</b>                   | <b>Reference</b>                                        |
|----------------|--------------|------------|--------------------------------|---------------------------------------------------------|
| <b>eScreen</b> | 4/30/2020    | 5/31/2021  | <b>\$1,200,000</b>             | GRC-2027-PhI_DR_CalAdvocates_159-Q008Atch01, Pages 1-3  |
|                | 6/1/2021     | 12/31/2021 | <b>\$1,100,000</b>             | GRC-2027-PhI_DR_CalAdvocates_159-Q008Atch01, Pages 4-7  |
|                | 1/1/2022     | 12/31/2024 | <b>\$3,500,000</b>             | GRC-2027-PhI_DR_CalAdvocates_159-Q008Atch01, Pages 8-17 |
|                | 1/1/2024     | 12/31/2024 | <b>\$1,495,000<sup>1</sup></b> | GRC-2027-PhI_DR_CalAdvocates_159-Q008Atch02, Pages 1-7  |

|             |          |            |                              |                                                         |
|-------------|----------|------------|------------------------------|---------------------------------------------------------|
|             | 1/1/2025 | 12/31/2027 | <b>\$4,485,000</b>           | GRC-2027-PhI_DR_CalAdvocates_159-Q008Atch02, Pages 8-17 |
| <b>NCMS</b> | 1/1/2020 | 12/31/2022 | <b>\$150,000</b>             | GRC-2027-PhI_DR_CalAdvocates_159-Q008Atch03, Page 1     |
|             | 1/1/2023 | 12/31/2024 | <b>\$150,000</b>             | GRC-2027-PhI_DR_CalAdvocates_159-Q008Atch03, Pages 2-4  |
|             | 1/1/2025 | 12/31/2027 | <b>\$202,500<sup>2</sup></b> | GRC-2027-PhI_DR_CalAdvocates_159-Q008Atch03, Pages 5-9  |

<sup>1</sup> Rates increased in 2024 in anticipation of the implementation of a June 2023 Department of Transportation amendment to the drug testing program to include oral fluid testing. The implementation of this change has been delayed (pending Department of Health and Human Services to certify at least two laboratories for this change) and the forecast was developed assuming the industry would begin administration of the new testing in 2025.

<sup>2</sup> Value does not include the estimated costs associated with the approx. 1000 Applicant Installers added into the contractor drug and alcohol program monitoring, increasing the annual amount of NCMS/Pipeline Safety to \$110,000 (from \$67,500).

In addition, please see the table below for a breakdown of the cost categories for the DOT Drug and Alcohol testing forecast, which can also be found in workpaper supporting Exhibit (PG&E-8), Volume 1, Chapter 5, WP 5-23.

| Workpapers Supporting<br>Chapter 5, Occupational Health<br>Other Health and Safety |                               |                                                                                                                                                                                                                         |                |
|------------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Drug and Alcohol Testing (DOT Testing) Forecast (\$000s)                           |                               |                                                                                                                                                                                                                         |                |
| Line No.                                                                           | Category                      | Description                                                                                                                                                                                                             | 2025           |
| 1                                                                                  | <b>Medical / Drug Testing</b> | Random Testing (Test Rate @ 50%)<br>Oral Fluid Testing (Est. Lab \$30 and On-Site \$60)<br>New Custom Panel Excluding THC (Est. \$34)<br>NCMS/Pipeline Safety, inclusive of Applicant Installers (Est. \$110K per year) | \$1,360        |
| 2                                                                                  | <b>Physical Testing / CDL</b> | Physicals (Est. Avg. \$20K month)<br>No Show Physicals (Est. Avg. \$5K per year)                                                                                                                                        | \$245          |
| 3                                                                                  | <b>Administrative</b>         | DOT Clearinghouse (\$5 each) <sup>1</sup><br>Sleep Studies (Avg. 35) <sup>2</sup> and other Admin expense                                                                                                               | \$27           |
| 4                                                                                  | <b>Total</b>                  |                                                                                                                                                                                                                         | <b>\$1,632</b> |

<sup>1</sup> Completed 4608 in 2024; costs were inadvertently recorded under department expense

<sup>2</sup> Completed 45 in 2024; costs were inadvertently recorded under department expense



*Public Advocates Office  
California Public Utilities Commission*

(PG&E-20)

505 Van Ness Avenue  
San Francisco, CA 94102

<http://publicadvocates.cpuc.ca.gov>

**PUBLIC ADVOCATES OFFICE  
DATA RESPONSE  
Pacific Gas & Electric Company Test Year 2027 General Rate Case  
A.25-05-009**

**Date:** 4 March 2026

**Origination Date:** 19 February 2026

**Response Due:** 5 March 2026

**To:** Hannah Keller  
cc: [GRC@pge.com](mailto:GRC@pge.com)

GRC 2027 Coordinators:  
[GRCCaseCoordinators@pge.com](mailto:GRCCaseCoordinators@pge.com)

**From:** Dao Phan, Project Coordinator  
Public Advocates Office  
505 Van Ness Avenue, Room 4104  
San Francisco, CA 94102 [dao.phan@cpuc.ca.gov](mailto:dao.phan@cpuc.ca.gov)

**Data Request No:** GRC-2023-PhI\_DR\_PGE\_CalAdvocates007

**GENERAL OBJECTIONS**

Cal Advocates objects to each data request to the extent that it mischaracterizes Cal Advocates' opening testimony.

Cal Advocates objects to each data request to the extent that it is overly broad, unduly burdensome, or not reasonably calculated to lead to the discovery of admissible evidence.

Cal Advocates objects to each instruction and data request as overly broad and unduly burdensome to the extent that it seeks documents or information that PG&E will possess when it receives Cal Advocates' opening testimony. Responding to such requests would be oppressive, unduly burdensome, and unnecessarily expensive, and the burden of responding to such requests is substantially the same or less for PG&E as for Cal Advocates. All such documents and information will not be produced.

Cal Advocates objects to each instruction and data request to the extent that it seeks





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information or documents protected from disclosure by the attorney-client privilege, attorney work product doctrine, or any other applicable privilege.

**PG&E Question 1:**

Please provide a working Excel file with all formulas for Cal Advocates recommended forecast of \$1.212 million for TY 2027 DOT Drug and Alcohol Testing expenses, including how the downward adjustment of \$0.420 million for PG&E's forecast was determined.

**Public Advocates Office Response to Question 1:**

Refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee.

Response prepared by Amrisha Banarsee



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**PG&E Question 2:**

Please provide all documentation (including the requested working Excel file) that support Cal Advocates recommended forecast of \$1.212 million for TY 2027 DOT Drug and Alcohol Testing expenses, including how the downward adjustment of \$0.420 million for PG&E's forecast was determined.

**Public Advocates Office Response to Question 2:**

Refer to PG&E GRC 2027 Cal Advocates Working Papers\_Banarsee, PG&E-Exh-8 Ch.5, GRC Corporate Items Ch. 5 Workpapers, PG&E's response to Cal Advocates DR 159-Q008.

Response prepared by Amrisha Banarsee

| Tab | Section                        |
|-----|--------------------------------|
| 1   | Fit4U_Wellness                 |
| 2   | MSD/Industrial Athlete Program |
| 3   | Light Duty Payroll             |
| 4   | ASP & Regulatory               |
| 5   | DOT Drug & Alchol Testing      |

# 2027 PG&E GRC MSD/Industrial Athlete Program Forecast vs Cal Advocates Forecast

| Description                             | PG&E 2027 Forecast |          | Cal Advocates 2027 Forecast |          | Amount PG&E > Cal Advocates |          | Sources                                                                                        |
|-----------------------------------------|--------------------|----------|-----------------------------|----------|-----------------------------|----------|------------------------------------------------------------------------------------------------|
|                                         |                    |          |                             |          |                             |          |                                                                                                |
| Baseline MSD/Industrial Athlete Program | \$                 | 7,588.00 | \$                          | 7,588.00 | \$                          | -        | Ex. PG&E-8 Ch.5 MSD, 2027 GRC Corporate Items (PG&E-8), Chapter 5                              |
| FMS                                     | \$                 | 504.00   | \$                          | -        | \$                          | 504.00   | 2027 GRC Corporate Items (PG&E-8), Chapter 5, PG&E's response to DR PubAdv-PG&E-159-ABK, Q003. |
| Wearable Devices                        | \$                 | 51.00    | \$                          | -        | \$                          | 51.00    | 2027 GRC Corporate Items (PG&E-8), Chapter 5; PG&E's response to DR PubAdv-PG&E-159-ABK, Q003  |
| One-time Erconomic Tools & Assessment   | \$                 | 185.00   | \$                          | -        | \$                          | 185.00   | 2027 GRC Corporate Items (PG&E-8), Chapter 5                                                   |
| Expanded Vendor Services                | \$                 | 320.00   | \$                          | -        | \$                          | 320.00   | 2027 GRC Corporate Items (PG&E-8), Chapter 5, PG&E's response to DR PubAdv-PG&E-159-ABK, Q003. |
| Total                                   | \$                 | 8,648.00 | \$                          | 7,588.00 | \$                          | 1,060.00 |                                                                                                |

**2027 PG&E GRC Wellness Program Forecast vs Cal Advocates Forecast**

| Description   | Amount | PG&E 2027 Forecast | Cal Advocates 2027 Forecast | Amount PG&E > Cal Advocates | Sources                                                                             |
|---------------|--------|--------------------|-----------------------------|-----------------------------|-------------------------------------------------------------------------------------|
| Core Wellness | \$     | 625.00             | \$                          | 625.00                      | \$ - Ex. PG&E-8 Ch.5 Wellness/Fit4U                                                 |
| Expansion     | \$     | 417.00             | \$                          | -                           | 417.00 Ex. PG&E-8 Ch.5 Wellness/Fit4U, 2027 GRC Corporate Items (PG&E-8), Chapter 5 |
| Total         | \$     | 1,042.00           | \$                          | 625.00                      | \$ 417.00                                                                           |

2027 PG&E GRC Light Duty Payroll Forecast vs Cal Advocates Forecast

| Description                             | PG&E 2027 Forecast |          | Cal Advocates 2027 Forecast |        | Amount PG&E > Cal Advocates | Sources |                                                                                     |
|-----------------------------------------|--------------------|----------|-----------------------------|--------|-----------------------------|---------|-------------------------------------------------------------------------------------|
| Light Duty Payroll                      | \$                 | 884.00   | \$                          | 884.00 | \$                          | -       | Ex. PG&E-8 Ch.5 Light Duty Payroll, PG&E's response to DR PubAdv-PG&E-159-ABK, Q004 |
| Light Duty Payroll Incremental Increase | \$                 | 320.00   | \$                          | -      | \$                          | 320.00  | PG&E's response to DR PubAdv-PG&E-159-ABK, Q004                                     |
| Total                                   | \$                 | 1,204.00 | \$                          | 884.00 | \$                          | 320.00  |                                                                                     |

2027 PG&E GRC ASP & Regulatory Fees Forecast vs Cal Advocates Forecast

| Description        | PG&E 2027 Forecast |          | Cal Advocates 2027 Forecast |          | Amount PG&E > Cal Advocates | Sources                                                                                       |
|--------------------|--------------------|----------|-----------------------------|----------|-----------------------------|-----------------------------------------------------------------------------------------------|
| WC ASP             |                    |          |                             |          |                             |                                                                                               |
|                    | \$                 | 1,291.00 | \$                          | 1,129.00 | \$                          | 162.00 Ex. PG&E-8 Ch.5 ASP & Regulatory Fees, PG&E's response to DR PubAdv-PG&E-110-ABK, Q002 |
| WC Regulatory Fees | \$                 | 2,140.00 | \$                          | 2,140.00 | \$                          | - PG&E's response to DR PubAdv-PG&E-110-ABK, Q002                                             |
| Total              | \$                 | 3,431.00 | \$                          | 3,269.00 | \$                          | 162.00                                                                                        |

2027 PG&E GRC DOT Drug & Alcohol Testing Forecast vs Cal Advocates Forecast

| Description    | PG&E 2027 Forecast | Cal Advocates 2027 Forecast | Amount PG&E > Cal Advocates | Sources                                         |
|----------------|--------------------|-----------------------------|-----------------------------|-------------------------------------------------|
| Medical/ Drug  |                    |                             |                             |                                                 |
| Testing        | \$ 1,360.00        | \$ 941.00                   | \$ 420.00                   | PG&E's response to DR PubAdv-PG&E-159-ABK, Q008 |
| Physical       |                    |                             |                             |                                                 |
| Testing/ CDL   | \$ 245.00          | \$ 245.00                   | -                           | PG&E's response to DR PubAdv-PG&E-159-ABK, Q008 |
| Administrative | \$ 27.00           | \$ 27.00                    | -                           | PG&E's response to DR PubAdv-PG&E-159-ABK, Q008 |
| Total          | \$ 1,632.00        | \$ 1,212.00                 | \$ 420.00                   |                                                 |



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**List of Sources**

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Ex. PG&E-8 Ch.5

2027 GRC Corporate Items (PG&E-8), Chapter 5

PG&E's response to DR PubAdv-PG&E-159-ABK, Q003

PG&E's response to DR PubAdv-PG&E-159-ABK, Q004

PG&E's response to DR PubAdv-PG&E-110-ABK, Q002

PG&E's response to DR PubAdv-PG&E-159-ABK, Q008

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