

PG&E HEARING ROOM CROSS EXHIBIT PG&E Ex-55

A.25-05-009

Rates in Testimony

1. Please provide an overview of the rate and bill calculations included in PG&E's testimony.

PG&E's testimony presents two main sets of rate and bill impacts.

The first set of rate and bill impacts includes the impact of only the incremental revenue requirement requested in this 2027 GRC Application. These rate and bill impacts are described and presented in Exhibit (PG&E-10) Chapters 18 and 19.¹ To perform this calculation, PG&E applies the incremental revenue requirement request presented in Exhibit (PG&E-10), Chapter 14, Table 14-1 and Exhibit (PG&E-11), Chapter 2, Table 2-1 on top of present rates at the time of filing using PG&E's rate calculation models. For these calculations, PG&E relies on the same models that are used to implement rate changes. These calculations isolate the impact of only the revenue requirement change requested in this Application, using the approved sales forecast effective in rates at the time of filing. In other words, these calculations do not take into consideration future changes in sales.

The second set of rate and bill impacts presented include both approved revenue requirements, and revenue requirement requests that are pending approval by the California Public Utilities Commission (CPUC) or Federal Energy Regulatory Commission (FERC). These rates and bills are presented in Exhibit (PG&E-13) Chapter 2 and utilize the March 2026 gas and electric Cost and Rate Trackers (CRT) developed by PG&E in collaboration with Energy Division as part of the Affordability Order Instituting Rulemaking. The CRTs calculate illustrative rates and bills for the current year and subsequent three years. While these models calculate rate and bill estimates, the calculation method relies on inputs from the same rate calculation models that are used to implement rate changes. The March 2026 CRTs also do not take into consideration future changes in sales.

2. Please provide a further explanation on how these rates and bills are calculated.

The calculation of rate and bill impacts generally follow the same process, irrespective of which model is used:

- **Step 1:** The revenue requirement for each function (Distribution, Generation, Transmission, etc.) is provided as an input into the model.
- **Step 2:** Each functional revenue requirement is allocated to PG&E's various customer classes based on the revenue allocation rules adopted in PG&E's most recent revenue allocation and rate design proceeding. For electric rates, this methodology was approved in PG&E's 2020 GRC Phase II proceeding (D.21-11-016). For gas rates, this methodology was approved in PG&E's Gas Cost Allocation

¹ See Exhibit (PG&E-10), Chapter 18, Attachment A and Exhibit (PG&E-10), Chapter 19, Attachment A: Table 1.

Proceeding (D.19-10-026) for distribution functions and PG&E's 2023 Gas Transmission & Storage Gas Cost Allocation and Rate Design proceeding (D. 24-03-002) for transmission and storage costs.

- **Step 3:** Rates are calculated by dividing the revenue requirement allocated to a given customer class (e.g. residential) by the appropriate billing determinants (e.g. energy sales) approved for ratesetting. For electric, the load forecast is determined in the annual Energy Resource and Recovery Account Forecast proceeding. For gas, the throughput forecast is determined in the Gas Cost Allocation and Rate Design proceeding. These forecasts are held static in the calculation, irrespective of the year being estimated.
- **Step 4:** Residential bills are calculated by multiplying the calculated rates by the applicable billing determinants. For the calculation of the typical bundled residential non-CARE bills, PG&E applies a monthly usage of 500 kWh for electric and 31 therms for gas.

3. What costs from other proceedings does PG&E anticipate will be removed from or added to rates over time?

Since PG&E's Application was filed in May 2025, the following proceedings have revenue requirements that have been or are expected to be removed from rates once cost recovery completes:

- 2021 Wildfire Mitigation and Catastrophic Events (WMCE) (non-vegetation management) (D.23-08-027)²
- Wildfire and Gas Safety Cost Interim Rate Relief (D.24-09-003)²²
- 2023 GRC Late Implementation (D.23-11-069)²²
- 2023 GRC Track 2 (D.23-11-069)²²
- 2021 WMCE (vegetation management) (D.24-12-075)²²
- 2023 WMCE Interim Rate Relief (D.24-09-003)²²
- 2022 WMCE (D.25-09-008) – *Expiring Q1 2027*
- Transmission Revenue Requirement Reclassification Memorandum Account (D.25-12-026) – *Expiring Q1 2027*
- 2023 WMCE (D.26-02-004) – *Expiring Q1 2027*
- Gas Advanced Metering Infrastructure (D.25-12-029) – *Expiring Q1 2027*
- 2011-2014 Gas Transmission and Storage Audit (D.22-07-007) – *Expiring Q3 2027*

² This proceeding has already been removed from rates since the filing of PG&E's 2027 GRC.

As further described in Exhibit (PG&E-13) Chapter 2, page 2-2, the following proceedings are pending and are captured in PG&E's Cost and Rate Tracker analysis presented in Exhibit (PG&E-13) Chapter 2:

- 2027 General Rate Case (A.25-05-009)
- 2024 WMCE (A.24-11-009)
- Wildfire and Gas Safety Costs (A.23-06-008)
- Billing Modernization (A.24-10-014)
- Kincade and Dixie AB 1054 Wildfire Cost Review and Recovery Proceeding (A.25-11-001)
- Income Qualified Program Bridge Funding (A.25-06-024)
- Income Qualified Programs (A.26-01-003)
- Stanpac S851 (A.25-12-014)
- Hydrogen Blending Demonstration Projects (A.22-09-006)

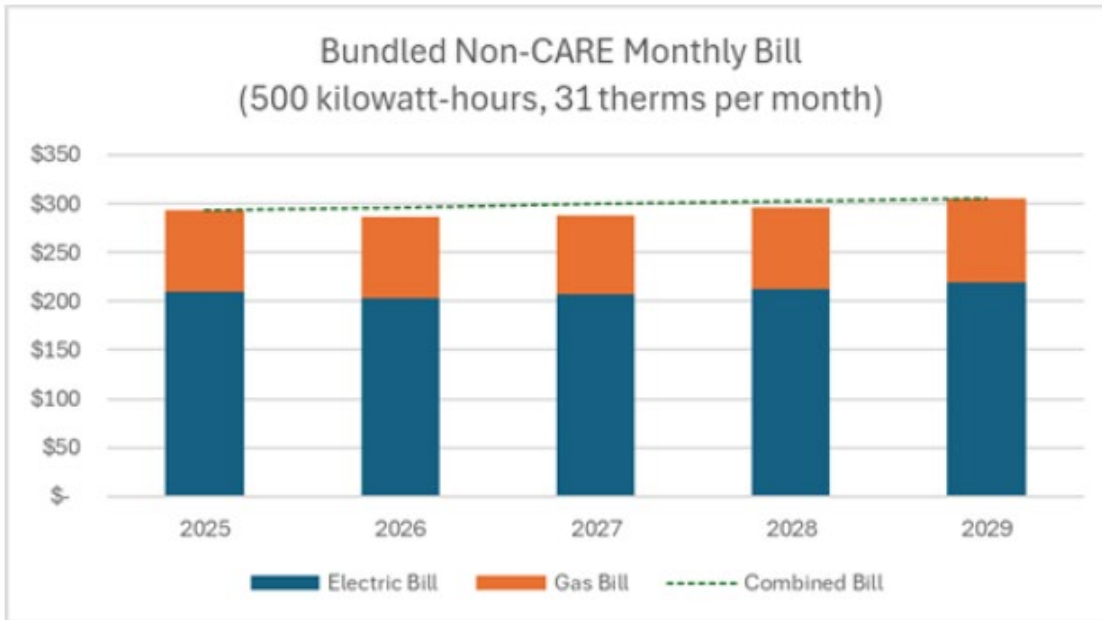
4. How does load growth affect the bill impacts described above?

Both sets of electric rate and bill impacts described in response to Question 1 rely on the CPUC-authorized sales forecasts for ratesetting and do not capture the impact of future electric load growth. However, PG&E presents an illustration of the impact of additional load growth in Exhibit (PG&E-10), Chapter 18, Table 18-11.

5. How is load growth incorporated into the Annual Electric True-up?

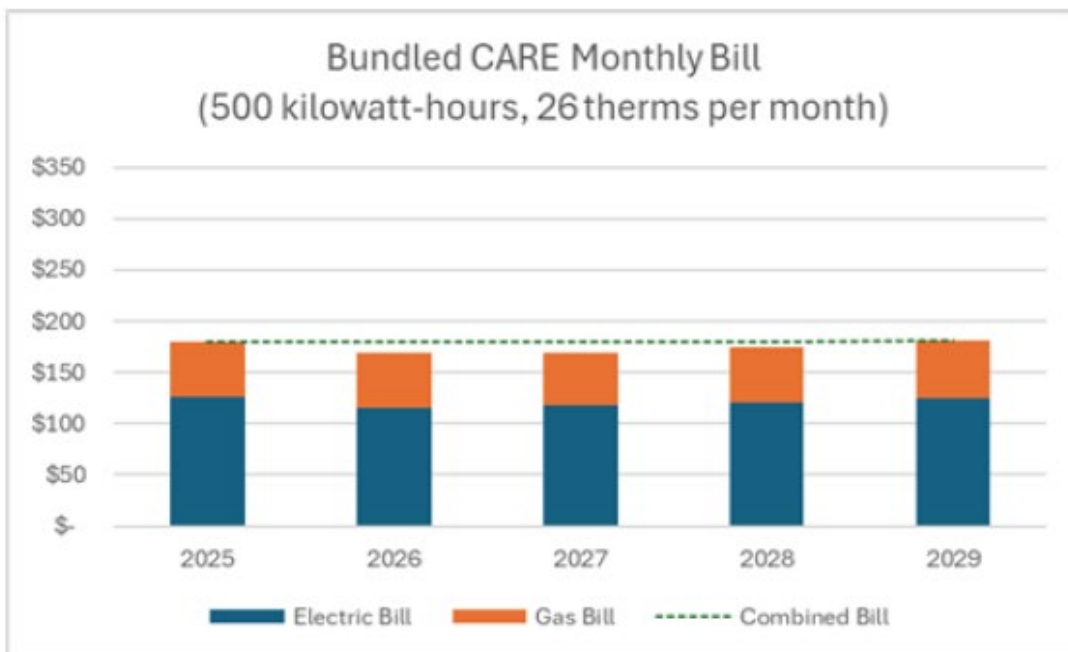
The Annual Electric True-up (AET) applies the sales forecast adopted in the Energy Resource and Recovery Account (ERRA) Forecast proceeding to calculate electric rates. The sales forecast currently in rates was adopted by D.25-12-027 in PG&E's 2026 ERRA Forecast proceeding. To calculate rates in the 2027 AET, PG&E will use the sales forecast that is ultimately adopted in the 2027 ERRA Forecast proceeding.

**FIGURE 2-1
COST AND RATE TRACKER COMBINED BILL FORECAST (NON-CARE)**



(PG&E)

**FIGURE 2-2
COST AND RATE TRACKER COMBINED BILL FORECAST (CARE)**



PG&E estimates the proposed post test year attrition adjustments (Section VI.F) will yield the revenue requirement increases set forth in Table 2 below.

Table 2
GRC Attrition Year Revenue Requirements
(Millions of Dollars)

Year	Gas Distribution	Electric Distribution	Gas & Transmission Storage	Electric Generation	Total
2028	\$3,221	\$10,605	\$2,284	\$1,542	\$17,651
2029	3,389	11,373	2,371	1,592	18,726
2030	3,560	12,187	2,465	1,657	19,869

Tables 3 and 4 below show the estimated 2027 average impact on typical residential customer bills and the average impact on California Alternate Rates for Energy (CARE) participant customer bills for electric and gas residential customers per month as compared to 2025 bills as of the date of this Application, respectively. This is an estimate as the GRC is only one case that changes rates and bills; the Commission may approve other changes in the interim period between 2025 and 2027.

Table 3
Impact on Typical Bundled Non-CARE Residential Customer Bills

Commodity	Residential Usage	Current 2025 Average Customer Bill	Estimated 2027 Average Customer Bill	Estimated 2027 Average Customer Bill Increase from 2025 Bills	Estimated 2027 Average Customer Bill Percentage Increase from Current Bills
Electric	500 kWh	\$214.93	\$226.11	\$11.18	5.2%
Gas	31 Therms	\$83.86	\$83.32	-\$0.54	-0.6%
Combined Bill Total	NA	\$298.79	\$309.43	\$10.64	3.6%

Table 4
Impact on Typical Bundled CARE Residential Customer Bills

Commodity	Residential Usage	Current 2025 Average Customer Bill	Estimated 2027 Average Customer Bill	Estimated 2027 Average Customer Bill Increase from 2025 Bills	Estimated 2027 Average Customer Bill Percentage Increase from Current Bills
Electric	500 kWh	\$128.67	\$135.68	\$7.01	5.4%
Gas	26 Therms	\$53.56	\$53.21	-\$0.35	-0.7%
Combined Bill Total	NA	\$182.23	\$188.89	\$6.66	3.7%

VIII. COMPLIANCE WITH THE RATE CASE PLAN AND OTHER COMMISSION DECISIONS

In this section, we discuss our compliance with the Rate Case Plan and other Commission decisions.

A. Presentation of Costs and Cost Allocation

The Rate Case Plan requires the utility to explain its costs presentation to “assist the Commission as a whole to understand the issues in any given GRC.”³² The costs and associated revenue requirements that are the subject of this Application are those forecasted to occur in calendar year 2027. These costs include all O&M and A&G expenses, depreciation, taxes, and a fair return on rate base for the electric and gas distribution, gas transmission and storage, and electric generation functions that PG&E performs, excluding the costs to own and operate the Diablo Canyon Power Plant.³³ We are presenting this GRC in an “unbundled” format, consistent with all our GRCs since 2003. All the costs have been separated into Unbundled Cost Categories (UCCs) and aggregated into business functional areas. This Application does not address revenue requirement changes in the areas of electric

³² See generally D.20-01-002, p. 60.

³³ Beginning in 2026, the costs to own and operate the Diablo Canyon Power Plant (DCPP) are recovered in PG&E’s DCPP Extended Operations proceedings.

2027 GRC Application Bundled Residential Bill Impacts

Customer Type	Commodity	Residential Usage	2025 Average Customer Bill	2027 Average Customer Bill	Nominal Change	% Change	2028 Average Customer Bill	Nominal Change	% Change	2029 Average Customer Bill	Nominal Change	% Change	2030 Average Customer Bill	Nominal Change	% Change
Non-CARE	Electric	500 kWh	\$214.93	\$226.11	\$11.18	5.2%	\$232.99	\$6.88	3.0%	\$240.24	\$7.25	3.1%	\$248.01	\$7.77	3.2%
	Gas	31 Therms	\$83.86	\$83.32	-\$0.54	-0.6%	\$86.38	\$3.06	3.7%	\$89.53	\$3.15	3.6%	\$92.94	\$3.41	3.8%
	Combined	N/A	\$298.79	\$309.43	\$10.64	3.6%	\$319.37	\$9.94	3.2%	\$329.77	\$10.40	3.3%	\$340.95	\$11.18	3.4%
CARE	Electric	500 kWh	\$128.67	\$135.68	\$7.01	5.4%	\$140.00	\$4.32	3.2%	\$144.55	\$4.55	3.3%	\$149.42	\$4.87	3.4%
	Gas	31 Therms	\$53.56	\$53.21	-\$0.35	-0.7%	\$55.23	\$2.02	3.8%	\$57.36	\$2.13	3.9%	\$59.54	\$2.18	3.8%
	Combined	N/A	\$182.23	\$188.89	\$6.66	3.7%	\$195.23	\$6.34	3.4%	\$201.91	\$6.68	3.4%	\$208.96	\$7.05	3.5%

Source: Exhibit (PG&E-10), Chapter 18, Attachment A and Exhibit (PG&E-10), Chapter 19, Attachment A: Table 1

TABLE 18-11
ILLUSTRATIVE 2027 GRC ELECTRIC MONTHLY BILL IMPACT
WITH AND WITHOUT LOAD GROWTH

Line No.	Category	2027	2028	2029	2030
1	2027 GRC Electric Residential Bill Impact - <u>Without</u> Load Growth	\$11	\$7	\$7	\$8
2	<i>Year-over-Year Percentage Change</i>	5%	3%	3%	3%
3	Illustrative 2027 GRC Electric Residential Bill Impact - <u>With</u> Load Growth	\$8	\$1	\$(1)	\$(3)
4	<i>Year-over-Year Percentage Change</i>	4%	0%	0%	(1)%
5	Bill Impact from Electric Load Growth	\$(4)	\$(6)	\$(8)	\$(10)
6	<i>Year-over-Year Percentage Change</i>	(2)%	(3)%	(4)%	(5)%