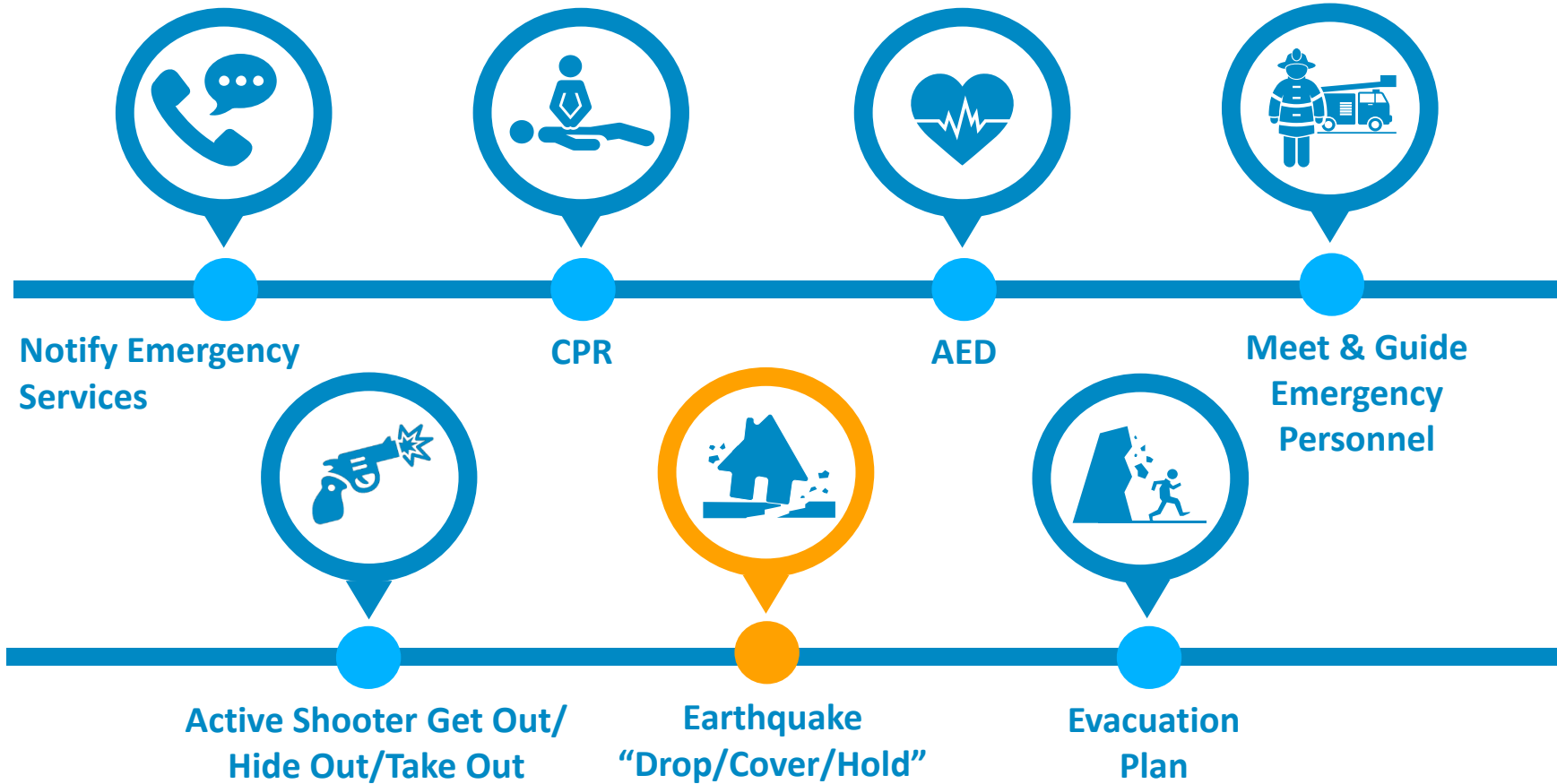


# PG&E 2027 General Rate Case Workshop

May 29, 2025



# Safety





# Introduction

## Objectives

- Provide a high-level overview of PG&E's 2027 GRC
- Demonstrate how to navigate PG&E's GRC through the exhibit and chapter structure

## Today's Presenters

- Today's presentation is led by exhibit case managers

## PG&E Key Contacts

- Ken Arnold – GRC Case Manager
- Walker A. Matthews – GRC Lead Attorney
- Hannah Keller – Discovery Lead

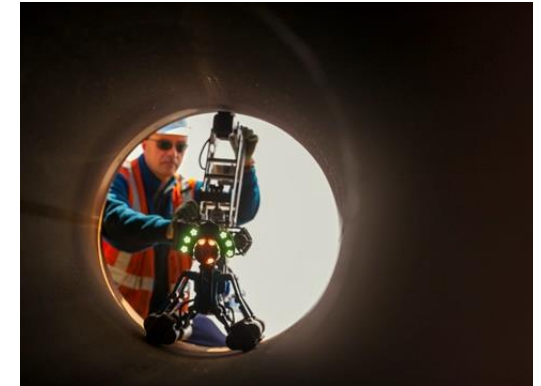
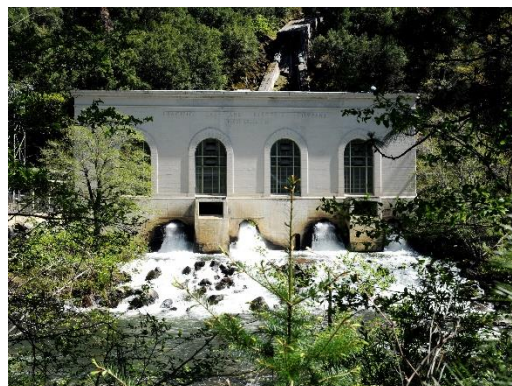


# Agenda

Topic	Exhibit	Presenter(s)	Start Time	Duration
<b>Energy Division Introduction</b>	N/A	CPUC	<b>9:30 AM</b>	15 min
<b>Case Overview</b>	Exhibit (PG&E-1)	Ken Arnold	<b>9:45 AM</b>	15 min
<b>Policy</b>	Exhibit (PG&E-2)	Geri Callejas, Hannah Keller, Vincent Loh, Danielle Adams, Ken Arnold	<b>10:00 AM</b>	30 min
<i>Morning Break</i>			10:30 AM	10 min
<b>Gas Operations</b>	Exhibit (PG&E-3)	Jessyca Kamel	<b>10:40 AM</b>	30 min
<b>Electric Distribution</b>	Exhibit (PG&E-4)	Shannon Yuen	<b>11:10 AM</b>	35 min
<i>Lunch</i>			11:45 AM	75 min
<b>Energy Supply</b>	Exhibit (PG&E-5)	Jason Allard	<b>1:00 PM</b>	15 min
<b>Customer and Enterprise Solutions</b>	Exhibit (PG&E-6)	Bill Chen	<b>1:15 PM</b>	15 min
<b>Shared Services and Information Technology</b>	Exhibit (PG&E-7)	Geri Callejas	<b>1:30 PM</b>	15 min
<b>People, Compensation &amp; Benefits</b>	Exhibit (PG&E-8)	Samantha White	<b>1:45 PM</b>	20 min
<i>Afternoon Break</i>			2:05 PM	10 min
<b>Administrative and General</b>	Exhibit (PG&E-9)	Lauren Hudson	<b>2:15 PM</b>	20 min
<b>Results of Operations</b>	Exhibit (PG&E-10)	Megan Rodriguez	<b>2:35 PM</b>	20 min
<b>Post Test-Year Ratemaking Proposal</b>	Exhibit (PG&E-11)	Megan Rodriguez	<b>2:55 PM</b>	20 min
<b>Discovery Overview</b>	N/A	Hannah Keller	<b>3:15 PM</b>	15 min



# 2027 GRC Overview



**Stabilizing Bills and Improving Service**





# Case Highlights

## Stabilizing Bills and Improving Service

**307**

Miles of  
undergrounding in  
2027

**760**

Miles of overhead  
hardening by 2030

**164/yr**

Miles of gas  
distribution pipe  
replacement

**960**

Miles of pipeline  
made piggable that  
will be assessed

**3 million**

EVs to be  
supported  
by 2030

**>16,000/yr**

New business  
connections

**114**

Weather stations  
by 2030

**200,000**

Poles to be  
reinforced /  
replaced by 2030

# Case Highlights

## Lowest requested increase in more than a decade

- PG&E's 2027 TY requests \$16.6B to support the continued safe and reliable operations of our energy system.
- Requesting a test year revenue requirement increase of 8% compared to authorized revenue for 2026 and attrition year increases of 6.1% for each attrition year 2028-2030.
- This GRC results in a 3.6% bill increase in 2027; however, given other projected rate changes, we expect bills to be flat compared to 2025.
- Expense increase limited while focusing on infrastructure investments to stabilize bills while improving service.



# Case Highlights (continued)

## Key Proposed Investments

- Address risks and serve customers through our electric distribution system.
  - Investing in Wildfire Safety and clearing high-priority maintenance tags in high fire risk areas, consistent with the Wildfire Mitigation Plan (WMP).
  - Completing new business connections or upgraded service requested by residential, commercial, industrial, agricultural, and electric vehicle charging customers.
  - Distribution capacity projects to address grid reliability and timely customer connections and installation of electrical charging stations.
  - Commencing our 4 kV voltage conversion program to modernize a system dating back to the 1930s and to support customer electrification.
- Maintain the safety and reliability of the gas system and a dependable energy supply.
- Improve access to timely and relevant customer support.



# Case Highlights (continued)

## Our Regional Operations Model

We provide utility service *locally*, therefore, to deliver better results for our customers, we engage *locally* with stakeholders (community governments, businesses, residents) in our communities.





# Case Highlights (continued)

## Advancing Prosperity and Progress in California

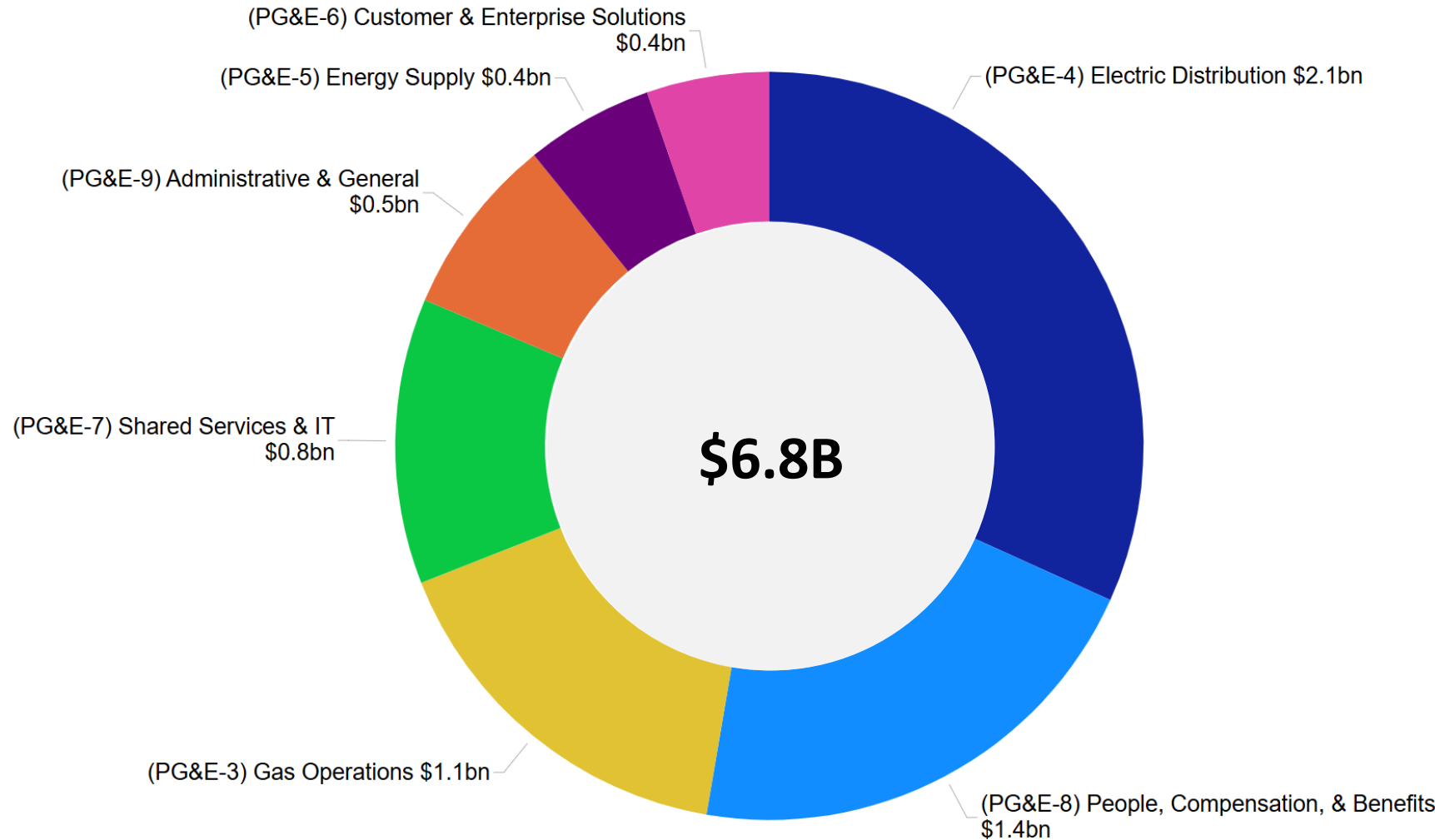
- Our investments create jobs in the communities we serve.
  - This GRC will support the continued employment of more than 29,000 PG&E employees, and engagement with more than 12,500 contract workers, and hundreds of local vendors and suppliers within these regions (who employ thousands of employees themselves).
- We support small business customers within these regions by continuing programs that provide additional financial support for these customers, including support on energy solutions, billing, education, and outreach.
- For over 120 years, our gas and electric utility services have been inextricably intertwined with California's economic development as we provided the energy to drive the state's manufacturing, agriculture, engineering, and technology industries in central and northern California.



# 2027 TY Request - Expense

## Exhibit

- (PG&E-3) Gas Operations
- (PG&E-4) Electric Distribution
- (PG&E-5) Energy Supply
- (PG&E-6) Customer & Enterprise Solutions
- (PG&E-7) Shared Services & IT
- (PG&E-8) People, Compensation, & Benefits
- (PG&E-9) Administrative & General

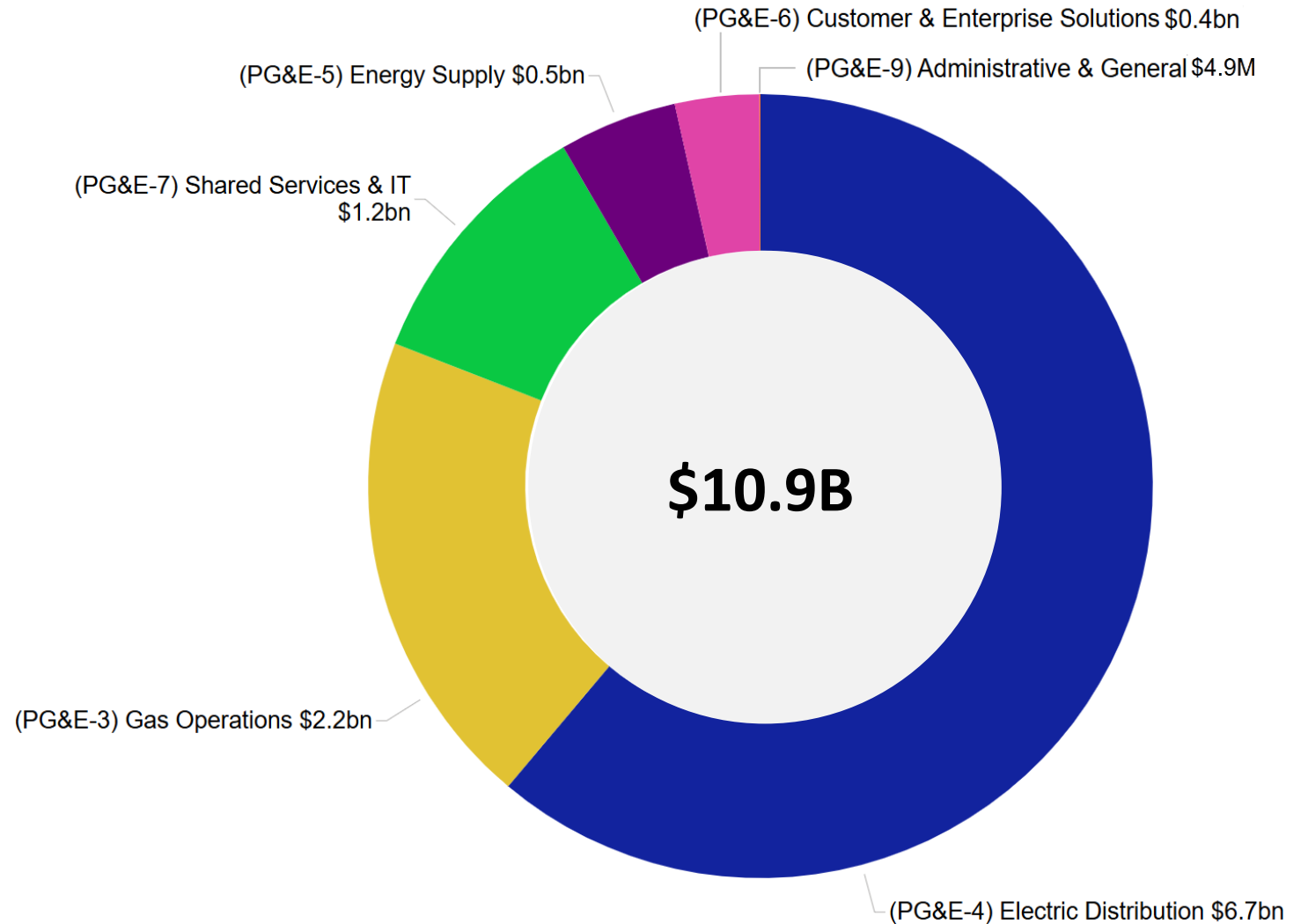




# 2027 TY Request - Capital

## Exhibit

- (PG&E-3) Gas Operations
- (PG&E-4) Electric Distribution
- (PG&E-5) Energy Supply
- (PG&E-6) Customer & Enterprise Solutions
- (PG&E-7) Shared Services & IT
- (PG&E-9) Administrative & General





# Proposed Schedule

## PG&E proposes the Commission's rate case plan schedule:

D.20-01-002, Appendix A, Table 1, Adopted Revised GRC Application Filing Schedule			
Date	Days	Event	PG&E Translated Date
<b>Test Year minus-2</b>			
May 15	Day 0	Utility files GRC Application, and serves prepared testimony	Thursday, May 15, 2025
By May 30	~Day 15	Utility holds public workshop on overall GRC application	Thursday, May 29, 2025
30 days after Daily Calendar notice	~Day 30	Due date for protests and responses to GRC application, pursuant to Rule 2.6(a)	Monday, June 16, 2025
By June 30	~Day 45	Prehearing Conference held	Monday, June 30, 2025
By August 15	~Day 90	Scoping Memo of Assigned Commissioner issued	Friday, August 15, 2025
To be decided		Public Participation Hearings	To be decided
By December 15	~Day 215	Public Advocates Office and other intervenors serve opening testimony	Monday, December 15, 2025
<b>Test Year minus-1</b>			
By January 30	~Day 260	Concurrent rebuttal testimony served	Friday, January 30, 2026
		<i>Last Day to Meet and Confer [Rule 13.9]</i>	Thursday, February 12, 2026
By February 25	~Day 285	Evidentiary hearings begin	Wednesday, February 25, 2026
By March 15	~Day 305	Evidentiary hearings end	Wednesday, March 15, 2026
To be decided		Update testimony and hearings, if necessary	To be decided
By April 20	~Day 340	Briefs filed	Monday, April 20, 2026
By May 12	~Day 360	Reply briefs filed	Tuesday, May 12, 2026
By August 3	~Day 445	Status conference, proceeding submitted for Commission decision [Rule 13.15(a)]	Monday, August 3, 2026
By November 1	~Day 535	Proposed decision mailed for comment	Sunday, November 1, 2026
By December 1	~Day 565	Final decision adopted	Tuesday, December 1, 2026
<b>Test Year</b>			
January 1	~Day 595	Effective date of final decision	Friday, January 1, 2027





# Summary of Exhibits

Exhibit	Summary
<b>(PG&amp;E-1) Introduction</b>	<ul style="list-style-type: none"><li>• Provides overall policy testimony on PG&amp;E's request including a summary of PG&amp;E's priorities and areas of focus, and key proposed investments for the 2027-2030 GRC period.</li><li>• Provides summary regarding how we do business through our Regional Service Model and specific work completed to meet the needs of each region.</li><li>• Outlines the structure of the remaining exhibits.</li></ul>
<b>(PG&amp;E-2) Policy</b>	<ul style="list-style-type: none"><li>• Presents PG&amp;E's safety management policy and summarizes how we address these issues in the 2027 GRC.</li><li>• Presents PG&amp;E's risk management policy, program, and integration of the Risk Assessment and Mitigation Phase into the 2027 GRC request.</li><li>• Presents PG&amp;E's approach to addressing climate change, including the Company's climate strategy and how climate was considered in preparation of the 2027 GRC forecast.</li><li>• Presents PG&amp;E's budget and planning process used to develop the 2027 GRC forecasts and prioritize work.</li><li>• Presents PG&amp;E's deferred work showing required by the 2020 GRC Settlement Agreement.</li></ul>
<b>(PG&amp;E-3) Gas Operations</b>	<ul style="list-style-type: none"><li>• Describes PG&amp;E's policy on managing its gas distribution, transmission, and storage systems, including its risk management program.</li><li>• Describes the activities and costs incurred in operating, maintaining, and improving its gas assets.</li><li>• Describes how proposed spending addresses safety related risks.</li></ul>
<b>(PG&amp;E-4) Electric Distribution</b>	<ul style="list-style-type: none"><li>• Describes PG&amp;E's approach to managing its electric distribution operations, including the use of the risk-based portfolio planning framework and integrated grid planning to meet safety, reliability, affordability, and state policy goals.</li><li>• Describes the activities and costs incurred in operating, maintaining and improving electric distribution assets, including wildfire mitigation activities presented in PG&amp;E's 2026-2028 Wildfire Mitigation Plan.</li><li>• Describes how proposed spending addresses safety and reliability risks.</li><li>• Seeks a new two-way new business capital balancing account to fund energization work commensurate with customer demand.</li></ul>



# Summary of Exhibits (continued)

Exhibit	Summary
<b>(PG&amp;E-5) Energy Supply</b>	<ul style="list-style-type: none"><li>• Describes PG&amp;E's management of its generating assets, including its risk management program.</li><li>• Describes the activities and costs incurred in operating, maintaining, and improving generation assets to support safe, reliable operations and compliance with applicable requirements.</li><li>• Describes the activities and costs incurred to procure electricity and gas.</li><li>• Proposes continued collection of decommissioning accruals for PG&amp;E's generating assets and newly proposes a decommissioning accrual for the Elkhorn Battery Energy Storage System.</li><li>• Describes reasons it is appropriate to retain the existing vintage assignment for utility owned generation (UOG) eligible for recovery through the Power Charge Indifference Adjustment (PCIA) non bypassable charge.</li><li>• Describes and supports PG&amp;E's proposal to capitalize the costs of the Long Term Servicing Agreement for its natural gas generating assets.</li></ul>
<b>(PG&amp;E-6) Customer and Enterprise Solutions</b>	<ul style="list-style-type: none"><li>• Describes the activities and costs incurred for PG&amp;E's Regional Service Model.</li><li>• Presents PG&amp;E's proposed 50/50 profit sharing mechanism between customers and shareholders for New Revenue Development CPUC- jurisdictional non-tariffed offerings.</li><li>• Describes the activities and costs incurred in providing customer service.</li><li>• Describes the activities and costs incurred for PG&amp;E to maintain, upgrade, and replace its legacy Gas AMI system as it reaches its expected useful lifespan.</li><li>• Describes the activities and costs to strategically deploy approximately 300,000 next generation electric smart meters.</li><li>• Presents the costs incurred for the Mobile Home Park Utility Upgrade Program for projects completed from January 1, 2021, through December 31, 2024.</li></ul>
<b>(PG&amp;E-7) Shared Services and IT</b>	<ul style="list-style-type: none"><li>• Presents the cost of service forecast for enterprise organizations such as Transportation and Aviation Services, Corporate Real Estate, Information Technology and Data Management, Enterprise, Health &amp; Safety, Emergency Preparedness &amp; Response, Cyber &amp; Corporate Security, Land Environmental Access &amp; Permitting Services, Information Records Governance, Materials &amp; Sourcing, and Enterprise Risk Management.</li><li>• Describes changes in strategies and policies that address asset optimization and replacement and support innovation in operations while maintaining reliability and safety.</li><li>• Discusses activities and costs required to address safety-related risks that affect the enterprise such as Employee and Contractor Safety and Cyber Attack.</li></ul>



# Summary of Exhibits (continued)

Exhibit	Summary
<b>(PG&amp;E-8) People, Compensation &amp; Benefits</b>	<ul style="list-style-type: none"><li>• Describes PG&amp;E's People (Human Resources) programs, including those related to executive and non-executive compensation, employee benefits, inclusion and belonging, training and hiring.</li><li>• Includes the methodology relating to, and results of, the Total Compensation Study.</li><li>• Describes PG&amp;E's costs relating to the Short Term Incentive Plan and benefits.</li><li>• Describes PG&amp;E's HR Department costs.</li><li>• Describes the removal compensation of certain officers from the GRC forecast in accordance with the Commission's implementation of Senate Bill 901.</li></ul>
<b>(PG&amp;E-9) Administrative &amp; General</b>	<ul style="list-style-type: none"><li>• Describes PG&amp;E's A&amp;G costs, including Corporate Services department costs, costs of services provided by PG&amp;E Corporation, insurance, claims and other costs.</li><li>• Presents continuation of Wildfire and Non-Wildfire self-insurance proposal for excess liability.</li></ul>
<b>(PG&amp;E-10) Results of Operation</b>	<ul style="list-style-type: none"><li>• Presents the gas distribution, gas transmission and storage, electric distribution, and generation Results of Operations (RO).</li><li>• Translates the SAP view of costs presented in Exhibits (PG&amp;E-3) through (PG&amp;E-9) to the FERC account view required by the RCP.</li><li>• Presents other technical cost chapters (e.g., depreciation, taxes, rate base).</li><li>• Presents testimony on cost allocation.</li><li>• Provides a summary of balancing and memorandum accounts.</li><li>• Provides gas and electric rates impact calculations.</li><li>• Provides an electric bill impact calculation incorporating expected load growth.</li></ul>
<b>(PG&amp;E-11) Post Test-Year Ratemaking</b>	<ul style="list-style-type: none"><li>• Presents PG&amp;E's proposed mechanism for cost recovery during the attrition years 2028, 2029, and 2030.</li><li>• Presents the forecast of rate base growth for the attrition years.</li></ul>



# Key Structure Changes from 2023 Testimony

## Exhibit (PG&E-2) “Policy”

- Consolidated safety, risk and climate chapters into one chapter (Chapter 1).

## Exhibit (PG&E-3) “Gas Operations”

- Reorganized Gas Operations and Maintenance chapter to include Corrosion and Leak Management represented in Chapter 8.
- Consolidated Gas System Operations and Natural Gas Storage Strategy into one chapter (Chapter 9).
- Consolidated Other Enablers, Gas Distribution New Business, and Gas Research Development and Demonstration into the Other Gas Operations Support chapter represented in Chapter 11.

## Exhibit (PG&E-4) “Electric Distribution”

- Emergency Preparedness & Response (EP&R) moved from Electric Distribution Exhibit (PG&E-4) to Shared Services and Information Technology Exhibit (PG&E-7).
- Customer Resiliency and Support Programs for wildfire mitigation moved to Electric Distribution Exhibit (PG&E-4).
- Wildfire mitigation work primarily separated out in Chapters 4-7 (from subchapters 4.1-4.5 in 2023 GRC).
- Reorganization of maintenance and asset management chapters – overhead and underground work broken out.

## Exhibit (PG&E-5) “Energy Supply”

- Diablo Canyon is not included in this GRC since there is now a separate, annual ratemaking proceeding to recover the costs of Diablo Canyon operations.

## Exhibit (PG&E-6) “Customer and Enterprise Solutions”

- Exhibit name change due to reorganization of Customer and Communications functional area to Customer and Enterprise Solutions.
- Customer Resiliency and Support Programs for wildfire mitigation moved to Electric Distribution Exhibit (PG&E-4).
- Includes Mobile Home Park Utility Upgrade Program (moved from General Report Exhibit (PG&E-12) in the 2023 GRC).



# Key Structure Changes (continued)

## **Exhibit (PG&E-7) “Shared Services and Information Technology”**

- Occupational Health moved from Shared Services and Information Technology Exhibit (PG&E-7) to People, Compensation & Benefits Exhibit (PG&E-8).
- Includes PG&E Academy (moved from People Exhibit (PG&E-8) in the 2023 GRC).
- Includes a portion of the CET organization (related to EV Infrastructure) was (moved from Customer and Enterprise Solutions Exhibit (PG&E-6) in the 2023 GRC).
- Includes Emergency Preparedness & Response (EP&R) (moved from Electric Distribution Exhibit (PG&E-4) in the 2023 GRC).

## **Exhibit (PG&E-8) “People, Compensation & Benefits”**

- Includes Occupational Health (moved from Shared Services and Information Technology (PG&E-7) in the 2023 GRC).
- PG&E Academy moved from People Exhibit (PG&E-8) to Shared Services and Information Technology (PG&E-7).

## **Exhibit (PG&E-9) “A&G”**

- Strategy Organization moved from Electric Distribution Exhibit (PG&E-4) to A&G Exhibit (PG&E-9).

## **Exhibit (PG&E-10) “Results of Operations”**

- Includes Escalation Rates, Balancing Accounts, Balance Sheet and Statement of Operations, Electric Rates, and Gas Rates (moved from General Report Exhibit (PG&E-12) in the 2023 GRC).



# Exhibit (PG&E-2) Safety, Risk, and Climate Resilience

Geri Callejas, Hannah Keller, Vincent Loh, Danielle Adams, & Ken Arnold  
2027 GRC Case Managers





# Exhibit (PG&E-2) Policy

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	Safety, Risk, and Climate Resilience	Matt Hayes, Alex Vallejo, Yumi Oum, Nathan Bengtsson
2	Business Planning and Execution	Kristin Manz

# Exhibit (PG&E-2) Policy

## Safety (Ch.1)

- PG&E is committed to protecting the health and safety of our workforce and the hometowns that we are privileged to serve.
- Our commitment includes managing our processes to prevent workplace injuries and illness and safely operating our assets to protect the public.
- The PG&E Safety Excellence Management System (PSEMS) provides the framework to systematically manage our processes, assets, and occupational health and safety to prevent injury and illness.
- PSEMS and its 13 Elements drive continuous improvement and the implementation of best practices.





# Exhibit (PG&E-2) Policy

## Risk (Ch. 1): Cost-Benefit Approach (CBA)

- PG&E's General Rate Case (GRC) represents the first Application utilizing Cost-Benefit Ratios (CBRs) in alignment with the Cost-Benefit Approach outlined in D.22-12-027 (Risk OIR Phase 2 Decision).
- The GRC encompasses \$31.5 billion in risk-related program expenditures, yielding an overall CBR of 9.8.
- The Commission has recognized that CBRs are not the sole consideration in the selection of mitigation strategies. PG&E incorporates a number of factors in selection of programs addressing risk, including:
  - Our commitment to prioritizing Safety
  - Prudent Operator Judgment
  - Limitations and uncertainties in modeling
  - Compliance obligations
- Responding to RAMP feedback: PG&E identified 306 items in the SPD Report and party comments and has provided responses to each item.



# Exhibit (PG&E-2) Policy

## Risk, cont.: April 22, 2025, ALJ Ruling

On April 22, 2025, the ALJ assigned to PG&E's RAMP docket issued a ruling directing PG&E "to serve additional information and comply with other requirements," as detailed below:

ALJ Ruling Requirements		PG&E's Response
<b>Section 2.1</b>	Conduct a risk evaluation using a risk-neutral, linear scaling function, including CBRs.	Risk Values and CBRs calculated using a risk-neutral scaling function are provided in Exhibit (PG&E-2), WP 1-13 and 1-16.
<b>Section 2.2</b>	Specify all applicable regulatory requirements used to justify risk mitigation project or programs.	Applicable regulatory and compliance requirements for risk mitigation programs are provided in each forecast chapter.
<b>Section 2.3</b>	Provide disaggregated electric reliability cost calculations with risk-averse and risk-neutral scaling functions.	Will provide analysis based on the ICE 2.0 (Phase 1) Calculator by the Ruling's June 20 <sup>th</sup> , 2025 deadline.
<b>Section 2.4</b>	Remove Risk Tolerance as a justification for mitigation selections.	Per the Ruling, Risk Tolerance is not cited as justification in PG&E's testimony. Professional experience, expertise, and prudent operator judgment are employed in considering safety risks beyond formulaic CBR values.



# Exhibit (PG&E-2) Policy

## Climate Resilience (Ch. 1)

- Becoming climate resilient means that we systematically account for the physical risks of climate change in how we plan, invest in, and operate the energy system on behalf of the communities we serve.
- PG&E recognizes climate change as a cross-cutting factor that increases the frequency and severity of many of the event-based risks in the Corporate Risk Register.
  - In the 2024 RAMP Report, PG&E made climate risk-related improvements from the 2020 RAMP on three fronts: (1) recency of climate projection data used; (2) granularity at which climate data are incorporated into the modeling; and (3) integration of the relationship between climate change and a degradation in asset health.
  - In 2024, PG&E also submitted our first ever Climate Adaptation and Vulnerability Assessment, and its findings are being applied to the Company's risk modeling efforts to further develop impacts of climate change on risk events.



# Exhibit (PG&E-2) Policy

## Climate Resilience, cont.

- Climate-informed investments\* identified in the 2027 GRC are listed in Exhibit (PG&E-2), WP 1-18 through WP 1-21.
  - The majority of climate-informed investments are for wildfire mitigation and control programs.
- Areas of Future Focus
  - PG&E is currently working on its next Community Engagement Plan (May 2026) and its next Climate Adaptation Vulnerability Assessment (May 2027) that will be used to inform both our 2028 RAMP and 2031 GRC.
  - Alignment of long-term risk assessment with near-term investments.
  - Adopting the use of climate change projections across different aspects of utility planning.

*\*Investments are not necessarily investments that specifically qualify as Climate Adaptation and Vulnerability Assessment Investment Proposals, as outlined in Attachment A to D.24-08-005.*



# Exhibit (PG&E-2) Policy

## Business Planning and Execution (Ch. 2)

- Simple Affordable Model
  - The Simple Affordable Model is PG&E's approach to making the right investments, at the right time, at the right cost, achieving both Business Priorities and Customer Affordability.
  - As described in PG&E's Chapter 2 Testimony, this model: (1) delivers consistent operation and maintenance (O&M) expense savings, (2) promotes beneficial load growth, and (3) pursues efficient financing opportunities.
    - The model stabilizes customer bills while allowing for long-term capital investments over time that are critical to delivering our Customer and Energy System priorities such as timely customer connections and energization capacity work that also put downward pressure on rates.
- Business Planning Deployment (BPD)
  - PG&E's annual enterprise-wide planning and budgeting process that is used to determine the type, scope, timing, and cost of our work.
  - PG&E used this process to develop a multi-year work plan covering 2025 through 2030, following the following four steps: (1) Confirmation of our Business Priorities; (2) Establish Planning Guidelines; (3) Prioritization of Initial Work Plans, and (4) Strategic Affordability Decisions.
- Reprioritization of Work
  - Driven by three factors: (1) Emergent Work, (2) Underfunded Programs, and (3) Approved Additional Spending.



# Exhibit (PG&E-2) Policy

## Risk-Based Portfolio Prioritization Framework (RBPPF)

- In an effort to support more transparent risk-informed decision making in PG&E's planning process, PG&E first established the RBPPF in 2021 and has subsequently incorporated the framework in its annual Business Plan Deployment (BPD) Process to use a consistent and comparable approach to categorizing and scoring proposed investments.
- The RBPPF is a planning standard.
  - It uses a 1-5 scoring criteria based on level of urgency and impact across five categories: Risk Reduction, Compliance, Capacity, Reliability, and Other Customer Objectives.
  - As part of the annual BPD process, our functional areas assess annual work plans based on the level of urgency and impact that work has on each of these five categories.

# Exhibit (PG&E-3) Gas Operations

Jessyca Kamel  
2027 GRC Case Manager





# Exhibit (PG&E-3) Gas Operations

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	Gas Policy And Introduction	Austin Hastings
2	Gas Summary And Investment Planning	Tripti Uprety
3	Gas Risk	Danielle Musumeci
4	Asset Family – Distribution Mains and Services	Daven Phelan
5	Asset Family – Transmission Pipe	Chris Warner
6	Asset Family – Facilities	Lucy Redmond
7	Storage Asset Family	Lucy Redmond
8	Gas Operations and Maintenance	Jeff Janvier Steve Sheridan
9	Gas System Operations + Natural Gas Storage Strategy	Ryan Weber
10	Gas Technology	Dana Longmire
11	Other Gas Support	Rich Yamaguchi Jeannette Lindemann Narbir Hothi

# Exhibit (PG&E-3) Gas Operations Case Highlights

**164/yr**

Miles of gas distribution pipe replacement

**960**

Miles of pipeline made piggable that will be assessed

**40**

Valves that will be automated to enable 30-minute or less gas isolation time

**100,000**

Emergency calls respond to annually

**600,000**

Locate and mark response calls

**180**

Customers electrified

**714**

Miles of transmission pipe reclassified as distribution

**100**

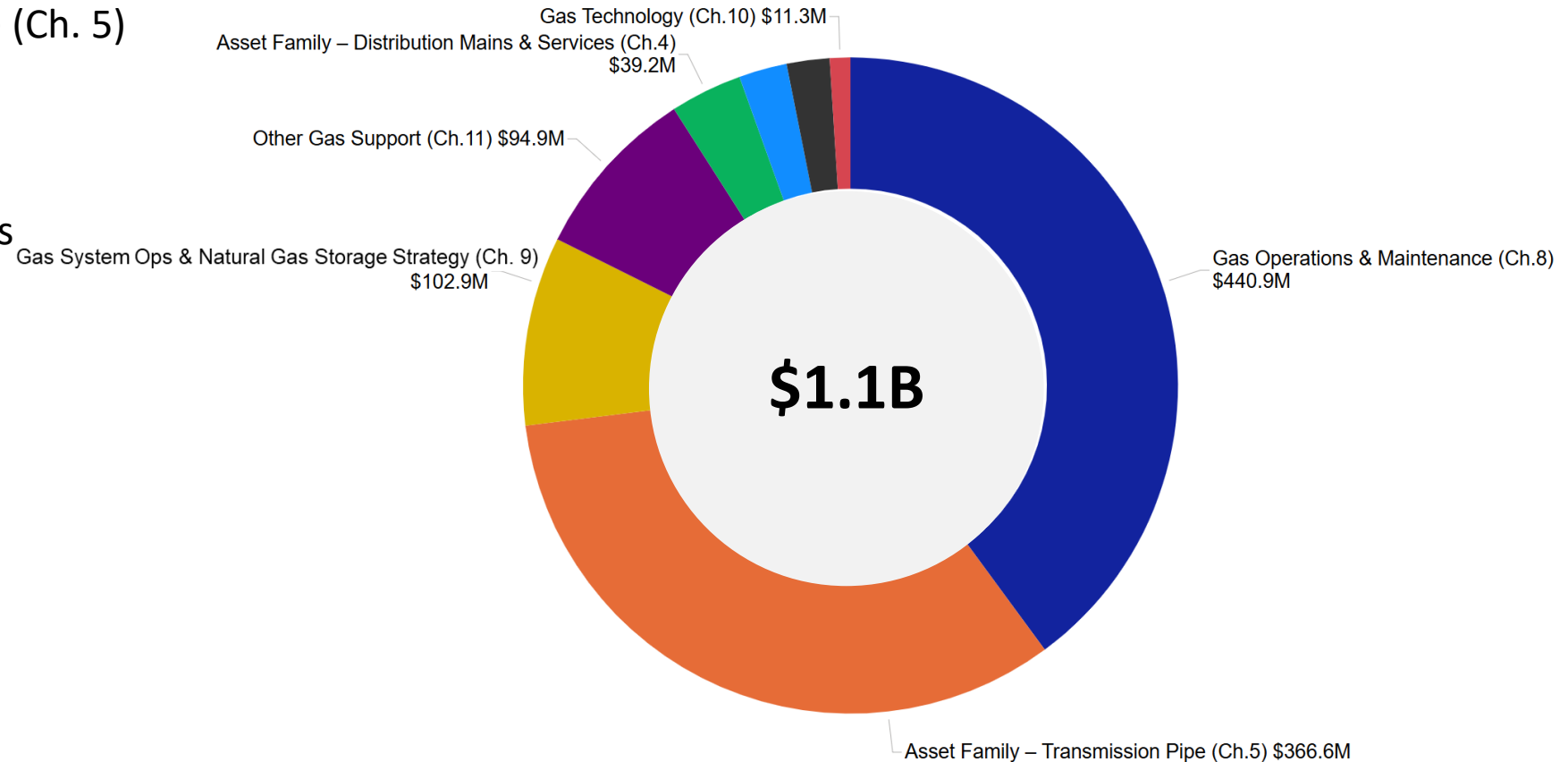
Gas transmission facilities rebuilt or retrofit to mitigate large OP events



# Exhibit (PG&E-3) Gas Operations Summary of 2027 TY Request - Expense

## (PG&E-3) Gas Operations Chapter # & Title

- Gas Operations & Maintenance (Ch. 8)
- Asset Family – Transmission Pipe (Ch. 5)
- Gas System Ops & Natural Gas Storage Strategy (Ch. 9)
- Other Gas Support (Ch. 11)
- Asset Family – Distribution Mains & Services (Ch. 4)
- Asset Family – Facilities (Ch. 6)
- Asset Family – Storage (Ch. 7)
- Gas Technology (Ch. 10)

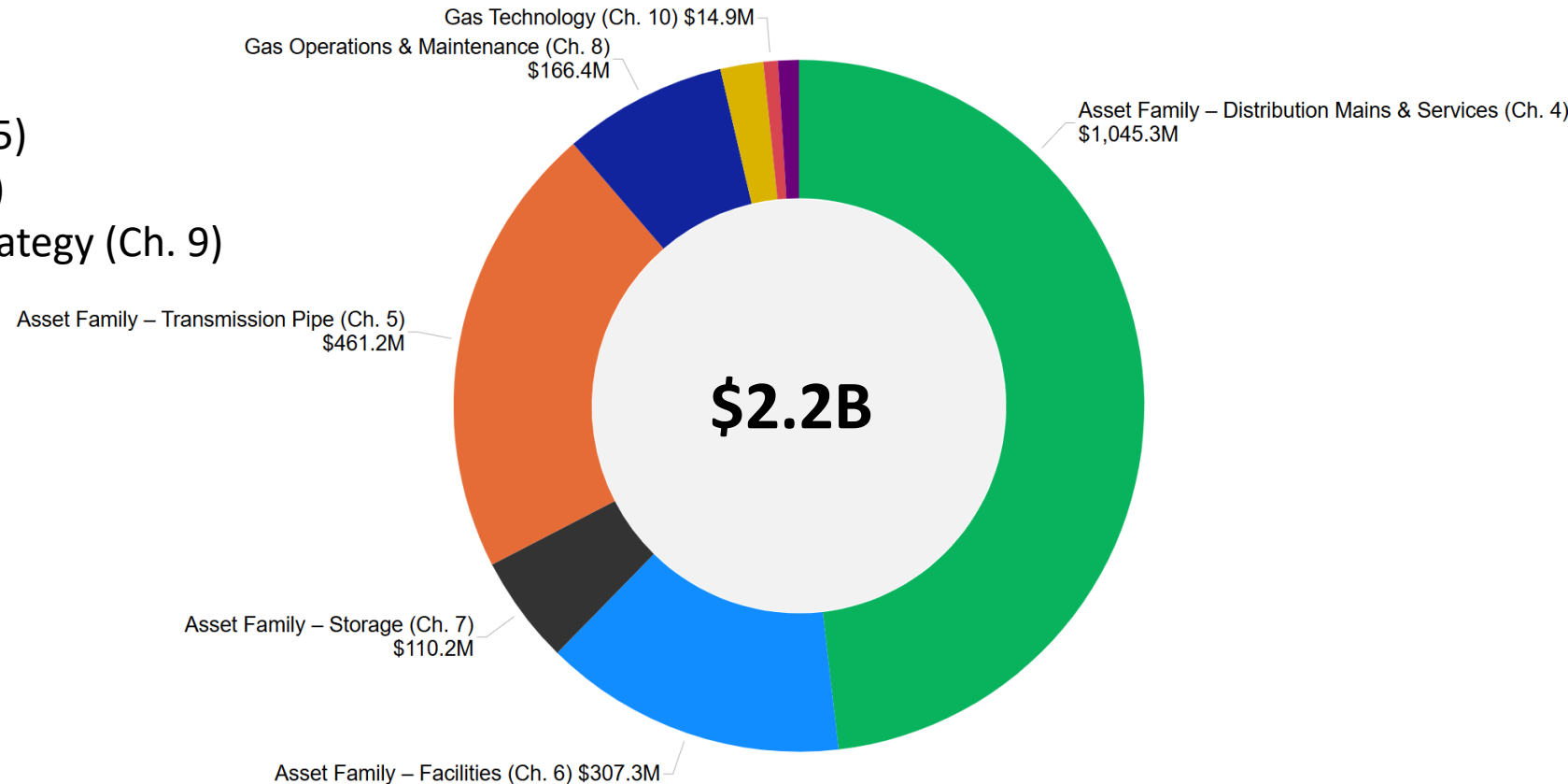




# Exhibit (PG&E-3) Gas Operations Summary of 2027 TY Request - Capital

## (PG&E-3) Gas Operations Chapter # & Title

- Asset Family – Distribution Mains & Services (Ch. 4)
- Asset Family – Facilities (Ch. 6)
- Asset Family – Storage (Ch. 7)
- Asset Family – Transmission Pipe (Ch. 5)
- Gas Operations & Maintenance (Ch. 8)
- Gas System Ops & Nat Gas Storage Strategy (Ch. 9)
- Other Gas Support (Ch. 11)
- Gas Technology (Ch. 10)







# Exhibit (PG&E-3) Gas Operations Forecasted Work – Expense Highlights

*Note: \$ Represent 2027 Forecast*

## **Traditional In-line Inspection (ILI) (Ch. 5): \$89.6M**

- Traditional ILI is driven by completion of ILI reassessments within 7 years, per CFR 49, Part 192, Subpart O.

## **ILI Direct Exam and Repair (Ch. 5): \$64.3M**

- Direct Examination and Repair (DE&R) is driven by the results of the ILI runs data analyses. This remediation effort provides the preventive repair and mitigation of anomalies before they result in a pipeline leak or rupture, as required by Federal regulations and Integrity Management industry standards.

## **Transmission Integrity Management Program (TIMP) Strength Testing (Ch. 5): \$77.1M**

- The TIMP Strength Testing program is required by 49 CFR Part 192, Subpart O, for compliance with integrity management assessment requirements. PG&E conducts these hydrostatic tests to manage threats to the integrity of pipeline systems.

## **Gas Distribution Locate & Mark (Ch. 8): \$64.5M**

- Required by code to identify and visually mark out underground gas and electric facilities for all parties who plan to dig near those assets to reduce the chance of damage and hazardous conditions.



# Exhibit (PG&E-3) Gas Operations Forecasted Work – Capital Highlights

*Note: \$ Represent 2027 Forecast*

## **Plastic Pipe Replacement Program (Ch. 4): \$574.4M**

- PHMSA and CPUC notified operators of the risk of slow crack growth resulting in a loss of containment associated with pre-1985 gas distribution pipeline materials & recommend mitigating these risks. PG&E has incurred seven incidents resulting in an ignition or explosion associated with pre-1985 Aldyl-A pipe leakage.

## **Reliability Main Replacement Program (Ch. 4): \$167.4M**

- This program supports compliance with federal code to resolve abnormal operating conditions on main (e.g., exposed steel main with atmospheric corrosion, cathodic protection cannot be maintained; plastic fusion issues, etc.).

## **ILI Inspection Upgrades (Ch. 5): \$124.4M**

- ILI upgrades modify the existing pipeline system to accommodate an ILI tool. The program focuses on retrofitting runs where Direct Assessment is not a feasible alternative and where traditional ILI will provide the best risk-reduction for threats that are costly to assess with other methods.

## **Well-Reworks (Ch. 7): \$78.9M**

- Compliance driven inspections required by CalGEM. The work includes retrofit, repair or assessment of the storage well to mitigate single point of failure, assess the condition of a well per State and Federal regulations, and perform corrective work.

## **Complex Station Rebuilds (Ch. 6): \$54.7M**

- Work needed to address equipment aging, obsolescence and operational issues. Decreases likelihood of outages on the gas transmission system and overpressure events.



# Exhibit (PG&E-3) Gas Operations

## Key Cost Changes from 2024 Recorded Expense

**2024 Recorded: \$857M | 2027 Forecast = \$1,105M | Increase = \$248M**

### Distribution Primary Drivers

- Alternative Energy +\$21.9M: Ramping up Alternative Energy Program based on 2023 GRC Decision to complete a target of 180 conversions. (Ch. 9)
- Cross bore +\$14.3M: Increase in unit cost mainly due to contract cost increases. Steady unit pace compared to 2023 GRC. (Ch. 4)



*Cross bore diagram.*

# Exhibit (PG&E-3) Gas Operations Expense Key Cost Changes, cont.

**2024 Recorded: \$857M | 2027 Forecast = \$1,105M | Increase = \$248M**

## Transmission Primary Drivers

- In-Line Inspection (ILI) +\$72.9M: Increase in compliance work required by Subpart O. Total mileage increased 44% from 2024 to 2027 for traditional ILI inspections. (Ch. 5)
- Strength Testing +\$49.5M: Increase volume to address pipeline reliability needs due to time dependent threats, previously tested/unstable threats and interactive threats as well as a 30% increase to account for expanded LNG/CNG asset base since 2024. (Ch. 5)
- Integrity Inspections and Engineering Support +\$13.6M: Increase in number of compliance inspections and new regulation implementation, inclusion of storage permits and fees, and need to conduct hydrotesting. (Ch. 7)
- Station Preventative and Corrective Maintenance +\$11.5M: Driven by higher escalation rates applied to cost of commodities and compressor station repairs that include replacement of expensive parts and materials. (Ch. 8)
- Direct Current (DC) Interference +\$4.5M: Increased program pace as required by changes in PHMSA Mega Rule Part 2 requiring a higher volume of investigation. (Ch. 5)



*Strength test in progress.*



# Exhibit (PG&E-3) Gas Operations

## Key Cost Changes from 2024 Recorded Capital

**2024 Recorded: \$1,690 M | 2027 Forecast = \$2,170 M | Increase = \$480 M**

### Distribution Primary Drivers

- Distribution Pipeline Replacement Program +\$343M: Driven by increased unit cost in main pipe replacements and volume increase in forecast of service replacements to accommodate the mitigation of any newly-identified jobs. (Ch. 4)
- Meter Protection +\$73.5M: Volume increase includes installation of bollards and eliminating the pending units of unprotected meters by 2034. (Ch. 8)
- Interference Mitigation +\$9.8M: New MAT code that includes mitigation of DC/AC interference to minimize the detrimental effects of stray currents on gas distribution piping. (Ch. 8)



*Distribution pipeline replacement work.*



# Exhibit (PG&E-3) Gas Operations

## Key Cost Changes from 2024 Recorded Capital

**2024 Recorded: \$1,690M | 2027 Forecast = \$2,170M | Increase = \$480M**

### Transmission Primary Drivers

- ILI Upgrades +\$30.9M: Driven by increased unit cost of replacements (4/year) to accommodate new technology and tool requirements. (Ch. 5)
- Compressor Replacement +\$28.5M: Driven by allocation for construction at Los Medanos that was delayed due to requirements of the new GO-177 rule and material procurement for Topock. (Ch. 6)
- Terminal Upgrades +\$25.8M: Driven by the inclusion of field construction costs for the Brentwood Terminal rebuild, in addition to the engineering costs. (Ch. 6)
- Casing Mitigation +\$21.6M: Driven by higher volume of contacted casing pipeline replacements identified requiring contacted casing mitigation. (Ch. 5)
- Shallow and Exposed Pipe +\$18.9M: Driven by increase in California State Land Commission required mitigations. (Ch. 5)



# Exhibit (PG&E-3) Gas Operations Notable Proposals

- Approve PG&E's updated Peak Day Supply Standard (PDSS) analysis, Inventory Management and Reserve Capacity proposals, and Core Firm Storage program allocation proposal as described in Chapter 9.
- Discontinue the annual reporting requirements for the "Gas Pipeline Replacement Program Annual Progress Report" to the Safety and Enforcement Division as described in Chapter 4.





# Exhibit (PG&E-3) Gas Operations Other Requests

## Balancing or Memorandum Accounts

- Modify **Gas Storage Balancing Account (GSBA)**: Allow PG&E to present the annual resolution of the Gas Storage Balancing Account (GSBA) via a Tier 2 Advice Letter, rather than in a formal rate recovery application as described in Chapter 7.
- Modify **Alternative Energy Program (AEPBA)**: Establish a new electric preliminary statement to recover electrification behind the meter costs as a regulatory asset with a full rate of return. PG&E proposes this treatment and amortization of the costs in rates over 15 years.
- Close **Transmission Integrity Management Program MA, Internal Corrosion BA, Gas Transmission New Business BA, New Environmental Regulations BA, Line 407 MA, and Gas Distribution New Business BA.**
- Retain **Gas Statutes Regulations and Rules MA, Transmission Integrity Management Program BA, In-Line Inspection BA and Gas Research Development and Deployment BA.**



# Exhibit (PG&E-4) Electric Distribution

Shannon Yuen  
2027 GRC Case Manager



# Exhibit (PG&E-4) Electric Distribution

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	Electric Distribution Policy and Introduction	Joe Bentley
2	Forecast Summary and Investment Plan	Ryan Blake, Alex Sproul (Attachment B)
3	Electric Distribution Risk Management	Benson Wong
4	Wildfire Mitigation Summary and Strategy Support	Andy Abranches
5	Wildfire Situational Awareness and Forecasting	Scott Strenfel
6	Wildfire Operational Mitigations (PSPS, EPSS and Customer Battery Programs)	Shawn Holder (PSPS), Eric Lamoureux (EPSS), Vitaly Tyurin (Customer Battery Programs)
7	Wildfire System Hardening	Julie Colvin
8	Vegetation Management	Kamran Rasheed
9	Capacity, Engineering, and Planning	Satvir Nagra
10	New Business and Work at the Request of Others	Narbir Hothi (NB), Tamon Norimoto (WRO), Lydia Krefta (EV Policy)
11	Electric Emergency Recovery	Marcus Wendler
12	Distribution Systems Operations	MaryAnn Dillahunty



# Exhibit (PG&E-4) Electric Distribution

## Exhibit Structure, cont.

Chapter #	Chapter Name	Witness
13	Field Metering	Gustavo Castillo
14	Distribution Inspections	Joanna Sturges
15	Overhead Maintenance and Poles	Joanna Sturges
16	Underground Maintenance and Infrastructure Replacement	Connie Taylor
17	Overhead Infrastructure Replacement and Reliability	Tiffany Pazdan (Overhead Infrastructure), Jon Eric Thalman (Reliability)
18	Substation Asset Management	Maria Ly
19	Distribution System Automation and Protection	Davis Erwin
20	Electric Distribution Mapping and Data Management	Jadwindar (Jay) Singh
21	Electric Distribution and Wildfire Mitigation Information Technology	Aditya Tallapally (Wildfire IT), Tahir Paroo (Tech)
22	Grid Modernization and Grid Technology	Alex Haralambous (ADMS), Alex Portilla (DERMS & Grid Modernization Plan)
23	Electric Distribution Support Activities	Jerrold Meier

# Exhibit (PG&E-4) Electric Distribution Case Highlights

**>16,000/yr**

New business connections

**307**

Miles of undergrounding in 2027

**760**

Miles of overhead hardening by 2030

**50,000**

Customer batteries to be installed by 2030

**800,000**

Maintenance tags to be closed by 2030

**200,000**

Poles to be reinforced or replaced by 2030

**114**

Weather stations by 2030

**3 million**

EVs to be supported by 2030

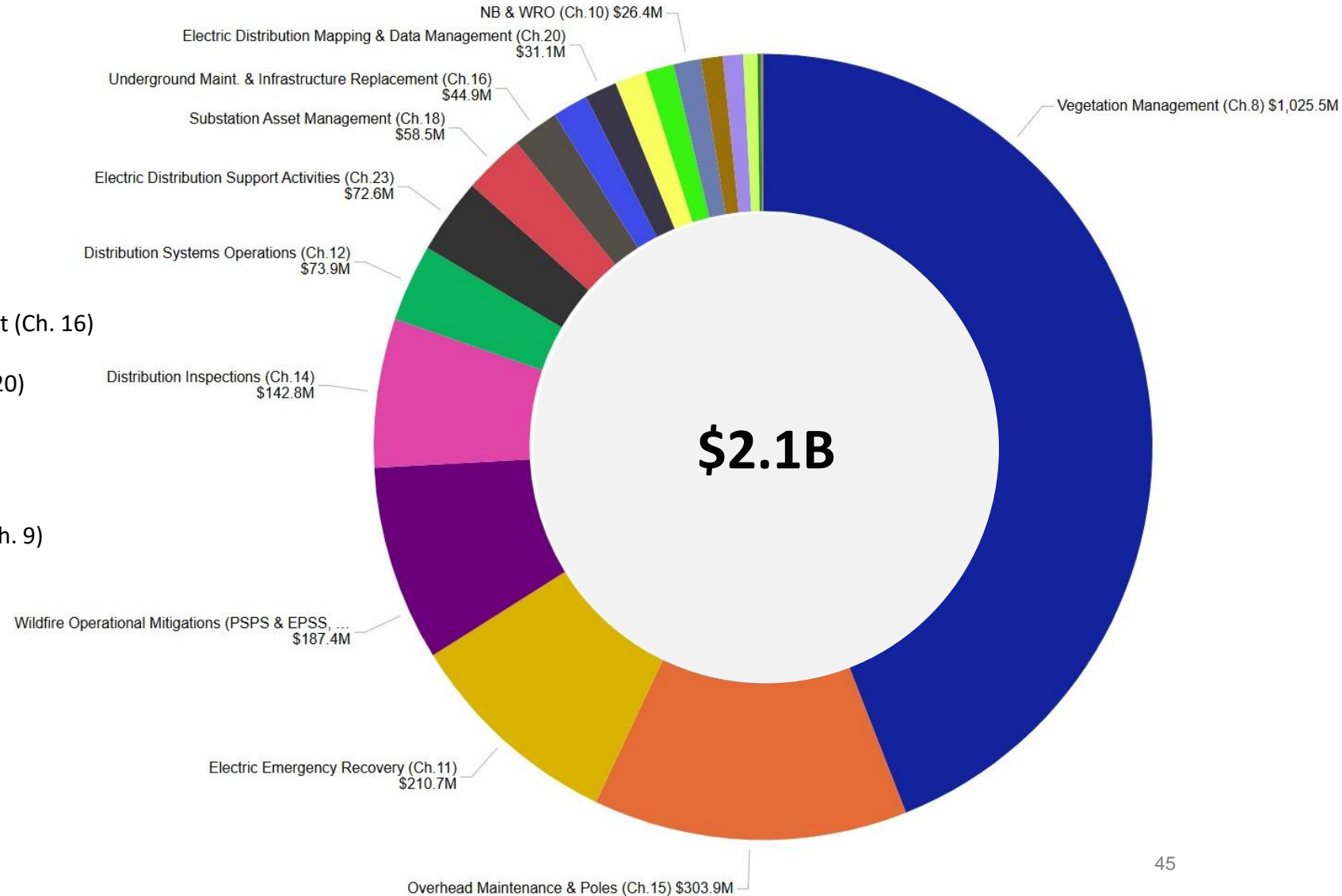




# Exhibit (PG&E-4) Electric Distribution Summary of 2027 TY Request - Expense

## (PG&E-4) Electric Distribution Chapter # & Title

- Vegetation Management (Ch. 8)
- Overhead Maintenance & Poles (Ch. 15)
- Electric Emergency Recovery (Ch. 11)
- Wildfire Operational Mitigations (PSPS & EPSS, & Customer Battery Programs) (Ch. 6)
- Distribution Inspections (Ch. 14)
- Distribution Systems Operations (Ch. 12)
- Electric Distribution Support Activities (Ch. 23)
- Substation Asset Management (Ch. 18)
- Underground Maintenance & Infrastructure Replacement (Ch. 16)
- Wildfire Situational Awareness & Forecasting (Ch. 5)
- Electric Distribution Mapping & Data Management (Ch. 20)
- Electric Distribution & Wildfire Mitigation IT (Ch. 21)
- Wildfire Mitigation Summary & Strategy Support (Ch. 4)
- NB & WRO (Ch. 10)
- Field Metering (Ch. 13)
- Electric Distribution Capacity, Engineering, & Planning (Ch. 9)
- Grid Modernization & Grid Technology (Ch. 22)
- Wildfire System Hardening (Ch. 7)
- Distribution System Automation & Protection (Ch. 19)
- Forecast Summary & Investment Plan (Ch. 2)

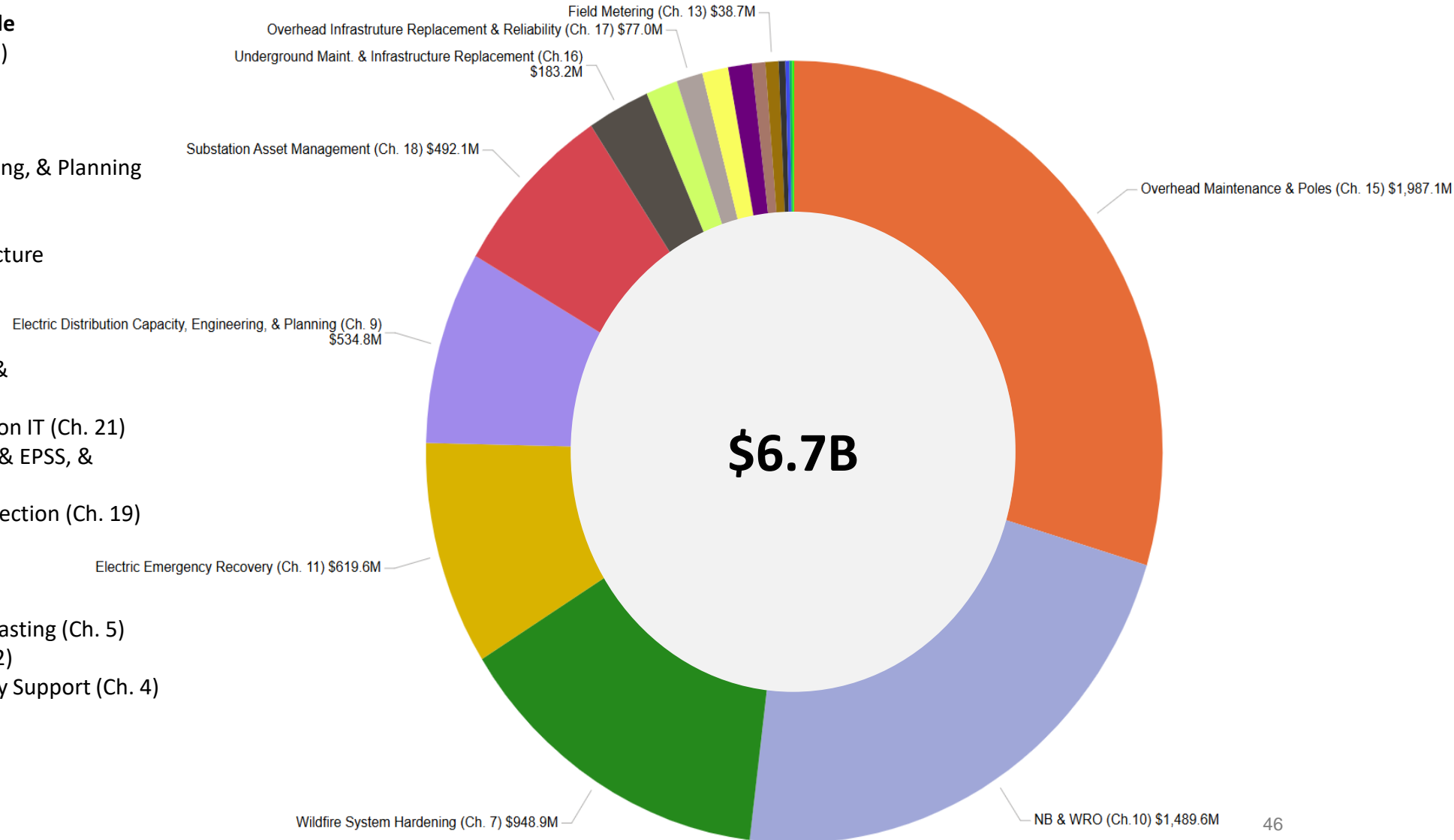




# Exhibit (PG&E-4) Electric Distribution Summary of 2027 TY Request - Capital

## (PG&E-4) Electric Distribution Chapter # & Title

- Overhead Maintenance & Poles (Ch. 15)
- NB & WRO (Ch.10)
- Wildfire System Hardening (Ch. 7)
- Electric Emergency Recovery (Ch. 11)
- Electric Distribution Capacity, Engineering, & Planning (Ch. 9)
- Substation Asset Management (Ch. 18)
- Underground Maintenance & Infrastructure Replacement (Ch.16)
- Grid Modernization & Grid Technology (Ch. 22)
- Overhead Infrastructure Replacement & Reliability (Ch. 17)
- Electric Distribution & Wildfire Mitigation IT (Ch. 21)
- Wildfire Operational Mitigations (PSPS & EPSS, & Customer Battery Programs) (Ch. 6)
- Distribution System Automation & Protection (Ch. 19)
- Field Metering (Ch. 13)
- Electric Distribution Support Activities (Ch. 23)
- Wildfire Situational Awareness & Forecasting (Ch. 5)
- Distribution Systems Operations (Ch. 12)
- Wildfire Mitigation Summary & Strategy Support (Ch. 4)







# Exhibit (PG&E-4) Electric Distribution Key Cost Changes from 2024 Recorded Expense

**2024 Recorded: \$2,566M | 2027 Forecast = \$2,148M | Decrease = \$419M**

## **Key Drivers:**

- Vegetation Management (\$297M): primarily driven by operational efficiencies such as incorporating vegetation management activities into routine and/or hazard patrols, and the impact of PG&E's undergrounding activities. (Ch. 8)
- Emergency Response (\$129M): primarily driven by higher 2024 recorded Major Emergency costs than the forecast methodology (uses a 5-year historical average). (Ch. 11)
- Overhead Asset Maintenance +\$115M: addresses PG&E's maintenance tag log in both the High Fire Threat Districts (HFTDs) and non-HFTDs at a rate of approximately 95,000 Electric Compliance (EC) maintenance units per year starting in 2027. (Ch. 15)
- Wildfire Operational Mitigations +\$71M: addresses wildfire risk to reduce ignitions by implementing mitigations designed to minimize the likelihood of catastrophic wildfires, while also maintaining the reliability of the electric system and limiting disruptions to customers arising from our wildfire mitigation efforts. (Chs. 4, 5, 6, 7, 18, 21)



# Exhibit (PG&E-4) Electric Distribution Key Cost Changes from 2024 Recorded Capital

**2024 Recorded: \$5,298M | 2027 Forecast = \$6,694M | Increase = \$1,397M**

## Key Drivers:

- Overhead Maintenance and Poles +\$1,056M: addresses PG&E's maintenance tag log in both the HFTDs and non-HFTDs at an accelerated rate of 80,000 – 92,000 EC maintenance units per year from 2027 – 2029, which includes closing all overdue EC notifications and achieving steady-state for HFTD/High Fire Risk Area (HFRA) EC Notifications by end of 2029. This tag-clearance work will require a significant increase in pole replacements between 2027 – 2030, with an additional 28,000 pole replacements in 2027 alone as compared to 2024 (over 150% increase). (Ch. 15)
- Substation Asset Management +\$223M: addresses the increasing need to replace a growing population of aging substation equipment at the end of their life cycle to ensure safe and reliable service. (Ch. 18)
- Distribution Line and Substation Capacity +\$217M: addresses the increasing capacity demand tied to new business customer connections and electric vehicles. (Ch. 9)
- Grid Technology (\$49M): reduction primarily driven by the completion of the Advanced Distribution Management System (ADMS) and moving to deployment of applications that support ADMS. (Ch. 22)
- Emergency Response (\$51M): reduction due to 2024 Major Emergency recorded costs being higher than the forecast methodology (uses a 5-year historical average). (Ch. 11)



# Exhibit (PG&E-4) Electric Distribution

## Notable Proposals: Customer Demand and Load Growth

- **New Business Balancing Account (NBBA):**

- Proposal: PG&E proposes a two-way balancing account to record and track the difference between the adopted and actual capital expenditures for the New Business capital program (MWC 16). PG&E is required to fulfill its statutory obligation to serve customers and meet energization timeliness.
- Justifications / Key Drivers:
  - The Powering Up Californians Act (SB 410): adopted the energization timeline for prompt new customer connection to meet state decarbonization goals, serve housing developments and businesses, and enable transportation and building electrification.
  - Electrification Policy Driving Demand: Transportation and electrification legislation has effectively laid the groundwork for expanding electric vehicle (EV) infrastructure across the state. This legislation moves the state towards the goals established in the Governor's Executive Order, including that by 2035 all sales of passenger cars and trucks be zero-emissions, and that by 2045 all medium- and heavy-duty vehicles be zero emissions for all operations where feasible.
  - A two-way balancing account will ensure unspent funds are returned to customers and needed funds are available for PG&E to complete prompt energization consistent with state law and the Commission-set average and maximum energization timelines.



# Exhibit (PG&E-4) Electric Distribution

## Notable Proposals: Customer Demand and Load Growth

- **4 kV Conversion Project: \$29M (Cap)**

*Note: \$ Represent 2027 Forecast*

- Proposal: Upgrade PG&E's lower voltage (4 kV) distribution systems in the Bay Area and Peninsula based on a 15 to 20 years timeframe to higher voltages capable of serving the growing demand in electric vehicles and building electrification.
- Justifications / Key Drivers:
  - The voltage conversion will enable PG&E to provide an electric system that meets the state decarbonization goals and customer demands with sufficient capacity to satisfy energization timelines set in the Powering Up Californians Act. The Commission has determined and adopted reasonable average and maximum energization time periods in Decision 24-09-020;
  - The existing 4 kV systems are of the oldest systems in PG&E's service territory and can accommodate only one-third of the load that the 12 kV circuits can and one-fifth the load of 21 kV circuits; and
  - The existing 4 kV areas will remain islands where each customer application for service requires extension of higher voltage circuits nearby, one customer at a time.



*Three 4 kV transformers at Ridge Substation, Berkeley, installed in 1937.*



# Exhibit (PG&E-4) Electric Distribution

## Notable Proposals: Customer Demand and Load Growth

*Note: \$ Represent 2027 Forecast*

- **Capacity Bridging Solutions: \$6M (Cap)**

- Proposal: PG&E proposes the Capacity Bridging Solutions program to accelerate customer energization by using re-deployable battery energy storage systems (BESS) connected to the distribution system to receive service while waiting for a permanent capacity upgrade solution to be completed. This would allow customers to receive service sooner than the permanent solution in-service date while preventing overloads on existing infrastructure due to the new load.
- Justification:
  - The Capacity Bridging Solution program will ensure prompt new customer connections to the electrical distribution system, and prompt service upgrade for existing customers to meet the goals in the Powering Up Californians Act, including the Commission's adopted average and maximum energization time periods in Decision 24-09-020.





# Exhibit (PG&E-4) Electric Distribution

## Notable Proposals: Wildfire Safety

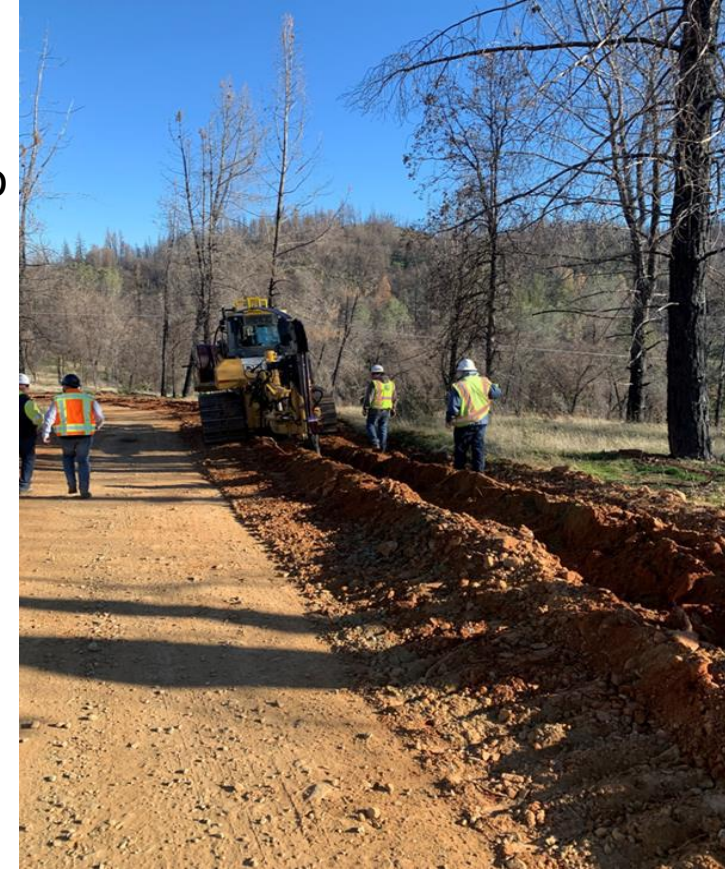
*Note: \$ Represent 2027 Forecast*

- **Underground System Hardening: \$932M (Cap)**

- Proposal: PG&E requests one year of undergrounding costs for 307 miles in this GRC (Undergrounding Bridge Program) to ensure continuity of the undergrounding program while the Electrical Undergrounding Plan (EUP) guidelines are finalized. PG&E also proposes an annual extension process to continue funding for undergrounding consistent with Wildfire Mitigation Plan (WMP) commitments if the EUP is further delayed.

- Key Drivers:

- SB 884 authorized utilities to prepare a 10-year EUP, however not all related guidelines are finalized and issued. The 2027 funding request ensures that there will be no gap in funding for the Undergrounding program.
- Continuity of the undergrounding program is critical to maximize time and cost efficiencies, maintain workforce allocations and expertise, meet customer and community expectations in impacted areas, and fulfill long-term contracts.
- Undergrounding is key to executing on our comprehensive strategy to reduce ignitions while also maintaining the reliability of the electric system.



*Undergrounding construction in progress.*



# Exhibit (PG&E-4) Electric Distribution

## Notable Proposals: Wildfire Safety

*Note: \$ Represent 2027 Forecast*

- **Customer Battery Program: \$70M (Exp), \$13M (Cap)**

- Proposal: PG&E offers a portfolio of battery programs for customers impacted by PSPS and EPSS outages, including rebates and direct-install programs for both portable and permanent batteries, with a particular focus on Low-Income, Medical Baseline and Access & Functional Needs customers. PG&E proposes to increase affordability for all customers by expanding lower-cost rebate programs and transitioning its direct-install permanent battery program to a utility-owned model, the new Customer Battery Infrastructure (CBI) program, driving a 50%+ expense cost reduction in the attrition years.

- Justification / Key Driver:

- Overall, the customer battery programs are forecasted to serve an additional 50,000 customers experiencing PSPS and/or EPSS outages through 2030.
- The Customer Battery Infrastructure (CBI) capital program will enable PG&E to:
  - further support participants by addressing additional barriers that they face in operating and maintaining a permanent battery; and
  - increase affordability for all PG&E customers by capturing additional avoided cost benefits through more optimal battery dispatch.



*Customer battery installation.*





# Exhibit (PG&E-4) Electric Distribution

## Notable Proposals: Grid Modernization

*Note: \$ Represent 2027 Forecast*

- **Advanced Distribution Applications and Distributed Energy Resource Management System: \$5.7M (Exp), \$83.1M (Cap)**
  - Proposal: PG&E proposes the Advanced Distribution Applications program that continues the investment in grid management technologies to provide secure, affordable, reliable, resilient electricity and enable continued gains for clean energy technology. Additionally, Distributed Energy Resource Management System (DERMS) capabilities will focus on maturing operational flexibility while managing technical and programmatic complexities of Distributed Energy Resources (DERs).
  - Justifications / Key Drivers:
    - The Advanced Distribution Management System (ADMS) provides a modern platform to build out outage management and real-time monitoring, control, and analysis of a more dynamic and complex distribution grid.
    - The Advanced Distribution Applications program will deploy new functionality on the ADMS platform that will bring safety, reliability, and energy savings benefits, while allowing PG&E to better respond to future needs associated with the growth of DERs.
    - DERMS capabilities to manage and control heterogeneous DERs to ensure PG&E is building a resilient, reliable, optimized and decarbonized grid with simplified customer experiences for the high DER and electrified future.



# Exhibit (PG&E-4) Electric Distribution

## Notable Proposals: Other Safety

*Note: \$ Represent 2027 Forecast*

- **Overhead Maintenance & Tag Log Reduction: \$257M (Exp), \$1.7B (Cap)**

- Proposal: PG&E requests to accelerate addressing the maintenance tag work in both the HFTDs and non-HFTDs at a rate of 180,000 – 190,000 EC maintenance units per year from 2027 – 2029. This includes closing all overdue EC notifications and achieving steady-state for HFTD/HFRA EC Notifications by end of 2029. This tag-clearance work will require a significant increase in pole replacement between 2027 – 2030.

- Justification / Key Driver:

- The enhanced detailed inspection program implemented since 2020 to improve wildfire safety has increased the scope and frequency of the overhead asset inspection process, resulting in a significant increase of EC Notifications requiring correction.
- Consistent with PG&E's commitment in the 2026 – 2028 WMP, we will work down our EC Notification HFTD/HFRA maintenance log based on risk prioritization. We have also accelerated the work in HFTDs/HFRAs by bundling and working notifications by isolation zone, circuit protection zones, and circuits. We plan to close all overdue EC notifications and get to steady-state for EC Notifications in HFTDs/HFRAs and compliance with General Order 95 by the end of 2029.



# Exhibit (PG&E-4) Electric Distribution Other Requests

- **Post Test-Year Attrition Adjustments:**

- Proposal: PG&E requests specific attrition adjustments for the following programs with targeted spend trajectories necessary to achieve strategies, commitments, and regulatory requirements.

Program	Chapter
Customer Battery Programs	6
Wildfire System Hardening - Undergrounding	7
Vegetation Management	8
Distribution Capacity Program	9
Electric Distribution Overhead Maintenance	15



# Exhibit (PG&E-4) Electric Distribution

## Balancing and Memorandum Accounts

- **New Business Balancing Account (NBBA):** Establish new two-way balancing account to record and track the difference between the adopted and actual capital expenditures for the New Business capital program (Chapter 10).
- **Vegetation Management Balancing Account (VMBA):** Modify VMBA to allow recording of capital expenditures to the VMBA for technology software and/or hardware costs of activities related to but not limited to tree tagging and tree tag registry, work scheduling optimization, and mobile device licensing, beginning in 2027(Chapter 8).
- **Electric Capacity and New Business Interim Memorandum Account (ECNBIMA):** Close ECNBIMA upon conclusion of the reasonableness review and following the Commission's review of recorded costs (Chapters 9 & 10).
- **Microgrid Memorandum Account (MGMA):** Close MGMA upon completion of a reasonableness review of the costs and following the Commission's review of recorded cost (Chapter 6).
- **AB 841 Memorandum Account (AB841MA):** Close AB841MA upon conclusion of the reasonableness review and following the Commission's review of recorded costs (Chapter 10).

# Exhibit (PG&E-5) Energy Supply

Jason Allard  
2027 GRC Case Manager





# Exhibit (PG&E-5) Energy Supply

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	Energy Supply Policy and Summary of Exhibit	Stephanie Maggard
2	Energy Supply Risk Management	Russ Cruzen, Will Landreth
3	Hydro Operations Costs	Eric Van Deuren
4	Natural Gas, Solar, and Energy Storage Operations Costs	Tim Wisdom
5	Energy Procurement & Administration	Jay Bukowski
6	Energy Supply Technology Programs	Michael Conran
7	Energy Supply Ratemaking	Rebecca Doidge, Donna Barry



# Exhibit (PG&E-5) Energy Supply Case Highlights

**153**

Risk mitigation projects (dams, spillways)

**250+**

Generating equipment projects

**165**

Dams

**58**

Hydroelectric powerhouses

**350+**

Miles of Water Conveyance Infrastructure

**80+**

Average age (years) of hydroelectric powerhouses

**5,574**

Megawatts of electric capacity

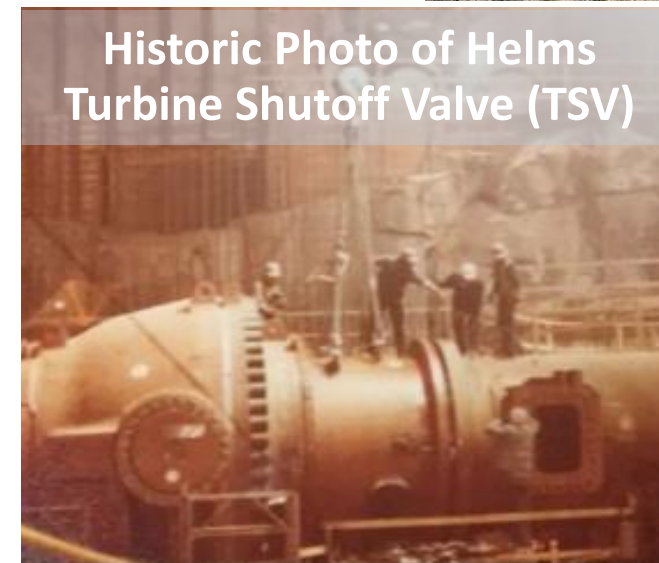
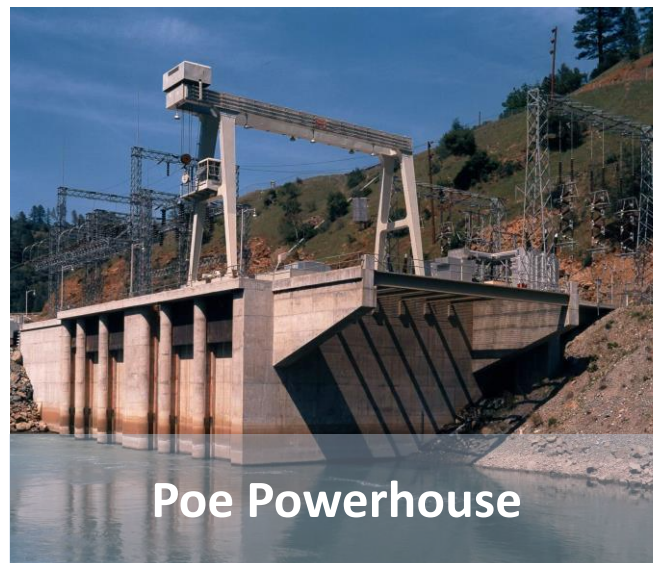
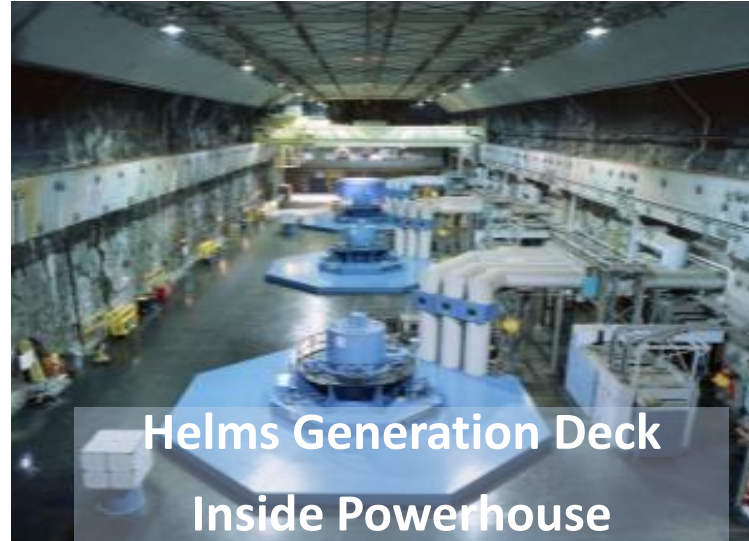
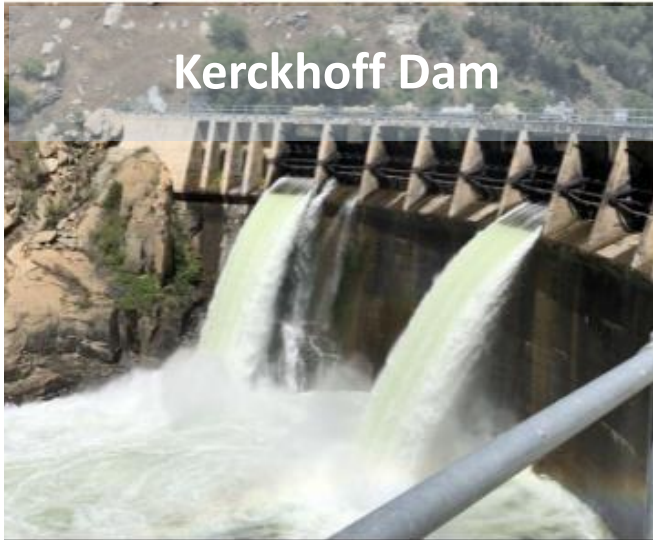
**75%**

Greenhouse Gas-Free



# Exhibit (PG&E-5) Energy Supply

## Hydro Assets







# Exhibit (PG&E-5) Energy Supply

## Natural Gas, Solar and Energy Storage Assets



Gateway Generating Station



Humboldt Bay Generating Station



Stroud Solar Station



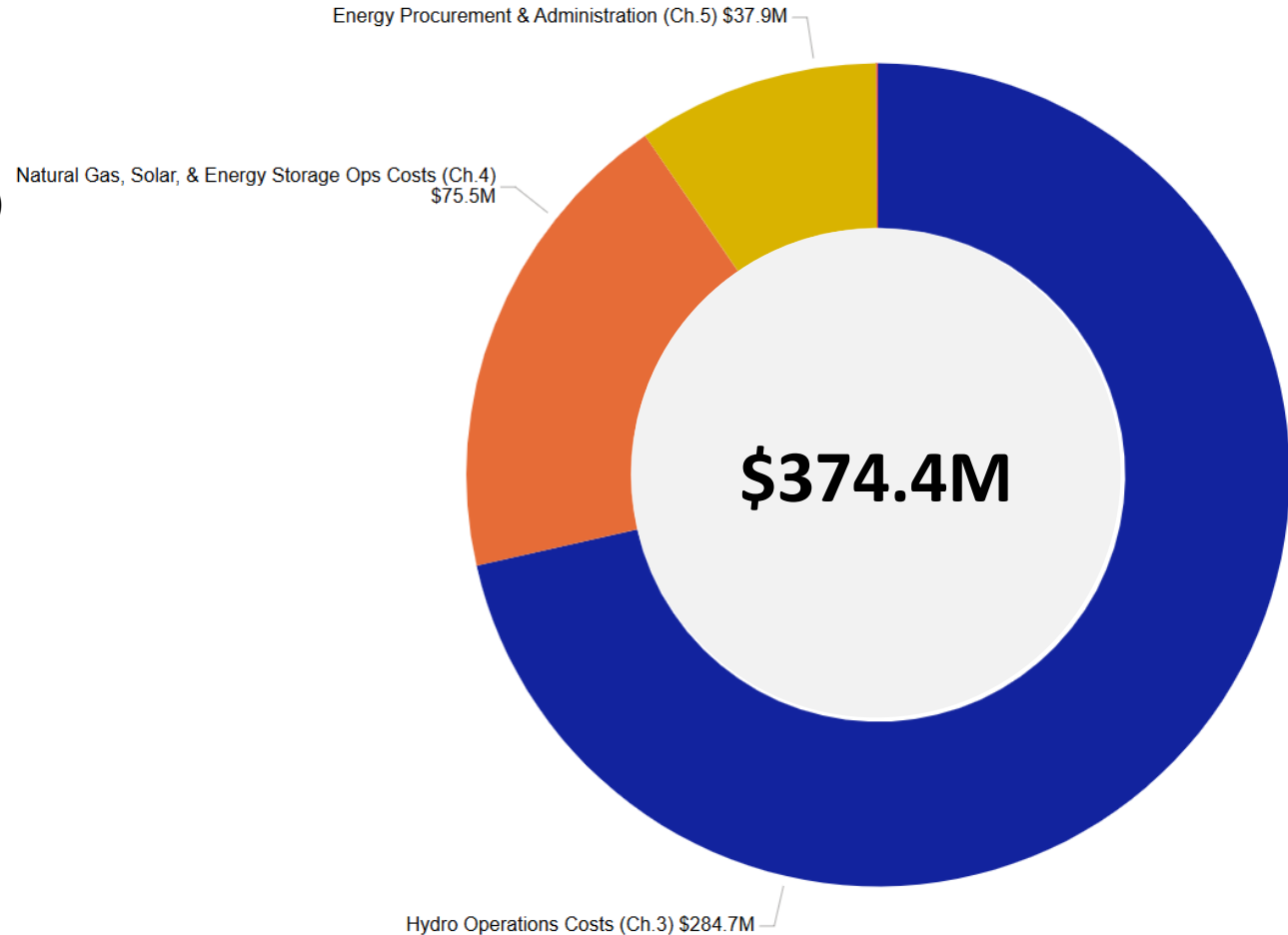
Elkhorn Battery Energy Storage Station



# Exhibit (PG&E-5) Energy Supply Summary of 2027 TY Request - Expense

## (PG&E-5) Energy Supply Chapter # & Title

- Hydro Operations Costs (Ch. 3)
- Natural Gas, Solar, & Energy Storage  
Operations Costs (Ch. 4)
- Energy Procurement & Administration (Ch. 5)
- Energy Supply Technology Programs (Ch. 6)
- Energy Supply Policy & Summary of Exhibit (Ch. 1)

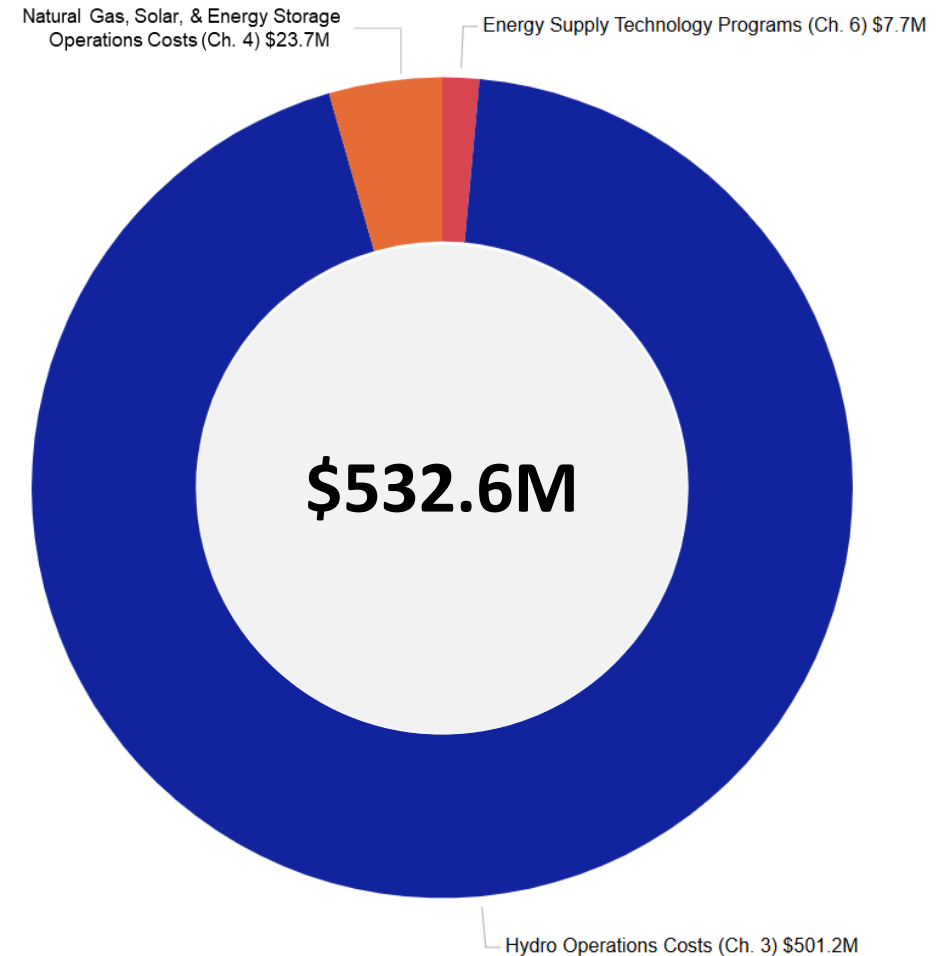




# Exhibit (PG&E-5) Energy Supply Summary of 2027 TY Request - Capital

## (PG&E-5) Energy Supply Chapter # & Title

- Energy Supply Technology Programs (Ch. 6)
- Hydro Operations Costs (Ch. 3)
- Natural Gas, Solar, & Energy Storage Operations Costs (Ch. 4)





# Exhibit (PG&E-5) Energy Supply Forecasted Work – 2027 - 2030 Highlights

Project	Operative Date	Total Cost
Fordyce Dam Leakage Reduction	October 2029 / October 2029	\$143M
Helms Turbine Shutoff Valve Replacement	March 2029	\$102M
Caribou 1 Unit 2 Replace Turbine Runners, Bearing, Shaft	December 2028	\$31M
McCloud Spillway Improvements	December 2030	\$386M
Spaulding Dam 1 Replace Low Level Outlet	December 2029	\$78M
Tiger Creek Spillway Improvements	June 2030	\$110M





# Exhibit (PG&E-5) Energy Supply Key Drivers for Work Proposed in 2027 GRC

- 2024 Risk Assessment and Mitigation Phase (RAMP) mitigations and risk management activities for non-RAMP water delivery & storage infrastructure.
- Changing demands on generating equipment to support clean energy goals.
- Investments needed to address aging and/or obsolete generating equipment and infrastructure.
- New and expanding FERC compliance requirements.
- Additional staffing to meet the changing operational environment (climate, market, regulatory, etc.) and coincident expectations of our stakeholders.
- Enhanced asset and risk management activities.



# Exhibit (PG&E-5) Energy Supply

## Key Cost Changes from 2024 Recorded Expense

**2024 Recorded: \$300M | 2027 Forecast = \$374M | Increase = \$74M**

- (\$24M) – Diablo Canyon Volumetric Performance Fee. (Ch. 1)
- +\$86M – Hydroelectric operations and maintenance, asset management enhancement, dam safety, licensing and regulatory compliance activities. (Ch. 3)
- +\$10M – Natural gas generation aging equipment planned outage costs, long term service agreement costs at Gateway and Colusa and electric generation and storage development planning. (Ch. 4)
- +\$3M – Energy Policy and Procurement escalation. (Ch. 5)
- (\$1M) – Decrease in IT projects. (Ch. 6)



# Exhibit (PG&E-5) Energy Supply

## Key Cost Changes from 2024 Recorded Capital

**2024 Recorded: \$485M | 2027 Forecast = \$533M | Increase = \$48M**

- +\$49M – Hydro Licensing Balancing Account work such as spillway improvements that mitigate the LGUWR risk, FERC relicensing, implementation of new FERC license conditions, and FERC required security upgrades. (Ch. 3)
- +\$1M – Natural gas, solar and battery energy storage is relatively flat with a mix of the completion and start of certain one-time projects. (Ch. 4)
- (\$3M) – Decrease in IT projects. (Ch. 6)



# Exhibit (PG&E-5) Energy Supply Other Requests

- Continue the two-way Hydro Licensing Balancing Account (HLBA) to record capital and expense associated with Federal Energy Regulatory Commission (FERC) hydro licensing activities and work required as a result of the 2017 Oroville spillway incident.
  - Modify the HLBA to include costs to implement capital mitigation projects for Large Uncontrolled Water Release Risk.
- Direct assign relicensing costs (intangible plant) to Power Generation, rather than spread these costs across the enterprise.
- Continue and update decommissioning accruals for hydroelectric facilities, natural gas and solar, and establish a decommissioning reserve for the Elkhorn Battery Energy Storage System.
- Capitalize future long-term service agreement outages for combustion turbines and steam turbines at the two combined cycle plants.
- Retain the existing vintage assignment for utility owned generation (UOG) eligible for recovery through the Power Charge Indifference Adjustment (PCIA) non-bypassable charge.

# Exhibit (PG&E-6) Customer and Enterprise Solutions

Bill Chen  
2027 GRC Case Manager





# Exhibit (PG&E-6) Customer and Enterprise Solutions

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	Customer and Enterprise Solutions Summary	Chris Zenner
2	Local Customer Engagement	Gareth Stamp, Jason Guenther, Julie Stanley, Lydia Krefta, and Steven Debacker
3	Customer Programs	Joe Au, Megan Ching, and Larsen Plano
4	Customer Communications	John Kaufman
5	Customer Service	Kristin Punter and Stephanie Sheldrick
6	Billing, Revenue, and Credit	Rakesh Nigam
7	Metering Services and Engineering	Earle Davis
8	Gas AMI Program	David Console, Gustavo Castillo
9	Electric AMI Program	Chris Moris, David Console
10	Customer and Enterprise Solutions Business Operations	Jennie Tong, Ronnie Chriss
11	Customer and Enterprise Solutions Technology Value Streams	Matt Briel, Matt Hedges
12	Mobile Home Park Utility Upgrade Program	David Perez





# Exhibit (PG&E-6) Customer and Enterprise Solutions – Case Highlights

**1.3 million**

Gas modules  
replaced by 2030

**300,000**

Electric 2.0 Meters  
deployed by 2030

**57,000**

Backup Power  
Transfer Meters  
provided by 2030

**3 million**

EVs supported by  
2030

**180 million**

Page views per  
year via PGE.com

**75.7 million**

Bill statements  
issued in 2027

**262**

Languages  
available for  
customer service

**519**

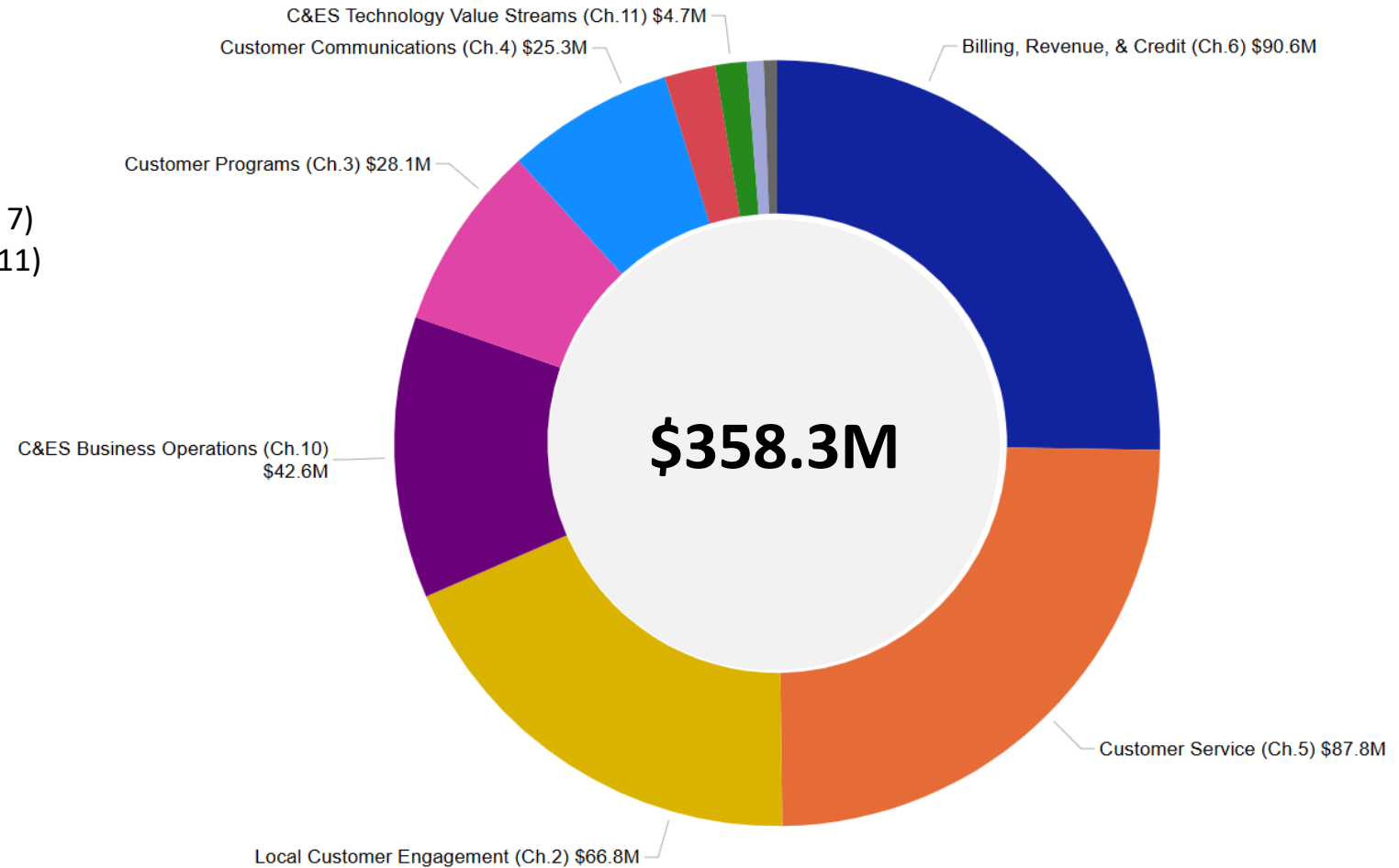
Neighborhood  
Payment Centers



# Exhibit (PG&E-6) Customer and Enterprise Solutions Summary of 2027 TY Request - Expense

## (PG&E-6) Customer & Enterprise Solutions Chapter # & Title

- Billing, Revenue, & Credit (Ch. 6)
- Customer Service (Ch. 5)
- Local Customer Engagement (Ch. 2)
- C&ES Business Operations (Ch. 10)
- Customer Programs (Ch. 3)
- Customer Communications (Ch. 4)
- Metering Services & Engineering (Ch. 7)
- C&ES Technology Value Streams (Ch. 11)
- Electric AMI Program (Ch. 9)
- Gas AMI Program (Ch. 8)

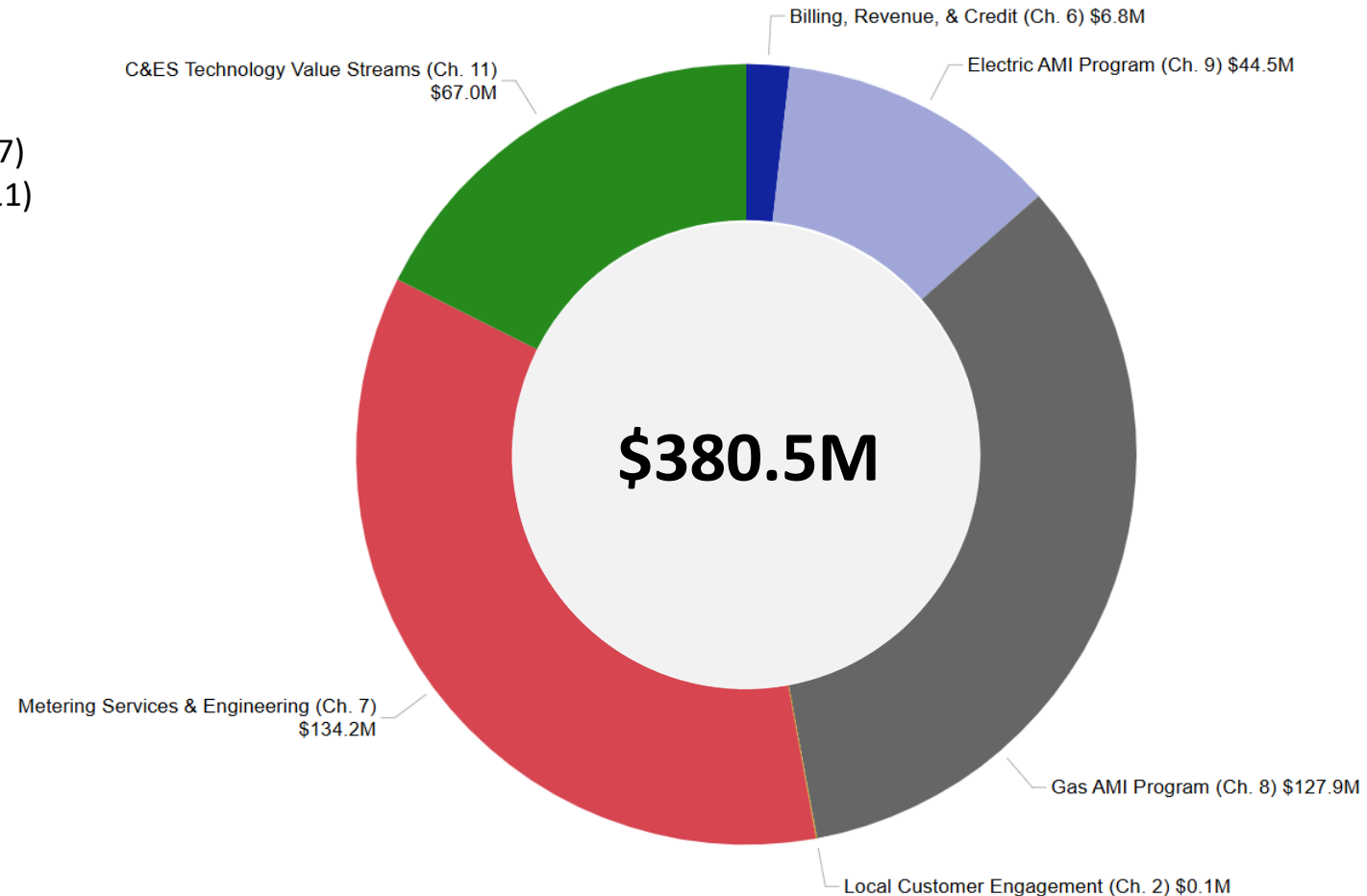




# Exhibit (PG&E-6) Customer and Enterprise Solutions Summary of 2027 TY Request - Capital

## (PG&E-6) Customer & Enterprise Solutions Chapter # & Title

- Billing, Revenue, & Credit (Ch. 6)
- Electric AMI Program (Ch. 9)
- Gas AMI Program (Ch. 8)
- Local Customer Engagement (Ch. 2)
- Metering Services & Engineering (Ch. 7)
- C&ES Technology Value Streams (Ch. 11)





# Exhibit (PG&E-6) Customer and Enterprise Solutions Key Cost Changes from 2024 Recorded Expense

**2024 Recorded: \$307M | 2027 Forecast = \$358M | Increase = \$51M**

- **Customer Emergency Planning and Operations +\$5.2M:** Increase to improve customer support during PSPS and All Hazard events (e.g., ensuring Community Resource Centers have backup power and are ADA-compliant, implementing customer notification enhancements (including language translation), and supporting Access and Functional Needs customers). (Ch. 2)
- **Transportation Electrification (TE) and Building Electrification (BE) +\$8.1M:** Increase for activities focused on simplifying and improving the customer experience for TE and BE adoption needed to meet the state's decarbonization and electrification goals. (Ch. 2)
- **Rate Operations and Tools +\$2.9M:** Increase for rate tools which improve the customer experience by helping customers select the best rate plan for their household, make choices about energy options that impact their bills, and manage their usage and costs to make their bills more affordable. (Ch. 3)
- **Residential Rates Implementation +\$2.3M:** Increase for outreach to inform residential customers about new rate plans, rate plan changes and transitions, available rate plan options (e.g., Medical Baseline), and energy management programs and tools to help them manage their energy usage and bills, and to provide increased high bill support. (Ch. 3)
- **Customer Insights and Strategy +\$3.5M:** Increase for expanding capabilities to measure, analyze, and address customer feedback through the customer survey platform, and implementing enhanced speech analytics at the Contact Centers that is integrated with the survey platform to improve quality assurance, agent coaching, and call analytics to improve customer experience. (Ch. 5)
- **Credit Policy and Operations +\$9.7M:** Increase for expanding credit and collection activities for delinquent accounts which minimizes the amount of uncollectibles recovered from other customers through higher rates. (Ch. 6)



# Exhibit (PG&E-6) Customer and Enterprise Solutions Key Cost Changes from 2024 Recorded Capital

**2024 Recorded: \$270M | 2027 Forecast = \$381M | Increase = \$111M**

- **Gas Meter Exchanges and Inventory Purchases +\$26.4M:** Increase to scale-up the installation of gas ultrasonic meters (USMs), improve large gas meter communication, and replenish gas bulk module inventory. USMs are newer generation gas meters which provide more customer benefits such as additional safety features, and more accuracy and durability compared to legacy gas meters. (Ch. 7)
- **Gas AMI Program +\$38.9M:** Increase to replace approximately 1.3 million remaining legacy battery-operated gas modules from 2027 through 2030 with next-generation modules. Customer benefits include providing customers with timely and accurate gas billing and usage data during deployment while newly available advanced technologies will enable PG&E to lower customer costs through operational efficiencies, improve customer service, enhance public safety, and advance environmental benefits. (Ch. 8)
- **Electric AMI Program +\$44.5M:** Increase for deployment of approximately 300,000 next-generation Electric 2.0 Meters from 2027 through 2030. Customer benefits include providing customers with ongoing, timely and accurate electric billing and usage data during deployment while advanced technological capabilities will enhance public safety and energy affordability for customers and support California's environmental, energy, and electrification goals. (Ch. 9)



# Exhibit (PG&E-6) Customer and Enterprise Solutions Other Requests

## Balancing and Memorandum Accounts

- **Non-Tariffed Products and Services Balancing Account (NTBA):** Modify NTBA to include all CPUC-jurisdictional New Revenue Development (NRD) programs and apply existing 50/50 net profit sharing mechanism between ratepayers and shareholders. (Ch. 2)
- **Non-Tariffed Products and Services Memorandum Account (NTPSMA):** Close NTPSMA following the Commission's review of recorded costs. (Ch. 2)
- **Regional Plan Memorandum Account (RPMA):** Close RPMA following the Commission's review of recorded costs. (Ch. 2)
- **California Distributed Generation Statistics Website Memorandum Account-2 (CDGSWMA-2):** Close CDGSWMA-2 following the Commission's review of recorded costs. (Ch. 3)
- **Mobile Home Park Balancing Accounts (MHPBAs):** Reasonableness showing of 2021- 2024 recorded balances in the MHPBAs. (Ch. 12)



# Exhibit (PG&E-7) Shared Services & Information Technology (IT)

Geri Callejas  
2027 GRC Case Manager





# Exhibit (PG&E-7) Shared Services & Information Technology

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	Enterprise Health & Safety	Paul Bury
2	Transportation & Aviation Services	Michael Glover, Chris Courtney, Lydia Krefta
3	Materials & Sourcing	Dan Quinn, Toni Tran
4	Real Estate	Tom Crowley
5	Land, Environmental, Access & Permitting Services	Aimee Crawford
6	Information Records Governance	Erica Johnson, Michael Conran
7	Information Technology & Data Management	Rob Lawrence
8	Cyber & Corporate Security	Gary King, David Lo
9	Emergency Preparedness & Response (EP&R)	Angie Gibson
10	Enterprise Risk Management	Ujvalla Gupta



# Exhibit (PG&E-7) Shared Services & Information Technology – Case Highlights

**> 30,000**

Telecom Network  
Devices upgraded

**3 million**

EVs supported  
by 2030

**Nearly 4  
thousand**

ZEV units in the  
Fleet by 2030

**Up to 350**

Applications  
migrated to the  
cloud

**> 1 million**

EV charging  
ports by 2030

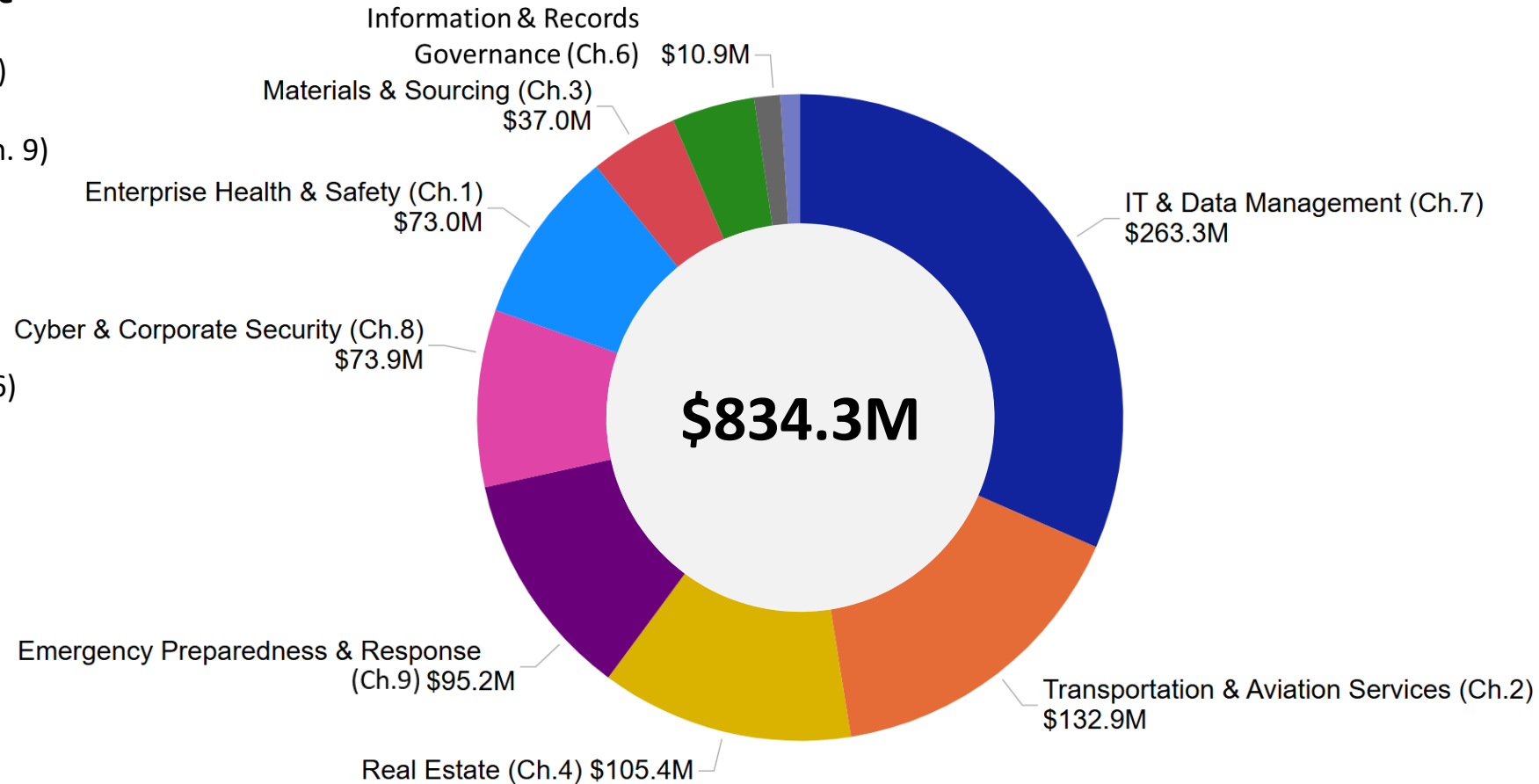




# Exhibit (PG&E-7) Shared Services & IT Summary of 2027 TY Request - Expense

## (PG&E-7) Shared Services & IT Chapter # & Title

- IT & Data Management (Ch. 7)
- Transportation & Aviation Services (Ch. 2)
- Real Estate (Ch.4)
- Emergency Preparedness & Response (Ch. 9)
- Cyber & Corporate Security (Ch. 8)
- Enterprise Health & Safety (Ch. 1)
- Materials & Sourcing (Ch. 3)
- Land, Environmental, Access & Permitting Services (Ch. 5)
- Information & Records Governance (Ch. 6)
- Enterprise Risk Management (Ch. 10)

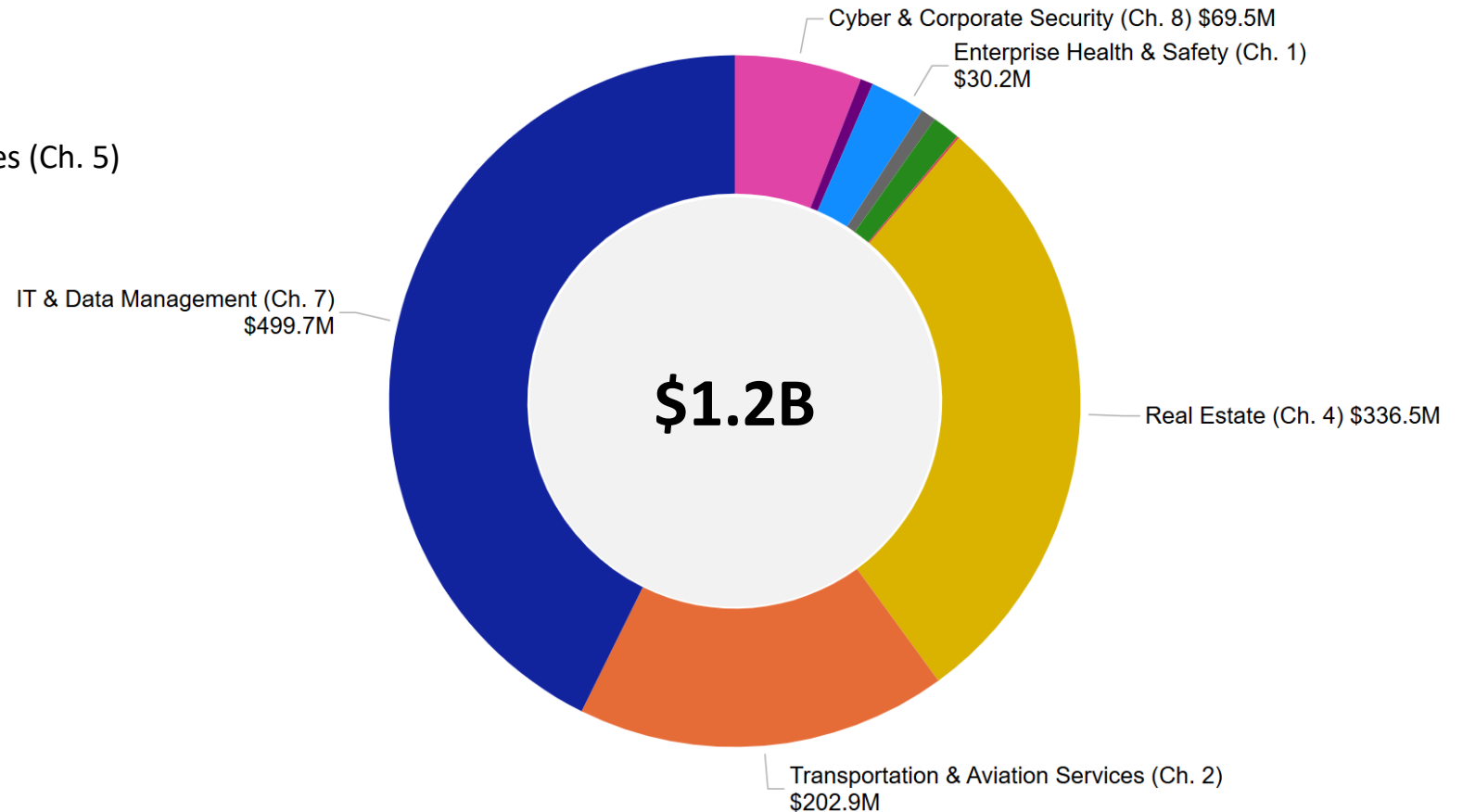




# Exhibit (PG&E-7) Shared Services & IT Summary of 2027 TY Request - Capital

## (PG&E-7) Shared Services & IT Chapter # & Title

- Cyber & Corporate Security (Ch. 8)
- Emergency Preparedness & Response (Ch. 9)
- Enterprise Health & Safety (Ch. 1)
- Information & Records Governance (Ch. 6)
- Land, Environmental, Access & Permitting Services (Ch. 5)
- Materials & Sourcing (Ch. 3)
- Real Estate (Ch. 4)
- Transportation & Aviation Services (Ch. 2)
- IT & Data Management (Ch. 7)





# Exhibit (PG&E-7) Shared Services & IT Forecasted Work – 2027 - 2030 Highlights

## Top Programs:

- **Aviation Services:** Continue to deliver essential aerial capabilities that support emergency responses, restorations and construction projects and support the state during wildfire season. In January 2025 we rapidly deployed down to SoCal and helped fight the Palisades Fire dropping 75K gallons of water. Increase investments in Unmanned Aircraft Systems (UAS) as their expanded utilization will strengthen our stand of everyone and everything is always safe by sending a UAS to challenging terrain instead of a helicopter or coworkers.
- **EP&R:** Continue to build out Safety and Infrastructure Protection Team (SIPT) crews and equipment to address the goals of the all-hazard emergency response strategy, support wildfire mitigation/risk reduction, and ensure the safety needs of PG&E coworkers and customers are successfully met.
- **Corporate Real Estate Strategy & Services (CRESS):** Continue to support operations by ensuring adequate capacity (e.g., identify land and existing sites for purchase and development). Prioritize investments at existing service centers to improve facilities condition. Relocate from legacy leased offices into owned developed campus to optimize usage and support return to workplace policies. Support PV/Solar project installations as a part of expanding Sustainability practices and reducing utility costs in PG&E owned facilities. Work closely with Corporate Security department to enhance security and safety at PG&E facilities (e.g., fencing upgrades, install cameras).





# Exhibit (PG&E-7) Shared Services & IT Forecasted Work Highlights, cont.

## Top Programs:

- **Land, Environmental, Access and Permitting Services (LEAPS):** Maintain and continually update the library of more than 500,000 records that document PG&E's access and rights to land needed to maintain and build our equipment.
- **Sourcing & Materials:** Support the company's mission to provide safe, reliable, affordable, and clean natural gas and electric service through the facilitation of procurement from over 7,000 suppliers, involving more than 400 master service agreements and 180,000 purchase orders annually. In addition, support reliable operations in high-risk wildfire zones by identifying suppliers that can bring innovative approaches and technologies to support the 10,000 miles of undergrounding while ensuring it's done at the lowest possible cost.
- **Transportation Services:** Deploy Zero Emission Vehicles (ZEVs) in combination with dedicated internal fleet charging infrastructure to enable the deployment of electric vehicles (EVs) and reduce PG&E's carbon footprint. Increased investment in EVs are reducing operational fuel expense by decreasing the reliance on fuel sourced. To date 165 EVs have been placed in service and have accumulated 954K all electric miles. By 2030, the ZEV fleet will grow to nearly 4,000 units.



# Exhibit (PG&E-7) Shared Services & IT Key Cost Changes from 2024 Recorded Expense

**2024 Recorded: \$824M | 2027 Forecast = \$834M | Increase = \$10M**

## Key Drivers:

- **Emergency Preparedness and Response +\$32M:** Increase primarily due to Emergency Field Operations programs that directly support wildfire risk reduction, such as building out the Safety Infrastructure Protection Team (SIPT) and expanding the Field Exercise program. (Ch. 9)
- **Information Technology +\$12M:** Increase primarily due to increases in incremental O&M (mostly non-labor) as a result of deploying technology solutions across the Company. (Ch. 7)
- **Cyber and Corporate Security +\$7M:** Increase primarily due to evolving controls to counter increasing and more pervasive, sophisticated, and devious security threats as well as moving ongoing efforts for the Cybersecurity TSA Security Directive and the Corporate Security OGO program from memo accounts to GRC forecasts. (Ch. 8)
- **Transportation and Aviation Services +\$7M:** Increase primarily due to Fleet Vehicle maintenance program costs. (Ch. 2)
- **Corporate Real Estate (\$35M):** Decrease primarily due to the completion of OGO work under the terms of the GOSMA account and transition of that ongoing work to build out the OGO campus in the capital portfolio. (Ch. 4)



# Exhibit (PG&E-7) Shared Services & IT

## Key Cost Changes from 2024 Recorded Capital

**2024 Recorded: \$754M | 2027 Forecast = \$1,171M | Increase = \$416M**

### Key Drivers:

- **Information Technology +\$167M:** Increase primarily due to proposed policy change which allows for the capitalization of three-year pre-paid third-party cloud computing agreements (\$97M); Data Center, Cloud and Application Management (\$47M) ongoing lifecycle and cloud migration investments to control and mitigate IT Asset Failure risk associated with critical application and data center assets/components; and Data, Analytics, and Insights (\$20M) investments which focus on ongoing efforts to improve data quality and accessibility, consolidate systems, and enable insights to drive business decision-making and operational efficiency opportunities. (Ch. 7)
- **Corporate Real Estate +\$165M:** Increase primarily due to moving the development of additional capacity in OGO to the GRC forecast; building additional capacity across the Company (service centers, yards, material distribution centers) to support our front-line coworkers; and finally, proactively improve our facility conditions by replacing and upgrading existing facilities before they fail and potentially cause safety issues. (Ch. 4)
- **Transportation and Aviation Services +\$48M:** Increase primarily due to Fleet Lifecycle for various vehicle types (including EV units) and heavy specialized equipment. (Ch. 2)
- **Enterprise Health and Safety +\$26M:** Increase primarily due to the buildout of the PG&E Academy learning facility to continue the delivery of quality safety training and effectively scale to accommodate the expected required increase in training personnel and courses for PG&E coworkers. Other key capital investments include the installation of transportation safety in-cab monitoring (cameras) to reduce the risk of PG&E driver distraction and the likelihood of workforce and public serious injuries and fatalities. (Ch. 1)

# Exhibit (PG&E-8) People, Compensation & Benefits

Samantha White  
2027 GRC Case Manager





# Exhibit (PG&E-8) People, Compensation & Benefits

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	People Organization: Summary of Exhibit	Deb Sinta
2	People Organization Department Costs	Deb Sinta
3	Compensation and Labor Escalation	Lisa Laanisto
4	Employee Benefits	Allison Neves, Ashley Mawhorter
5	Occupational Health	Heather Noble
6	Report on Inclusion and Belonging	Dionne Adams
7	Total Compensation Study	Willis Towers Watson (WTW)





# Exhibit (PG&E-8) People, Compensation & Benefits Case Highlights

**\$100M**

In savings using  
PG&E Medical  
Forecast

**29,512**

Employees  
covered by Benefit  
Plans

**60%**

STIP Metrics  
focused on Public  
and Employee  
Safety

**\$30M**

In savings in  
Workers' Comp  
Programs

**62%**

Employees are  
Union  
Represented

**\$500M**

In trust  
repurposing  
reducing customer  
costs

**\$51M**

Saved utilizing  
Employee Cost  
Sharing

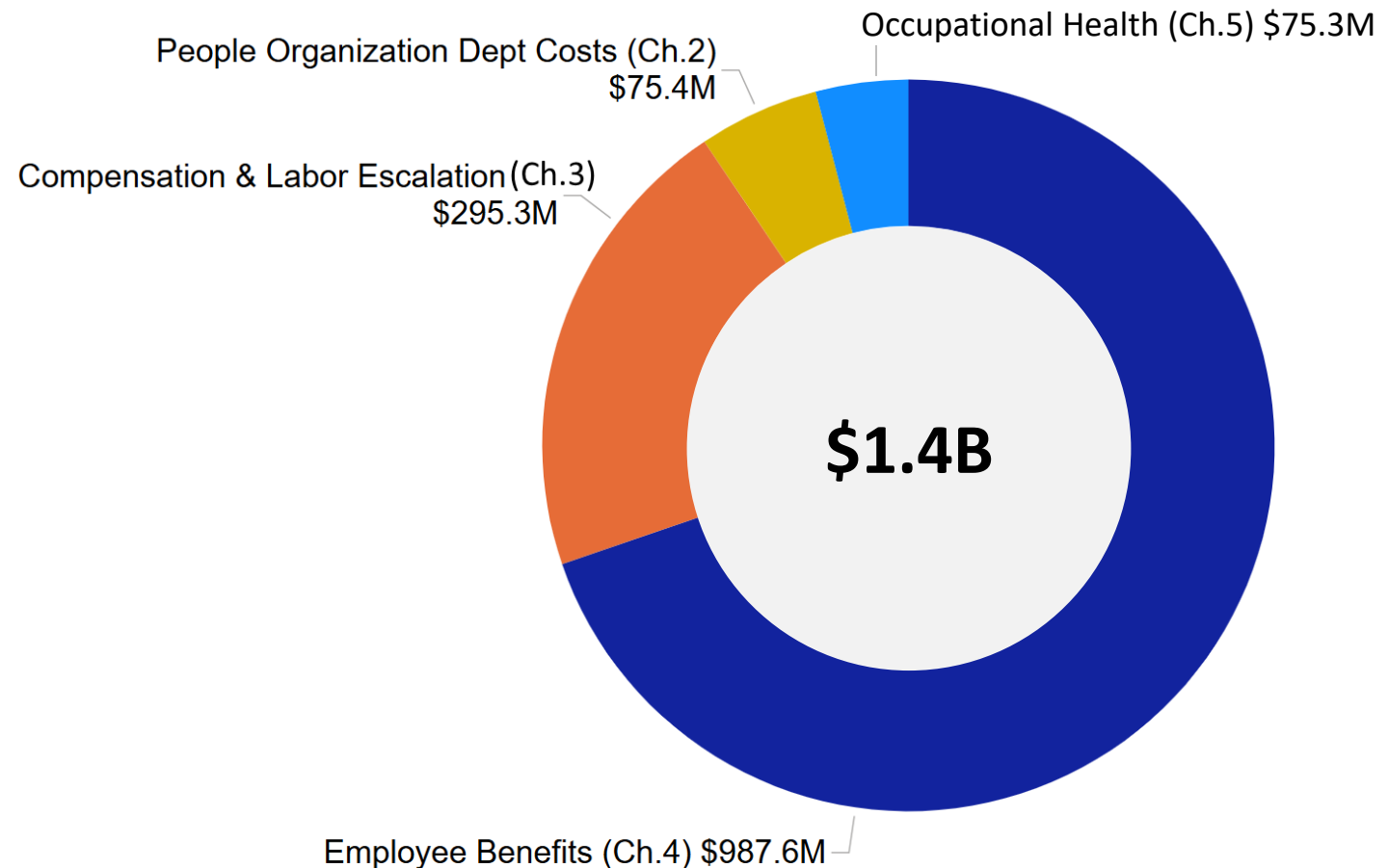




# Exhibit (PG&E-8) People, Compensation & Benefits Summary of 2027 TY Request - Expense

## (PG&E-8) People, Compensation, & Benefits Chapter # & Title

- Employee Benefits (Ch. 4)
- Compensation & Labor Escalation (Ch. 3)
- People Organization Dept Costs (Ch. 2)
- Occupational Health (Ch. 5)





# Exhibit (PG&E-8) People, Compensation & Benefits Key Cost Changes from 2024 Recorded Expense

**2024 Recorded: \$1,268M | 2027 Forecast = \$1,416M | Increase = \$148M**

## **People Organization:**

**Expense:** 2024 Recorded: \$68M; 2027 Forecast: \$75M; Increase = \$7M

- Increase primarily due to wage escalation and increases in contract spend.

**Capital:** No Capital Forecast requested.

**HR Company-wide Expense:** 2024 Recorded: \$1,200M; 2027 Forecast: \$1,341M; Increase = \$141M

Increases primarily in the following plans:

- **+\$41M – Medical Benefits** (Ch. 4): forecast for medical benefits is based on PG&E affordability forecast which includes forecast headcount increase and medical escalation year over year.
- **+\$37M – Retirement Savings Plan (401k)** (Ch. 4): primarily driven by wage escalation, match formula, and headcount.
- **+\$29M – Leave of Absence & Disability Benefits** (Ch. 4):
  - \$17M - Long-Term Disability Trust Contributions: increase based on updated actuarial forecast.
  - \$12M - Short-Term Disability Benefits: primarily driven by increase in wages and an increase in EDD's maximum weekly benefit rate.
- **+\$28M – Short-Term Incentive Plan (STIP)** (Ch. 3): primarily driven by labor escalation, offset by 2024 payout which exceeded target.



# Exhibit (PG&E-8) People, Compensation & Benefits Notable Proposals

## PG&E Primary (affordability) Medical Forecast<sup>1</sup>

- Affordability forecast is \$100M lower than alternative forecast prepared by Willis Towers Watson (WTW).

2027 Forecast	PTYR	Trust Repurposing (2028-2030)	Balancing Account
\$639M	3% escalation	\$500M	Request for new Two- Way MBA

<sup>1</sup> If the Commission does not approve PG&E's Primary (affordability) request with the balancing account, PG&E requests the Commission to approve PG&E's Alternative (WTW) request of \$739M.



# Exhibit (PG&E-8) People, Compensation & Benefits Other Requests

## Balancing Account and Trust Repurposing

- **Medical Balancing Account (MBA):** Establish two-way MBA for recording costs related to Medical benefits. (Ch. 4)
- **Trust Repurposing:** Request for Post Retirement Benefits Other than Pensions (PBOP) to repurpose \$500 million of the trust assets and use them to fund other Represented employee benefits. (Ch. 4)

# Exhibit (PG&E-9) Administrative & General

Lauren Hudson  
2027 GRC Case Manager







# Exhibit (PG&E-9) Administrative & General

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	Administrative & General Costs: Summary of Exhibit	Ivana Tamburrino
2	Finance Org Costs	Carmel Millier
3	Insurance - Companywide Expense Only	Stephen Cairns
4	Corporate Affairs	Wendy Sarsfield
5	Ethics & Compliance Costs	Jennifer Andrews
6	Law Costs	Bill Manheim
7	Corporate Secretary & PG&E Corporation and PG&E Utility Executive Offices (CEO's office) Costs	Bill Manheim
8	Strategy Org Costs	Heather Rock
9	A&G Ratemaking Adjustments	Ivana Tamburrino



# Exhibit (PG&E-9) Administrative & General Case Highlights

\* Assumes no losses

\*\* Assumes no losses; total 2027 GRC cycle savings

**\$680+M**

In reductions between  
2020 - 2024 due to  
Liability Self-Insurance  
Programs

**\$0**

Wildfire Liability  
Self-Insurance  
Forecast\*

**\$118M**

In potential savings  
using Non-Wildfire  
Liability Self-  
Insurance\*\*

**7 FTEs**

Finance & Law increase  
headcount while  
keeping costs nearly flat



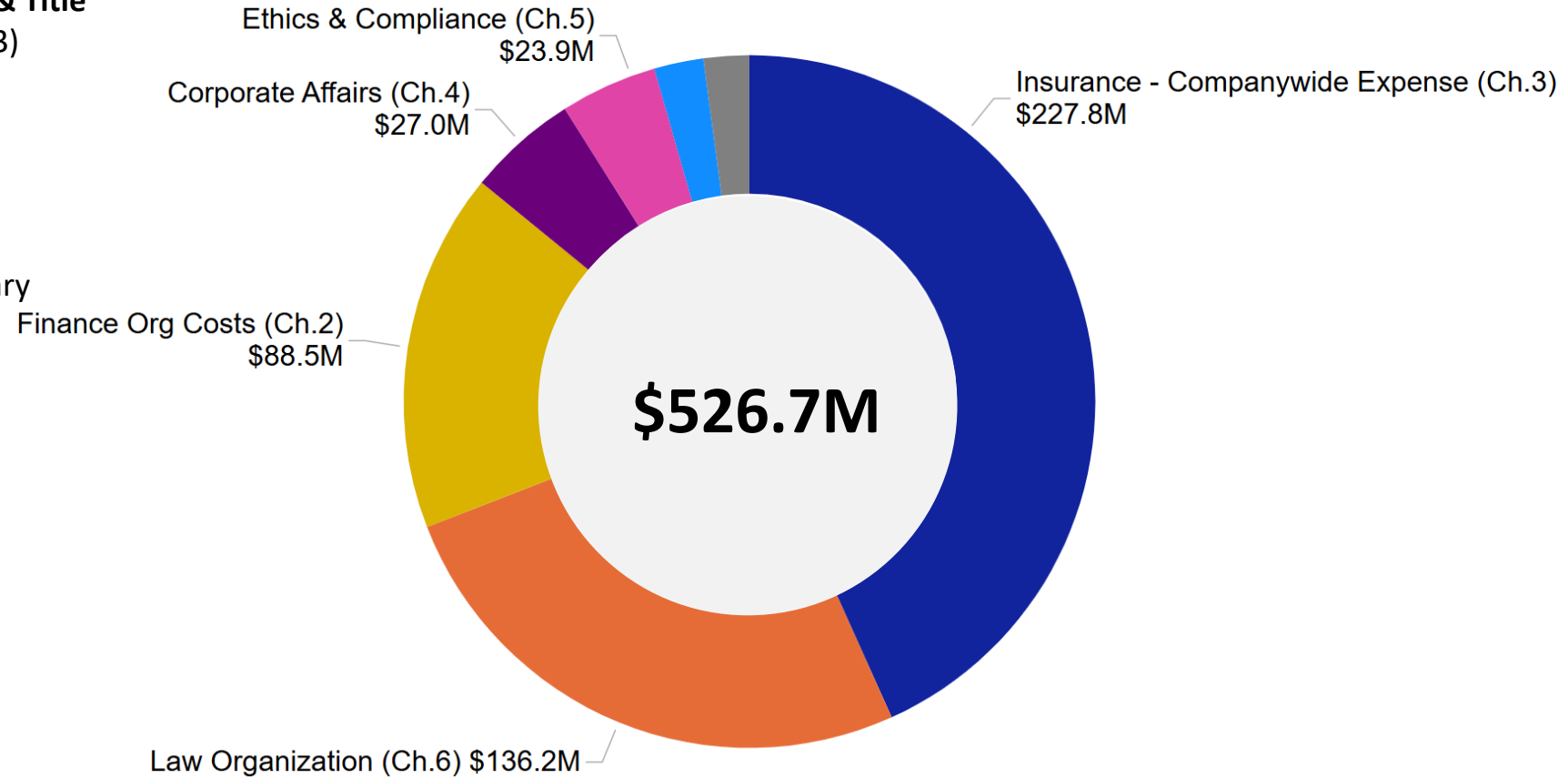




# Exhibit (PG&E-9) Administrative & General Summary of 2027 TY Request - Expense

## (PG&E-9) Administrative & General Chapter # & Title

- Insurance - Companywide Expense (Ch. 3)
- Law Organization (Ch. 6)
- Finance Org Costs (Ch. 2)
- Corporate Affairs (Ch. 4)
- Ethics & Compliance (Ch. 5)
- PG&E Corporation & PG&E Utility  
Executive Offices; & Corporate Secretary  
Department Costs (Ch. 7)
- Strategy (Ch. 8)

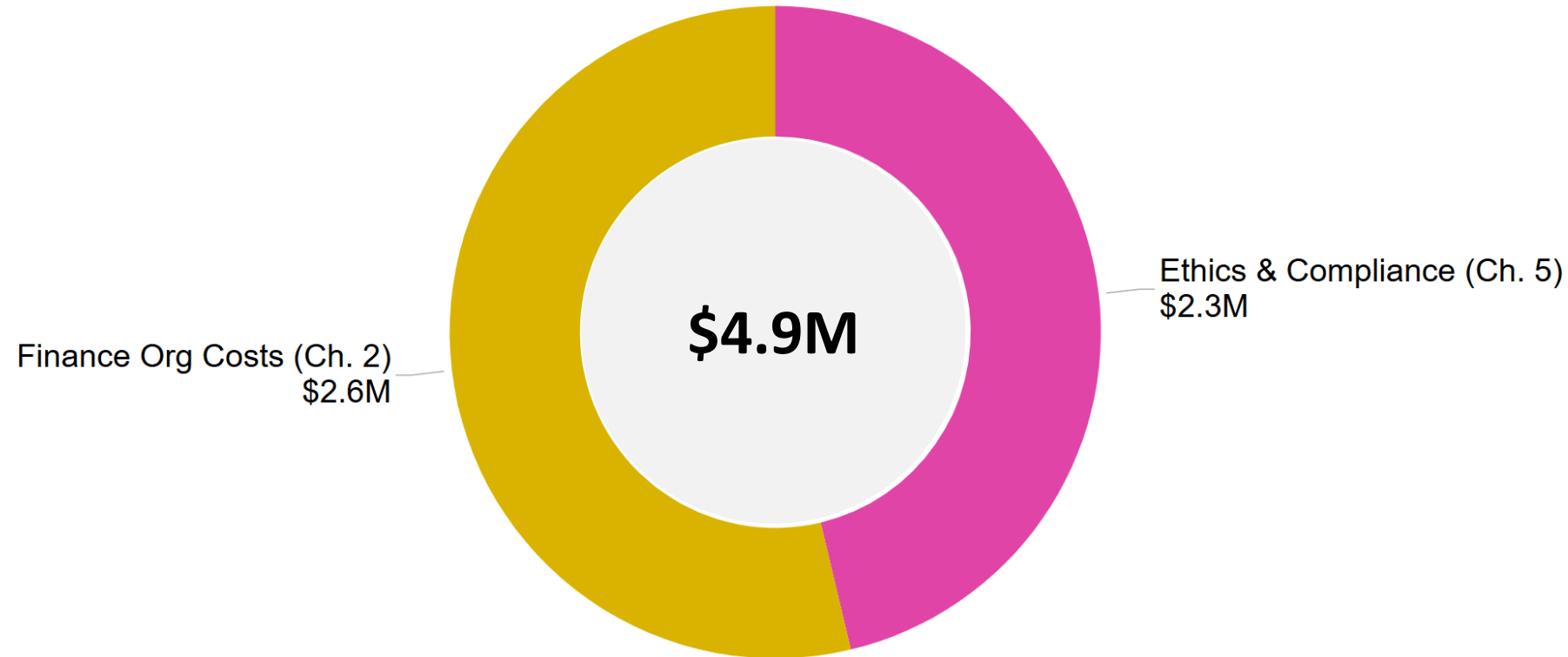




# Exhibit (PG&E-9) Administrative & General Summary of 2027 TY Request - Capital

## (PG&E-9) Administrative & General Chapter # & Title

- Ethics & Compliance (Ch. 5)
- Finance Org Costs (Ch. 2)





# Exhibit (PG&E-9) Administrative & General Key Cost Changes from 2024 Recorded Expense & Capital

## Expense

- **Organizational Exp:**

**2024 Recorded: \$211.6M | 2027 Forecast = \$223.3M | Increase = \$11.6M**

The 6% increase is primarily driven by higher costs for the Ethics and Compliance (Ch. 5), Corporate Affairs (Ch. 4) and Strategy (Ch. 8) organizations, offset by decreases in Law costs (Ch. 6).

- **Companywide Item\* Exp:**

**2024 Recorded: \$274.4M | 2027 Forecast = \$303.5M | Increase = \$29M**

The 11% increase is primarily driven by an increase for litigation settlements and judgements and liability insurance commercial policy increases, slightly offset by a decrease in bank fees.

*\*Companywide Items are presented in Chapters 2, 3, 6, and 7.*

## Capital

**2024 Recorded: \$0M | 2027 Forecast = \$5.4M | Increase = \$5.4M**

The \$5.4M increase is primarily driven by IT projects in the Finance (Ch. 2) and Ethics and Compliance (Ch. 5) organizations.



# Exhibit (PG&E-9) Administrative & General Notable Proposals

- **Insurance:** Continue the use of self-insurance for Wildfire and Non-Wildfire Liability, continuing programs that could save customers up to \$2.6 billion over the 2023 cycle. (Chapter 3)
- **Ethics & Compliance – Independent Safety Monitor:** After the Federal Monitor's term ends in 2026, we propose to integrate this oversight function into normal business operations, as an additional measure to assist in reducing safety risks. (Chapter 5)



# Exhibit (PG&E-10)

# Results of Operations

Megan Rodriguez  
2027 GRC Case Manager





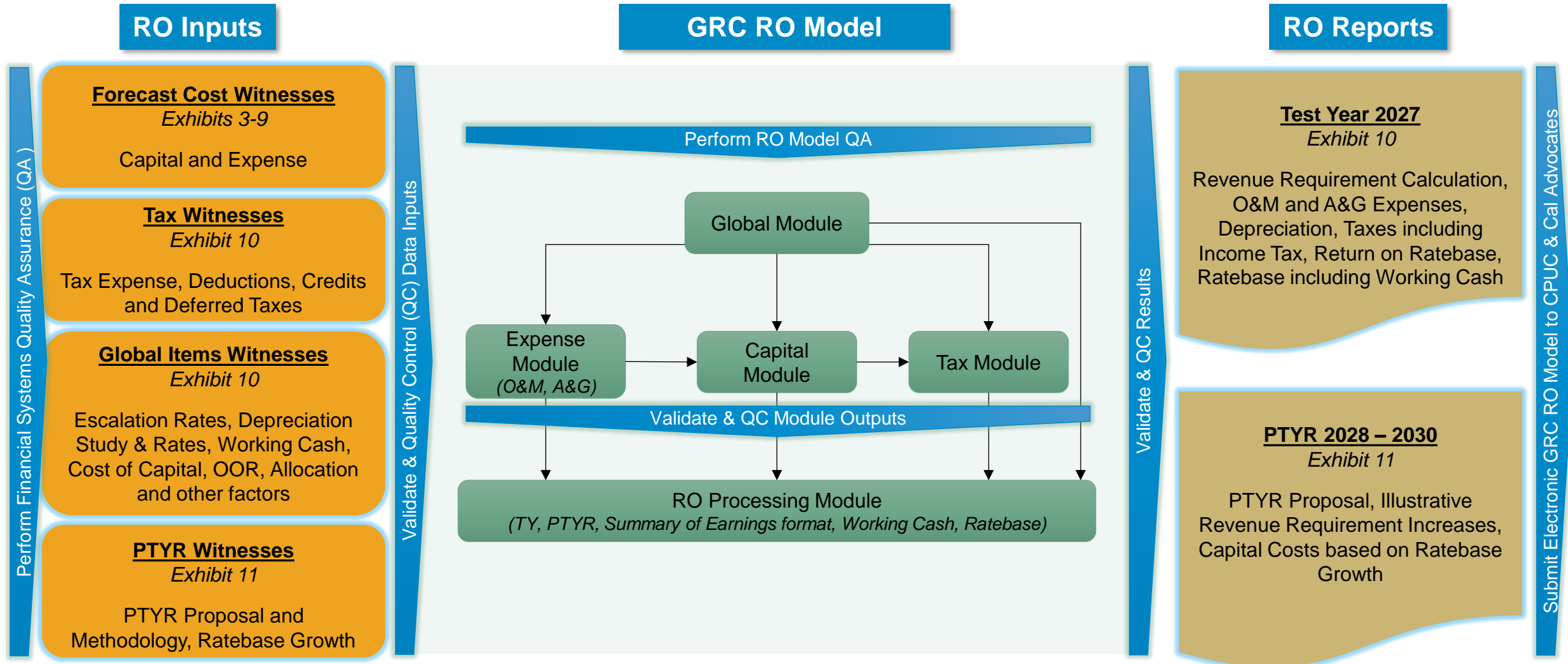
# Exhibit (PG&E-10) Results of Operations

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	Results of Operations: Summary of Exhibit	Marques Cruz
2	Cost Allocation	Shetal Chaturvedi, Ivana Tamburrino
3	SAP FERC Translation	Alex Quintana
4	O&M Expense	Alex Quintana
5	Administrative & General	Ivana Tamburrino
6	Payroll & Other Taxes	Sanjay Solanki
7	Electric, Gas, and Common Plant	Kerry Hegarty
8	Depreciation Reserve and Expense	Kevin Chang
9	Depreciation Study	Ned Allis, Chris DiGiovanni
10	Income & Property Taxes	Amara Hayashida
11	Working Cash	Dawna Lewski
12	Gas and Electric: Generation Rate Base	Kerry Hegarty
13	Other Operating Revenues	Connor Choiniere
14	Calculation of the Revenue Requirement	Marques Cruz
15	Escalation Rates	Deric Avila
16	Balancing Accounts	Rebecca Madsen
17	Balance Sheet & Statement of Operations	Jennifer Garboden
18	Electric Rates	Colin Kerrigan
19	Gas Rates	Mardi Walton, Patricia Gideon



# Exhibit (PG&E-10) Results of Operations (RO) 2027 GRC RO Model Architecture



**CPUC Requirements:** (1) Utility shall comply with the RO modeling guidelines in D.00-07-050 (D.11-05-018); (2) Utility's RO Model be user-friendly and transparent (D.00-07-050 and D.11-05-018); (3) 100% Excel-based RO Model (D.11-05-018); (4) Utility experts support CPUC, albeit with Energy Division oversight under NDA, throughout PD development process (D.20-01-002).



# Exhibit (PG&E-10) Results of Operations

## Summary of 2027 GRC Test Year Revenue Requirements

GRC Functional Areas	2026 GRC Adopted (\$M)	2027 GRC Proposed (\$M)	Difference from Adopted (\$M)	Difference from Adopted (%)
Electric Distribution	\$8,856	\$9,847	\$991	11.2%
Gas Distribution	3,115	3,061	(54)	(1.7%)
Electric Generation	1,224	1,529	305	24.9%
Gas Transmission and Storage	2,205	2,200	(5)	0.2%
<b>Total GRC</b>	<b>\$15,400</b>	<b>\$16,637</b>	<b>\$1,237</b>	<b>8.0%</b>

*Please see Chapter 14 for more details.*



# Exhibit (PG&E-10) Results of Operations – Depreciation Expense (Ch. 8)

PG&E is proposing a one-time non-precedential deviation from the Depreciation Study for certain accounts to enhance near-term affordability. PG&E's proposals include, but are not limited to:

- Maintain 2023 GRC Adopted depreciation rates for Electric Plant accounts.
- Moderate changes to depreciation rates for several Gas Plant accounts.

<i>(in millions)</i>	Depreciation Study Recommended Increase	PG&E Proposed Increase	Reduction from Depreciation Study
Electric Distribution	\$389.8	\$49.1	\$(340.7)
Gas Distribution	250.3	69.1	(181.2)
Electric Generation	(3.0)	(4.2)	(1.3)
Gas Transmission & Storage	38.6	15.7	(22.9)
<b>Total</b>	<b>\$675.8</b>	<b>\$129.7</b>	<b>\$(546.1)</b>



# Exhibit (PG&E-10) Results of Operations Balancing and Memorandum Accounts Proposal (Ch.16)

- Request to **continue 28** balancing and memorandum accounts
- Request to **discontinue and close 22** balancing and memorandum accounts
- Request the Commission to establish **new** accounts:
  - Two-way New Business Balancing Account (NBBA)
  - Two-way Medical Balancing Accounts (MBA-E and MBA-G)
- Propose reasonableness reviews throughout three different Tracks:

Track	Balancing and Memorandum Account
Track 1	Mobile Home Park Balancing Accounts (MHPBAs)
Track 2 <sup>(a)</sup>	AB841 Memorandum Account (AB841MA), California Distributed Generation Statistics Website Memorandum Account (CDGSWMA-2), General Office Sale Memorandum Accounts (GOSMAs), and Non-Tariffed Products and Services Memorandum Account (NTPSMA)
Track 3	Electric Capacity and New Business Interim Memorandum Account (ECNBIMA)

*(a) PG&E administers several memorandum and balancing accounts that require Commission reasonableness reviews, but that are not specifically required to be completed in the GRC. PG&E may seek leave to request to include some of these additional accounts for review in Track 2.*



# Exhibit (PG&E-11) Post Test-Year Ratemaking

Megan Rodriguez  
2027 GRC Case Manager





# Exhibit (PG&E-11) Post Test-Year Ratemaking

## Exhibit Structure

Chapter #	Chapter Name	Witness
1	Post Test-Year Ratemaking Proposal	Don Cano
2	Attrition & Proposed Attrition Changes	Don Cano
3	Rate Base Growth in Attrition Years & Related Costs	Pei Sue Ong



# Exhibit (PG&E-11) Post Test-Year Ratemaking

## EXPENSE

- Escalation of adopted test-year expenses
  - Wage escalation rates; materials and services (non-labor); medical plan cost; other
- Discrete adjustments (bottom-up forecast)
  - Volumetric Performance Fee (VPF)
  - Customer Battery Programs
  - Vegetation Management
  - Information Technology
  - Repurposing of PBOP Medical Trust
  - Medical and Mental Health Program Escalation
  - Non-Wildfire Self-Insurance
  - PTYR Expense Reduction
- Please see Chapter 2 for additional details

## CAPITAL

- Escalation of adopted test-year additions
- Discrete capital expenditures forecast adjustments (bottom-up forecast)
  - Distribution Capacity Program
  - Electric Distribution Overhead Maintenance
  - Wildfire System Hardening – Undergrounding
  - Hydro Replacement and Relicensing Programs
  - CRESS
  - Customer Battery Programs
- Use of forecast vintage retirements for specified common and general FERC accounts
- Use of forecast retirements related to PG&E's 10-year Undergrounding Plan
- Please see Chapter 3 for additional details

# Discovery Process

Hannah Keller  
2027 GRC Case Manager





# Discovery Process

## Propounding Data Requests

- Send all data requests to [GRC@pge.com](mailto:GRC@pge.com)
- PG&E targets response within 10 business days

## Internet Access for Data Requests

- Create an account and log-in at <https://pgera.azurewebsites.net/account/login>

## Confidential Material

- To obtain a Non-Disclosure Agreement, contact [GRC@pge.com](mailto:GRC@pge.com)  
(Once completed – request material through mailbox above)

# Thank You

Ken Arnold and the GRC Case Management Team  
GRC@pge.com  
Ken.arnold@pge.com