PACIFIC GAS AND ELECTRIC COMPANY
Risk Spending Accountability Report Discovery 2025
Data Response

PG&E Data Request No.:	ED_001-Q002
PG&E File Name:	RSARDiscovery2025_DR_ED_001-Q002
Request Date:	August 13, 2026
Requester DR No.:	001
Requesting Party:	Energy Division
Requester:	Abigail Bender
Date Sent:	September 17, 2026
PG&E Witness(es):	N/A

SUBJECT: PROGRAMS WITH AUTHORIZED SPENDING BUT NO ACTUAL SPENDING

QUESTION 002

ED identified multiple programs where no actual expenses were recorded despite imputed adopted expenses being authorized for the applicable year in the 2023 GRC. For example, under Attachment 3 – Gas Distribution, tab GD MAT Table Expense, MAT DDE, the 2025 Imputed Adopted Cost is $820,200 but the 2025 Actual Cost is $0. See CPUC Attachment 2 for the complete list of affected programs.

For each program identified in CPUC Attachment 2:

a. Please provide a specific explanation describing why no expenses were incurred.
b. Please indicate whether the work was completed under another MAT, MWC, or program. If so, please identify the corresponding location where the work was recorded.
c. If the project is still proceeding as planned, please identify why the project should still be considered active.
d. Please explain how the authorized funding that was not expended for each identified program was ultimately used. If any portion of the authorized funding was reallocated or redirected to another program, project, activity, or purpose, please identify the receiving program(s) or activity(ies) and the amount reallocated.
e. Please indicate whether PG&E requested funding for each of these programs in the 2027 GRC. If so, provide the requested amount, exhibit number, and chapter reference.

ANSWER 002

a. Please see PG&E's responses in attachment *"RSARDiscovery2025_DR_ED_001-Q002Atch01.xlsx".*
b. Please see PG&E's responses in attachment *"RSARDiscovery2025_DR_ED_001-Q002Atch01.xlsx".*

c. Please see PG&E's responses in attachment *"RSARDiscovery2025_DR_ED_001-Q002Atch01.xlsx".*

d. The Commission has a well-established principle allowing a utility to reprioritize adopted funding as necessary to safely and reliably manage utility operations in order to meet customers' needs:

In the 2023 GRC Decision, the Commission noted "within the context of a rate case, the Commission does not require the utility to implement authorized forecasted budgets; a rate case proceeding is an authorized forecast and utilities are provided with discretion to implement these budgets in real time in accordance with best judgment." (D.23-11-069, p. 710)

The Commission has established this principle across general rate cases over several decades. For example, in the 2011 GRC, the Commission stated "It is generally recognized that when a utility files a GRC, expenditure estimates are based on plans and preliminary budgets developed at least two years in advance of when they will actually be incurred. When the Utility finalizes its budget just prior to the year when costs will be incurred or adjusts the budget during the year, new programs or projects may come up, others may be cancelled, and there may be reprioritization. This process is expected and is necessary for the Utility to manage its operations in a safe and reliable manner." (D.11-05-018, Decision on PG&E's Test Year 2011 General Rate Increase Request, p. 27) The Commission's 2011 GRC decision cited D.83-12-098 and D.94-12-068 as additional support for utilities' authority to reprioritize approved funding.

As a prudent operator, PG&E stands by its obligation to manage authorized funding reasonably, consistent with its responsibility to provide safe and reliable service for customers. The spending reported in its 2025 RSAR reflects decisions made by PG&E to reprioritize work and associated investments in line with this obligation. The need to reprioritize work and investments is typically driven by three factors:

1) Emergent Work: The need to perform additional or changing work in response to critical emerging needs, including those for risk mitigation and safety;
2) Underfunded Programs: The need to perform critical programs above what was authorized by the Commission in the 2023 GRC or other proceedings; and
3) Approved Additional Spending: The flexibility provided by the Commission in approved memorandum and balancing accounts to allow funding for certain programs with uncertain or fluctuating work requirements.

Generally, in 2025 through our prioritization process, reallocation occurred either within a Functional Area or across the company. While PG&E provides examples in the RSAR of where funding was re-allocated from lower priority work to higher priority work, in general, portfolio-level prioritization (across MWCs or MATs) decisions are not made based upon a direct correlation from one program to another, therefore, we cannot provide the specific dollar amounts reallocated between programs.

Please also see PG&E's responses in attachment *"RSARDiscovery2025_DR_ED_001-Q002Atch01.xlsx".*

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