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

PG&E Data Request No.:	ED_002-Q006
PG&E File Name:	RSARDiscovery2025_DR_ED_002-Q006
Request Date:	September 24, 2026
Requester DR No.:	002
Requesting Party:	Energy Division
Requester:	Abigail "Bender" Bender
Date Sent:	October 8, 2026
PG&E Witness(es):	N/A

QUESTION 006

Capital – Gas Distribution – MWC 47 G Dist Capacity MAT 47C Cons/Acq Mew Fac-G-Cap-RegSta (RAMP Risk Name: SRM Total)

Type	Functional Area	MWC	MWC Name	MAT	MAT Name	Difference for 2025 ($000)	Spending Percent Variance for 2025 (%)	Unit Percent Variance for 2025 (%)
Capital	Gas Distribution	47	G Dist Capacity	47C	Cons/Qcy New Fac-G-Cap-RegSta	(6,080.8)	-101.0%	-100.0%

PG&E Explanation

No cost variance explanation provided, as neither spending variance threshold nor percentage variance threshold is met. However, PG&E explains actual units were lower than imputed units due to challenges regarding permitting and implementation, and a limited backlog of projects to draw into the year. Cases experienced permit delays and other project implementation factors which prevented the completion of units in the planned years. The need for additional Regulator Station units to meet capacity demands is dependent on the evolving system needs.

MWC is same as Q5.

MAT 47C includes installation of new district regulator station to provide additional capacity (including cost to install SCADA). This program relates to safety and/or reliability and/or maintenance as it involves installation of new district regulator station to provide additional capacity (including cost to install SCADA).

DR Questions to PG&E:

1. Please explain the current status of the funding for this program.

2. The 2025 imputed value is $(62.8). Please explain how PG&E recorded the negative actual cost value.
3. If PG&E did not spend any of the funds allocated here, where does the funding currently sit?
4. How does PG&E plan to use the imputed amounts for this program?
5. The underspend trend has occurred since 2023. What is PG&E's plan to address the permitting and implementation issues that arose with this program?
6. As this is an underspend since 2023, please explain if there is any backlog within this program. If backlog exists, please explain how PG&E aims to resolve the backlog.
7. In its unit variance explanation, PG&E also cites other project implementation factors that prevented completion of units. Please identify the project implementation factor challenges that PG&E and how these prevented PG&E from completing work in the program.

ANSWER 006

1. PG&E is currently spending in this program, however, it is not as much as the forecast adopted in the 2023 GRC.
2. PG&E would like to clarify that the $(62.8) represents the 2025 actual costs and not the 2025 imputed adopted costs. As explained in PG&E's response to RSARDiscovery2025_DR_ED_001-Q003, the negative recorded costs are attributed to a shift in accounting eligibility of AFUDC (Allowance for Funds Used During Construction) for specific capital work.
3. PG&E was able to reprioritize funds to other higher priority work than MAT 47C in light of the short-term ability to address capacity constraints through the use of manual operations and injecting Compressed Natural Gas (CNG) and Liquified Natural Gas (LNG) to maintain pressure. Generally, there are programs within Gas that were overspent and underspent compared to the adopted forecast for different reasons that are factored into the gas portfolio prioritization process. MAT 47C is part of the general gas portfolio prioritization process and Gas does not have available specific dollar amounts from other programs or MAT codes that transferred funds from MAT 47C.[1]
4. Funding not used in this program was reprioritized generally through the Gas portfolio prioritization process.
5. At this time, there is one unit currently being delayed by permitting issues. The permitting agency has given more guidance on what they need to see in the permitting packages and PG&E is working through their requirements.

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[1] 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)

6. Please see PG&E's response to subpart 5 above.
7. Please see response to subpart 5. Another implementation issue that may delay a project beyond permitting issues is varying capacity needs of the system. The need for additional Regulator Station units to meet capacity demands is dependent on evolving system needs. The delay in completing the additional five units will not prevent PG&E from meeting capacity needs during the 2023 GRC period.