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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2020.

(U39M)

Application 18-12-009
(Filed December 13, 2018)

JOINT MOTION OF THE PUBLIC ADVOCATES OFFICE, THE UTILITY REFORM NETWORK, SMALL BUSINESS UTILITY ADVOCATES, CENTER FOR ACCESSIBLE TECHNOLOGY, THE NATIONAL DIVERSITY COALITION, COALITION OF CALIFORNIA UTILITY EMPLOYEES, CALIFORNIA CITY COUNTY STREET LIGHT ASSOCIATION, THE OFFICE OF THE SAFETY ADVOCATE AND PACIFIC GAS AND ELECTRIC COMPANY FOR APPROVAL OF SETTLEMENT AGREEMENT

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I. INTRODUCTION AND REQUEST FOR COMMISSION ACTION

Pursuant to Rule 12.1 of the California Public Utilities Commission's (Commission or CPUC) Rules of Practice and Procedure, the Public Advocates Office of the California Public Utilities Commission (Cal Advocates), The Utility Reform Network (TURN), Center for Accessible Technology (CforAT) [1], National Diversity Coalition (NDC), Small Business Utility Advocates (SBUA), Coalition of California Utility Employees (CUE) [2], California City County Street Light Association (CALSLA) [3], the Office of the Safety Advocate of the California Public Utilities Commission (OSA), and Pacific Gas and Electric Company (PG&E) (collectively, the Settling Parties) hereby jointly request that the Commission approve the Settlement Agreement (the Agreement), which is included as Attachment 1 to this Motion. The Agreement is a compromise among the Settling Parties' respective litigation positions to resolve all disputed issues the Settling Parties raised in this proceeding. Unless otherwise provided in the Agreement, all proposals and recommendations by the Settling Parties, including, but not limited to,

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1 CforAT's support for this Agreement is based on its incorporation of the Memorandum of Understanding between CforAT and PG&E. CforAT joins only in the following portions of this Agreement: Article 1, Section 5.5.2, Article 6 and Appendix F.

2 CUE's support for this Agreement is contingent on successful negotiation with PG&E of provisions regarding the employees that will be affected by closing Customer Service Offices. See section VI(B)(4)(7) below.

3 CALSLA joins only in the following portions of this Agreement: Article 1, Section 5.6.2, and Article 6.

those set forth in the Joint Comparison Exhibit (JCE)[4], are either withdrawn, if so indicated in the Agreement, or considered subsumed without adoption by the Agreement.

The largest driver of PG&E's requested rate increase in this GRC is the need to harden PG&E's electric distribution system to mitigate the risk of wildfire ignitions caused by utility assets, as well as to perform other wildfire mitigation programs included in the Community Wildfire Safety Program (CWSP), such as enhanced vegetation management. A number of factors are contributing to increased wildfire risks including, but not limited to, a substantial increase in the number of dead and dying trees, rising air temperatures that dry out forest and land, and an increasing number of wind events that facilitate the rapid expansion of wildfires. The proposed Agreement is consistent with legislative direction to the electric utilities to "harden[] the state's electrical infrastructure and increase vegetation management to reduce the risk of catastrophic wildfires."[5] This Agreement is the result of the Settling Parties' shared intent to both ensure reasonable and adequate funding for necessary and effective safety and reliability work, which the Settling Parties agree serves the public interest, and to increase visibility into PG&E's spending, the impact of such spending on safety and reliability, and progress towards meeting PG&E's goals, including additional reporting.

In addition to the CWSP and vegetation management, this Agreement reasonably funds the main operational areas of gas distribution, electric distribution, and energy supply. It also provides appropriate resources for PG&E to continue to purchase insurance and maintain an appropriately skilled and qualified workforce necessary to achieve operational goals.

The Agreement also provides an appropriate level of support for other important customer service objectives. Specifically, the Agreement incorporates two Memoranda of Understanding and a Joint Stipulation for Commission adoption that collectively provide robust support for outreach and accessibility for vulnerable customers, continue PG&E's commitment to supplier diversity, and continue PG&E's support for its small and medium business customers. The Agreement also incorporates a proposal for resolving issues related to a dimmable streetlight program for city and county street lighting

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4 HE-311 and HE-312: An addendum to the Joint Comparison Exhibit, consistent with Rule 12.1 (a) is attached as Appendix B.

5 HE-234: AB 1054, § 2(b) (emphasis added).

customers represented in this GRC by CALSLA (Section VI(B)(5)(b)(3)). Finally, in response to positions taken by OSA, the Agreement includes commitments by PG&E to a number of safety policy and management initiatives as described in Section VI(C)(1).

This Motion is organized as follows. Section II describes the many interests represented by the 9 Settling Parties. Section III provides a procedural history of this matter. Section IV summarizes the litigation positions taken by the Settling Parties. Section V explains why the Agreement is reasonable, consistent with law, and in the public interest, as required by CPUC Rule 12.1(a). Section VI summarizes the Agreement. Section VII provides a brief conclusion.

As mentioned above, Attachment 1 to this Motion includes the Agreement. As required by CPUC Rule 12.1(a), PG&E is supplementing its Joint Comparison Exhibit served in this proceeding and admitted as Hearing Exhibit 311 and 312, with an Addendum, Appendix B to the Settlement Agreement that compares the effect of the Agreement to TURN and Cal Advocates' litigation positions.

II. INTERESTS OF SETTLING PARTIES

The Settling Parties represent the interests of PG&E and a variety of other interests. For example, the Public Advocates Office, TURN, and NDC represent the diverse interests of consumers of gas and electricity, including low-income consumers. CforAT represents the interests of customers with disabilities. SBUA represents the interests of small businesses. CUE represents the interests of bargaining unit employees. CALSLA represents the interests of city and county street lighting customers. OSA advocates for the continuous, cost-effective improvement of the safety management and safety performance of public utilities.

III. PROCEDURAL HISTORY

On December 13, 2018, PG&E filed its 2020 GRC Application (Application). PG&E requested a 12.4 percent increase over the 2019 adopted revenue of $8.518 billion. This proposed increase translates to a bill impact of 6.4 percent in 2020, or $10.57 per month, for PG&E's typical residential electric and gas customer. PG&E requested additional increases of 4.74 percent in 2021 and 4.85 percent in 2022, for a total 2020 GRC increase over 2019 authorized revenues of 23.5 percent. The bill impact of these proposed increases for 2020-2022 would be 12.2 percent in 2022, or $20.30 per month, for PG&E's typical residential electric and gas customer.

On February 11, 2019, the Commission convened a prehearing conference before Administrative Law Judges (ALJs) Elaine C. Lau and Rafael L. Lirag. PG&E subsequently held public workshops to provide a summary of its application on January 18 and 25, 2019.

On March 8, 2019, Assigned Commissioner Michael J. Picker issued an "Assigned Commissioner's Scoping Memo and Ruling" setting the procedural schedule, as well as addressing the scope of the proceeding and other procedural matters.

In March, April, May, June and September 2019, PG&E served revised and supplemental testimony.

On May 7, 2019, ALJ Lau and ALJ Lirag issued an "Administrative Law Judge's Ruling Setting Public Participation Hearings." Between July 9, 2019 and August 14, 2019 PG&E held seventeen Public Participation Hearings in the following locations: San Francisco, July 9; Stockton, July 17; Chico, July 18; Oakland, July 24; San Jose, July 25; San Luis Obispo, July 26; Santa Rosa, July 31; Kern County (Bakersfield), August 13; and Fresno, August 14.

On June 28, 2019, Cal Advocates served testimony in response to PG&E's 2020 GRC Application and supporting testimony. Cal Advocates recommended a revenue requirement increase of $503 million[6], a reduction of $555 million from PG&E's request.[7]

On July 10, 2019, Commissioner Liane M. Randolph was assigned as Commissioner.

On July 26, 2019, TURN, the Alliance for Nuclear Responsibility (A4NR), CALSLA, CUE, the Federal Executive Agencies (FEA), the Joint Community Choice Aggregators (JCCA), L. Jan Reid, NDC, OSA, SBUA and the Solar Energy Industries Association and Vote Solar (SEIA/Vote Solar) served testimony. On September 4, 2019, PG&E, CUE, L. Jan Reid and SBUA served rebuttal testimony.

Evidentiary hearings were held on sixteen days between September 23 through October 18, 2019 and on November 6, 2019. During the course of the evidentiary hearings, the ALJs admitted 312 exhibits. On November 1, 2019, PG&E served update testimony and the Joint Comparison Exhibit, which were admitted into the record on the final day of hearings on November 6, 2019.

6 HE-248: Cal Advocates-01, p. 2, Table 01-1.

7 HE-248: Cal Advocates-01, p. 2, Table 01-1. Calculated as: $1,058 - $503 = $555.

On November 14, 2019, the Commission issued a "Decision Setting the Effective Date of Pacific Gas and Electric Company's 2020 General Rate Case Revenue Requirement and Establishing a General Rate Case Memo Account."[8] The Decision establishes an effective date of the revenue requirement in this proceeding of January 1, 2020.

On November 21, 2019, pursuant to Rule 12.1(b), PG&E notified all parties on the service list of a settlement conference to be held on December 3, 2019. On December 3, 2019 PG&E held a settlement conference to discuss the terms of the Agreement.

On December 2, 2019, at the request of PG&E, TURN and Cal Advocates, ALJs Lirag and Lau issued an email ruling extending the period of time to file a settlement agreement until December 20, 2019 and establishing a schedule for the remainder of the proceeding.

IV. SUMMARY OF SETTLING PARTIES' LITIGATION POSITIONS

The Agreement includes a 6.8 percent increase in 2020 over the 2019 adopted revenue of $8.518[9] billion, which is a reduction of $483 million compared to PG&E's Application.[10], [11] This proposed 2020 increase translates to a bill impact of 3.4 percent, or $5.69 per month, for PG&E's typical residential electric and gas customer and represents significant reductions from the original test year forecast. The Agreement also includes revenue requirement increases of 3.5 percent in 2021 and 3.9 percent in 2022, which translate into reductions of approximately $136 million in 2021 and $ 119 million in 2022 relative to the attrition year increases requested in PG&E's Application. The reductions in the Agreement were the result of extensive litigation and months of negotiations among the Settling Parties regarding the disputed issues that are addressed in this Settlement.

The following subsections summarize the various Settling Parties' litigation positions.

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8 Decision (D.) 19-11-004.

9 HE-248: Cal Advocates-1, p. 2, Table 01-1.

10 Calculated as $1,058 (PG&E's application amount) - $575 (Settlement amount) = $483.

11 PG&E's 2018 capital forecast is based on PG&E's 2018 recorded capital expenditures as Cal Advocates proposed. This adjustment was included in HE-311and HE-312, Exhibit (PG&E-32), Joint Comparison Exhibit, Vol. I and II but was not included in the settlement R.O. model. Under Section 3.2 of the Agreement, upon final approval of the Agreement by the Commission, PG&E is authorized to update its Results of Operation Model to replace the 2018 capital forecast amounts with 2018 capital recorded amounts in its 2020 GRC final decision implementation advice letter and adjust its adopted 2020 GRC period revenue requirements accordingly.

A. PG&E's Position

PG&E seeks a forecast test-year 2020 revenue requirement of $9,576 million, an increase of $1,058 million over PG&E's 2019 authorized amount.[12] PG&E later updated its litigation position as a result of concessions, errata and forecast updates to a 2020 revenue requirement of $9,520 million, an increase of $1,003 million.[13]

PG&E's updated litigation position would result in base revenue requirements of $5,057 million for electric distribution, $2,136 million for gas distribution, and $2,327 million for electric generation, resulting in increases over currently-authorized revenues of $692 million for electric distribution, $174 million for gas distribution, and $136 million for electric generation.[14/] In addition, adoption of PG&E's litigation position would result in post-test year increases of $253 million in 2021 and $334 million in 2022 for electric distribution, $115 million in 2021 and $130 million in 2022 for gas distribution, and a decrease of $12 million in 2021 and an increase of $17 million in 2022 for electric generation.[15/]

The most significant increase over authorized amounts in PG&E's test year forecast were the costs for PG&E's CWSP[16] and for excess liability insurance.[17] PG&E proposed a comprehensive suite of wildfire risk mitigation programs in the CWSP[18] and requested cost recovery via a two-way balancing account.[19] PG&E also sought a variety of other non-revenue requirement related relief, such as the proposed closure of 17 customer service offices.[20/] A list of PG&E's requested relief is set forth in PG&E's Application.[21/]

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12 HE-1: Exhibit (PG&E-1), p. 2-7, Table 2-2, line 39.

13 HE-312: Exhibit (PG&E-32), p. 5-3, Table 5A-1, line 39.

14 Settlement Agreement, Appendix A, p. 1.

15 HE-312: Exhibit (PG&E-32), p. 50-47, Table 5E-41. Settlement Agreement, Appendix B. These amounts, and all other amounts in this Agreement, are in nominal Federal Energy Regulatory Commission (FERC) dollars unless noted otherwise.

16 HE-16: Exhibit (PG&E-4), p. 1-2, line 25 to p. 1-4, line 21.

17 HE-157: Exhibit (PG&E-9), p. 3-32, Table 3-7, lines 19 and 20.

18 HE-16: Exhibit (PG&E-4), p. 2A-25, Table 2A-3.

19 HE-16: Exhibit (PG&E-4), p. 2A-47, lines 3-5.

20 HE-91: Exhibit (PG&E-6), p. 5-2, lines 4-6.

21 Application (A.) 18-12-009 (Dec. 13, 2018), pp. 34-38, Request for Commission Orders.

B. Cal Advocates' Position

Cal Advocates recommended a total 2020 revenue requirement of $9,021 million.[22] Cal Advocates updated its positions and recommends a total 2020 revenue requirement of $9,099 million, $4,875 million for electric distribution, $2,014 million for gas distribution, and $2,210 million for electric generation, resulting in a total increase of $581 million, an increase of $510 million for electric distribution, $52 million for gas distribution and $19 million over currently authorized electric generation-related revenues.[23/]

For 2021 and 2022, Cal Advocates recommended increases of $301 million and $332 million, respectively.[24/] Cal Advocates' recommendation would have resulted in increases of $222 million and $223 million for electric distribution in 2021 and 2022, respectively; $92 million and $92 million for gas distribution in 2021 and 2022, respectively; and, for electric generation, a decrease of $13 million in 2021 and an increase of $17 million in 2022.[25/]

Cal Advocates' primary adjustments to PG&E's test year forecast were associated with the CWSP, emergency preparedness and response, enhanced vegetation management, managing various customer care processes[26], and PG&E's short-term incentive program (STIP). Cal Advocates "recommends that the Commission establish a one-way balancing account for PG&E's revenue requirement[s] during" the 2020-2022 GRC period.[27] Cal Advocates opposes closing 17 customer service offices (CSOs).[28/]

C. TURN's Position

TURN made a number of recommendations, addressing PG&E's forecasts for many aspects of its operations, including administrative and general (A&G) and human resources (HR), customer care,

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22 HE-248: Cal Advocates-01, p. 2, Table 01-1.

23 HE-312: Exhibit (PG&E-32), p. 5-3, Table 5A-1, lines 10, 20, 29 and 39.

24 HE-312: Exhibit (PG&E-32), p. 5-47, Table 5E-41. Settlement Agreement, Appendix B. These amounts, and all other amounts in this Agreement, are in nominal Federal Energy Regulatory Commission (FERC) dollars unless noted otherwise.

25 HE-312: Exhibit (PG&E-32), p. 5-47, Table 5E-41.

26 HE-312: Exhibit (PG&E-32), p. 4-6, line 27; p. 4-6, line 38; p. 4-8, line 99.

27 HE-248: Cal Advocates-01, p. 11, lines 7-8.

28 HE-248: Cal Advocates-01, p. 20, Section "Cal Advocates-12, Customer Care."

electric distribution, gas distribution, energy supply, shared services and information technology (IT), depreciation, and working cash. TURN also recommended reductions for deferred gas distribution and electric distribution work, as well as the continuation of the deferred work settlement requirements adopted in D.17-05-013. TURN opposed PG&E's proposed two-way wildfire balancing account and instead recommended a one-way balancing account and minimum work requirements.[29] TURN also opposed PG&E's proposal to close up to 17 CSOs.[30]

PG&E and TURN presented three stipulations to the Commission that address issues related to PG&E's forecast for certain Customer Care projects discussed in Section VI(B)(4) below.

D. Center for Accessible Technology's Position

The Center for Accessible Technology (CforAT) negotiated a Memorandum of Understanding (MOU) with PG&E supporting PG&E's continued efforts to improve accessibility for customers throughout its service territory.[31]

PG&E presented this MOU for Commission approval as part of its opening testimony[32] and is included in Appendix F of the Agreement.

E. NDC's Position

In PG&E's 2017 General Rate Case, NDC, PG&E and other parties entered into a settlement (2017 GRC Settlement)[33] addressing funding for the following programs: (1) Time-of-Use (TOU) outreach to Communities of Color and underserved communities;[34] and (2) the Technical Assistance Program (TAP).[35] The 2017 GRC settlement also included a requirement to report on the amount of

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29 HE-288: TURN-01, p. 27, line 13 to p. 29, line 22.

30 HE-276R: TURN-03, p. 3, lines 10-11.

31 HE-91: Exhibit (PG&E-6), p. 5-3, lines 21-26.

32 HE-91: Exhibit (PG&E-6), Ch. 5, Attachment A.

33 D.17-05-013, Settlement Agreement Among Office of Ratepayer Advocates, The Utility Reform Network, Alliance for Nuclear Responsibility, Center for Accessible Technology, Coalition of California Utility Employees, Collaborative Approached to Utility Safety Enforcements, Consumer Federation of California, Environmental Defense Fund, Marin Clean Energy, Merced Irrigation District, Modesto Irrigation District, National Diversity Coalition, Small Business Utility Advocates, South San Joaquin Irrigation District, and Pacific Gas and Electric Company.

34 D. 17-05-013, *mimeo,* pp. 92-93.

35 D. 17-05-013, *mimeo,* pp. 98-100.

safety-related outreach and education directed to Communities of Color and underserved communities,[36] to hold Customer Advisory Panel and other executive-level meetings,[37] and to set aspirational supplier diversity targets.[38] NDC raised concerns regarding PG&E's compliance with various aspects of the 2017 GRC Settlement.[39] NDC and PG&E met and conferred on these issues over an extended period and resolved them by a joint stipulation that addressed and resolved NDC's recommendations.[40]

NDC and PG&E jointly request Commission adoption of this stipulation[41] This stipulation is included in Appendix G of the Agreement.

F. SBUA's Position

SBUA negotiated an MOU with PG&E that supports PG&E's efforts to improve on outreach and other support services for its small business customers.[42] PG&E and SBUA executed this MOU on December 3, 2018.[43] PG&E presented this MOU for Commission approval as part of its opening testimony.[44] The MOU is included in Appendix E of the Agreement.

SBUA advocated in the proceeding for the Commission to adopt the MOU and allocate sufficient funding for its provisions.[45/] SBUA additionally recommended that PG&E prioritize the retention of the CSOs that are most used by vulnerable customers and small businesses.

G. CALSLA's Position

The California City County Street Light Association (CALSLA) is the only party to address the issue of whether PG&E should be required to invest in a full-scale dimmable street light program. CALSLA "supports investment in a fully automated dimmable street light billing system to facilitate the

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[36] D. 17-05-013, *mimeo,* pp. 92-93.

[37] D. 17-05-013, *mimeo,* p. 165.

[38] D. 17-05-013, *mimeo,* p. 167.

[39] See generally, HE-171: NDC-01, p. 9, line 12 to p. 33, line 18, Sections 3-5.

[40] HE-172: Stipulation Between the National Diversity Coalition (NDC) and Pacific Gas and Electric Company (PG&E): Outreach to Communities of Color and Supplier Diversity.

[41] Tr. Vol. 20, 2297:18 to 2299:8, PG&E/Klotz and NDC/Gondai.

[42] HE-91: Exhibit (PG&E-6), p. 2-3, line 24 to p. 2-4, line 2.

[43] HE-96: Exhibit (PG&E-30), pp. 2-AtchA-1 to 2-AtchA-48.

[44] HE-91: Exhibit (PG&E-6), Ch. 2, Attachment A.

[45] HE-29: SBUA, p. 6, line 6 to p. 9, line 14.

widespread adoption of the technology" and recommends that the "[c]osts of [the] software development and implementation should be born[e] by participating customers and should not be spread to other ratepayer groups."[46] To this end, CALSLA recommends:

> The CPUC should direct PG&E to develop an automated billing system for metered, dimmable street lights. The billing system should:
>
> 1. Accommodate third party, revenue grade meters that are installed and owned by the customer (i.e. Alternative 2 described in PG&E's workpapers);
>
> 2. Have a maximum implementation budget of $2.4 million, [the] high end of the range suggested by PG&E, [and] [i]mplementation costs should be recorded and 'trued up' in detail in future rate cases;
>
> 3. Billing system costs should be recovered from participating customers [and] [r]ate design and cost recovery mechanisms for the dimmable street light program should be proposed by PG&E [in Phase 2 of] the 2020 GRC; and
>
> 4. PG&E should further evaluate the Per Meter Charge (PMC) [with] regards to dimmable street light meters [and] should provide a lower cost proposal that reflects the economies of scale for street light customers including the number of meters and number of accounts that are likely to participate in the program.[47]

PG&E and CALSLA reached agreement on a proposal for resolving issues related to a dimmable streetlight program for city and county street lighting customers as more fully described in Section VI(B)(5)(b)(3)below. CALSLA is a settling party only with regards to Section VI(B)(5)(b)(3) of this Motion.

H. Office of the Safety Advocate's Position

OSA made a number of recommendations in its testimony addressing PG&E's safety policies, specifically with regard to its safety work leaders, board of directors, incentive plans, safety management system framework, "management of change" programs, gas distribution assets, electric distribution maintenance, and wildfire safety program. OSA also recommended in its testimony that PG&E make changes to its gas distribution assets by increasing the amount of plastic pipeline replacement beyond the rate proposed by PG&E and develop a replacement plan beyond the current rate

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[46] HE-28: CALSLA-01, p. 3, lines 9-12.

[47] HE-28: CALSLA-01, p. 1, line 21 to p. 2, line 7.

case period. With regard to PG&E's electric distribution maintenance, OSA recommended in its testimony that PG&E notify the Commission if additional delays replacing oil-filled transformers in high-rise buildings are experienced, along with a revised timeline to complete this work. OSA recommended that PG&E expedite the replacement of the five recently-discovered Transfer Ground Rocker Arm Main (TGRAM) / Transfer Ground Rocker Arm Line (TGRAL) switches and implement a program to locate any additional switches remaining in service for replacement within 2020 GRC cycle, and accelerate replacement of all pre-1975 oil-filled switches to approximately 676 switches annually from 2020 to 2022. Finally, regarding PG&E's Electric Distribution Community Wildfire Safety Program, OSA recommended that PG&E should evaluate risks associated with uni-grounded 12,470 volt three-wire systems in Tier 2 and 3 High Fire Threat Districts (HFTDs), and provide a mitigation plan to address those risks. It also recommended that PG&E should consider the risks associated with PSPS separately from wildfire risks.

I. CUE's Position

CUE recommended that PG&E adopt a steady-state replacement rate for its aging infrastructure. For example, CUE recommended that PG&E increase its proposed replacement rate for its Gas Pipe Replacement Program from 35 miles per year to 78 miles per year to meet PG&E's goal of limiting the age of gas pipes to 100 years or less. CUE also recommended that PG&E increase its removal rate of Aldyl-A pipe from 90 miles per year to 120 miles per year. In addition, to achieve a steady-state replacement of wood poles, CUE recommended that PG&E increase its pole replacement by 7,400 poles per year. For each of these programs, CUE recommended two-way balancing accounts to ensure that PG&E has the money it needs to do the necessary safety and reliability work, but also require PG&E to return any unspent money to ratepayers.[48] CUE supported PG&E's requested funding for the Community Wildfire Safety Program and recommended a two-way balancing account.[49]

CUE opposed PG&E's proposal to close 17 CSOs on the grounds that it would burden relatively marginalized groups of ratepayers who prefer to or must use the CSOs to make payments or to request

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[48] HE-61: CUE, p. 7, line 13 to p. 8, line 8.

[49] HE-61: CUE, p. 8, lines 16-18.

other services, such as starting or stopping service, scheduling service appointments, and making payment arrangements.[50]

V. THE COMMISSION SHOULD APPROVE THE AGREEMENT AS REASONABLE IN LIGHT OF THE WHOLE RECORD, CONSISTENT WITH LAW AND IN THE PUBLIC INTEREST

A. Legal Standard for Settlements

Commission Rule 12.1(d) sets forth the standard for approval of settlements:

> The Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

While the Commission reviews individual terms of a settlement, the Commission approves settlement agreements based on whether the settlement agreement is just and reasonable as a whole:

> In assessing settlements we consider individual settlement provisions but, in light of strong public policy favoring settlements, we do not base our conclusion on whether any single provision is the optimal result. Rather, we determine whether the settlement as a whole produces a just and reasonable outcome.[51/]

Numerous Commission decisions "have endorsed settlements as an 'appropriate method of alternative ratemaking' and express a strong public policy favoring settlement of disputes if they are fair and reasonable in light of the whole record."[52/] It is long-standing Commission policy to strongly favor settlement.[53/] "This policy supports many worthwhile goals, including [not only] reducing the expense of litigation and conserving scarce Commission resources, [but also] allowing parties to reduce the risk that litigation will produce unacceptable results."[54/]

B. The Agreement Is Reasonable in Light of the Record as a Whole

The Settling Parties are knowledgeable and experienced regarding the issues in this GRC proceeding and have a well-documented history of strongly-held positions, leading to different

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50 HE-61: CUE, p. 9, lines 1-3.

51 D.10-04-033, *mimeo*, p. 9; D.17-05-013, *mimeo,* pp. 217-221.

52 See, *e.g.*, D.05-10-041, *mimeo*, p. 47; D.15-03-006, *mimeo*, p. 6; and D.15-04-006, *mimeo*, pp. 8-9.

53 D.10-06-038, *mimeo*, p. 38.

54 D.14-12-040, *mimeo*, p. 15.

recommendations in many areas. With respect to the overall test year 2020 revenue requirement, the JCE shows that the settled value falls within the ranges created by the Settling Parties' respective original positions.[55/] The JCE and the Agreement include discussion of the individual provisions contained therein and their support in the evidentiary record. The JCE shows that the settled value is in line with Cal Advocates' recommendations as PG&E requested a 2020 increase of $1.003 billion, Cal Advocates had recommended an increase of $581 million, and the increase resolved by settlement is $575 million. The overall amount of the Agreement reflects a reasonable balance of the various interests affected in this proceeding, and the specific reductions in the Agreement generally correspond with areas of dispute.

C. The Agreement Is Consistent with Law and Prior Commission Decisions

The Settling Parties believe, and represent, "that no term of the [Agreement] contravenes statutory provisions or prior Commission decisions."[56/] The Settling Parties are aware of no statutory provisions or controlling law that would be contravened or compromised by the Agreement.

This Agreement also directly supports a number of important directives in recently-enacted Assembly Bill (AB) 1054, including those pertaining to: (1) wildfire mitigation; (2) insurance; and (3) compensation. The critical driver for the increase to the revenue requirement included in this settlement is PG&E's need to harden its system as well as perform other wildfire mitigation programs included in the CWSP, such as enhanced vegetation management. These programs address the areas in the High Fire Threat Districts according to the Commission's most recent HFTD Map,[57] which identified more than 50 percent of PG&E's service territory in Tier 2 and Tier 3 HFTD areas.[58] The Agreement supports PG&E's focus on wildfire mitigation as contemplated by the California legislature and supports

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55 HE-312: Exhibit (PG&E-32), p. 5-3, Table 5A-1, line 39. Parties' settled position is an increase of $575 million over 2020 authorized. PG&E had requested an increase over authorized of $1,003 million and Cal Advocates recommended an increase over authorized of $581 million.

56 D.00-09-037, *mimeo*, p. 11. In D.00-09-037, the Commission based its finding that the third criteria had been met on representation by the settling parties "that they expended considerable effort ensuring that the Settlement Agreement comports with statute and precedents and did not believe that any of its terms or provisions contravene statute or prior Commission decisions." *Ibid.* *See also,* D.07-04-043, *mimeo*, p. 88.

57 HE-18: Exhibit (PG&E-4), WP2A-91.

58 HE-16: Exhibit (PG&E-4), p. 2A-6, Figure 2A-2.

PG&E's extensive plans to address wildfire risk in the expanded areas of PG&E's service territory that the Commission identified as most prone to fire risk.

To ensure that the Commission and Parties have the information they need to validate that PG&E is performing the work that Settling Parties prioritized and funded in this GRC and to further demonstrate PG&E's accountability to its stakeholders, PG&E will develop new and enhanced reporting giving Parties increased visibility into the work performed. PG&E will submit a CWSP System Hardening Annual Report identifying the number of circuit miles completed for both overhead system hardening and undergrounding, the location of the work and the cost of the work broken down by project. Additionally, PG&E will maintain data for each pole replaced that includes the reason for each replacement and will develop a means to report this rationale, including information as to whether a pole loading calculation was performed and the results of the calculation for supporting covered conductors. PG&E will also serve any publicly-available Federal Monitor report to the 2020 GRC service list if the federal court orders the report to be issued to the public. For vegetation management work, PG&E will: 1) continue to track enhanced vegetation management work and all tree removals in an auditable database; 2) file an annual report that includes the results of the tree inspections; and 3) conduct a Targeted Tree Species Study as proposed by TURN.

This Agreement provides for PG&E's ability to purchase insurance coverage to protect against wildfire risk and other liabilities in order to have the funds necessary to pay claims should other losses occur. This Agreement also acknowledges and addresses the uncertainty and volatility in current insurance pricing by establishing a Risk Transfer Balancing Account (RTBA), similar to those the Commission recently approved for Southern California Gas Company and San Diego Gas & Electric Company.[59] The RTBA is a two-way account that will allow PG&E to recover the actual costs of its liability insurance premiums, ensure customers pay only as much as insurance actually costs, and provide for some portions of the forecast to be used for self-insurance. The amount of coverage is reduced to $1.4 billion subject to an advice letter process to increase coverage, consistent with Cal

[59] D.19-09-051, *mimeo,* p. 533.

Advocates' recommendation. The amount of PG&E's forecast is reduced from $357 million to $307 million.[60]

Finally, in AB 1054, the Legislature recognized that utilities require a skilled and adequately compensated workforce to provide customers with safe and reliable service, finding that:

> For the reasons provided in this subdivision, the Legislature must take action to stabilize the utility workforce so as to preserve the ability of utilities to provide safe and reliable electric and gas service. This requires that the size of the workforce be preserved or increased, and workers not be lost to other utilities offering more stable employment or better compensation.[61]

This Agreement includes reasonable market-based compensation for employees to help ensure workers will not be lost to other utilities offering more stable employment or better compensation. As required by the Commission, PG&E's compensation forecast in this GRC was supported by a total compensation study demonstrating the proposed compensation, including base salaries, benefits, and its short-term incentive plan, is consistent with market rates.[62] Also with respect to compensation, SB 901 (California Public Utilities Code section 706), prohibits collecting the costs of compensation and benefits for certain officers through customer rates. This Agreement excludes all officer compensation and benefits.[63]

D. The Agreement is in the Public Interest

The Agreement arrives at an overall 2020 test year consolidated gas and electric service bill impact of approximately 3.4 percent that Settling Parties believe achieves a fair balance between safety, reliability and affordability. The Agreement will enable PG&E to comply with its obligations under Public Utilities Code Section 451 to "furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities … as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

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[60] HE-312: Exhibit (PG&E-32), p. 4-35, Table 4D-30, lines 85 and 86.

[61] Pub. Util. Code, § 854.2(a)(8).

[62] HE-207: Exhibit (PG&E-8), p. 4-2, lines 16-23.

[63] Pub. Util. Code, § 706.

The Agreement also represents the Parties' specific objective of ensuring reasonable and adequate funding for necessary and effective safety and reliability work, which Parties agree serves the public interest. To this end, the Agreement reasonably funds PG&E's forecasted GRC spending in the main operational areas of gas distribution, electric distribution, and energy supply.

1. Gas Distribution

With one exception, the Agreement includes full funding for PG&E's Gas Distribution forecasts.[64] The reduction in forecast funding under the Agreement reflects a compromise reached by the parties regarding the Gas Distribution Meter Protection Program (MPP) (MWC EX). The MPP protects meters that are vulnerable to vehicular damage and installs service valves where existing service valves are inaccessible. Under the Agreement, the 2020 forecast for this program will be reduced by $5 million from PG&E's originally proposed $13.238 million[65] to $8.238 million. This funding level strikes a balance between PG&E's preferred, faster pace of meter protection remediation, and the slower pace of remediation proposed by Cal Advocates and TURN.

The Agreement will fully fund PG&E's 2020 forecast for the Gas Distribution Cross Bore Program (JQK).[66] The Cross Bore Program mitigates one of PG&E's highest risks[67] by identifying and remediating inadvertent placement of utility gas lines through a waste water or storm drain system during trenchless construction that can result in gas leaking into the sewer system if damaged during mechanical sewer cleaning operations.[68] The Agreement adopts a framework for PG&E to complete the cross bore inspection program in the City of San Francisco where the cross bore find rates are higher than find rates outside of San Francisco, and a release of gas due to a cross bore could have higher consequences that a similar incident in other regions.[69]

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[64] HE-10: Exhibit (PG&E-3), p. 2-19, line 20 to p. 2-24, line 22.

[65] HE-27: Exhibit (PG&E-29), Table 29-3, line 1.

[66] HE-12: Exhibit (PG&E-3), WP 4-6, line 42.

[67] HE-10: Exhibit (PG&E-3), p. 3-12, line 1 to p. 3-14, line 10.

[68] HE-6: Exhibit (PG&E-16), p. 2-7, lines 3-14.

[69] HE-10: Exhibit (PG&E-3), p. 4-12, lines 1-9.

The Agreement will also fund the replacement of vintage plastic gas pipe at a rate higher than originally proposed by PG&E. The Plastic Pipe Replacement Program (MAT 14D) focuses on pre-1985 Aldyl-A pipeline and similar plastic. This program was created to address the risk posed by these early vintage plastic pipes that are susceptible to slow crack growth when exposed to stress which can cause the initiation and propagation of cracks leading to leaks.[70] PG&E's original forecast replacement rate of 90 miles per year was based on PG&E maintaining replacement levels, with the intent of increasing replacement rates in future years.[71] However, in response to recommendations from OSA and CUE, PG&E agreed to complete more pipe replacement, adjusting its 2020 unit forecast from 90 miles to 115 miles and ramping up its replacement rate in 2021 and 2022 to meet OSA's 3-year recommended replacement total of 417 miles.[72]

2. Electric Distribution

For Electric Operations, the Agreement funds most work forecast by PG&E.[73] It also establishes a two-way balancing account treatment of some CWSP costs, coupled with controls and reporting requirements that will allow parties and the Commission to monitor the pace and cost of PG&E's CWSP work. This is a reasonable approach to funding this critical fire risk mitigation work. Many of the CWSP programs are still at a relatively early stage; PG&E will continue to refine its programs based on lessons learned from the work it is doing now. The Agreement will give PG&E flexibility to invest in the mitigations, and amount of work, that it considers to be most appropriate, while providing reasonable controls on spending and protecting against overcollection from ratepayers.

Most of the incremental work in Electric Distribution proposed by PG&E in the 2020 GRC is for the wildfire risk mitigation programs contained in PG&E's CWSP. These CWSP programs include enhanced situational awareness mitigations such as weather stations and wildfire cameras (part of the Emergency Preparedness and Response program), operational practices mitigations such as Reclose Blocking and additional investment in protective devices (part of the Distribution System Operations,

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[70] HE-10: Exhibit (PG&E-3), p. 4-28, line 21 to p. 4-29, line 11.

[71] HE-10: Exhibit (PG&E-3), p. 4-28, line 25 to p. 4-29, line 2.

[72] HE-15: Exhibit (PG&E-17), p. 4-27, lines 19-27.

[73] HE-16: Exhibit (PG&E-4), p. 1-12, line 15 to p. 1-19, line 2.

System Hardening and Distribution Automation and System Protection programs), system hardening mitigations including the Wildfire System Hardening program, Resilience Zones and replacement of non-exempt distribution equipment such as fuses and surge arresters (part of the Electric Distribution Maintenance and System Hardening and Reliability programs), Enhanced Vegetation Management, and CWSP support including the CWSP Project Management office. Because its responses to wildfire risk are continually evolving, PG&E proposed that the CWSP projects (both expense and capital) be funded through a two-way Wildfire Mitigation Balancing Account (WMBA) to ensure that PG&E would have adequate resources to address wildfire risk and that ratepayers would only pay for work that is actually performed. Parties recognize the critical importance of wildfire risk reduction efforts and are generally supportive of PG&E's goals for the CWSP though several parties did not support PG&E's proposed mechanism for cost recovery.

The Settling Parties ultimately agreed to PG&E's proposed funding request, including two-way balancing account treatment. TURN proposed specific reductions to PG&E's Enhanced Vegetation Management and System Hardening forecast to account for aspects of the work where TURN believes PG&E should not, or will not need to, perform as much work as forecast. The Agreement relating to the Enhanced Vegetation Management portion of PG&E's CWSP forecast is different from the other components and will be discussed separately below.

As part of the Settlement, the Settling Parties agreed to the following reporting requirements and controls that will allow Parties and the Commission to monitor the pace and cost of PG&E's CWSP work:

- To the extent PG&E's total spending exceeds 115% of the RRQ funding through the Wildfire Management Balancing Account (WMBA), or that its average per mile unit cost for overhead system hardening and/or undergrounding exceeds 115% of unit cost targets agreed upon by the Settling Parties, PG&E will be required to seek reasonableness review of that incremental spending through a Tier 3 Advice Letter.
- PG&E must provide an annual report of the number of circuit miles completed for both overhead system hardening and undergrounding, the location of the work performed, and the cost of the work broken down by project.

- PG&E will provide an annual report of the CWSP work/projects completed or in progress, subject to combining this requirement with any other annual report requirement under AB 1054 or otherwise required by the Commission.
- To address TURN's concerns that PG&E has over-forecast the number of poles it will need to replace as part of the overhead system hardening, PG&E will maintain data regarding the reason for every pole replaced and will develop a means to report on this data. PG&E will also indicate whether a pole-loading calculation was performed for the pole and provide, upon request, the results of such calculation with respect to supporting covered conductor.
- The Agreement includes reductions to capital revenue requirement related to wildfire risk mitigation expenditures in accord with AB 1054 in the following amounts: $22 million in 2020, $57 million in 2021, and $105 million in 2022.

With respect to Vegetation Management, PG&E provided separate forecasts for Routine Vegetation Management and Enhanced Vegetation Management. PG&E's forecast for Enhanced Vegetation Management included a request for significant funding for 2021 and 2022 beyond that provided by the general attrition mechanism. PG&E proposed that Routine Vegetation Management costs be recorded in the existing one-way Vegetation Management Balancing Account (VMBA) and that Enhanced Vegetation Management costs be recorded in the WMBA along with other CWSP costs. The Settling Parties did not propose any significant reductions to PG&E's Routine Vegetation Management forecast. Cal Advocates and FEA proposed reductions to PG&E's Enhanced Vegetation Management forecast to bring it in line with PG&E recorded 2018 expenditures. TURN proposed reductions to PG&E's Enhanced Vegetation Management forecast because it believes PG&E overstated the amount of overhang clearing that would be necessary, and was proposing to remove many healthy trees that do not actually need to be removed. Cal Advocates, FEA, and TURN all recommend that Enhanced Vegetation Management be subject to a one-way balancing account, rather than made part of the two-way WMBA.

The Settling Parties have negotiated a reasonable compromise to the disputed issues regarding vegetation management outlined above. The Agreement provides for the following:

- Costs for both Routine and Enhanced Vegetation Management will be recorded in the existing VMBA, which will be modified to become a two-way balancing account.
- PG&E will reduce its overall vegetation management revenue requirement for TY 2020 by $60 million (see Section 2.3).
- Funding for the combined vegetation management program will be $548 million in 2020, $603 million in 2021 and $663 million in 2022.
- If PG&E's recorded costs exceed 120% of the vegetation management adopted forecast during the review period, PG&E may recover those incremental costs through a Tier 3 advice letter if it can establish the reasonableness of those costs.
- PG&E will comply with the guidelines for healthy tree removal provided by the Commission in D. 19-05-037 OP 7.
- PG&E will file an annual report providing the results of its tree inspections.
- PG&E will continue to track all its Enhanced Vegetation Management work and all tree removals in either vegetation management program in an appropriate, auditable database.
- PG&E will conduct a Targeted Tree Species Study as proposed by TURN. The costs of the study will be recovered through the WMBA.

The two-way balancing account treatment of CWSP costs, coupled with the controls described above, are a reasonable approach to funding this critical fire risk mitigation work. Many of the CWSP programs are still at a relatively early stage; PG&E will continue to refine its programs based on lessons learned from the work it is doing now. The Agreement will give PG&E flexibility to invest in the mitigations, and amount of work, that it considers to be most appropriate, while providing reasonable controls on spending and protecting against overcollection from ratepayers. These reductions are reasonable and will not compromise safety and reliability as explained further in Section VI(B)(2) below.

3. Energy Supply

For Energy Supply, the Agreement reduces funding relative to PG&E's request in three areas: (1) Department of Energy Spent Nuclear Fuel Storage Proceeds Litigation: Reduce RRQ by $10 million due to annual estimated refund increase of $10 million, (2) reduce hydro decommissioning RRQ by $8 million as suggested by Cal Advocates, TURN, FEA, and JCCA; and (3) reduce overall expense by $4 million through efficiency savings. The Agreement otherwise includes funding for PG&E's forecasts for operating utility owned generation (UOG) and PG&E's energy supply portfolio.

PG&E requested that the Commission approve a decommissioning reserve for its hydroelectric assets. While it is good accounting and ratemaking practice to accrue the future costs of decommissioning an asset in a decommissioning reserve over the life of that asset, it is difficult to determine with certainty which hydroelectric assets will be decommissioned, when they will be decommissioned, and what the scope of decommissioning will be. Therefore, PG&E provided a detailed description of the methodology used to calculate the decommissioning estimate in its proposal for a decommissioning reserve[74] [75] and how PG&E established the annual reserve amount. The decommissioning accrual estimate will be refined in future rate cases through further and more detailed decommissioning studies and the accrual will be trued-up in future rate cases to reflect these refined estimates and adjusted to reflect actual activity. The amount ultimately collected for decommissioning will equal PG&E's actual costs for such hydro decommissioning activities.[76] [77] Like the request to begin accruing for hydro decommissioning, PG&E also proposed to establish a decommissioning reserve for its PV solar and fuel cell generation.

Cal Advocates and the other parties did not dispute PG&E's proposal to establish a decommissioning reserve for its hydroelectric assets, but Cal Advocates and the other parties disagreed on the initial estimate for the accrual. The Settling Parties agree to approve the decommissioning fund and methodology for generation, including fossil, fuel cells, hydroelectric generation and solar. The Settling Parties further agree to reduce the hydroelectric decommissioning 2020 RRQ by $8 million as suggested by Cal Advocates and other parties.

These reductions are reasonable and will not compromise safety and reliability as explained further in Section VI(B)(3) below.

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[74] HE-146: Exhibit (PG&E-5), p. 8-20, line 17 to 8-24, line 8.

[75] HE-149: Exhibit (PG&E-5), WP 8-3 to WP 8-9.

[76] HE-80: Exhibit (PG&E-10), p. 10-25, line 1 to p. 10-26, line 8; and, HE-71: Exhibit (PG&E-19), p. 8-5, lines 5-8.

[77] HE-146: Exhibit (PG&E-5), p. 8-18, line 1 to p. 8-24, line 8.

4. Memoranda of Understanding and Other Agreements

Finally, this Agreement is in the public interest through its inclusion of two Memoranda of Understanding for Commission adoption that provide robust support for outreach and accessibility for vulnerable customers, continue PG&E's commitment to remaining a leader in supplier diversity, and continue PG&E's support for its small and medium business customers. These are discussed in more detail in Sections IV(D), (E), and (F) above.

VI. SUMMARY OF SETTLEMENT AGREEMENT

Article 2 of the Agreement sets forth the financial and ratemaking terms, including the overall revenue requirement. It provides that, using a starting point of PG&E's requested increase of $1,058 million,[78/] the Commission should allow a test year 2020 revenue requirement increase of $575 million, which is $483 million lower than PG&E's request and generally constructed using the other terms set forth therein. Articles 3, 4, and 5 of the Agreement address other adjustments, balancing and memorandum accounts, and other terms.

A. Overall Revenue Requirement Provisions (Section 2.1)

1. 2020 Test Year (Section 2.1.1)

PG&E's Application sought a 2020 revenue requirement increase of $1,058 million over previously authorized 2019 rates.[79/] PG&E updated its request due to concessions, errata and forecast updates resulting in a 2020 revenue requirement increase of $1,003 million over previously authorized rates.[80]

Cal Advocates recommended in its prepared testimony a $503 million increase in PG&E's 2020 revenue requirement from previously authorized rates.[81/] After hearings, Cal Advocates modified its position due to a stipulation and other concessions to a $581 million increase.[82] Although TURN provided a broad number of specific recommended reductions concerning PG&E's forecast, TURN did

78 HE-1: Exhibit (PG&E-1), p. 2-7, Table 2-2, line 39.

79 HE-1: Exhibit (PG&E-1), p. 2-7, Table 2-2, line 39.

80 HE-312: Exhibit (PG&E-32), p. 5-3, Table 5A-1, line 39.

81 HE-248: Cal Advocates-01, p. 2 and p. 3, Table 01-1.

82 HE-312: Exhibit (PG&E-32), p. 5-3, Table 5A-1, line 39.

not calculate an overall recommended revenue requirement. No other party provided an overall revenue requirement recommendation.

Section 2.1 of the Agreement provides for a 2020 revenue requirement increase of $575 million, which includes reductions to PG&E's forecasts for gas distribution, electric distribution, energy supply, customer care, shared services and information technology, human resources and administrative and general department costs, companywide expenses, working cash and depreciation. The overall amounts presented in the Agreement represent a fair compromise of the Settling Parties' litigation positions.

2. 2021-2022 Post-Test Years (Section 2.1.2)

For the 2021 and 2022 attrition years, PG&E's Application sought revenue requirement increases of $453 million and $486 million, respectively.[83/] Cal Advocates recommended increases of $301 million for 2021 and $332 million for 2022.[84/] No other party provided an overall revenue requirement recommendation for the post-test years.

The Settling Parties agree to adopt post test-year increases of 3.5 percent in 2021 and 3.9 percent in 2022, resulting in an increase of $318 million in 2021 and $367 million in 2022.

These post test-year increases represent a fair compromise of the Settling Parties' litigation positions and are reasonable, in the public interest, and should be adopted.

B. Summary of Changes to PG&E's Forecast

A guiding principle of this Agreement was the Settling Parties' commitment to ensure adequate funding for safety, reliability and important operational activities as discussed above.

1. Gas Distribution (Section 2.2)

Section 2.2 of the Agreement includes a $5 million reduction to PG&E's Gas Distribution expense forecast in 2020, in the following area:

a. Expense

The meter protection program (MWC EX), discussed in Section V(D)(1) above. This reduction reflects a reasonable compromise of the positions taken by the parties as reflected in Chapter 2.B of the JCE.

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83 HE-55: Exhibit (PG&E-25), p. 1-5, Table 1-1, line 1.

84 HE-312: Exhibit (PG&E-32), p. 5-47, Table 5E-41.

b. Other Financial Issues

The settlement of the issues set forth below reflects a reasonable compromise of the positions taken by the parties, many of which are reflected in Chapter 2.B of the JCE. Given the various parties' recommendations in this area, these provisions are supported by the record and, in light of the various compromises set forth in this Agreement, these provisions are reasonable and in the public interest.

(1) Plastic Pipeline Replacement Program (Section 2.2.1)

PG&E will replace 115 miles, 137 miles, and 165 miles of plastic pipe under MAT 14D in 2020, 2021, and 2022, respectively, to achieve a total of 417 miles, or an average of 139 miles per year, consistent with OSA's proposal. The Settling Parties agree to a forecast for this work of \$330.3 million in 2020, \$403.0 million in 2021, and \$497.4 million in 2022, for a total forecast of \$1,230.6 million.

(2) Cross Bore Program (Section 2.2.2)

TURN characterizes PG&E's cross bore inspection program as a "deferred work" item, arguing that PG&E did not complete all of the cross bore inspection work imputed in the 2017 GRC Settlement.[85] TURN recommends a disallowance of \$9.59 million[86] for the unable-to-access (UTA) inspections that PG&E planned for San Francisco, but did not complete.

PG&E acknowledged that performing the originally-planned 10,000 UTA cross bore inspections in 2019 proved to be challenging. Recognizing that these challenges would take time to resolve, PG&E re-evaluated its 2019 work plan and decided to shift the focus away from UTA cross bore inspections in 2019. PG&E revised its 2019 work plan and expected to perform all the imputed cross bore inspections for the 2017-2019 period.[87]

Section 2.2.3 of the Agreement provides that PG&E will complete the cross bore inspection program in San Francisco by the date required under the terms of the amendment to the Gas Pipeline Cross Bore Agreement dated October 14, 2014 currently being negotiated between PG&E and the City and County of San Francisco (CCSF) (Amendment Two), contingent on: (1) execution of Amendment Two by PG&E and CCSF; (2) PG&E having access to all locations necessary to complete the

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85 HE-295: TURN-09R, p. 3, lines 7-18 and HE-299: TURN-10, p. 8, line 1 to p. 9, line 17.

86 Tr. Vol. 25, 3043:23-25, TURN/Dowdell.

87 HE-6: Exhibit (PG&E-16), p. 2-8, line 25 to p. 2-9, line 9.

inspections subject to all procedures and requirements agreed to and specified in the final Amendment Two executed by CCSF and PG&E; and (3) the successful resolution, under the dispute resolution terms of Section VII of the October 14, 2014 Gas Pipeline Cross Bore Agreement, as amended, of any disputes that may arise between PG&E and CCSF that prevent PG&E from completing cross bore work. This provision resolves the issues raised by TURN in this proceeding concerning PG&E's execution of the Cross Bore Program in San Francisco.

The Settling Parties agree to adopt PG&E's expense forecast of $29.9 million for the cross bore inspection program (MAT JQK); a 2020 cross bore inspection unit cost of $2,080 for UTA inspections; a unit cost of $655 for non-UTA inspections; and PG&E's unit calculation formula for non-UTA Units = ($29,887,653 – ($2,080 x UTA units))/$655.

(3) Supervisory Control and Data Acquisition (Section 2.2.3)

TURN recommended that the Commission disallow cost recovery for Gas Distribution SCADA on two alternative grounds: (1) PG&E incurred a cost overrun by spending more per unit on the program than the previously adopted forecast; and (2) PG&E did not complete the number of units of work forecast in the last rate case. TURN recommends the Commission permanently remove $25.360 million from rate base due to insufficiently justified cost overruns. If the Commission does not adopt this disallowance, TURN recommends that PG&E install 429 SCADA units in 2020-2022 at shareholder cost and delay adding these capital costs to rate base until the 2023 GRC.[88]

PG&E acknowledged that it delayed its Gas Distribution SCADA installation program because the costs for installing SCADA units were significantly higher than forecast in the 2017 GRC. Rather than continuing to incur costs that were higher than anticipated, PG&E slowed down the program to evaluate options for reducing costs.[89]

The Settling Parties agreed that to the extent that PG&E proposes additional deployment of Gas Distribution SCADA in the next GRC, PG&E shall provide a showing demonstrating that the incremental benefits from the additional installations proposed are reasonable in light of the costs. This provision resolves the issues TURN raised regarding Gas Distribution SCADA.

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[88] HE-295: TURN-09R, p. 20, line 12 to p. 21, line 2.

[89] HE-6: Exhibit (PG&E-16), p. 2-21, lines 7-10.

2. Electric Distribution (Section 2.3)

a. Revenue Requirement Issues

Section 2.3 of the Agreement includes a $60 million reduction to PG&E's Electric Distribution expense revenue requirement in 2020 for Vegetation management (MWC HN). The settlement for Electric Distribution reflects a reasonable compromise of the positions taken by the Settling Parties as reflected in Chapter 2.C of the JCE.

b. Other Financial Issues

The settlement of the issues set forth below reflects a reasonable compromise of the Settling Parties' positions, many of which are reflected in Chapter 2.C of the JCE. Given the various parties' recommendations in this area, these provisions are supported by the record and, in light of the various compromises set forth in this Agreement, these provisions are reasonable and in the public interest.

(1) Community Wildfire Safety Program (Section 2.3.2)

Section 2.3.2 of the Agreement sets forth the Settling Parties' agreements related to PG&E's CWSP. As described in Section V(D)(2) above, the Agreement contains a number of requirements including: (1) establishment of a two-way expense and capital WMBA; (2) reasonableness review for WMBA undercollection; (3) methods for RRQ true-up; (4) the WMBA reasonableness threshold; (5) procedures for addressing overcollection in the WMBA; (6) CWSP reporting requirements; and (7) the AB 1054 return on equity adjustments. These provisions resolve the issues the Settling Parties raised regarding the CWSP.

(2) Vegetation Management Forecast (Section 2.3.3)

Parties agreed to reduce PG&E's vegetation management revenue requirement by $60 million as described in Section V(D)(2) above.

These provisions resolve the issues the Settling Parties raised regarding PG&E's vegetation management forecast.

(3) Vegetation Management Balancing Account (Section 2.3.4)

Section 2.3.4 of the Agreement sets forth the Settling Parties' agreement to adopt a two-way Vegetation Management Balancing Account incorporating both routine vegetation management and enhanced vegetation management. As described in Section V(D)(2) above, the Agreement contains a number of requirements including: (1) the VMBA reasonableness threshold; (2) the method for RRQ true-up in the VMBA; (3) the procedures for addressing overcollection in the VMBA; (4) compliance requirements with D.19-05-037, OP 7; (5) vegetation management tracking; (6) vegetation management reporting; and (7) conducting a targeted tree species study. These provisions resolve the issues raised by the Settling Parties regarding the VMBA.

On October 2, 2019 the Governor signed Senate Bill 247 amending Section 8386.3 of, and adding to, Section 8386.6 of the Public Utilities Code related to wildland fire prevention.[90] The bill establishes qualification requirements for line clearance tree trimmers along with a prevailing wage requirement for those workers. PG&E's vegetation management forecast was prepared prior to the enactment of the bill and does not include any cost increases that may arise from this legislation.

(4) Rule 20A Undergrounding Projects (Section 2.3.5)

PG&E based its Rule 20A forecasts on projects requested by governmental agencies, adjusted to reflect the amounts authorized for the program in the one-way balancing account. Given the variable rates of execution of planned work in the recent past, and the challenges associated with predicting the amount or timing of new work requested by the municipalities, PG&E used the 5-year (2013-2017) average of Rule 20A recorded capital expenditures as the basis for the 2020-2022 forecasts.[91]

In Section 2.3.5 of the Agreement, the Settling Parties agree to the funding level Cal Advocates proposed of $45.098 million in 2019 and $33.756 million in 2020. PG&E shall continue the one-way balancing account for Rule 20A projects and retain unspent balancing account funding at the end of 2019 to be used for additional Rule 20A projects in the 2020 GRC period.

(5) Reduction of RRQ for Incomplete 2017 Work Unit Requirement (Section 2.3.6)

The Commission approved PG&E's 2017 GRC settlement in D.17-05-013 and included four provisions specifying minimum units of electric distribution work, two of which PG&E did not complete during the 2017-2019 period[92] due to the unprecedented number of wildfires, wildfire recovery

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[90] SB 247, Stats. 2019, Ch. 406.

[91] HE-17: Exhibit (PG&E-4), p. 17-7, lines 1-17.

[92] PG&E represents that it completed the minimum number of units for the following provisions of the 2017 GRC Settlement: Pole Replacements (Section 3.1.3.2) and Grasshopper Switches (3.1.3.4).

work, and higher-risk wildfire-related mitigation work that was not included in the 2017 GRC. Specifically, PG&E did not meet the requirements for: (1) Fault Location, Isolation, Service Restore (FLISR) installations; and (2) high molecular weight polyethylene (HMWPE) cable replacement work.

The Settling Parties agree to reduce PG&E's 2020-2022 revenue requirements to account for unit shortfalls for FLISR and cable installations by $0.5 million per year.

3. Energy Supply (Section 2.4)

a. Expense

Section 2.4 of the Agreement includes a $4 million reduction to PG&E's Energy Supply expense forecast in 2020 in the interest of customer affordability (MWC AB, MWC CT, MWC CV and MWC CY).

The record reflects opposition by several parties, including TURN, Cal Advocates, and A4NR to a number of areas of PG&E's energy supply expense forecast. As part of this Agreement, Settling Parties have agreed to accept a $4 million reduction for energy supply expense in MWC AB, MWC CT, MWC CV and MWC CY, areas not specifically disputed by any party. The settlement for Energy Supply reflects a reasonable compromise of the positions taken by the parties as reflected in Chapter 2.D of the JCE.

b. Diablo Canyon Power Plant Operation (Section 2.4.2.1)

In D.18-01-022, the CPUC approved the retirement of Diablo Canyon no later than when its Nuclear Regulatory Commission (NRC) operating licenses expire in November 2024 for Unit 1 and August 2025 for Unit 2. PG&E proposes to continue to operate Diablo Canyon throughout the 2020-2022 forecast period and its treatment for ratemaking purposes remains largely unchanged from prior General Rate Cases (GRC).[93]

PG&E requests approval of capital expenditure, Operations and Maintenance (O&M) expense, and expense and capital Nuclear Regulatory Commission Regulatory Balancing Account (NRCRBA) forecasts for the management of its Diablo Canyon Nuclear Generation Program. This request is a

[93] HE-146: Exhibit (PG&E-5), p. 3-1, lines 13-19.

reduction from existing funding levels and reflects the reasonable cost to safely and reliably operate Diablo Canyon.[94]

The Alliance for Nuclear Responsibility (A4NR) does not challenge any part of PG&E's forecast, but suggests that it would be unreasonable for the Commission to adopt any capital or expense forecast for Diablo Canyon in this proceeding.[95]

PG&E filed a Motion to Strike Testimony of the Alliance for Nuclear Responsibility (Motion to Strike) that was denied by the Commission. [96] In denying PG&E's Motion to Strike, the Administrative Law Judges assigned to this GRC concluded that, "this proceeding will assume that [DCPP] will continue to operate within this GRC period."[97] In response to the motion, A4NR filed a Petition to Modify D.18-01-022 and D.19-04-040 seeking to clarify whether PG&E is obligated to demonstrate that operating DCPP until the end of its current license is cost-effective and prudent.

Section 2.4.2 of the Agreement provides that in the event the Commission grants A4NR's Petitions to Modify two prior Commission decisions regarding Diablo Canyon, D.18-01-022 and D.19-04-040,[98] any party (including a Settling Party) may propose modifications to the Agreement to reflect the reasonable capital and expenses to be recovered by PG&E in light of potential changes to the timing of DCPP retirement.

c. Ratemaking for Diablo Canyon Independent Spent Fuel Storage Installation (ISFSI) (Section 2.4.2.8)

PG&E's Application included capital expenditures of $10.295 million in 2020-2022 for ISFSI. Because the project has a 2023 completion date, PG&E did not request cost recovery in this GRC. TURN recommended cost recovery through the qualified decommissioning trust funds instead of capitalizing these costs in the GRC. The Settling Parties agree that ISFSI costs will be recovered as a

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94 HE-146: Exhibit (PG&E-5), p. 3-1, lines 6-12.

95 HE-256: A4NR-1, p. 17, lines 10-14.

96 *Administrative Law Judge's Ruling Denying Motion to Strike Testimony of the Alliance for Nuclear Responsibility* (Sept. 6, 2019) A.18-12-009, p. 3.

97 *Administrative Law Judge's Ruling Denying Motion to Strike Testimony of the Alliance for Nuclear Responsibility* (Sept. 6, 2019) A.18-12-009, p. 2.

98 A4NR's Petition to Modify D.18-01-022, A.16-08-006 (Oct. 1, 2019), and Petition to Modify D.19-04-040, R.16-02-007 (Oct. 1, 2019).

decommissioning expense rather than as capital expenditures as PG&E had proposed for the 2020-2022 period.[99]

d. Non-Bypassable Charge for Hydroelectric Facilities (Section 2.4.3.1)

PG&E's Application proposed to recover the costs to support the protection and enhancement of beneficial public values on PG&E's watershed lands through a non-bypassable charge.[100] This proposal was opposed by SEIA/Vote Solar, Cal Advocates, and JCCA, and supported by TURN (with modifications) and by CUE.[101]

Section 2.4.3.1 of the Agreement provides that in order to resolve this issue, PG&E withdraws its proposal.

e. Decommissioning Reserve for Generation Assets (Section 2.4.6)

Section 2.4.6 of the Agreement sets forth the Settling Parties' agreements related to the decommissioning reserve for generation assets. As described in Section V(D)(3) above, the Agreement approves a decommissioning fund and methodology for generation, including fossil, fuel cells, hydroelectric generation and solar. The Settling Parties further agree to reduce the hydroelectric decommissioning 2020 RRQ by $8 million as suggested by Cal Advocates and supported by other parties. The reduction includes the impact of sales of the Deer Creek and Narrows facilities.

4. Customer Care (Section 2.5)

a. Forecast Issues

Section 2.5 of the Agreement includes a $39 million reduction to PG&E's Customer Care expense forecast and a $4 million capital reduction in 2020, in the following areas:

(1) Expense Forecast

- $0.2 million for manage various customer care processes (MWC EZ);
- $31 million for customer care rate reform and statewide marketing (MWC EZ);
- $1.5 million for implementation of non-residential rates implementation (MWC EZ);

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99 The Settling Parties note that the Commission is currently considering recovery of ISFSI costs from the decommissioning trust funds in A.18-12-008.

100 HE-146: Exhibit (PG&E-5), p. 8-24, line 9 to p. 8-27, line 5.

101 HE-190: Cal Advocates-11, p. 17, lines 10-20; HE-215: JCCA, Beach, p. 30, line 6 to p. 31, line 10; HE-167: SEIA, p. 15, line 18 to p. 16, line 11; HE-204: TURN-06, pp. 6-7.

- $2.3 million for Contact Centers information technology (MWC JV);
- $1.2 million in the interest of customer affordability (MWC IU); and
- $2.8 million in the interest of customer affordability (MWC OM).

(2) Capital Forecast

- $4.2 million for Contact Centers information technology (MWC 2F).

The settlement for Customer Care reflects a reasonable compromise of the positions taken by the parties as reflected in Chapter 2.E of the JCE.

b. Other Financial Issues

Settlement of the issues set forth below reflects a reasonable compromise of the Settling Parties' positions, many of which are reflected in Chapter 2.E of the JCE. Given the various parties' recommendations in this area, these provisions are supported by the record and, in light of the various compromises set forth in this Agreement, these provisions are reasonable and in the public interest.

(1) AB 802 Compliance (Section 2.5.2)

PG&E's Customer Engagement forecast includes costs to implement AB 802 Building Benchmarking.[102] Cal Advocates recommends that PG&E's proposal to recover the accumulated balance in the AB 802 Memorandum Account as of December 31, 2019 should be amortized over a three-year period.[103] TURN disagrees with PG&E's staffing projections to support the AB 802 Benchmarking Portal, stating that PG&E over-estimates staffing levels needed to administer a self-service web portal.[104]

PG&E and TURN presented a stipulation to the Commission on October 1, 2019 wherein PG&E agreed to reduce its $0.7 million forecast for AB 802 Building and Benchmarking by $0.175 million. The Settling Parties agree that PG&E's revised expense forecast of $0.525 million is reasonable.

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102 HE-92: Exhibit (PG&E-6), WP 2-41, line 5.

103 HE-257: Cal Advocates-12, p. 7, lines 11-13.

104 HE-177: TURN-05, p. 4, lines 7-9.

(2) Salesforce Phases 2 and 3 IT Project (Section 2.5.3)

PG&E's Contact Centers forecast includes expense and capital forecasts to develop and implement the Salesforce Phases 2 and 3 IT project. The Salesforce Phases 2 and 3 project relates to the implementation of additional automated channels for customers to contact PG&E.[105] TURN originally rejected PG&E's Salesforce Phases 2 and 3 project in its entirety.[106]

On October 1, 2019, PG&E and TURN introduced into the evidentiary record a stipulation that addresses PG&E's 2019-2022 expense and capital forecasts for the Salesforce Phases 2 and 3 Project.[107] Because this project was deferred due to higher priority work and will now begin in 2020, PG&E and TURN agree that PG&E will revise the workplan for this project to be completed in 2022, despite the later-than-expected start. Section 2.5.3.3 provides the revised expense and capital forecasts for the Salesforce Phases 2 and 3 project agreed to by the Settling Parties.

(3) Non-Residential Rates Implementation (Section 2.5.4)

PG&E's forecast for Pricing Products and Income Qualified Programs includes expense amounts for the Non-Residential Rates Implementation program.[108] TURN argued that PG&E's forecast is unreasonable and not supported because: (1) PG&E transitioned zero non-residential customers in 2018; (2) 2020 transition to new PDP event hours is pushed back to 2021; (3) Contact Center labor is double counted; and (4) transitioning to new hours is not as complex as transitioning to new rates.[109]

On October 1, 2019, PG&E and TURN presented a stipulation to the Commission that includes an agreement to reduce PG&E's 2020 forecast for Non-Residential Rates Implementation by $1.5 million, from $9.665 million to $8.165 million.[110] Settling Parties agree that PG&E's revised expense forecast is reasonable.

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[105] HE-91: Exhibit (PG&E-6), p. 4-11, lines 1-27 and p. 4-13, lines 23-27.

[106] HE-177: TURN-05, p. 9, lines 19-20.

[107] HE-98: Stipulation Between PG&E and TURN Regarding Salesforce 2 & 3 Project.

[108] HE-91: Exhibit (PG&E-6), p. 3-12, line 3 to p. 3-13, line 14.

[109] He-177: TURN-05, p. 4, line 19 to p. 6, line 19.

[110] HE-99: Stipulation between PG&E and TURN Regarding Non-Residential Time-of-Use Customer Outreach and Natural Gas Appliance Testing Program, p. 2.

(4) Natural Gas Appliance Testing (Section 2.5.5)

PG&E's forecast for Pricing Products and Income Qualified Programs includes expense amounts for the Natural Gas Appliance Testing (NGAT) program.[111] TURN recommends a reduction to PG&E's forecast[112] stating that PG&E's labor forecast for Natural Gas Appliance Testing over-estimates the labor rate based on the actual bids it received from vendors to perform the work.[113]

On October 1, 2019, PG&E and TURN presented a stipulation to the Commission that includes an agreement that PG&E's 2020 forecast of $7.935 million for the NGAT program is reasonable.[114],[115] The Settling Parties agree that PG&E's NGAT expense forecast is reasonable.

(5) Residential Rates Reform Memorandum Account (RRRMA) (Section 2.5.8)

PG&E currently recovers costs for the Statewide ME&O program through the RRRMA. The Statewide ME&O costs consist of Commission-mandated contract activities required by D.17-12-023 to optimize, align, and integrate electricity-related customer engagement campaigns with other Commission programs. D.17-12-023 specifies certain requirements for PG&E and the other California IOUs regarding Statewide ME&O efforts related to the transition of customers to TOU rates as part of residential rate reform. The Commission extended the governance framework from Energy Upgrade California (EUC) Statewide ME&O to Statewide ME&O for rate reform.[116] By applying this governance structure, the CPUC is granted "oversight control," "overriding authority on all decisions," and "control over design of or modifications" to the Statewide ME&O program.[117]

PG&E proposed changing the recovery mechanism for these costs and to recover the cost to administer the Statewide ME&O rate reform program through a two-way balancing account.[118] Because

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[111] HE-91: Exhibit (PG&E-6), p. 3-17, line 18 to p. 3-18, line 9.

[112] HE-177: TURN-05, p.7, lines 20-22.

[113] HE-177: TURN-05, p. 7, lines 5-22.

[114] HE-311: Exhibit (PG&E-32), p. 2-322.

[115] HE-99: Stipulation Between PG&E Non-Residential Time-of -Use Customer Outreach and Natural Gas Appliance Testing Program, p. 2.

[116] D.17-12-023, *mimeo,* p. 60, COL 7.

[117] D.13-12-038, *mimeo,* p. 90, COL 26 and COL 27(i); p. 98, OP 18. D.13-12-038 established the governance structure for EUC.

[118] HE-91: Exhibit (PG&E-6), p. 3-15, lines 6-10.

the Commission, not PG&E, is directing and managing the Statewide ME&O contracts, PG&E posited that a retroactive reasonableness review of the costs incurred is not necessary.

Cal Advocates claims that PG&E proposed replacing the existing RRRMA with a two-way balancing account for recovery of all residential rate reform costs in PG&E's 2020 expense forecast.[119]

The Settling Parties agree that PG&E should continue to record these costs to the existing RRRMA, subject to after-the-fact reasonableness review.

Section 2.5.8 of the Agreement provides that PG&E's 2020 GRC forecast shall be reduced by $30.896 million to reflect the removal of the following from PG&E's forecast: (1) $10.896 million for rate reform implementation activities for Pricing Products (MWC EZ);[120] and (2) $20 million for Statewide ME&O. The Settling Parties further agree that: (1) PG&E shall be authorized to collect the amounts removed from its GRC forecast in rates, subject to refund, through PG&E's Annual Electric Ture-up (AET) advice letter; (2) PG&E is authorized to collect in rates, subject to refund, an additional $10.896 million for rate reform implementation activities in 2023 through the AET in the event the Commission adopts a 4-year GRC cycle; (3) PG&E will record in the RRRMA the actual costs it incurs pursuant to the Commission's orders for Statewide ME&O Rate Reform and if the Commission requires PG&E to incur costs that are greater or lesser than the annual amounts set forth above in any year in the 2020 GRC cycle, PG&E may adjust the amounts to be collected in rates. Cal Advocates may audit the RRRMA; (4) PG&E will record in the RRRMA the actual costs it incurs in the 2020 GRC cycle for residential rate reform implementation, including the full rollout of default time-of-use and PG&E shall seek recovery of its actual recorded costs following a reasonableness review. This filing will true-up PG&E's actual recorded costs to those previously collected in rates through the AET; and (5) The 2020 GRC cycle costs booked to the RRRMA shall no longer be subject to refund when the Commission finds that PG&E has demonstrated in the separate application or testimony that its expenditures were incremental, verifiable, reasonable and consistent with Commission requirements.

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[119] HE-257: Cal Advocates-12, p. 2, lines 1-3; p. 10, lines 3-23.

[120] HE-92: Exhibit (PG&E-6), WP 3-15, line 23.

(6) Reductions to MWC IU and OM (Section 2.5.7)

The Settling Parties agree to reduce PG&E's expense forecast by $4 million in MWC IU ($1.2 million) and MWC OM ($2.8 million).

(7) Closure of Customer Service Offices (Section 2.5.6)

PG&E proposed closing 17 of its 75 Customer Service Offices (CSOs).[121] PG&E's testimony asserted that the CSOs were no longer necessary to provide customer service because of alternate payments channels. PG&E's proposal to close 17 of its 75 CSOs was opposed by Cal Advocates, TURN, CUE and L. Jan Reid.

The Settling Parties agree that PG&E may, following the approval of this Agreement, close up to ten of the requested 17 CSOs. The ten CSOs will be selected by PG&E from the list of 17 proposed for closure, within PG&E's sole discretion. PG&E will notify the CPUC which offices will be closed with a Tier 1 advice letter. PG&E will develop and implement a transition plan to communicate office closures to customers. PG&E will stagger some closures if needed to give notice to customers and employees. PG&E will consider whether any of the CSOs could be used in a Public Safety Power Shutoff (PSPS). PG&E will comply with customer notice requirements in Decision 07-05-058 prior to the closure of any CSOs.

5. Shared Services and Information Technology (IT) (Section 2.6)

Section 2.6 of the Agreement includes a $10.5 million reduction to PG&E's Shared Services and IT forecast in 2020, in the following areas:

a. Forecast Issues

(1) Expense

- $4 million in the interest of customer affordability (MWC EP) and
- $6.5 million in the interest of customer affordability (MWC JV).

Savings will be realized through corporate real estate and IT project efficiencies.

The settlement for Shared Services reflects a reasonable compromise of the positions taken by the parties as reflected in Chapter 2.F of the JCE.

121 HE-91: Exhibit (PG&E-6), p. 5-2, lines 4-6.

b. Other Financial Issues

(1) Capitalization Threshold (Section 2.6.1)

PG&E sought to reduce the capitalization threshold for application development work from $1 million to $500,000.[122] Parties did not address this issue. Section 2.6.1 of the Agreement provides that the new capitalization threshold is $500,000 consistent with PG&E's request.

(2) Software Average Service Lives (Section 2.6.2)

In response to TURN's testimony about computer software,[123] PG&E agrees to meet and confer with TURN and to work cooperatively to provide an improved showing in advance of PG&E's next GRC regarding the reasonable amortization period for capitalized software.

(3) Dimmable Streetlights (Section 5.6.2)

In opening testimony, PG&E did not recommend investing in a full-scale dimmable streetlight program at this time.[124] In response to The California City County Street Light Association (CALSLA) proposal for PG&E to invest in "a fully automated dimmable street light billing system to facilitate the widespread adoption of the technology"[125] PG&E and CALSLA reached an agreement to address this issue in Phase 2 of the 2020 GRC, where the design and requirements for the program can be comprehensively addressed in addition to whether such a program is warranted at this time. CALSLA and PG&E also agreed to a framework for the payment by PG&E of Dimmable Streetlight credits to the City of San Jose under the current Dimmable Streetlight Program Pilot Program, and for PG&E to meet and confer with San Jose on a number of issues related to the Pilot. Finally, PG&E and CALSLA agreed to convene a meeting with interested parties following Phase 2 of the GRC to provide an update on the status of the Pilot and to discuss technological developments related to dimmable streetlights. PG&E and CALSLA believe this resolution of dimmable streetlight issues in Phase 1 of the 2020 GRC is reasonable and in the public interest. It allows proposals for a full-scale program to be comprehensively evaluated in Phase 2, and it establishes processes to continue to improve the ongoing pilot program with San Jose.

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[122] HE-66: Exhibit (PG&E-7), p. 8-15, lines 10-11.

[123] HE-241: TURN-07, p. 49, line 14 to p. 55, line 17.

[124] HE-66: Exhibit (PG&E-7), p. 8-82, lines 14-15.

[125] HE-28: CALSLA-01, p. 3, lines 9-10.

6. Human Resources (HR) (Section 2.7)

Section 2.7 of the Agreement includes a $43.6 million reduction to PG&E's HR GRC revenue requirement in 2020, in the following areas:

a. Forecast and Revenue Requirement Issues

(1) HR Department Costs

- $1 million in the interest of customer affordability.

(2) HR Companywide Expense

- $41.6 million for the Short Term Incentive Plan; and
- $1 million for Medical Corporate Items.

Settlement for HR reflects a reasonable compromise of the positions taken by the parties as reflected in Chapter 2.G of the JCE.

b. Other Financial Issues

Settlement of the issues set forth below reflects a reasonable compromise of the positions taken by the parties, many of which are reflected in Chapter 2.G of the JCE. Given the various parties' recommendations in this area, these provisions are supported by the record and, in light of the various compromises set forth in this Agreement, these provisions are reasonable and in the public interest.

(1) Short Term Incentive Program (Section 2.7.2)

PG&E's Short-Term Incentive Plan (STIP) is the Company's annual variable incentive plan. PG&E proposed full funding for the program in rates as part of the package of total compensation provided to employees.[126]

Cal Advocates proposed 22.5 percent funding for the STIP in rates.[127] Cal Advocates recommended zero funding for the following metrics identified in the NorthStar report: Gas In-line Inspection & Upgrade Index (6 percent), Gas Dig-Ins Reduction (5 percent), Gas Emergency Response (5 percent) and Serious Preventable Motor Vehicle Incident Rate (6 percent). Cal Advocates recommended zero funding of the Diablo Canyon Safety and Reliability metric (8 percent) and the

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[126] HE-27: Exhibit (PG&E-29), Table 29-5, lines 56 and 57.

[127] HE-196: Cal Advocates-15, p. 15, line 4 to p. 19, line 17 and Table 15-8.

Earning from Operations metric (25 percent). Cal Advocates recommended equal sharing between ratepayers and shareholders for the remaining metrics.[128] TURN proposed 37.5 percent funding for the STIP in rates based on exclusion of costs related to the company's financial metric followed by equal cost sharing of the remaining STIP measures between ratepayers and shareholders.[129]

No other party made recommendations regarding overall funding for the program. Parties' rationale for their respective funding recommendations are well-documented in the evidentiary record of this case.

Section 2.7.2 of the Agreement provides for 50 percent funding for the STIP in rates, a reduction of $41.6 million to PG&E's GRC revenue requirement forecast, which represents a compromise in Parties' litigation positions. While not precedential, this result is similar to those reached by parties in prior GRC settlements and is a lower percentage of program funding than the Commission approved for the Sempra utilities in its recent 2019 GRC.[130]

(2) Labor Escalation Rates (2.7.3)

Section 2.7.3 of the Agreement, Table 5, provides the forecast labor escalation rates that will be adopted for the 2020-2022 GRC period. The actual escalation rate for 2022 for represented employees will be established by subsequent agreement.

(3) Employee Benefit Plan Reporting (2.7.4)

Settling Parties agree to PG&E's request to modify D.96-11-107 to allow for reporting of certain employee benefits plan information to be provided to the Commission with each GRC as opposed to annually or upon update.

7. Administrative and General (A&G) (Section 2.8)

Section 2.8 of the Agreement includes a $59.5 million reduction to PG&E's A&G expense forecast in 2020, in the following areas:

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128 HE-196: Cal Advocates-15, p. 15, line 4 to p. 19, line 17 and Table 15-8.

129 HE-224: TURN-11 , p. 9, line 11 to p.10, line 2.

130 Applying the same policy for PG&E as the Commission did for Sempra would result in funding the STIP program between 75 percent and 100 percent of PG&E's forecast. D.19-09-051.

a. Forecast Issues

(1) A&G Department Expense Costs

- $9 million for Finance Department costs;
- $0.2 million for Regulatory Affairs Department costs; and
- $0.3 million for Corporate Affairs Department costs.

(2) A&G Companywide

- $50 million revenue requirement reduction for excess liability insurance.

The settlement for A&G reflects a reasonable compromise of the positions taken by the parties as reflected in Chapter 2.H of the JCE.

b. Other Financial Issues

Settlement of the issues set forth below reflects a reasonable compromise of the positions taken by the parties, many of which are reflected in Chapter 2.H of the JCE. Given the various parties' recommendations in this area, these provisions are supported by the record and, in light of the various compromises set forth in this Agreement, these provisions are reasonable and in the public interest.

(1) Labor and STIP Capitalization Factors (Section 2.8.2)

Section 2.8.2 of the Agreement, Table 6, sets forth the 2020 GRC labor and STIP capitalization factors agreed to by the Settling Parties.

(2) Excess Liability Insurance (Section 2.8.3)

PG&E's forecast for general liability insurance included costs for Excess Liability insurance, primarily to address third-party claims and costs for other commercial insurance.[131] PG&E experienced increases in insurance premiums in recent years due to increased wildfire risk and the application of inverse condemnation liability to the IOUs.[132] PG&E shall establish a two-way RTBA. PG&E may file a Tier 2 advice letter for coverage beyond $1.4 billion, consistent with Cal Advocates' proposal.

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[131] HE-157: Exhibit (PG&E-9) p. 3-17, lines 13-17. Note, PG&E reduced its Excess Liability forecast by $2.044 million, from $355.1 million to $353 million, through errata and concessions. (HE-27: Exhibit (PG&E-29), Table 29-6, lines 87 and 88.)

[132] HE-157: Exhibit (PG&E-9), p. 3-20, fn. 36, citing Form 10-Q of Sempra Energy, SDG&E, and SoCalGas [SDG&E 10-Q] (Aug. 6, 2018), p. 130 (in discussing risks associate with wildfires and the application of inverse condemnation to IOUs, Sempra states, "Insurance coverage for wildfires has

PG&E also requested that the Commission approve its request to recover $67 million of insurance premium costs incurred between July 26, 2017 and August 1, 2018 that exceeded the amount authorized in rates for the same period.[133] These costs are recorded in the WEMA.

TURN made two recommendations with respect to PG&E's insurance forecast: (1) adopt a forecast for General Liability Insurance based on the amount PG&E paid for liability insurance in 2017;[134] and (2) remove the premium costs for punitive damages coverage and then reducing the remaining amount by 50 percent based on a theory that liability insurance costs should be shared equally between shareholders and customers.[135] Cal Advocates does not dispute the amount of PG&E's General Liability Insurance forecast, but recommended that, "[t]o the extent that PG&E's increased insurance costs are a result of PG&E's negligence or other failure to comply with the Public Utilities Code, Commission decisions, General Orders, and/or other legal requirements, [any premium] increase associated with PG&E's behavior be subject to claw-back by an appropriate ratemaking mechanism."[136] JCCA and TURN support Cal Advocates' proposal.[137]

TURN also recommends that the Commission approve recovery of only $23.5 million of costs PG&E previously recorded in the WEMA based on the same cost-sharing rationale it asserts in support of its recommended forecast reduction and the application of a $10 million Z-Factor deductible to PG&E's 2020 excess liability insurance cost forecast.[138]

Settling Parties agree to a revenue requirement reduction of $50 million. The Agreement provides that PG&E shall implement the self-insurance options it described in its rebuttal testimony in

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significantly increased in cost and may become prohibitively expensive, may be disputed by the insurers, or may become unavailable.").

See also, A.17-10-007 and A.17-10-008, Reply Brief of SoCalGas and SDG&E, p. 348 and fn. 1903 (Oct. 6, 2018) (where Sempra noted its 2018 premiums were 30 percent higher than forecast for 2017 [compared to the less than 5 percent increase originally forecast in the GRC for that year]).

133 HE-157: Exhibit (PG&E-9), p. 3-24, lines 28-32.

134 HE-276R: TURN-03, p. 63, lines 1-6.

135 HE-276R: TURN-03, p. 64, lines 3-7.

136 HE-174: Cal Advocates-17, p. 7, lines 17-21.

137 HE-215: JCCA-Beach, p. 43, line 7 to p. 44, line 1; and, HE-276R: TURN-03, p. 61, lines 18-22.

138 HE-284R: TURN-04, p. 10, line 13 to p. 11, line 4.

an amount at least equal to the difference between the cost of available risk transfer products and the adopted forecast.[139] Self-insurance will be funded through the Risk Transfer Balancing Account (RTBA) to the extent that: (1) PG&E has not spent the total forecast amount on other products on an annual basis; and (2) the amount of self-insurance does not exceed $1 billion in the aggregate for the 2020 GRC period (2020-2022). PG&E shall establish a two-way RTBA and may file a Tier 2 advice letter for coverage beyond $1.4 billion, consistent with Cal Advocates' proposal.

PG&E's request to recover $67 million (GRC portion $60.4 million) in its Wildfire Expense Memorandum Account for excess liability insurance premium costs incurred between July 26, 2017 and August 1, 2018 above the amount included in rates is adopted by the Agreement.

8. Results of Operations (Section 2.9)

Section 2.9 of the Agreement provides detail regarding PG&E's Results of Operations issues as indicated below.

a. Cost Allocation Adjustments (Section 2.9.1)

JCCA served testimony concerning "PG&E's proposed allocation of costs among the utility's three functions that comprise the GRC functionalized revenue requirement: Electric Generation, Electric Distribution and Gas Distribution."[140] Certain cost allocation issues remain unresolved. Settling Parties agree to the following allocations.

- CWSP – Support Programs (Program Management Office): Costs are allocated as Common Costs.
- CWSP – Enhanced Operational Practices, Aviation (Heavy-Lift Helicopters): Costs will be allocated as Common Costs. PG&E may propose an alternate allocation methodology in its 2023 GRC.
- Various CWSP Emergency Preparedness and Response (EP&R): All costs will be allocated as Common Costs.

[139] HE-159: Exhibit (PG&E-23), p. 3-28, line 3 to p. 3-29, line 26.

[140] HE-216: JCCA-Mancinelli/Reger, p. i, lines 7-9.

- Locate and Mark: Allocation of costs will be changed from 57% Electric Distribution (ED) and 43% Gas Distribution (GD) to 33.3% ED and 66.7% GD. PG&E may propose an updated allocation methodology in the 2023 GRC.
- Excess Liability Insurance: PG&E will continue to allocate these costs as Common Costs.
- Pricing Products and Income Qualified Programs (MWC EZ): Those rate programs that are only for electric customers will be allocated 100% ED.

b. Other Operating Revenue (Section 2.9.2)

Parties agree to adopt PG&E's forecast for other operating revenue.

c. Depreciation (Section 2.9.3)

PG&E forecast $2,760 million for depreciation. Cal Advocates recommends a reduction of $158 million[141] and TURN recommends a reduction of $407 million.[142] PG&E initially agreed to a reduction of $38 million. The Settling Parties agree to reduce PG&E's 2020 revenue requirement by $150 million by modifying depreciation rates. The new depreciation rates and deprecation parameters are included in Appendix D of the Agreement.

d. Rate Base, Working Cash and Finance Issues (Section 2.9.4)

Working Cash – Insurance Recovery Receivables

PG&E proposed including a fraction of its expected test-year insurance receivables from paid cash claims in working cash. These receivables represent the lag or timing difference between when i) PG&E makes a cash payment to an individual or business for a recorded claim that was covered under one of its insurance policies (i.e., covered benefits) and ii) the reimbursement from the insurance company. These amounts are reimbursed at a significant lag which requires investor funding to bridge the gap.[143]

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141 HE-163: Cal Advocates-18, p. 3, Table 18-1.

142 HE-241: TURN-07, p. 3, lines 4-6.

143 HE-72: Exhibit (PG&E-24), p. 13-17, lines 17-23. The amounts in question are not insurance premium expenses funded by ratepayers, but rather insurance covered benefits funded by investors, until they are reimbursed by insurance companies.

Cal Advocates claims that these advances are nonrecurring in nature and should be excluded from operational cash requirements, which it says should be limited to amounts that are permanent items.[144] TURN joins in this objection and argues additionally that Butte fire costs are not yet included in rates under CEMA and the underlying costs of the fire and its insurance expenses have not been specifically assigned to ratepayers or shareholders.[145]

Working Cash – Greenhouse Gas and California Climate Credits

PG&E's revenue lag will be adjusted downward to account for the California Climate Credit, reducing PG&E's 2020 revenue requirement by $10 million.

Working Cash - Settlement Terms

The Settling Parties agree to reduce PG&E's 2020 forecast by $59 million as follows: (1) reduce other accounts receivable RRQ by $23 million for insurance recovery receivables and other items; (2) reduce PG&E's 2020 revenue requirement by $10 million by adjusting PG&E's revenue lag downward to account for the California Climate Credit; and (3) reduce Greenhouse Gas Asset and Liability Balances by $26 million. PG&E shall have the right to seek recovery of the carrying costs of the GHG compliance instruments in the Annual Gas True-up and the Energy Resource Recovery Account (ERRA).

Customer Deposits

The Settling Parties agree that the treatment of customer deposits shall be consistent with the treatment the Commission approved in its Decision in the 2020 Cost of Capital proceeding, A.19-04-014.

e. Tax Issues (Section 2.9.5)

Tax Memorandum Account (TMA)

PG&E requests that the TMA imposed on it in the 2017 GRC be interpreted and construed identically to the TMA recently interpreted and construed in D.19-09-051 (Sempra II).[146] Cal Advocates' testimony includes no basis to distinguish PG&E from the Sempra utilities and its witness

144 HE-235: Cal Advocates-19, p. 18, line 9 to p. 19, line 2.

145 HE-204: TURN-06, pp. 17-18.

146 HE-72: Exhibit (PG&E-24), p. 12-5, lines 10-11.

agreed, under cross examination, that PG&E should receive the same interpretation accorded in Sempra II.[147]

Section 2.9.5.1 of the Agreement states that PG&E's TMA will continue and be modified to reflect the same interpretation for PG&E's TMA as recently determined by the Commission in D.19-09-051. The TMA shall not track any differences between actual and forecasted taxes other than those due to "mandatory tax law changes, tax accounting changes, tax procedural changes, or tax policy changes, and elective tax law changes, tax accounting changes, tax procedural changes, or tax policy changes."

Tax Rates

Parties agree that excess accumulated deferred income taxes (excess ADIT) computed at the prior statutory tax rate will be included in a future annual electric true up or rate change that PG&E will file by advice letter consistent with the methodology in Advice Letter 4142-G/5636-E approved on October 17, 2019. This tax rate change will result in a rate reduction that is incremental to the revenue requirement adopted in the Agreement.

9. Balancing and Memorandum Accounts (Section 4.1)

In opening testimony, PG&E and parties made a number of proposals regarding balancing and memorandum accounts including accounts to be maintained, modified or closed. PG&E and parties also recommended the creation of new balancing and memorandum accounts.[148]

For the most part, PG&E's recommendations were unopposed. However, some parties opposed some of PG&E's proposals. For example, Cal Advocates and PG&E disagree on which account to use for recording costs related to Grade 3 gas leak repairs. PG&E proposes a new two-way balancing account to track CWSP costs while Cal Advocates, TURN, JCCA, and FEA oppose PG&E's proposal and recommend alternative cost recovery mechanisms.

Section 4.1 of the Agreement summarizes the various agreements on balancing and memorandum accounts.

147 Tr. Vol. 24, 2764:12 to 2765:5, Cal Advocates/Oh.

148 HE-70: Exhibit (PG&E-26), pp. 12-2 to 12-5 and Table 12-1.

a. Existing Balancing and Memorandum Accounts to be Modified or Closed (Section 4.1)

The Agreement modifies or closes the following nine accounts:

- New Environmental Regulation Balancing Account (NERBA) - This account will be modified and the distribution subaccount will be retained through 2022 for the sole purpose of tracking the costs associated with below ground Grade 3 leak repairs.
- Nuclear Regulatory Commission Rulemaking Balancing Account (NRCRBA) - This account will be modified to limit the use of the account to tracking expenses only.
- Hydro Licensing Balancing Account (HLBA) - This account will be modified to include: (1) regulatory fees; (2) costs associated with implementation of the Crane Valley Recreation Agreement; and (3) costs associated with work required because of the 2017 Oroville spillway incident.
- Z-Factor Memorandum Accounts - The Z-Factor Memorandum Accounts will be modified to include test-year events that meet the Z-factor eligibility criteria.
- Vegetation Management Balancing Account - The VMBA will be modified to be a two-way balancing account that will include all PG&E vegetation management program funding approved in this proceeding. The Incremental Inspection and Removal Cost Tracking Account (IIRCTA), a sub-account of the VMBA will be eliminated.
- Fire Hazard Prevention Memorandum Account (FHPMA) - This account will be closed as it is no longer necessary.
- Natural Gas Leak Abatement Program Balancing Account (NGLAPBA) - This account will be closed upon transfer of the December 31, 2019 balance.
- Diablo Canyon Seismic Studies Balancing Account (DCSSBA) - This account will be closed upon approval of the balance of this account as of December 31, 2019.
- AB 802 Memorandum Account (AB802MA) – This account will no longer be necessary and will be closed.

b. New Memorandum and Balancing Accounts (Sections 4.2 and 5.5.5)

Section 4.2 of the Agreement provides that PG&E can establish two new accounts.

- WMBA - Discussed in Section VI(B)(2) above.

- RTBA – Discussed Section VI(B)(7) above.

In Section 5.6.2 of the Agreement, PG&E and CALSLA request Commission authorization to establish a new memorandum account to record costs related to the implementation of a Dimmable Streetlight Program.

c. Balancing and Memorandum Accounts to be Continued (Section 4.3)

Section 4.3 of the Agreement provides that PG&E will continue the following six accounts without modification:

- Diablo Canyon Retirement Balancing Account (DRCBA)
- Major Emergencies Balancing Account (MEBA)
- Catastrophic Emergencies Memorandum Account (CEMA)
- Wildfire Expense Memorandum Account (WEMA)
- Rule 20A Balancing Account
- Statewide Marketing, Education, and Outreach Balancing Accounts (SWMEOBAs)

10. Other Adjustments

a. Forecast Update, Concessions and Errata (Section 3.1)

The Agreement amounts included $13 million reduction for forecast updates, concessions and errata.[149]

b. 2018 Recorded Costs (Section 3.2)

PG&E's 2018 capital forecast is based upon PG&E's 2018 recorded capital expenditures as proposed by Cal Advocates.[150]

C. Other Terms (Article 5 and Various)

1. Safety Policy Issues

a. Management of Change Software for Electric Distribution and Dam activities (Section 5.5.6)

PG&E's Management of Change (MOC) processes are an element of its safety management system. The Settling Parties agree that PG&E shall fully implement a MOC software within its gas,

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[149] This adjustment was included in HE-311 and HE-312, Exhibit (PG&E-32).

[150] This adjustment was included in HE-311 and HE-312, Exhibit (PG&E-32).

electric, and dam operations by December 31, 2021. PG&E shall provide an annual report on the procurement, development, and implementation of the MOC software for its operations to the Safety and Enforcement Division (SED), OSA and/or its successor. The first report will cover activities performed during 2020 and be presented to SED, OSA, and/or OSA's successor by July 1, 2021.

b. Job Listing Requirements for Safety Leader Positions (Section 5.5.7)

Settling Parties have agreed to meet and confer and work cooperatively to provide an improved showing in advance of PG&E's next GRC regarding the qualifications of PG&E's safety work leaders at the manager, director, and vice president levels and above in both PG&E's electric and gas divisions.

c. Safety Management System Framework for Hydroelectric Facilities (Section 2.4.4)

International Organization for Standardization (ISO) 55000 is an international standard for safety asset management. When a company receives ISO 55000 certification, it means that an accredited organization has determined that it meets the safety standards set forth in ISO 55000.

PG&E will make a good-faith effort to apply for and attain an ISO 55000 certification from an accredited organization for its dams by the end of 2022. PG&E shall also conduct a gap analysis for its dams in 2020. With regards to its other assets in its then-existing hydroelectric portfolio, PG&E shall begin the gap analysis required to initiate an ISO 55000 certification process in 2023 or earlier.

Once certification is received, PG&E shall take all reasonable efforts to maintain certification status during the three-year certification period.

d. Gas Distribution Plastic Pipe Replacement (Section 2.2.1)

As noted in V.D.1, PG&E has agreed to replace Aldyl-A and similar plastic pipeline at a higher rate than what was proposed in the Application. PG&E agrees that replacement of pre-1985 Aldyl-A and similar plastic pipes is an important safety program. Therefore, PG&E agrees to also provide a plan and a timeline for the removal of all pre-1985 Aldyl-A and similar plastic pipes in its next GRC. PG&E may present plastic pipe removal rate forecasts that differ with the plan in future GRCs provided that PG&E demonstrates the reasonableness of its forecasts.

e. Oil-Filled Transformers in High Rise Buildings (Section 2.6.2.3)

PG&E has stated that it expects to replace the remaining oil-filled transformers in high-rise buildings (MAT 2CC) by 2020. PG&E will notify the Commission in its annual Risk Spending Accountability Report should PG&E experience delays in replacing oil-filled transformers in high-rise buildings beyond the planned completion date. PG&E will also provide an update on the program in its next GRC.

f. Transfer Ground Rocker Arm Main (TGRAM) / Transfer Ground Rocker Arm Line (TGRAL) Switches (Section 2.3.6.4)

At the time of the filing of its Application, PG&E had five newly discovered TGRAM/TGRAL switches operating within its system. PG&E will expedite the replacement of these five TGRAM/TGRAL switches. In PG&E's next GRC, it will report on any newly-identified TGRAM/TGRAL units and the status of their removal.

g. Electric Distribution Underground Asset Replacement (Section 2.3.6.5)

PG&E agrees to conduct 90 pre-1975 switch replacements per year for the 2020 GRC period in the following programs: MWC 56, MWC 17, and MWC 2B. PG&E recognizes that replacement of oil-filled switches is an important safety program. Therefore, PG&E and SED and/or OSA will continue to work cooperatively regarding the prioritization of pre-1975 switch replacements with the goal to provide an improved rate of replacement in PG&E's next GRC.

2. Deferred Work Principles (Section 5.2)

In PG&E's 2017 GRC, the settlement agreement included a provision (Section 3.2.8.4) that created an obligation in this rate case with respect to "deferred work."[151]

As required by the Deferred Work Settlement, PG&E made an affirmative deferred work showing in its Gas Distribution, Electric Distribution, Energy Supply, Customer Care, Shared Services and Information Technology, Human Resources, and Administrative and General Expenses exhibits in its opening testimony.[152] No party raised any issue with PG&E's compliance with the terms of the Deferred Work Settlement. However, TURN raised five issues related to PG&E's deferred work

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[151] D.17-05-013, *mimeo,* pp. 186-189.

[152] See HE-6: Exhibit (PG&E-16), p. 2-33, fn. 81, for references to PG&E's deferred work testimony.

showing: (1) continuing the requirements of the deferred work settlement; (2) gas distribution cross bore; (3) gas distribution SCADA; (4) eight electric operations capital programs; and (5) account process changes to prevent double recovery.[153]

The Settling Parties agree that in PG&E's next GRC, which is defined to include PG&E's next Gas Transmission and Storage (GT&S) case if the GT&S is not consolidated with the next GRC, PG&E will continue to make a deferred work showing consistent with the format of the showing in PG&E's 2020 GRC testimony.

As it regards the process changes to prevent double recovery, Section 4.4 of the Agreement provides that PG&E will work with TURN on financial controls and/or regulatory accounting mechanisms sufficient to ensure that PG&E does not seek to double recover when it files an application for cost recovery of a memorandum account balance.

3. Risk Showing (Section 5.3)

PG&E submitted its first Risk Assessment and Mitigation Phase (RAMP) Report on November 30, 2017 as the first step to filing its 2020 GRC application. This filing was consistent with the Commission's requirement to incorporate data-driven risk-based decision-making into the IOUs' GRCs, while also requiring additional transparency and accountability. [154]

PG&E's RAMP Report contained analyses of the Company's 22 top safety risks, and their baseline and proposed risk mitigation activities.[155] The RAMP Report was subject to review by the Commission's Safety and Enforcement Division (SED), who "reviewed for consistency and compliance with the RAMP guidelines set forth in the Safety Model Assessment Proceeding (S-MAP)."[156] Parties to the proceeding provided comments on both PG&E's RAMP Report and SED's comments.[157] "The

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[153] HE-299: TURN-10, p. 9, lines 13-17; and, HE-295: TURN-09R, p. 3, line 8 to p. 4, line 13.

[154] D.14-12-025*, mimeo,* p. 6 (citing R.13-11-006, pp. 7-8).

[155] HE-4: Exhibit (PG&E-2), WP 3-135 to WP 3-798.

[156] D.19-10-007, *mimeo,* p. 6.

[157] D.19-10-007, *mimeo,* p. 6.

RAMP filing and comment process then formed the basis for PG&E's assessment of its safety risks in its current Test Year (TY) 2020 GRC application."[158]

Cal Advocates and TURN submitted testimony regarding PG&E's Risk Management presentation. [159] Cal Advocates asserted that PG&E does not adequately prioritize safety,[160] recommends that PG&E use objective and effective tools to assess risk and prioritize spending,[161] define a stated risk reduction goal, and optimize its portfolio of all risk programs immediately.[162] TURN asserts that PG&E's RAMP risk spend efficiency (RSE) calculations are flawed and should not be used in decision making[163] and that PG&E should abandon the Risk-Informed Budget Allocation (RIBA) process.[164]

The Settling Parties agree that PG&E's risk showing in its 2023 Risk Assessment and Mitigation Phase (RAMP) Report and GRC will fully comply with the Safety Model Assessment Proceeding (S-MAP) settlement agreement which was approved in D.18-12-014. The Settling Parties reserve the right to contest the sufficiency of PG&E's RAMP and GRC showing in terms of compliance with D.18-12-014.

4. Safety Related Earnings Adjustment Mechanisms (Section 5.4)

PG&E proposes a safety-related shareholder earnings adjustment mechanism (EAM) that puts a portion of PG&E's annual earnings at risk as a function of PG&E's performance on safety.[165] PG&E

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[158] D.19-10-007, *mimeo,* p. 6.

[159] HE-178: CalAdvocates-03; HE-299: TURN-10.

[160] HE-178: CalAdvocates-03, p.2, line 27 to p.11, line 17.

[161] HE-178: CalAdvocates-03, p. 3, line 10 to p. 9, line 9.

[162] HE-178: CalAdvocates-03, p. 9, line 10 to p.11, line 17.

[163] HE-299: TURN-10, p. 1, lines 9-10.

[164] HE-299: TURN-10, p. 1, lines 5-8.

[165] HE-69: Exhibit (PG&E-12), p. 14-3, lines 6-9.

made this proposal pursuant to a recommendation in the NorthStar Consulting Group's report[166] on PG&E's safety culture in the Commission's Safety Culture OII.[167]

On December 5, 2018, the CPUC issued a decision in the Safety Culture Order Instituting Rulemaking (OIR).[168] The decision acknowledged PG&E's position that performance based ratemaking (PBR) should be addressed in an upcoming GRC and stated that the Commission "fully supports safety-related issues being addressed in other appropriate proceedings. . . ."[169] While the decision did not expressly direct PG&E to include a PBR mechanism in this GRC, PG&E chose to propose a safety-related EAM in its 2020 GRC for the Commission and other stakeholders to evaluate.[170]

Cal Advocates, TURN and FEA addressed PG&E's proposed EAM in testimony. Cal Advocates argued: (1) PG&E failed to build the safety metrics weights on quantitative analyses;[171] (2) the mechanism's impact on shareholders represents an insignificant level of impact;[172] (3) there is no external entity to affirm the measurement and calculation;[173] and (4) metrics cannot be measured by the Commission or other regulatory entity.[174] TURN recommends that the Commission reject PG&E's proposed EAM[175] and agreed with Cal Advocates' recommendations.[176] FEA recommends that PG&E should record EAM-related penalties below the line and not recover them from ratepayers.[177]

Section 5.4 of the Agreement provides that PG&E agrees to withdraw its proposal for an EAM at this time.

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[166] See *Assigned Commissioner's Scoping Memo and Ruling* (May 8, 2017) I.15-08-019, Attachment, NorthStar Consulting Group, Assessment of Pacific Gas and Electric Corporation and Pacific Gas and Electric Company's Safety Culture (May 8, 2017) pp. I-10, I-17 and VII-21.

[167] Order Instituting Investigation (OII), I.15-08-019 (issued Sept. 2, 2015).

[168] *Decision Ordering Pacific Gas and Electric Company to Implement the Recommendations of the Northstar Report,* D.18-11-050 (Dec. 5, 2018).

[169] D.18-11-050, *mimeo*, p. 6.

[170] HE-69: Exhibit (PG&E-12), p. 14-5, lines 15-21.

[171] HE-178: Cal Advocates-03, p. 12, lines 15-25.

[172] HE-178: Cal Advocates-03, p. 13, lines 1-15.

[173] HE-178: Cal Advocates-03, p. 13, line 16 to p. 14, line 14.

[174] HE-178: Cal Advocates-03, p. 14, lines 15-22.

[175] HE-177: TURN-05, p. 11, lines 14-16.

[176] HE-177: TURN-05, p. 12, lines 5-6.

[177] HE-135: FEA-1, p. 11, lines 21-22.

D. General Provisions (Article 6)

Article 6 includes many general provisions common to these types of settlements. Indeed, many of these provisions can be found in the settlement of PG&E's 2011 GRC, approved by the Commission in D.11.05-018, and PG&E's 2017 GRC, approved by the Commission in D.17-05-013.

VII. CONCLUSION

The principal public interest affected by this GRC is delivery of safe, reliable electric and gas service at reasonable rates. The Agreement advances this interest because it sets forth a compromise that significantly reduces the revenue requirement sought by PG&E while providing PG&E reasonable test year and post-test year revenue requirement increases. Further, as discussed in this motion, the Agreement ensures appropriate funding for safety and reliability work including wildfire safety and mitigation, as well as other important customer service objectives. Taken as a whole, the Agreement is reasonable in light of the entire record, consistent with the law, and in the public interest.

For the foregoing reasons, the Settling Parties hereby request that the Commission approve the Agreement.

Pursuant to Commission Rule 1.8(d), counsel or representatives for the Settling Parties have authorized PG&E to submit this Motion on their behalf.

Respectfully Submitted,

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PACIFIC GAS AND ELECTRIC COMPANY

Dated: December 20, 2019

SETTLEMENT AGREEMENT OF THE 2020 GENERAL RATE CASE OF PACIFIC GAS AND ELECTRIC COMPANY

ARTICLE 1

INTRODUCTION

In accordance with Article 12 of the California Public Utilities Commission's (Commission or CPUC) Rules of Practice and Procedure, the Public Advocates Office at the Commission (Cal Advocates); the Office of the Safety Advocate at the Commission (OSA); The Utility Reform Network (TURN); the California City-County Street Light Association (CALSLA);[1] the Coalition of California Utility Employees (CUE);[2] the Center for Accessible Technology (CforAT);[3] the National Diversity Coalition (NDC); Small Business Utility Advocates (SBUA); and Pacific Gas and Electric Company (PG&E) (collectively, the Settling Parties) hereby enter into this Settlement Agreement (Agreement) as a compromise among their respective litigation positions to resolve all disputed issues raised by the Settling Parties in PG&E's test year 2020 General Rate Case (GRC), Application (A.) 18-12-009.

ARTICLE 2

FINANCIAL AND RATEMAKING ISSUES

2.1 Overall Revenue Requirement

2.1.1 Test Year 2020

The Settling Parties agree that PG&E's 2020 CPUC jurisdictional GRC retail revenue requirement shall be $9,093 million, a 2020 revenue requirement increase of $575 million as compared to PG&E's requested increase of $1,058 million, to be constructed based on other terms herein. (This increase does not include an incremental rate reduction for taxes that will be

[1] CALSLA joins only in the following portions of this Agreement. Article 1, Section 5.6.2, and Article 6.

[2] CUE's support for this Agreement is contingent on successful negotiation with PG&E of provisions regarding the employees that will be affected by closing Customer Service Offices. See section 2.5.6 below.

[3] CforAT's support for this Agreement is based on its incorporation of the Memorandum of Understanding between CforAT and PG&E. CforAT joins only in the following portions of this Agreement: Article 1, Section 5.5.2, Article 6 and Appendix F to this Agreement.

presented in a future advice letter discussed in Section 2.9.5.2 below).

The Agreement includes a 2020 retail revenue requirement for electric distribution of $4,775 million, for gas distribution $2,020 million, and for electric generation $2,297 million. The increases are $411 million for electric distribution, $58 million for gas distribution, and $106 million for electric generation.

Appendix A to this Agreement includes a table summarizing reductions to PG&E's 2020 GRC forecast.

2.1.2 Post-Test Years 2021 and 2022

The Settling Parties agree that PG&E's annual post-test year adjustments for 2021 and 2022 shall be revenue requirement increases of 3.50% in 2021 (a reduction from PG&E's original request of 4.7%) and 3.90% in 2022 (a reduction from PG&E's original request of 4.8%).

As shown in Appendix C to this Agreement, the proposed 2021 revenue requirement increase is $210 million for electric distribution, $122 million for gas distribution, and a decrease of $14 million for electric generation. The proposed 2022 revenue requirement is an increase of $276 million for electric distribution, an increase of $96 million for gas distribution, and a decrease of $5 million for electric generation.

The Settling Parties agree that post-test year relief for 2021 and 2022 shall be authorized in this GRC and implemented by advice letter in the Annual Electric True-up (AET) and Annual Gas True-up (AGT).

2.2 Gas Distribution

2.2.1 Test Year Forecast

The Settling Parties agree to a forecast of $369.1 million expense and $1,022.3 million capital for Gas Distribution. This amount includes a $5 million expense reduction associated with the Meter Protection Program (MAT EXB). The test year forecast includes an increase associated with the gas distribution plastic pipeline replacement program forecast in PG&E's

rebuttal testimony[4] in order to address OSA's and CUE's testimony.

Unless otherwise addressed, the Settling Parties agree to PG&E's Gas Distribution forecasts and other proposals.

2.2.2 Gas Distribution Plastic Pipe Replacement Program

The Settling Parties agree to PG&E's proposal to replace 115 miles, 137 miles, and 165 miles of plastic pipe under MAT 14D in 2020, 2021, and 2022, respectively, to achieve a total of 417 miles. The Settling Parties agree to a forecast for this work of $330.3 million in 2020, $403.0 million in 2021, and $497.4 million in 2022, for a total forecast of $1,230.6 million.

PG&E agrees that the replacement of pre-1985 Aldyl-A and similar plastic pipes is an important safety program. Therefore, PG&E agrees to provide a plan and a timeline for the removal of all pre-1985 Aldyl-A and similar plastic pipes in its next GRC. PG&E may present plastic pipe removal rate forecasts that differ with the plan in future GRCs provided that PG&E demonstrates the reasonableness of its forecasts.

2.2.3 Cross Bore Program

2.2.3.1 Test Year Forecast

The Settling Parties agree to adopt PG&E's expense forecast of $29.9 million for MAT JQK; a 2020 cross bore inspection unit cost of $2,080 for unable to access (UTA) inspections; a unit cost of $655 for non-UTA inspections; and PG&E's unit calculation formula for non-UTA Units = ($29,887,653 – ($2,080 x UTA units))/$655.

2.2.3.2 San Francisco Cross Bore Inspections

The Settling Parties agree that PG&E will complete the cross bore inspection program in San Francisco by the date required under the terms of the amendment to the Gas Pipeline Cross Bore Agreement dated October 14, 2014 currently being negotiated between PG&E and the City and County of San Francisco (CCSF) (Amendment Two), contingent on: (1) execution of Amendment Two by PG&E and CCSF; (2) PG&E having access to all locations necessary to

[4] HE-15: Exhibit (PG&E-17), p. 4-7, Table 4-4, line 1.

complete the inspections subject to all procedures and requirements agreed to and specified in the final Amendment Two executed by CCSF and PG&E; and (3) the successful resolution, under the dispute resolution terms of Section VII of the October 14, 2014 Gas Pipeline Cross Bore Agreement, as amended, of any disputes that may arise between PG&E and CCSF that prevent PG&E from completing cross bore work. This provision 2.2.3.2. resolves the issues TURN raised in this proceeding concerning PG&E's execution of the Cross Bore Program in San Francisco. Nothing in this Agreement: (a) affects in any way the obligations or rights of PG&E or CCSF under any agreement between those parties relating to PG&E's cross bore inspection program in San Francisco; or (b) is intended to limit in any way PG&E's obligation to provide safe and reliable service in San Francisco or anywhere else in its service area.

2.2.4 Gas Distribution Supervisory Control and Data Acquisition (SCADA)

The Settling Parties agree that, to the extent that PG&E proposes additional deployment of Gas Distribution SCADA in the next GRC, PG&E shall demonstrate that the incremental benefits from the additional installations proposed are reasonable in light of the costs. This provision resolves the issues TURN raised regarding Gas Distribution SCADA.

2.2.5 Gas Distribution Meter Protection (MWC EX)

PG&E's forecast for Gas Distribution Meter Protection includes costs to support its Meter Protection Program (MPP). PG&E, through the MPP, protects meters that are vulnerable to vehicular damage and installs service valves where existing service valves are inaccessible. PG&E forecast $13.238 million[5] for test year 2020. Cal Advocates recommends a funding level of $7.058 million, based on its forecast and evaluation of the funds that PG&E spent from the last GRC cycle, a significant increase over historical spending.[6] TURN recommends a funding level of $5.7 million, $7.515 million less than PG&E's forecast.[7] The Settling Parties agree to resolve this issue by reducing PG&E's 2020 Gas Distribution expense forecast by $5 million.

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5 HE-27: Exhibit (PG&E-29), Table 29-3, line 1.
6 HE-181: Cal Advocates-05, p. 12, lines 16-19.
7 HE-276R: TURN 03, p. 8, lines 9-15.

The Settling Parties agree upon a forecast of $8.238 million.

2.3 Electric Distribution

2.3.1 Test Year Forecast

The Settling Parties agree to a forecast of $966.9 million expense and $2,233.9 million capital for Electric Distribution. Both the Electric Distribution expense and capital expenditures include amounts for PG&E's Community Wildfire Safety Program (CWSP) discussed in Section 2.3.2.

The Electric Distribution forecast proposed in this Agreement is based on PG&E's final forecast for Electric Distribution expense and capital and includes concessions made in PG&E's rebuttal testimony. Unless otherwise addressed, the Settling Parties agree to PG&E's Electric Distribution forecasts and other proposals.

2.3.2 Community Wildfire Safety Program

2.3.2.1 Wildfire Mitigation Balancing Account (WMBA)

The Settling Parties agree that PG&E shall establish a two-way expense and capital balancing account that will include the following:

Table 1
CWSP Forecast
(Thousands of Nominal Dollars)

	2020	2021	2022
Expense	$53,371	$55,292	$57,448
Capital	$603,341	$930,859	$1,151,108

2.3.2.2 Reasonableness Review for WMBA Undercollection

The Settling Parties agree that PG&E shall pursue a reasonableness review through a Tier 3 Advice Letter for either or both of the following conditions: (1) for total spending above 115% of the amounts in Table 1 above or (2) if recorded average per mile unit costs exceed 115% of the unit costs in Table 2 below.

Table 2

Annual Unit Costs for System Hardening

Year	Overhead per Mile Cost	Underground per Mile Cost
2020	$1.2M	$4.4M
2021	$1.3M	$4.6M
2022	$1.4M	$4.8M

2.3.2.2.1 Revenue Requirement True-Up

PG&E may seek a true-up of the revenue requirement in the WMBA through a Tier 3 advice letter if there is an undercollection due to actual costs exceeding the adopted revenue requirement. The advice letter may be, but is not required to be, filed annually at PG&E's discretion depending on the amount of the undercollection, but PG&E may not file more frequently than annually. The period of time over which costs in the true-up advice letter are incurred shall be referred to as the Review Period, referred to in the provision below.

2.3.2.2.2 Reasonableness Threshold

If PG&E's actual total costs exceed 115% of the CWSP revenue requirement (as shown in Table 1) or PG&E's recorded average per mile unit costs exceed 115% of the CWSP average per mile unit costs (as shown in Table 2) during the Review Period, PG&E is required to establish the reasonableness of the amount of its actual costs that exceed either or both of these 115% thresholds in the Tier 3 advice letter. Costs up to 115% of the CWSP revenue requirement and 115% of the designated unit costs are deemed just and reasonable. Parties shall have the right to conduct discovery with regard to these incremental costs as presented in the advice letter.

2.3.2.2.3 Overcollection

To the extent there is an overcollection at the end of 2022, PG&E would return such amount through a regularly-scheduled AET or other rate change with interest at the commercial paper rate.

2.3.2.3 CWSP Reporting

2.3.2.3.1 CWSP System Hardening Annual Report

PG&E shall provide an annual report of the number of circuit miles completed for both overhead system hardening and undergrounding, the location of the work performed, and the cost of the work broken down by project. The annual report will include the CWSP work broken down by project completed or in progress. This annual report may be combined with any other annual report requirement under Assembly Bill (AB) 1054 or otherwise required by the Commission. The first report will cover 2020 and be presented by July 1, 2021.

2.3.2.3.2 CWSP Pole Replacement Data

PG&E shall maintain, for every pole replacement, the rationale for the pole replacement. PG&E shall develop a means to report the rationale for every pole replacement, including an indication as to whether a pole loading calculation was performed for the pole, and the results of any such calculation with respect to supporting covered conductors. Upon request, PG&E shall provide any underlying documents or data concerning the pole replacement, including the pole loading calculations

2.3.2.3.3 Federal Monitor's Report

PG&E shall serve any publicly-available Federal Monitor report on the 2020 GRC service list if the federal court orders the report to be issued to the public.

2.3.2.3.4 Wildfire Order Instituting Investigation (OII)

The Settling Parties agree that reductions to PG&E's GRC revenue requirement agreed to by PG&E in this Agreement and set forth in Section 2.1 above shall not count as disallowances in any settlement agreement in the Wildfire OII proceeding[8] nor will PG&E use any portion of the authorized GRC revenue requirement to offset any disallowances in any settlement

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[8] *Order Instituting Investigation on the Commission's Own Motion into the Maintenance, Operations and Practices of Pacific Gas and Electric Company (U39E) with Respect to its Electric Facilities; and Order to Show Cause Why the Commission Should not Impose Penalties and/or Other Remedies for the Role PG&E's Electrical Facilities had in Igniting Fires in its Service Territory in 2017*, I.19-06-015 (June 27, 2019).

agreement in the Wildfire OII proceeding.

2.3.2.4 AB 1054 Return on Equity Adjustments

The revenue requirement in this Agreement includes reductions for AB 1054 return on equity (Pub. Util. Code Sec. 8386.3) in the following amounts: $22 million in 2020, $57 million in 2021, and $105 million in 2022. The Settling Parties agree that PG&E may seek to revise the forecast adopted in this Agreement for CWSP capital consistent with AB 1054 in an application to securitize the CWSP capital adopted in this GRC.

If there are additional fire risk mitigation capital expenditures not included in this Agreement that are subject to Public Utilities Code Section 8386.3, the Settling Parties agree that PG&E may request in a Tier 3 advice letter a finding that the capital expenditures are "just and reasonable" to allow PG&E to file an application requesting the Commission issue a financing order to recover the capital expenditures. The Settling Parties may contest PG&E's request for such a finding.

2.3.3 Vegetation Management Forecast

The forecast in Table 3 below is adopted for routine vegetation management (VM) and enhanced vegetation management (EVM).

Table 3
Vegetation Management Forecast ($ Millions)

Year	Total
2020	$548.013
2021	$602.814
2022	$663.096

2.3.4 Vegetation Management Balancing Account (VMBA)

PG&E shall modify its existing VMBA to become a two-way balancing account incorporating both VM and EVM.

2.3.4.1 Incremental Inspection and Removal Cost Tracking Account (IIRCTA)

PG&E shall eliminate the IIRCTA. The IIRCTA is a sub-account of the VMBA associated with incremental inspection and tree removal.

2.3.4.2 Reasonableness Review for VMBA Undercollection

2.3.4.2.1 Reasonableness Threshold

If PG&E's actual total costs exceed 120% of the total amounts in Table 3 above during the Review Period, PG&E is required to establish the reasonableness of the amount of its actual costs incurred during the Review Period that exceed 120% in the Tier 3 advice letter. Parties shall have the right to conduct discovery with regard to the costs addressed in the advice letter.

2.3.4.2.2 Revenue Requirement True-Up in VMBA

PG&E may seek a true-up of the revenue requirement in the balancing account through a Tier 3 advice letter if there is an undercollection due to actual costs exceeding 120% of the total amounts in Table 3 above. The advice letter may, but is not required to be, filed annually at PG&E's discretion depending on the amount of the undercollection. PG&E may not file more frequently than annually. The period of time over which costs in the true-up advice letter are incurred is referred to as the Review Period.

2.3.4.2.3 Overcollection

To the extent there is an overcollection at the end of 2022, PG&E would return such amount through a regularly-scheduled AET or other rate change with interest at the commercial paper rate.

2.3.4.3 Compliance with D.19-05-037

PG&E shall comply with Commission Decision (D.) 19-05-037, Ordering Paragraph (OP) 7 for any healthy tree removed unless otherwise modified by the Commission. This provision will apply to trees that are removed, not trees that are trimmed.

2.3.4.4 Vegetation Management Tracking

PG&E shall continue to track its EVM work and all tree removals in an appropriate auditable database (e.g. Arc Collector) and will improve the reliability of the records contained in Arc Collector.

2.3.4.5 Vegetation Management Reporting

PG&E shall file an annual report that includes the results of the tree inspections, subject to combining the report with any other annual report required by AB 1054 or otherwise required by the Commission. The first annual report would be for the year 2020 and shall be provided by July 1, 2021.

2.3.4.6 Targeted Tree Species Study

The Settling Parties agree that PG&E shall conduct a Targeted Tree Species Study as stated in rebuttal testimony and proposed by TURN, and that the costs of the study shall be recovered through the WMBA.

2.3.5 Rule 20A Undergrounding Projects

The Settling Parties agree to adopt Cal Advocates' recommendation to maintain the annual Rule 20A work credit allocation at the currently authorized level of $41.3 million per year.

The Settling Parties agree to the funding level Cal Advocates proposed of $45.098 million in 2019 and $33.756 million in 2020.[9] PG&E shall continue the one-way balancing account for Rule 20A projects and retain unspent balancing account funding at the end of 2019 to be used for additional Rule 20A projects in the 2020 GRC period.

2.3.6 Reduction of Revenue Requirement for Incomplete 2017 Work Unit Requirements

The Commission approved PG&E's 2017 GRC Settlement in D.17-05-013 on May 11, 2017 (2017 Settlement Agreement). The 2017 Settlement Agreement included four provisions specifying minimum units of electric distribution work, two of which PG&E did not complete

[9] HE-128: Cal Advocates-09, p. 55, line 23 to p. 61, line 3. Cal Advocates recommended that PG&E's Rule 20A capital forecasts for 2019 and 2020 be adjusted to reflect a tendency to overestimate expenditures.

during the 2017-2019 period.[10] According to PG&E, it was unable to complete these two items of work during the 2017 GRC period due to the unprecedented number of wildfires, wildfire recovery work, and higher-risk wildfire-related mitigation work that was not included in the 2017 GRC. The following provisions of this Agreement resolve the disputes related to these two items of uncompleted work.

2.3.6.1 Unit Requirements and Shortfalls

Section 3.1.3.5 of the 2017 Settlement Agreement included the following provision regarding the installation of Fault Location, Isolation, Service Restore (FLISR):

> PG&E shall increase its forecasted level of FLISR installations during the term of this GRC, from 77 to not more than 116 per year. The number and placement of FLISR installations shall be described and supported in PG&E's next GRC application. In determining where to install FLISR equipment, PG&E shall avoid redundancies between FLISR equipment and Line Sensors that may be installed through PG&E's Fault Indicators/Line Sensors program and shall ensure that FLISR equipment is appropriate given the road access to the location.

PG&E will install 165 FLISR units during the 2017 GRC Period, which is 66 fewer than the minimum number required and 153 fewer than the maximum number of units.[11]

The 2017 Settlement Agreement also required PG&E to install, test or rejuvenate 73 miles of high molecular weight polyethylene underground cable (cable), of which PG&E has finished 55.8 miles.[12] Section 3.1.3.3 (Cable Replacement) states:

> PG&E shall plan to double its proposed level of high molecular weight polyethylene (HMWPE) cable replacement work from 13 miles to 26 miles in 2017. PG&E shall also plan to increase its proposed level of such work by an additional 13 miles per year for the post-test years (i.e., a total of 21 miles in 2018 and 26 miles in 2019), to the extent this level of replacement activity is supported by condition assessment. However, prior to any cable replacement project, PG&E shall evaluate whether targeted cable replacement

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10 PG&E represents that it completed the minimum number of units for the following provisions of the 2017 GRC Settlement: Pole Replacements (Section 3.1.3.2) and Grasshopper Switches (3.1.3.4).

11 HE-16: Exhibit (PG&E-4), p. 9-12, line 22 to p. 9-19, line 19.

12 HE-17: Exhibit (PG&E-4), p. 11-6, line 1 to p. 11-14, line 28.

using testing, or, in select cases, rejuvenation is a more cost-effective option for such cable. PG&E shall provide the analysis it used to evaluate replacement options in the next GRC.

2.3.6.2 Calculation of Revenue Requirement Reduction

The Settling Parties agree to reduce PG&E's 2020 revenue requirement to account for unit shortfalls for FLISR and cable installations. The reduction for FLISR is calculated based on the maximum number of units, or 318 units. PG&E calculated program total imputed values for 2017-2019 and determined the imputed "value" of each unit. The imputed value of the units was multiplied by the remaining incomplete units to get to the shortfall amount that will be returned to ratepayers. Because the work at issue is capital, the actual amount returned to ratepayers is translated with a 15% revenue requirement factor, then reduced by the applicable tax repair deduction. This results in a $1.5 million revenue requirement reduction for 2020-2022, or $0.5 million revenue requirement reduction per year.

2.3.6.3 Oil Filled Transformers in High Rise Buildings

The Settling Parties agree that PG&E will notify the Commission in its annual Risk Spending Accountability Report should PG&E experience delays in replacing oil-filled transformers in high-rise buildings beyond the 2021 planned completion date. PG&E will also provide an update on the program in its next GRC.

2.3.6.4 Transfer Ground Rocker Arm Main (TGRAM) / Transfer Ground Rocker Arm Line (TGRAL) Switches (MWC 56).

The Settling Parties agree that PG&E will expedite the replacement of the five recently discovered TGRAM/TGRAL switches. PG&E agrees to report on any newly-identified TGRAM/TGRAL switches, and on the status of their removal in its next GRC.

2.3.6.5 Electric Distribution Underground Asset Replacement (MWC 56)

PG&E shall conduct 90 pre-1975 switch replacements per year for the 2020 GRC period in the following programs: MWC 56, MWC 17, and MWC 2B. PG&E recognizes that replacement of oil-filled switches is an important safety program. Therefore, PG&E and Safety and Enforcement Division (SED), OSA, and/or OSA's successor will continue to work cooperatively regarding the prioritization of pre-1975 switch replacements with the goal to provide an improved rate of replacement in PG&E's next GRC.

2.3.6.6 Integrated Grid Platform Program and Grid Modernization Plan

Funding for the Integrated Grid Platform Program and Grid Modernization Plan projects is forecast in both Electric Distribution (Exhibit (PG&E-4, Chapter 20)) and in Shared Services and Information Technology (Exhibit (PG&E-7, Chapters 8 and 9)). The Settling Parties agree to PG&E's forecasts and proposals.

2.4 Energy Supply

2.4.1 Test Year Forecast

The Settling Parties agree to a forecast of $595.9 million expense and $288.0 million capital for Energy Supply. This includes an expense reduction in the interest of customer affordability of $4 million (MWC AB, MWC CT, MWC CV and MWC CY).

The Settling Parties otherwise agree to PG&E's Energy Supply forecasts and other proposals except as provided below.

2.4.2 Diablo Canyon Power Plant

2.4.2.1 Diablo Canyon Power Plant Operation

In D.18-01-022, the Commission approved the retirement of Diablo Canyon Power Plant (DCPP) when its Nuclear Regulatory Commission (NRC) operating licenses expire in November 2024 for Unit 1 and August 2025 for Unit 2.

The Alliance for Nuclear Responsibility (A4NR) opposed all funding for Diablo Canyon for the 2020 GRC Period, without addressing any specific part of PG&E's forecast.[13] While PG&E's subsequent motion to strike A4NR's testimony was denied, the Administrative Law Judges concluded that, "this proceeding will assume that [DCPP] will continue to operate within

[13] HE-256: A4NR-1, p. 17, lines 10-14.

this GRC period."[14]

The capital expenditures and expenses authorized for DCPP assume operation of the two units through the end of their current federal operating licenses. In the event that the Commission grants A4NR's Petition to Modify D.18-01-022 in A.16-08-006, the Settling Parties agree that any party (including a Settling Party) may propose modifications to this Agreement to reflect the reasonable capital and expenses to be recovered by PG&E in light of potential changes to the timing of DCPP retirement.

2.4.2.2 Generator Stator Replacement Project

PG&E presented updated testimony and analysis regarding the need for and prudency of the Stator Replacement Project.[15] TURN recommends that "at least 25 [percent] of the [S]tator [Replacement] project be disallowed to reflect that PG&E did not conduct" or present a cost-effectiveness analysis supporting the project.[16] The Settling Parties agree to resolve PG&E and TURN's disagreements regarding this project by adopting PG&E's proposed forecast of $90.3 million for this project.

2.4.2.3 Department of Energy Litigation Proceeds

For the period 2020-2022, PG&E forecasted that it would collect $10.5 million per year, on average, from the Department of Energy (DOE) under a settlement of the Spent Nuclear Fuel Storage Proceeds litigation pursuant to the administrative claims procedure in a settlement to compensate PG&E for the costs of storing spent nuclear fuel at DCPP and Humboldt Bay Power Plant.[17] Cal Advocates disputed PG&E's forecast and proposed a forecast of $25 million per year.[18]

The Settling Parties agree to resolve this issue by increasing PG&E's forecast of collections under the DOE Settlement to $20.5 million per year, which reduces PG&E's 2020

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[14] *Administrative Law Judge's Ruling Denying Motion to Strike Testimony of the Alliance for Nuclear Responsibility* (Sept. 6, 2019) A.18-12-009, p. 2.
[15] HE-146: Exhibit (PG&E-5), p. 3-25, line 5, to p. 3-31, line 23.
[16] HE-204: TURN-6, p. 3.
[17] HE-146: Exhibit (PG&E-5), p. 3-23, lines 12-15.
[18] HE-190: Cal Advocates-11, p. 15, lines 1-8.

revenue requirement by an additional $10.0 million.

2.4.2.4 DCPP Cancelled Capital Project Costs

The Settling Parties agree that PG&E's proposal for cost recovery of cancelled projects is adopted in this Agreement. The amount of canceled projects total $76.7 million.[19] This amount will be amortized through December 2024. The list of cancelled projects is presented in Exhibit (PG&E-5), Chapter 3 and the description of the proposed amortization is presented in Exhibit (PG&E 10), Chapter 9.[20] This information is included in Appendix H to this Agreement. The Settling Parties agree to resolve this issue by adopting PG&E's proposal.

2.4.2.5 Amortization and Recovery of DCPP Net Book Value through the Diablo Canyon Retirement Balancing Account (DCRBA)

The Settling Parties agree that PG&E is authorized to transfer the resulting balance in the DCRBA on an annual basis to the Utility Generation Balancing Account (UGBA) or its successor, beginning in 2020. The balance for 2018 and 2019 capital additions will transfer to UGBA effective on January 1, 2020. Thereafter, from 2020 to 2022, the balance as of December 31 of each year would be transferred to UGBA on January 1 of the following year.[21]

2.4.2.6 Recovery of Future DCPP Long Term Seismic Program Costs in the GRC and Closure of the Diablo Canyon Seismic Studies Balancing Account (DCSSBA) December 31, 2019

PG&E's Long-Term Seismic Program (LTSP) costs were transferred to the DCSSBA for review on an annual basis in the Energy Resource Recovery Account (ERRA) compliance proceeding. Because the AB 1632 seismic studies and the Senior Seismic Hazard Analysis Committee (SSHAC) process are now complete, PG&E will not incur any additional costs

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19 $76.7 million in DCPP cancelled project costs is the difference between the 2018 recorded costs PG&E initially reported in MWC 20 that is documented in HE-190: Cal Advocates-11, p.11, Table 11-5, ($40.227 million) and the corrected 2018 recorded costs PG&E reported in MWC 20 that is documented is HE-27: Exhibit (PG&E-29), Table 29-1, line 53 ($116.933 million). $116.933 - $40.227 = $76.706.

20 HE-146: Exhibit (PG&E-5), p. 8-4, lines 16-31.

21 HE-146: Exhibit (PG&E-5), p. 8-5, lines 1-17.

associated with these activities. The Settling Parties agree that PG&E's unopposed forecast of LTSP costs of $3.8 million should be adopted.

2.4.2.7 Recovery of DCPP Materials and Supplies (M&S) Inventory

PG&E proposed a 5-year amortization schedule beginning in 2020, which would be recorded in the Diablo Canyon Retirement Balancing Account (DCRBA). PG&E proposed to update the forecast of obsolete materials in the 2023 GRC and to true-up the final materials balance at the end of plant life.[22] TURN recommended that "PG&E be allowed to amortize only 75% of its request for end-of-life inventory amortization in this case ($9 million per year instead of $12 million). TURN also recommended that the Commission fix a maximum amount of total amortization that it will allow over the period until plant closure that is equal to PG&E's total request of $60.3 million."[23] The Settling Parties agree to resolve this issue by adopting PG&E's five-year amortization proposal.

2.4.2.8 Recovery of License Renewal Project Costs for the Diablo Canyon Independent Spent Fuel Storage Installation (ISFSI)

PG&E proposed to record these costs as GRC capital expenditures in 2020-2022. Because the project has a 2023 completion date, PG&E did not request cost recovery in this GRC. TURN recommended cost recovery through the qualified decommissioning trust funds.[24] The Settling Parties agree that ISFSI costs will be recovered as a decommissioning expense rather than as capital expenditures as PG&E proposed for the 2020-2022 period.

2.4.3 Hydroelectric Generation Portfolio

2.4.3.1 Non-Bypassable Charge for Hydroelectric Facilities

PG&E proposed recovering the costs to support the protection and enhancement of beneficial public values on PG&E's watershed lands through a non-bypassable charge. This proposal was opposed by the Solar Energy Industries Association (SEIA), Vote Solar, Cal Advocates, Joint Community Choice Aggregators (JCCA), and supported by TURN (with

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22 HE-146: Exhibit (PG&E-5), p. 8-8, lines 12-17.
23 HE-204: TURN-06, p. 3.
24 HE-204: TURN-06, p. 4.

modifications) and by CUE. The Settling Parties agree that to resolve this issue, PG&E shall withdraw its Hydro Public Benefit proposal.

2.4.3.2 Accounting Change for Hydroelectric Licensing Costs

PG&E proposed that relicensing capital projects shall be operative once the following conditions are met: (1) PG&E has filed a relicense application; (2) the original Federal Energy Regulatory Commission (FERC) license for the project has expired; and (3) FERC has issued an annual license.[25] The Settling Parties agree that capital projects will be operative once these conditions are met.

2.4.4 Safety Management System Framework for Hydroelectric Facilities

The Settling Parties agree that PG&E shall apply for and make a good faith effort to attain an ISO 55000 certification from an accredited organization for its dams by the end of 2022. PG&E will conduct a gap analysis in 2020. Within one year of the Effective Date of this Agreement, PG&E shall provide SED, OSA, and/or OSA's successor with a report on the status of its ISO 55000 certification implementation of its dams, including any remaining non-conformances to be addressed prior to applying for certification. PG&E shall notify SED, OSA and/or OSA's successor when it applies for certification and when it receives certification. Once certification is received, PG&E shall take all reasonable efforts to maintain certification status during the three-year certification period. After certification is received, PG&E will invite its third-party ISO 55000 auditor to conduct a surveillance audit of its ISO 55000 program once during the three-year certification period. PG&E will report to SED, OSA and/or OSA's successor on the status of its ISO 55000 certification annually and provide a copy of the auditor's report.

Before the initial three-year certification period ends, PG&E shall re-apply for certification and shall again make a good-faith effort to obtain and maintain certification for an additional three-year certification period (Second Certification Period). If PG&E decides not to

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25 HE-146: Exhibit (PG&E-5), p. 8-16, line 30 to p. 8-17, line 3.

re-apply for certification, PG&E shall notify SED, OSA, and or OSA's successor in writing at least six months prior to the end of the Second Certification Period. In this notification, PG&E shall: (1) explain its reasons for declining to seek re-certification, and (2) demonstrate that the safety management system in place at the end of the Second Certification Period will be comparable to or more robust than that required for ISO 55000 certification.

In 2023 or earlier, PG&E shall begin the gap analysis required to initiate an ISO 55000 certification process for the other assets in its then-existing hydroelectric portfolio.

2.4.5 Multiple Year Levelization of the Fossil Long Term Service Agreement Major Outage Costs

The Settling Parties agree that PG&E's proposal to levelize the costs associated with the major Long-Term Service Agreement (LTSA) outages at its Gateway and Colusa generating stations shall be adopted. PG&E's 2017 GRC decision approved PG&E's proposal to spread out the periodic LTSA costs,[26] such as the periodic milestone payments, use tax, and LTSA other obligations, effectively levelizing the cost stream over several years. The variable payments are due quarterly and are calculated based upon the assumed operating profile of the plant. PG&E's adopted 2020 GRC forecast assumes that the quarterly variable payments each year will be consistent with the mean of the 2015 through 2017 recorded costs.

2.4.6 Decommissioning Reserve for Generation Assets

PG&E requested the Commission approve a decommissioning reserve for its generation assets, including fossil, fuel cells, hydroelectric generation and solar. Cal Advocates and other parties did not dispute PG&E's proposal to establish a decommissioning reserve for its hydroelectric, solar and fuel cell assets, but Cal Advocates and other parties, disagreed on the estimate for the accruals.

The Settling Parties agree to approve the decommissioning revenue requirement and methodology for generation, including fossil, fuel cells, hydroelectric generation and solar. The

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[26] D.17-05-013, Section 4.2.3.3, pp. 156-157.

Settling Parties further agree to reduce the hydroelectric decommissioning 2020 revenue requirement by $8 million as proposed by Cal Advocates and supported by other parties. The reduction includes the impact of sales of the Deer Creek and Narrows facilities.

2.5 Customer Care

2.5.1 Test Year Forecast

The Settling Parties agree to a forecast of $277.5 million expense and $140.2 million capital for Customer Care. This includes a $39 million reduction to the 2020 expense forecast associated with Customer Care Rate Reform and Statewide Marketing ($31 million) (MWC EZ); AB 802 compliance, Salesforce 2 & 3 Projects, Non-Residential Rates Implementation, and Customer Engagement ($4 million) (MWC EZ and MWC JV); and MWCs IU – Collect Revenue ($1.2 million) and OM – Operational Management ($2.8 million).

Unless otherwise addressed below, the Settling Parties agree to PG&E's Customer Care forecasts and other proposals.

2.5.2 AB 802 Compliance (Building/Benchmarking)

PG&E forecast $700,000 for its Customer Engagement proposal, AB 802 Compliance (Building/Benchmarking), as part of its MWC EZ forecast of $4.493 million. TURN recommended a reduction of $314,000 to PG&E's AB 802 Compliance (Building/Benchmarking) forecast.[27] The Settling Parties agree that PG&E shall reduce its 2020 expense forecast in MWC EZ for this project by $175,000, resulting in a revised 2020 expense forecast of $525,000 for MWC EZ AB 802 Building Benchmarking.

2.5.3 Salesforce Phases 2 and 3

2.5.3.1 Project Description

PG&E's forecast expenditures for Contact Centers, Salesforce 2 and 3, included in MWC JV, relate to the implementation of additional automated channels for customers to contact PG&E which will increase customer self-service, integration of PG&E's web and Interactive

[27] HE-177: TURN-05, p. 4, lines 13-14.

Voice Response systems and implementation of Salesforce "home agent" function. TURN originally proposed the rejection of PG&E's Salesforce Phases 2 and 3 project in its entirety and a reduction of its 2020 expense forecast in Customer Care MWC JV by $2.7 million.[28]

2.5.3.2 Project Timing

PG&E proposed beginning this project in 2019 and continue through 2022. Because of higher priority work, this project was deferred and will begin in 2020. PG&E will aim for completion in 2022. PG&E's forecast was reduced by the amount of anticipated savings from this project upon completion.

2.5.3.3 Revised Salesforce Phases 2 and 3 Forecast

The Settling Parties agree upon the following revised forecast.

Table 3
Salesforce Phases 2 and 3 Forecast
(Thousands of Nominal Dollars)

	2019	2020	2021	2022	Total
Net Expense (MWC JV)	$0	$489	$489	$489	$1,476
Capital (MWC 2F)	$0	$4,074	$4,074	$4,074	$12,223

2.5.4 Non-Residential Rates Implementation (MWC EZ)

The Settling Parties agree to a $1.5 million reduction to PG&E's 2020 expense forecast. The Settling Parties agree that PG&E's reduced 2020 forecast of $8.165 million is reasonable.

2.5.5 Natural Gas Appliance Testing (MWC GM)

The Settling Parties agree that PG&E's 2020 forecast of $7.935 million is reasonable.

2.5.6 Customer Service Offices

PG&E proposed closing 17 of its 75 Customer Service Offices (CSOs).[29] PG&E's testimony asserted that the CSOs were no longer necessary to provide customer service because

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28 HE-177: TURN-05, p. 9, lines 19-20.
29 HE-91: Exhibit (PG&E-6), p. 5-2, lines 4-6.

of alternate payments channels. TURN,[30] Cal Advocates,[31] CUE,[32] and L. Jan Reid opposed PG&E's proposal.[33]

The Settling Parties agree that PG&E may, following the approval of this Agreement, close up to ten of the requested 17 CSOs. The ten CSOs will be selected by PG&E from the list of 17 proposed for closure, within PG&E's sole discretion. PG&E will notify the CPUC which offices will be closed with a Tier 1 advice letter. PG&E will develop and implement a transition plan, which will include, among other elements, (a) sending a notification via mail to all customers that used the CSOs within the last twelve months, (b) prominently placing language-appropriate notification in CSOs of upcoming closures, and (c) CSO staff conversations with each visitor informing him/her of the impending closure and alternative payment and service methods. PG&E will stagger some closures if needed to give notice to customers and employees. PG&E will consider whether any of the CSOs could be used in a Public Safety Power Shutoff (PSPS). PG&E will comply with customer notice requirements in D.07-05-058 prior to the closure of any CSOs.

2.5.7 Customer Care MWC OM and IU

The Settling Parties agree to a $2.8 million expense reduction for MWCs OM – Operational Management and a $1.2 million expense reduction to MWC IU – Collect Revenue. PG&E's MWC IU forecast includes payment processing activities and CSOs. PG&E's MWC OM forecast includes labor and employee related costs to provide supervision and management support.

2.5.8 Residential Rates Reform Memorandum Account (RRRMA)

2.5.8.1 Reduction to PG&E's Forecast

PG&E requested a revenue requirement for residential rate reform implementation costs, including Statewide Marketing Education and Outreach (ME&O) costs and PG&E's own costs

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30 HE-279: TURN-03, p. 28, lines 22-23.
31 HE-257: Cal Advocates-12, p. 16, lines 13-18.
32 HE-61: CUE, p. 47, lines 9-11.
33 HE-56: L. Jan Reid, p. 8, lines 10-17.

for residential rate reform implementation, including the full rollout of default time-of-use. The Settling Parties agree that PG&E should continue to record these costs to the existing RRRMA and subject to after-the-fact reasonableness review, as set forth below. PG&E's 2020 GRC revenue requirement shall be reduced by $30.896 million to reflect the removal from PG&E's forecast of the following costs: (1) $10.896 million for rate reform implementation activities for Pricing Products (MWC EZ), as shown on Exhibit (PG&E-6), WP 3-15; and (2) $20 million for Statewide ME&O.

2.5.8.2 2020-2022 RRRMA Costs

PG&E shall be authorized to collect the amounts removed from its GRC forecast in rates, subject to refund, through PG&E's AET advice letter as follows:

Table 4
2020-2022 RRRMA Costs
(Thousands of Nominal Dollars)

Work Category	2020	2021	2022
PG&E MWC EZ	$10,896	$10,896	$10,896
Statewide ME&O	$20,000	$10,000	$0
Total RRRMA 2020-2022			$62,688

2.5.8.3 4-Year GRC Cycle

If the Commission adopts a 4-year GRC cycle, PG&E shall be authorized to collect in rates, subject to refund, an additional $10.896 million in 2023 through the AET for RRRMA activities.

2.5.8.4 Recording Actual Incurred Costs for Statewide ME&O Rate Reform

The Settling Parties agree that PG&E will record in the RRRMA the actual costs it incurs pursuant to the Commission's orders for Statewide ME&O Rate Reform. Cal Advocates may audit the RRRMA. If the Commission requires PG&E to incur costs that are greater or lesser than the annual amounts set forth above in any year in the 2020 GRC cycle, PG&E may adjust the amounts to be collected in rates to reflect the actual costs recorded in the RRRMA during this

GRC cycle. All such costs will be subject to reasonableness review at the end of the 2020 GRC cycle, either through an application or through a proposal and testimony PG&E submits for cost recovery in Rulemaking (R.)12-06-013 that is subject to litigation.

2.5.8.5 Recording Actual Incurred Costs for Residential Rate Reform Implementation

The Settling Parties agree that PG&E will record in the RRRMA the actual costs it incurs in the 2020 GRC cycle in MWC EZ for residential rate reform implementation, including the full rollout of default time-of-use. After the conclusion of the 2020 GRC cycle, PG&E shall seek recovery of its actual recorded costs following a reasonableness review, which will occur either through an application or through a proposal and testimony submitted for cost recovery in R.12-06-013 that is subject to litigation. This filing will true-up PG&E's actual recorded costs to those previously collected in rates through the AET. In this filing, PG&E may seek recovery of additional costs incurred that exceed the amounts already collected in rates through the AET.

2.5.8.6 Costs no Longer Subject to Refund

The Settling Parties agree that all of the 2020 GRC cycle costs booked to the RRRMA shall no longer be subject to refund when the Commission finds that PG&E has demonstrated in the separate application or testimony that its expenditures were incremental, verifiable, and reasonable, consistent with the requirements of D.15-07-001 and D.17-12-011, and consistent with any relevant Commission rulings and approvals of implementation plans in R.12-06-013, including, without limitation, plans submitted by PG&E and approved through advice filings for: Time-of-Use Default Pilots; Default Time-of-Use Rates; Residential Rate Reform Marketing, Education and Outreach; Full Rollout of Default TOU; Commission-approved contracts for Statewide ME&O rate reform costs; and implementation of other requirements in D.15-07-001 and in R.12-06-013 and related proceedings, including A.17-12-011.

2.5.8.7 Cost Recovery

The Settling Parties agree that PG&E shall seek recovery of its actual recorded costs for 2020 and beyond through a single application or a proposal and testimony for cost recovery in

R.12-06-013, either one submitted after the last year of the GRC cycle, that would be subject to litigation.

2.6 Shared Services and Information Technology (IT)

2.6.1 Test Year Forecast

The Settling Parties agree to a 2020 forecast of $544.7 million expense and $435 million capital for Shared Services and IT. This includes a $10.5 million expense reduction for Corporate Real Estate MWC EP – Manage Property and Buildings ($4 million) and Information Technology MWCs JV – Maintain IT Apps and Infrastructure ($6.5 million). Parties also agree to a forecast of $80.6 million for Shared Services' companywide expenses.

2.6.2 Information Technology

2.6.2.1 Capitalization Threshold

The Settling Parties agree that the new capitalization threshold for application development work is reduced from $1 million to $500,000, consistent with PG&E's uncontested request.[34/]

2.6.2.2 Software Average Service Lives

The Settling Parties agree that PG&E shall meet and confer with TURN and work cooperatively to provide an improved showing in advance of PG&E's next GRC regarding the reasonable amortization period for capitalized software.

2.6.2.3 Shared Services – IT Forecast

The Settling Parties agree to an expense forecast reduction of $6.5 million for MWC JV, an area contested by TURN.[35] This reduction acknowledges TURN's proposed reduction and will promote customer affordability.

2.6.3 Corporate Real Estate

The Settling Parties agree to an expense forecast reduction of $4 million in MWC EP in

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34 HE-66: Exhibit (PG&E-7), p. 8-14, line 26 to p. 8-15, line 18.

35 HE-311: Exhibit (PG&E-32), p. 2-418.

the interest of customer affordability.

2.7 Human Resources (HR)

2.7.1 Department Costs and Information Technology

The Settling Parties agree to a total company forecast of $808.5 million expense, consisting of $78.2 million for department costs and IT expenses, and $727.9 for companywide expenses, and $2.4 million capital for Human Resources. This includes an expense reduction of $2 million associated with HR Medical Corporate Item ($1 million) and HR Department Costs ($1 million).

2.7.2 Short Term Incentive Program (STIP)

2.7.2.1 Revenue Requirement

The Settling Parties agree to a $41.6 million reduction to PG&E's revenue requirement. PG&E's request for its STIP program does not include funding for officer STIP (Vice President and above).

2.7.2.2 STIP Forecast Calculation and STIP Capitalization

The Settling Parties agree that PG&E's 2020 STIP forecast in this GRC revenue requirement is calculated as follows:

a) Requested Companywide STIP Amount: $173.4 million ($172.9 million for Utility and $0.495 million for PG&E Corporation).[36/]

b) After applying the below the line Capitalization Factor of 36.36%: the STIP expense = $109.7 million ($109.4 million for Utility and $0.3 million for Corporation).[37/]

c) The GRC portion of total companywide amount is 83.09%: $109.7 million x 83.09% = $91.2 million ($90.891 million for Utility and $0.308 million for Corporation).

d) Apply the PPP Benefit adjustment: $91.199 million- $5.570 million = $85.629 million.

e) The Settlement Agreement reduces this GRC revenue requirement by the amount

36 See HE-312: Exhibit (PG&E-32), p. 4-35, lines 54-55.

37 See HE-312: Exhibit (PG&E-32), p. 4-35, lines 54-55.

of $41.6 million: $85.629 million – $41.6 million = $44.029 million.

2.7.3 Labor Escalation Rates

The Settling Parties agree that the following labor escalation rates will be adopted for the 2020-2022 period.[38]

TABLE 5
2018-2022 LABOR ESCALATION

Line. No	Employee Category	2018	2019	2020	2021 and 2022[39]
1	IBEW Represented Clerical	3.25%	3.25%	3.00%	3.00%
2	IBEW Represented Physical	3.25%	3.25%	3.00%	3.00%
3	ESC Represented	3.50%	3.25%	3.00%	3.00%
4	Service Employees International Union Represented	3.25%	3.25%	3.00%	3.00%
5	Non-Represented Employees	3.27%	3.27%	3.27%	3.27%
6	Average Labor Escalation All Employees	3.30%	3.26%	3.10%	3.10%
7	Average Labor Escalation – Operating units	3.30%	3.26%	3.08%	3.08%
8	Average Labor Escalation – A&G	3.28%	3.28%	3.27%	3.27%

2.7.4 Employee Benefit Plan Reporting

PG&E requested modifications to D.96-11-107 to allow for reporting of certain employee benefits plan information to be provided to the Commission with each GRC as opposed to annually as described in D.96-11-107. This request was unopposed by any party and Settling Parties agree to this change.

2.8 Administrative and General (A&G)

2.8.1 Department Costs and Information Technology

The Settling Parties agree to a forecast of $539 million expense, consisting of $168 million for department costs and IT expenses $371 for companywide expenses, and $8.3 million capital for A&G. This includes a $9.5 million expense reduction associated with the Finance Department ($9 million), Regulatory Affairs ($200,000), and Corporate Affairs ($300,000).

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38 HE-310: Exhibit (PG&E-33), p. 2, Table 1.

39 PG&E and CUE agree that this number does not affect any collective bargaining or wage rates in 2022.

Unless otherwise addressed, the Settling Parties agree to PG&E's A&G forecasts and other proposals.

2.8.2 Labor and STIP Capitalization Factors

PG&E capitalizes a portion of other A&G expenses related to workers compensation, benefits, and STIP. For ratemaking purposes, to calculate the capitalized amounts for workers compensation, and benefits, PG&E divides the recorded capital labor by the total Company labor to derive a capital labor ratio. To calculate the capitalized amount for STIP, PG&E divides capitalized non-bargaining unit (NBU) labor and ESC STIP eligible straight time labor to total straight time NBU and ESC STIP eligible straight time labor using 2017 recorded labor. PG&E's STIP capitalization practice was approved in PG&E's 1993 GRC Decision and PG&E continues this methodology for recorded costs.[40/] The Settling Parties agree to the 2020 GRC Labor and STIP capitalization factors, shown in Table 6 below, and for PG&E to update these capitalization factors on an annual basis to reflect current activity.

TABLE 6
2020 GRC LABOR AND STIP CAPITALIZATION FACTORS
CAPITALIZATION OF CERTAIN COMPANYWIDE EXPENSES

Line No.	Cost Type	FERC Account	Basis for Capitalization	Factor
1	Workers Compensation	925	Labor	44.21%
2	Benefits	926	Labor	44.21%
3	STIP	922	NBU and ESC Labor	36.36%
4	Third-Party Claims	925	Third-Party Claims	17.93%
5	Corporate Service Labor	920	Labor	14%
6	Corporate Service Material and Supplies	920	Labor	10.8%

2.8.3 Excess Liability Insurance

2.8.3.1 Forecast

The Settling Parties agree to a reduction of $50 million from PG&E's forecast allocated

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40 D.92-12-057, 47 CPUC 2d 143, 223, Section 11.4.4.

to the GRC. This results in a $307 million expense forecast.

2.8.3.2 Risk Transfer Balancing Account (RTBA)

The Settling Parties agree that PG&E shall establish a two-way RTBA to recover the costs of PG&E's excess liability insurance coverage exceeding its adopted forecast for coverage of up to $1.4 billion. PG&E may file a Tier 2 advice letter for coverage beyond $1.4 billion, consistent with Cal Advocates' proposal.

2.8.3.3 Self-Insurance

The Settling Parties agree that PG&E shall implement the self-insurance options included in its rebuttal testimony in at least an amount equal to the difference between the adopted 2020 forecast and the amount PG&E spends on other products consistent with the "guiding principles" set forth in its rebuttal testimony,[41] as updated from time to time to reflect changing market conditions.[42] Customers shall fund self-insurance through the Risk Transfer Balancing Account (RTBA) only to the extent that: (1) PG&E has not spent the total forecast amount on other products on an annual basis; and (2) the amount of self-insurance does not exceed $1 billion in the aggregate for the 2020 GRC period (2020-2022). The RTBA is discussed in Section 2.8.3.2. Should PG&E self-insure above either of those amounts, PG&E would record the additional amounts in the Wildfire Expense Memorandum Account (WEMA) and would be required to obtain Commission approval to recover the additional amounts through the WEMA process. In the next GRC, PG&E will report on the status of the self-insurance fund and make a proposal addressing if the fund should continue and if there are any unused funds that should be returned to customers with interest.

2.8.3.4 Wildfire Expense Memorandum Account

The Settling Parties agree that PG&E's request to recover $67 million in its WEMA for

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41 PG&E's guiding principles included: setting a preference for all perils coverage over wildfire property damage-only coverage; avoiding policies that cost in excess of 50 percent of the coverage provided on an annual cost basis; and avoiding risk financing deals (i.e., obtaining $900 million in coverage for a 3-year term at a cost of $300 million per year.) HE-159: Exhibit (PG&E-23), p. 3-27, lines 6-11.

42 HE-159: Exhibit (PG&E-23), p. 3-28, line 3 to p. 3-29, line 26.

excess liability insurance premium costs incurred between July 26, 2017 and August 1, 2018 above the amount included in rates should be adopted. As proposed by PG&E, the GRC portion of these costs, $60.4 million, will be amortized over a three-year period beginning January 1, 2020, and is included in the GRC revenue requirement set forth in Section 1.[43/] The remaining CPUC jurisdictional portion, $6.5 million, will be recovered by PG&E through the next available consolidated rate change following a final decision in this proceeding.[44/]

2.9 Results of Operations

2.9.1 Cost Allocation Adjustments

The Settling Parties agree that PG&E's revenue requirement adopted in this proceeding includes the following cost allocations.

A. CWSP – Support Programs (Program Management Office): Costs shall be allocated as Common Costs.

B. CWSP – Enhanced Operational Practices, Aviation (Heavy-Lift Helicopters): Costs shall be allocated as Common Costs. PG&E may propose an alternate allocation methodology in its 2023 GRC.

C. Various CWSP Emergency Preparedness and Response (EP&R): All costs shall be allocated as Common Costs.

D. Locate and Mark: Allocation of costs will be changed from 57% Electric Distribution (ED) and 43% Gas Distribution (GD) to 33.3% ED and 66.7% GD. PG&E may propose an updated allocation methodology in the 2023 GRC.

E. Excess Liability Insurance: PG&E shall continue to allocate these costs as Common Costs.

F. Pricing Products and Income Qualified Programs (MWC EZ): Those rate programs that are only for electric customers shall be allocated 100% ED.

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43 HE-157: Exhibit (PG&E-9), p. 3-28, lines 4-9.

44 HE-157: Exhibit (PG&E-9), p. 3-28, lines 10-16.

G. Manage Service Inquiries (MWC EV, MAT EVA): Costs shall be allocated as 55% ED and 45% GD.

2.9.2 Other Operating Revenue

The Settling Parties agree that PG&E's forecast for Other Operating Revenue of $159.593 million should be adopted.

2.9.3 Depreciation

2.9.3.1 Forecast

The Settling Parties agree to a $150 million reduction to the 2020 revenue requirement associated with depreciation expense by modifying depreciation rates. The new depreciation rates for this Agreement are set forth in Appendix D hereto.

2.9.3.2 Depreciation Parameters

Depreciation parameters (average service life, depreciation curves and net salvage values) are also set forth in Appendix D.

2.9.3.3 Software Average Service Lives

See Section 2.6.2.2 above regarding information technology.

2.9.4 Rate Base, Working Cash and Finance Issues

2.9.4.1 Working Cash

The Settling Parties agree to a $59 million reduction to the 2020 revenue requirement associated with Working Cash, resulting in a settlement amount of $948.5 million. These reductions are applied as follows:

(a) Other Accounts Receivable revenue requirements shall be reduced by $23 million for insurance recovery receivables and other items.

(b) California Climate Credit: PG&E's revenue lag shall be adjusted downward to account for the California Climate Credit, reducing PG&E's 2020 revenue requirement by $10 million.

(c) Greenhouse Gas Asset and Liability Balances: PG&E's 2020 revenue requirement shall be reduced by $26 million. The carrying costs of GHG compliance instrument inventory shall be addressed and recovered in PG&E's ERRA and AGT proceedings.

The Settling Parties agree that all other PG&E proposals regarding other accounts receivable, deferred debits, and the computation of revenue lag should be adopted.

2.9.4.2 Customer Deposits

The Settling Parties agree that the treatment of customer deposits shall be consistent with the treatment approved by the Commission in its Decision in the 2020 Cost of Capital proceeding, A.19-04-014.

2.9.5 Tax Issues

2.9.5.1 Tax Memorandum Account

The Settling Parties agree that the Tax Memorandum Account (TMA) will continue and be modified to reflect the same interpretation for PG&E's TMA as recently determined by the Commission in D.19-09-051. The TMA shall not track any net revenue changes due to differences between actual and forecasted taxes other than those due to "mandatory tax law changes, tax accounting changes, tax procedural changes, or tax policy changes, and elective tax law changes, tax accounting changes, tax procedural changes, or tax policy changes."

2.9.5.2 Tax Rates

The Settling Parties agree that excess accumulated deferred income taxes (excess ADIT) computed at the prior statutory tax rate will be included in a future AET or rate change that PG&E will file by advice letter consistent with the methodology in Advice Letter 4142-G/5636-E approved on October 17, 2019. This tax rate change will result in a rate reduction that is incremental to the revenue requirement adopted in this Agreement.

ARTICLE 3

OTHER ADJUSTMENTS

3.1 Forecast Update, Concessions and Errata

The Settling Parties agree that the revenue requirement in this Agreement includes a $13 million revenue requirement reduction for forecast updates, concessions and errata. These adjustments were included in HE-311 and HE-312, Exhibit (PG&E-32), Joint Comparison Exhibit, Vol. I and II.

3.2 2018 Recorded Costs

The Settling Parties agree that PG&E's 2018 capital forecast is based on PG&E's 2018 recorded capital expenditures as Cal Advocates proposed. This adjustment was included in HE-311 and HE-312, Exhibit (PG&E-32), Joint Comparison Exhibit, Vol. I and II but was not included in the settlement R.O. model. Upon final approval of this Agreement by the Commission, PG&E is authorized to update its Results of Operation Model to replace the 2018 capital forecast amounts with 2018 capital recorded amounts in its 2020 GRC final decision implementation advice letter and adjust its adopted 2020 GRC period revenue requirements accordingly.

ARTICLE 4

BALANCING AND MEMORANDUM ACCOUNTS

4.1 Modifications of Existing Balancing and Memorandum Accounts

The Settling Parties agree to the following modifications to existing balancing and memorandum accounts.

4.1.1.1 New Environmental Regulation Balancing Account (NERBA)

This balancing account is used to track the difference between actual and adopted costs related to 26 best-practice activities associated with minimizing methane emissions as adopted by the Commission in the Natural Gas Leak Abatement Order Instituting Rulemaking (R.15-01-008). This account shall be modified and the distribution subaccount will be retained through 2022 for the sole purpose of tracking the costs associated with below ground Grade 3 leak repairs (Best Practice 21).

4.1.1.2 Nuclear Regulatory Commission Rulemaking Balancing Account (NRCRBA)

The NRCRBA is a two-way balancing account that was established in the 2014 GRC decision.[45/] The NRCRBA tracks and adjusts for the difference between actual and adopted expense and capital revenue requirements, to comply with existing or modified compliance requirements. This account shall be modified to limit the use of the account to tracking expenses only going forward.

4.1.1.3 Hydro Licensing Balancing Account (HLBA)

The HLBA is a two-way balancing account that was established by the 2014 GRC decision.[46/] The HLBA tracks and adjusts for the difference between actual and adopted expense and capital revenue requirements associated with hydro relicensing and amending or modifying licenses. This account shall be modified to include: (1) regulatory fees; (2) costs associated with implementation of the Crane Valley Recreation Settlement Agreement; and (3) costs associated with work required because of the 2017 Oroville spillway incident.

4.1.1.4 Z-Factor Memorandum Accounts

The Z-Factor Memorandum Accounts track costs associated with exogenous and unforeseen events largely beyond PG&E's control that have a material impact on PG&E's costs. The Settling Parties agree that the Z-Factor Memorandum Accounts shall be modified to include test-year events that meet the Z-factor eligibility criteria.

4.1.1.5 Vegetation Management Balancing Account (VMBA)

The VMBA shall be modified to be a two-way balancing account that will include all PG&E vegetation management program funding approved in this proceeding, including routine VM and EVM. If PG&E's actual total costs exceed 120% of the vegetation management adopted forecast during the review period, PG&E is required to establish the reasonableness of the amount of its actual costs that exceed 120% of the revenue requirement provided that PG&E seeks to recover such amounts from customers. In addition, the IIRCTA, a sub-account of the

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45 D.14-08-032, p. 736, OP 27.

46 D.14-08-032, Section 6.2.3, pp. 379-380.

VMBA was authorized in the 2007 GRC to record costs associated with incremental inspection and removal of trees.[47/] This subaccount shall be eliminated as unnecessary. The VMBA is addressed further in Section 2.3.4 of this agreement.

4.1.1.6 Fire Hazard Prevention Memorandum Account (FHPMA)

This account shall be closed as approval of the WMBA renders it unnecessary. PG&E shall file a future application requesting recovery of any balance in the FHPMA as of December 31, 2019.

4.1.1.7 Natural Gas Leak Abatement Program Balancing Account (NGLAPBA)

Pursuant to D.17-06-015, the NGLAPBA will no longer be necessary after December 31, 2019.[48/] Upon the transfer of the December 31, 2019 balance in the distribution sub account to other accounts, the NGLAPBA shall be closed.

4.1.1.8 Diablo Canyon Seismic Studies Balancing Account (DCSSBA)

This account shall be closed upon approval of the balance of this account as of December 31, 2019, through the ERRA Compliance Review proceeding.

4.1.1.9 AB 802 Memorandum Account (AB802MA)

This account was authorized in 2016[49/] to record incremental costs associated with implementing requirements of AB 802 for maintaining and providing energy usage data to building owners and agents. This GRC includes a forecast of costs for 2020 and going forward, and requests recovery of the December 31, 2019, balance. As a result, this memorandum account will no longer be necessary and shall be closed.

4.2 New Memorandum and Balancing Accounts

The following accounts shall be created:

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47 D.07-03-044, pp. 51-53.
48 D.17-06-015, p. 162, OP 12.

49 Advice Letter 3707-G/4829 E (June 1, 2016).

4.2.1 WMBA (as discussed in Section 2.3.2 above)

4.2.2 Risk Transfer Balancing Account (as discussed in Section 2.8.3 above).

4.2.3 Dimmable Streetlight Implementation Memorandum Account (as discussed in Section 5.6.2.3 below).

4.3 Balancing and Memorandum Accounts to be Continued

The following existing accounts shall continue without modification:

4.3.1 Diablo Canyon Retirement Balancing Account (DCRBA)

4.3.2 Major Emergencies Balancing Account (MEBA)

4.3.3 Catastrophic Event Memorandum Account (CEMA)

4.3.4 Wildfire Expense Memorandum Account (WEMA)

4.3.5 Rule 20A Balancing Account

4.3.6 Statewide Marketing, Education, and Outreach Balancing Accounts (SWMEOBAs)

4.4 Financial Controls

The Settling Parties agree PG&E shall work with TURN on financial controls and/or regulatory accounting mechanisms sufficient to ensure that PG&E does not seek to double recover when it files an application for cost recovery of a memorandum account balance.

ARTICLE 5

OTHER TERMS

5.1 Principles for Asset Replacement

The Settling Parties agree on the following principles:

PG&E should strive for reasonable rates of steady state replacement, consistent with risk-informed decision making, for crucial operating equipment necessary to provide safe and reliable service. Such steady state replacement includes pro-active replacement of an asset prior to in-service failure when warranted based on risk and engineering analysis that considers vintage, material properties, environmental conditions, life-extension maintenance practices, and any other relevant parameters. PG&E should strive to reduce post-failure replacement for assets where failure can result in unreasonable safety or cost impacts. PG&E will evaluate and explain in its next Risk Assessment and Mitigation Phase (RAMP) Report how its existing capital asset maintenance and replacement activities, including both pro-active and post-failure replacement, and costs thereof, promote cost-effective and risk informed steady state replacement. In those instances where PG&E's proposals in its next RAMP Report do not follow the principle of steady state replacement, PG&E should explain the basis for PG&E's proposals.

5.2 Deferred Work Principles

The Settling Parties agree that in its next GRC, as well as in PG&E's next Gas Transmission and Storage (GT&S) case if the GT&S is not consolidated with the next GRC, PG&E will continue to make a "deferred work showing" consistent with the format of the showing in PG&E's 2020 GRC testimony.

The Settling Parties agree to the following six principles (Principles), which will be applicable to PG&E's next GRC. The Settling Parties agree that the Principles should be viewed in totality.

> (1) Where funds are originally collected from ratepayers based on representations that the work is necessary to provide safe and reliable service and, yet, PG&E does not perform all of the designated work, the fact that PG&E must pay for a higher priority activity or program does not nullify or extinguish its responsibilities to fund forecasted and authorized work unless such work is no longer deemed necessary for safe and reliable service.
>
> (2) PG&E is responsible for providing safe and reliable customer service whether or not its overall spending matches funding levels authorized or imputed in rates.
>
> (3) PG&E bears the risk that, as a result of meeting spending obligations necessary to provide safe and reliable service, the earned rate of return may be less than the authorized return.
>
> (4) While PG&E has finite funds to meet capital and operational needs, PG&E is not restricted to spending only up to the forecast adopted in a GRC.
>
> (5) PG&E bears the responsibility – and has discretion – to adjust priorities to accommodate changing conditions after test year forecasts are adopted. Readjusting spending priorities, however, only involves the ranking and sequence of spending. Reprioritizing spending for new projects does not automatically justify postponing projects previously deemed necessary for safe and reliable service.

> (6) The GRC process is a tool in supporting PG&E's ongoing ability to provide safe and reliable service while affording a reasonable opportunity to earn its rate of return and thereby attract capital to fund its infrastructure needs. Adopted revenue requirements and the disposition of disputed ratemaking issues should be consistent with the goal of supporting PG&E's ability to provide safe and reliable service while maintaining its financial health and ability to raise capital.

PG&E agrees that in the next GRC it will need to take additional steps in order to seek ratepayer funding for work that was previously authorized and funded when all of the following are true:

> (a) The work was requested and authorized based on representations that it was needed to provide safe and reliable service;
>
> (b) PG&E did not perform all of the authorized and funded work, as measured by authorized (explicit or imputed) units of work; and
>
> (c) PG&E continues to represent that the curtailed work is necessary to provide safe and reliable service.

Specifically, for any work that meets these conditions, PG&E's direct showing in support of the reasonableness of its forecast in the rate case shall provide at a minimum a demonstration of how the specific funding request is consistent with the principles above. This demonstration may be made by a single witness who addresses all work that meets these conditions. In addition, PG&E's direct showing for the program or project in question shall explain why the authorized work was not performed in the time forecasted, whether the deferral of the authorized work resulted in lower than authorized spending for the authorized work and, if so, how the funding was reallocated and whether such reallocation related to the provision of safe and reliable service.

To the extent that authorized funding for safety-related work was used for other purposes, PG&E's showing in support of its forecast for additional funding for the curtailed work shall include a demonstration of the reasonableness of the alternative work for the purpose of evaluating the appropriateness of the new funding request. However, nothing in this provision is intended to modify PG&E's obligation, consistent with cost of service ratemaking, to demonstrate the reasonableness of recorded capital spending, whether or not done as a replacement for previously authorized and funded safety-related work.

5.3 Risk Showing

The Settling Parties agree that PG&E's risk showing in its 2020 RAMP Report and 2023 GRC will fully comply with the Safety Model Assessment Proceeding (S-MAP) Settlement Agreement, which was approved in D.18-12-014. The Settling Parties reserve the right to contest the sufficiency of PG&E's RAMP and GRC showing in terms of compliance with D.18-12-014. This provision resolves issues raised in TURN's and Cal Advocates' testimony regarding PG&E's RAMP integration in this GRC.

5.4 Safety-Related Earnings Adjustment Mechanism

PG&E proposed a safety-related shareholder earnings adjustment mechanism (EAM) that puts a portion of PG&E's annual earnings at risk as a function of PG&E's performance on safety.[50] TURN, Cal Advocates, and the Federal Executive Agencies opposed PG&E's EAM proposal. The Settling Parties agree that PG&E shall withdraw its proposal for an EAM at this time.

5.5 Agreements Between PG&E and Other Parties Incorporated Into This Settlement Agreement

PG&E entered into agreements with three parties prior to or during the course of this proceeding that are incorporated by reference in this Agreement.

5.5.1 Memorandum of Understanding between PG&E and SBUA

PG&E and SBUA reached agreement regarding a number of terms of PG&E service and support to PG&E's small and medium business (SMB) customers during the 2020 GRC period in a Memorandum of Understanding (MOU). Specifically, the MOU provides that PG&E will direct $6.5 million annually to provide outreach and support for PG&E's SMB customers through a number of existing programs and other activities. The MOU is attached as Appendix E hereto.

The MOU reflects PG&E and SBUA's agreement on a broad set of activities and

[50] HE-69: Exhibit (PG&E-12), p. 14-3, lines 6-9.

initiatives including the following:

a) PG&E will spend the authorized funds on support for SMB outreach and engagement through digital and other communication channels;

b) PG&E will continue to provide outreach and support through its Small and Medium Business organization to connect SMB customers to PG&E tools, resources, programs, service and Integrated Demand-Side Management offerings;

c) PG&E will continue to maintain and improve its dedicated website for SMB customers and the "Your Account" portal to allow SMBs and other commercial customers to indicate their preferred communication method for account notifications;

d) PG&E will continue supporting economic development activities and working with SMBs to identify contracting opportunities; and

e) PG&E will provide education and assistance to SMBs to help them complete the necessary processes and applications to secure contracts to provide materials and services to PG&E.

5.5.2 Memorandum of Understanding between PG&E and CforAT

The MOU between PG&E and CforAT seeks to ensure that PG&E is engaged in ongoing efforts to provide and improve accessibility of its facilities and services for customers with disabilities throughout PG&E's service area. It also represents a continued collaboration and partnership between PG&E and CforAT on these important issues. In the MOU, PG&E and CforAT agree that:

a) PG&E will spend the equivalent of $1.3 million per year (a total of $3.9 million for the 2020 GRC period) in incremental funding on activities to improve accessibility;

b) PG&E will prepare and distribute an annual report for CforAT and any interested parties on PG&E's activities and spending to promote accessibility;

c) PG&E will continue to employ a Disability Access Coordinator who will be responsible for coordinating and shaping Company-wide strategies to improve accessibility; and

d) Prior to the start of each calendar year, PG&E will meet with CforAT and any interested parties to discuss planned accessibility spending for the upcoming calendar year.

The MOU identifies a broad set of eligible activities that PG&E may pursue with the allocated funding, including: continuing to fund a full time Disability Coordinator position, website accessibility, communications access issues, accessibility of PG&E's CSOs and neighborhood payment centers and activities related to temporary construction and utility pole placement in the path of travel. The accessibility activities described in this MOU span the Company's various lines of business. As such, their costs are included in MWC EZ in Customer Care, as well as various others throughout the enterprise depending on activity type. This work has been largely operationalized by PG&E and therefore, its costs are included within the forecasts presented by the various lines of business and are included in the revenue requirement proposed for adoption in this agreement. The MOU is attached as Appendix F hereto.

5.5.3 Stipulation between PG&E and NDC.

NDC made recommendations regarding the affordability of utility bills for customers and regarding support for consumer marketing, education and outreach to PG&E's minority and underserved customers; support for education about default Time-of-Use transition to minority and underserved communities; support for supplier diversity including the Technical Assistance Program; reporting on safety spending to minority and underserved communities; and ongoing meetings between PG&E and minority and underserved communities.[51/] NDC addressed areas of the 2017 GRC settlement that addressed these topics where NDC felt PG&E's performance fell short of its commitments.[52/] A Joint Stipulation between NDC and PG&E that resolves these issues is attached as Appendix G hereto. The Joint Stipulation also recommends that the Commission adopt a forecast of $600,000 over the 3-year 2020 GRC period (approximately $200,000 per year) towards Default Time-of-Use work with Community-Based Organizations

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51 See HE-171: NDC-1, p. iii, Summary of Recommendations.

52 See HE-171: NDC-1, p. 9, line 12 to p. 33, line 18.

(MWC EZ); as well as $2.4 million over the 2020 GRC period (approximately $800,000 per year) for the Technical Assistance Program (TAP) (MWC JL). The Joint Stipulation also provides that $1.1 million (approximately $367,000 per year) over the 2020 GRC period will also be refunded to customers to account for TAP underspend during the 2017 GRC period, and will be implemented through a high-level reduction to the 2020 revenue requirement and carried forward in 2021 and 2022.

5.6 Other Issues of Interest to Specific Parties

5.6.1 Apprentice Lineman Training Program

PG&E agrees to continue to keep the Apprentice Lineman Training Program filled to the maximum extent, consistent with safe crew staffing ratios.

5.6.2 Dimmable Streetlight Program

5.6.2.1 PG&E and CALSLA agree that the issue of whether PG&E should implement a Dimmable Streetlight Program, and the requirements and design of such a program, should be addressed by the Commission in Phase 2 of PG&E's 2020 GRC proceeding (Phase 2), and not in Phase 1 of the 2020 GRC proceeding (Phase 1).

5.6.2.2 PG&E and CALSLA agree that the record evidence regarding a Dimmable Street Light program in Phase 1 including all testimony, work papers, rebuttal testimony, hearing exhibits, and transcripts of direct and cross examination shall be incorporated by reference in its entirety into the Phase 2 record.

5.6.2.3 The implementation of a Dimmable Streetlight Program, as determined by the Commission in Phase 2, will not occur before 2023. PG&E and CALSLA agree that PG&E should be permitted to establish a memorandum account to track any implementation costs related to a Dimmable Streetlight Program that are incurred prior to 2023 and seek recovery of those costs in Phase 1 of the 2023 GRC or in a separate application. PG&E

and CALSLA request that the Commission approve the establishment of such a memorandum account.

5.6.2.4 The revenue requirement for a Dimmable Streetlight Program, as determined by the Commission in Phase 2, will be addressed in PG&E's next GRC application.

5.6.2.5 With respect to the Dimmable Streetlight Pilot Program with the City of San Jose (San Jose), PG&E and CALSLA agree to the following provisions:

5.6.2.5.1 Look back provision: Subject to the City of San Jose (San Jose) requesting PG&E to issue payment for past credits, PG&E agrees that it will review San Jose's dimmable streetlight data since 2012 to identify lamp reads that meet the applicable requirements for issuing credits. Within 60 days of a final decision approving this Agreement, PG&E will provide the proposed credit amount and supporting data for review by San Jose. Prior to any payment for past credits, PG&E will meet with San Jose and agree on the amounts to be paid for past periods. After review and approval of the credit amounts, any payments to San Jose for the periods reviewed will be final with respect to those past periods. Bill credits for past periods will be issued within 60 days of the date San Jose and PG&E agree to the payment amount, subject to any applicable bankruptcy law requirements for the payment of pre-petition debt.

5.6.2.5.2 Expedite the payment of future bill credits: Subject to San Jose requesting PG&E to issue payment for future credits following a final decision approving this Agreement, PG&E agrees that it will review San Jose's submitted dimmable streetlight data to identify lamp reads that met the applicable requirements for issuing credits, and will provide the proposed credit amount and supporting data for review by San Jose. Prior to any payment for future credits, PG&E will confer with San Jose and agree on the amounts to be paid for the applicable periods. After review and approval of the credit amounts, any payments to San Jose for the periods reviewed will be final with respect to those periods. Bill credits for future periods will be issued within 60 days of the date San Jose and PG&E agree to the payment amount, subject to any applicable bankruptcy law requirements for the payment of pre-petition debt. PG&E agrees that under the Pilot San Jose's entire data set will not be rejected because of the failure of a subset of lamps to meet the requirements for the issuance of a credit. CALSLA agrees that under the Pilot, credits for lamps that do not meet the applicable credit requirements are not due until 60 days after all deficiencies have been satisfactorily resolved with PG&E. PG&E agrees to work with San Jose to establish a billing and credit schedule for future credits that is consistent with the original Pilot agreement.

Commissioned wattage, data formatting, and meter replacement:

5.6.2.5.3 Commissioned wattage, data formatting, and meter replacement: PG&E and CALSLA agree that within 60 days of a final decision approving this Agreement, PG&E will meet and confer with San Jose (and CALSLA with San Jose's consent) to address the following:

(a) Commissioned Wattage: With respect to lamps that are commissioned by San Jose at a lower wattage than their rated wattage, evaluation of whether it is feasible to move into the Pilot any such lamps that are not currently in the Pilot.

(b) Data formatting: Re-evaluation of the Pilot's data processing and submission methods and formats to identify whether there are reasonable means for streamlining the analysis of customer meter reads.

(c) Meter replacement: Identification of documentation and data formatting requirements that should be applied when San Jose replaces an old meter with a new meter.

5.6.2.5.4 Forum to review status of Dimmable Street Light pilot program: Within 60 days of a final decision in Phase 2 of the 2020 GRC, CALSLA, PG&E,

and interested customers should meet (in person or via conference call or webinar) to review the status of the dimmable street light pilot program. Topics will include the number and type of devices in the program, potential new technologies that could be included in the program, and the status of any programmatic and tariff issues. The forum will not address any customer specific issues or disputes. A summary of the review should be drafted jointly by PG&E and CALSLA and circulated 60 days after the meeting.

5.6.3 Other OSA Specific Issues

Consistent with its role to advocate for utility safety policies and safety culture, OSA negotiated the following additional agreements with PG&E.

5.6.3.1 Management of Change Software for Electric Distribution and Dam activities

PG&E shall fully implement Management of Change (MOC) software within its gas, electric, and dam operations by December 31, 2021. PG&E shall provide an annual report on the procurement, development, and implementation of MOC software for its operations to the SED, OSA, and/or OSA's successor. The first report will cover activities performed during 2020 and be presented to SED, OSA, and/or OSA's successor by July 1, 2021.

5.6.3.2 Job Listing Requirements for Safety Leader Positions

PG&E agrees to meet and confer with SED, OSA, and/or OSA's successor, and to work cooperatively to provide an improved showing in advance of PG&E's next GRC regarding the qualifications of its safety work leaders at the manager, director, and vice president levels and above in both PG&E's electric and gas divisions.

ARTICLE 6

GENERAL PROVISIONS

6.1 Resolution of Issues

This Agreement is presented to the Commission pursuant to Article 12 of the Commission's Rules of Practice and Procedure. As a compromise among their respective litigation positions, the Settling Parties hereby agree that this Agreement resolves all issues raised or reviewed by the Settling Parties in this proceeding.

Prior to this approval of this Agreement by the Commission this Agreement may not be modified or amended without the express written consent of all Settling Parties. However, if a provision of the Agreement was not supported by a Settling Party because it did not join that portion of the Agreement, the consent of such Settling Party is not required to amend such provision.

If this Agreement is approved by the Commission, any party seeking to modify the requirements in this Agreement shall do so by following the Commission's then-applicable requirements for modification of a Commission decision.

6.2 Settlement is Reasonable Based on the Record

In executing this Agreement, each Settling Party declares and mutually agrees that the terms and conditions are reasonable in light of the whole record, consistent with law, and in the public interest.

6.3 Compromise; No Precedent

The Settling Parties agree that this Agreement represents a compromise to which all Settling Parties have contributed. It does not constitute an agreement or endorsement of disputed facts and law presented by the Settling Parties in this proceeding. No provision of this Agreement shall be construed against any Settling Party because that Settling Party or its counsel drafted the provision. Except as provided in Commission Rule 12.5, the Settling Parties agree that this Agreement does not constitute precedent regarding any principle or issue in this proceeding or in any future proceeding. Specifically, it does not limit the discretion of any Settling Party to argue in future proceedings (1) that it is unjust or unreasonable to make ratepayers pay a second time for activities explicitly authorized or reasonably implied by this Agreement or (2) that PG&E has not provided safe and reliable service. Furthermore, the specific treatment for the accounting of certain costs in this proceeding does not limit the discretion of PG&E or other parties to propose different accounting treatment for such costs in future proceedings.

6.4 Entire Agreement

This Agreement embodies the entire understanding and agreement of the Settling Parties with respect to the matters described herein. Except as described in this Agreement, the Agreement supersedes and cancels any and all prior oral or written agreements, principles, negotiations, statements, representations, or understandings among the Settling Parties. This Agreement constitutes the entire agreement among the Settling Parties and, except as expressly provided herein, settles all differences among them, including differences that overlap with positions taken by non-settling parties, as to the issues presented in this proceeding. Unless otherwise provided in this Agreement, all proposals and recommendations by the Settling Parties, including, but not limited to, those set forth in the Joint Comparison Exhibit (HE 311 and HE 312), are either withdrawn, if so indicated above, or considered subsumed without adoption by this Agreement.

6.5 Management Discretion

The fact that Settling Parties set forth specific amounts for certain categories of costs, by itself, is not intended to limit PG&E's management discretion to spend funds, provided that such discretion is exercised in a manner consistent with PG&E's obligation to provide safe and reliable service, as well as relevant Commission requirements and orders.

6.6 Joint Support

The Settling Parties agree to seek expeditious approval of this Agreement and the terms of the Agreement, and to use their reasonable best efforts to secure Commission approval of it without change, including by filing a joint motion seeking approval of this Agreement and any other written filings, appearances, and other means as may be necessary to secure CPUC approval. The Settling Parties agree to actively and mutually defend this Agreement if its adoption is opposed by any other party in proceedings before the Commission. In accordance with Rule 12.6 of the Commission's Rules of Practice and Procedure, if this Agreement is not adopted by the Commission, its terms are inadmissible in any evidentiary hearing unless their admission is agreed to by the Settling Parties. The provisions of this Section shall impose obligations on the Settling Parties immediately upon the execution of this Agreement.

6.7 Rejection or Modification of the Settlement Agreement

The Settling Parties agree that if the Commission fails to adopt this Agreement in its entirety and without modification, the Settling Parties shall convene a settlement conference within 15 days thereof to discuss whether they can resolve the issues raised by the Commission's actions. If the Settling Parties cannot mutually agree to resolve the issues raised by the Commission's actions, the Agreement shall be rescinded, and the Settling Parties shall be released from their obligation to support the Agreement. Thereafter the Settling Parties may pursue any action they deem appropriate but agree to cooperate in establishing a procedural schedule. Settling Parties reserve all rights set forth in Rule 12.4 of the Rules of Practice and Procedure.

6.8 Severability

The Settling Parties agree that the provisions of this Agreement are not severable. If the Commission, or any Court of competent jurisdiction, rejects, overrules or modifies as legally invalid any material provision of the Agreement, the Agreement may be considered rescinded as of the date of such ruling or modification becomes final, at the discretion of the Settling Parties.

6.9 Execution and Amendment

This Agreement and any amendment thereto may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.10 Effective Date and Term

This Agreement shall become effective among the Settling Parties on December 20, 2019. Unless otherwise expressly stated, the obligations set forth in this Agreement shall take effect upon the Commission’s approval of this Agreement and shall be limited to the term of this GRC.

In witness whereof, intending to be legally bound, the Settling Parties hereto have duly executed this Agreement on behalf of the parties they represent.

PUBLIC ADVOCATES OFFICE OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION

By: ______________________________

Name: Darwin Farrar

Date: December 20, 2019

THE CALIFORNIA CITY COUNTY STREET LIGHT ASSOCIATION

By: ______________________________

Name:

____

Date: December 20, 2019

THE UTILITY REFORM NETWORK

By: ______________________________

Name: Hayley Goodson

Date: December 20, 2019

CENTER FOR ACCESSIBLE TECHNOLOGY

By: ______________________________

Name: Melissa W. Kasnitz

Date: December 20, 2019

COALITION OF CALIFORNIA UTILITY EMPLOYEES

By: ______________________________

Name: Rachael E. Koss

Date: December 20, 2019

SMALL BUSINESS UTILITY ADVOCATES

By: ______________________________

Name: James M. Birkelund

Date: December 20, 2019

NATIONAL DIVERSITY COALITION

By: ______________________________

Name: Faith Bautista

Date: December 20, 2019

PACIFIC GAS AND ELECTRIC COMPANY

By: ______________________________

Name: Robert S. Kenney

Date: December 20, 2019

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COMMISSION

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Date: December 20, 2019

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ADVOCATES

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Name: James M. Birkelund

Date: December 20, 2019

NATIONAL DIVERSITY COALITION

By: ______________________________

Name: Faith Bautista

Date: December 20, 2019

PACIFIC GAS AND ELECTRIC
COMPANY

By: ______________________________

Name: Robert S. Kenney

Date: December 20, 2019

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Name: Faith Bautista

Date: December 20, 2019

PACIFIC GAS AND ELECTRIC COMPANY

By: Robert S. Kenney

Name: Robert S. Kenney
VP, State and Regulatory Affairs
Date: December 20, 2019

THE OFFICE OF THE SAFETY
ADVOCATE OF THE CALIFORNIA
PUBLIC UTILITIES COMMISSION

By: /s/ Robyn Purchia

Name: Robyn Purchia

Date: December 20, 2019

APPENDIX A

RESULTS OF OPERATION
SUMMARY OF PROPOSED REVENUE INCREASE OVER ADOPTED 2018 UNDER SETTLEMENT AGREEMENT

APPENDIX A
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
RESULTS OF OPERATIONS
SUMMARY OF PROPOSED INCREASE OVER AUTHORIZED 2019
SETTLEMENT
(MILLIONS OF NOMINAL DOLLARS)

Line No.	Description	1/1/2020 Authorized Note 1	2020 PG&E Proposed (JCE)	Difference (PG&E Proposed vs. Authorized)	2020 Settlement	Difference (Settlement vs. Authorized)	Difference (Settlement vs. PG&E Proposed)
		A	B	C = (B-A)	D	E = (D-A)	F = (D-B)
1	**Electric Distribution**						
2	Operation and Maintenance	809	1,121	311	1,060	250	(61)
3	Customer Services	214	186	(28)	153	(61)	(33)
4	Administrative & General	399	579	181	530	131	(50)
5	Less: Revenue Credits (Other Operating Revenues & Wheeling)	(118)	(160)	(42)	(158)	(40)	1
6	RF&U, Other Adjs, Taxes Other than Income	86	113	27	107	21	(6)
7	Taxes: Income and Property	324	347	24	324	1	(23)
8	Depreciation, Decommissioning and Amortization	1,499	1,581	82	1,490	(9)	(91)
9	Return	1,151	1,288	137	1,270	119	(18)
10	Retail Revenue Requirement	4,364	5,057	692	4,775	411	(281)
11	**Gas Distribution**						
12	Operation and Maintenance	395	387	(8)	382	(13)	(5)
13	Customer Services	121	122	1	120	(1)	(2)
14	Administrative & General	270	344	73	314	44	(30)
15	Less: Revenue Credits (OORs & Wheeling)	(28)	(27)	1	(27)	1	-
16	RF&U, Other Adjs, Taxes Other than Income	55	64	9	61	6	(2)
17	Taxes: Income and Property	83	113	30	101	18	(12)
18	Depreciation, Decommissioning and Amortization	558	554	(4)	508	(50)	(46)
19	Return	508	580	72	561	53	(19)
20	Retail Revenue Requirement	1,963	2,136	174	2,020	58	(116)
	Electric Generation						
21	Operation and Maintenance	741	635	(106)	632	(109)	(3)
22	Customer Services	3	4	1	4	1	-
23	Administrative & General	284	393	109	360	75	(34)
24	Less: Revenue Credits (OORs & Wheeling)	(6)	(9)	(3)	(9)	(3)	(0)
25	RF&U, Other Adjs, Taxes Other than Income	40	57	17	46	6	(11)
26	Taxes: Income and Property	82	139	57	138	56	(1)
27	Depreciation, Decommissioning and Amortization	620	676	57	708	89	32
28	Return	428	432	3	419	(9)	(13)
29	Retail Revenue Requirement	2,191	2,327	136	2,297	106	(30)
30	**Total General Rate Case**						
31	Operation and Maintenance	1,946	2,143	197	2,073	128	(70)
32	Customer Services	338	312	(26)	277	(61)	(35)
33	Administrative & General	953	1,316	363	1,203	250	(113)
34	Less: Revenue Credits (OORs & Wheeling)	(152)	(196)	(43)	(194)	(42)	1
35	RF&U, Other Adjs, Taxes Other than Income	181	234	53	214	33	(20)
36	Taxes: Income and Property	488	599	111	563	75	(36)
37	Depreciation, Decommissioning and Amortization	2,677	2,812	135	2,707	30	(105)
38	Return	2,087	2,300	213	2,250	163	(50)
39	Retail Revenue Requirement	$ 8,518	$ 9,520	$ 1,003	$ 9,093	$ 575	$ (428)

Note (These amounts include adopted revenues from PG&E's 2017 GRC Decision 17-05-013, adjusted for the Tax Cuts and Job Act of 2017. Also included are:
- The Diablo Canyon Seismic Studies Long Term Seismic Program (LTSP) expenses,
- Residential Rate Reform expenses for Time of Use (TOU) Default Pilots Default TOU Rates, Marketing, Education and Outreach, and implementation of other requirements required by D.15-07-001 and R.12-06-013 and related proceedings,
- Natural Gas Leak Abatement Program Gas Distribution expense and capital costs, pursuant to CPUC Decision 17-06-015 (Ordering Paragraph 12),
- Mobile Home Park to and beyond the meter capital costs recorded through 12/31/17, pursuant to CPUC Decision 14-03-021 (Ordering Paragraph 8),

General Note: Columns and rows may not add due to rounding.

APPENDIX B

COMPARISON EXHIBIT
WITH SETTLEMENT AMOUNTS
PURSUANT TO RULE 12.1 (a)

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
COMPARISON EXHIBIT WITH SETTLEMENT AMOUNTS, PURSUANT TO RULE 12.1(a)
COST SUMMARY BY LINE OF BUSINESS AND COMPANYWIDE EXPENSES

(in thousands of nominal dollars)

Expense **2020**

Line No.	Exhibit	PG&E Forecast (w/out Labor Escalation Adj)	PG&E Forecast (with Labor Escalation Adj)	Cal Adv Reduction	TURN Reduction	Settlement Reduction	Settlement
1	3 Gas	$ 374,490	$ 374,080	$ (24,915)	$ (20,363)	$ (5,000)	$ 369,080
2	4 Electric	$ 1,026,708	$ 1,026,247	$ (124,881)	$ (178,280)	$ (59,338)	$ 966,909
3	5 Energy Supply	$ 600,436	$ 599,853	$ (14,855)	$ (5,694)	$ (4,000)	$ 595,853
4	6 Customer	$ 312,537	$ 312,489	$ (25,493)	$ (6,506)	$ (35,000)	$ 277,489
5	7 Shared Services/IT	$ 557,307	$ 557,240	$ (34,747)	$ (3,589)	$ (12,510)	$ 544,730
6	**Total**	**$ 2,871,478**	**$ 2,869,909**	**$ (224,892)**	**$ (214,431)**	**$ (115,848)**	**$ 2,754,061**

A&G Department Costs **2020**

Line No.	Organization	PG&E Forecast (w/out Labor Escalation Adj)	PG&E Forecast (with Labor Escalation Adj)	Cal Adv Reduction	TURN Reduction	Settlement Reduction	Settlement
11	8 Human Resources	$ 77,326	$ 77,299	$ (288)	$ -	$ (1,000)	$ 76,096
12	9 Finance	$ 62,095	$ 62,078	$ -	$ -	$ (8,997)	$ 51,196
13	9 Risk and Audit	$ 11,463	$ 11,462	$ -	$ -	$ -	$ 11,462
14	9 Compliance & Ethics	$ 7,783	$ 7,782	$ (266)	$ -	$ -	$ 7,782
15	9 Regulatory Affairs	$ 15,627	$ 15,625	$ -	$ -	$ (200)	$ 15,385
16	9 Law	$ 48,657	$ 48,655	$ -	$ -	$ -	$ 48,655
17	9 Executive Offices and Corporate Secretary	$ 6,220	$ 6,219	$ -	$ -	$ -	$ 6,219
18	9 Corporate Affairs	$ 25,233	$ 25,232	$ -	$ -	$ (300)	$ 24,871
19	8 Human Resources - IT only	$ 2,059	$ 2,059	$ -	$ -	$ -	$ 2,059
20	9 Corporate Services - IT only	$ 2,436	$ 2,436	$ -	$ -	$ -	$ 2,436
21	**Total**	**$ 258,898**	**$ 258,848**	**$ (553)**	**$ -**	**$ (10,497)**	**$ 246,160**

Capital Expenditures **2018**

Line No.	Exhibit	PG&E Forecast	Cal Adv	TURN	Settlement Reduction	Settlement
26	3 Gas	$ 968,837	$ 929,401	$ 968,837	$ -	$ 968,837
27	4 Electric	$ 1,731,550	$ 1,910,748	$ 1,662,373	$ -	$ 1,731,550
28	5 Energy Supply	$ 416,223	$ 372,523	$ 416,472	$ -	$ 416,223
29	6 Customer	$ 142,905	$ 155,454	$ 142,905	$ -	$ 142,905
30	7 Shared Services/IT	$ 575,561	$ 539,843	$ 543,951	$ -	$ 575,561
31	8 Human Resources	$ 5,377	$ 4,509	$ 5,377	$ -	$ 5,377
32	9 A&G	$ 6,867	$ 5,335	$ 6,867	$ -	$ 6,867
33	**Total**	**$ 3,847,321**	**$ 3,917,814**	**$ 3,746,783**	**$ -**	**$ 3,847,321**

Capital Expenditures **2019**

Line No.	Exhibit	PG&E Forecast	Cal Adv	TURN	Settlement Reduction	Settlement
38	3 Gas	$ 933,188	$ 930,693	$ 928,124	$ -	$ 933,188
39	4 Electric	$ 1,958,574	$ 1,549,620	$ 1,758,065	$ -	$ 1,958,574
40	5 Energy Supply	$ 372,518	$ 372,518	$ 347,712	$ -	$ 372,518
41	6 Customer	$ 139,327	$ 141,391	$ 139,328	$ -	$ 139,327
42	7 Shared Services/IT	$ 426,327	$ 314,541	$ 388,402	$ -	$ 426,327
43	8 Human Resources	$ 1,772	$ 1,772	$ 1,772	$ -	$ 1,772
44	9 A&G	$ 8,530	$ 8,530	$ 8,530	$ -	$ 8,530
45	**Total**	**$ 3,840,236**	**$ 3,319,063**	**$ 3,571,932**	**$ -**	**$ 3,840,236**

Capital Expenditures **2020**

Line No.	Exhibit	PG&E Forecast	Cal Adv	TURN	Settlement Reduction	Settlement
50	3 Gas	$ 1,022,273	$ 936,329	$ 927,964	$ -	$ 1,022,273
51	4 Electric	$ 2,233,862	$ 1,542,139	$ 2,003,551	$ -	$ 2,233,862
52	5 Energy Supply	$ 287,988	$ 287,988	$ 288,992	$ -	$ 287,988
53	6 Customer	$ 140,225	$ 141,741	$ 136,152	$ -	$ 140,225
54	7 Shared Services/IT	$ 434,997	$ 324,764	$ 403,827	$ -	$ 434,997
55	8 Human Resources	$ 2,413	$ 2,413	$ 2,413	$ -	$ 2,413

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
COMPARISON EXHIBIT WITH SETTLEMENT AMOUNTS, PURSUANT TO RULE 12.1(a)
COST SUMMARY BY LINE OF BUSINESS AND COMPANYWIDE EXPENSES

(in thousands of nominal dollars)

56	9 A&G	$ 8,322	$ 8,322	$ 8,322	$ -	$ 8,322
57	**Total**	**$ 4,130,081**	**$ 3,243,697**	**$ 3,771,220**	**$ -**	**$ 4,130,081**

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
COMPARISON EXHIBIT WITH SETTLEMENT AMOUNTS, PURSUANT TO RULE 12.1(a)
COST SUMMARY BY LINE OF BUSINESS AND COMPANYWIDE EXPENSES

(in thousands of nominal dollars)

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65 **Companywide Expense Detail** **2020**
66

Line	Companywide Expense	PG&E Forecast (w/out Labor Escalation Adj)	PG&E Forecast (with Labor Escalation Adj)	Cal Adv Reduction	TURN Reduction	Settlement Reduction	Settlement
67							
68	DOT Drug Testing	$ 635	$ 635	$ -	$ -	$ -	$ 635
69	Employee Assistance Program	$ 2,158	$ 2,158	$ -	$ -	$ -	$ 2,158
70	Employee Assistance Program (Corp)	$ 1	$ -	$ -	$ -	$ -	$ -
71	Wellness Program (Utility)	$ 9,270	$ 9,270	$ -	$ -	$ -	$ 9,270
72	Wellness Program (Corp)	$ 6	$ 8	$ -	$ -	$ -	$ 8
73	Long Term Disability	$ 30,808	$ 30,808	$ -	$ -	$ -	$ 30,808
74	LTD & STD (Pay-As-You-Go) & Leave Admin	$ 4,479	$ 4,479	$ -	$ -	$ -	$ 4,479
75	Workers Compensation	$ 49,800	$ 49,800	$ -	$ -	$ -	$ 49,800
76	LTD and STD Insurance Plan (Corp)	$ 39	$ 39	$ -	$ -	$ -	$ 39
77	PFL and STD Adjustment	$ (16,583)	$ (16,582)	$ -	$ -	$ -	$ (16,582)
78	Workforce Transition Program	$ 18,822	$ 18,820	$ (5,295)	$ -	$ -	$ 18,820
79	SRSP (Utility)	$ 474	$ 474	$ (557)	$ -	$ -	$ 474
80	DCESRP (Utility)	$ -	$ -	$ -	$ -	$ -	$ -
81	SRSP (Corp)	$ 15	$ 15	$ 4	$ -	$ -	$ 15
82	DCESRP (Corp)	$ -	$ -	$ -	$ -	$ -	$ -
83	Non-Qualified (Pay-As-You-Go) - Utility	$ 988	$ 988	$ (40)	$ -	$ -	$ 988
84	Non-Qualified (Pay-As-You-Go) - Corp	$ 1,696	$ 1,696	$ (0)	$ -	$ -	$ 1,696
85	STIP for Non-Executive (Utility)	$ 172,900	$ 172,883	$ (134,066)	$ (108,118)	$ (88,000)	$ 84,883
86	STIP for Non-Executive (Corp)	$ 495	$ 495	$ (384)	$ (309)	$ -	$ 495
87	Officer Compensation Removal (Utility)	$ (14,369)	$ (14,368)	$ -	$ -	$ -	$ (14,368)
88	Officer Compensation Removal (Corp)	$ (4,227)	$ (4,227)	$ -	$ -	$ -	$ (4,227)
89	Employee Health Care Contributions (Utility)	$ (38,155)	$ (38,155)	$ -	$ -	$ -	$ (38,155)
90	Employee Health Care Contributions (Corp)	$ (26)	$ (26)	$ -	$ -	$ -	$ (26)
91	Employee Relocation Program (Utility)	$ 5,918	$ 5,918	$ 247	$ -	$ -	$ 5,918
92	Employee Relocation Program (Corp)	$ -	$ -	$ -	$ -	$ -	$ -
93	Adoption Reimbursement	$ 12	$ 12	$ (12)	$ -	$ -	$ 12
94	Dental Plans (Utility)	$ 35,054	$ 35,054	$ -	$ -	$ -	$ 35,054
95	Dental Plans (Corp)	$ 24	$ 24	$ -	$ -	$ -	$ 24
96	Medical (Utility)	$ 494,856	$ 494,856	$ -	$ -	$ (1,973)	$ 492,883
97	Medical (Corp)	$ 339	$ 339	$ -	$ -	$ -	$ 339
98	Post Retirement Life (Pay-As-You-Go) - Utility	$ 3,879	$ 3,879	$ -	$ -	$ -	$ 3,879
99	Post Retirement Life (Pay-As-You-Go) - Corp	$ 4	$ 4	$ -	$ -	$ -	$ 4
100	Post Retirement Medical (Pay-As-You-Go) - Utility	$ 833	$ 833	$ -	$ -	$ -	$ 833
101	Post Retirement Medical (Pay-As-You-Go) - Corp	$ 1	$ 1	$ -	$ -	$ -	$ 1
102	Post Retirement Pension (Pay-As-You-Go) - Utility	$ 305	$ 305	$ -	$ -	$ -	$ 305
103	Post Retirement Pension (Pay-As-You-Go) - Corp	$ 0	$ 0	$ -	$ -	$ -	$ 0
104	Post Retirement Trust Contributions - Medical and Life (Utility)	$ 14,746	$ 14,746	$ -	$ -	$ -	$ 14,746
105	Post Retirement Trust Contributions - Medical and Life (Corp)	$ 71	$ 71	$ -	$ -	$ -	$ 71
106	Retirement Savings Plan (Utility)	$ 114,828	$ 114,828	$ -	$ -	$ -	$ 114,828
107	Retirement Savings Plan (Corp)	$ 138	$ 138	$ -	$ -	$ -	$ 138
108	Service Awards (Utility)	$ 872	$ 872	$ (872)	$ -	$ -	$ 872
109	Vision Plans (Utility)	$ 3,425	$ 3,425	$ -	$ -	$ -	$ 3,425
110	Vision Plans (Corp)	$ 2	$ 2	$ -	$ -	$ -	$ 2
111	Emergency Childcare	$ -	$ -	$ (469)	$ -	$ -	$ -
112	Group Life Insurance Plan (Utility)	$ 616	$ 616	$ -	$ -	$ -	$ 616
113	Group Life Insurance Plan (Corp)	$ 0	$ 0	$ -	$ -	$ -	$ 0
114	Tuition Refund Program (Utility & Corp)	$ 3,390	$ 3,390	$ -	$ -	$ -	$ 3,390
115	Bank Fees (Utility)	$ 5,492	$ 5,492	$ (750)	$ -	$ -	$ 5,492
116	General Liability Insurance and Miscellaneous (Utility)	$ 356,611	$ 356,611	$ -	$ (190,365)	$ (60,173)	$ 296,438
117	General Liability Insurance and Miscellaneous (Corp)	$ 347	$ 347	$ -	$ -	$ -	$ 347
118	Directors and Officers Liability Insurance (Utility)	$ 1,996	$ 1,996	$ -	$ -	$ -	$ 1,996
119	Directors and Officers Liability Insurance (Corp)	$ 616	$ 616	$ -	$ -	$ -	$ 616
120	Nuclear Liability Insurance	$ 1,633	$ 1,633	$ -	$ -	$ -	$ 1,633
121	Nuclear Property Insurance	$ 1,887	$ 1,887	$ -	$ -	$ -	$ 1,887
122	Property Insurance (Utility)	$ 22,704	$ 22,704	$ -	$ -	$ -	$ 22,704
123	Property Insurance (Corp)	$ 21	$ 21	$ -	$ -	$ -	$ 21
124	Litigation Settlements and Judgments	$ 20,641	$ 20,641	$ -	$ -	$ -	$ 20,641
125	Third Party Claims	$ 17,342	$ 17,342	$ -	$ -	$ -	$ 17,342
126	Director Fees (Corp)	$ 1,897	$ 1,897	$ -	$ -	$ -	$ 1,897
129	**Total**	**$ 1,329,725**	**$ 1,329,709**	**$ (142,193)**	**$ (298,792)**	**$ (150,146)**	**$ 1,179,563**

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
COMPARISON EXHIBIT WITH SETTLEMENT AMOUNTS, PURSUANT TO RULE 12.1(a)
COST SUMMARY BY LINE OF BUSINESS AND COMPANYWIDE EXPENSES

(in thousands of nominal dollars)

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131 **Companywide Expense Summary** **2020**

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	Companywide Expense	PG&E Forecast (w/out Labor Escalation Adj)	PG&E Forecast (with Labor Escalation Adj)	Cal Adv Reduction	TURN Reduction	Settlement	Settlement Reduction
133							
134	Shared Services/IT	80,613	80,614	0	0	0	80,614
135	Human Resources	817,925	817,907	(141,443)	(108,427)	(89,973)	727,935
136	A&G	431,187	431,187	(750)	(190,365)	(60,173)	371,014
137	**Total**	**$ 1,329,725**	**$ 1,329,709**	**$ (142,193)**	**$ (298,792)**	**$ (150,146)**	**$ 1,179,563**

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
TEST YEAR 2020 - SUMMARY OF OPERATIONS AND MAINTENANCE EXPENSES BY MAJOR WORK CATEGORY
GAS DISTRIBUTION, ELECTRIC DISTRIBUTION, ENERGY SUPPLY, CUSTOMER CARE, SHARED SERVICES AND INFORMATION TECHNOLOGY
FINAL POSITIONS
(In Thousands of 2020 Dollars)

Line No.	MWC	Major Work Category	PG&E (w/out Labor Escalation Adjustment) (B)	PG&E (with Labor Escalation Adjustment) (A)(B)	Cal Adv Reduction	TURN Reduction	Settlement Reduction (C)	Settlement Amount (with Labor Escalation Adjustment)	Settlement Notes (D)
Gas Distribution									
1	EX	G Dist Meter Protection	13,238	13,222	(6,180)	(7,515)	(5,000)	8,222	Reduction of $5M for Gas Distribution Meter Protection
2	FI	G Dist Corrective Maint	2,669	2,666	0	-	-	2,666	Adopts PG&E's forecast
3	JQ	G Dist Integrity Mgt (Non Bal)	39,076	39,063	(6,358)	(12,848)	-	39,063	Adopts PG&E's forecast
4	FH	G Dist Preventive Maint	3,165	3,161	(1,664)	-	-	3,161	Adopts PG&E's forecast
5	GM	Manage Energy Efficiency-NonBA	3,776	3,774	-	-	-	3,774	Adopts PG&E's forecast
6	DD	Provide Field Service	43,646	43,572	-	-	-	43,572	Adopts PG&E's forecast
7	DF	G&E T&D Locate and Mark	44,013	43,953	402	-	-	43,953	Adopts PG&E's forecast
8	FH	G Dist Preventive Maint	17,077	17,056	-	-	-	17,056	Adopts PG&E's forecast
9	FI	G Dist Corrective Maint	10,420	10,410	-	-	-	10,410	Adopts PG&E's forecast
10	HY	Change/Maint Used Gas Meters	1,828	1,828	-	-	-	1,828	Adopts PG&E's forecast
11	JQ	G Dist Integrity Mgt (Non Bal)	2,480	2,480	-	-	-	2,480	Adopts PG&E's forecast
12	DG	G Dist Cathodic Protection	20,193	20,171	(6,500)	-	-	20,171	Adopts PG&E's forecast
13	FH	G Dist Preventive Maint	2,261	2,259	-	-	-	2,259	Adopts PG&E's forecast
14	FI	G Dist Corrective Maint	5,013	5,008	-	-	-	5,008	Adopts PG&E's forecast
15	DE	G Dist Leak Survey	24,356	24,329	-	-	-	24,329	Adopts PG&E's forecast
16	FI	G Dist Corrective Maint	42,212	42,167	-	-	-	42,167	Adopts PG&E's forecast
17	FG	G Dist Operate System	8,999	8,987	-	-	-	8,987	Adopts PG&E's forecast
18	GG	Gas Trans & Dist Sys Modeling	6,275	6,265	-	-	-	6,265	Adopts PG&E's forecast
19	LK	G Dist WRO - Maintenance	5,951	5,946	-	-	-	5,946	Adopts PG&E's forecast
20	AB	Misc Expense	17,286	17,278	-	-	-	17,278	Adopts PG&E's forecast
21	DN	Develop & Provide Trainng	4,796	4,796	-	-	-	4,796	Adopts PG&E's forecast
22	GF	Gas Trans & Dist Sys Mapping	4,276	4,269	-	-	-	4,269	Adopts PG&E's forecast
23	GZ	R&D Non-Balancing Account	3,405	3,403	-	-	-	3,403	Adopts PG&E's forecast
24	JV	Cal Adv N	12,558	12,553	-	-	-	12,553	Adopts PG&E's forecast
25	OM	Operational Management	17,050	17,024	(1,969)	-	-	17,024	Adopts PG&E's forecast
26	OS	Operational Support	18,471	18,442	(2,647)	-	-	18,442	Adopts PG&E's forecast
		Total Gas Distribution	**374,490**	**374,080**	**(24,915)**	**(20,363)**	**(5,000)**	**369,080**	
Electric Distribution									
27	AB	Misc Expense	48,762	48,760	(36,644)	-	-	48,760	Adopts PG&E's forecast
28	BH	E Dist Routine Emergency	57,357	57,276	-	-	-	57,276	Adopts PG&E's forecast
29	IF	E Dist Major Emergency	33,784	33,743	-	-	-	33,743	Adopts PG&E's forecast
30	BA	E Dist Operate System	21,380	21,344	-	-	-	21,344	Adopts PG&E's forecast
31	DD	Provide Field Service	20,415	20,381	-	-	-	20,381	Adopts PG&E's forecast
32	HG	Elec Trans Ops Engr & Tech	1,673	1,672	-	-	-	1,672	Adopts PG&E's forecast
33	BF	Cal Adv N	33,124	33,084	-	-	-	33,084	Adopts PG&E's forecast
34	BK	Maint Other Equip	1,664	1,662	-	-	-	1,662	Adopts PG&E's forecast
35	KA	E Dist Maint OH General	32,482	32,449	-	-	-	32,449	Adopts PG&E's forecast
36	KB	E Dist Maint UG	12,547	12,537	-	-	-	12,537	Adopts PG&E's forecast
37	KC	E Dist Maint Network	4,030	4,025	-	-	-	4,025	Adopts PG&E's forecast
38	HN	E Dist Tree Trim Bal Acct	607,392	607,351	(71,694)	(169,979)	(59,338)	548,013	Reduction of $60M for Vegetation Management
39	GA	E T&D Maint OH Poles	13,588	13,585	-	-	-	13,585	Adopts PG&E's forecast
40	HX	E T&D Automation & Protection	2,050	2,048	-	-	-	2,048	Adopts PG&E's forecast
41	GC	E Dist Subst O&M	29,158	29,125	(2,200)	-	-	29,125	Adopts PG&E's forecast
42	FZ	E Dist Planning & Ops Engineer	17,001	16,974	(3,011)	-	-	16,974	Adopts PG&E's forecast
43	JV	Maintain IT Apps & Infra	4,347	4,345	-	-	-	4,345	Adopts PG&E's forecast
44	EV	Manage Service Inquiries	12,626	12,625	-	-	-	12,625	Adopts PG&E's forecast
45	EW	Cal Adv N	8,877	8,859	-	-	-	8,859	Adopts PG&E's forecast
46	AB	Misc Expense	17,717	17,717	(2,430)	-	-	17,717	Adopts PG&E's forecast
47	GE	E Dist Mapping	5,903	5,899	(2,769)	-	-	5,899	Adopts PG&E's forecast
48	IS	Bill Customers	1,088	1,088	-	-	-	1,088	Adopts PG&E's forecast
49	OM	Operational Management	7,228	7,217	-	-	-	7,217	Adopts PG&E's forecast
50	OS	Operational Support	22,338	22,305	-	-	-	22,305	Adopts PG&E's forecast
51	HG	Elec Trans Ops Engr & Tech	9,276	9,275	(5,834)	(8,300)	-	9,275	Adopts PG&E's forecast
52	JV	Maintain IT Apps & Infra	902	901	(300)	-	-	901	Adopts PG&E's forecast
		Total Electric Distribution	**1,026,708**	**1,026,247**	**(124,881)**	**(178,280)**	**(59,338)**	**966,909**	
Energy Supply									
53	AB	Misc Expense	14,711	14,700	-	-	-	14,700	Adopts PG&E's forecast
54	AK	Manage Environmental Oper	1,946	1,946	-	-	-	1,946	Adopts PG&E's forecast
55	BP	Manage DCPP Business	14,069	14,064	-	-	-	14,064	Adopts PG&E's forecast
56	BQ	DCPP Support Services	47,894	47,828	-	-	-	47,828	Adopts PG&E's forecast
57	BR	Operate DCPP Plant	85,709	85,587	-	-	-	85,587	Adopts PG&E's forecast
58	BS	Maintain DCPP Plant Assets	103,626	103,526	-	-	-	103,526	Adopts PG&E's forecast
59	BT	Nuclear Generation Fees	15,291	15,286	-	-	-	15,286	Adopts PG&E's forecast
60	BV	Maintain DCPP Plant Configurtn	42,550	42,503	-	-	-	42,503	Adopts PG&E's forecast
61	EO	Provide Nuclear Support	61	61	-	-	-	61	Adopts PG&E's forecast
62	IG	Manage Var Bal Acct Processes	5,558	5,555	-	-	-	5,555	Adopts PG&E's forecast
63	OM	Operational Management	7,952	7,940	-	-	-	7,940	Adopts PG&E's forecast
64	OS	Operational Support	18,365	18,334	-	-	-	18,334	Adopts PG&E's forecast
65	AB	Misc Expense	6,308	6,303	(1,767)	-	-	6,303	Adopts PG&E's forecast
66	AK	Manage Environmental Oper	1,015	1,013	-	-	-	1,013	Adopts PG&E's forecast
67	AX	Maint Resv	23,707	23,691	-	-	-	23,691	Adopts PG&E's forecast
68	AY	Habitat and Species Protection	137	137	-	-	-	137	Adopts PG&E's forecast
69	EP	Manage Property & Bldgs	988	986	-	-	-	986	Adopts PG&E's forecast
70	ES	Implement Environment Projects	53	53	-	-	-	53	Adopts PG&E's forecast
71	IG	Manage Var Bal Acct Processes	5,257	5,251	(4,874)	-	-	5,251	Adopts PG&E's forecast
72	KG	Operate Hydro Generation	30,844	30,807	-	-	-	30,807	Adopts PG&E's forecast
73	KH	Maint Hydro Generating Equip	21,417	21,395	-	-	-	21,395	Adopts PG&E's forecast
74	KI	Maint Hydro Bldg	8,861	8,856	-	-	-	8,856	Adopts PG&E's forecast
75	KJ	License Compliance Hydro Gen	36,633	36,622	(3,527)	(802)	-	36,622	Adopts PG&E's forecast
76	OM	Operational Management	3,303	3,298	-	-	-	3,298	Adopts PG&E's forecast
77	OS	Operational Support	6,213	6,205	(1,607)	-	-	6,205	Adopts PG&E's forecast
78	AB	Misc Expense	55	55	-	-	-	55	Adopts PG&E's forecast
79	AK	Manage Environmental Oper	2,628	2,627	-	-	-	2,627	Adopts PG&E's forecast
80	KK	Operate Fossil Generation	12,846	12,834	(897)	(897)	-	12,834	Adopts PG&E's forecast
81	KL	Maint Fossil Generating Equip	30,809	30,785	-	(1,600)	-	30,785	Adopts PG&E's forecast
82	KM	Maint Fossil Bldg	2,931	2,931	(623)	(623)	-	2,931	Adopts PG&E's forecast
83	KQ	Operate Alternative Gen	827	826	-	-	-	826	Adopts PG&E's forecast
84	KR	Maint AltGen Generating Equip	3,322	3,322	(1,166)	(1,522)	-	3,322	Adopts PG&E's forecast
85	KS	Maint AltGen Bldg	505	505	-	-	-	505	Adopts PG&E's forecast
86	OM	Operational Management	273	273	-	-	-	273	Adopts PG&E's forecast
87	OS	Operational Support	1,063	1,061	(395)	-	-	1,061	Adopts PG&E's forecast

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PACIFIC GAS AND ELECTRIC COMPANY
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TEST YEAR 2020 - SUMMARY OF OPERATIONS AND MAINTENANCE EXPENSES BY MAJOR WORK CATEGORY
GAS DISTRIBUTION, ELECTRIC DISTRIBUTION, ENERGY SUPPLY, CUSTOMER CARE, SHARED SERVICES AND INFORMATION TECHNOLOGY
FINAL POSITIONS
(In Thousands of 2020 Dollars)

Line No.	MWC	Major Work Category	PG&E (w/out Labor Escalation Adjustment) (B)	PG&E (with Labor Escalation Adjustment) (A)(B)	Cal Adv Reduction	TURN Reduction	Settlement Reduction (C)	Settlement Amount (with Labor Escalation Adjustment)	Settlement Notes (D)
88	AB	Misc Expense	541	541	-	-	(53)	488	Reduction of $4M for Energy Policy & Procurement
89	CT	Acq & Manage Elect Supply	25,787	25,785	0	-	(2,540)	23,244	Reduction of $4M for Energy Policy & Procurement
90	CV	Acq & Manage Gas Supply	2,318	2,314	-	-	(228)	2,086	Reduction of $4M for Energy Policy & Procurement
91	CY	Manage Electric Grid Ops	11,960	11,944	-	-	(1,178)	10,765	Reduction of $4M for Energy Policy & Procurement
92	JV	Maintain IT Apps & Infra	2,104	2,103	-	(249)	-	2,103	Adopts PG&E's forecast
		Total Energy Supply	**600,436**	**599,853**	**(14,855)**	**(5,694)**	**(4,000)**	**595,853**	
Customer Care									
93	DK	Manage Customer Inquiries	928	928	-	-	-	928	Adopts PG&E's forecast
94	EL	Develop New Revenue	24,628	24,621	-	-	-	24,621	Adopts PG&E's forecast
95	EZ	Manage Var Cust Care Processes	4,632	4,632	175	(139)	-	4,632	Adopts PG&E's forecast
96	FK	Retain & Grow Customers	878	878	(878)	(878)	-	878	Adopts PG&E's forecast
97	GM	Manage Energy Efficiency-NonBA	699	699	-	-	-	699	Adopts PG&E's forecast
98	IV	Provide Account Services	17,162	17,161	-	-	-	17,161	Adopts PG&E's forecast
99	EZ	Manage Var Cust Care Processes	48,953	48,950	(29,383)	(1,900)	(31,000)	17,951	Reduction of $31M for Customer Care Rate Reform and Statewide Marketing
100	GM	Manage Energy Efficiency-NonBA	7,935	7,935	0	(1,000)	-	7,935	Adopts PG&E's forecast
101	DK	Manage Customer Inquiries	57,682	57,677	-	-	-	57,677	Adopts PG&E's forecast
102	IS	Bill Customers	260	260	-	-	-	260	Adopts PG&E's forecast
103	JV	Maintain IT Apps & Infra	3,746	3,746	2,254	(489)	-	3,746	Adopts PG&E's forecast
104	DK	Manage Customer Inquiries	1,888	1,888	(3)	-	-	1,888	Adopts PG&E's forecast
105	EZ	Manage Var Cust Care Processes	6,689	6,689	(16)	-	-	6,689	Adopts PG&E's forecast
106	IU	Collect Revenue	10,727	10,727	(17)	-	-	10,727	Adopts PG&E's forecast
107	AR	Read & Investigate Meters	9,985	9,984	-	(2,100)	-	9,984	Adopts PG&E's forecast
108	DD	Provide Field Service	688	687	-	-	-	687	Adopts PG&E's forecast
109	EY	Change/Maint Used Elec Meter	8,812	8,800	-	-	-	8,800	Adopts PG&E's forecast
110	EZ	Manage Var Cust Care Processes	220	220	-	-	-	220	Adopts PG&E's forecast
111	HY	Change/Maint Used Gas Meters	6,648	6,637	-	-	-	6,637	Adopts PG&E's forecast
112	IU	Collect Revenue	1,307	1,307	-	-	-	1,307	Adopts PG&E's forecast
113	AR	Read & Investigate Meters	758	758	-	-	-	758	Adopts PG&E's forecast
114	EZ	Manage Var Cust Care Processes	2,075	2,075	-	-	-	2,075	Adopts PG&E's forecast
115	IS	Bill Customers	54,645	54,642	2,374	-	-	54,642	Adopts PG&E's forecast
116	IT	Manage Credit	15,239	15,238	-	-	-	15,238	Adopts PG&E's forecast
117	IU	Collect Revenue	10,253	10,252	-	-	(1,200)	9,052	Reduction of $1.2M for Collect Revenue
118	EZ	Manage Var Cust Care Processes	7,860	7,859	-	-	-	7,859	Adopts PG&E's forecast
119	OM	Operational Management	6,933	6,932	-	-	(2,800)	4,132	Reduction of $2.8M for Operation Management
120	OS	Operational Support	308	308	-	-	-	308	Adopts PG&E's forecast
		Total Customer Care	**312,537**	**312,489**	**(25,493)**	**(6,506)**	**(35,000)**	**277,489**	
Shared Services and Information Technology									
121	AB	Misc Expense	9,828	9,827	-	-	-	9,827	Adopts PG&E's forecast
122	FL	Safety Engineering & OSHA Cmpl	17,428	17,427	-	-	-	17,427	Adopts PG&E's forecast
123	JV	Maintain IT Apps & Infra	188	188	-	-	-	188	Adopts PG&E's forecast
124	KX	Prov Human Resource Svcs	5,807	5,806	-	-	-	5,806	Adopts PG&E's forecast
125	AB	Misc Expense	86,195	86,170	(22,497)	-	-	86,170	Adopts PG&E's forecast
126	BP	Manage DCPP Business	5,362	5,359	-	(1,300)	-	5,359	Adopts PG&E's forecast
127	JV	Maintain IT Apps & Infra	16	16	-	-	-	16	Adopts PG&E's forecast
128	AB	Misc Expense	1,604	1,604	-	-	-	1,604	Adopts PG&E's forecast
129	JL	Procure Materials & Services	16,574	16,573	(400)	-	-	16,573	Adopts PG&E's forecast
130	JV	Maintain IT Apps & Infra	36	36	-	-	-	36	Adopts PG&E's forecast
131	OS	Operational Support	6,697	6,689	-	-	-	6,689	Adopts PG&E's forecast
132	AB	Misc Expense	(65,891)	(65,890)	(4,848)	-	-	-65,890	Adopts PG&E's forecast
133	BI	Maint Buildings	4,004	4,004	(1,749)	-	-	4,004	Adopts PG&E's forecast
134	EP	Manage Property & Bldgs	111,813	111,811	(1,850)	-	(4,814)	106,997	Reduction of $4M for Corporate Real Estate; (C)
135	JH	Implement RealEstate Strategy	8,183	8,183	(3,238)	-	-	8,183	Adopts PG&E's forecast
136	JV	Maintain IT Apps & Infra	1,420	1,420	(165)	-	-	1,420	Adopts PG&E's forecast
137	AB	Misc Expense	1,455	1,455	-	-	-	1,455	Adopts PG&E's forecast
138	AK	Manage Environmental Oper	8,291	8,287	-	-	-	8,287	Adopts PG&E's forecast
139	AY	Habitat and Species Protection	148	148	-	-	-	148	Adopts PG&E's forecast
140	CR	Mnge Waste Disp & Transp	2,205	2,205	-	-	-	2,205	Adopts PG&E's forecast
141	ES	Implement Environment Projects	699	699	-	-	-	699	Adopts PG&E's forecast
142	JE	Manage Land Services	3,462	3,460	-	-	-	3,460	Adopts PG&E's forecast
143	JK	Manage Environ Remed (Earning)	1,974	1,974	-	-	-	1,974	Adopts PG&E's forecast
144	JV	Maintain IT Apps & Infra	16	16	-	-	-	16	Adopts PG&E's forecast
145	KY	Prov Regulation Svcs	1,465	1,465	-	-	-	1,465	Adopts PG&E's forecast
146	OM	Operational Management	201	201	-	-	-	201	Adopts PG&E's forecast
147	OS	Operational Support	427	427	-	-	-	427	Adopts PG&E's forecast
148	AB	Misc Expense	15,576	15,575	-	-	-	15,575	Adopts PG&E's forecast
149	JV	Maintain IT Apps & Infra	2,650	2,650	-	-	-	2,650	Adopts PG&E's forecast
150	AB	Misc Expense	(34,886)	(34,884)	-	-	-	-34,884	Adopts PG&E's forecast
151	JV	Maintain IT Apps & Infra	294,194	294,174	-	(2,290)	(7,697)	286,478	Reduction of $6.5M for Information Technology; (C)
152	OM	Operational Management	521	521	-	-	-	521	Adopts PG&E's forecast
153	OS	Operational Support	609	612	-	-	-	612	Adopts PG&E's forecast
154	JV	Maintain IT Apps & Infra	32,512	32,511	-	-	-	32,511	Adopts PG&E's forecast
155	KZ	Prov Risk/Security Svcs	15,055	15,055	-	-	-	15,055	Adopts PG&E's forecast
156	OM	Operational Management	1,469	1,469	-	-	-	1,469	Adopts PG&E's forecast
		Total Shared Services and IT	**557,307**	**557,240**	**(34,747)**	**(3,589)**	**(12,510)**	**544,730**	
157		**Total**	**2,871,478**	**2,869,909**	**(224,892)**	**(214,431)**	**(115,848)**	**2,754,061**	

Notes:

(A) Updated labor escalation rates to reflect ratified union agreements included in the Results of Operations (RO) model. This change is reflected in HE-312: Exhibit (PG&E-32), Joint Comparison Exhibit, Vol. II, Chapters 4 and 5. For additional information on the labor escalation rate chases, see HE-310: Exhibit (PG&E-33), Update Testimony.

(B) Includes forecast updates, concessions, errata and stipulations as filed in the Joint Comparison Exhibit (PG&E-32) on November 1, 2019.

(C) Settlement reduction includes A&G amounts adjusted to reflect total company; for revenue requirement purposes 83.09% is allocated to the GRC.

(D) Reduction amounts referenced represent revenue requirements

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
SUMMARY OF ADMINISTRATIVE AND GENERAL EXPENSES - TEST YEAR 2020
CORPORATE SERVICES ORGANIZATION AND COMPANYWIDE EXPENSES
FINAL POSITIONS
(In Thousands of Nominal Dollars)

				Total Company Gross Amount						GRC Net Amount (83.09% of Total Company)			
Line No.	Exhibit	Chapter	Corporate Services Organization	PG&E (w/out Labor Escalation Adjustment) (B)	PG&E (with Labor Escalation Adjustment) (A)(B)	Cal Adv Reduction	TURN Reduction	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	PG&E (w/out Labor Escalation Adjustment) (B)	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	Settlement Notes (C)
1	8	Various	Human Resources	77,326	77,299	(288)	-	(1,203)	76,096	64,253	(1,000)	63,253	GRC RRQ Reduction of $1M for customer affordability
2	9	2	Finance	62,095	62,078	-	-	(10,883)	51,196	51,597	(8,997)	42,600	GRC RRQ Reduction of $9M for general customer affordability
3	9	3	Risk and Audit	11,463	11,462	-	-	-	11,462	9,525	-	9,525	Adopts PG&E's forecast
4	9	4	Compliance & Ethics	7,783	7,782	(266)	-	-	7,782	6,467	-	6,467	Adopts PG&E's forecast
5	9	5	Regulatory Affairs	15,627	15,625	-	-	(241)	15,385	12,985	(200)	12,785	GRC RRQ Reduction of $0.2M for general customer affordability
6	9	6	Law	48,657	48,655	-	-	-	48,655	40,431	-	40,431	Adopts PG&E's forecast
7	9	7	Executive Offices and Corporate Secretary	6,220	6,219	-	-	-	6,219	5,168	-	5,168	Adopts PG&E's forecast
8	9	8	Corporate Affairs	25,233	25,232	-	-	(361)	24,871	20,967	(300)	20,667	GRC RRQ Reduction of $0.3M for general customer affordability
10	10	7	Corporate Service Capitalization - Labor							(17,226)	-	(17,226)	Adopts PG&E's forecast
11	10	7	Corporate Service Capitalization - M&S							(574)		(574)	Adopts PG&E's forecast
12			**Total Corporate Services Organization**	**254,403**	**254,353**	**(553)**	**-**	**(12,688)**	**241,665**	**193,594**	**(10,497)**	**183,097**	

Line No.	Exhibit	Chapter	IT Expense	PG&E (w/out Labor Escalation Adjustment) (B)	PG&E (with Labor Escalation Adjustment) (A)(B)	Cal Adv Reduction	TURN Reduction	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	PG&E (w/out Labor Escalation Adjustment) (B)	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	Settlement Notes
13	8	Various	Human Resources	2,059	2,059	-	-	-	2,059	1,711	0	1,711	Adopts PG&E's forecast
14	9	2	Finance	1,211	1,211	-	-	-	1,211	1,006	0	1,006	Adopts PG&E's forecast
15	9	3	Risk and Audit	249	249	-	-	-	249	207	0	207	Adopts PG&E's forecast
16	9	4	Compliance & Ethics	475	475	-	-	-	475	395	0	395	Adopts PG&E's forecast
17	9	5	Regulatory Affairs	396	396	-	-	-	396	329	0	329	Adopts PG&E's forecast
18	9	6	Law	4	4	-	-	-	4	3	0	3	Adopts PG&E's forecast
19	9	7	Executive Offices and Corporate Secretary	-	-	-	-	-	-	-	0	-	Adopts PG&E's forecast
20	9	8	Corporate Affairs	101	101	-	-	-	101	84	0	84	Adopts PG&E's forecast
22			**Total IT Expense**	**4,495**	**4,495**	**-**	**-**	**-**	**4,495**	**3,735**	**-**	**3,735**	

Line No.	Exhibit	Chapter	Corporate Services Organization incl. IT	PG&E (w/out Labor Escalation Adjustment) (B)	PG&E (with Labor Escalation Adjustment) (A)(B)	Cal Adv Reduction	TURN Reduction	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	PG&E (w/out Labor Escalation Adjustment) (B)	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	Settlement Notes
23	8	Various	Human Resources	79,385	79,358	(288)	-	(1,203)	78,155	65,964	(1,000)	64,964	GRC RRQ Reduction of $1M for customer affordability
24	9	2	Cal Adv	63,306	63,289	-	-	(10,883)	52,407	52,604	(8,997)	43,607	GRC RRQ Reduction of $9M for general customer affordability
25	9	3	Risk and Audit	11,712	11,711	-	-	-	11,711	9,732	-	9,732	Adopts PG&E's forecast
26	9	4	Compliance & Ethics	8,258	8,257	(266)	-	-	8,257	6,862	-	6,862	Adopts PG&E's forecast
27	9	5	Regulatory Affairs	16,023	16,021	-	-	(241)	15,780	13,314	(200)	13,114	GRC RRQ Reduction of $0.2M for general customer affordability
28	9	6	Law	48,661	48,659	-	-	-	48,659	40,434	-	40,434	Adopts PG&E's forecast
29	9	7	Executive Offices and Corporate Secretary	6,220	6,219	-	-	-	6,219	5,168	-	5,168	Adopts PG&E's forecast
30	9	8	Corporate Affairs	25,334	25,333	-	-	(361)	24,972	21,051	(300)	20,751	GRC RRQ Reduction of $0.3M for general customer affordability
32			Corporate Service Capitalization - Labor							(17,226)	-	(13,491)	Adopts PG&E's forecast
33			Corporate Service Capitalization - M&S							(574)	-	(574)	Adopts PG&E's forecast
34			**Total IT Expense**	**258,898**	**258,848**	**(553)**	**-**	**(12,688)**	**246,160**	**197,329**	**(10,497)**	**190,567**	

Line No.	Exhibit	Chapter	Cal Adv	PG&E (w/out Labor Escalation Adjustment) (B)	PG&E (with Labor Escalation Adjustment) (A)(B)	Cal Adv Reduction	TURN Reduction	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	PG&E (w/out Labor Escalation Adjustment) (B)	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	Settlement Notes
32	7	1	DOT Drug Testing	635	635	-	-	-	635	293		293	Adopts PG&E's forecast
33	7	1	Employee Assistance Program	2,158	2,158	-	-	-	2,158	934		934	Adopts PG&E's forecast
34	7	1	Employee Assistance Program (Corp)	1	-	-	-	-	-	-		-	Adopts PG&E's forecast
35	7	1	Wellness Program (Utility)	9,270	9,270	-	-	-	9,270	4,011		4,011	Adopts PG&E's forecast
36	7	1	Wellness Program (Corp)	6	8	-	-	-	8	5		5	Adopts PG&E's forecast
37	7	1A	Long Term Disability	30,808	30,808	-	-	-	30,808	14,198		14,198	Adopts PG&E's forecast
38	7	1A	LTD & STD (Pay-As-You-Go) & Leave Admin	4,479	4,479	-	-	-	4,479	1,938		1,938	Adopts PG&E's forecast
39	7	1A	Workers Compensation	49,800	49,800	-	-	-	49,800	22,951		22,951	Adopts PG&E's forecast
40	7	1A	LTD and STD Insurance Plan (Corp)	39	39	-	-	-	39	24		24	Adopts PG&E's forecast
41	7	1A	PFL and STD Adjustment	(16,583)	(16,582)	-	-	-	(16,582)	(7,688)		(7,688)	Adopts PG&E's forecast
42	8	3	Workforce Transition Program	18,822	18,820	(5,295)	-	-	18,820	15,640		15,640	Adopts PG&E's forecast
43	8	4	Cal Adv	474	474	(557)	-	-	474	219		219	Adopts PG&E's forecast
44	8	4	DCESRP (Utility)	-	-	-	-	-	-	-		-	Adopts PG&E's forecast
45	8	4	SRSP (Corp)	15	15	4	-	-	15	9		9	Adopts PG&E's forecast
46	8	4	DCESRP (Corp)	-	-	-	-	-	-	-		-	Adopts PG&E's forecast
47	8	4	Non-Qualified (Pay-As-You-Go) - Utility	988	988	(40)	-	-	988	455		455	Adopts PG&E's forecast
48	8	4	Non-Qualified (Pay-As-You-Go) - Corp	1,696	1,696	(0)	-	-	1,696	1,055		1,055	Adopts PG&E's forecast
49	8	4	STIP for Non-Executive (Utility)	172,900	172,883	(134,066)	(108,118)	(88,000)	84,883	85,321	(43,430)	41,892	GRC RRQ Reduction of $41.6M for STIP
50	8	4	STIP for Non-Executive (Corp)	495	495	(384)	(309)	-	495	308		308	Adopts PG&E's forecast
51	8	4A	Officer Compensation Removal (Utility)	(14,369)	(14,368)	-	-	-	(14,368)	(8,984)		(8,984)	Adopts PG&E's forecast
52	8	4A	Officer Compensation Removal (Corp)	(4,227)	(4,227)	-	-	-	(4,227)	(3,512)		(3,512)	Adopts PG&E's forecast
53	8	5	Employee Health Care Contributions (Utility)	(38,155)	(38,155)	-	-	-	(38,155)	(16,507)		(16,507)	Adopts PG&E's forecast
54	8	5	Employee Health Care Contributions (Corp)	(26)	(26)	-	-	-	(26)	(16)		(16)	Adopts PG&E's forecast
55	8	5	Employee Relocation Program (Utility)	5,918	5,918	247	-	-	5,918	2,560		2,560	Adopts PG&E's forecast
56	8	5	Employee Relocation Program (Corp)	-	-	-	-	-	-	-		-	Adopts PG&E's forecast
57	8	5	Adoption Reimbursement	12	12	(12)	-	-	12	5		5	Adopts PG&E's forecast
58	8	5	Dental Plans (Utility)	35,054	35,054	-	-	-	35,054	15,165		15,165	Adopts PG&E's forecast
59	8	5	Dental Plans (Corp)	24	24	-	-	-	24	15		15	Adopts PG&E's forecast
60	8	5	Medical (Utility)	494,856	494,856	-	-	(1,973)	492,883	214,089	(853)	213,235	GRC RRQ Reduction of $1M for medical expense
61	8	5	Medical (Corp)	339	339	-	-	-	339	211		211	Adopts PG&E's forecast
62	8	5	Post Retirement Life (Pay-As-You-Go) - Utility	3,879	3,879	-	-	-	3,879	1,788		1,788	Adopts PG&E's forecast
63	8	5	Post Retirement Life (Pay-As-You-Go) - Corp	4	4	-	-	-	4	2		2	Adopts PG&E's forecast
64	8	5	Post Retirement Medical (Pay-As-You-Go) - Utility	833	833	-	-	-	833	384		384	Adopts PG&E's forecast
65	8	5	Post Retirement Medical (Pay-As-You-Go) - Corp	1	1	-	-	-	1	0		0	Adopts PG&E's forecast
66	8	5	Post Retirement Pension (Pay-As-You-Go) - Utility	305	305	-	-	-	305	140		140	Adopts PG&E's forecast
67	8	5	Post Retirement Pension (Pay-As-You-Go) - Corp	0	0	-	-	-	0	0		0	Adopts PG&E's forecast
68	8	5	Post Retirement Trust Contributions - Medical and Life (Utility)	14,746	14,746	-	-	-	14,746	(11,840)		(11,840)	Adopts PG&E's forecast
69	8	5	Post Retirement Trust Contributions - Medical and Life (Corp)	71	71	-	-	-	71	44		44	Adopts PG&E's forecast
70	8	5	Retirement Savings Plan (Utility)	114,828	114,828	-	-	-	114,828	49,678		49,678	Adopts PG&E's forecast
71	8	5	Retirement Savings Plan (Corp)	138	138	-	-	-	138	86		86	Adopts PG&E's forecast
72	8	5	Service Awards (Utility)	872	872	(872)	-	-	872	377		377	Adopts PG&E's forecast
73	8	5	Vision Plans (Utility)	3,425	3,425	-	-	-	3,425	1,482		1,482	Adopts PG&E's forecast
74	8	5	Vision Plans (Corp)	2	2	-	-	-	2	1		1	Adopts PG&E's forecast
75	8	5	Emergency Childcare	-	-	(469)	-	-	-	-		-	Adopts PG&E's forecast
76	8	5	Group Life Insurance Plan (Utility)	616	616	-	-	-	616	266		266	Adopts PG&E's forecast
77	8	5	Group Life Insurance Plan (Corp)	0	0	-	-	-	0	0		0	Adopts PG&E's forecast
78	8	6	Tuition Refund Program (Utility & Corp)	3,390	3,390	-	-	-	3,390	1,467		1,467	Adopts PG&E's forecast
79	9	2	Bank Fees (Utility)	5,492	5,492	(750)	-	-	5,492	4,564		4,564	Adopts PG&E's forecast
80	9	3	General Liability Insurance and Miscellaneous (Utility)	356,611	356,611	-	(190,365)	(60,173)	296,438	296,321	(50,000)	246,321	GRC RRQ Reduction of $50M for liability insurance
81	9	3	General Liability Insurance and Miscellaneous (Corp)	347	347	-	-	-	347	288		288	Adopts PG&E's forecast
82	9	3	Directors and Officers Liability Insurance (Utility)	1,996	1,996	-	-	-	1,996	1,659		1,659	Adopts PG&E's forecast
83	9	3	Directors and Officers Liability Insurance (Corp)	616	616	-	-	-	616	512		512	Adopts PG&E's forecast
84	9	3	Nuclear Liability Insurance	1,633	1,633	-	-	-	1,633	1,633		1,633	Adopts PG&E's forecast
85	9	3	Nuclear Property Insurance	1,887	1,887	-	-	-	1,887	1,887		1,887	Adopts PG&E's forecast
86	9	3	Property Insurance (Utility)	22,704	22,704	-	-	-	22,704	18,865		18,865	Adopts PG&E's forecast
87	9	3	Property Insurance (Corp)	21	21	-	-	-	21	17		17	Adopts PG&E's forecast
88	9	6	Litigation Settlements and Judgments	20,641	20,641	-	-	-	20,641	17,152		17,152	Adopts PG&E's forecast
89	9	6	Third Party Claims	17,342	17,342	-	-	-	17,342	11,827		11,827	Adopts PG&E's forecast
90	9	7	Director Fees (Corp)	1,897	1,897	-	-	-	1,897	1,576		1,576	Adopts PG&E's forecast

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
SUMMARY OF ADMINISTRATIVE AND GENERAL EXPENSES - TEST YEAR 2020
CORPORATE SERVICES ORGANIZATION AND COMPANYWIDE EXPENSES
FINAL POSITIONS
(In Thousands of Nominal Dollars)

				Total Company Gross Amount						GRC Net Amount (83.09% of Total Company)			
Line No.	Exhibit	Chapter	Corporate Services Organization	PG&E (w/out Labor Escalation Adjustment) (B)	PG&E (with Labor Escalation Adjustment) (A)(B)	Cal Adv Reduction	TURN Reduction	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	PG&E (w/out Labor Escalation Adjustment) (B)	Settlement Reduction	Settlement Amount (with Labor Escalation Adjustment)	Settlement Notes (C)
91	10	7	Meals & Entertainment Adjustment							(181)		(181)	Adopts PG&E's forecast
92			**Total Companywide Expense**	**1,329,725**	**1,329,709**	**(142,193)**	**(298,792)**	**(150,146)**	**1,179,563**	**742,695**	**(94,283)**	**648,412**	
93			**TOTAL A&G EXPENSE**	**1,588,624**	**1,588,557**	**(142,747)**	**(298,792)**	**(162,834)**	**1,425,723**	**940,024**	**(104,780)**	**838,979**	

Notes:
(A) Updated labor escalation rates to reflect ratified union agreements included in the Results of Operations (RO) model. This change is reflected in HE-312: Exhibit (PG&E-32), Joint Comparison Exhibit, Vol. II, Chapters 4 and 5. For additional information on the labor escalation rate chases, see HE-310: Exhibit (PG&E-33), Update Testimony.
(B) Includes forecast updates, concessions, errata and stipulations as filed in the Joint Comparison Exhibit (PG&E-32) on November 1, 2019.
(C) Reduction amounts referenced represent revenue requirements

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE APPLICATION
TEST YEAR 2020 - SUMMARY OF CAPITAL FORECASTS BY MAJOR WORK CATEGORY
GAS DISTRIBUTION, ELECTRIC DISTRIBUTION ENERGY SUPPLY, CUSTOMER CARE, SHARED SERVICES & IT, HUMAN RESOURCES, A&G
FINAL POSITIONS
(In Thousands of 2020 SAP Dollars)

Line No.	MWC	PG&E Exh-Ch	Major Work Category	PG&E (A)	Cal Advocates	Difference (PG&E - Cal Adv)	TURN	Difference (PG&E - TURN)	Settlement Amount	Settlement Notes
Gas Distribution										
1	14	3-4	G Dist Pipeline Repl Program	454,959	383,157	71,802	383,156	71,803	454,959	Adopts PG&E's forecast
2	27	3-4	Gas Meter Protection-Capital	21,881	21,881	0	13,202	8,679	21,881	Adopts PG&E's forecast
3	**50**	3-4	G Dist Reliability General	107,293	107,293	0	107,293	0	107,293	Adopts PG&E's forecast
4	31	3-5	NGV - Station Infrastructure	4,117	4,117	0	4,117	0	4,117	Adopts PG&E's forecast
5	**50**	3-5	G Dist Reliability General	67,232	53,404	13,828	53,404	13,828	67,232	Adopts PG&E's forecast
6	2K	3-5	G Dist Repl/Convert Cust HPR	59,756	59,756	0	59,756	0	59,756	Adopts PG&E's forecast
7	74	3-6	Install New Gas Meters	1,966	1,966	0	1,966	0	1,966	Adopts PG&E's forecast
8	**50**	3-7	G Dist Reliability General	18,577	18,577	0	18,577	0	18,577	Adopts PG&E's forecast
9	**50**	3-8	G Dist Reliability General	38,320	38,320	0	38,320	(0)	38,320	Adopts PG&E's forecast
10	52	3-8	G Dist Leak Repl/Emergency	892	892	0	892	0	892	Adopts PG&E's forecast
11	47	3-9	G Dist Capacity	39,394	39,394	0	39,394	0	39,394	Adopts PG&E's forecast
12	4A	3-9	G Dist Ctrl Operations Assets	30,085	30,085	0	30,085	0	30,085	Adopts PG&E's forecast
13	29	3-10	G Dist Customer Connects	87,263	87,263	0	87,263	0	87,263	Adopts PG&E's forecast
14	51	3-10	G Dist WRO	75,375	75,060	315	75,375	0	75,375	Adopts PG&E's forecast
15	5	3-11	Tools & Equipment	3,378	3,378	0	3,378	(0)	3,378	Adopts PG&E's forecast
16	21	3-11	Misc Capital	0	0	0	0	0	0	Adopts PG&E's forecast
17	78	3-11	Manage Buildings	**0**	**0**	0	0	0	0	Adopts PG&E's forecast
18	2F	3-11	Build IT Apps & Infra	11,786	11,786	0	11,786	0	11,786	Adopts PG&E's forecast
19			**Total Gas Distribution**	**1,022,273**	**936,329**	**85,944**	**927,964**	**94,310**	**1,022,273**	
Electric Distribution										
20	21	4-3	Misc Capital	11,687	1,187	10,500	11,687	0	11,687	Adopts PG&E's forecast
21	17	4-4	E Dist Routine Emergency	185,360	150,195	35,165	185,360	0	185,360	Adopts PG&E's forecast
22	95	4-4	E Dist Major Emergency	55,639	48,967	6,672	55,639	0	55,639	Adopts PG&E's forecast
23	63	4-5	E T&D Control System/ Facility	328	328	0	328	(0)	328	Adopts PG&E's forecast
24	2F	4-5	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
25	2A	4-6	E Dist Inst/Repl OH General	193,646	142,500	51,146	135,053	58,593	193,646	Adopts PG&E's forecast
26	2B	4-6	E Dist Inst/Repl UG	57,803	57,803	0	57,803	0	57,803	Adopts PG&E's forecast
27	2C	4-6	E Dist Inst/Repl Network	19,454	19,454	0	19,454	0	19,454	Adopts PG&E's forecast
28	7	4-8	E Dist Inst/Repl OH Poles	109,365	109,365	0	109,365	0	109,365	Adopts PG&E's forecast
29	8	4-9	E Dist Replace OH Asset	545,050	40,656	504,394	403,282	141,768	545,050	Adopts PG&E's forecast
30	49	4-9	E Dist Reliability Ckt/Zone	35,757	22,910	12,847	35,757	0	35,757	Adopts PG&E's forecast
31	2F	4-9	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
32	9	4-10	E Dist Automation & Protection	34,184	34,184	0	34,184	0	34,184	Adopts PG&E's forecast
33	56	4-11	E Dist Replace UG Asset-Gen	99,742	99,742	0	99,742	0	99,742	Adopts PG&E's forecast
34	48	4-12	E Dist Subst Repl Other Equip	49,903	49,903	0	49,903	0	49,903	Adopts PG&E's forecast
35	54	4-12	E Dis Subst Repl Transformer	5,568	5,568	0	5,568	0	5,568	Adopts PG&E's forecast
36	58	4-12	E Dist Repl Substation Safety	4,656	4,656	0	4,656	0	4,656	Adopts PG&E's forecast
37	59	4-12	E Dist Subst Emergency Repl	63,241	63,241	0	63,241	0	63,241	Adopts PG&E's forecast
38	6	4-13	E Dist Line Capacity	91,705	91,705	0	87,607	4,098	91,705	Adopts PG&E's forecast
39	46	4-13	E Dist Subst Capacity	34,016	34,016	0	26,695	7,321	34,016	Adopts PG&E's forecast
40	2F	4-15	Build IT Apps & Infra	13,650	13,650	0	13,650	0	13,650	Adopts PG&E's forecast
41	10	4-16	E Dist WRO General	122,727	92,398	30,329	122,727	0	122,727	Adopts PG&E's forecast
42	16	4-16	E Dist Customer Connects	455,093	432,162	22,931	455,093	0	455,093	Adopts PG&E's forecast
43	30	4-17	E Dist WRO Rule 20A	33,756	33,756	0	46,624	(12,868)	33,756	Adopts PG&E's forecast
44	5	4-18	Tools & Equipment	7,466	7,466	0	7,466	0	7,466	Adopts PG&E's forecast
45	21	4-18	Misc Capital	(36,989)	(36,989)	0	(36,989)	0	(36,989)	Adopts PG&E's forecast
46	63	4-19	E T&D Control System/ Facility	36,957	19,218	17,739	5,558	31,399	36,957	Adopts PG&E's forecast
47	2F	4-19	Build IT Apps & Infra	4,096	4,096	0	4,096	0	4,096	Adopts PG&E's forecast
			Total Electric Distribution	**2,233,862**	**1,542,139**	**691,723**	**2,003,551**	**230,311**	**2,233,862**	
Energy Supply										
48	3	5-3	Office Furniture & Equipment	100	100	0	100	0	100	Adopts PG&E's forecast
49	5	5-3	Tools & Equipment	644	644	0	644	0	644	Adopts PG&E's forecast
50	20	5-3	DCPP Capital	42,137	42,137	0	42,137	0	42,137	Adopts PG&E's forecast
51	3I	5-3	Nuclear Safety and Security	0	0	0	0	0	0	Adopts PG&E's forecast
52	3	5-4	Office Furniture & Equipment	16	16	0	16	(0)	16	Adopts PG&E's forecast
53	5	5-4	Tools & Equipment	702	702	0	702	0	702	Adopts PG&E's forecast
54	11	5-4	Relicensing Hydro Gen	427	427	0	427	0	427	Adopts PG&E's forecast
55	12	5-4	Implement Environment Projects	507	507	0	507	0	507	Adopts PG&E's forecast
56	2L	5-4	Instl/Rpl for Hydro Safety&Reg	24,429	24,429	0	24,429	0	24,429	Adopts PG&E's forecast
57	2M	5-4	Instal/Repl Hydro Gneratng Eqp	109,235	109,235	0	109,235	0	109,235	Adopts PG&E's forecast
58	2N	5-4	Instal/Repl Resv,Dams&Waterway	54,711	54,711	0	54,711	0	54,711	Adopts PG&E's forecast
59	2P	5-4	Instl/Repl Hydr BldgGrndInfrst	5,345	5,345	0	5,345	0	5,345	Adopts PG&E's forecast
60	3H	5-4	Hydroelec Lic & Lic Conditions	19,470	19,470	0	20,474	(1,004)	19,470	Adopts PG&E's forecast
61	3	5-5	Office Furniture & Equipment	0	0	0	0	0	0	Adopts PG&E's forecast
62	5	5-5	Tools & Equipment	375	375	0	375	0	375	Adopts PG&E's forecast
63	2R	5-5	Instl/Rpl for Fosil Safety&Reg	0	0	0	0	0	0	Adopts PG&E's forecast
64	2S	5-5	Instal/Repl Fosil Gneratng Eqp	6,465	6,465	0	6,465	0	6,465	Adopts PG&E's forecast
65	2T	5-5	Instl/Repl Fosl BldgGrndInfrst	203	203	0	203	0	203	Adopts PG&E's forecast
66	3A	5-5	Instl/Rpl for AltGen Safty&Reg	24	24	0	24	0	24	Adopts PG&E's forecast
67	3B	5-5	Instal/Repl AltGen GneratngEqp	775	775	0	775	0	775	Adopts PG&E's forecast
68	2F	5-7	Build IT Apps & Infra	22,422	22,422	0	22,422	0	22,422	Adopts PG&E's forecast
69			**Total Energy Supply**	**287,988**	**287,988**	**0**	**288,992**	**(1,004)**	**287,988**	
Customer Care										
70	2F	6-2	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
71	2F	6-4	Build IT Apps & Infra	6,726	8,241	(1,515)	2,652	4,074	6,726	Adopts PG&E's forecast
72	21	6-5	Misc Capital	500	500	0	500	0	500	Adopts PG&E's forecast
73	5	6-6	Tools & Equipment	244	244	0	244	(0)	244	Adopts PG&E's forecast
74	21	6-6	Misc Capital	3,046	3,046	0	3,046	(0)	3,046	Adopts PG&E's forecast
75	25	6-6	Install New Electric Meters	55,116	55,116	0	55,116	0	55,116	Adopts PG&E's forecast
76	74	6-6	Install New Gas Meters	74,593	74,593	0	74,593	0	74,593	Adopts PG&E's forecast
77	2F	6-6	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
78	2F	6-7	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
79			**Total Customer Care**	**140,225**	**141,741**	**(1,515)**	**136,152**	**4,074**	**140,225**	

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE APPLICATION
TEST YEAR 2020 - SUMMARY OF CAPITAL FORECASTS BY MAJOR WORK CATEGORY
GAS DISTRIBUTION, ELECTRIC DISTRIBUTION ENERGY SUPPLY, CUSTOMER CARE, SHARED SERVICES & IT, HUMAN RESOURCES, A&G
FINAL POSITIONS
(In Thousands of 2020 SAP Dollars)

Line No.	MWC	PG&E Exh-Ch	Major Work Category	PG&E (A)	Cal Advocates	Difference (PG&E - Cal Adv)	TURN	Difference (PG&E - TURN)	Settlement Amount	Settlement Notes
Shared Services and Information Technology										
80	2F	7-1	Build IT Apps & Infra	72	72	0	72	0	72	Adopts PG&E's forecast
81	4	7-2	Fleet / Auto Equip	27,451	27,451	0	27,451	0	27,451	Adopts PG&E's forecast
82	5	7-2	Tools & Equipment	1,279	1,279	0	1,279	0	1,279	Adopts PG&E's forecast
83	21	7-2	Misc Capital	0	0	0	0	0	0	Adopts PG&E's forecast
84	28	7-2	EV - Station Infrastructure	3,450	3,450	0	3,450	0	3,450	Adopts PG&E's forecast
85	5	7-3	Tools & Equipment	238	238	0	238	0	238	Adopts PG&E's forecast
86	21	7-3	Misc Capital	562	562	0	562	0	562	Adopts PG&E's forecast
87	22	7-5	Maintain Buildings	78,097	0	78,097	78,097	0	78,097	Adopts PG&E's forecast
88	23	7-5	Implement RealEstate Strategy	92,091	90,403	1,688	92,091	0	92,091	Adopts PG&E's forecast
89	2F	7-5	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
90	5	7-6	Tools & Equipment	300	300	0	300	0	300	Adopts PG&E's forecast
91	12	7-6	Implement Environment Projects	5,979	5,979	0	5,979	0	5,979	Adopts PG&E's forecast
92	21	7-7	Misc Capital	0	0	0	0	0	0	Adopts PG&E's forecast
93	2F	7-7	Build IT Apps & Infra	2,425	2,425	0	2,425	0	2,425	Adopts PG&E's forecast
94	2F	7-8	Build IT Apps & Infra	184,566	160,726	23,840	153,396	31,170	184,566	Adopts PG&E's forecast
95	2F	7-9	Build IT Apps & Infra	21,846	15,238	6,608	21,846	0	21,846	Adopts PG&E's forecast
96	3N	7-9	Security Install/Replace	16,640	16,640	0	16,640	0	16,640	Adopts PG&E's forecast
97			**Total Shared Services**	**434,997**	**324,764**	**110,233**	**403,827**	**31,170**	**434,997**	
Human Resources										
98	2F	8-2	Build IT Apps & Infra	881	881	0	881	0	881	Adopts PG&E's forecast
99	2F	8-4	Build IT Apps & Infra	51	51	0	51	0	51	Adopts PG&E's forecast
100	5	8-6	Tools & Equipment	35	35	0	35	0	35	Adopts PG&E's forecast
101	22	8-6	Maintain Buildings	1,213	1,213	0	1,213	0	1,213	Adopts PG&E's forecast
102	2F	8-6	Build IT Apps & Infra	233	233	0	233	0	233	Adopts PG&E's forecast
103			**Total Human Resources**	**2,413**	**2,413**	**0**	**2,413**	**0**	**2,413**	
Administrative and General										
104	2F	9-2	Build IT Apps & Infra	4,548	4,548	0	4,548	0	4,548	Adopts PG&E's forecast
105	2F	9-3	Build IT Apps & Infra	1,955	1,955	0	1,955	0	1,955	Adopts PG&E's forecast
106	2F	9-4	Build IT Apps & Infra	379	379	0	379	0	379	Adopts PG&E's forecast
107	2F	9-5	Build IT Apps & Infra	1,439	1,439	0	1,439	0	1,439	Adopts PG&E's forecast
108	2F	9-8	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
109			**Total A&G**	**8,322**	**8,322**	**0**	**8,322**	**0**	**8,322**	
110										
111			**Total Capital**	**4,130,081**	**3,243,697**	**886,384**	**3,771,220**	**358,860**	**4,130,081**	

Notes:

(A) Includes forecast updates, concessions, errata and stipulations.

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE APPLICATION
FORECAST YEAR 2019 - SUMMARY OF CAPITAL FORECASTS BY MAJOR WORK CATEGORY
GAS DISTRIBUTION, ELECTRIC DISTRIBUTION ENERGY SUPPLY, CUSTOMER CARE, SHARED SERVICES & IT, HUMAN RESOURCES, A&G
FINAL POSITIONS
(In Thousands of 2020 SAP Dollars)

Line No.	MWC	PG&E Exh-Ch	Major Work Category	PG&E (A)	Cal Advocates	Difference (PG&E - Cal Adv)	TURN	Difference (PG&E - TURN)	Settlement Amount	Settlement Notes
Gas Distribution										
1	14	3-4	G Dist Pipeline Repl Program	372,405	402,417	(30,011)	372,405	0	372,405	Adopts PG&E's forecast
2	27	3-4	Gas Meter Protection-Capital	15,949	15,949	0	15,949	0	15,949	Adopts PG&E's forecast
3	**50**	3-4	G Dist Reliability General	113,537	95,460	18,078	113,537	0	113,537	Adopts PG&E's forecast
4	31	3-5	NGV - Station Infrastructure	4,020	4,020	0	4,020	0	4,020	Adopts PG&E's forecast
5	**50**	3-5	G Dist Reliability General	57,216	52,153	5,064	52,152	5,064	57,216	Adopts PG&E's forecast
6	2K	3-5	G Dist Repl/Convert Cust HPR	70,541	70,541	0	70,541	0	70,541	Adopts PG&E's forecast
7	74	3-6	Install New Gas Meters	2,158	2,158	0	2,158	0	2,158	Adopts PG&E's forecast
8	**50**	3-7	G Dist Reliability General	22,322	16,918	5,404	22,322	0	22,322	Adopts PG&E's forecast
9	**50**	3-8	G Dist Reliability General	30,017	30,017	0	30,017	0	30,017	Adopts PG&E's forecast
10	52	3-8	G Dist Leak Repl/Emergency	871	871	0	871	0	871	Adopts PG&E's forecast
11	47	3-9	G Dist Capacity	43,466	36,001	7,465	43,466	(0)	43,466	Adopts PG&E's forecast
12	4A	3-9	G Dist Ctrl Operations Assets	28,930	23,983	4,947	28,930	0	28,930	Adopts PG&E's forecast
13	29	3-10	G Dist Customer Connects	85,104	85,104	0	85,104	0	85,104	Adopts PG&E's forecast
14	51	3-10	G Dist WRO	72,841	72,534	307	72,841	0	72,841	Adopts PG&E's forecast
15	5	3-11	Tools & Equipment	3,299	3,299	0	3,299	0	3,299	Adopts PG&E's forecast
16	21	3-11	Misc Capital	0	8,758	(8,758)	(0)	0	0	Adopts PG&E's forecast
17	78	3-11	Manage Buildings	**0**	**0**	0	0	0	0	Adopts PG&E's forecast
18	2F	3-11	Build IT Apps & Infra	10,511	10,511	0	10,511	0	10,511	Adopts PG&E's forecast
19			**Total Gas Distribution**	**933,188**	**930,693**	**2,495**	**928,124**	**5,064**	**933,188**	
Electric Distribution										
20	21	4-3	Misc Capital	9,181	2,215	6,966	9,181	0	9,181	Adopts PG&E's forecast
21	17	4-4	E Dist Routine Emergency	180,625	145,950	34,675	180,625	0	180,625	Adopts PG&E's forecast
22	95	4-4	E Dist Major Emergency	54,218	47,589	6,629	54,218	0	54,218	Adopts PG&E's forecast
23	63	4-5	E T&D Control System/ Facility	1,073	1,073	0	1,073	0	1,073	Adopts PG&E's forecast
24	2F	4-5	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
25	2A	4-6	E Dist Inst/Repl OH General	198,593	148,890	49,704	142,362	56,232	198,593	Adopts PG&E's forecast
26	2B	4-6	E Dist Inst/Repl UG	60,256	60,256	0	60,256	0	60,256	Adopts PG&E's forecast
27	2C	4-6	E Dist Inst/Repl Network	18,681	18,681	0	18,681	0	18,681	Adopts PG&E's forecast
28	7	4-8	E Dist Inst/Repl OH Poles	109,273	109,273	0	109,273	0	109,273	Adopts PG&E's forecast
29	8	4-9	E Dist Replace OH Asset	253,005	16,065	236,941	127,005	126,000	253,005	Adopts PG&E's forecast
30	49	4-9	E Dist Reliability Ckt/Zone	48,819	38,261	10,558	48,819	0	48,819	Adopts PG&E's forecast
31	2F	4-9	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
32	9	4-10	E Dist Automation & Protection	62,700	62,700	0	62,700	0	62,700	Adopts PG&E's forecast
33	56	4-11	E Dist Replace UG Asset-Gen	96,115	96,115	0	96,115	0	96,115	Adopts PG&E's forecast
34	48	4-12	E Dist Subst Repl Other Equip	79,737	79,737	0	79,737	0	79,737	Adopts PG&E's forecast
35	54	4-12	E Dis Subst Repl Transformer	2,186	2,186	0	2,186	(0)	2,186	Adopts PG&E's forecast
36	58	4-12	E Dist Repl Substation Safety	5,746	5,746	0	5,746	0	5,746	Adopts PG&E's forecast
37	59	4-12	E Dist Subst Emergency Repl	43,399	43,399	0	43,399	0	43,399	Adopts PG&E's forecast
38	6	4-13	E Dist Line Capacity	89,780	89,780	0	87,396	2,384	89,780	Adopts PG&E's forecast
39	46	4-13	E Dist Subst Capacity	23,741	23,741	0	18,720	5,021	23,741	Adopts PG&E's forecast
40	2F	4-15	Build IT Apps & Infra	9,941	9,941	0	9,941	0	9,941	Adopts PG&E's forecast
41	10	4-16	E Dist WRO General	117,109	91,449	25,660	117,109	0	117,109	Adopts PG&E's forecast
42	16	4-16	E Dist Customer Connects	442,018	419,499	22,519	442,018	0	442,018	Adopts PG&E's forecast
43	30	4-17	E Dist WRO Rule 20A	45,098	45,097	1	62,289	(17,191)	45,098	Adopts PG&E's forecast
44	5	4-18	Tools & Equipment	7,722	7,722	0	7,722	0	7,722	Adopts PG&E's forecast
45	21	4-18	Misc Capital	(38,953)	(38,953)	0	(38,953)	0	(38,953)	Adopts PG&E's forecast
46	63	4-19	E T&D Control System/ Facility	33,479	18,177	15,302	5,416	28,063	33,479	Adopts PG&E's forecast
47	2F	4-19	Build IT Apps & Infra	5,030	5,030	0	5,030	0	5,030	Adopts PG&E's forecast
			Total Electric Distribution	**1,958,574**	**1,549,620**	**408,954**	**1,758,065**	**200,509**	**1,958,574**	
Energy Supply										
48	3	5-3	Office Furniture & Equipment	183	183	0	183	0	183	Adopts PG&E's forecast
49	5	5-3	Tools & Equipment	857	857	0	857	0	857	Adopts PG&E's forecast
50	20	5-3	DCPP Capital	108,216	108,216	0	83,216	25,000	108,216	Adopts PG&E's forecast
51	3I	5-3	Nuclear Safety and Security	1,999	1,999	0	1,999	0	1,999	Adopts PG&E's forecast
52	3	5-4	Office Furniture & Equipment	16	16	0	16	(0)	16	Adopts PG&E's forecast
53	5	5-4	Tools & Equipment	685	685	0	685	0	685	Adopts PG&E's forecast
54	11	5-4	Relicensing Hydro Gen	888	888	0	888	0	888	Adopts PG&E's forecast
55	12	5-4	Implement Environment Projects	533	533	0	533	0	533	Adopts PG&E's forecast
56	2L	5-4	Instl/Rpl for Hydro Safety&Reg	23,266	23,266	0	23,266	0	23,266	Adopts PG&E's forecast
57	2M	5-4	Instal/Repl Hydro Gneratng Eqp	117,867	117,867	0	117,867	0	117,867	Adopts PG&E's forecast
58	2N	5-4	Instal/Repl Resv,Dams&Waterway	39,571	39,571	0	39,571	0	39,571	Adopts PG&E's forecast
59	2P	5-4	Instl/Repl Hydr BldgGrndInfrst	14,837	14,837	0	14,837	(0)	14,837	Adopts PG&E's forecast
60	3H	5-4	Hydroelec Lic & Lic Conditions	33,003	33,003	0	33,197	(194)	33,003	Adopts PG&E's forecast
61	3	5-5	Office Furniture & Equipment	0	0	0	0	0	0	Adopts PG&E's forecast
62	5	5-5	Tools & Equipment	366	366	0	366	0	366	Adopts PG&E's forecast
63	2R	5-5	Instl/Rpl for Fosil Safety&Reg	0	0	0	0	0	0	Adopts PG&E's forecast
64	2S	5-5	Instal/Repl Fosil Gneratng Eqp	4,782	4,782	0	4,782	0	4,782	Adopts PG&E's forecast
65	2T	5-5	Instl/Repl Fosl BldgGrndInfrst	1,014	1,014	0	1,014	0	1,014	Adopts PG&E's forecast
66	3A	5-5	Instl/Rpl for AltGen Safty&Reg	24	24	0	24	0	24	Adopts PG&E's forecast
67	3B	5-5	Instal/Repl AltGen GneratngEqp	760	760	0	760	0	760	Adopts PG&E's forecast
68	2F	5-7	Build IT Apps & Infra	23,651	23,651	0	23,651	0	23,651	Adopts PG&E's forecast
69			**Total Energy Supply**	**372,518**	**372,518**	**0**	**347,712**	**24,806**	**372,518**	
Customer Care										
70	2F	6-2	Build IT Apps & Infra	2,476	2,476	0	2,476	0	2,476	Adopts PG&E's forecast
71	2F	6-4	Build IT Apps & Infra	1,800	3,864	(2,063)	1,801	(0)	1,800	Adopts PG&E's forecast
72	21	6-5	Misc Capital	500	500	0	500	0	500	Adopts PG&E's forecast
73	5	6-6	Tools & Equipment	361	361	0	361	0	361	Adopts PG&E's forecast
74	21	6-6	Misc Capital	3,620	3,620	0	3,620	0	3,620	Adopts PG&E's forecast
75	25	6-6	Install New Electric Meters	61,576	61,576	0	61,576	0	61,576	Adopts PG&E's forecast
76	74	6-6	Install New Gas Meters	67,911	67,911	0	67,911	0	67,911	Adopts PG&E's forecast
77	2F	6-6	Build IT Apps & Infra	832	832	0	832	0	832	Adopts PG&E's forecast
78	2F	6-7	Build IT Apps & Infra	252	252	0	252	0	252	Adopts PG&E's forecast
79			**Total Customer Care**	**139,327**	**141,391**	**(2,063)**	**139,328**	**(0)**	**139,327**	

APPENDIX B
PACIFIC GAS AND ELECTRIC COMPANY
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GAS DISTRIBUTION, ELECTRIC DISTRIBUTION ENERGY SUPPLY, CUSTOMER CARE, SHARED SERVICES & IT, HUMAN RESOURCES, A&G
FINAL POSITIONS
(In Thousands of 2020 SAP Dollars)

Line No.	MWC	PG&E Exh-Ch	Major Work Category	PG&E (A)	Cal Advocates	Difference (PG&E - Cal Adv)	TURN	Difference (PG&E - TURN)	Settlement Amount	Settlement Notes
Shared Services and Information Technology										
80	2F	7-1	Build IT Apps & Infra	62	62	0	62	0	62	Adopts PG&E's forecast
81	4	7-2	Fleet / Auto Equip	31,763	31,763	0	31,763	0	31,763	Adopts PG&E's forecast
82	5	7-2	Tools & Equipment	1,231	1,231	0	1,231	0	1,231	Adopts PG&E's forecast
83	21	7-2	Misc Capital	15,965	0	15,965	0	15,965	15,965	Adopts PG&E's forecast
84	28	7-2	EV - Station Infrastructure	3,373	3,373	0	3,373	0	3,373	Adopts PG&E's forecast
85	5	7-3	Tools & Equipment	254	254	0	254	0	254	Adopts PG&E's forecast
86	21	7-3	Misc Capital	546	546	0	546	0	546	Adopts PG&E's forecast
87	22	7-5	Maintain Buildings	80,316	1	80,315	80,316	0	80,316	Adopts PG&E's forecast
88	23	7-5	Implement RealEstate Strategy	85,501	90,404	(4,903)	85,501	0	85,501	Adopts PG&E's forecast
89	2F	7-5	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
90	5	7-6	Tools & Equipment	300	300	0	300	0	300	Adopts PG&E's forecast
91	12	7-6	Implement Environment Projects	5,979	5,979	0	5,979	0	5,979	Adopts PG&E's forecast
92	21	7-7	Misc Capital	0	0	0	0	0	0	Adopts PG&E's forecast
93	2F	7-7	Build IT Apps & Infra	1,678	1,678	0	1,678	0	1,678	Adopts PG&E's forecast
94	2F	7-8	Build IT Apps & Infra	159,281	144,471	14,810	137,321	21,960	159,281	Adopts PG&E's forecast
95	2F	7-9	Build IT Apps & Infra	23,929	18,329	5,600	23,929	0	23,929	Adopts PG&E's forecast
96	3N	7-9	Security Install/Replace	16,151	16,151	0	16,151	0	16,151	Adopts PG&E's forecast
97			**Total Shared Services**	**426,327**	**314,541**	**111,787**	**388,402**	**37,925**	**426,327**	
Human Resources										
98	2F	8-2	Build IT Apps & Infra	503	503	0	503	0	503	Adopts PG&E's forecast
99	2F	8-4	Build IT Apps & Infra	45	45	0	45	0	45	Adopts PG&E's forecast
100	5	8-6	Tools & Equipment	34	34	0	34	0	34	Adopts PG&E's forecast
101	22	8-6	Maintain Buildings	1,190	1,190	0	1,190	0	1,190	Adopts PG&E's forecast
102	2F	8-6	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
103			**Total Human Resources**	**1,772**	**1,772**	**0**	**1,772**	**0**	**1,772**	
Administrative and General										
104	2F	9-2	Build IT Apps & Infra	3,902	3,902	0	3,902	(0)	3,902	Adopts PG&E's forecast
105	2F	9-3	Build IT Apps & Infra	1,680	1,680	0	1,680	0	1,680	Adopts PG&E's forecast
106	2F	9-4	Build IT Apps & Infra	1,025	1,025	0	1,025	0	1,025	Adopts PG&E's forecast
107	2F	9-5	Build IT Apps & Infra	1,923	1,923	0	1,923	0	1,923	Adopts PG&E's forecast
108	2F	9-8	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
109			**Total A&G**	**8,530**	**8,530**	**0**	**8,530**	**(0)**	**8,530**	
110										
111			**Total Capital**	**3,840,236**	**3,319,063**	**521,172**	**3,571,932**	**268,303**	**3,840,236**	

Notes:

(A) Includes forecast updates, concessions, errata and stipulations.

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PACIFIC GAS AND ELECTRIC COMPANY
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FORECAST YEAR 2018 - SUMMARY OF CAPITAL FORECASTS BY MAJOR WORK CATEGORY
GAS DISTRIBUTION, ELECTRIC DISTRIBUTION ENERGY SUPPLY, CUSTOMER CARE, SHARED SERVICES & IT, HUMAN RESOURCES, A&G
FINAL POSITIONS
(In Thousands of 2020 SAP Dollars)

Line No.	MWC	PG&E Exh-Ch	Major Work Category	PG&E (A)	Cal Advocates	Difference (PG&E - Cal Adv)	TURN	Difference (PG&E - TURN)	Settlement Amount	Settlement Notes
Gas Distribution										
1	14	3-4	G Dist Pipeline Repl Program	417,189	439,838	(22,649)	417,189	0	417,189	Adopts PG&E's forecast
2	27	3-4	Gas Meter Protection-Capital	532	1,033	(501)	532	0	532	Adopts PG&E's forecast
3	**50**	3-4	G Dist Reliability General	144,972	129,419	15,553	144,972	0	144,972	Adopts PG&E's forecast
4	31	3-5	NGV - Station Infrastructure	3,915	4,261	(345)	3,915	(0)	3,915	Adopts PG&E's forecast
5	**50**	3-5	G Dist Reliability General	55,539	56,567	(1,028)	55,539	0	55,539	Adopts PG&E's forecast
6	2K	3-5	G Dist Repl/Convert Cust HPR	50,827	55,186	(4,360)	50,827	0	50,827	Adopts PG&E's forecast
7	74	3-6	Install New Gas Meters	2,091	1,780	311	2,091	0	2,091	Adopts PG&E's forecast
8	**50**	3-7	G Dist Reliability General	20,462	14,779	5,683	20,462	0	20,462	Adopts PG&E's forecast
9	**50**	3-8	G Dist Reliability General	44,010	10,693	33,317	44,010	0	44,010	Adopts PG&E's forecast
10	52	3-8	G Dist Leak Repl/Emergency	120	1,744	(1,624)	120	0	120	Adopts PG&E's forecast
11	47	3-9	G Dist Capacity	47,135	26,094	21,041	47,135	0	47,135	Adopts PG&E's forecast
12	4A	3-9	G Dist Ctrl Operations Assets	28,105	24,393	3,712	28,105	0	28,105	Adopts PG&E's forecast
13	29	3-10	G Dist Customer Connects	78,958	95,055	(16,097)	78,958	0	78,958	Adopts PG&E's forecast
14	51	3-10	G Dist WRO	65,607	56,076	9,531	65,607	0	65,607	Adopts PG&E's forecast
15	5	3-11	Tools & Equipment	1,797	5,920	(4,124)	1,797	(0)	1,797	Adopts PG&E's forecast
16	21	3-11	Misc Capital	0	0	0	0	0	0	Adopts PG&E's forecast
17	78	3-11	Manage Buildings	**4**	**(1,345)**	1,349	4	0	4	Adopts PG&E's forecast
18	2F	3-11	Build IT Apps & Infra	7,573	7,907	(334)	7,573	0	7,573	Adopts PG&E's forecast
19			**Total Gas Distribution**	**968,837**	**929,401**	**39,436**	**968,837**	**(0)**	**968,837**	
Electric Distribution										
20	21	4-3	Misc Capital	9,816	7,386	2,430	9,816	0	9,816	Adopts PG&E's forecast
21	17	4-4	E Dist Routine Emergency	179,241	187,744	(8,504)	179,241	0	179,241	Adopts PG&E's forecast
22	95	4-4	E Dist Major Emergency	48,772	37,026	11,746	48,772	0	48,772	Adopts PG&E's forecast
23	63	4-5	E T&D Control System/ Facility	3,578	3,712	(134)	3,578	0	3,578	Adopts PG&E's forecast
24	2F	4-5	Build IT Apps & Infra	0	1,892	(1,892)	0	0	0	Adopts PG&E's forecast
25	2A	4-6	E Dist Inst/Repl OH General	197,060	224,548	(27,489)	148,594	48,466	197,060	Adopts PG&E's forecast
26	2B	4-6	E Dist Inst/Repl UG	59,356	70,325	(10,970)	59,356	0	59,356	Adopts PG&E's forecast
27	2C	4-6	E Dist Inst/Repl Network	20,763	20,847	(84)	20,763	0	20,763	Adopts PG&E's forecast
28	7	4-8	E Dist Inst/Repl OH Poles	175,647	227,844	(52,197)	175,647	0	175,647	Adopts PG&E's forecast
29	8	4-9	E Dist Replace OH Asset	55,293	39,550	15,743	47,181	8,112	55,293	Adopts PG&E's forecast
30	49	4-9	E Dist Reliability Ckt/Zone	33,998	25,782	8,216	33,998	0	33,998	Adopts PG&E's forecast
31	2F	4-9	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
32	9	4-10	E Dist Automation & Protection	53,277	72,731	(19,454)	53,277	0	53,277	Adopts PG&E's forecast
33	56	4-11	E Dist Replace UG Asset-Gen	90,807	83,007	7,800	90,807	0	90,807	Adopts PG&E's forecast
34	48	4-12	E Dist Subst Repl Other Equip	90,492	106,911	(16,418)	90,492	0	90,492	Adopts PG&E's forecast
35	54	4-12	E Dis Subst Repl Transformer	5,811	31,086	(25,275)	5,811	0	5,811	Adopts PG&E's forecast
36	58	4-12	E Dist Repl Substation Safety	4,571	2,290	2,282	4,571	0	4,571	Adopts PG&E's forecast
37	59	4-12	E Dist Subst Emergency Repl	40,000	62,881	(22,881)	40,000	0	40,000	Adopts PG&E's forecast
38	6	4-13	E Dist Line Capacity	80,187	67,666	12,521	78,915	1,272	80,187	Adopts PG&E's forecast
39	46	4-13	E Dist Subst Capacity	20,056	12,376	7,681	18,694	1,362	20,056	Adopts PG&E's forecast
40	2F	4-15	Build IT Apps & Infra	15,240	24,766	(9,526)	15,240	0	15,240	Adopts PG&E's forecast
41	10	4-16	E Dist WRO General	113,306	121,015	(7,709)	113,306	0	113,306	Adopts PG&E's forecast
42	16	4-16	E Dist Customer Connects	407,716	434,486	(26,770)	407,716	0	407,716	Adopts PG&E's forecast
43	30	4-17	E Dist WRO Rule 20A	54,113	32,610	21,503	54,113	0	54,113	Adopts PG&E's forecast
44	5	4-18	Tools & Equipment	7,330	7,209	121	7,330	0	7,330	Adopts PG&E's forecast
45	21	4-18	Misc Capital	(47,395)	8	(47,403)	(47,395)	0	(47,395)	Adopts PG&E's forecast
46	63	4-19	E T&D Control System/ Facility	12,515	5,048	7,467	2,550	9,965	12,515	Adopts PG&E's forecast
47	2F	4-19	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
			Total Electric Distribution	**1,731,550**	**1,910,748**	**(179,198)**	**1,662,373**	**69,177**	**1,731,550**	
Energy Supply										
48	3	5-3	Office Furniture & Equipment	268	156	112	268	0	268	Adopts PG&E's forecast
49	5	5-3	Tools & Equipment	497	3,052	(2,555)	497	0	497	Adopts PG&E's forecast
50	20	5-3	DCPP Capital	132,235	116,933	15,302	132,235	0	132,235	Adopts PG&E's forecast
51	3I	5-3	Nuclear Safety and Security	10,300	7,884	2,416	10,300	0	10,300	Adopts PG&E's forecast
52	3	5-4	Office Furniture & Equipment	15	270	(255)	15	(0)	15	Adopts PG&E's forecast
53	5	5-4	Tools & Equipment	1,024	1,223	(199)	1,024	0	1,024	Adopts PG&E's forecast
54	11	5-4	Relicensing Hydro Gen	1,273	1,350	(77)	1,273	0	1,273	Adopts PG&E's forecast
55	12	5-4	Implement Environment Projects	488	796	(308)	488	(0)	488	Adopts PG&E's forecast
56	2L	5-4	Instl/Rpl for Hydro Safety&Reg	23,560	20,422	3,138	23,560	0	23,560	Adopts PG&E's forecast
57	2M	5-4	Instal/Repl Hydro Gneratng Eqp	91,913	96,997	(5,084)	91,913	(0)	91,913	Adopts PG&E's forecast
58	2N	5-4	Instal/Repl Resv,Dams&Waterway	52,714	40,768	11,946	52,714	0	52,714	Adopts PG&E's forecast
59	2P	5-4	Instl/Repl Hydr BldgGrndInfrst	37,495	26,533	10,962	37,495	0	37,495	Adopts PG&E's forecast
60	3H	5-4	Hydroelec Lic & Lic Conditions	29,933	23,884	6,049	30,182	(249)	29,933	Adopts PG&E's forecast
61	3	5-5	Office Furniture & Equipment	193	33	160	193	0	193	Adopts PG&E's forecast
62	5	5-5	Tools & Equipment	357	264	93	357	0	357	Adopts PG&E's forecast
63	2R	5-5	Instl/Rpl for Fosil Safety&Reg	101	52	49	101	0	101	Adopts PG&E's forecast
64	2S	5-5	Instal/Repl Fosil Gneratng Eqp	3,081	4,822	(1,741)	3,081	0	3,081	Adopts PG&E's forecast
65	2T	5-5	Instl/Repl Fosl BldgGrndInfrst	355	202	153	355	0	355	Adopts PG&E's forecast
66	3A	5-5	Instl/Rpl for AltGen Safty&Reg	23	92	(69)	23	0	23	Adopts PG&E's forecast
67	3B	5-5	Instal/Repl AltGen GneratngEqp	488	961	(473)	488	0	488	Adopts PG&E's forecast
68	2F	5-7	Build IT Apps & Infra	29,908	25,829	4,079	29,908	0	29,908	Adopts PG&E's forecast
69			**Total Energy Supply**	**416,223**	**372,523**	**43,700**	**416,472**	**(249)**	**416,223**	
Customer Care										
70	2F	6-2	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
71	2F	6-4	Build IT Apps & Infra	1,119	13,381	(12,262)	1,119	0	1,119	Adopts PG&E's forecast
72	21	6-5	Misc Capital	500	959	(459)	500	0	500	Adopts PG&E's forecast
73	5	6-6	Tools & Equipment	350	24	326	350	0	350	Adopts PG&E's forecast
74	21	6-6	Misc Capital	0	2	(2)	0	0	0	Adopts PG&E's forecast
75	25	6-6	Install New Electric Meters	50,802	53,879	(3,077)	50,802	0	50,802	Adopts PG&E's forecast
76	74	6-6	Install New Gas Meters	82,667	74,056	8,612	82,667	0	82,667	Adopts PG&E's forecast
77	2F	6-6	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
78	2F	6-7	Build IT Apps & Infra	7,467	13,154	(5,687)	7,467	0	7,467	Adopts PG&E's forecast
79			**Total Customer Care**	**142,905**	**155,454**	**(12,549)**	**142,905**	**0**	**142,905**	

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Line No.	MWC	PG&E Exh-Ch	Major Work Category	PG&E (A)	Cal Advocates	Difference (PG&E - Cal Adv)	TURN	Difference (PG&E - TURN)	Settlement Amount	Settlement Notes
Shared Services and Information Technology										
80	2F	7-1	Build IT Apps & Infra	60	1,596	(1,536)	60	0	60	Adopts PG&E's forecast
81	4	7-2	Fleet / Auto Equip	47,087	53,528	(6,441)	47,087	0	47,087	Adopts PG&E's forecast
82	5	7-2	Tools & Equipment	1,013	996	17	1,013	0	1,013	Adopts PG&E's forecast
83	21	7-2	Misc Capital	15,500	30,599	(15,099)	0	15,500	15,500	Adopts PG&E's forecast
84	28	7-2	EV - Station Infrastructure	2,100	1,854	246	2,100	0	2,100	Adopts PG&E's forecast
85	5	7-3	Tools & Equipment	400	287	113	400	0	400	Adopts PG&E's forecast
86	21	7-3	Misc Capital	400	793	(393)	400	0	400	Adopts PG&E's forecast
87	22	7-5	Maintain Buildings	43,746	86,199	(42,453)	43,746	0	43,746	Adopts PG&E's forecast
88	23	7-5	Implement RealEstate Strategy	265,076	164,611	100,465	265,076	0	265,076	Adopts PG&E's forecast
89	2F	7-5	Build IT Apps & Infra	16	0	16	16	0	16	Adopts PG&E's forecast
90	5	7-6	Tools & Equipment	300	1,117	(817)	300	0	300	Adopts PG&E's forecast
91	12	7-6	Implement Environment Projects	11,479	5,238	6,241	11,479	0	11,479	Adopts PG&E's forecast
92	21	7-7	Misc Capital	0	0	0	0	0	0	Adopts PG&E's forecast
93	2F	7-7	Build IT Apps & Infra	1,590	2,848	(1,258)	1,590	0	1,590	Adopts PG&E's forecast
94	2F	7-8	Build IT Apps & Infra	151,016	157,732	(6,716)	134,906	16,110	151,016	Adopts PG&E's forecast
95	2F	7-9	Build IT Apps & Infra	19,937	22,120	(2,183)	19,937	0	19,937	Adopts PG&E's forecast
96	3N	7-9	Security Install/Replace	15,842	10,324	5,518	15,842	0	15,842	Adopts PG&E's forecast
97			**Total Shared Services**	**575,561**	**539,843**	**35,718**	**543,951**	**31,610**	**575,561**	
Human Resources										
98	2F	8-2	Build IT Apps & Infra	3,359	1,374	1,985	3,359	0	3,359	Adopts PG&E's forecast
99	2F	8-4	Build IT Apps & Infra	0	0	0	0	0	0	Adopts PG&E's forecast
100	5	8-6	Tools & Equipment	10	16	(6)	10	0	10	Adopts PG&E's forecast
101	22	8-6	Maintain Buildings	1,190	1,848	(659)	1,190	0	1,190	Adopts PG&E's forecast
102	2F	8-6	Build IT Apps & Infra	818	1,271	(453)	818	0	818	Adopts PG&E's forecast
103			**Total Human Resources**	**5,377**	**4,509**	**868**	**5,377**	**0**	**5,377**	
Administrative and General										
104	2F	9-2	Build IT Apps & Infra	3,807	2,511	1,296	3,807	0	3,807	Adopts PG&E's forecast
105	2F	9-3	Build IT Apps & Infra	1,642	20	1,622	1,642	0	1,642	Adopts PG&E's forecast
106	2F	9-4	Build IT Apps & Infra	765	1,120	(355)	765	0	765	Adopts PG&E's forecast
107	2F	9-5	Build IT Apps & Infra	654	1,605	(951)	654	0	654	Adopts PG&E's forecast
108	2F	9-8	Build IT Apps & Infra	0	79	(79)	0	0	0	Adopts PG&E's forecast
109			**Total A&G**	**6,867**	**5,335**	**1,532**	**6,867**	**0**	**6,867**	
110										
111			**Total Capital**	**3,847,321**	**3,917,814**	**(70,493)**	**3,746,783**	**100,538**	**3,847,321**	

Notes:

(A) Includes forecast updates, concessions, errata and stipulations.

APPENDIX C

POST TEST YEAR SETTLEMENT AMOUNTS

APPENDIX C
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
POST-TEST YEAR SETTLEMENT AMOUNTS
(Millions of Dollars)

Line	PG&E Proposed	Test Year 2020 Proposed	Post-Test Year 2021 Proposed	Attrition Increase	Attrition Allocation	Attrition Increase Percentage	Post-Test Year 2022 Proposed	Attrition Increase	Attrition Allocation	Attrition Increase Percentage	Line
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
1	Electric Gen	2,327	2,315	(12)	-3.4%	-0.5%	2,332	17	3.4%	0.7%	1
2	Electric Dist	5,057	5,310	253	71.1%	5.0%	5,644	334	69.4%	6.3%	2
3	Gas Dist	2,136	2,251	115	32.3%	5.4%	2,382	130	27.1%	5.8%	3
4	Revenue Collected in Rates Total	$ 9,520	$ 9,877	**$ 356**	100.0%	**3.7%**	$ 10,358	**$ 481**	100.0%	**4.9%**	4

Line	CalAdvocates Primary Proposal	Test Year 2020 Proposed	Post-Test Year 2021 Proposed	Attrition Increase	Attrition Allocation	Attrition Increase Percentage	Post-Test Year 2022 Proposed	Attrition Increase	Attrition Allocation	Attrition Increase Percentage	Line
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
5	Electric Gen	2,210	2,196	(13)	-4.3%	-0.6%	2,213	17	5.0%	0.8%	5
6	Electric Dist	4,875	5,097	222	73.8%	4.6%	5,320	223	67.2%	4.4%	6
7	Gas Dist	2,014	2,106	92	30.5%	4.6%	2,199	92	27.8%	4.4%	7
8	Revenue Collected in Rates Total	$ 9,099	$ 9,400	**$ 301**	100.0%	**3.3%**	$ 9,732	**$ 332**	100.0%	**3.5%**	8

Line	Settlement	Test Year 2020 Proposed	Post-Test Year 2021 Proposed	Attrition Increase	Attrition Allocation	Attrition Increase Percentage	Post-Test Year 2022 Proposed	Attrition Increase	Attrition Allocation	Attrition Increase Percentage	Line
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
9	Electric Gen	2,297	2,283	(14)	-4.4%	-0.6%	2,278	(5)	-1.4%	-0.2%	9
10	Electric Dist	4,775	4,986	210	66.1%	4.4%	5,261	276	75.2%	5.5%	10
11	Gas Dist	2,020	2,142	122	38.4%	6.0%	2,239	96	26.2%	4.5%	11
12	Revenue Collected in Rates Total	$ 9,093	$ 9,411	**$ 318**	100.0%	**3.5%**	$ 9,778	**$ 367**	100.0%	**3.9%**	12

APPENDIX D

AVERAGE SERVICE LIVES/MORTALITY CURVES, NET SALVAGE PERCENTAGES, AND ACCRUAL RATES

APPENDIX D
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
DEPRECIATION FORECAST REDUCTION

(MILLIONS OF DOLLARS)

Line No.	Revenue Requirement	PG&E Forecast (A)	Settlement	Difference (Forecast vs. Settled)
1	Depreciation Expense	2,795,632	2,661,046	(134,586)
2	RF&U	110,514	108,826	(1,688)
3	Income Taxes	251,607	234,422	(17,184)
4	Net for Return	2,298,619	2,302,128	3,509
5	Other Operating Revenues	(195,601)	(195,106)	495
6	Total Revenue Requirement			(149,454)

(A) PG&E JCE RO model using depreciation rates from Application

APPENDIX D

PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
DEPRECIATION FORECAST REDUCTION
ELECTRIC AND GAS DEPARTMENTS - RESULTS OF OPERATIONS AT PROPOSED RATES
(THOUSANDS OF DOLLARS)

		(A) 2020 PG&E GRC Application (As Filed)				(B) 2020 PG&E GRC Revised				(B-A) 2020 PG&E GRC (Difference)			
Line No.	Description	Adj Recorded Year 2017RA (B)	Estimated Year 2,018 (C)	Estimated Year 2,019 (D)	Test Year 2,020 (E)	Adj Recorded Year 2017RA (B)	Estimated Year 2,018 (C)	Estimated Year 2,019 (D)	Test Year 2,020 (E)	Adj Recorded Year 2017RA (B)	Estimated Year 2,018 (C)	Estimated Year 2,019 (D)	Test Year 2,020 (E)
	REVENUE:												
1	Revenue Collected in Rates	8,014,182	8,171,114	8,517,725	9,557,792	8,014,182	8,171,114	8,517,725	9,408,338	0	0	0	(149,454)
2	Plus Other Operating Revenue	170,111	170,111	170,111	195,601	170,111	170,111	170,111	195,106	0	0	0	(495)
3	Total Operating Revenue	8,184,294	8,341,225	8,687,837	9,753,393	8,184,294	8,341,225	8,687,837	9,603,444	0	0	0	(149,949)
	OPERATING EXPENSES:												
4	Energy Costs	0	0	0	0	0	0	0	0	0	0	0	0
5	Production / Procurement	646,529	607,880	637,530	628,954	646,529	607,880	637,530	628,954	0	0	0	0
6	Storage	0	0	0	0	0	0	0	0	0	0	0	0
7	Transmission	9,513	11,095	9,798	9,986	9,513	11,095	9,798	9,986	0	0	0	0
8	Distribution	1,004,650	1,378,162	1,389,366	1,503,765	1,004,650	1,378,162	1,389,366	1,503,765	0	0	0	0
9	Customer Accounts	271,106	267,298	245,070	281,063	271,106	267,298	245,070	281,063	0	0	0	0
10	Uncollectibles	27,307	28,088	28,915	31,310	27,307	28,088	28,915	30,827	0	0	0	(483)
11	Customer Services	36,386	48,470	50,836	30,781	36,386	48,470	50,836	30,781	0	0	0	0
12	Administrative and General	1,000,248	1,117,841	1,259,832	1,316,388	1,000,248	1,117,841	1,259,832	1,316,388	0	0	0	0
13	Franchise & SFGR Tax Requirement	65,291	67,888	70,702	79,204	65,291	67,888	70,702	77,999	0	0	0	(1,205)
14	Amortization	176	174	172	23,271	176	174	172	23,271	0	0	0	0
15	Wage Change Impacts	0	0	0	0	0	0	0	0	0	0	0	0
16	Other Price Change Impacts	0	0	0	0	0	0	0	0	0	0	0	0
17	Other Adjustments	(21,665)	(21,322)	(21,305)	7,790	(21,665)	(21,322)	(21,305)	7,790	0	0	0	0
18	Subtotal Expenses:	3,039,544	3,505,575	3,670,917	3,912,512	3,039,544	3,505,575	3,670,917	3,910,825	0	0	0	(1,688)
	TAXES:												
19	Superfund	0	0	0	0	0	0	0	0	0	0	0	0
20	Property	280,569	304,399	328,469	349,821	280,569	304,399	328,469	349,821	0	0	0	0
21	Payroll	107,367	91,869	95,561	101,408	107,367	91,869	95,561	101,408	0	0	0	0
22	Business	1,088	1,124	1,161	1,199	1,088	1,124	1,161	1,199	0	0	0	0
23	Other	6,713	10,606	13,470	13,723	6,713	10,606	13,470	13,723	0	0	0	0
24	State Corporation Franchise	87,757	40,653	67,302	136,521	87,757	40,653	67,302	123,322	0	0	0	(13,199)
25	Federal Income	374,201	(70,225)	(43,234)	115,085	374,201	(70,225)	(43,234)	111,100	0	0	0	(3,985)
26	Total Taxes	857,695	378,426	462,729	717,758	857,695	378,426	462,729	700,573	0	0	0	(17,184)
27	Depreciation	2,324,312	2,458,693	2,615,930	2,795,632	2,324,312	2,458,693	2,615,930	2,661,046	0	0	0	(134,586)
28	Fossil/Hydro Decommissioning	(5,527)	(5,527)	(5,527)	28,871	(5,527)	(5,527)	(5,527)	28,871	0	0	0	0
29	Nuclear Decommissioning	0	0	0	0	0	0	0	0	0	0	0	0
30	Total Operating Expenses	6,216,023	6,337,166	6,744,048	7,454,774	6,216,023	6,337,166	6,744,048	7,301,316	0	0	0	(153,458)
31	Net for Return	1,968,270	2,004,059	1,943,788	2,298,619	1,968,270	2,004,059	1,943,788	2,302,128	0	0	0	3,509
32	Rate Base	25,481,150	26,697,591	28,167,413	29,891,018	25,481,150	26,697,591	28,167,413	29,936,647	0	0	0	45,629

APPENDIX D
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
AVERAGE SERVICE LIVES/MORTALITY CURVES, NET SALVAGE PERCENTAGES AND ACCRUAL RATES

Ln	Asset Class	FERC Acct.	Description	Average Service Life (Years) Settled as Proposed	Mortality Curve Type Settled as Proposed	Net Salvage (%) PG&E Proposed	Net Salvage (%) Settlement	Accrual Rate (%) PG&E Proposed	Accrual Rate (%) Settlement
			ELECTRIC DEPARTMENT						
			INTANGIBLE PLANT						
1	EIP30201	302	FRANCHISES AND CONSENTS	SQUARE (a)		0	0	2.40	2.40
2	EIP30301	303	USBR - LIMITED TERM ELECTRIC	FULLY ACCRUED		0	0	0.00	0.00
3	EIP30303	303	COMPUTER SOFTWARE	5	SQ	0	0	20.42	20.42
			STEAM PRODUCTION PLANT - COMBINED CYCLE						
4	ESF31001	310	LAND*	Nondepreciable				0.00	0.00
5	ESF31002	310	LAND RIGHTS	SQUARE (a)		0	0	4.27	4.27
6	ESF31103	311	STRUCTURES AND IMPROVEMENTS	75	R1 (a)	0	0	3.43	3.43
7	ESF31202	312	PROD FOSSIL: BOILER PLANT EQP/POLLUTN CONTRL*	Not Studied				0.00	0.00
8	ESF31203	312	BOILER PLANT EQUIPMENT	50	R1 (a)	0	0	3.62	3.62
9	ESF31205	312	BOILER PLANT EQUIPMENT - POLLUTION CONTROL	50	R1 (a)	0	0	3.48	3.48
10	ESF31403	314	TURBOGENERATOR UNITS	40	R2.5 (a)	0	0	3.55	3.55
11	ESF31503	315	ACCESSORY ELECTRIC EQUIPMENT	45	R2.5 (a)	0	0	3.59	3.59
12	ESF31603	316	MISCELLANEOUS POWER PLANT EQUIPMENT	40	S0.5 (a)	0	0	3.70	3.70
			STEAM PRODUCTION PLANT - OTHER STEAM PRODUCTION						
13	ESF31101	311	STRUCTR & IMP*	Not Studied				0.00	0.00
14	ESF31201	312	BOILER PLT EQP*	Not Studied				0.00	0.00
15	ESF31301	313	ENG & ENG-DRV GEN*	Not Studied				0.00	0.00
16	ESF31401	314	TURBOGEN UNITS*	Not Studied				0.00	0.00
17	ESF31501	315	ACCESS ELEC EQP*	Not Studied				0.00	0.00
18	ESF31601	316	MISC PWR PLNT EQP*	Not Studied				0.00	0.00
			NUCLEAR PRODUCTION - 2001 & PRIOR						
19	ENP32001	320	LAND*	(b)	(b)	0	0	0.94	0.94
20	ENP32002	320	LAND RIGHTS*	(b)	(b)	0	0	0.00	0.00
21	ENP32100	321	STRUCTURES AND IMPROVEMENTS*	(b)	(b)	0	0	0.03	0.03
22	ENP32200	322	REACTOR PLANT EQUIPMENT*	(b)	(b)	0	0	0.03	0.03
23	ENP32300	323	TURBOGENERATOR UNITS*	(b)	(b)	0	0	(0.02)	(0.02)
24	ENP32400	324	ACCESSORY ELECTRIC EQUIPMENT*	(b)	(b)	0	0	(0.07)	(0.07)
25	ENP32500	325	MISCELLANEOUS POWER PLANT EQUIPMENT*	(b)	(b)	0	0	0.33	0.33
			NUCLEAR PRODUCTION - 2002 & SUBSEQUENT						
26	ENP32102	321	STRUCTURES AND IMPROVEMENTS*	(b)	(b)	0	0	11.93	11.93
27	ENP32201	322	REACTOR PLANT EQUIPMENT*	(b)	(b)	0	0	5.03	5.03
28	ENP32202	322	REACTOR PLANT EQUIPMENT*	(b)	(b)	0	0	10.16	10.16
29	ENP32302	323	TURBOGENERATOR UNITS*	(b)	(b)	0	0	8.20	8.20
30	ENP32402	324	ACCESSORY ELECTRIC EQUIPMENT*	(b)	(b)	0	0	11.10	11.10
31	ENP32502	325	MISCELLANEOUS POWER PLANT EQUIPMENT*	(b)	(b)	0	0	10.80	10.80
			HYDRO PRODUCTION PLANT						
32	EHP33001	330	LAND*	Nondepreciable				0.00	0.00
33	EHP33003	330	LAND - RECREATION*	Nondepreciable				0.00	0.00
34	EHP33004	330	LAND RIGHTS	SQUARE (a)		0	0	4.65	4.65
35	EHP33005	330	LAND RIGHTS - F/W	SQUARE (a)		0	0	7.47	7.47
36	EHP33006	330	LAND RIGHTS - RECREATION	SQUARE (a)		0	0	10.32	10.32
37	EHP33101	331	STRUCTURES AND IMPROVEMENTS	80	R2 (a)	(6)	(6)	3.61	3.61
38	EHP33102	331	STRUCTURES AND IMPROVEMENTS	80	R2 (a)	(6)	(6)	3.61	3.61
39	EHP33103	331	STRUCTURES AND IMPROVEMENTS	80	R2 (a)	(6)	(6)	3.61	3.61
40	EHP33201	332	RESERVOIRS, DAMS AND WATERWAYS	120	R2.5 (a)	(3)	(3)	2.21	2.21
41	EHP33202	332	RESERVOIRS, DAMS AND WATERWAYS	120	R2.5 (a)	(3)	(3)	2.21	2.21
42	EHP33203	332	RESERVOIRS, DAMS AND WATERWAYS	120	R2.5 (a)	(3)	(3)	2.21	2.21
43	EHP33300	333	WATERWHEELS, TURBINES AND GENERATORS	70	S0 (a)	(4)	(4)	4.12	4.12
44	EHP33400	334	ACCESSORY ELECTRIC EQUIPMENT	65	S0.5 (a)	(6)	(6)	3.35	3.35
45	EHP33500	335	MISCELLANEOUS POWER PLANT EQUIPMENT	55	S0 (a)	(10)	(10)	4.27	4.27
46	EHP33600	336	ROADS, RAILROADS AND BRIDGES	80	S1 (a)	(3)	(3)	3.30	3.30
			HELMS PUMPED STORAGE						
47	EHH33001	330	LAND - HELMS PUMPED STORAGE*	Nondepreciable				0.00	0.00
48	EHH33004	330	LAND RIGHTS	SQUARE (a)		0	0	10.90	10.90
49	EHH33101	331	STRUCTURES AND IMPROVEMENTS	80	R2 (a)	(6)	(6)	1.46	1.46
50	EHH33201	332	RESERVOIRS, DAMS AND WATERWAYS	120	R2.5 (a)	(3)	(3)	0.80	0.80
51	EHH33300	333	WATERWHEELS, TURBINES AND GENERATORS	70	S0 (a)	(4)	(4)	6.61	6.61
52	EHH33400	334	ACCESSORY ELECTRIC EQUIPMENT	65	S0.5 (a)	(6)	(6)	2.83	2.83
53	EHH33500	335	MISCELLANEOUS POWER PLANT EQUIPMENT	55	S0 (a)	(10)	(10)	4.49	4.49
54	EHH33600	336	ROADS, RAILROADS AND BRIDGES	80	S1 (a)	(3)	(3)	0.56	0.56
			OTHER PRODUCTION						
55	EOP34001	340	LAND*	Nondepreciable				0.00	0.00
56	EOP34002	340	LAND RIGHTS	SQUARE (a)		0	0	4.27	4.27
57	EOP34100	341	STRUCTURES AND IMPROVEMENTS	75	R1 (a)	0	0	3.49	3.49
58	EOP34101	341	STRUCTURES AND IMPROVEMENTS	75	R1 (a)	0	0	3.49	3.49
59	EOP34200	342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	50	R1 (a)	0	0	3.61	3.61
60	EOP34201	342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	50	R1 (a)	0	0	3.61	3.61
61	EOP34300	343	PRIME MOVERS	40	R2.5 (a)	0	0	3.55	3.55
62	EOP34301	343	PRIME MOVERS	40	R2.5 (a)	0	0	3.55	3.55
63	EOP34400	344	GENERATORS	40	R2.5 (a)	0	0	3.42	3.42
64	EOP34401	344	GENERATORS	40	R2.5 (a)	0	0	3.42	3.42
65	EOP34500	345	ACCESSORY ELECTRIC EQUIPMENT	45	R2.5 (a)	0	0	3.49	3.49
66	EOP34501	345	ACCESSORY ELECTRIC EQUIPMENT	45	R2.5 (a)	0	0	3.49	3.49
67	EOP34600	346	MISCELLANEOUS POWER PLANT EQUIPMENT	40	S0.5 (a)	0	0	3.72	3.72
68	EOP34601	346	MISCELLANEOUS POWER PLANT EQUIPMENT	40	S0.5 (a)	0	0	3.72	3.72

APPENDIX D
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
AVERAGE SERVICE LIVES/MORTALITY CURVES, NET SALVAGE PERCENTAGES AND ACCRUAL RATES

Ln	Asset Class	FERC Acct.	Description	Average Service Life (Years) Settled as Proposed	Mortality Curve Type Settled as Proposed	Net Salvage (%) PG&E Proposed	Net Salvage (%) Settlement	Accrual Rate (%) PG&E Proposed	Accrual Rate (%) Settlement
			OTHER PRODUCTION PLANT						
			OTHER PRODUCTION PLANT- SOLAR (c)						
69	EOP34102	341	STRUCTURES AND IMPROVEMENTS - SOLAR		SQUARE (a)	0	0	4.01	4.01
70	EOP34402	344	GENERATORS - SOLAR		SQUARE (a)	0	0	4.02	4.02
71	EOP34502	345	ACCESSORY ELECTRIC EQUIPMENT - SOLAR INVERTERS	10	S2.5 (a)	0	0	14.51	14.51
72	EOP34503	345	ACCESSORY ELECTRIC EQUIPMENT - SOLAR		SQUARE (a)	0	0	4.02	4.02
73	EOP34602	346	MISCELLANEOUS POWER PLANT EQUIPMENT - SOLAR		SQUARE (a)	0	0	4.05	4.05
			OTHER PRODUCTION PLANT - FUEL CELL						
74	EOP34404	344	GENERATORS - FUEL CELL		SQUARE (a)	0	0	14.14	14.14
			ELECTRIC TRANSMISSION (GENERATION (ETC))						
75	ETC35002	350	LAND RIGHTS	75	SQ	0	0	1.29	1.29
76	ETC35201	352	STRUCTURES AND IMPROVEMENTS	70	R3	(20)	(20)	1.35	1.35
77	ETC35301	353	STATION EQUIPMENT	46	R2	(60)	(60)	3.65	3.65
78	ETC35302	353	STATION EQUIPMENT - STEP UP TRANSFORMERS	55	R1.5	(5)	(5)	0.64	0.64
79	ETP35303	353	STATION EQUIPMENT - STEP UP TRANSFORMERS (COMBINED CYCLE)	55	R1.5 (a)	(5)	(5)	3.63	3.63
80	ETC35400	354	TOWERS AND FIXTURES	75	R4	(100)	(100)	2.44	2.44
81	ETP35401	354	TOWERS AND FIXTURES (COMBINED CYCLE)	75	R4 (a)	(100)	(100)	6.88	6.88
82	ETC35500	355	POLES AND FIXTURES	54	R1.5	(80)	(80)	3.26	3.26
83	ETC35600	356	OVERHEAD CONDUCTORS AND DEVICES	65	R2	(110)	(110)	2.99	2.99
84	ETP35601	356	OVERHEAD CONDUCTORS AND DEVICES (COMBINED CYCLE)	65	R2 (a)	(110)	(110)	7.96	7.96
85	ETC35700	357	UNDERGROUND CONDUIT	65	R4	0	0	0.94	0.94
86	ETC35800	358	UNDERGROUND CONDUCTORS AND DEVICES	55	R3	(10)	(10)	1.49	1.49
87	ETC35900	359	ROADS AND TRAILS	60	R1.5	(10)	(10)	1.59	1.59
			NUCLEAR TRANSMISSION PLANT						
88	NTP35201	352	STRUCTURES AND IMPROVEMENTS*	(b)	(b)	0	0	(1.22)	(1.22)
89	NTP35202	352	STRUCTURES AND IMPROVEMENTS-EQUIPMENT*	(b)	(b)	0	0	9.01	9.01
90	NTP35301	353	STATION EQUIPMENT*	(b)	(b)	0	0	(3.47)	(3.47)
91	NTP35302	353	STEP-UP TRANSFORMERS*	(b)	(b)	0	0	3.97	3.97
			DISTRIBUTION PLANT						
92	EDP36001	360	LAND*	Nondepreciable				0.00	0.00
93	EDP36002	360	LAND RIGHTS	60	SQ	0	0	3.31	3.31
94	EDP36101	361	STRUCTURES AND IMPROVEMENTS	70	R3	(20)	(20)	1.59	1.59
95	EDP36102	361	STRUCTURES AND IMPROVEMENTS - EQUIPMENT	70	R3	(20)	(20)	1.66	1.66
96	EDP36200 (1)	362	STATION EQUIPMENT	46	R1.5	(60)	(40)	3.61	3.06
97	EDP36300	363	STORAGE BATTERY EQUIPMENT	20	R2	0	0	3.74	3.74
98	EDP36301	363	ENERGY STORAGE	15	S3	0	0	6.62	6.62
99	EDP36400 (1)	364	POLES, TOWERS AND FIXTURES	44	R2	(175)	(150)	6.83	6.07
100	EDP36500 (1)	365	OVERHEAD CONDUCTORS AND DEVICES	46	R2	(100)	(90)	4.26	3.96
101	EDP36600	366	UNDERGROUND CONDUIT	65	R4	(50)	(50)	2.41	2.41
102	EDP36700 (1)	367	UNDERGROUND CONDUCTORS AND DEVICES	50	R3	(80)	(65)	3.54	3.12
103	EDP36801 (1)	368	LINE TRANSFORMERS - OVERHEAD	32	R2.5	(40)	(30)	4.83	4.39
104	EDP36802	368	LINE TRANSFORMERS - UNDERGROUND	33	R2.5	(25)	(25)	3.91	3.91
105	EDP36901	369	SERVICES - OVERHEAD	55	R2.5	(125)	(125)	3.98	3.98
106	EDP36902	369	SERVICES - UNDERGROUND	50	R4	(45)	(45)	2.71	2.71
107	EDP37000	370	METERS	20	R2	(20)	(20)	6.86	6.86
108	EDP37001	370	METERS	20	R2	(20)	(20)	6.86	6.86
109	EDP37100	371	INSTALLATIONS ON CUSTOMERS' PREMISES	40	S1	0	0	0.00	0.00
110	EDP37200	372	LEASED PROPERTY ON CUSTOMERS' PREMISES	25	L1	0	0	0.00	0.00
111	EDP37301	373	STREET LIGHTING AND SIGNAL SYSTEMS - OVERHEAD CONDUCTOR	30	R1	(50)	(50)	3.80	3.80
112	EDP37302	373	STREET LIGHTING AND SIGNAL SYSTEMS - CONDUIT AND CABLE	35	S1.5	(20)	(20)	2.87	2.87
113	EDP37303	373	STREET LIGHTING AND SIGNAL SYSTEMS - LAMPS AND EQUIPMENT	25	L0	(20)	(20)	3.01	3.01
114	EDP37304	373	STREET LIGHTING AND SIGNAL SYSTEMS - ELECTROLIERS	30	S1.5	(25)	(25)	3.78	3.78
			ELECTRIC GENERAL						
115	EGP38901	389	LAND*	Nondepreciable				0.00	0.00
116	EGP38902	389	LAND RIGHTS	60	SQ	0	0	2.99	2.99
117	EGP39000	390	STRUCTURES AND IMPROVEMENTS	50	R2	(10)	(10)	1.58	1.58
118	EGP39100	391	OFFICE FURNITURE AND EQUIPMENT	20	SQ	0	0	5.93	5.93
119	EGP39400	394	TOOLS, SHOP AND WORK EQUIPMENT	25	SQ	0	0	3.94	3.94
120	EGP39500	395	LABORATORY EQUIPMENT	20	SQ	0	0	4.74	4.74
121	EGP39600	396	POWER OPERATED EQUIPMENT	20	SQ	0	0	7.89	7.89
122	EGP39700	397	COMMUNICATION EQUIPMENT	15	SQ	0	0	6.92	6.92
123	EGP39708	397	AMI COMMUNICATION NETWORK	20	SQ	0	0	4.96	4.96
124	EGP39800	398	MISCELLANEOUS EQUIPMENT	20	SQ	0	0	6.85	6.85
			NUCLEAR GENERAL PLANT						
125	NGP38901	389	LAND*	(b)	(b)	0	0	0.00	0.00
126	NGP39100	391	OFFICE FURNITURE AND EQUIPMENT*	(b)	(b)	0	0	12.25	12.25
127	NGP39800	398	MISCELLANEOUS EQUIPMENT*	(b)	(b)	0	0	12.36	12.36
			GAS DEPARTMENT						
			INTANGIBLE PLANT						
128	GIP30202	302	FRANCHISES AND CONSENTS	57	SQ	0	0	1.02	1.02
129	GIP30301	303	MISCELLANEOUS INTANGIBLE PLANT*	5	SQ	0	0	20.00	20.00
130	GIP30302	303	SOFTWARE	5	SQ	0	0	49.82	49.82

APPENDIX D
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
AVERAGE SERVICE LIVES/MORTALITY CURVES, NET SALVAGE PERCENTAGES AND ACCRUAL RATES

				Average Service Life (Years)	Mortality Curve Type	Net Salvage (%)		Accrual Rate (%)	
Ln	Asset Class	FERC Acct.	Description	Settled as Proposed	Settled as Proposed	PG&E Proposed	Settlement	PG&E Proposed	Settlement
			PRODUCTION PLANT						
131	GPP30401	304	LAND*	Nondepreciable				0.00	0.00
132	GPP30402	304	LAND RIGHTS	60	SQ	0	0	3.28	3.28
133	GPP30500	305	STRUCTURES AND IMPROVEMENTS - EQUIPMENT	50	R3	(20)	(20)	0.00	0.00
134	GPP31100	311	LPG EQUIPMENT	45	R2.5	0	0	2.22	2.22
			LOCAL STORAGE PLANT						
135	GLS36001	360	LAND*	Nondepreciable				0.00	0.00
136	GLS36002	360	LAND RIGHTS	60	SQ	0	0	2.60	2.60
137	GLS36101	361	STRUCTURES AND IMPROVEMENTS	50	R3	(5)	(5)	1.07	1.07
138	GLS36200	362	GAS HOLDERS	50	R3	(15)	(15)	2.87	2.87
139	GLS36300	363	PURIFICATION EQUIPMENT*	Not Studied				0.00	0.00
140	GLS36330	363	COMPRESSOR EQUIPMENT	25	S1	0	0	0.18	0.18
141	GLS36340	363	MEASURING AND REGULATING EQUIPMENT	30	R0.5	0	0	3.26	3.26
142	GLS36350	364	OTHER EQUIPMENT	30	R0.5	0	0	2.59	2.59
			DISTRIBUTION PLANT						
143	GDP37401	374	LAND*	Nondepreciable				0.00	0.00
144	GDP37402	374	LAND RIGHTS	60	SQ	0	0	2.67	2.67
145	GDP37500	375	STRUCTURES AND IMPROVEMENTS	60	R2	(5)	(5)	1.70	1.70
146	GDP37601	376	MAINS	57	R3	(55)	(55)	2.60	2.60
147	GDP37700	377	COMPRESSOR STATION EQUIPMENT	35	R2.5	0	0	3.23	3.23
148	GDP37800	378	MEASURING AND REGULATING STATION EQUIPMENT	55	R2	(40)	(40)	2.39	2.39
149	GDP38000 (1)	380	SERVICES	57	R3	(100)	(81)	3.14	2.70
150	GDP38100	381	METERS	28	S1	(50)	(50)	5.93	5.93
151	GDP38300	383	HOUSE REGULATORS	28	R2	(15)	(15)	3.91	3.91
152	GDP38500	385	INDUSTRIAL MEASURING AND REGULATING EQUIPMENT	45	R2.5	(10)	(10)	2.25	2.25
153	GDP38600	386	OTHER PROPERTY ON CUSTOMER PREMISES	35	R3	0	0	2.52	2.52
154	GDP38700	387	OTHER EQUIPMENT	20	S1.5	0	0	5.08	5.08
			GENERAL PLANT						
155	GGP38901	389	LAND*	Nondepreciable				0.00	0.00
156	GGP38902	389	LAND RIGHTS	60	SQ	0	0	2.83	2.83
157	GGP39000	390	STRUCTURES AND IMPROVEMENTS	50	R2	(10)	(10)	2.13	2.13
158	GGP39100	391	OFFICE FURNITURE AND EQUIPMENT	20	SQ	0	0	5.18	5.18
159	GGP39400	394	TOOLS, SHOP AND WORK EQUIPMENT	25	SQ	0	0	4.11	4.11
160	GGP39500	395	LABORATORY EQUIPMENT	20	SQ	0	0	5.07	5.07
161	GGP39600	396	POWER OPERATED EQUIPMENT*	20	SQ	0	0	5.00	5.00
162	GGP39700	397	COMMUNICATION EQUIPMENT	15	SQ	0	0	6.87	6.87
163	GGP39708	397	COMMUNICATION EQUIPMENT - AMI	20	SQ	0	0	5.51	5.51
164	GGP39800	398	MISCELLANEOUS EQUIPMENT	20	SQ	0	0	6.50	6.50
165	GGP39900	399	OTHER TANGIBLE PROPERTY*	20	SQ	0	0	5.00	5.00
			COMMON DEPARTMENT						
			COMMON PLANT						
166	CMP30101	301	ORGANIZATION - COMMON PLANT*	Nondepreciable				0.00	0.00
167	CMP30200	302	FRANCHISES AND CONSENTS - COMMON PLANT*	Nondepreciable				0.00	0.00
168	CMP30301	303	MISCELLANEOUS INTANGIBLE PLANT	30	SQ	0	0	3.39	3.39
169	CMP30302	303	SOFTWARE	5	SQ	0	0	17.36	17.36
170	CMP30304	303	SOFTWARE CIS	13	SQ	0	0	9.01	9.01
171	CMP38901	389	LAND - COMMON PLANT*	Nondepreciable				0.00	0.00
172	CMP38902	389	LAND RIGHTS	60	SQ	0	0	2.58	2.58
173	CMP39000	390	STRUCTURES AND IMPROVEMENTS	50	R2	(10)	(10)	1.97	1.97
174	CMP39001	390	COMM PLANT: LEASEHOLD IMPR	5	SQ	0	0	20.00	20.00
175	CMP39101	391	OFFICE MACHINES AND COMPUTER EQUIPMENT	5	SQ	0	0	27.31	27.31
176	CMP39102	391	PC HARDWARE	5	SQ	0	0	14.17	14.17
177	CMP39103	391	OFFICE FURNITURE AND EQUIPMENT	20	SQ	0	0	7.50	7.50
178	CMP39104	391	OFFICE MACHINES AND COMPUTER EQUIPMENT	5	SQ	0	0	27.31	27.31
179	CMP39201	392	TRANSPORTATION EQUIPMENT - AIR	13	SQ	50	50	1.36	1.36
180	CMP39202	392	TRANSPORTATION EQUIPMENT - CLASS P	8	L3	10	10	13.48	13.48
181	CMP39203	392	TRANSPORTATION EQUIPMENT - CLASS C2	10	S2.5	10	10	9.92	9.92
182	CMP39204	392	TRANSPORTATION EQUIPMENT - CLASS C4	9	S2	10	10	10.13	10.13
183	CMP39205	392	TRANSPORTATION EQUIPMENT - CLASS T1	10	S2.5	10	10	10.11	10.11
184	CMP39206	392	TRANSPORTATION EQUIPMENT - CLASS T3	11	S2.5	10	10	9.10	9.10
185	CMP39207	392	TRANSPORTATION EQUIPMENT - CLASS T4	15	L4	10	10	6.82	6.82
186	CMP39208	392	TRANSPORTATION EQUIPMENT - VESSELS	13	L2	10	10	4.15	4.15
187	CMP39209	392	TRANSPORTATION EQUIPMENT - TRAILERS	22	L1.5	10	10	3.07	3.07
188	CMP39300	393	STORES EQUIPMENT	20	SQ	0	0	6.25	6.25
189	CMP39400	394	TOOLS, SHOP AND GARAGE EQUIPMENT	25	SQ	0	0	3.34	3.34
190	CMP39500	395	LABORATORY EQUIPMENT	20	SQ	0	0	7.77	7.77
191	CMP39600	396	POWER OPERATED EQUIPMENT	13	L3	20	20	6.45	6.45
192	CMP39701	397	COMMUNICATION EQUIPMENT - NON-COMPUTER	7	SQ	0	0	14.45	14.45
193	CMP39702	397	COMMUNICATION EQUIPMENT - COMPUTER	5	SQ	0	0	20.47	20.47
194	CMP39703	397	COMMUNICATION EQUIPMENT - RADIO SYSTEMS	7	SQ	0	0	15.25	15.25
195	CMP39704	397	COMMUNICATION EQUIPMENT - VOICE SYSTEMS	7	SQ	0	0	14.61	14.61
196	CMP39705	397	COMMUNICATION EQUIPMENT - TRANS SYSTEMS	20	SQ	0	0	4.79	4.79
197	CMP39706	397	COMMUNICATION EQUIPMENT - TRANS SYSTEMS, GAS AMI	20	SQ	0	0	5.14	5.14
198	CMP39707	397	COMMUNICATION EQUIPMENT - TRANS SYSTEMS, ELECRIC AMI	20	SQ	0	0	0.83	0.83
199	CMP39708	397	AMI COMMUNICATION NETWORK	20	SQ	0	0	4.87	4.87
200	CMP39800	398	MISCELLANEOUS EQUIPMENT	20	SQ	0	0	5.36	5.36
201	CMP39900	399	OTHER TANGIBLE PROPERTY	20	SQ	0	0	0.21	0.21

APPENDIX D
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
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				Average Service Life (Years)	Mortality Curve Type	Net Salvage (%)		Accrual Rate (%)	
Ln	Asset Class	FERC Acct.	Description	Settled as Proposed	Settled as Proposed	PG&E Proposed	Settlement	PG&E Proposed	Settlement
			COMMON PLANT - NUCLEAR						
202	CNP30302	303	SOFTWARE*	(b)	(b)	0	0	170.39	170.39
203	CNP38901	389	DCPP LAND*	(b)	(b)	0	0	(0.04)	(0.04)
204	CNP38902	389	LAND RIGHTS*	(b)	(b)	0	0	(0.04)	(0.04)
205	CNP39000	390	STRUCTURES AND IMPROVEMENTS*	(b)	(b)	0	0	0.01	0.01
206	CNP39101	391	OFFICE MACHINES AND COMPUTER EQUIPMENT*	(b)	(b)	0	0	105.73	105.73
207	CNP39102	391	PC HARDWARE*	(b)	(b)	0	0	0.00	0.00
208	CNP39103	391	OFFICE FURNITURE AND EQUIPMENT*	(b)	(b)	0	0	9.26	9.26
209	CNP39202	392	DCPP TRANS EQP -CLAS*	(b)	(b)	0	0	0.00	0.00
210	CNP39203	392	TRANSPORTATION EQUIPMENT - CLASS C2*	(b)	(b)	0	0	10.65	10.65
211	CNP39204	392	TRANSPORTATION EQUIPMENT - CLASS C4*	(b)	(b)	0	0	8.35	8.35
212	CNP39205	392	TRANSPORTATION EQUIPMENT - CLASS T1 *	(b)	(b)	0	0	6.14	6.14
213	CNP39206	392	TRANSPORTATION EQUIPMENT - CLASS T3*	(b)	(b)	0	0	7.67	7.67
214	CNP39207	392	TRANSPORTATION EQUIPMENT - CLASS T4 *	(b)	(b)	0	0	10.77	10.77
215	CNP39208	392	TRANSPORTATION EQUIPMENT - VESSELS*	(b)	(b)	0	0	6.29	6.29
216	CNP39209	392	TRANSPORTATION EQUIPMENT - TRAILERS*	(b)	(b)	0	0	2.31	2.31
217	CNP39300	393	STORES EQUIPMENT*	(b)	(b)	0	0	6.29	6.29
218	CNP39400	394	TOOLS, SHOP AND GARAGE EQUIPMENT*	(b)	(b)	0	0	(0.15)	(0.15)
219	CNP39500	395	LABORATORY EQUIPMENT*	(b)	(b)	0	0	7.95	7.95
220	CNP39600	396	POWER OPERATED EQUIPMENT*	(b)	(b)	0	0	10.19	10.19
221	CNP39701	397	COMMUNICATION EQUIPMENT - NON-COMPUTER*	(b)	(b)	0	0	22.78	22.78
222	CNP39702	397	DCPP COMM EQP - DATA*	(b)	(b)	0	0	0.00	0.00
223	CNP39703	397	COMMUNICATION EQUIPMENT - RADIO SYSTEMS*	(b)	(b)	0	0	38.05	38.05
224	CNP39704	397	COMMUNICATION EQUIPMENT - VOICE SYSTEMS*	(b)	(b)	0	0	13.91	13.91
225	CNP39705	397	COMMUNICATION EQUIPMENT - TRANS SYSTEMS*	(b)	(b)	0	0	9.57	9.57
226	CNP39800	398	MISCELLANEOUS EQUIPMENT*	(b)	(b)	0	0	5.55	5.55

Notes:
(1) Asset Class Net Salvage Percentage and Depreciation Accrual Rate Change for Settlement
*Asset Class not studied
(a) Life Span Procedure is used. Curve Shown is the interim survivor curve.
(b) Diablo Canyon rates have been updated to reflect the full depreciation of the Diablo Canyon Plant by 12/2024 for Unit 1 and 8/2025 for unit 2, based on D.18-01-022
The DCRBA will continue to track and record incremental amount due to rate and plant changes through the end of the plant life.
(c) Line 69-73, Solar Production, current authorized rates are from PG&E 2010 Solar Photovoltaic Program D.10-04-052.

APPENDIX E

MEMORANDUM OF UNDERSTANDING BETWEEN PG&E AND THE SMALL BUSINESS UTILITY ADVOCATES

MEMORANDUM OF UNDERSTANDING BETWEEN SMALL BUSINESS UTILITY ADVOCATES AND PACIFIC GAS AND ELECTRIC COMPANY ON SMALL BUSINESS CUSTOMER ENGAGEMENT

MEMORANDUM OF UNDERSTANDING
BETWEEN
SMALL BUSINESS UTILITY ADVOCATES
AND
PACIFIC GAS AND ELECTRIC COMPANY
ON
SMALL BUSINESS CUSTOMER ENGAGEMENT

Small Business Utility Advocates (SBUA) and Pacific Gas and Electric Company (PG&E or the Company) (collectively, the Parties) hereby enter into this Memorandum of Understanding (MOU) pertaining to the revenue requirement phase of PG&E's upcoming test year 2020 General Rate Case (GRC).

ARTICLE 1
RECITALS

1.1 In 2018, PG&E will file its 2020 GRC application, which will address electric distribution, gas distribution, and electric generation rates for the years 2020 through 2022.

1.2 SBUA is a non-profit organization whose mission and corporate purpose includes representing the interests of Small Business customers in California. Promoting equitable and fair revenue allocations that facilitate the success of small commercial customers is a high priority for SBUA. SBUA intends to participate as an intervenor in PG&E's 2020 GRC.

1.3 PG&E provides electricity and gas service to much of Northern California. PG&E provides a number of services and support for Small Business customers through its Small and Medium Business (SMB) class of programs.

1.4 In PG&E's 2017 GRC application proceeding, SBUA and PG&E entered into a MOU (2017 GRC MOU) that was approved by the California Public Utilities Commission (CPUC or Commission) in Decision (D.) 17-05-013.

1.5 Pursuant to the 2017 GRC Agreement, SBUA and PG&E have met semi-annually to discuss implementation of that MOU.

1.6 As part of the SBUA and PG&E collaborations under the 2017 GRC Agreement, PG&E has funded and implemented a number of successful programs that benefit Small Businesses. A summary of the SMB program, which includes an annual budget spending target and actual costs by broken down by initiative for fiscal year 2017, is attached as Exhibit A.

1.7 As an outgrowth of the semi-annual meetings, SBUA and PG&E commenced discussions of matters of common interest for the years 2020 to 2022. These discussions led to the current MOU.

1.8 The Parties wish to continue collaborating to advance the interests of Small Businesses in PG&E's service territory. The Parties agree that PG&E will provide the services and support to Small Business customers described in this MOU primarily through PG&E's SMB programs. References in this MOU to Small Businesses by necessity may entail services that PG&E provides to the SMB class as a whole, but which directly benefit Small Business customers.

ARTICLE 2
OUTREACH AND SUPPORT

2.1 Spending Target

The Parties agree that PG&E will direct the equivalent of $6.5 million annually, or a total of $19.5 million during the 2020 GRC Period, from the budgets of its Customer and Community Services, Business Energy Solutions, Information Technology, and other departments that support Small Business customers, to provide outreach and support for PG&E's Small Business customers. The Parties agree that the spending commitment in this Section 2.1 is exclusive of the overhead costs described in Section 6.3, which provide additional financial support for the programs that benefit Small Business customers. The Parties agree that PG&E will direct the funding in this Section 2.1 toward Small Business outreach as follows:

2.1.1 Overall Outreach

PG&E will spend funds on support for Small Business, outreach and engagement for Small Business customers through digital and other communication channels, and as otherwise may be appropriate, to support the needs of Small Business customers. Among other things, this may include: (1) marketing small business programs and energy solutions by PG&E to Small Business customers; (2) providing explanations of billing changes (including charges for time-of-use and demand response options); (3) providing updates on the optimal rate schedules for particular Small Business customers; (4) answering Small Business customer questions; (5) engaging Small Business customers through participation in local community organizations and events; (6) providing education and assistance for small businesses seeking to provide materials and services to PG&E; and (7) studying and reporting on Small Business adopting of distributed energy resources. The Parties agree that it is a priority for the 2020 GRC period to perform Small Business outreach, including partnering with small business organizations to conduct outreach in the Central Valley. The Parties agree that PG&E will provide a report on the spending under this paragraph to SBUA prior to the filing of PG&E's 2023 GRC.

2.1.2 New Small Business Organization

Pursuant to Paragraph 2.12 of the 2017 GRC Agreement, PG&E created a new Small Business organization with dedicated account managers to connect Small Business customers to PG&E tools, resources, programs, services, and integrated demand-side management offerings. PG&E designated a leader of that organization responsible for coordinating and shaping Company-wide interactions and policies to improve services for Small Business customers and to act as a liaison for coordination with SBUA and other interested parties on Small Business issues. The Parties agree that PG&E will continue to spend funds to support this organization during the 2020 GRC Period.

2.1.3 Small Business Adopters of New Energy Technologies

As part of the overall outreach described above, the Parties agree that PG&E will explore with SBUA and other interested parties opportunities to promote adoption by Small Businesses of new energy technologies such as electric vehicle charging, energy storage, and solar/distributed generation.

The Parties agree that PG&E will examine and submit high-level testimony in PG&E's 2023 GRC Phase 1 with a study and report that; (1) measures the existing adoption rates by Small Business of Distributed Energy Resources (DER) and evaluates the need to increase marketing, education, and outreach to Small Businesses to increase their adoption of DER; and (2) examines the potential need for dedicated funding in the GRC Phase 1 to assist Small Business to increase their adoption of DER. The scope of the study and report will be jointly determined by agreement between PG&E and SBUA and funded as part of PG&E's otherwise existing annual spending requirement. For purposes of this section, DER is defined to include distribution—connected distributed generation resources, energy efficiency, energy storage, electric vehicles, and demand response technologies.

2.1.4 Small Business Participation in Self Generation Incentive Program

The Settling Parties acknowledge that the Self Generation Incentive Program ("SGIP") is a statewide program that cannot be unilaterally altered in this utility-specific proceeding. The Parties agree to meet and confer during semi-annual meetings regarding PG&E's efforts to promote distributed energy resources among Small Businesses located in disadvantaged and low-income communities that meet the eligibility requirements to participate as part of the SGIP Equity Budget defined by the Commission in D.17-10-004.

2.1.5 Annual SMB Program Budget and Progress Reporting

PG&E, SBUA, and any other party to the 2020-2022 GRC Phase I proceeding which has a valid interest, as determined by PG&E in its sole discretion, in the SMB budget contemplated by this agreement shall receive from PG&E an annual report on the program budget and progress during the previous year. The report shall be substantially similar to and modeled on the program and budget reports PG&E previously provided to SBUA, as provided in Exhibit B. The report, at a minimum shall contain: (1) the previous year's spend as allocated by programs and work contemplated by this agreement; and (2) a proposed spending target for the next year and work contemplated by this agreement.

2.1.6 Webpage and Technology Resources

2.1.6.1 Dedicated Webpage for Small Businesses

Pursuant to Paragraph 2.1.4.1 of the 2017 GRC Agreement, PG&E created a new webpage specifically dedicated for Small Businesses (the "Small Business Webpage"). The Parties agree that PG&E is permitted to spend outreach funds for improvements to this webpage on an ongoing basis as appropriate. The Parties also agree that SBUA will provide PG&E with feedback on the SMB website at the ongoing meetings described in Section 7.1 of this MOU.

2.1.6.2 Improved Communications with Small Businesses

Pursuant to Paragraph 2.1.4.1 of the 2017 GRC Agreement, PG&E has built additional functionality in its "Your Account" (previously called My Energy) portal to allow Small Business and other commercial customers to indicate their preferred communication method for account notifications. The Parties agree that PG&E is permitted to spend outreach funds to maintain and improve on this functionality for the 2020 GRC Period as necessary.

2.1.6.3 Additional Links and Resources

Consistent with the 2017 GRC Agreement, the Parties agree that PG&E will continue to provide links on the Small Business Webpage to training materials and other resources to educate Small Businesses. Subject to the agreement of both parties, these links and resources will include information about PG&E's programs and Small Business participation in:

a. energy efficiency;
b. energy audits;
c. distributed generation;
d. contracting opportunities with PG&E;
e. environmental sustainability;
f. a list of dates and locations of upcoming Small Business conferences and programs by PG&E;
g. resources related to Economic Development;
h. small business electricity rate information including Time of Use, Peak Day Pricing, and Solar Choice;
i. demand-side management programs for small businesses; and
j. electric vehicle charge network information for Small Businesses.

ARTICLE 3
ECONOMIC DEVELOPMENT

3.1 Pursuant to Paragraph 3.1 of the 2017 GRC Agreement, PG&E created a new Economic Development (ED) organization to run the ED Program. The Parties agree that PG&E will request $.878 million annually in its 2020 GRC application to support the organization's ED efforts during the 2020 GRC Period.

3.2 Part of the ED organization's focus will be on supporting Small Businesses. The Parties agree that PG&E will continue to encourage and work, as appropriate, with recipient organizations that receive Economic Development funds or support to develop services that support the needs of Small Businesses. The Parties agree that PG&E will continue to provide Small Business information to all recipient organizations of ED funds to educate them on how best to support Small Businesses. PG&E will also continue to provide the following services to Small Businesses: estimating costs and responding to customer inquiries associated with new utility services; determining the service reliability and delivery options within a desired area; and presenting other authorized PG&E Demand-Side Management incentives that will help lower the cost of expanding, relocating, or continuing a business within PG&E's service area.

ARTICLE 4
TRACKING SYSTEMS FOR SMALL BUSINESSES

4.1 PG&E currently identifies customer classes using energy usage criteria. The Parties agree that PG&E will continue to identify those customers in the appropriate customer databases for the purpose of alerting Customer Service Representatives of products and services that may benefit Small Businesses. The Parties agree that PG&E will maintain or improve its tracking system as necessary. The Parties further agree to meet and confer to determine if PG&E's identification and tracking process can be improved upon to better serve the needs of Small Business customers, including; (1) how best to identify Small Business customers within the SMB customer sector; and (2) whether a Small Business customer self-identification option should be included.

ARTICLE 5
CONTRACTING OPPORTUNITIES FOR SMALL BUSINESSES

5.1 **Supply Chain**

5.1.1 The Parties acknowledge that PG&E has instituted a number of changes to its procurement policies which are consistent with the directives and goals of the Commission. Most notably: (1) procurement policies designed to ensure safety of the PG&E workforce and customers; and (2) procurement policies designed to ensure reliability of the electric grid. The Parties also acknowledge that the current procurement process can pose challenges for small businesses in PG&E's supply chain.

5.1.2 The Parties agree that PG&E will continue to support small business needs through one FTE put in place via the 2014 GRC and continued in the 2017 GRC.

This FTE will assist small businesses in completing the necessary processes and applications necessary for small businesses securing contracts to provide materials and services to PG&E.

5.1.3 In light of the changes to PG&E's procurement policies, PG&E will also increase educational outreach for the Small Business community. PG&E will host at least two learning sessions each calendar year during the 2020 GRC period. At least one learning session will be in the in the San Francisco Bay Area and at least one learning session will be in the Central Valley with specific locations selected with SBUA's input, each calendar year during the 2020 GRC Period. The focus of the learning sessions will be on the new processes and application requirements for entry into PG&E's supply chain, and step-by-step workshops to provide hands-on guidance.

5.2 Contracts with Small Businesses

The Parties agree to meet and confer to discuss how PG&E should continue supporting Small Businesses to compete for contracting opportunities and share small business success stories. PG&E agrees to dedicate a section of testimony in the 2020 GRC to its continued work supporting the small business community as a whole.

5.3 Trade Professional Alliance Co-Marketing Program

In one of the semi-annual meetings discussed in Section 7.1 of this MOU, PG&E will provide SBUA with an overview of the TradePro Program's benefits to Small Businesses. PG&E agrees to continue to implement the TradePro Program in a manner that supports Small Business participation.

ARTICLE 6
SETTLEMENT IMPLEMENTATION

6.1 Ongoing Meetings

The Parties agree to meet semi-annually during the 2020 GRC Period to discuss matters pertaining to the implementation of this MOU.

6.2 Changing Technology Landscape

Among other things, this MOU reflects the Parties' understanding that the development and implementation of digital strategies and resources plays an important role in supporting Small Business customers. The Parties acknowledge that technology and digital tools change at a rapid pace and in ways that cannot always be predicted. The Parties agree that as technology continues to evolve, PG&E must have the flexibility to evaluate the appropriate level and type of technology support for Small Business customers in light of other available service options. Should a material change to the approach outlined in this agreement become warranted on that basis, PG&E will consult with SBUA through the collaborative ongoing meetings process set forth in Section 7.1 of this MOU and work toward a collaborative resolution.

6.3 Overhead Allocation

PG&E recently changed the way that overheads are allocated and reported in its cost model.[1] The spending targets in the 2017 Agreement were calculated under PG&E's old cost model which fully allocated overhead costs. Under the new cost model, the majority of overhead costs are not allocated to the expense orders and instead are budgeted and recorded through separate line items. The spending targets discussed in Section 2.1 of this MOU are consistent with the company's new cost model methodology. PG&E represents that the overhead allocations for the SMB program under the new cost model are the same as the overhead allocations for all other Customer Care activities.

ARTICLE 7
DEFINITIONS, TERM AND GENERAL PROVISIONS

7.1 Definitions

7.1.1 The term "Small Businesses" refers to those businesses on a PG&E commercial rate that (1) are certified or qualify as Small Businesses under the California Department of Government Services; (2) are defined as Small Businesses by the CPUC; or (3) self-identify in good faith to PG&E as Small Businesses.

7.1.2 The term "Small and Medium Business" customers refers to commercial customers that use less than 500,000 kilowatt-hour annually.

7.1.3 The term "2020 GRC Period" refers to the years 2020 through 2022.

7.1.4 The term "Small Business Webpage" has the meaning set forth in Section 2.1.4.1 of this MOU.

7.2 Term

This MOU is conditioned on Commission approval. The term of this MOU (i) commences on January 1, 2020, or the date this agreement is approved by the

[1] See Exhibit (PG&E-12), Chapter 3 for a complete discussion of PG&E's cost model change.

Commission, whichever is later, and (ii) terminates three years after its commencement date or when the Commission issues a final decision in PG&E's subsequent GRC, whichever is earlier.

7.3 General Provisions

7.3.1 The Parties agree that this MOU addresses all issues between the Parties in the revenue requirement phase of PG&E's 2020 GRC. SBUA intends to participate in PG&E's 2020 GRC by submitting testimony, participating in settlement discussions, evidentiary proceedings or otherwise, consistent with the terms of this MOU. The Parties acknowledge that SBUA may participate in global settlement negotiations with other parties to promote the adoption of, and in a manner that is consistent with, this MOU.

7.3.2 The Parties agree that this MOU is non-precedential.

7.3.3 The Parties shall jointly request Commission approval of this MOU and shall actively support its approval. The Parties agree that this MOU is reasonable, consistent with law, and in the public interest, and therefore should be adopted without modification.

7.3.5 This MOU represents the entire understanding of the Parties with respect to the matters described herein, and, except as described herein, supersedes and cancels any and all prior oral or written agreements, principles, negotiations, statements, representations, or understandings among the Parties pertaining to these matters.

7.3.6 This MOU may be amended or changed only by a written agreement signed by the Parties.

7.3.7 This MOU may be executed in counterparts, and by facsimile or pdf signature, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A facsimile or pdf signature shall be as valid as the original.

7.3.8 The Parties intend the MOU to be interpreted and treated as a unified, integrated agreement. In the event the Commission rejects or modifies the terms or funding of the MOU, the Parties reserve all rights to renegotiate this MOU as set forth in Rule 12.4 of the Commission's Rules of Practice and Procedure.

In Witness Whereof, intending to be legally bound, the undersigned have duly executed this Memorandum of Understanding on behalf of the parties they represent. //

//

SMALL BUSINESS UTILITY ADVOCATES	PACIFIC GAS AND ELECTRIC COMPANY
By: [signature]	By: Deborah Affonsa
Date: December 3, 2018	Date: December 3 2018

APPENDIX F

MEMORANDUM OF UNDERSTANDING BETWEEN PG&E AND CENTER FOR ACCESSIBLE TECHNOLOGY

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CENTER FOR ACCESSIBLE TECHNOLOGY
AND PACIFIC GAS AND ELECTRIC COMPANY
ON ACCESSIBILITY IMPROVEMENTS
FOR DISABLED CUSTOMERS

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CENTER FOR ACCESSIBLE TECHNOLOGY
AND
PACIFIC GAS AND ELECTRIC COMPANY
ON
ACCESSIBILITY IMPROVEMENTS FOR DISABLED CUSTOMERS

The Center for Accessible Technology (CforAT) and Pacific Gas and Electric Company (PG&E) (collectively, the Parties) hereby enter into this Memorandum of Understanding (MOU) pertaining to the revenue requirement phase of PG&E's upcoming test year 2020 General Rate Case (GRC).

ARTICLE 1
RECITALS

1.1 On or before January 1, 2019, PG&E will file its 2020 GRC application, which will address electric distribution, gas distribution, and electric generation rates for the years 2020 through 2022.

1.2 CforAT represents the interests of disabled customers.

1.3 PG&E provides electricity and gas service to much of Northern California. PG&E provides a number of services and support for disabled customers.

1.4 In PG&E's 2014 GRC application, CforAT and PG&E presented a joint proposal to improve accessibility for disabled customers that was approved by the California Public Utilities Commission (Commission) in its Decision 14-08-032.

1.5 In PG&E's 2017 GRC application, CforAT and PG&E presented a Memorandum of Understanding (MOU) to improve accessibility for disabled customers that was approved by the California Public Utilities Commission (Commission) in its Decision 17-05-013.

1.6 CforAT and PG&E have met regularly to discuss implementation of the 2017 GRC MOU.

1.7 As an outgrowth of those implementation discussions, CforAT and PG&E commenced discussions of matters of common interest for the years 2020-2022. These discussions led to the current MOU.

ARTICLE 2
ACCESSIBILITY IMPROVEMENTS

2.1 Level of Spending: The Parties agree that PG&E will continue to spend the equivalent of $1.3 million per year (a total of $3.9 million for the 2020 GRC period) on activities to improve accessibility. Eligible activities for which PG&E may spend that funding are described in Attachment A.

2.1.1. Overhead Allocation

PG&E recently changed the way that overheads are allocated and reported in its cost model. Under PG&E's old cost model, overhead costs were fully allocated to expense orders. Under the new cost model, the majority of overhead costs are not allocated to the expense orders and instead are budgeted and recorded through separate line items. The Level of Spending in the 2017 MOU was calculated under the Company's old cost model. It is the intent of the Parties to continue same the Level of Spending for the 2020 GRC Period. Therefore, the Level of Spending for the 2020 GRC Period in Section 2.1 will also be calculated under the old cost methodology, which will include estimated associated overhead costs.

2.2 Annual Reporting: The Parties agree that PG&E will prepare and distribute an annual report to CforAT and any interested parties on PG&E's activities and spending to promote accessibility. The annual report will, among other things, address whether PG&E's spending has met the level set forth above and whether the Parties have agreed to any specific priorities for the upcoming calendar year at the annual consultation described in Section 2.4 below. The Parties agree that PG&E will distribute the annual report by the end of April for the prior calendar year.

2.3 Disability Access Coordinator for Accessibility Issues: The Parties agree that PG&E will continue to employ a Disability Access Coordinator who will be responsible for coordinating and shaping Company-wide strategies to improve accessibility. PG&E will consult with CforAT should the need arise for additional staff to support the Disability Access Coordinator.

2.4 Consultation with Interested Parties: The Parties agree that, prior to the start of each calendar year, PG&E will meet with CforAT and any interested parties to discuss planned accessibility spending for the upcoming calendar year.

ARTICLE 3

GENERAL PROVISIONS

3.1 Term and Effectiveness: This MOU shall only become enforceable upon the Commission's issuance of a final decision in PG&E's 2020 GRC that specifically approves and funds the provisions of this MOU. The commitments in this MOU shall then remain effective for three years or until the Commission issues a final decision in PG&E's subsequent GRC, whichever is earlier. If, by 90 days before this decision is due to expire, it does not appear that a final decision in PG&E's subsequent GRC is imminent, the Parties agree to meet and confer to discuss how access issues will be addressed until a further GRC decision is issued.

3.2 Non-Precedential: The Parties agree that this MOU is non-precedential.

3.3 Joint Support: The Parties shall jointly request Commission approval of this MOU.

3.4 Entire Agreement: This MOU represents the entire understanding and agreement of the Parties with respect to the matters described herein, and, except as described herein, supersedes and cancels any and all prior oral or written agreements, principles, negotiations, statements, representations, or understandings among the Parties pertaining to these matters.

3.5 Amendment: The MOU may be amended or changed only by a written agreement signed by the Parties.

3.6 Counterparts: This MOU may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.7 Unified, Integrated Agreement: The Parties intend the MOU to be interpreted and treated as a unified, integrated agreement. In the event the Commission rejects or modifies the Agreement, the Parties will meet and confer to discuss renegotiation of this MOU.

In Witness Whereof, intending to be legally bound, the undersigned have duly executed this Memorandum of Understanding on behalf of the parties they represent.

CENTER FOR ACCESSIBLE TECHNOLOGY	PACIFIC GAS AND ELECTRIC COMPANY
By:	By:
Name: MELISSA W. KASNITZ	Name:
Date: November 8, 2018	Date: November __, 2018

CENTER FOR ACCESSIBLE TECHNOLOGY	PACIFIC GAS AND ELECTRIC COMPANY
By:__________	By: Deborah Affonsa
Name: __________	Name: Deborah Affonsa
Date: November , 2018	Date: November 7, 2018

ATTACHMENT A

ELIGIBLE ACTIVITIES

The following types of costs associated with accessibility improvements are eligible for accounting toward the target spending level of $1.3 million per year.

Disability Access Coordinator and Related Work

- Costs associated with the Disability Access Coordinator's role for accessibility issues, including salary and benefits. These costs will not include the costs of basic office or administrative support the Company generally provides for all employees.
- Costs associated with the production of the annual report and consultation with interested parties.
- Costs associated with appropriate professional development activities, such as those furthering understanding of best practices related to accessibility programs.

Website Accessibility

- Costs associated with website accessibility, including the following:
    - Work performed for new content and web pages created after redesign project concludes to meet the WCAG 2.0 Level AA standards.
    - Work performed to address any newly identified or continuing web accessibility issues.
    - Ongoing training and review of accessibility for IT, website personnel, and related personnel.
    - Accessibility of mobile web based on WCAG 2.0 AA standards, and mobile applications (apps) based on applicable standards. This activity may also include work required to comply with any new standards that become applicable.
    - Focus group/usability testing of new website enhancements to ensure they meet the needs of disabled customers.

Communications Access Issues

- Costs associated with the continued development and maintenance of a customer database that identifies PG&E customers with disabilities. This also includes promoting additional awareness and expanded use of this resource across the various lines of business at PG&E.

- Costs associated with outreach to PG&E's disabled customers including determining and tracking their preferred communication format and providing information in alternative formats.
- Costs associated with maintaining TTY and Relay systems and training personnel at PG&E's Contact Centers.
- Ongoing training and review of accessibility for PG&E's Contact Center employees.
- Costs associated with the ongoing efforts to provide key information in large print on outgoing customer communications and to promote employee awareness of this effort across all lines of businesses at PG&E.
- Costs to expand the provision of alternative formats for customer information.
- Costs for continued training on communications access issues.

Local Offices

- Costs associated with follow-up inspections at local offices to identify remaining or emergent accessibility issues.
- Costs associated with ongoing training for local office personnel in maintaining and/or improving accessibility.

Neighborhood Payment Centers

- Costs associated with ongoing survey/alternative efforts to monitor accessibility at Neighborhood Payment Centers.
- Costs associated with the ongoing monitoring of vendor accessibility.
- Costs associated with identifying new accessible locations.
- Costs associated with ongoing distribution of an up-to-date list of accessible locations.

Temporary Construction Practices

- Costs associated with ongoing training regarding accessibility.
- Equipment maintenance/replacement for use in temporary construction sites (up to 10% of the total spending target in Section 2.1).
- Costs associated with the continuing monitoring for compliance with protocols.
- Costs for Audible Alerts at PG&E construction sites.

Utility Poles

- Costs for continued coordination with local governments regarding accessibility issues arising out of the placement of utility poles.
- Costs associated with Rule 20A accessibility issues.

* * * * *

APPENDIX G

JOINT STIPULATION BETWEEN PG&E AND THE NATIONAL DIVERSITY COALITION.

Pacific Gas and Electric Company
2020 General Rate Case (A.18-12-009)

Hearing Exhibit: 172

STIPULATION BETWEEN THE NATIONAL DIVERSITY COALITION (NDC) AND PACIFIC GAS AND ELECTRIC COMPANY (PG&E)

Exhibits PG&E-06, Chapter 3; PG&E-06, Chapter 8; PG&E-07, Chapter 4; PG&E-20, Chapter 3; PG&E-20, Chapter 8; PG&E-21, Chapter 4; and NDC-01

Outreach to Communities of Color
and
Supplier Diversity

Witnesses: David Kevane, Emily Bartman, Darleen DeRosa (PG&E) and Faith Bautista (NDC)

STIPULATION BETWEEN NDC and PG&E
Exhibit (PG&E-06), Chapter 3: Default TOU Outreach to Communities of Color and Underserved Communities; Exhibit (PG&E-06), Chapter 8: Tracking and Reporting of Safety-Related Outreach and Education Spending for Communities of Color and Underserved Communities; Exhibit (PG&E-07), Chapter 4: Forecast for Technical Assistance Program

Background

In PG&E's 2017 General Rate Case, NDC, PG&E and other parties entered into a settlement (2017 GRC Settlement)[1] addressing funding for the following programs: (1) Time-of-Use outreach to Communities of Color and underserved communities;[2] and (2) the Technical Assistance Program (TAP).[3] The 2017 GRC Settlement also included a requirement to report on the amount of safety-related outreach and education directed to Communities of Color and underserved communities,[4] to hold Customer Advisory Panel and other executive-level meetings;[5] and to set aspirational supplier diversity targets.[6]

PG&E reported on the status of a number of these items as required by the 2017 GRC Settlement and also included in the 2020 GRC, forecasts with respect to default TOU outreach and the TAP program in Exhibit (PG&E-06) Chapter 3, Exhibit (PG&E-06) Chapter 8, and Exhibit (PG&E-07) Chapter 4. NDC addressed these items in NDC-01. No other parties addressed these items.[7]

This Stipulation represents a reasonable outcome on those issues in dispute between NDC and PG&E for the above-referenced exhibits.

Parties' Positions:

1. Default Time of Use Education and Outreach

PG&E spent less than the amount anticipated by the parties for TOU outreach to Communities of Color and underserved communities for the 2017 GRC period as specified by the 2017 GRC Settlement. PG&E notes that the underspend resulted primarily from a delay in the rollout of default TOU compared to what parties anticipated when entering the Settlement, as well as the fact that the Commission delegated a large portion of the outreach activities PG&E was planning on conducting to a statewide marketing consultant. NDC acknowledges these constitute material changes in circumstance. PG&E forecasts $200 thousand per year for PG&E to work with Community Based

[1] A.15-09-001, Settlement Agreement Among Office of Ratepayer Advocates, The Utility Reform Network, Alliance for Nuclear Responsibility, Center for Accessible Technology, Coalition of California Utility Employees, Collaborative Approached to Utility Safety Enforcements, Consumer Federation of California, Environmental Defense Fund, Marin Clean Energy, Merced Irrigation District, Modesto Irrigation District, National Diversity Coalition, Small Business Utility Advocates, South San Joaquin Irrigation District, and Pacific Gas and Electric Company.
[2] 2017 Settlement Agreement, Section 3.1.5.5.2.
[3] 2017 Settlement Agreement, Section 3.1.6.2.
[4] 2017 Settlement Agreement, Section 3.1.5.5.3.
[5] 2017 Settlement Agreement, Section 3.2.4.9.1.
[6] 2017 Settlement Agreement, Section 3.2.5.1.1.
[7] This Stipulation would resolve all issues with respect to Exhibit (PG&E-06) Chapter 8. Other parties raised issues with other portions of Exhibit (PG&E-06) Chapter 3 and Exhibit (PG&E-07), Chapter 4. With respect to those chapters, this Stipulation only addresses the issues raised by NDC only and is not a resolution of the remaining issues for those chapters.

Organizations (CBO) on default TOU outreach.[8] NDC does not dispute that forecast.

2. Technical Assistance Program (TAP) Funding

PG&E spent less than the agreed upon $800 thousand per year to support the Technical Assistance Program (TAP) as described in the 2017 GRC Settlement. PG&E states that when internal labor required to support this program is taken into account, the amount spent exceeded the spending requirement. NDC asserts that internal labor was not intended to be included in accounting for the spending commitment, which was based on specific forecasts for which the internal labor PG&E references were not a part. PG&E acknowledges that while it may have satisfied the terms of the Settlement, it may not have met the parties' original intent. NDC recommends that PG&E return the amount of the underspend to customers, which it calculates to be $1.109 million.

PG&E forecasts $400 thousand per year to support the TAP program for the 2020 GRC period.[9] NDC states that level of funding is insufficient and recommends the Commission adopt a $1.17 M annual forecast for TAP for the 2020 GRC period.[10]

3. Safety Related Outreach: Tracking and Reporting on Spending

PG&E agreed to track and report on spending for safety-related education and outreach delivered to Communities of Color and underserved communities. Much of PG&E's safety-related education and outreach relates to specific gas and electric projects or is otherwise general in nature. PG&E relied primarily on CARE data as a proxy to determine which of the outreach and education activities it performed were directed to Communities of Color and underserved communities. NDC takes issue with the use of such a proxy as ineffective in identifying the communities for which PG&E was supposed to track this data. Both NDC and PG&E acknowledge that this data is more complicated to track accurately than anticipated at the time of the Settlement.

4. Customer Advisory Panels and Executive Level Meetings

NDC took issue with the fact that PG&E did not intend to continue meetings of the Customer Advisory Panel made up of low-income and community-of-color advocates as well as other executive-level meetings as it did for the 2017 GRC period.

5. Supplier Diversity Aspirational Goals

NDC acknowledges PG&E's industry-leading performance with respect to supplier diversity and recommends that PG&E continue to adopt aspirational supplier diversity goals.

6. Bankruptcy Issues

NDC raised questions regarding the effect of PG&E's Chapter 11 Bankruptcy proceeding on this Stipulation.

[8] Exhibit (PG&E-6), WP 3-26, Line 30.
[9] Exhibit (PG&E-7), p. 4-15, lines 4-13.
[10] NDC-01, p.33, Lines 9-12.

Stipulation:
The Parties agree that the following terms are reasonable and should be adopted by the Commission to resolve the aforementioned issues:

1. Default Time Of Use Outreach and Education

   PG&E will have a flexible target of approximately $200k per year with a commitment to spend a total of $600k over the 3-year 2020 GRC period towards work with Community-Based Organizations (CBOs). As part of this work, PG&E will work with CBOs to disseminate in multiple languages, general information pamphlets or brochures about rate options and about updating contact information or changing language preferences. PG&E will work with NDC to identify appropriate CBOs to disseminate this information. Parties agree this forecast is reasonable to support the work described and request that the Commission approve the $200 thousand annual forecast for 2020-2022 in the approved revenue requirement. [11]

2. Technical Assistance Program (TAP) Funding

   PG&E will have a flexible target of approximately $800k per year, with a commitment to spend a total of $2.4 million over the 3-year 2020 GRC period. Given that PG&E forecasted $1 M for 2017 TAP costs in their 2017 GRC and the Commission approved $800k annually for the 2017-2019 GRC period, the Parties agree that this is a reasonable amount to support the development of minority businesses, and request that the Commission approve the $800k annual forecast for TAP for 2020-2022 in the approved revenue requirement. If the Commission adopts an amount lower than $800k annually for TAP, PG&E's spending commitment shall be the amount the Commission adopts.

   This spending commitment will include external costs and PG&E internal Supply Chain labor in support of the program. Costs not tracked directly to the TAP order will not be included in the Company's future reporting for this provision. PG&E will provide a report which breaks down the costs recorded in the TAP order in the next GRC.

   PG&E agrees to refund the amount of the TAP underspend from the 2017 GRC period to customers in the amount of $1.1 M. This will be implemented by making a high-level reduction to the RO for 2020 revenue requirement in the amount of $367k of expense which will be carried forward in years 2021 and 2022.

The following table summarizes the parties' litigation positions and the Stipulation for TAP:

[11] Exhibit (PG&E-6), WP 3-26, Line 30.

Line	Issue *All dollars in (000s)* *All are Expense*	PG&E	NDC	Testimony References	Stipulation of NDC and PG&E for 2020
1	PG&E Ex. 8, Chapter 4: Technical Assistance Program (TAP) Forecast	$400	$1,170	Exhibit (PG&E-7) p. 4-15, lines 4-5 NDC-01, p. 33, lines 9-12	**$800**
2	PG&E Ex. 8, Chapter 4: Technical Assistance Program (TAP) Refund of Underspend	Agree refund is appropriate. No amount specified.	($1,109)	Exhibit (PG&E-21) p. 4-7, lines 11-12 NDC-01, p. 32, lines 1 and 9	**($1,109)**

3 Safety Related Outreach: Tracking and Reporting on Spending

PG&E will track and report in the next GRC on safety-related outreach to Communities of Color as follows.

Safety-related outreach includes work driven by specific gas or electric projects and directed toward communities impacted by those projects. It also includes general public outreach not related to a particular project. To the extent possible, PG&E will report on Public Safety Power Shutoff and other emergency communications.

Communities of Color and Underserved Communities will be identified using areas ranking in the top twenty-five percent of CalEnviroScreen3.0 scores, which includes census data, pollution burden, population characteristics, environmental effects and socioeconomic factors. PG&E will supplement the CalEnviroScreen3.0 results with zip codes in PG&E service territory that have a minimum of 30 percent CARE eligible customers. Prior to preparing the report for the next GRC, PG&E will provide a copy of the zip codes identified as described above to NDC for its review and approval.

To the extent PG&E identifies any issues over the course of the 2020 GRC period that materially affect its ability to report on Safety-Related Outreach as agreed, PG&E would notify NDC of such issues and the Parties would meet and confer to determine how to resolve them. To the extent any changes to the reporting process are agreed to by NDC and PG&E as a result of that meet and confer process, those changes would be documented and would become effective as an amendment to this stipulation. PG&E would serve any such amendment on the service list, including the CPUC; however, PG&E and NDC now agree that should this established process be triggered and result in an amendment, the parties intend that no further CPUC approval would be required. It is the express intent of the Parties that the concept and process agreed to and approved in this stipulation provide the Parties with flexibility to make such an amendment as described and contemplates such eventuality as being part of the CPUC's initial approval.

4. Customer Advisory Panels and Executive Level Meetings

A. Customer Advisory Panels

PG&E shall continue to invite low-income and community-of-color advocates to participate on a Customer Advisory Panel. The scope of the advisory panel will include ongoing guidance relating to PG&E's overall outreach efforts, including but not limited to: (1) setting goals for projects, programs, and the advisory panel and tracking progress towards those goals; (2) providing progress updates on projects affecting minority communities, including the Technical Assistance Program, and Marketing, Education and Outreach to minority communities related to Time of Use and safety; (3) working with NDC members to identify non-profit CBO partner organization and minority businesses to participate in PG&E programs; (4) discussing how to provide practical resources, that will help small minority businesses grow; and (5) ongoing dialogue about safety education and effective communications with communities of color.

Meetings of the Customer Advisory Panel will occur in person at least twice a year. To increase the awareness and responsiveness of PG&E executive leadership to issues of concern in communities of color, PG&E and NDC agree that at least one officer from PG&E's Regulatory Affairs Organization, Customer Care Organization or External Affairs Organization will be present at each in-person meeting of the Customer Advisory Panel. PG&E greatly values the perspectives and recommendations provided by NDC members, which help to improve the effectiveness of PG&E's minority outreach and engagement. Parties intend that NDC will be reimbursed for reasonable travel expenses for meetings held in San Francisco.

B. Executive Level Meetings

NDC and PG&E value a cooperative working relationship between PG&E executives and community leaders. In order to further strengthen and develop that relationship, PG&E shall hold one annual meeting with NDC leadership. The Chief Executive Officer of PG&E (utility) will attend each annual meeting, along with those senior officers relevant to the agenda. In addition, the Chief Executive Officer of PG&E Corporation will attend one of the annual meetings. Participants at these meetings will discuss issues pertaining to the implementation of the provisions of this Agreement, as well as other related issues that PG&E or NDC may wish to discuss. Representatives of NDC and of PG&E's Community Relations or Regulatory Affairs organizations will work together to prepare an agenda in advance of the meeting. These meetings are separate from the Customer Advisory Panel meetings described above. PG&E greatly values the perspectives and recommendations provided by NDC members, which help to improve the effectiveness of PG&E's minority outreach and engagement. Parties intend that NDC will be reimbursed for reasonable travel expenses for meetings held in San Francisco.

5. Supplier Diversity Aspirational Goals

PG&E will establish aspirational goals of 40% overall and 25% minority spending for supplier diversity annually for the 2020-2022 GRC period. PG&E will establish and report in the next GRC, annual aspirational goals for overall and minority spending for supplier diversity.

6. Bankruptcy Issues

The parties do not believe that PG&E's Chapter 11 Bankruptcy proceeding will impact the enforceability of this Stipulation once it is adopted by the Commission. It is the understanding of the parties that Bankruptcy courts deal with debtor obligations and creditor rights, while this Stipulation encompasses the parties' intentions to earmark funds and commit to activities and programs going forward. Moreover, PG&E routinely enters into, and performs under, these types of stipulations in the ordinary course of its business. Additionally, to the extent the Commission approves the Stipulation, it will become a compliance obligation in the Commission's decision. Therefore, the parties agree to use their best efforts to give full effect to this Stipulation, to the extent the Commission approves the Stipulation, and to the extent possible under any reorganization plan approved by the Bankruptcy Court.

APPENDIX H

DCPP CANCELLED PROJECTS AND AMORTIZATION SCHEDULE

APPENDIX H
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
DIABLO CANYON POWER PLAN CANCELLED CAPITAL PROJECTS AND AMORTIZATION SCHEDULE

Line No.	Planning Order	Description	Total Costs to 06/30/16	Total Costs Post 06/30/16	Total Costs	Costs Excluding AFUDC to 06/30/16	Costs Excluding AFUDC Post 06/30/16	Total Costs Excluding AFUDC
1	5727860	U1: Rpl Process Protection System (PPS)	$23,280,917	$1,893,889	$25,174,806	$19,221,366	$808,844	$20,030,210
2	5727861	U2: Rpl Process Protection System (PPS)	$11,876,016	$541,294	$12,417,311	$9,670,466	$0	$9,670,466
3	5730278	U1:Repl Main Gen Voltage Regulator	$105,806	$8,855	$114,661	$68,092	$0	$68,092
4	5731878	U1:Repl FHB Supply Fans	$76,453	$3,411	$79,864	$49,202	$0	$49,202
5	5731879	U1:Repl Aux Bldg Supply Fans	$102,270	$0	$102,270	$70,361	$0	$70,361
6	5732159	U2:Upgr Air Partic&Gas Montr RM-11 & 12	$42,028	$3,612	$45,640	$27,266	$0	$27,266
7	5733424	U2: Control Room Condenser Replacement	$509,556	$725,684	$1,235,240	$484,255	$661,481	$1,145,736
8	5733432	U2:Repl Main Gen Voltage Regulator	$124,689	$10,721	$135,410	$81,165	$0	$81,165
9	5733439	U2:Repl FHB Supply Fans	$1,302,010	$0	$1,302,010	$1,084,194	$0	$1,084,194
10	5733440	U2:Repl Aux Bldg Supply Fans	$416,319	$0	$416,319	$295,049	$0	$295,049
11	5733691	COM:Repl Turbine Building HELB Louvers	$158,591	$13,654	$172,244	$73,053	$0	$73,053
12	5733720	COM:Instl Intake Bar Rack Raking System	$2,528,067	$0	$2,528,067	$1,719,041	$0	$1,719,041
13	5735024	U1:Repl Manipulator Control Center	$50,865	$10,112	$60,976	$35,593	$3,882	$39,475
14	5735026	U2:Upgrade Fuel Transfer Cart & Controls	$210,398	$124,540	$334,938	$188,377	$92,804	$281,181
15	5735027	U2:Repl Manipulator Control Center	$60,604	$9,566	$70,170	$48,615	$2,172	$50,787
16	5735028	U1:Upgrade Fuel Transfer Cart & Controls	$26,389	$14,281	$40,669	$19,815	$10,622	$30,437
17	5735677	U1:Replace 12Kv Bus E Relays	$1,077,513	$0	$1,077,513	$964,871	$0	$964,871
18	5735678	U2:Replace 12Kv Bus E Relays	$69,906	$6,011	$75,917	$47,178	$0	$47,178
19	5735686	U1-U2:Replace DFO Transfer Pumps	$1,004,692	$0	$1,004,692	$780,176	$0	$780,176
20	5735694	COM:Rem Abandoned Caustic/Acid Tanks	$100,721	$0	$100,721	$100,721	$0	$100,721
21	5735879	U2:Replace FLUR/SLUR Relays	$1,938,310	$0	$1,938,310	$1,490,088	$0	$1,490,088
22	5736000	U1:Upgr Air Partic &Gas Montr RM-11 & 12	$472,560	$185,249	$657,809	$353,732	$138,748	$492,480
23	5736129	U1:Replace Excore Thermocouples	$570,852	$22,818	$593,670	$440,542	$0	$440,542
24	5736141	Turb Bldg Sump Pmps & Lvl Controls Mod	$101,378	$4,512	$105,890	$65,273	$0	$65,273
25	5738238	U1:Add Iso Vlv SI Test Hdr Phase II 1R19	$1,184,362	$0	$1,184,362	$915,783	$0	$915,783
26	5739859	U1:Instl Redundant Vapor Extractor	$135,874	$5,932	$141,806	$101,858	$0	$101,858
27	5740839	U1:Replace FLUR/SLUR Relays	$3,371,044	$0	$3,371,044	$2,852,670	$0	$2,852,670
28	5740883	U1:Instl SCW Head Tank N2 Cover System	$1,175,074	$118,646	$1,293,720	$1,042,753	$63,294	$1,106,047
29	5740884	U2:Instl SCW Head Tank N2 Cover System	$151,358	$75,600	$226,958	$109,702	$67,520	$177,222
30	5740886	U2:Instl ICW Head Tank N2 Cover System	$56,069	$2,562	$58,631	$40,606	$0	$40,606
31	5742281	COM:Add Equip to Inj PAA to FW Sys	$664,766	$64,699	$729,465	$612,079	$29,174	$641,253
32	5742339	U1:Replace Main Generator Output Breaker	$2,283,120	$194,959	$2,478,079	$1,922,702	($2,259)	$1,920,443
33	5743121	COM:Upgrade Primary Chemistry Lab	$8,022	$656	$8,678	$5,925	$0	$5,925
34	5743878	U1:Replace EH Vacuum Dehydrator	$128,854	$5,535	$134,389	$101,446	$0	$101,446
35	5745078	Replace Gaseous Radwaste Monitoring Sys	$513,954	$144,792	$658,747	$477,856	$117,866	$595,722
36	5745278	U1:Replace Instr in Panels PM-177&179	$0	$7,047	$7,047	$0	$6,820	$6,820
37	5745442	COM:Instl SWRO Discharge Modifications	$463,345	$2,744	$466,088	$435,607	($16,972)	$418,635
38	5746098	U1:Add Thermal Relief Vlv to SCW HX	$33,120	$8,181	$41,300	$32,330	$6,390	$38,720
39	5746099	U2:Add Thermal Relief Vlv to SCW HX	$14,990	$21,730	$36,720	$14,647	$20,265	$34,912
40	5746172	COM:Replace DCPP Pwr Block Lighting	$149,402	$6,522	$155,924	$137,813	$0	$137,813
41	5746724	U1:REPL CFCU COOLING COILS 1-2	$0	$631,141	$631,141	$0	$629,123	$629,123
42	5749719	U2:Replace Pressurizer Heaters	$864,198	$0	$864,198	$798,611	$0	$798,611
43	5749764	COM: Instl Diesel to Suppt Security Upgr	$70,958	$6,138	$77,096	$56,791	$0	$56,791
44	5750041	U1:Upgrade DEG (Margin Deficiency)	$89,592	$4,108	$93,700	$69,484	$0	$69,484
45	5752766	COM:TS Setpt Calcs Rev & Reloc Proj(CAP)	$3,855,873	$1,281,905	$5,137,778	$3,401,376	$929,052	$4,330,427
46	5752819	U1:Repl Main Generator Protection	$55,638	$169,933	$225,571	$55,203	$161,762	$216,965
47	5752820	U2:Repl Main Generator Protection	$58,863	$126,379	$185,242	$54,364	$113,395	$167,759
48	5753458	U2:Repl PPC Servers	($646)	$0	($646)	($667)	$0	($667)
49	5753459	U1:Repl PPC Servers	$459,859	$21,083	$480,942	$383,983	$0	$383,983
50	5755714	U1: Control Room Condenser Replacement	$653,415	$1,284,305	$1,937,720	$623,701	$1,176,979	$1,800,680
51	5758524	U2:Inst ASW Cathodic Protection	$942,580	$268,620	$1,211,200	$909,956	$185,450	$1,095,406
52	5759418	COM: MSLB Impact on 4KV vital SWGRs	$1,329,955	$304,723	$1,634,678	$1,169,341	$156,653	$1,325,993
53	5761274	U2: UPGRADE DEG 2-2 LOADING MARGIN	$735,404	$39,576	$774,980	$653,693	$5,717	$659,410
54	5761286	U1:Refurbish RCP Rotor R6	$267,210	$35,188	$302,398	$254,870	$22,929	$277,800
55	5762786	Install Wireless Comm Sys-Ph 3 & 4	$296,190	$558,562	$854,752	$292,116	$499,597	$791,713
56	5764036	Purchase and Install CWP Mtr Rtr CWP 2-1	$0	$101,196	$101,196	$0	$93,281	$93,281
57	5769686	COM:Upgrd 230 Kv Switchyard Conversion	$0	$432,334	$432,334	$0	$405,992	$405,992
58	5769687	COM: Upgrd 230 Kv Tie Lines	$0	$91,803	$91,803	$0	$86,129	$86,129
59	5770218	U1: Repl Penetration 9E	$0	$175,766	$175,766	$0	$166,379	$166,379
60	5770362	COM: Instl PAC 0-7 Enclosure	$0	$116,573	$116,573	$0	$111,311	$111,311
61	5771398	U1: EDG Turbocharger Support Upgrade	$0	$44,234	$44,234	$0	$40,898	$40,898
62	5771399	U2: EDG Turbocharger Support Upgrade	$0	$130,680	$130,680	$0	$121,796	$121,796
63	5771802	U1: Instl Condenser Sodium Analyzers	$0	$133,831	$133,831	$0	$129,608	$129,608
64	5772189	COM: SEPARATE 12KV YRD LOOP FROM PWR	$0	$6,291	$6,291	$0	$6,149	$6,149
65	5773058	COM: Install 480V Switchgear Protection	$0	$272,640	$272,640	$0	$260,275	$260,275
66	Grand Total		$66,219,351	$10,474,822	$76,694,174	$54,905,088	$7,313,127	$62,218,215
67								
68			Factor			100%	25%	
69								
70			Amount Recoverable from Customers - Over 5 Years			$54,905,088	$1,828,282	$56,733,370
71								
72			Amount Recoverable from Customers - Annually					$11,346,674

APPENDIX I
OPERATIONS AND MAINTENANCE (O&M) LABOR FACTORS BY UCC TO ALLOCATE COMMON COSTS

APPENDIX I
PACIFIC GAS AND ELECTRIC COMPANY
2020 GENERAL RATE CASE
Operations and Maintenance (O&M) Labor Factors by UCC to Allocate Common Costs

Line	Unbundled Cost Category (UCC)	2020 PG&E Forecast Based on 2017 Recorded Adjusted Labor ($000)	%	Settlement Based on 2017 Recorded Adjusted Labor ($000)	%	
	Electric Department					
1	**EG - Electric Generation - GRC**	**347,725,663**	**24.24%**	**347,725,663**	**24.24%**	GRC
2	EG - Fossil Facilities (Incl Gateway, Colusa & Humboldt for 2014 GRC)	11,066,575	0.77%	11,066,575	0.77%	
3	EG - Fossil Transmission	818,390	0.06%	818,390	0.06%	
4	EG - Other Generation Solar	693,959	0.05%	693,959	0.05%	
5	EG - Hydro Facilities (Incl Helms & Hydro Renewables Facilities)	70,603,036	4.92%	70,603,036	4.92%	
6	EG - Hydro Transmission (Incl Helms & Hydro Renewables Transmission)	2,118,709	0.15%	2,118,709	0.15%	
7	EG - Diablo Canyon Nuclear Generation Facilities	229,875,180	16.03%	229,875,180	16.03%	
8	EG - Electric Procurement (incl. QF & Other Power Payment Admin)	32,549,815	2.27%	32,549,815	2.27%	
9	**EG - Electric Generation - Non-GRC**	**-**	**0.00%**	**-**	**0.00%**	
10	EG - Humboldt Unit 3 SAFSTOR Costs (Expense)	-	0.00%	-	0.00%	
11	**ET - Network Transmission**	**90,934,459**	**6.34%**	**90,934,459**	**6.34%**	
12	**ET - Other Transmission**	**587,802**	**0.04%**	**587,802**	**0.04%**	
13	**ED - Electric Distribution**	**533,694,378**	**37.21%**	**533,694,378**	**37.21%**	GRC
14	ED - Wires & Services (Incl Cornerstone 2014+ 2011 GRC Dynamic(PDP))	474,048,538	33.05%	474,048,538	33.05%	
15	ED - Transmission-Level Direct Connects	716,807	0.05%	716,807	0.05%	
16	ED - Public Purpose Program Administration	58,929,032	4.11%	58,929,032	4.11%	
17	**Electric Department Total**	**972,942,302**	**67.83%**	**972,942,302**	**67.83%**	
	Gas Department					
18	**GT - Gas Transmission and Storage**	**150,980,465**	**10.53%**	**150,980,465**	**10.53%**	
19	**GD - Gas Distribution**	**310,459,722**	**21.64%**	**310,459,722**	**21.64%**	GRC
20	GD - Pipes and Services	293,626,318	20.47%	293,626,318	20.47%	
21	GD - Gas Procurement	2,726,161	0.19%	2,726,161	0.19%	
22	GD - Public Purpose Program Administration	14,107,243	0.98%	14,107,243	0.98%	
23	**Gas Department Total**	**461,440,187**	**32.17%**	**461,440,187**	**32.17%**	
24	**PG&E Total Labor**	**1,434,382,489**	**100.00%**	**1,434,382,489**	**100.00%**	
25	**GRC Total (Line 1+Line 12+Line 18)**	**1,191,879,763**	**83.09%**	**1,191,879,763**	**83.09%**	