



# PG&E's Business Loss Claim Guide - SF Substation Claims

## Purpose

PG&E's Claims Investigators are here to help you through the claims process. We're committed to transparency, timely communication, and treating every customer with respect. We value you, and we will honor our commitment to make things right.

This guide provides information to businesses that are filing a Business Loss claim with PG&E in connection with the December 20, 2025 Mission Substation Outage (the "Outage"). It explains what is generally eligible as a business loss, what documents you may need to provide, and provides an overview of the analysis PG&E generally performs in evaluating Business Loss claims.

The time it takes to analyze your claim will depend on the information you provide and the complexity of your claim.

## What is a Business Loss Claim?

A Business Loss claim means asking PG&E to pay you back for money your business actually lost because of the Outage. This includes profit you missed out on because your business couldn't operate and any extra costs caused by the Outage, like spoiled inventory, wages you paid for outage-related work, or property damage.



PG&E generally does not pay a claim based on “total sales” because businesses have normal costs, like food, product, supplies, and wages, which come out of those sales. Your claim should show what you truly lost after subtracting those costs.

Example business losses may include:

- Lost **net** sales from being closed during the outage
- Spoiled or lost inventory or food
- Wages paid during the outage while the business closed/not operating
- Property damage resulting from the outage
- Reasonable mitigation expenses (e.g., generator rental to keep perishable food cold during outage to avoid spoilage, dry ice, etc.)

## What PG&E Needs

To review your claim, PG&E needs simple information and proof of your losses:

1. **Your Business Details:** Type of business you run (e.g., restaurant, retail, hotel).
2. **How the Outage Affected You:** Dates and times you were closed, unable to operate, or partially open because of the outage.
3. **Your Claimed Losses:** Break down your losses into these categories:
  - a. Lost income
  - b. Cost of goods sold and wages
  - c. Spoiled or lost inventory
  - d. Property damage caused by the Outage.
  - e. Other outage-related losses (such as extra costs to mitigate losses like generator rental or dry ice)



4. **Proof of Lost Income:** The amount of sales (e.g., cash, credit) you expected to have made during the outage:

- a. Sales during the outage (if any) (e.g., POS reports, sales reports, sales registers), which may include gross sales, sales taxes collected, payment processing fees, tips (if collected), and/or other fees.
- b. Sales from similar days when you were open (to compare, such as December 13, 2025), which may include gross sales, sales taxes collected, payment processing fees, tips (if collected), and/or other fees.

5. **Proof of Cost of Goods Sold and Wages:**

- a. **Cost of Goods Sold:** Estimate what you expected to spend on items like food, supplies, or inventory to be used during the day(s) of the **outage** and show what you actually spent on these items used during the **comparable period** when you were open.
- b. **Labor Costs:** Show actual wages paid and wages anticipated to be paid during the **outage** and for the **comparable period** when you were open. An example may be payroll records, staff schedule with rates, or timecards.

6. **Proof of Spoiled or Lost Inventory:** Provide receipts, itemized lists, invoices, and/or pictures for inventory or food spoilage.

7. **Proof of Property Damage:** Show invoices or estimates to repair your damaged property or provide fair market value for the property that is damaged. If substantiated, PG&E generally covers the lesser of the two values. PG&E generally will not cover the cost to replace the damaged property.



8. **Proof of Other Outage-Related Losses:** Provide invoices or receipts for extra reasonable costs related to the outage, such as renting a generator or purchasing dry ice.
9. **Insurance Coverage/Payments.** Customers must inform PG&E of all insurance available for their losses. We will deduct any available insurance from your offer. Your insurance company, not PG&E, will pay you directly for your insured losses. If you've already filed a claim with your insurer: That is okay; you can still submit a claim. As described above, PG&E's offer will take into account insurance amounts received or available.

## How does PG&E Evaluate Business Loss Claims?

Below is an example calculation methodology which may be used by PG&E to determine the total amount of a Business Loss claim, based on substantiated amounts provided by the customer or claimant:

1. **Defining the Loss Period:** The time you closed your business through restoration and any reasonable restart period.
2. **Determining Benchmark Gross Income and Calculating Estimated Gross Business Income:** This is generally sales from comparable operating days where there was no outage, which can be evaluated and compared to your claimed estimated sales for the **Loss Period**. This is your **Estimated Gross Business Income**. Adjustments may be made to this estimated amount based on hours of operations or other specific facts or scenarios.
3. **Calculating Estimated Net Profit:** Now that **Estimated Gross Business Income** is calculated, we generally analyze the comparable period's sales taxes,



processing fees, tips, cost of goods sold, variable labor costs, and other sales-related expenses and subtract a reasonable estimate of these expenses from the **Estimated Gross Business Income**. This is your **Estimated Net Profit**.

4. **Adding Supported Mitigation Expenses:** We may add costs incurred to reduce losses or restore operations, if claimed and applicable.
5. **Adding Other Supported Losses:** We also may add costs associated with food/inventory spoilage, if claimed and applicable.
6. **Adding Costs for Property Damage:** If you incurred property damage losses, we generally evaluate the support you provided to repair the property and also, we will calculate the estimated fair market value of the property, of which PG&E generally covers the lesser of the two estimates.
7. **Applying Offsets:** We then deduct the PG&E bill credit(s) and as applicable, insurance proceeds.

## Illustrative Calculation

Below is an illustrative calculation that could be used for the evaluation of a Business Loss claim.

**Scenario:** A small neighborhood cafe had to close for two days during a peak weekend due to an experienced outage related to the SF Substation fire. The cafe normally earns strong weekend revenue and incurred extra costs to prevent further losses. This customer received a bill credit for \$2,500 on December 23 and the customer confirmed that their insurance will not cover the losses.



## Financial Details:

### Net Profit

**Benchmark Weekend (e.g., December 13-14) Net Profit:** \$3,000

This Net Profile is based on \$8,000 in revenue minus \$4,000 in cost of goods sold (i.e., the amount the business paid for the food, beverage, and supplies it sells) and \$1,000 in labor, supported by POS reports.

**Incident Period Actual Net Profit:** \$0. Which is \$0 in sales earned and thus, there was no cost of goods sold, and the business did not pay any wages during the outage.

### Other Expenses

**Mitigation Expenses:** \$500 for a generator rental (receipt provided).

**Spoiled Inventory:** \$1,000 in perishable goods that could not be saved (photos and itemized list provided).

**Bill Credit:** \$2,500 bill credit received in the customer's January 2026 bill.

### PG&E Illustrative Calculation

Net Profit Loss:  $\$3,000 - \$0 = \$3,000$

Add Mitigation Expenses:  $\$3,000 + \$500 = \$3,500$

Add Spoiled Inventory:  $\$3,500 + \$1,000 = \$4,500$

Apply Offsets: Bill Credit = \$2,500

Final Business Claim Value = \$2,000

All claimed losses were backed by proper documentation, including sales reports, receipts, and inventory records.



## Need Help?

If you have questions or need assistance submitting documentation, please visit our website [Claims | PG&E](#) or call our Claims Helpline at 415-973-4548.



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