

EPUC Ex. EPUC-5  
PG&E Stress Test Application  
Docket A.20-04-023

**EPUC CROSS EXAMINATION EXHIBIT**

PG&E Response to EPUC Data Request  
Set One, Question 1

**PACIFIC GAS AND ELECTRIC COMPANY  
Securitization 2020  
Application 20-04-023  
Data Response**

PG&E Data Request No.:	EPUC_001-Q01-10		
PG&E File Name:	Securitization2020_DR_EPUC_001-Q01-10		
Request Date:	November 16, 2020	Requester DR No.:	001
Date Sent:	December 2, 2020	Requesting Party:	Energy Producers and Users Coalition
PG&E Witness:	Q1-Q5: David Thomason Q6-Q7: Joe Sauvage Q8: David Thomason and Joe Sauvage Q9-Q10: Daniel Pease	Requester:	Nora Sheriff

**GENERAL OBJECTIONS**

1. PG&E objects to each request to the extent it seeks information protected from disclosure by the attorney-client privilege, the attorney work-product doctrine, or any other privilege or protection from disclosure. PG&E intends to invoke all such privileges and protections, and any inadvertent disclosure of privileged or protected information shall not give rise to a waiver of any such privilege or protection.
2. These responses are made without waiving PG&E's rights to raise all issues regarding relevance, materiality, privilege, or admissibility in evidence in any proceeding. PG&E reserves the right, but does not obligate itself, to amend these responses as needed based on any changes to PG&E's Application or the proposed securitization structure.
3. PG&E incorporates each of these General Objections into each of its responses below. Each of PG&E's responses below is provided subject to and without waiver of the foregoing objections and any additional objections made below.

**QUESTION 01**

At page 5-13 of PG&E's Rebuttal Testimony (Chapter 5, Stress Test Methodology – Rebuttal Witnesses: David Thomason; Joe Sauvage), PG&E states as follows:

EPUC's focus on the need to eliminate non-traditional debt exposes the problematic position of some intervenors who contend that PG&E should leave the \$6 Billion Temporary Utility Debt in place.[footnote omitted] More generally, EPUC's concern that PG&E will take on additional non-traditional utility debt in order to fund additional wildfire claims costs is mistaken.[footnote omitted] PG&E resolved prepetition wildfire liabilities, including 2017 North Bay Wildfires claims costs, through the Plan. (lines 16-22)

With respect to PG&E's representation that EPUC's concern about PG&E taking on additional non-traditional utility debt in order to fund additional wildfire claims costs is mistaken, please answer the following:

- a. Is PG&E maintaining that its \$7.5 billion of securitization bonds will refund "all" non-traditional debt used to fund the \$24.15 billion of wildfire damage claims made listed in its Plan of Reorganization? (CPUC Final Order, Investigation 19-09-016, June 2020, Reference page 13, Table 2.1). Please explain answer.
- b. Please reconcile PG&E's response above to the final order in the Decision Approving Reorganization Plan, Investigation 19-09-016, where PG&E represented to the Commission, as outlined at page 13 and as also stated in Table 2.1 to the final order, that PG&E's Plan provides for payments of \$25.5 billion of wildfire claims consisting of \$24.15 billion as shown in Table 2.1, page 13 of the order, plus an additional \$1.35 billion in deferred payments to the Fire Victims Trust.
- c. With respect to the sources and uses of funds to satisfy these wildfire victims' claims, is it accurate to state that PG&E represented to the Commission that at the time of its reorganization it will have new equity in PG&E Corporation in the amount of \$15.75 billion, of which \$6.75 billion will be used to make equity contributions to the Fire Victims Trust? Please explain answer.

#### **ANSWER 01**

PG&E objects to this request as vague and ambiguous with respect to the phrase "non-traditional utility debt." PG&E defines "non-traditional debt" to mean debt incurred to pay Fire Claims (as defined in the Plan) and to exclude debt incurred to pay ongoing contributions of \$192 mm to the Go-Forward Wildfire Fund through 2029. Subject to its objections, PG&E responds as follows:

- a. As described in Chapter 1, Introduction (D. Thomason), proceeds from the proposed Securitization would be used to retire the \$6 Billion Temporary Utility Debt. This would retire (or "refund") all of the non-traditional debt issued by the Utility to fund the \$24.15 billion (of the \$25.5 billion) at Plan Value paid and contributed in settlement of Fire Claims at emergence, which occurred on July 1, 2020.
- b. – c. As Chapter 1 explains, the Utility issued the \$6 Billion Temporary Utility Debt to pay wildfire claims costs at emergence. In addition, PG&E Corporation raised \$9 billion of new equity and issued \$4.75 billion of debt, the proceeds of which were used to make equity contributions to the Utility. PG&E Corporation made a further equity contribution to the Utility of 476,995,175 shares of common stock of PG&E Corporation to be transferred to the Fire Victim Trust pursuant to the Plan and Confirmation Order. The Utility used these equity contributions to satisfy and discharge liabilities under the Plan, including wildfire claims costs. At emergence, PG&E paid and contributed \$24.15 billion of the \$25.5 billion at Plan Value in settlement of Fire Claims. The only portion of this amount that consisted of non-traditional debt of the Utility was the \$6 Billion Temporary Utility Debt. If the proposed Securitization is approved, the proceeds will be used to retire the \$6 Billion Temporary Utility Debt (i.e., all non-traditional debt of the Utility), and fund the remaining \$1.35 billion in obligations to the Fire Victim Trust.