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December 1, 2025

Ms. Debbie-Anne Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, DC 20426

**Re: Pacific Gas and Electric Company
Wholesale Distribution Tariff Rate Year 2026 Annual Update Informational
Filing under the Formula Rate
Docket No. ER26-____-000**

Dear Ms. Reese:

Pacific Gas and Electric Company (“PG&E”) respectfully submits its Annual Update Filing for Rate Year 2026 under its proposed fourth Wholesale Distribution (“WDT4”) Formula Rate for rates that will go in effect on January 1, 2026 (the “Filing”).¹

This submittal is provided to the Federal Energy Regulatory Commission (“FERC” or the “Commission”) for informational purposes only and is not subject to the requirements of Section 205 of the Federal Power Act.² Nor does this Filing subject PG&E’s WDT4 Formula Rate to modification.³

I. WDT4 Background

¹ The WDT4 Formula Rate consists of the Protocols and Model included in Appendix VIII of PG&E’s Wholesale Distribution Tariff (“WDT”), in Attachments 1 and 2, respectively, and as approved in *Pac. Gas & Elec. Co.*, 189 FERC ¶ 61,229 (2024) (“WDT4 Order”).

² 16 U.S.C. § 824d.

³ See Section 4.7.4 of PG&E’s WDT4 Formula Rate Protocols (“Protocols”).

On October 25, 2024 in Docket No. ER25-209-000, PG&E filed its WDT4 to the Commission seeking a January 1, 2025 effective date for its proposed revisions to the wholesale distribution tariff (“WDT”), including revisions to the Formula Rate.⁴ On December 23, 2024, the Commission issued an Order accepting PG&E’s proposed revisions to the formula rate (“WDT4 Formula Rate”), proposed 2025 wholesale Distribution Revenue Requirement (“DRR”), and other proposed revisions to the WDT, suspending them for five months, to become effective May 25, 2025, subject to refund, and establishing hearing and settlement judge procedures.⁵

On March 28, 2025, PG&E filed revisions to two separate versions of its WDT, the third WDT (“WDT3”) Model and the WDT4 Model submitted in Docket No. ER25-1794-000. The filing proposed revisions to reflect the new asset classes and FERC accounts resulting from the implementation of FERC Order No. 898.⁶ On May 23, 2025, the Commission issued a Deficiency Letter requesting additional information within 30 days to process PG&E’s March 28, 2025 filing. On August 20, 2025, FERC issued an order accepting PG&E’s revisions to WDT3 Model effective January 1, 2025 and revisions to WDT4 Model effective May 25, 2025 to address implementation of FERC Order No. 898, subject to refund, and established hearing and settlement judge procedures, which are ongoing.⁷

II. Summary of the Rate Year 2026 Annual Update

This Annual Update for the 12-month period of January 1, 2026 to December 31, 2026 results in a Wholesale Distribution Revenue Requirement (“DRR”) of \$8,125 million, which represents increase of \$168 million, or a 2 percent increase, compared to the as-filed DRR in WDT4. The total allocated Wholesale Primary DRR and Secondary DRR, including true up⁸, are \$61 million and \$34 million respectively for determination of the Distribution Service Rates. The total allocated Wholesale Primary DRR represents an increase of \$16.6 million, or a 37.2 percent increase, while the total allocated Wholesale Secondary DRR represents increase of \$7.4 million, or a 27.9 percent increase, compared to as-filed in WDT4.

⁴ WDT4 revised the existing formula rate in effect under PG&E’s third WDT rate case (WDT3).

⁵ *Pac. Gas & Elec. Co.*, 189 FERC ¶ 61,229 (2024). As required in Section 4.7.1 of the Protocols, this is the first annual update submitted under the WDT4 Formula Rate so there are no docket numbers for prior Annual Updates.

⁶ *Accounting & Reporting Treatment of Certain Renewable Energy Assets*, Order No. 898, 183 FERC ¶ 61,205 (2023).

⁷ *Pac. Gas & Elec. Co.*, 192 FERC ¶ 61,167 (2025).

⁸ The Wholesale Primary and Secondary DRR are shown on Model Schedule 4-WholesaleRates, Line 105 and Line 113 respectively.

A. Distribution Service Rates

The RY2026 wholesale distribution rates for PG&E's Customers for can be found in Schedule 4-WholesaleRates of the Model and are compared to RY2025 rates below:

Customer & Service Agreement Number	1/1/2025 to 5/24/2025 Primary Rates under WDT3 (\$/kW)	5/25/2025 to 12/31/2025 Primary Rates under WDT4 (\$/kW)	RY2026 Primary Rates (\$/kW)
CCSF SA 275	\$12.948	\$11.553	\$14.765
PWRPA SA 56	\$15.343	\$12.83	\$19.645
Shelter Cove SA 382	\$21.292	\$18.481	\$27.148
WAPA SA 17	\$16.506	\$14.693	\$19.773
Westside SA 15	\$20.419	\$17.426	\$27.145

Customer & Service Agreement Number	1/1/2025 to 5/24/2025 Secondary Rates under WDT3 (\$/kW)	5/25/2025 to 12/31/2025 Secondary Rates under WDT4 (\$/kW)	RY2026 Secondary Rates (\$/kW)
CCSF SA 275	\$22.192	\$18.525	\$29.282
WAPA SA 17	\$33.689	\$31.950	\$30.997

B. Cost of Ownership Rate

The Cost of Ownership rate for RY2026 can be found on Schedule 21-CoO and is compared to the RY2025 rate below:

Monthly CoO Rate	RY2025 (WDT3)	RY2025 (WDT4)	RY2026
Customer Financed	0.87%	0.84%	0.76%

C. Customer Service Charges

The monthly Customer Service Charges for RY2026 can be found on Schedule 23-CustServCharge and are compared to RY2025 rates below:

Customer	RY2025 Hrs	RY2025 (WDT3 and WDT4) Charge (Hrs x \$155.53 Rate)	RY2026 Hrs	RY2026 Charge (Hrs x \$168.43 Rate)
CCSF	40	\$6,221.37	40	\$6,737.04
Port	3.5	\$544.37	3.5	\$589.49
PWRPA	3.5	\$544.37	3.5	\$589.49
Shelter Cove	3.5	\$544.37	3.5	\$589.49
WAPA	45	\$6,999.04	45	\$7,579.17
Westside	3.5	\$544.37	3.5	\$589.49

III. Compliance with the WDT4 Formula Rate Protocols

A. Draft Annual Update Process

The Protocols include a transparent and robust annual stakeholders process that enables the Interested Parties an opportunity to review a draft of the Annual Update before it is submitted to the Commission, propound Information Requests, provide comments and feedback to PG&E, and participate in Technical Conferences to engage directly with PG&E in order to resolve and address issues before the Filing.

This Rate Year 2026 Annual Update is consistent with the Protocols.

In accordance with Sections 4.1 through 4.6 of the Protocols, PG&E followed the process below for this Rate Year 2026 Annual Update:

2026 Annual Update Timeline	
Milestone	Date
PG&E posted the Rate Year 2026 Draft Annual Update on its website	July 1, 2025
PG&E hosted an Initial Technical Conference	August 5, 2025
Interested Parties propounded and PG&E responded to 101 Information Requests	Between June 15-December 1, 2025
PG&E provided to Interested Parties a Revised Rate Year 2026 Annual Update Draft	October 31, 2025
PG&E hosted a Supplemental Technical Conference	November 4, 2025

B. Annual Update Filing Requirements

Pursuant to Section 4.7.2(1) of the Protocols, PG&E has implemented accounting changes that affect Formula Rate inputs.

- In Prior Year 2024, changes were made to reclassify: (1) unamortized Short-Term Debt Expenses from FERC Account 181 to Account 186; (2) amortization of Short-Term Debt Expenses from FERC Account 428 to Account 431; and (3) amortization of Deferred Assembly Bill 1054 and Rate Neutral Securitization Interest Expense from FERC Account 427 to Account 431.

Pursuant to Sections 4.7.2(2) and 4.7.2(3) of the Protocols, PG&E provides in Attachment C, a detailed description of the methodologies used to allocate and directly assign costs between PG&E and its affiliates by service category function, including any changes to such cost allocation methodologies from the Prior Year and the reasons for those changes. Attachment C also includes the magnitude of such costs that have been allocated or directly assigned between PG&E and each affiliate by service category or function.

Pursuant to Section 4.7.5 of the Protocols, in this Rate Year 2026 Annual Update, PG&E has not made any revisions to the DRR, Distribution Rates, Cost of Ownership rates, and Customer Service Charges required by a final FERC order.

Finally, pursuant to Section 4.7.6 of the Protocols, in this Rate Year 2026 Annual Update, PG&E has determined that a previously filed Annual Update contained errors that impact the True DRR. The difference from the errors is included in the Annual Update as a one-time True-up Adjustment. Contemporaneously with the filing, PG&E is providing the corrected prior years Models as additional supporting workpapers to the notification list and interested parties.

Table 1: List of Error Corrections and Rate Years Impacted

		Rate Year Impacted		
		2023	2022	2021
1	Reclassification of O&M from electric distribution to electric transmission identified in an audit performed by external party.		X	X
2	Correction to O&M and A&G for selected samples from FERC audit of PG&E's formula rate	X	X	
3	Removal of payroll taxes covered by grant	X		
4	Correction of 2023 annual true-up adjustments included in the WDT4 filing	X		
5	Miscellaneous corrections of O&M and A&G	X		
6	Difference of Annual True-up Adjustments for Prior Year 2023 as a result of timing of WDT4 filing and the WDT3 Rate Year 2025 Annual Update	X		

IV. List of Documents Submitted

This filing consists of the following documents:

- 1) This Annual Update Transmittal Letter;

- 2) Attachment A: WDT4 Rate Year 2026 Model (PDF)
- 3) Attachment B: WDT4 Rate Year 2026 Model (Excel)
- 4) Attachment C: Affiliate Allocation Methodology

V. Posting and Service

Copies of this filing have been served on the Notification List. Electronic copies of this filing will be posted and available at www.pge.com. Pursuant to Section 4.7.1 of the Protocols PG&E will provide the new docket number to the Notification List no later than five (5) calendar days after the Commission accepts the filing.

VI. Correspondence

PG&E requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

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Katie Choiniere
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VII. Conclusion

Ms. Debbie-Anne A. Reese, Secretary

December 1, 2025

Page 8

PG&E respectfully requests that the Commission issue a notice of filing for the Rate Year 2026 Annual Update and establish the following comment dates, which are aligned with Section 4.1 of the Protocols: (1) formal comments or protests by January 30, 2026; and (2) PG&E answer to comments or protests by March 15, 2026.

Respectfully submitted,

/s/ John Perkins, III

John Perkins, III

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY
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Attachments and Enclosures

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused a copy of the foregoing document to be served upon all the parties designated on the official service list in this proceeding pursuant to 18 C.F.R. § 385.2010 of the Commission's Rules of Practice and Procedure and the additional parties listed below:

NAME	ORGANIZATION / ADDRESS	E-MAIL ADDRESS
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Dated at Oakland, California, this 1st day of December, 2025.

/s/ Debbie Lee

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