

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 4275G/5887E**  
**As of August 20, 2020**

Subject: Cost of Debt Update in Compliance with OP 6 of Decision 20-05-053

Division Assigned: Energy

Date Filed: 07-22-2020

Date to Calendar: 07-24-2020

Authorizing Documents: D2005053

|                        |                   |
|------------------------|-------------------|
| <b>Disposition:</b>    | <b>Accepted</b>   |
| <b>Effective Date:</b> | <b>07-22-2020</b> |

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

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**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**

July 22, 2020

**Advice 4275-G/5887-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Cost of Debt Update in Compliance with OP 6 of Decision 20-05-053**

**Purpose**

In compliance with Ordering Paragraph (OP) 6 of Decision (D.) 20-05-053, Pacific Gas and Electric Company (PG&E) is submitting this Advice Letter to update its cost of capital authorized by D.19-12-056. PG&E requests that its authorized cost of long-term debt be updated from 5.16%, as currently authorized, to 4.17% to implement the interest cost savings resulting from the Chapter 11 exit financing under PG&E's Plan of Reorganization (POR). OP 6 of D.20-05-053 requires PG&E to submit a Tier 2 Advice Letter within 30 days of the Effective Date of PG&E's POR. The effective date of PG&E's POR was July 1, 2020, when PG&E satisfied the requirements in its POR as confirmed by the Bankruptcy Court overseeing its Chapter 11 proceeding on June 20, 2020.

**Background**

On December 20, 2019, the California Public Utilities Commission (CPUC or Commission) issued D.19-12-056, adopting PG&E's cost of capital for test year 2020.<sup>1</sup> The Commission authorized PG&E's cost of long-term cost debt as 5.16% but recognized that the cost of debt could be different after PG&E's emergence from Chapter 11 bankruptcy.<sup>2</sup> Issues specific to PG&E's bankruptcy were directed to the Commission proceeding related to PG&E's bankruptcy, Investigation (I.) 19-09-016. On June 1, 2020, the Commission issued D.20-05-053 in that proceeding, approving PG&E's POR with conditions and modifications. In D.20-05-053, the Commission directed PG&E to update its cost of capital within 30 days of the Effective Date of the POR to reflect the debt cost savings associated with PG&E's POR.<sup>3</sup> D.20-05-053 also conditionally approved recovery of specified financing-related fees and costs associated with PG&E's exit

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<sup>1</sup> OP 2

<sup>2</sup> Pacific Gas and Electric Company (PG&E) and its holding company PG&E Corporation (PG&E Corp.) (jointly Debtors) filed voluntary bankruptcy petitions on January 29, 2019, under Chapter 11 of the U.S. Bankruptcy Code.

<sup>3</sup> OP 6.

financing and necessary to achieve the debt cost savings.<sup>4</sup> PG&E had estimated these financing-related costs as \$154 million and the Commission found cost recovery to be consistent with the “neutral, on average, to ratepayers” requirement in § 3292(b)(1)(D). Because some of the financing-related costs were only estimates at the time of D.20-05-053, the Commission directed PG&E to demonstrate that recovery of the final costs remains consistent with the “neutral, on average to ratepayers” requirement in § 3292(b)(1)(D) at the time PG&E requests cost recovery.

### **Summary**

This Advice Letter quantifies and updates the long-term debt component of PG&E's CPUC jurisdictional return on rate base that was approved in D.19-12-056 for test year 2020. The updated cost of long-term debt will be in effect beginning July 1, 2020 at an annual rate of 4.17%, a reduction from the currently authorized cost of debt of 5.16%, and even lower than PG&E's original estimate of 4.3% in I.19-09-016 and before the Commission in D.20-05-053.

Table 1 below is a summary of the major classes of PG&E's debt resulting from the POR. The debt and final figures described in Table 1 below conform to the exit financing, the associated financing-related fees and costs, as presented to and approved by the Commission in D.20-05-053. PG&E's Exchanged Debt and Reinstated Debt relate to the Noteholder RSA, which is an agreement entered into with members of the Ad Hoc Committee of Senior Unsecured Noteholders of PG&E regarding the treatment of claims related to debt that was outstanding prior to PG&E's bankruptcy (“prepetition debt”) and is reflected in PG&E's POR. Under the Noteholder RSA, certain prepetition debt was exchanged for new debt, with new tenors, amounts, and interest rates, and other prepetition debt was reinstated with no change in the terms of that debt, other than it is now secured with PG&E's assets as is all PG&E's debt. New Debt is debt that PG&E issued in the capital markets just prior to its POR becoming effective.<sup>5</sup> Like PG&E's currently authorized cost of debt, the updated cost of debt continues to include the unamortized costs associated with debt that was redeemed prior to its maturity, over the last 30 years, and those costs continue to be amortized in PG&E's cost of debt. The following are not included in PG&E's cost of debt: \$6 billion of Temporary Utility Debt that was used to pay claims of wildfire victims under PG&E's POR, \$2.5 billion of new debt used to fund PG&E's initial and first annual contribution to the California Wildfire Fund, and any debt of PG&E's parent company, PG&E Corporation.

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<sup>4</sup> D.20-05-053, mimeo at 78-79.

<sup>5</sup> A small portion of this New Debt was used to refinance prepetition Pollution Control Bonds.

**Table 1: Summary of PG&E Cost of Debt (\$ Millions)**

| Description     | Coupon (%)    | Tenors (Years) | Face Amount      | Net Proceeds     | Annual Charge   | Effective Annual Rate (%) |
|-----------------|---------------|----------------|------------------|------------------|-----------------|---------------------------|
| Exchanged Debt  | 3.15% - 4.95% | 5 - 30         | \$ 11,853        | \$ 11,741        | \$ 515          | 4.38%                     |
| New Debt        | 2.1% - 3.5%   | 7 - 30         | \$ 3,521         | \$ 3,461         | \$ 106          | 3.06%                     |
| Reinstated Debt | 3.25% - 4.75% | 5 - 30         | \$ 9,575         | \$ 9,482         | \$ 380          | 4.01%                     |
| Retired Debt    | NA            | NA             | NA               | \$ (132)         | \$ 23           | NA                        |
| <b>Total</b>    |               |                | <b>\$ 24,949</b> | <b>\$ 24,553</b> | <b>\$ 1,024</b> | <b>4.17%</b>              |

Additional information is provided in Appendix A to this Advice Letter to show the details of each of PG&E's bonds currently outstanding and included in the cost of debt after giving effect to PG&E's POR. Appendix A also shows details for all redeemed debt.<sup>6</sup> The total, all-in cost of debt is 4.17%.

As a result of updating the cost of long-term debt, PG&E's overall return on rate base will be reduced from 7.81% to 7.34%. With the new rate taking effect July 1, 2020, the overall return on rate base for 2020 is the simple average of 7.81% and 7.34%, or 7.58%. The return on rate base for 2021 and 2022 will be 7.34% as reflected below in Table 2.

**Table 2: PG&E Proposed Authorized Return on Rate Base**

| Type of Capital            | Capital Ratio | D.19-12-056 Cost Rate | D.19-12-056 Weighted Cost Rate | Cost Rate with Updated Long-Term Debt | Weighted Cost Rate with Updated Long-Term Debt |
|----------------------------|---------------|-----------------------|--------------------------------|---------------------------------------|--|
| <b>Common Equity</b>       | 52.00%        | 10.25%                | 5.33%                          | 10.25%                                | 5.33%  |
| <b>Preferred Equity</b>    | 0.50%         | 5.52%                 | 0.03%                          | 5.52%                                 | 0.03%  |
| <b>Long-Term Debt</b>      | 47.50%        | 5.16%                 | 2.45%                          | 4.17%                                 | 1.98%  |
| <b>Return on Rate Base</b> |               |                       | <b>7.81%</b>                   |                                       | <b>7.34%</b>                                   |

This update does not change any other component of the adopted return on rate base. The updated cost of capital will be in effect beginning July 1, 2020, as will the change in revenue requirement (RRQ), estimated to be about \$82 million for the 2020 CPUC jurisdictional revenue requirement, based on the 2020 rate base in PG&E's GRC settlement, as well as other 2020 rate base in separately identified proceedings as

<sup>6</sup> As shown in Table 1 and Appendix A, and like PG&E's currently authorized cost of debt, PG&E's updated cost of debt retains the amortization of costs incurred to issue and retire, prior to their scheduled maturity date, a number of bonds issued between 1987 and 2008. When debt is retired prior to its scheduled maturity, typically to replace that debt with lower cost debt, the unamortized original issuance costs at the time of retirement, plus any costs to call the bonds, are then amortized over the remaining life of the original bonds.

authorized by the CPUC.<sup>7</sup> The savings for customers, including in future years, from this lower cost of capital are described in more detail below in the Ratepayer Neutrality section.

PG&E requests flexibility in incorporating the revenue requirements authorized to be collected in rates using authorized ratemaking accounting mechanisms, including the Annual Electric True-up (AET) and Annual Gas True-Up (AGT) advice letter filings, or next available rate change, following approval of this advice letter.

The revised rate of return (ROR) will be in effect until modified by the cost of capital adjustment mechanism or as established in PG&E's next Cost of Capital (COC) proceeding.

### **Financing-Related Fees and Costs**

D.20-05-053 approved recovery of financing-related fees and costs associated with PG&E's exit financing, subject to confirmation through this Advice Letter that recovery of the actual total costs incurred remains consistent with the "neutral, on average" requirement. As reflected in D.20-05-053, PG&E had estimated these fees and costs to total approximately \$154 million—consisting of (a) underwriting fees on the \$5.925 billion new debt issuance, (b) fees associated with exchanged and reinstated debt including those paid pursuant to the Noteholder RSA, (c) fees on PG&E's "bridge" credit facility, and (d) other issuance fees on the \$5.925 billion new debt issuance.<sup>8</sup> Note, for items (a), (c), and (d), the costs and fees for recovery from customers include only the portion allocable to the debt financing rate base (\$3.5 billion), i.e., they exclude any portion allocable to the debt funding PG&E's initial and first annual contributions to the California Wildfire Fund (approximately \$2.5 billion). Table 3 below presents the actual costs PG&E incurred for the aforementioned items. Lines 1 and 8 below are the total costs and fees associated with the new debt issuance (items (a), (c), and (d)) and Lines 2 through 7 are the total fees associated with the exchanged and reinstated debt (item (b)).

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<sup>7</sup> PG&E's settlement in its 2020 GRC is pending at the CPUC, and as a result the approved 2020 GRC rate base may be different than that in the settlement. Using the 2017 CPUC approved rate base which is currently the basis for the 2020 RRQ incorporated into customer rates, estimated RRQ reduction based on the 2017 CPUC adopted rate base is \$75 million.

<sup>8</sup> See I.19-09-016, Exhibits PGE-08 and PGE-11. PG&E did not enter into any interest rate hedging transactions in connection with its exit financing and, accordingly, there are no hedging costs to include in the update to PG&E's cost of debt.

**Table 3: Professional and Other Fees Related to Debt Financing (\$ Millions)**

| Line No. | Fee Description   | Initial Cost Estimate |        | Actual Cost |        |
|----------|---|-----------------------|--------|-------------|--------|
| 1        | New long-term debt underwriting fees and bridge fees                          |                       | \$ 44  |             | \$ 45  |
| 2        | Exchanged and Reinstated Debt   |                       | \$ 106 |             | \$ 115 |
| 3        | RSA - bondholder debt placement fee   | \$ 63                 |        | \$ 63       |        |
| 4        | RSA - consenting noteholders professional fees                                | \$ 36                 |        | \$ 36       |        |
| 5        | RSA - expenses related to pre-petition revolver, term loan, and PC bonds LOCs | \$ 7                  |        | \$ 5        |        |
| 6        | Pre-petition senior notes legal expenses                                      | \$ -                  |        | \$ 7        |        |
| 7        | Exchanged debt rating agency fees   | \$ -                  |        | \$ 4        |        |
| 8        | Legal and rating agency fees for exit financing                               |                       | \$ 4   |             | \$ 4   |
| 9        | Total   |                       | \$ 154 |             | \$ 165 |

The final fees and costs set forth in Table 3 reflect two changes from PG&E's estimates in I.19-09-016. First, in Line 1, the actual underwriting and other issuance fees associated with the new debt issuance were 2.8 percent higher than estimated. Second, in Lines 2, 6 and 7, the actual fees associated with the prepetition debt exchanged and reinstated under the Noteholder RSA were higher than PG&E's estimate of \$106 million. That original estimate included only the fees specified under the terms of the Noteholder RSA itself.<sup>9</sup> One category of those fees (Line 5) came in lower than anticipated. However, on the Effective Date, PG&E also incurred certain additional and unanticipated financing-related fees associated with implementing the Noteholder RSA that likewise "were necessary to achieve the overall savings to customers of the Noteholder RSA,"<sup>10</sup> and to issue the debt provided for under that agreement. Specifically, in Line 6, PG&E incurred approximately \$7 million in legal fees in connection with the Utility's pre-petition senior notes documents and certain pollution control bonds, because those agreements obligated PG&E to reimburse certain costs incurred by the trustees and administrative agents. In Line 7, PG&E also incurred costs to obtain ratings on the exchanged debt, which had not been anticipated but which were required for a portion of the debt issued under the Noteholder RSA. While PG&E did not previously have estimates for either of these costs in I.19-09-016, both were necessary for implementing the Noteholder RSA and for PG&E to consummate the debt issuance under that agreement and to fund the POR.

These fees are amortized over the life of the associated debt, and are included in the calculation of the new, 4.17%, cost of long-term debt.

### **Ratepayer Neutrality**

In D.20-05-053 the Commission stated:

<sup>9</sup> See I.19-09-016, PG&E Post-Hearing Brief at 76 (describing Noteholder RSA fees of \$106 million); Exhibit PGE-2 at 2-Exh.2.5-3, 2-Exh.2.5-4, 2-Exh.2.5-62 (providing for an underwriting fee of \$63 million, an expense reimbursement cap of up to \$36 million for consenting noteholders, and legal fees of up to \$7 million for with the Utility's pre-petition funded).

<sup>10</sup> D.20-05-053, mimeo at 78.

At this time we find that PG&E's proposed recovery of approximately \$154 million financing-related costs for the RSA is consistent with the "neutral on average, to ratepayers" requirement of AB 1054, based on the projected interest cost savings to ratepayers.

. . . .Accordingly, we find that because the Commission needs to ensure that PG&E's request for rate recovery of these costs is neutral, on average, based on the actual total costs incurred, we approve recovery of these costs subject to a condition that PG&E demonstrate they are "neutral, on average" at such time as PG&E requests rate recovery. (mimeo at p. 78-79)

PG&E is now requesting recovery of the final amount of these financing-related fees and costs—\$165 million—that PG&E incurred to exchange, reinstate, and issue debt to finance its exit from bankruptcy. Although the final amount is slightly greater than PG&E's \$154 million estimate described in D.20-05-053, cost recovery remains consistent with the "neutral on average, to ratepayers" requirement of § 3292(b)(1)(D) for three related reasons.

First, the Commission issued D.20-05-053 and approved recovery of PG&E's estimated financing-related fees and costs based on an anticipated decrease in PG&E's cost of long-term debt from 5.16% to 4.3%.<sup>11</sup> Notwithstanding changes to the final amount of fees, PG&E's updated post-emergence cost of long-term debt—4.17%—is even lower than originally anticipated, which further benefits customers.<sup>12</sup>

Second, as set forth in D.20-05-053, before taking into account the financing-related fees and costs, PG&E estimated that its POR "provides \$1.4 billion in interest cost savings (or approximately \$700 million in present value) associated with its bankruptcy financing, specifically by refinancing higher cost prepetition bonds at lower rates, with the savings passed on to customers through a reduction in PG&E's authorized cost of debt."<sup>13</sup>

Third, as discussed above, the CPUC jurisdictional RRQ savings resulting from PG&E's POR total approximately \$82 million in 2020, reflecting the savings for the half-year the lower interest rate is in effect. Applying this lower interest rate against PG&E's 2021 estimated CPUC and FERC jurisdictional rate base of approximately \$47.5 billion results in a reduction in PG&E's annual RRQ of approximately \$220 million.<sup>14</sup> In short, in 2021 alone, the RRQ savings for customers associated with PG&E's lower cost of debt entirely offset the fees and costs incurred to achieve those savings. And additional RRQ savings associated with this lower cost of debt will continue to benefit PG&E's customers for years to come.

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<sup>11</sup> See D.20-05-053, mimeo at 72, 78-79; I.19-09-016, Exhibit PGE-11.

<sup>12</sup> PG&E's post-emergence cost of long-term debt is also significantly below the CPUC adopted cost of debt prior to PG&E's bankruptcy, 4.89%.

<sup>13</sup> D.20-05-053, mimeo at 76.

<sup>14</sup> PG&E previously estimated the 2021 RRQ savings as \$192 million. That was based on a then-current estimated post-emergence cost of debt of 4.3%. See I.19-09-016, Exhibit PGE-11.



Accordingly, for all of these reasons recovery of the final amount of financing-related fees and costs incurred by PG&E remains consistent with the “neutral, on average, to ratepayers” requirement in § 3292(b)(1)(D).

### **Protests**

**\*\*\*Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com\*\*\***

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than August 11, 2020, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-3582  
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and

(where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

**Effective Date**

Pursuant to General Order (GO) 96-B, Rule 5.2, and OP 6 of D.20-05-053, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on the date of submittal.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A.19-04-014 and I.19-09-016. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

\_\_\_\_\_/S/

Erik Jacobson  
Director, Regulatory Relations

Attachment

cc: Service List A.19-04-014  
Service List I.19-09-016



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39M)

Utility type:

☒ ELC ☒ GAS ☐ WATER  
☐ PLC ☐ HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@pge.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4275-G/5887-E

Tier Designation: 2

Subject of AL: Cost of Debt Update in Compliance with OP 6 of Decision 20-05-053

Keywords (choose from CPUC listing): Compliance

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.20-05-053

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☒ No

Requested effective date: 7/22/20

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Erik Jacobson, c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility Name: Pacific Gas and Electric Company  
Address: 77 Beale Street, Mail Code B13U  
City: San Francisco, CA 94177  
State: California Zip: 94177  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: District of Columbia Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Clear Form

# **Appendix A**

## **Bonds Currently Outstanding and Included in the Cost of Debt**

## Bonds Currently Outstanding and Included in the Cost of Debt

| Line No. | Series                             | Coupon | Issue Date | Maturity Date | Face Amount | (Premium) or Discount | Issuance Expense | Net Proceeds | Annual Charge | Effective Rate |
|----------|------------------------------------|--------|------------|---------------|-------------|-----------------------|------------------|--------------|---------------|----------------|
|          | <b>Exchanged Debt</b>              |        |            |               |             |                       |                  |              |               |                |
| 1        | Series 3.45% Senior Notes Due 2025 | 3.45%  | 6/30/20    | 7/1/25        | \$ 875.0    | \$ -                  | \$ 0.30          | \$ 874.7     | \$ 30.248     | 3.46%          |
| 2        | Series 3.75% Senior Notes Due 2028 | 3.75%  | 6/30/20    | 7/1/28        | \$ 875.0    | \$ -                  | \$ 0.30          | \$ 874.7     | \$ 32.850     | 3.76%          |
| 3        | Series 4.55% Senior Notes Due 2030 | 4.55%  | 6/30/20    | 7/1/30        | \$ 3,100.0  | \$ -                  | \$ 56.16         | \$ 3,043.8   | \$ 146.665    | 4.82%          |
| 4        | Series 4.95% Senior Notes Due 2050 | 4.95%  | 6/30/20    | 7/1/50        | \$ 3,100.0  | \$ -                  | \$ 56.16         | \$ 3,043.8   | \$ 155.322    | 5.10%          |
| 5        | Series 3.15% Senior Notes Due 2026 | 3.15%  | 6/30/20    | 1/1/26        | \$ 1,951.5  | \$ -                  | \$ 0.68          | \$ 1,952.1   | \$ 61.594     | 3.16%          |
| 6        | Series 4.50% Senior Notes Due 2040 | 4.50%  | 6/30/20    | 7/1/40        | \$ 1,951.5  | \$ -                  | \$ 0.68          | \$ 1,952.1   | \$ 87.850     | 4.50%          |
|          | <b>New Debt</b>                    |        |            |               |             |                       |                  |              |               |                |
| 7        | Series 2.10% Senior Notes Due 2027 | 2.10%  | 6/19/20    | 8/1/27        | \$ 594.3    | \$ 1.11               | \$ 7.27          | \$ 585.9     | \$ 13.657     | 2.33%          |
| 8        | Series 2.50% Senior Notes Due 2030 | 2.50%  | 6/19/20    | 2/1/31        | \$ 1,188.6  | \$ 1.24               | \$ 14.83         | \$ 1,172.6   | \$ 31.230     | 2.66%          |
| 9        | Series 3.30% Senior Notes Due 2040 | 3.30%  | 6/19/20    | 8/1/40        | \$ 594.3    | \$ 2.97               | \$ 8.75          | \$ 582.6     | \$ 20.195     | 3.47%          |
| 10       | Series 3.50% Senior Notes Due 2050 | 3.50%  | 6/19/20    | 8/1/50        | \$ 1,144.1  | \$ 7.22               | \$ 16.85         | \$ 1,120.0   | \$ 40.842     | 3.65%          |
|          | <b>Reinstated Debt</b>             |        |            |               |             |                       |                  |              |               |                |
| 11       | Series 4.50% Senior Notes due 2041 | 4.50%  | 12/1/11    | 12/15/41      | \$ 250.0    | \$ 0.86               | \$ 2.67          | \$ 247.5     | \$ 11.368     | 4.59%          |
| 12       | Series 4.45% Senior Notes due 2042 | 4.45%  | 4/16/12    | 4/15/42       | \$ 400.0    | \$ 2.04               | \$ 4.07          | \$ 395.6     | \$ 18.004     | 4.55%          |
| 13       | Series 3.75% Senior Notes due 2042 | 3.75%  | 8/16/12    | 8/15/42       | \$ 350.0    | \$ 0.31               | \$ 3.64          | \$ 347.1     | \$ 13.257     | 3.82%          |
| 14       | Series 3.25% Senior Notes due 2023 | 3.25%  | 6/14/13    | 6/15/23       | \$ 375.0    | \$ 1.90               | \$ 2.97          | \$ 373.6     | \$ 12.674     | 3.39%          |
| 15       | Series 4.60% Senior Notes due 2043 | 4.60%  | 6/14/13    | 6/15/43       | \$ 375.0    | \$ 0.30               | \$ 3.77          | \$ 371.9     | \$ 17.386     | 4.68%          |
| 16       | Series 3.85% Senior Notes due 2023 | 3.85%  | 11/12/13   | 11/15/23      | \$ 300.0    | \$ 0.54               | \$ 2.54          | \$ 299.0     | \$ 11.858     | 3.97%          |
| 17       | Series 3.75% Senior Notes due 2024 | 3.75%  | 2/21/14    | 2/15/24       | \$ 450.0    | \$ 0.45               | \$ 3.72          | \$ 448.9     | \$ 17.292     | 3.85%          |
| 18       | Series 4.75% Senior Notes due 2044 | 4.75%  | 2/21/14    | 2/15/44       | \$ 450.0    | \$ 1.92               | \$ 4.69          | \$ 444.8     | \$ 21.596     | 4.86%          |
| 19       | Series 3.40% Senior Notes due 2024 | 3.40%  | 8/18/14    | 8/18/24       | \$ 350.0    | \$ 0.26               | \$ 2.82          | \$ 348.8     | \$ 12.208     | 3.50%          |
| 20       | Series 4.75% Senior Notes due 2044 | 4.75%  | 8/18/14    | 2/15/44       | \$ 225.0    | \$ (13.59)            | \$ 2.30          | \$ 234.0     | \$ 10.305     | 4.40%          |
| 21       | Series 4.30% Senior Notes due 2045 | 4.30%  | 11/6/14    | 3/15/45       | \$ 500.0    | \$ 5.75               | \$ 5.06          | \$ 491.2     | \$ 21.856     | 4.45%          |
| 22       | Series 3.50% Senior Notes due 2025 | 3.50%  | 6/12/15    | 6/15/25       | \$ 400.0    | \$ 2.54               | \$ 3.50          | \$ 397.2     | \$ 14.604     | 3.68%          |
| 23       | Series 4.30% Senior Notes due 2045 | 4.30%  | 6/12/15    | 3/15/45       | \$ 100.0    | \$ 5.23               | \$ 1.09          | \$ 94.8      | \$ 4.513      | 4.76%          |
| 24       | Series 3.50% Senior Notes due 2025 | 3.50%  | 11/5/15    | 6/15/25       | \$ 200.0    | \$ 2.72               | \$ 1.72          | \$ 197.7     | \$ 7.462      | 3.77%          |
| 25       | Series 4.25% Senior Notes due 2046 | 4.25%  | 11/5/15    | 3/15/46       | \$ 450.0    | \$ 8.42               | \$ 4.87          | \$ 438.7     | \$ 19.562     | 4.46%          |
| 26       | Series 2.95% Senior Notes due 2026 | 2.95%  | 3/1/16     | 3/1/26        | \$ 600.0    | \$ 1.60               | \$ 5.24          | \$ 596.1     | \$ 18.384     | 3.08%          |
| 27       | Series 4.00% Senior Notes due 2046 | 4.00%  | 12/1/16    | 12/1/46       | \$ 400.0    | \$ 7.34               | \$ 4.37          | \$ 389.7     | \$ 16.391     | 4.21%          |
| 28       | Series 3.30% Senior Notes due 2027 | 3.30%  | 3/10/17    | 3/15/27       | \$ 400.0    | \$ 1.42               | \$ 2.87          | \$ 397.2     | \$ 13.628     | 3.43%          |
| 29       | Series 4.00% Senior Notes due 2046 | 4.00%  | 3/10/17    | 12/1/46       | \$ 200.0    | \$ 4.14               | \$ 2.21          | \$ 194.4     | \$ 8.213      | 4.23%          |
| 30       | Series 3.30% Senior Notes due 2027 | 3.30%  | 11/29/17   | 12/1/27       | \$ 1,150.0  | \$ 3.40               | \$ 8.88          | \$ 1,141.0   | \$ 39.177     | 3.43%          |
| 31       | Series 3.95% Senior Notes due 2047 | 3.95%  | 11/29/17   | 12/1/47       | \$ 850.0    | \$ 3.71               | \$ 8.45          | \$ 838.9     | \$ 33.980     | 4.05%          |
| 32       | Series 4.25% Senior Notes due 2023 | 4.25%  | 8/6/18     | 8/1/23        | \$ 500.0    | \$ 1.17               | \$ 4.12          | \$ 496.8     | \$ 22.311     | 4.49%          |
| 33       | Series 4.65% Senior Notes due 2028 | 4.65%  | 8/6/18     | 8/1/28        | \$ 300.0    | \$ 0.85               | \$ 2.60          | \$ 297.2     | \$ 14.296     | 4.81%          |

## Bonds Currently Outstanding and Included in the Cost of Debt (continued)

| Line No. | Redeemed Bonds Series               | Redemption/<br>Repurchase<br>Date | Original<br>Maturity |  |  |  | Net<br>Proceeds  | Annual<br>Charge | Effective<br>Rate |
|----------|-------------------------------------|-----------------------------------|----------------------|--|--|--|------------------|------------------|-------------------|
| 34       | POLL CONT 2004A - Bond Ins.         | 6/1/17                            | 12/1/23              |  |  |  | (0.18)           | 0.05             |                   |
| 35       | POLL CONT 2004B - Bond Ins.         | 6/1/17                            | 12/1/23              |  |  |  | (0.23)           | 0.07             |                   |
| 36       | POLL CONT 2004C - Bond Ins.         | 6/1/17                            | 12/1/23              |  |  |  | (0.22)           | 0.06             |                   |
| 37       | POLL CONT 2004D - Bond Ins.         | 6/1/17                            | 12/1/23              |  |  |  | (0.26)           | 0.08             |                   |
| 38       | POLL CONT 2008 A                    | 9/1/09                            | 11/1/26              |  |  |  | (0.09)           | 0.02             |                   |
| 39       | POLL CONT 2008 B                    | 9/1/09                            | 11/1/26              |  |  |  | (0.09)           | 0.02             |                   |
| 40       | POLL CONT 2008 F                    | 9/22/08                           | 11/1/26              |  |  |  | (0.06)           | 0.01             |                   |
| 41       | 87C Premium                         | 11/1/92                           | 8/1/20               |  |  |  | (0.02)           | 0.44             |                   |
| 42       | 89A Premium                         | 12/1/93                           | 2/1/22               |  |  |  | (0.54)           | 0.58             |                   |
| 43       | 90A Premium                         | 6/1/95                            | 7/1/23               |  |  |  | (1.16)           | 0.65             |                   |
| 44       | 91A Premium                         | 4/25/91                           | 5/1/24               |  |  |  | (0.02)           | 0.01             |                   |
| 45       | 91A Premium                         | 6/1/99                            | 5/1/24               |  |  |  | (2.02)           | 0.89             |                   |
| 46       | 91B Premium                         | 9/1/95                            | 7/1/24               |  |  |  | (2.18)           | 0.92             |                   |
| 47       | 92B Premium                         | 2/1/97                            | 5/1/25               |  |  |  | (0.36)           | 0.12             |                   |
| 48       | 92C Premium                         | 1/1/98                            | 10/1/25              |  |  |  | (1.83)           | 0.59             |                   |
| 49       | 92D Premium                         | 11/1/96                           | 11/1/22              |  |  |  | (0.33)           | 0.24             |                   |
| 50       | 92D Premium                         | 5/1/98                            | 11/1/22              |  |  |  | (0.18)           | 0.13             |                   |
| 51       | 93A Premium                         | 7/1/98                            | 3/1/26               |  |  |  | (0.26)           | 0.08             |                   |
| 52       | 93D Premium                         | 11/1/96                           | 8/1/26               |  |  |  | (0.00)           | 0.00             |                   |
| 53       | 93D Premium                         | 7/1/98                            | 8/1/26               |  |  |  | (0.10)           | 0.03             |                   |
| 54       | 93F Premium                         | 11/1/96                           | 10/1/23              |  |  |  | (0.08)           | (0.03)           |                   |
| 55       | 93F Premium                         | 1/1/99                            | 10/1/23              |  |  |  | 0.05             | (0.02)           |                   |
| 56       | 93H Premium                         | 11/18/93                          | 3/1/24               |  |  |  | 0.06             | (0.03)           |                   |
| 57       | PC81B Premium                       | 6/1/86                            | 12/1/20              |  |  |  | (0.02)           | 0.09             |                   |
| 58       | PC82A Premium                       | 7/1/87                            | 6/1/22               |  |  |  | (0.04)           | 0.04             |                   |
| 59       | PC96D Premium                       | 5/7/01                            | 11/1/26              |  |  |  | (0.12)           | 0.03             |                   |
| 60       | PC97C Premium                       | 4/27/01                           | 11/1/26              |  |  |  | (0.15)           | 0.04             |                   |
| 61       | Series 4.80% Senior Notes due 2014  | 3/23/04                           | 6/15/23              |  |  |  | (1.31)           | 0.75             |                   |
| 62       | Series 4.80% Senior Notes due 2014  | 3/23/04                           | 6/15/43              |  |  |  | (3.40)           | 0.25             |                   |
| 63       | Series 8.25% Senior Notes due 2018  | 12/29/17                          | 12/1/27              |  |  |  | (8.36)           | 1.90             |                   |
| 64       | Series 8.25% Senior Notes due 2018  | 1/31/18                           | 12/1/27              |  |  |  | (7.57)           | 1.72             |                   |
| 65       | 91A                                 | 4/12/04                           | 5/1/24               |  |  |  | (0.18)           | 0.08             |                   |
| 66       | 92B                                 | 4/12/04                           | 5/1/25               |  |  |  | (0.91)           | 0.32             |                   |
| 67       | 92D                                 | 4/12/04                           | 11/1/22              |  |  |  | (0.98)           | 0.71             |                   |
| 68       | 93A                                 | 4/12/04                           | 3/1/26               |  |  |  | (1.84)           | 0.55             |                   |
| 69       | 93D                                 | 4/12/04                           | 8/1/26               |  |  |  | (2.96)           | 0.82             |                   |
| 70       | 93F                                 | 4/12/04                           | 10/1/23              |  |  |  | (1.18)           | 0.61             |                   |
| 71       | 93H                                 | 4/12/04                           | 3/1/24               |  |  |  | (0.48)           | 0.22             |                   |
| 72       | PC93A                               | 4/12/04                           | 6/1/23               |  |  |  | (0.22)           | 0.13             |                   |
| 73       | PC93B                               | 4/12/04                           | 12/1/23              |  |  |  | (0.77)           | 0.38             |                   |
| 74       | PC96D (Bank Loan)                   | 4/12/04                           | 11/1/26              |  |  |  | (0.78)           | 0.21             |                   |
| 75       | PC97C (Bank Loan)                   | 4/12/04                           | 11/1/26              |  |  |  | (1.16)           | 0.31             |                   |
| 76       | QUIDS                               | 4/12/04                           | 12/31/25             |  |  |  | (1.13)           | 0.35             |                   |
| 77       | Series 6.05% Senior Notes due 2034  | 3/23/04                           | 3/1/34               |  |  |  | (43.89)          | 3.21             |                   |
| 78       | Series 5.80% Senior Notes due 2037  | 3/13/07                           | 3/1/37               |  |  |  | (5.92)           | 0.36             |                   |
| 79       | Series 6.35% Senior Notes due 2038  | 3/3/08                            | 2/15/38              |  |  |  | (2.66)           | 0.15             |                   |
| 80       | Series 6.25% Senior Notes due 2039  | 3/6/09                            | 3/1/39               |  |  |  | (7.44)           | 0.40             |                   |
| 81       | POLL CONT 96C - LOC (4d) 1          | 5/23/96                           | 11/1/26              |  |  |  | (0.64)           | 0.09             |                   |
| 82       | POLL CONT 96E - LOC (4d) 1          | 5/23/96                           | 11/1/26              |  |  |  | (1.12)           | 0.08             |                   |
| 83       | POLL CONT 96F - LOC (4d) 1          | 5/23/96                           | 11/1/26              |  |  |  | (0.35)           | 0.05             |                   |
| 84       | POLL CONT 97B - LOC (4d) 1          | 9/16/97                           | 11/1/26              |  |  |  | (0.56)           | 0.08             |                   |
| 85       | POLL CONT 2009A - LOC 1             | 9/1/09                            | 11/1/26              |  |  |  | (0.08)           | 0.09             |                   |
| 86       | POLL CONT 2009B - LOC 1             | 9/1/09                            | 11/1/26              |  |  |  | (0.08)           | 0.09             |                   |
| 87       | Series 5.40% Senior Notes due 2040  | 11/18/09                          | 1/15/40              |  |  |  | (8.58)           | 0.44             |                   |
| 88       | Series 5.80% Senior Notes due 2037  | 4/1/10                            | 3/1/37               |  |  |  | (3.98)           | 0.24             |                   |
| 89       | Series 3.50% Senior Notes due 2020  | 9/15/10                           | 10/1/20              |  |  |  | (0.17)           | 0.69             |                   |
| 90       | Series 3.50% Senior Notes due 2020  | 11/18/10                          | 10/1/20              |  |  |  | (0.22)           | 0.89             |                   |
| 91       | Series 5.40% Senior Notes due 2040  | 11/18/10                          | 1/15/40              |  |  |  | (5.84)           | 0.30             |                   |
| 92       | Series 4.25% Senior Notes due 2021  | 5/13/11                           | 5/15/21              |  |  |  | (0.22)           | 0.25             |                   |
| 93       | Series 3.25% Senior Notes due 2021  | 9/12/11                           | 9/15/21              |  |  |  | (0.39)           | 0.33             |                   |
| 94       | Series 2.45% Senior Notes due 2022  | 8/16/12                           | 8/15/22              |  |  |  | (0.94)           | 0.44             |                   |
| 95       | Series 5.125% Senior Notes due 2043 | 11/12/13                          | 11/15/43             |  |  |  | (4.58)           | 0.20             |                   |
| 96       | POLL CONT 2008F                     | 6/15/17                           | 11/1/26              |  |  |  | (0.24)           | 0.04             |                   |
| 97       | POLL CONT 2010E                     | 6/15/17                           | 11/1/26              |  |  |  | (0.24)           | 0.04             |                   |
|          | <b>TOTALS</b>                       |                                   |                      |  |  |  | <b>\$ 24,553</b> | <b>\$ 1,024</b>  | <b>4.17%</b>      |

**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

|  |   |   |
|--|---|---|
| AT&T                                     | Downey & Brand                              | Pioneer Community Energy                |
| Albion Power Company                     | East Bay Community Energy                   | Redwood Coast Energy Authority          |
| Alcantar & Kahl LLP                      | Ellison Schneider & Harris LLP              | Regulatory & Cogeneration Service, Inc. |
|  | Energy Management Service                   | SCD Energy Solutions                    |
| Alta Power Group, LLC                    | Engineers and Scientists of California      |   |
| Anderson & Poole                         |   |   |
|  |   |   |
| Atlas ReFuel                             | GenOn Energy, Inc.                          | SCE                                     |
| BART                                     | Goodin, MacBride, Squeri, Schlotz & Ritchie | SDG&E and SoCalGas                      |
|  |   |   |
| Barkovich & Yap, Inc.                    | Green Power Institute                       | SPURR                                   |
| California Cotton Ginners & Growers Assn | Hanna & Morton                              | San Francisco Water Power and Sewer     |
| California Energy Commission             | ICF   | Seattle City Light                      |
| California Public Utilities Commission   | IGS Energy                                  | Sempra Utilities                        |
| California State Association of Counties | International Power Technology              | Southern California Edison Company      |
| Calpine                                  | Intestate Gas Services, Inc.                | Southern California Gas Company         |
|  | Kelly Group                                 | Spark Energy                            |
| Cameron-Daniel, P.C.                     | Ken Bohn Consulting                         | Sun Light & Power                       |
| Casner, Steve                            | Keyes & Fox LLP                             | Sunshine Design                         |
| Cenergy Power                            | Leviton Manufacturing Co., Inc.             | Tecogen, Inc.                           |
| Center for Biological Diversity          |   | TerraVerde Renewable Partners           |
|  |   | Tiger Natural Gas, Inc.                 |
|  |   |   |
| Chevron Pipeline and Power               | Los Angeles County Integrated               | TransCanada                             |
| City of Palo Alto                        | Waste Management Task Force                 | Troutman Sanders LLP                    |
|  | MRW & Associates                            | Utility Cost Management                 |
| City of San Jose                         | Manatt Phelps Phillips                      | Utility Power Solutions                 |
| Clean Power Research                     | Marin Energy Authority                      | Water and Energy Consulting Wellhead    |
| Coast Economic Consulting                | McKenzie & Associates                       | Electric Company                        |
| Commercial Energy                        |   | Western Manufactured Housing            |
| Crossborder Energy                       | Modesto Irrigation District                 | Communities Association (WMA)           |
| Crown Road Energy, LLC                   | NLine Energy, Inc.                          | Yep Energy                              |
| Davis Wright Tremaine LLP                | NRG Solar                                   |   |
| Day Carter Murphy                        |   |   |
|  |   |   |
| Dept of General Services                 | Office of Ratepayer Advocates               |   |
| Don Pickett & Associates, Inc.           | OnGrid Solar                                |   |
| Douglass & Liddell                       | Pacific Gas and Electric Company            |   |
|  | Peninsula Clean Energy                      |   |