

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 4584G/6423E**  
**As of May 24, 2022**

Subject: Request to Recover 2021 Liability Insurance Costs in Compliance with the 2020 General Rate Case (GRC) Decision (D.) 20-12-005

Division Assigned: Energy

Date Filed: 03-14-2022

Date to Calendar: 03-16-2022

Authorizing Documents: D2012005

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>05-15-2022</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

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

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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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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)**

March 14, 2022

**Advice 4584-G/6423-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Request to Recover 2021 Liability Insurance Costs in Compliance  
with the 2020 General Rate Case (GRC) Decision (D.) 20-12-005**

**Purpose**

Pacific Gas and Electric Company (PG&E) submits this Tier 2 Advice Letter to recover \$66.4 million for the cost of excess liability insurance above \$1.4 billion in coverage obtained by PG&E in 2021. PG&E submits this request in accordance with the 2020 General Rate Case (GRC) Settlement approved in Decision (D.) 20-12-005 Ordering Paragraph 1.

**Background**

On December 13, 2018, PG&E filed its 2020 GRC application requesting the California Public Utilities Commission (CPUC or Commission) to authorize its 2020 GRC revenue requirements for the period 2020-2022. On December 11, 2020, the CPUC issued D.20-12-005, approving a multi-party settlement agreement (Settlement Agreement).<sup>1</sup>

Settlement Agreement Section 2.8.3.2 states:

*The Settling Parties agree that PG&E shall establish a two-way RTBA [Risk Transfer Balancing Account] 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.<sup>2</sup>*

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<sup>1</sup> D.20-12-005, OP1.

<sup>2</sup> PG&E had originally requested authority to collect the costs of up to \$2 billion in excess liability coverage through the RTBA before a subsequent advice letter submittal would be required. Cal Advocates proposed to reduce that to \$1.4 billion in coverage consistent with the amount of insurance coverage PG&E procured in 2018.

In accordance with Settlement Agreement 2.8.3.2, PG&E established Electric Preliminary Statement Part IN, Risk Transfer Balancing Account – Electric (RTBA-E) and Gas Preliminary Statement Part FK, Risk Transfer Balancing Account – Gas (RTBA-G), effective January 1, 2020, to track and record the GRC portion of PG&E’s actual expenses for excess liability insurance coverage compared to the adopted revenue requirement, inclusive of all financial risk transfer mechanisms (e.g., insurance, reinsurance, Catastrophe (CAT) bonds, captives), as well as related costs such as broker fees and excise taxes.<sup>3</sup>

On June 1, 2021, PG&E submitted Advice Letter 4444-G/6210-E, which similarly sought recovery of costs for coverage in excess of \$1.4 billion in coverage for 2020. The Advice Letter was not protested and was accepted by the Energy Division of the California Public Utilities Commission effective June 20, 2021. PG&E followed the same methodology as it did in Advice Letter 4444-G/6210-E to calculate the costs of the coverage above \$1.4 billion for 2021 as it presents below.

### **Request**

PG&E requests recovery of \$66.4 million for the CPUC jurisdictional portion of the cost for excess liability insurance above \$1.4 billion in coverage in 2021.<sup>4</sup> PG&E’s 2021 insurance program is discussed in more detail in Section C below. The calculation of the amount requested is discussed in more detail in Section D below.<sup>5</sup>

The amount of insurance coverage PG&E purchased in 2021 is consistent with requirements for electric utilities to acquire liability insurance in Assembly Bill (AB) 1054 and with the levels of coverage PG&E has historically obtained for its various business risks. As discussed in more detail below, in 2021, PG&E maintained less than \$1.4 billion of excess liability coverage for any single business risk. PG&E has historically purchased coverage for both wildfire and non-wildfire risks in single, combined policies. Due to significant changes in the insurance market and reduced availability of excess liability coverage that also covers wildfire risk, in 2021 PG&E purchased largely separate insurance products for wildfire and additional insurance products for other risks. Insurance purchased through the separate policies is not additive from a coverage perspective because the policies cover different business risks. The coverage amount, if viewed in the aggregate, reached approximately \$1.6 billion. Although this amount of coverage was not available for a single risk, out of an abundance of caution, PG&E is submitting this advice letter for approval of the costs attributable to excess liability coverage procured in 2021 that exceeds \$1.4 billion in case this coverage amount could be interpreted as exceeding \$1.4 billion in the aggregate pursuant to the GRC Settlement.

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<sup>3</sup> The GT&S portion is collected through the AMCDOP.

<sup>4</sup> As discussed below, PG&E had less than \$1.4 billion in liability coverage from September 1, 2021 through December 31, 2021.

<sup>5</sup> See Attachment 1 for calculations of the CPUC jurisdictional costs of insurance above \$1.4 B in coverage.

## **Discussion**

### **A. PG&E's Liability Insurance Procurement Process**

PG&E purchases excess liability insurance to protect against third-party liability claims that may arise from PG&E's business operations that exceed a specified dollar amount retained by PG&E. The Commission has consistently found that doing so was a reasonable and prudent business practice, the costs for which should be included in rates.<sup>6</sup>

PG&E and the other California IOUs have continued to see increases in the cost of wildfire liability insurance offered in the commercial marketplace. The total number of market participants continues to decrease, leading to an overall reduction to the amount of capacity available. The Commission has acknowledged the hardened conditions in the current insurance market,<sup>7</sup> which are well-documented in the IOUs' respective General Rate Case filings, applications at the Commission to recover insurance costs tracked in their respective Wildfire Expense Memorandum Accounts (WEMA) or Z-Factor memorandum accounts beyond those included in their current rates, and through their Securities and Exchange Commission public disclosures.

PG&E works diligently to manage the cost of insurance and find available capacity where possible. Most notably, to procure insurance, PG&E uses the services of three brokerage firms with energy sector expertise to assist with marketing efforts and to solicit offers of insurance from the markets. There is a general limitation in the amount of coverage that individual insurers can offer to policyholders.<sup>8</sup> There is also a limited number of insurers that provide coverage to the energy sector. The brokerage firms PG&E retains are experts in canvassing available domestic and international markets to pursue available insurance coverage and they play an important role in assuring PG&E gets the best pricing available from the market at the time. The Commission has acknowledged that the use of expert industry brokers in this manner is a reasonable practice used by all the California IOUs that it has long endorsed.<sup>9</sup>

Over the years, PG&E's insurance program has helped reduce customer costs for claims. PG&E has received nearly one dollar and fifty cents in claim proceeds to date for each

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<sup>6</sup> D.20-09-024, Finding of Fact (FOF) 23; the Commission also referenced a number of prior decisions where it reached the same result; see also D.14-08-032, *mimeo*, p. 550.

<sup>7</sup> D.20-12-005, p. 254-255.

<sup>8</sup> The limitation is due to a variety of factors including, but not limited to, state insurance laws that limit the amount of exposure an insurer can have to any single risk, capacity limitations in reinsurance secured by insurers for a particular risk (reinsurance is a form of financial protection used by insurers to safeguard against large catastrophic losses such as wildfires), internal underwriting guidelines set by insurers, and risk tolerance levels set by management at insurance companies.

<sup>9</sup> D.20-04-024, FOF 38-42, Conclusion of Law 1.

dollar in insurance premiums paid in its renewals covering policy years 2011 to 2021 - resulting in a net benefit to the utility and its customers from insurance procured.<sup>10</sup>

**B. PG&E's Insurance Coverage for 2021 is Consistent with Historical Coverage Levels and With the AB 1054 Wildfire Fund Structure**

PG&E has traditionally targeted approximately \$1 billion in excess liability coverage. Historically, the market offered coverage for both non-wildfire perils and wildfire perils in combined policies, which contained a single limit of insurance that was shared for wildfire and non-wildfire claims. In those instances, if PG&E were to purchase \$1 billion of excess liability coverage for example, PG&E would be able to apply that coverage to both wildfire and non-wildfire events.

Generally speaking, that is no longer the case. The significantly increased wildfire exposure for the California utilities and their insurers in recent years has led to higher prices, as well as a significant decrease in the number of insurers offering wildfire coverage to California utilities. As such, the price of wildfire insurance has increased as compared to the costs of insurance for other perils. PG&E now procures most of its wildfire coverage separately from coverage for other perils, essentially creating two different insurance towers—one for wildfire and one for non-wildfire.

While coverage for the majority of these separate business risks was purchased in separate policies, the coverage levels for each are consistent with the level of general liability coverage PG&E has obtained historically to cover these risks through combined policies.

The amount of wildfire liability coverage purchased in August 2020 (for coverage in the year 2021) and later in April 2021 is also consistent with AB 1054. Specifically, AB 1054 established a statewide fund that will be available for eligible electric utility companies to pay eligible claims for liabilities arising from wildfires occurring after July 12, 2019 that are caused by the applicable electric utility company's equipment, subject to the terms and conditions of AB 1054. Eligible claims are claims for third party damages resulting from any such wildfires, limited to the portion of such claims that exceeds the greater of (i) \$1.0 billion in the aggregate in any year and (ii) the amount of insurance coverage required to be in place for the electric utility company pursuant to section 3293 of the Public Utilities Code, also added by AB 1054. Section 3293 requires the IOUs to acquire wildfire liability insurance. It states: "[E]lectrical corporation[s] shall maintain reasonable insurance coverage."<sup>11</sup> The IOUs are unable to obtain any recovery from the Wildfire Fund for wildfire-related losses in any year that do not exceed the greater of \$1.0 billion in the aggregate and the amount of insurance coverage required under AB 1054. PG&E's

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<sup>10</sup> This does not include recoveries PG&E expects to collect in relation to the Kincade, Zogg, and Dixie fires pending final resolution of those matters, which would further increase the amount of total insurance recovery compared to premiums paid.

<sup>11</sup> Pub. Util. Code § 3293.

target to obtain \$1 billion of wildfire liability insurance is consistent with the AB 1054 requirement for the utilities to maintain insurance and absorb the first \$1 billion in claims prior to accessing the fund.

### **C. Summary of PG&E's Insurance Procurements for 2021**

The chart below summarizes the total excess liability insurance carried by PG&E in 2021 for both wildfire and non-wildfire events for all periods throughout the year. A description of the procurement activities that correspond to each of the time frames referenced in the table follows.

2021 Period	Coverage		
	Total Coverage	Wildfire	Non-Wildfire
Jan - Mar	1,587,500,000	867,500,000	720,000,000
Apr - May	1,630,750,000	910,750,000	720,000,000
Jun	1,635,750,000	910,750,000	725,000,000
Jul	1,625,000,000	900,000,000	725,000,000
Aug	1,625,000,000	900,000,000	725,000,000
Sep - Dec	1,275,000,000	600,000,000	675,000,000

#### **January 2021 to March 2021:**

Prior to calendar year 2021, PG&E typically renewed most of its excess liability insurance policies in August of each year with coverage running from August 1 of one year to July 31 of the following year. The available insurance for this period reflects nearly \$1.6 billion in total excess liability coverage that was purchased at the August 2020 renewal period. This consisted of approximately \$867.5 million of wildfire liability and \$720 million of non-wildfire liability coverage. The amount of wildfire liability coverage purchased was lower than the \$1 billion target due to lack of wildfire liability capacity in the marketplace.

#### **April 2021 to May 2021:**

In 2021, PG&E was able to move the annual wildfire liability renewal process from August to April for a number of its policies to fall outside of the traditional wildfire season. This was done by cancelling and reissuing a number of existing policies to begin with an April 1, 2021 effective date rather than an August 1 effective date. PG&E did so for policies that comprised \$256.75 million of the total \$867.5 million in wildfire coverage in the program. PG&E was also able to increase the wildfire liability limits from \$256.75 to \$300 million for the policies effective in April through this process, resulting in total wildfire liability coverage of \$910.75 million for this period. PG&E did not make any material

changes to its non-wildfire liability program in the April 2021 renewal period and continued to maintain the \$720 million in non-wildfire liability coverage secured in August 2020. The coverages for this period include a combined policy that provides a shared \$50 million limit for both wildfire and non-wildfire liability loss events. It is the only policy in the program with this structure. The renewal of this policy in April 2021 renews \$50 million in non-wildfire liability capacity for PG&E.

#### June 2021 to July 2021:

To align with the new effective dates for wildfire liability policies discussed above, PG&E was able to cancel and reissue approximately \$535 million of the \$720 million in non-wildfire liability coverage beginning with a new June 1, 2021 start date and new expiration date of March 31, 2022. PG&E and its brokers also negotiated a seven-month extension on approximately \$140 million in non-wildfire liability coverage from the August 2020 renewal to extend the coverage to a March 31, 2022 expiration date to align with other policies that would renew in April of that year. As previously noted, approximately \$50 million in non-wildfire liability coverage renewed as part of the April 2021 wildfire liability renewal. PG&E carried \$910.75 million in wildfire liability and \$720 million in non-wildfire liability coverage through the end of June 2021. In total, PG&E carried approximately \$725 million in non-wildfire liability coverage as of the end of July 2021. During this same time interval, approximately \$10.75 million in wildfire liability reinsurance coverage that PG&E did not renew in April 2021 expired at the end of June 2021. This reduced the amount of wildfire liability coverage carried by PG&E to \$900 million.

#### August 2021:

On August 1, 2021, the second annual policy period of the single multi-year policy procured by PG&E in August 2020 commenced. This resulted in a new set of \$600 million in limits available for future wildfire events on or after the policy term start date. The coverage is in addition to \$300 million in remaining wildfire liability limits carried over from the April 2021 renewal when accounting for the \$10.75 million in reinsurance capacity that expired in June 2021. PG&E did not make any changes to its non-wildfire liability program during this time period. As of the end of August 2021, PG&E maintained \$900 million in wildfire liability coverage and \$725 million in non-wildfire liability protection.

#### September 2021 to December 2021:

PG&E had approximately \$600 million of total wildfire liability limits and \$675 million of non-wildfire liability limits available for this period. This amount reflects approximately \$300 million of policy limits that PG&E anticipated would be exhausted by prior claims and which would no longer be available as part of the program on a going forward basis.

#### D. Calculations of the Costs for Recovery in this Advice Letter

PG&E requests recovery of \$66.4 million for the CPUC jurisdictional portion of cost of excess liability insurance above \$1.4 billion in coverage. The time period covered by this advice letter is limited to the 2021 calendar year. As stated above, because PG&E had less than \$1.4 billion in insurance coverage from September 1, 2021 through December 31, 2021, PG&E seeks no additional cost recovery for that time period through this Advice Letter.

Below are descriptions of the calculations for excess liability insurance costs for coverage above \$1.4 billion.

The following table summarizes the amount of purchased coverage available during 2021 and the related cost attributed to coverage above \$1.4 billion.

2021 Period	Total Coverage	Coverage Cap	Coverage Above \$1.4B	Annualized Premium Cost \$	Average Rate Per \$ of coverage	Cost Attributed to Coverage Above \$1.4B
Jan - Mar	1,587,500,000	1,400,000,000	187,500,000	859,669,590	\$ 0.542	25,383,944.59
Apr - May	1,630,750,000	1,400,000,000	230,750,000	859,126,961	\$ 0.527	20,260,978.71
Jun	1,635,750,000	1,400,000,000	235,750,000	858,587,810	\$ 0.525	10,311,889.36
Jul	1,625,000,000	1,400,000,000	225,000,000	853,680,072	\$ 0.525	9,850,154.68
Aug	1,625,000,000	1,400,000,000	225,000,000	854,107,677	\$ 0.526	9,855,088.58
Sep - Dec	1,275,000,000	1,400,000,000	0	668,263,820	\$ 0.524	0
						<u>75,662,055.93</u>

PG&E calculated the \$66.4 million it seeks recovery for through this advice letter as follows:<sup>12</sup>

First, PG&E determined the amount of coverage purchased above \$1.4 billion available during 2021<sup>13</sup>. Second, PG&E determined the average rate per dollar of available liability insurance in a given period<sup>14</sup>. Third, PG&E determined the costs associated with coverage above \$1.4 billion by multiplying the average rate by the amount of coverage above \$1.4 billion to determine the total company, annual costs associated with the coverage above \$1.4 billion. Fourth, PG&E calculated the portion of the total company annual costs for coverage above \$1.4 billion that are applicable to each period at issue in this Advice Letter. That amount is \$75.7 million<sup>15</sup>. Finally, PG&E calculated the CPUC

<sup>12</sup>Attachment 1, (Costs of Coverage Above \$1.4 B) shows this calculation in more detail.

<sup>13</sup> See Attachment 1, column B, lines 13-18

<sup>14</sup> See Attachment 1, column F, lines 13-18

<sup>15</sup> See Attachment 1, column G, lines 13-18

jurisdictional portion of the \$75.7 million total company amount<sup>16</sup> by using applicable cost allocation factors<sup>17</sup>. The CPUC jurisdictional amount is \$66.4 million<sup>18</sup>.

The table below shows the cost recovery details. Further details are located in Attachment 1.

<b>Requested Cost Recovery</b>				
		<b>Total</b>	<b>Cost</b>	<b>Interest</b>
Electric Distribution		26,396,512.93	26,385,501.74	11,011.19
Electric Generation		17,198,504.13	17,191,329.86	7,174.27
Gas Distribution		15,355,331.47	15,348,926.06	6,405.41
<b>GRC Total</b>		<b>58,950,348.52</b>	<b>58,925,757.65</b>	<b>24,590.87</b>
<b>Gas Transmission &amp; Storage</b>		<b>7,467,490.69</b>	<b>7,464,375.66</b>	<b>3,115.03</b>
<b>Total</b>		<b>66,417,839.21</b>	<b>66,390,133.31</b>	<b>27,705.90</b>

PG&E respectfully requests disposition of this Advice Submittal by April 25, 2022 so that it may incorporate these costs in its June 1, 2022 electric and gas rate changes, or as soon as practicable thereafter.

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than April 4, 2022, which is 21 days<sup>19</sup> after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail o at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II  
Director, Regulatory Relations  
c/o Megan Lawson

<sup>16</sup> See Attachment 1, columns A-G, lines 25-30

<sup>17</sup> See Attachment 1, columns A-D, lines 34-43. Any over or under collection due to the annual change in allocation factors will be recovered through the AET/AGT process.

<sup>18</sup> See Attachment 1, Column H, line 31

<sup>19</sup> The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.





# 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 U39 M)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Annie Ho  
 Phone #: (415) 973-8794  
 E-mail: PGETariffs@pge.com  
 E-mail Disposition Notice to: AMHP@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) #: 4584-G/ 6423-E

Tier Designation: 2

Subject of AL: Request to Recover 2021 Liability Insurance Costs in Compliance with the 2020 General Rate Case (GRC) Decision (D.) 20-12-005

Keywords (choose from CPUC listing): Compliance, GRC

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.20-12-005

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

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: 4/14/22

No. of tariff sheets: N/A

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

California Public Utilities Commission  
Energy Division Tariff Unit Email:  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility/Entity Name: Pacific Gas and Electric Company  
  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: PGETariffs@pge.com

Contact Name:  
Title:  
Utility/Entity Name:  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

CPUC  
Energy Division Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Clear Form

Advice 4584-G/6423-E  
March 14, 2022

## **Attachment 1**

2021 Period	Coverage			Annualized Premium Cost \$			Annualized Premium Cost \$ Ratio		
	Total Coverage	Wildfire	Non-Wildfire	Total Cost	Premium and Fees	Excise Tax	Total Ratio	Premium and Fees	Excise Tax
Jan - Mar	1,587,500,000	867,500,000	720,000,000	859,669,590	828,419,119	31,250,472	100%	96%	4%
Apr - May	1,630,750,000	910,750,000	720,000,000	859,126,961	828,085,766	31,041,195	100%	96%	4%
Jun	1,635,750,000	910,750,000	725,000,000	858,587,810	827,579,799	31,008,011	100%	96%	4%
Jul	1,625,000,000	900,000,000	725,000,000	853,680,072	822,815,005	30,865,068	100%	96%	4%
Aug	1,625,000,000	900,000,000	725,000,000	854,107,677	823,230,185	30,877,492	100%	96%	4%
Sep - Dec	1,275,000,000	600,000,000	675,000,000	668,263,820	648,770,832	19,492,987	100%	97%	3%

2021 Period	Total Coverage	Coverage Cap	Coverage Above \$1.4B	Annualized Premium Cost \$	Average Rate Per \$ of coverage	Cost Attributed to Coverage Above \$1.4B	Cost Attributed to Coverage Above \$1.4B		
							Total	Premium and Fees	Excise Tax
Jan - Mar	1,587,500,000	1,400,000,000	187,500,000	859,669,590	\$ 0.542	25,383,944.59	25,383,944.59	24,461,194.45	922,750.15
Apr - May	1,630,750,000	1,400,000,000	230,750,000	859,126,961	\$ 0.527	20,260,978.71	20,260,978.71	19,528,927.43	732,051.28
Jun	1,635,750,000	1,400,000,000	235,750,000	858,587,810	\$ 0.525	10,311,889.36	10,311,889.36	9,939,474.12	372,415.24
Jul	1,625,000,000	1,400,000,000	225,000,000	853,680,072	\$ 0.525	9,850,154.68	9,850,154.68	9,494,019.28	356,135.40
Aug	1,625,000,000	1,400,000,000	225,000,000	854,107,677	\$ 0.526	9,855,088.58	9,855,088.58	9,498,809.83	356,278.75
Sep - Dec	1,275,000,000	1,400,000,000	0	668,263,820	\$ 0.524	0	0	0	0
						<u>75,662,055.93</u>	<u>75,662,055.93</u>	<u>72,922,425.12</u>	<u>2,739,630.81</u>

2021 Period	CPUC Jurisdictional Cost Attributed to Coverage Above \$1.4B						CPUC Jurisdictional Cost Attributed to Coverage Above \$1.4B		
	GRC Cost			GT&S Cost			Total	GRC	GT&S
	Total	Premium and Fees	Excise Tax	Total	Premium and Fees	Excise Tax			
Jan - Mar	19,769,262.14	19,002,516.01	766,746.13	2,504,256.29	2,407,129.30	97,126.98	22,273,518.43	19,769,262.14	2,504,256.29
Apr - May	15,779,204.84	15,170,917.22	608,287.62	1,998,818.81	1,921,764.43	77,054.37	17,778,023.65	15,779,204.84	1,998,818.81
Jun	8,030,867.43	7,721,414.28	309,453.15	1,017,304.04	978,104.30	39,199.74	9,048,171.48	8,030,867.43	1,017,304.04
Jul	7,671,291.30	7,375,365.65	295,925.65	971,755.01	934,268.85	37,486.16	8,643,046.31	7,671,291.30	971,755.01
Aug	7,675,131.93	7,379,087.16	296,044.77	972,241.52	934,740.27	37,501.25	8,647,373.45	7,675,131.93	972,241.52
Sep - Dec	0	0	0	0	0	0	0	0	0
						<u>58,925,757.65</u>	<u>56,649,300.33</u>	<u>2,276,457.33</u>	<u>7,464,375.66</u>

	Blended Labor & Plant Factor	2020 GRC Adopted Labor Factor	Requested Cost Recovery		
			Total	Cost	Interest
Electric Distribution	34.79%	37.21%	26,396,512.93	26,385,501.74	11,011.19
Electric Generation	22.66%	24.24%	17,198,504.13	17,191,329.86	7,174.27
Gas Distribution	20.24%	21.64%	15,355,331.47	15,348,926.06	6,405.41
<b>GRC Total</b>	<b>77.68%</b>	<b>83.09%</b>	<b>58,950,348.52</b>	<b>58,925,757.65</b>	<b>24,590.87</b>
<b>Gas Transmission &amp; Storage</b>	<b>9.84%</b>	<b>10.53%</b>			
Electric Transmission	12.48%	6.38%	7,467,490.69	7,464,375.66	3,115.03
			<u>66,417,839.21</u>	<u>66,390,133.31</u>	<u>27,705.90</u>

- Computation of Cost for Coverage Above \$1.4 Billion**
- Compute amount of coverage purchased above \$1.4B  
Coverage above \$1.4B computed as "Total Coverage" minus "Coverage Cap"
  - Compute average cost per dollar of coverage utilizing total premium cost and related coverage as basis  
"Average Rate per \$ of Coverage" computed as "Annualized Premium Cost \$" divided by "Total Coverage"
  - Compute cost attributed to coverage above \$1.4B using average rate per dollar of coverage
    - "Coverage Above \$1.4B" multiplied by "Average Rate per \$ of Coverage" to derive annual cost attributed to coverage above \$1.4B
    - annual cost attributed to coverage above \$1.4B divided by 12 months multiplied by number of applicable months of related coverage
  - Compute GRC and GT&S portion of cost attributed to coverage above \$1.4B and recoverable via RTBA and AMCDOP, respectively
    - Apply premium cost ratio to allocate premium cost attributed to coverage above \$1.4B between "Premium and Fees" and "Excise Tax"
    - Allocate cost attributed to coverage above \$1.4B in accordance with how PG&E allocates its excess liability insurance premium and fees (composite allocation factor of the labor and the plant asset ratio) and related excise tax (adopted operations and maintenance labor factor).

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

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