

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6649E
As of August 11, 2022

Subject: Issuance Advice Letter Submission for Recovery Bonds

Division Assigned: Energy

Date Filed: 07-14-2022

Date to Calendar: 07-18-2022

Authorizing Documents: D2105015

Disposition:	Accepted
Effective Date:	07-19-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

(415)973-4587

PGETariffs@pge.com

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



Sidney Bob Dietz II
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

July 14, 2022

Advice 6649-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Issuance Advice Letter Submission for Recovery Bonds

Pursuant to California Public Utilities Commission (“CPUC”) Decision (D.) 21-05-015 (Decision), Pacific Gas and Electric Company (“PG&E”) hereby transmits for submission, one business day after the pricing date of this series of Recovery Bonds, the initial Fixed Recovery Charge for the series. This Issuance Advice Letter is for the Senior Secured Recovery Bonds Series 2022-B, Tranche(s) A-1, A-2, A-3, A-4 and A-5 (“Recovery Bonds”).

Pursuant to Ordering Paragraph 4 of the Financing Order, attached hereto as Exhibit 5 is the Finance Team’s pre-issuance approval letter dated July 13, 2022.

Purpose

This submission establishes initial Fixed Recovery Charge for rate schedules for Consumers, including the Billing Commencement Date. This submission also establishes the Recovery Property to be sold to the Recovery Property Owner (“Special Purpose Entity” or “SPE”). Finally, this submission sets forth the final terms of the Recovery Bonds, including a final estimate of Bond Issuance Costs and estimated Ongoing Financing Costs for the 12-month period following the Closing Date.

Background

In D. 21-05-015, the Commission authorized PG&E to submit Issuance Advice Letters when final terms and pricing for Recovery Bonds have been established. Issuance Advice Letter submissions are those in which PG&E uses the bond sizing methodology and Fixed Recovery Charge formulas found reasonable by the Commission in D. 21-05-015 to establish initial Fixed Recovery Charge for a series of Recovery Bonds. Using the

methodology approved by the Commission in D. 21-05-015, this submission establishes the initial Fixed Recovery Charge.

Issuance Information:

Decision 21-05-015 requires PG&E to provide the following information.

Recovery Bond Name: Senior Secured Recovery Bonds, Series 2022-B

Recovery Property Owner (SPE): PG&E Wildfire Recovery Funding LLC

Bond Trustee(s): The Bank of New York Mellon Trust Company, N.A.

Closing Date: July 20, 2022

Bond Rating(s): AAA(sf) (S&P) / Aaa(sf) (Moody's)

Principal Amount Issued: \$3,900,000,000

Bond Issuance Costs: \$19,483,463 (See Table 1 below)

Bond Issuance Costs as a Percent of Principal Amount Issued: 0.50%

Recovery Costs Financed: \$3,880,516,536

Coupon Rate(s): 4.022% (Tranche A-1); 4.722% (Tranche A-2); 5.081% (Tranche A-3); 5.212% (Tranche A-4); and 5.099% (Tranche A-5)

Call Features: None

Expected Principal Amortization Schedule: See Exhibit 1

Scheduled Final Payment Date(s): June 1, 2031 (Tranche A-1); June 1, 2037 (Tranche A-2); June 1, 2041 (Tranche A-3); December 1, 2047 (Tranche A-4); and June 1, 2052 (Tranche A-5)

Legal Maturity Date(s): June 1, 2033 (Tranche A-1); June 1, 2039 (Tranche A-2); June 1, 2043 (Tranche A-3); December 1, 2049 (Tranche A-4); and June 1, 2054 (Tranche A-5)

Payment Dates (semi-annually): June 1 and December 1

Annual Servicing Fee as a percent of the issuance amount: .05%

Overcollateralization amount for the series, if any: None

Principal Amount of Recovery Property Established: \$3,880,516,536

FRC Annual Adjustment Date: March 1

Semi-Annual Adjustment Dates: September 1

Billing Commencement Date: September 1, 2022

First Payment Period: Closing Date through and including first Payment Date

Second Payment Period: Day following First Payment Date through and including second Payment Date

Bond Issuance Costs:

Table 1 Bond Issuance Costs	
Underwriter Fees and Expenses	\$15,600,000
Legal Fees and Expenses	808,200
SEC Registration Fees	361,530
Rating Agency Fees	1,285,000
Accounting Fees and Expenses	125,000
Section 1904 Fees ¹	-
Printing/Edgarizing Costs	150,000
Servicer Set-up Costs	-
Bond Trustee Fees and Expenses	60,000
Original Issue Discount	192,140
Company Advisory Fee	-
Miscellaneous	250,000
Costs of the Commission	651,593
Total	\$19,483,463
Note 1: Section 1904 Fees computed in accordance with D. 21-05-015.	

True-Up Mechanism:

Not less often than annually, the servicer will compare the actual principal amortization with the scheduled principal amortization as set forth in Exhibit 1. If the servicer forecasts that Fixed Recovery Charge collections will be insufficient to make all scheduled payments of bond principal, interest, and related costs on a timely basis during the current or next succeeding payment period or to replenish any draws upon the capital subaccount, a change to the Fixed Recovery Charge will be requested via a Routine True-Up Mechanism Advice Letter or Non-Routine True-Up Mechanism Advice Letter in accordance with Decision 21-05-015.

Ongoing Financing Costs:

Table 2		
Estimated Ongoing Financing Costs¹		
	First Payment Period	Second Payment Period
Servicing Fee (PG&E as Servicer) (0.05% of the initial Recovery Bond principal amount)	\$1,684,583	\$975,000
Administration Fee	86,389	50,000
Accountant's Fee	31,250	31,250
Legal Fees/Expenses for PG&E's/Issuer's Counsel	8,750	8,750
Bond Trustee's/ Bond Trustee's Counsel Fees and Expenses	8,500	8,500
Independent Managers' Fees	750	750
Rating Agency Fees	20,000	20,000
Printing/Edgarizing Fees	2,500	2,500
Miscellaneous	5,000	5,000
Return on Equity	851,490	492,824
TOTAL ONGOING FINANCING COSTS (with PG&E as Servicer)	\$2,699,212	\$1,594,574
Note 1: Certain estimated ongoing financing costs represented above are an allocable share of the overall costs applicable to the Recovery Bonds subject to this Issuance Advice Letter and the Senior Secured Recovery Bonds, Series 2022-A subject to the Issuance Advice Letter dated May 4, 2022 (Advice 6579-E).		

Fixed Recovery Charge:

Table 3 below shows the current assumptions for each of the variables used in the Fixed Recovery Charge calculation.

Table 3 Input Values For Fixed Recovery Charge¹	
kWh sales for the applicable period	82,119,905,750
Percent of revenue requirement allocated to Consumers	100%
Percent of Consumers' revenue written off (Res/Non-Res)	0.42%/0.08%
Percent of Consumers' billed amounts expected to be uncollected	0.34%
Percent of billed amounts collected in current month	33.68%
Percent of billed amounts collected in second month after billing	55.43%
Percent of billed amounts collected in third month after billing	7.35%
Percent of billed amounts collected in fourth month after billing	1.72%
Percent of billed amounts collected in fifth month after billing	0.89%
Percent of billed amounts collected in sixth month after billing	0.59%
Ongoing Financing Costs for the applicable period	See Table 2
Expected Fixed Recovery Charge outstanding balance as of 7/13/2022	See Exhibit 3

Table 4 shows the initial Fixed Recovery Charge calculated for Consumers. The Fixed Recovery Charge calculations are shown in Exhibit 2.

Table 4	
Consumers Fixed Recovery Charge ²	¢0.564/kWh

Exhibit 4 includes proposed changes to Part IX of PG&E's Preliminary Statement to show the Fixed Recovery Charge rate value which is to be effective September 1, 2022. Preliminary Statement Part IX is included in this advice letter on an illustrative basis and will be submitted again in PG&E's September rate change advice letter before it is made effective on September 1, 2022.

¹ Applicable period from September 1, 2022 through November 30, 2023.

² For residential rates, PG&E shall retain the total rate relationships by tier determined by D.15-07-001 with the addition of the Fixed Recovery Charge and Customer Credit.

Recovery Property:

Recovery Property is the property described in Public Utilities Code Section 850(b)(11) relating to the Fixed Recovery Charge set forth herein, including, without limitation, all of the following:

- (1) The right, title and interest in and to the Fixed Recovery Charge set forth herein, as adjusted from time to time.
- (2) The right to be paid the principal amount of the Recovery Bonds, together with interest thereon as the same become due as shown on Exhibit 3, together with all Ongoing Financing Costs as the same become due.
- (3) The right, title and interest in and to all revenues, collections, claims, payments, money, or proceeds of or arising from the Fixed Recovery Charge, as set forth herein.
- (4) All rights to obtain adjustments to the Fixed Recovery Charge under the True-Up Mechanism.

These Fixed Recovery Charge, as adjusted from time to time, shall remain in place until the total amounts in Exhibit 3 are paid in full to the owner of the Recovery Property, or its assignee(s).

Description of Exhibits

Exhibit 1 to this Issuance Advice Letter presents the scheduled principal amortization schedule for the Recovery Bonds.

Exhibit 2 presents the Fixed Recovery Charge calculations.

Exhibit 3 presents the amounts receivable and expected principal amount amortization.

Exhibit 4 provides proposed changes to Part IX of PG&E's Preliminary Statement.

Exhibit 5 provides the pre-issuance approval letter of the Finance Team.

Effective Date

In accordance with Decision 21-05-015, unless before noon on the fourth business day after pricing the Commission staff rejects the Issuance Advice Letter, the Issuance Advice Letter and the Fixed Recovery Charge established by an Issuance Advice Letter will be effective automatically at noon on the fourth business day after pricing, and pursuant to Section 850.1(h), the Recovery Property established by the Financing Order, will come into being simultaneously with the sale of the Recovery Property to the SPE. The Fixed Recovery Charge will continue to be effective, unless they are changed by a subsequent



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 E)

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) #: 6649-E

Tier Designation: 1

Subject of AL: Issuance Advice Letter Submission for Recovery Bonds

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.21-05-015

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:

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 proposed¹: N/A

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

¹Discuss 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

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:
Facsimile (xxx) xxx-xxxx:
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 6649-E
July 14, 2022

Attachment 1

Exhibits 1-5

Advice 6649-E
July 14, 2022

Exhibit 1

Scheduled Principal Amortization Schedule for the Recovery Bonds

Exhibit 1
Recovery Bond Terms and Debt Service Schedule

Tranche	Expected Weighted Average Life	Principal Amount Offered	Scheduled Final Payment Date	Final Maturity Date	Interest Rate
A-1	4.99	\$613,080,000	6/1/2031	6/1/2033	4.022%
A-2	12.09	\$600,000,000	6/1/2037	6/1/2039	4.722%
A-3	16.96	\$500,040,000	6/1/2041	6/1/2043	5.081%
A-4	22.42	\$1,149,960,000	12/1/2047	12/1/2049	5.212%
A-5	27.94	\$1,036,920,000	6/1/2052	6/1/2054	5.099%
		\$3,900,000,000			

Tranche A-1				
Payment Date	Principal Balance	Principal	Interest	Total Payment
7/20/2022	\$613,080,000	\$0	\$0	\$0
6/1/2023	\$576,590,692	\$36,489,308	\$21,301,839	\$57,791,147
12/1/2023	\$545,225,081	\$31,365,611	\$11,595,239	\$42,960,850
6/1/2024	\$513,188,246	\$32,036,835	\$10,964,476	\$43,001,311
12/1/2024	\$480,465,823	\$32,722,423	\$10,320,216	\$43,042,639
6/1/2025	\$447,043,139	\$33,422,684	\$9,662,168	\$43,084,852
12/1/2025	\$412,905,211	\$34,137,928	\$8,990,038	\$43,127,966
6/1/2026	\$378,036,730	\$34,868,481	\$8,303,524	\$43,172,005
12/1/2026	\$342,422,064	\$35,614,666	\$7,602,319	\$43,216,985
6/1/2027	\$306,045,244	\$36,376,820	\$6,886,108	\$43,262,928
12/1/2027	\$268,889,961	\$37,155,283	\$6,154,570	\$43,309,853
6/1/2028	\$230,939,554	\$37,950,407	\$5,407,377	\$43,357,784
12/1/2028	\$192,177,008	\$38,762,546	\$4,644,194	\$43,406,740
6/1/2029	\$152,584,944	\$39,592,064	\$3,864,680	\$43,456,744
12/1/2029	\$112,145,610	\$40,439,334	\$3,068,483	\$43,507,817
6/1/2030	\$70,840,874	\$41,304,736	\$2,255,248	\$43,559,984
12/1/2030	\$28,652,217	\$42,188,657	\$1,424,610	\$43,613,267
6/1/2031	\$0	\$28,652,217	\$576,196	\$29,228,413

**Exhibit 1
Tranche A-2**

Payment Date	Principal Balance	Principal	Interest	Total Payment
7/20/2022	\$600,000,000	\$0	\$0	\$0
6/1/2023	\$600,000,000	\$0	\$24,475,700	\$24,475,700
12/1/2023	\$600,000,000	\$0	\$14,166,000	\$14,166,000
6/1/2024	\$600,000,000	\$0	\$14,166,000	\$14,166,000
12/1/2024	\$600,000,000	\$0	\$14,166,000	\$14,166,000
6/1/2025	\$600,000,000	\$0	\$14,166,000	\$14,166,000
12/1/2025	\$600,000,000	\$0	\$14,166,000	\$14,166,000
6/1/2026	\$600,000,000	\$0	\$14,166,000	\$14,166,000
12/1/2026	\$600,000,000	\$0	\$14,166,000	\$14,166,000
6/1/2027	\$600,000,000	\$0	\$14,166,000	\$14,166,000
12/1/2027	\$600,000,000	\$0	\$14,166,000	\$14,166,000
6/1/2028	\$600,000,000	\$0	\$14,166,000	\$14,166,000
12/1/2028	\$600,000,000	\$0	\$14,166,000	\$14,166,000
6/1/2029	\$600,000,000	\$0	\$14,166,000	\$14,166,000
12/1/2029	\$600,000,000	\$0	\$14,166,000	\$14,166,000
6/1/2030	\$600,000,000	\$0	\$14,166,000	\$14,166,000
12/1/2030	\$600,000,000	\$0	\$14,166,000	\$14,166,000
6/1/2031	\$585,560,723	\$14,439,277	\$14,166,000	\$28,605,277
12/1/2031	\$541,501,586	\$44,059,137	\$13,825,089	\$57,884,226
6/1/2032	\$496,360,798	\$45,140,788	\$12,784,852	\$57,925,640
12/1/2032	\$450,111,804	\$46,248,994	\$11,719,078	\$57,968,072
6/1/2033	\$402,727,397	\$47,384,407	\$10,627,140	\$58,011,547
12/1/2033	\$354,179,702	\$48,547,695	\$9,508,394	\$58,056,089
6/1/2034	\$304,440,162	\$49,739,540	\$8,362,183	\$58,101,723
12/1/2034	\$253,479,516	\$50,960,646	\$7,187,832	\$58,148,478
6/1/2035	\$201,267,786	\$52,211,730	\$5,984,651	\$58,196,381
12/1/2035	\$147,774,259	\$53,493,527	\$4,751,932	\$58,245,459
6/1/2036	\$92,967,465	\$54,806,794	\$3,488,950	\$58,295,744
12/1/2036	\$36,815,164	\$56,152,301	\$2,194,962	\$58,347,263
6/1/2037	\$0	\$36,815,164	\$869,206	\$37,684,370

**Exhibit 1
Tranche A-3**

Payment Date	Principal Balance	Principal	Interest	Total Payment
7/20/2022	\$500,040,000	\$0	\$0	\$0
6/1/2023	\$500,040,000	\$0	\$21,948,853	\$21,948,853
12/1/2023	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2024	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2024	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2025	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2025	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2026	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2026	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2027	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2027	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2028	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2028	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2029	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2029	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2030	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2030	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2031	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2031	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2032	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2032	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2033	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2033	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2034	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2034	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2035	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2035	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2036	\$500,040,000	\$0	\$12,703,516	\$12,703,516
12/1/2036	\$500,040,000	\$0	\$12,703,516	\$12,703,516
6/1/2037	\$479,324,324	\$20,715,676	\$12,703,516	\$33,419,192
12/1/2037	\$420,343,814	\$58,980,510	\$12,177,234	\$71,157,744
6/1/2038	\$359,809,168	\$60,534,646	\$10,678,835	\$71,213,481
12/1/2038	\$297,679,433	\$62,129,735	\$9,140,952	\$71,270,687
6/1/2039	\$233,912,581	\$63,766,852	\$7,562,546	\$71,329,398
12/1/2039	\$168,465,471	\$65,447,110	\$5,942,549	\$71,389,659
6/1/2040	\$101,293,830	\$67,171,641	\$4,279,865	\$71,451,506
12/1/2040	\$32,352,217	\$68,941,613	\$2,573,370	\$71,514,983
6/1/2041	\$0	\$32,352,217	\$821,908	\$33,174,125

**Exhibit 1
Tranche A-4**

Payment Date	Principal Balance	Principal	Interest	Total Payment
7/20/2022	1,149,960,000	0	0	0
6/1/2023	1,149,960,000	0	51,777,971	51,777,971
12/1/2023	1,149,960,000	0	29,967,958	29,967,958
6/1/2024	1,149,960,000	0	29,967,958	29,967,958
12/1/2024	1,149,960,000	0	29,967,958	29,967,958
6/1/2025	1,149,960,000	0	29,967,958	29,967,958
12/1/2025	1,149,960,000	0	29,967,958	29,967,958
6/1/2026	1,149,960,000	0	29,967,958	29,967,958
12/1/2026	1,149,960,000	0	29,967,958	29,967,958
6/1/2027	1,149,960,000	0	29,967,958	29,967,958
12/1/2027	1,149,960,000	0	29,967,958	29,967,958
6/1/2028	1,149,960,000	0	29,967,958	29,967,958
12/1/2028	1,149,960,000	0	29,967,958	29,967,958
6/1/2029	1,149,960,000	0	29,967,958	29,967,958
12/1/2029	1,149,960,000	0	29,967,958	29,967,958
6/1/2030	1,149,960,000	0	29,967,958	29,967,958
12/1/2030	1,149,960,000	0	29,967,958	29,967,958
6/1/2031	1,149,960,000	0	29,967,958	29,967,958
12/1/2031	1,149,960,000	0	29,967,958	29,967,958
6/1/2032	1,149,960,000	0	29,967,958	29,967,958
12/1/2032	1,149,960,000	0	29,967,958	29,967,958
6/1/2033	1,149,960,000	0	29,967,958	29,967,958
12/1/2033	1,149,960,000	0	29,967,958	29,967,958
6/1/2034	1,149,960,000	0	29,967,958	29,967,958
12/1/2034	1,149,960,000	0	29,967,958	29,967,958
6/1/2035	1,149,960,000	0	29,967,958	29,967,958
12/1/2035	1,149,960,000	0	29,967,958	29,967,958
6/1/2036	1,149,960,000	0	29,967,958	29,967,958
12/1/2036	1,149,960,000	0	29,967,958	29,967,958
6/1/2037	1,149,960,000	0	29,967,958	29,967,958
12/1/2037	1,149,960,000	0	29,967,958	29,967,958
6/1/2038	1,149,960,000	0	29,967,958	29,967,958
12/1/2038	1,149,960,000	0	29,967,958	29,967,958
6/1/2039	1,149,960,000	0	29,967,958	29,967,958
12/1/2039	1,149,960,000	0	29,967,958	29,967,958
6/1/2040	1,149,960,000	0	29,967,958	29,967,958
12/1/2040	1,149,960,000	0	29,967,958	29,967,958
6/1/2041	1,111,553,992	38,406,008	29,967,958	68,373,966
12/1/2041	1,038,898,642	72,655,350	28,967,097	101,622,447
6/1/2042	964,267,067	74,631,575	27,073,699	101,705,274
12/1/2042	887,605,514	76,661,553	25,128,800	101,790,353
6/1/2043	808,858,766	78,746,748	23,131,000	101,877,748
12/1/2043	727,970,106	80,888,660	21,078,859	101,967,519
6/1/2044	644,881,275	83,088,831	18,970,901	102,059,732
12/1/2044	559,532,428	85,348,847	16,805,606	102,154,453
6/1/2045	471,862,092	87,670,336	14,581,415	102,251,751
12/1/2045	381,807,123	90,054,969	12,296,726	102,351,695
6/1/2046	289,302,659	92,504,464	9,949,894	102,454,358
12/1/2046	194,282,073	95,020,586	7,539,227	102,559,813
6/1/2047	96,676,928	97,605,145	5,062,991	102,668,136
12/1/2047	0	96,676,928	2,519,401	99,196,329

**Exhibit 1
Tranche A-5**

Payment Date	Principal Balance	Principal	Interest	Total Payment
7/20/2022	1,036,920,000	0	0	0
6/1/2023	1,036,920,000	0	45,676,009	45,676,009
12/1/2023	1,036,920,000	0	26,436,275	26,436,275
6/1/2024	1,036,920,000	0	26,436,275	26,436,275
12/1/2024	1,036,920,000	0	26,436,275	26,436,275
6/1/2025	1,036,920,000	0	26,436,275	26,436,275
12/1/2025	1,036,920,000	0	26,436,275	26,436,275
6/1/2026	1,036,920,000	0	26,436,275	26,436,275
12/1/2026	1,036,920,000	0	26,436,275	26,436,275
6/1/2027	1,036,920,000	0	26,436,275	26,436,275
12/1/2027	1,036,920,000	0	26,436,275	26,436,275
6/1/2028	1,036,920,000	0	26,436,275	26,436,275
12/1/2028	1,036,920,000	0	26,436,275	26,436,275
6/1/2029	1,036,920,000	0	26,436,275	26,436,275
12/1/2029	1,036,920,000	0	26,436,275	26,436,275
6/1/2030	1,036,920,000	0	26,436,275	26,436,275
12/1/2030	1,036,920,000	0	26,436,275	26,436,275
6/1/2031	1,036,920,000	0	26,436,275	26,436,275
12/1/2031	1,036,920,000	0	26,436,275	26,436,275
6/1/2032	1,036,920,000	0	26,436,275	26,436,275
12/1/2032	1,036,920,000	0	26,436,275	26,436,275
6/1/2033	1,036,920,000	0	26,436,275	26,436,275
12/1/2033	1,036,920,000	0	26,436,275	26,436,275
6/1/2034	1,036,920,000	0	26,436,275	26,436,275
12/1/2034	1,036,920,000	0	26,436,275	26,436,275
6/1/2035	1,036,920,000	0	26,436,275	26,436,275
12/1/2035	1,036,920,000	0	26,436,275	26,436,275
6/1/2036	1,036,920,000	0	26,436,275	26,436,275
12/1/2036	1,036,920,000	0	26,436,275	26,436,275
6/1/2037	1,036,920,000	0	26,436,275	26,436,275
12/1/2037	1,036,920,000	0	26,436,275	26,436,275
6/1/2038	1,036,920,000	0	26,436,275	26,436,275
12/1/2038	1,036,920,000	0	26,436,275	26,436,275
6/1/2039	1,036,920,000	0	26,436,275	26,436,275
12/1/2039	1,036,920,000	0	26,436,275	26,436,275
6/1/2040	1,036,920,000	0	26,436,275	26,436,275
12/1/2040	1,036,920,000	0	26,436,275	26,436,275
6/1/2041	1,036,920,000	0	26,436,275	26,436,275
12/1/2041	1,036,920,000	0	26,436,275	26,436,275
6/1/2042	1,036,920,000	0	26,436,275	26,436,275
12/1/2042	1,036,920,000	0	26,436,275	26,436,275
6/1/2043	1,036,920,000	0	26,436,275	26,436,275
12/1/2043	1,036,920,000	0	26,436,275	26,436,275
6/1/2044	1,036,920,000	0	26,436,275	26,436,275
12/1/2044	1,036,920,000	0	26,436,275	26,436,275
6/1/2045	1,036,920,000	0	26,436,275	26,436,275
12/1/2045	1,036,920,000	0	26,436,275	26,436,275
6/1/2046	1,036,920,000	0	26,436,275	26,436,275
12/1/2046	1,036,920,000	0	26,436,275	26,436,275
6/1/2047	1,036,920,000	0	26,436,275	26,436,275
12/1/2047	1,033,336,922	3,583,078	26,436,275	30,019,353
6/1/2048	930,350,740	102,986,182	26,344,925	129,331,107
12/1/2048	824,589,081	105,761,659	23,719,292	129,480,951
6/1/2049	715,977,144	108,611,937	21,022,899	129,634,836
12/1/2049	604,438,116	111,539,028	18,253,837	129,792,865
6/1/2050	489,893,112	114,545,004	15,410,150	129,955,154
12/1/2050	372,261,119	117,631,993	12,489,825	130,121,818
6/1/2051	251,458,944	120,802,175	9,490,797	130,292,972
12/1/2051	127,401,151	124,057,793	6,410,946	130,468,739
6/1/2052	0	127,401,151	3,248,092	130,649,243

Exhibit 2

Fixed Recovery Charge Calculation

Exhibit 2
Fixed Recovery Charge Calculations

(A)	(B)	(C)
Highest Periodic Billing Requirement (\$)	Forecasted Billed and Collected Sales for Highest Periodic Requirement (MWh)	Fixed Recovery Charge (¢/kWh) ⁽¹⁾
204,368,892	36,253,788	0.564

⁽¹⁾ Fixed Recovery Charge is applicable to non-CARE and non-FERA consumers.

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July 14, 2022

Exhibit 3

Amounts Receivable and Expected Principal Amount Amortization

Exhibit 3
Periodic Payment Requirements

The total amount payable to the owner of the Recovery Property, or its assignee(s), pursuant to this issuance advice letter is a \$ principal amount, plus interest on such principal amount, plus other Financing Costs, to be obtained from Fixed Recovery Charges calculated in accordance with D. 21-05-015

The Fixed Recovery Charges shall be adjusted from time to time, at least annually, via the Routine True-Up Mechanism Advice Letter and Non-Routine True-Up Mechanism Advice Letter in accordance with the Decision.

The following amounts are scheduled to be paid by the Bond Trustee from Fixed Recovery Charges it has received during the two Payment Periods following the Closing Date. These payment amounts include principal plus interest and plus other Ongoing Financing Costs.

Payment Period	Recovery Bond Payments (See Exhibit 1)	Ongoing Financing Costs (see Table 2)	Periodic Payment Requirement
First Payment Period	\$201,669,680.60	\$2,699,211.71	\$204,368,892.31
Second Payment Period	\$126,234,599.02	\$1,594,573.50	\$127,829,172.52

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Exhibit 4

Proposed Changes to Part IX of PG&E's Preliminary Statement

**ELECTRIC PRELIMINARY STATEMENT PART IX
 FIXED RECOVERY CHARGE**

Sheet 1

IX. Fixed Recovery Charge

1. PURPOSE:

The purpose of this section is to establish a Fixed Recovery Charge, as mandated by Article 5.8, Chapter 4, Part 1, Division 1 of the California Public Utilities Code (Article 5.8). Article 5.8 authorizes PG&E to recover a portion of its costs associated with catastrophic wildfires ignited in 2017 (Catastrophic Wildfire Amounts) through the issuance of Recovery Bonds. The Fixed Recovery Charge is defined by Article 5.8 as a nonbypassable, separate charge that is authorized by the Commission in a Financing Order to recover the Catastrophic Wildfire Amounts and financing costs associated with the Recovery Bonds. The Fixed Recovery Charge will be composed of the following costs: (1) interest and principal on the Recovery Bonds, (2) administration and servicing fees, (3) Bond Trustee fees and other expenses, (4) any credit enhancements, (5) allowance for uncollectibles, (6) replenishing the capital subaccount, (7) authorized rate of return on PG&E's equity contribution to the Special Purpose Entity (SPE), and (8) other financing costs. A separate Fixed Recovery Charge will apply to each series of Recovery Bonds issued. The aggregate amount of applicable Fixed Recovery Charges will appear on customers' bills under one line item called "Recovery Bond Charge (RBC)."

(N)
I
(N)

The rights in and to the Fixed Recovery Charge established pursuant to the Financing Order constitute "recovery property" as defined in the legislation and have been established pursuant to a Financing Order (Decision (D.) 21-05-015) issued by the California Public Utilities Commission.

Concurrently with the effectiveness of the Fixed Recovery Charge, PG&E has sold all of its rights with respect to such recovery property to [(SPE)], a Delaware Limited Liability Company (SPE). The recovery property includes the right, title, and interest of PG&E 1) in and to the Fixed Recovery Charges, including all rights to obtain adjustments to the Fixed Recovery Charges as provided in the Financing Order, and 2) to be paid the amount that is determined in the Financing Order that PG&E is lawfully entitled to receive pursuant to the provisions of Article 5.8 and the proceeds thereof, and all revenues, collections, claims, payments, money, or proceeds of or arising from Fixed Recovery Charges that are subject of the Financing Order. PG&E has no rights to the recovery property, Fixed Recovery Charge or any amounts payable thereunder.

2. APPLICABILITY:

This Fixed Recovery Charge shall apply to all customers¹ except for those customers participating in the California Alternate Rates for Energy or Family Electric Rate Assistance programs pursuant to Section 850.1(i).

¹ References to "customer" include the term "consumer" as defined in Section 850(b)(3) and as used in Section 850.1(b). See Pub. Util. Code § 850(b)(3) ("Consumer" means any individual, governmental body, trust, business entity, or nonprofit organization that consumes electricity that has been transmitted or distributed by means of electric transmission or distribution facilities, whether those electric transmission or distribution facilities are owned by the consumer, the electrical corporation, or any other party.")

(Continued)

ELECTRIC PRELIMINARY STATEMENT PART IX
FIXED RECOVERY CHARGE

Sheet 2

IX. Fixed Recovery Charge (Cont'd)

3. ISSUANCE ADVICE LETTER:

PG&E shall submit an Issuance Advice Letter no later than one business day after each series of Recovery Bonds is priced. The Issuance Advice Letter will include the final issuance details and a request that the Fixed Recovery Charge be set based on the actual amount, price, and other terms of that series of Recovery Bonds. Unless before noon on the fourth business day after pricing the Commission staff rejects the Issuance Advice Letter based on the arithmetic accuracy of the calculations or compliance with (i) Article 5.8, (ii) the Financing Order or (iii) the requirements of the Issuance Advice Letter (including the attached Finance Team approval letter), the Fixed Recovery Charges established by the Issuance Advice Letter will be effective automatically at noon on the fourth business day after pricing and the Recovery Property, established pursuant to Section 850.1(h) and the Financing Order, will come into being simultaneously with the sale of the Recovery Property to the SPE.

4. FIXED RECOVERY CHARGE ADJUSTMENTS:

PG&E will submit a Routine True-Up Mechanism Advice Letter at least annually, or more often if necessary, as described in the Financing Order to adjust the Fixed Recovery Charge to ensure timely recovery of Recovery Bond principal, interest, and other Financing Costs. All true-up adjustments to the Fixed Recovery Charges shall ensure that the Fixed Recovery Charges generate sufficient revenues to timely pay all scheduled (or legally due) payments of principal (including, if any, prior scheduled but unpaid principal payments), interest, and other recovery costs to be paid with Fixed Recovery Charge revenues. The adjustment will be based on the following:

(1) the most recent sales forecast; (2) the projected amortization schedule; (3) estimated ongoing financing costs; (4) an adjustment to reflect collections from the prior period; and (5) changes to projected uncollectibles. The advice letter will adjust the Fixed Recovery Charge for each series of Fixed Recovery Bonds issued and become effective on 1) March 1, in the case of an annual Routine True-Up, 2) September 1, in the case of a semi-annual Routine True-Up, and 3) the first day of the month that is at least 50 days after the submission of an interim Routine True-Up.

In addition to the Routine True-Up Mechanism, PG&E may also make changes to the Fixed Recovery Charge based on changes to the logic, structure, and components of the cash flow model not specified above. In this case, PG&E will submit a Non-Routine True-Up Mechanism Advice Letter at least 90 days before the date when the proposed changes would become effective.

(L)

(L)

(Continued)

<i>Advice</i>	6568-E	<i>Issued by</i>	<i>Submitted</i>
<i>Decision</i>	21-06-030	Robert S. Kenney	<u>April 22, 2022</u>
		<i>Vice President, Regulatory Affairs</i>	<i>Effective</i>
			<u>May 22, 2022</u>
			<i>Resolution</i>

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Exhibit 5

Pre-Issuance Approval Letter of the Finance Team

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



July 13, 2022

VIA ELECTRONIC MAIL

Margaret K. Becker
Vice President and Treasurer
Pacific Gas and Electric Company
Mail Code B12H
77 Beale Street
San Francisco, CA 94105
Mari.Becker@pge.com

Subject: Pre-Issuance Approval Letter for PG&E Senior Secured Recovery Bonds Series 2022-B, Tranches A-1 through A-5 (Recovery Bonds)

Dear Ms. Becker,

Pursuant to Ordering Paragraph 4 of California Public Utilities Commission (the "Commission") Decision (D.)21-05-015 (the "Decision"), the Commission Finance Team (consisting of Leuwam Tesfai, Deputy Executive Director for Energy and Climate Policy and Christine Jun Hammond, General Counsel, and their designated representatives) provides this letter evidencing the Finance Team's pre-issuance review and approval of Pacific Gas and Electric Company's ("PG&E") issuance of Recovery Bonds authorized by the Decision, the terms of which are set forth in the Draft Issuance Advice Letter for the Senior Secured Recovery Bonds Series 2022-B, Tranches A-1 through A-5 attached hereto as Exhibit A (the "Draft Issuance Advice Letter"). As set forth below, the Finance Team confirms it has completed its pre-issuance review of and approves the material terms of the Recovery Bonds as presented in the Draft Issuance Advice Letter.

In accordance with the Decision, the final terms and structure of the Recovery Bonds, including the recovery of the Bond Issuance Costs and all ongoing financing costs for the life of the Recovery Bonds, as well as the initial fixed recovery charges, are to be approved through the Issuance Advice Letter process as provided in the Decision.

FINANCE TEAM REVIEW AND APPROVAL

I. COMMISSION AUTHORITY FOR APPROVING STRUCTURE AND TERMS FOR RECOVERY BONDS

On January 6, 2021, PG&E filed an application under California Public Utilities Code Section 850 et seq.¹ seeking the Commission’s approval of a proposed financing order for PG&E’s issuance of Recovery Bonds to fund costs and expenses related to 2017 North Bay Wildfires. Specifically, PG&E requested authority to issue Recovery Bonds for \$7.5 Billion, including Financing Costs associated with issuing the Recovery Bonds.

The Commission reviewed PG&E’s request, considered comments filed by stakeholders who were parties to the proceeding (A.21-01-004), issued a financing order, and granted PG&E’s request to allow PG&E to submit an Issuance Advice Letter when final terms and structure for the Recovery Bonds have been established.² The Issuance Advice Letter is to include the critical details and final terms of the proposed Recovery Bonds and sets forth the cost allocation and rate design methodology and Fixed Recovery Charge cash flow formula authorized by the Commission to establish initial Fixed Recovery Charges for a series of Recovery Bonds.

On May 10, 2022, PG&E sponsored, and the issuing entity, PG&E Wildfire Recovery Funding LLC, issued, \$3,600,000,000 aggregate principal amount of five tranches of Senior Secured Recovery Bonds, Series 2022-A (“Series One”). The Decision authorizes PG&E to issue the remaining \$3.9 billion of Recovery Bonds in one or two series.³

II. ESTABLISHMENT OF A FINANCE TEAM

The Decision provides for, among other tools, “employing the review and approval of the Finance Team ... should reduce, to the maximum extent possible, the rates to Consumers on a present value basis,”⁴ which is consistent with the statutory mandate that “[t]he recovery of recovery costs through the designation of the fixed recovery charges and any associated fixed recovery tax amounts, and the issuance of recovery bonds in connection with the fixed recovery charges, would reduce, to the maximum extent possible, the rates on a present value basis that consumers within the electrical corporation’s service territory would pay as compared to the use of traditional utility financing mechanisms, which shall be calculated using the electrical corporation’s corporate debt and equity in the ratio approved by the Commission at the time of the financing order.”⁵ We refer to this statutory mandate as the “Savings Standard”.

¹ On July 12, 2019, Governor Newsom signed into law Assembly Bill (AB) No. 1054, which amended Division 1, Part 1, Chapter 4, Article 5.8, commencing with § 850 of the Public Utilities Code. Public Utilities Code Article 5.8 was later amended by AB 1513 and AB 913 and authorizes the issuance of Recovery Bonds.

² Decision Ordering ¶ 17.

³ Decision Ordering ¶ 1(ii).

⁴ Decision Conclusion of Law ¶ 6.

⁵ Public Utilities Code § 850.1(a)(1)(A)(ii)(III).

Ordering Paragraphs 2 and 4 of the Decision provide that:

The purpose of the Finance Team is to provide oversight over the structuring, marketing, and pricing of each Recovery Bond transaction and to review and approve the material terms of such transaction in light of the goal to reduce rates on a present value basis to the maximum extent possible pursuant to Assembly Bill 1054's directives.

The Finance Team's pre-issuance review and approval of the material terms and structure of a series of Recovery Bonds will be evidenced by a letter from the Finance Team to Pacific Gas and Electric Company (PG&E) delivered on or before the date of the pricing of the relevant Recovery Bonds. PG&E shall also be required to include such letter as an attachment to the Issuance Advice Letter relating to such series of Recovery Bonds. Such approval letter shall be a condition precedent to the issuance of such series of Recovery Bonds.

Relevant to Series 2022-B, the Decision provides: "Each Series of Recovery Bonds will be subject to a separate issuance approval process . . ." ⁶ Consistent with the Decision, the Commission established a Finance Team consisting of the Commission's Deputy Executive Director for Energy and Climate Policy, Leuwam Tesfai, the Commission's General Counsel, Christine Jun Hammond, and additional designated representatives from Commission staff. The Finance Team was advised by Ducera Partners LLC, as Financial Advisor, and Paul, Weiss, Rifkind, Wharton & Garrison LLP, as Legal Advisor.

III. PG&E's ACTIVITIES

In accordance with the Financing Order, PG&E undertook a number of activities in arranging for the issuance of the Recovery Bonds. In addition to the specific activities discussed in the following section, PG&E has represented that it has undertaken the following activities:

- Responded to all Finance Team inquiries and comments and incorporated Finance Team input.
- Registered the Recovery Bonds with the Securities and Exchange Commission (SEC) to facilitate greater liquidity and marketed the Recovery Bonds to ABS and corporate bond investors.
- Solicited advice from the underwriters on the number of rating agencies to apply with, selected two agencies with the benefit of such advice, and applied for and received preliminary Aaa(sf)/AAA(sf) ratings from two of the major rating agencies with final Aaa(sf)/AAA(sf) ratings as a condition of closing.

⁶ Decision Ordering ¶ 1(ii).

- Evaluated market conditions in consultation with the underwriters, including treasury market volatility and spread expansion, if any timing modifications would be appropriate, appropriate responses to Bloomberg's review of corporate bond index eligibility for utility securitization bonds and current issuer specific considerations and determined when to go to market to achieve the Savings Standard.
- In conjunction with the underwriters' advice, developed and implemented a marketing plan to maximize investor interest and pricing opportunities.
- Provided preliminary prospectus to prospective investors.
- Allowed sufficient time for investors to review the preliminary prospectus and to ask questions regarding the transaction.
- Arranged for the issuance of rating agency pre-sale reports during the marketing period.
- During the period that the Recovery Bonds were marketed, PG&E held daily market update discussions with the underwriting team and the Finance Team's financial advisors to review relevant pricing benchmarks, discuss market conditions and develop strategies for pricing.
- Had multiple conversations with members of the underwriting team and the Finance Team's financial advisors before and during the marketing phase in which PG&E identified the existence of the Savings Standard.
- Conducted roadshow meetings with investors to provide information on the offering.
- Directed the underwriters to provide potential investors with access to an internet roadshow for viewing at investors' convenience.
- Adapted the Recovery Bond offering to market conditions and investor demand at the time of pricing. Variables impacting the final structure of the transaction were evaluated including the tranche structure, term, length of weighted average lives, issuance size, amortization schedules, credit protections and maturity of the Recovery Bonds and interest rate requirements at the time of pricing so that the structure of the transaction would correspond to investor preferences and rating agency requirements for AAA ratings, while meeting the requirements of the Financing Order.
- Independently reviewed opportunities to achieve the best pricing, consistent with the Savings Standard, at the time of issuance taking into account the marketing process to date, level of subscription, market benchmarks, SB901 testimony benchmarks, passive

underwriter feedback, and advice of underwriters on steps necessary to achieve the best pricing.

- With consideration to input from, and the approval of, the Finance Team and underwriters (and each of their respective counsels), finalized documentation in accordance with established standards for transactions of this sort and the terms of the Financing Order.

IV. FINANCE TEAM REVIEW

The Finance Team met periodically with PG&E representatives, via teleconference, from May 2022 through July 2022, to address subjects such as: (1) the underwriter and syndication group size, selection process, participants, allocations, and economics, which involved a Request for Proposal (RFP) process, obtaining a broad view of transaction structure alternatives from potential underwriters and proposals from a broad set of banks; (2) the structure of the Recovery Bonds, including considerations reviewed or proposed during the RFP process and recommendations from PG&E and its lead underwriter, including on parameters to drive the greatest level of investor interest and resulting savings to ratepayers; (3) the Recovery Bonds' credit rating agency materials, supporting materials and preliminary AAA/Aaa results; (4) the underwriters' preparation, proposed marketing, marketing materials, and proposed syndication of the Recovery Bonds; (5) the proposed pricing approach of the Recovery Bonds and certifications to be provided by PG&E and the lead underwriter (with ongoing review and involvement in the pricing process); (6) all associated Recovery Bond costs (including Bond Issuance Costs and other Financing Costs), servicing and administrative fees and associated crediting as well as a comparison of such costs relative to other issuances, (7) maturities, weighted average lives and alternative structures, (8) reporting templates, (9) the amount of PG&E's equity contribution to the related SPE, (10) overcollateralization and other credit enhancements and (11) the initial calculation of the related Fixed Recovery Charges. The Finance Team also met both with PG&E and without PG&E to evaluate PG&E's proposals and to conduct due diligence, including reviewing the validity of PG&E's assumptions, evaluating potential modifications, and developing recommended paths forward. In accordance with the Decision, the Finance Team's review included the following:

1. Recovery Bonds Structure

Pursuant to the Decision, the Finance Team was provided the right to review all material terms of the Recovery Bonds and other items the Finance Team determined were appropriate to perform its reviewing role.⁷ With the benefit of preliminary structures proposed by potential underwriters in the RFP process and supplemental RFP responses specific to this series, the Finance Team considered and made inquiries about PG&E's proposed structure, proposed structuring parameters and proposed alternatives. The Finance Team discussed parameters to maximize potential net present value savings and available transaction alternatives and provided comments and input, which were evaluated and incorporated into the Recovery Bond structure. After conducting its review, the Finance Team accepted the proposed transaction structure,

⁷ Decision, Ordering ¶ 3.

including five tranches of Recovery Bonds and structural elements designed to appeal to the broadest range of investors possible. The proposed transaction was found to be appropriate subject to modification, if required, as part of the marketing process, to reduce, to the maximum extent possible, the rates on a present value basis that consumers within PG&E's service territory would pay as compared to the rates that would be paid using traditional utility financing mechanisms.

2. Recovery Bonds Lead Advisor and Underwriters

Pursuant to the Decision, the Finance Team was provided the right to oversee the process of selecting underwriters for the Recovery Bonds.⁸ Accordingly, the Finance Team engaged in several meetings with PG&E to inquire about PG&E's request for proposals, the content of such requests for proposals which could be informative to the broader process, the responses provided, and the selection criteria for underwriters.

Due to the large size of the issuance of Recovery Bonds in the rate reduction bond securitization market, and given the specific conditions that applied at the time of issuance, the Finance Team engaged in discussions with PG&E on its proposal to engage several passive bookrunners. Similar to Series One, PG&E represented that the passive bookrunners were necessary for the purpose of providing strategic insights to broaden the scope of marketing the Recovery Bonds and being positioned to provide liquidity in the secondary market. Over several discussions with the Finance Team, PG&E considered the unique circumstances surrounding this transaction, including the need to have additional liquidity based on the transaction's size and the potential to foster a robust secondary market and in consideration that the large size of this transaction could be seen as comparable to transactions in other sectors which utilize passive bookrunners. The Finance Team stressed that PG&E's use of passive bookrunners is unique to this transaction and would only be taken with the understanding that it is likely not an appropriate approach for other recovery bond issuances.

The underwriter group was expanded to include five diverse bank co-managers to supplement the underwriter group's experience and to include experience with transactions marketed to both ABS and corporate investors. PG&E named the lead left underwriter as the Diversity, Equity and Inclusion Coordinator and tasked it with a coordinating role among the co-managers. PG&E also requested that the lead left underwriter solicit feedback from the co-managers on best practices to facilitate and coordinate efforts such as to maximize their opportunity to participate in the bond issuance transaction. PG&E used the same allocations to diverse banks as it did in Series One.

The Finance Team assessed all materials provided to the Finance Team as part of PG&E's underwriter RFP processes, which included underwriter views on Recovery Bond structures and key components thereof; proposed investor lists; the proposed cost structure; proposed underwriting fees; and views on sizing and pricing to reduce, to the maximum extent possible, the rates on a present value basis that consumers within PG&E's service territory would pay as compared to the use of traditional utility financing mechanisms. Based on information provided by PG&E, the Finance Team accepted the selection of underwriters noting their relevant

⁸ Decision, Ordering ¶ 3.

experience and execution expertise, including participation in Series One, and the criteria used by PG&E to evaluate underwriters. PG&E conveyed to the Finance Team that a mix of prior and new participants (for both bookrunners and co-managers) would balance institutional knowledge with fresh perspectives on market views. Underwriter economics were reviewed with PG&E, including review of comparable issuances and the role and scope of this process. Additionally, the Finance Team requested that PG&E opine on whether existing underwriter synergies with Series One should result in a reduced underwriter fee, along with what potential impact a reduced fee may have on the issuance; PG&E ultimately recommended that the proposed underwriting fee was appropriate.

3. Credit Rating Agency Review

Pursuant to the Decision, the Finance Team was directed to review the credit rating agency materials associated with the Recovery Bonds.² PG&E provided the Finance Team with access to information provided to the rating agencies, including previewing information with the Finance Team. All aspects of the process, including confidential materials shared with the rating agencies were also made available to the Finance Team.

The Finance Team reviewed the credit rating process, related materials, call recordings, and the approach to presentations and the application for credit ratings. With the Finance Team's input on certain information shared with credit ratings, PG&E applied for and received preliminary "triple A" ratings from two of the major rating agencies with final Aaa(sf)(Moody's)/AAA(sf)(S&P) ratings expected to be confirmed at closing.

4. Preparation and Marketing of Recovery Bonds

Pursuant to the Decision, the Finance Team had the right to review the underwriters' preparation, marketing and syndication of the proposed Recovery Bonds, including indicative pricing.¹⁰ The Finance Team also had the right to review the marketing approach for the Recovery Bonds.¹¹

In meetings with PG&E, the Finance Team explored the risks and benefits of the proposed marketing plan for the Recovery Bonds. PG&E and its structuring advisor presented the proposed structure to the Finance Team and its proposal to market to a broad range of ABS and corporate investors. The Finance Team actively followed, and commented on, the evaluation of potential structures, including requesting the review of and evaluating alternative structures, focusing on maximizing investor participation to reduce, to the maximum extent possible, the rates on a present value basis that consumers within PG&E's service territory would pay as compared to the use of traditional utility financing mechanisms.

The Finance Team considered input from PG&E and its underwriters on market conditions and expectations as well as investor demand to assist in determining the suitable timing to go to market and the final size and structure of the offering. PG&E and its lead underwriters provided

² Decision, Ordering ¶ 3.

¹⁰ Decision, Ordering ¶ 3.

¹¹ Decision, Ordering ¶ 3.

the Finance Team with assessments on market timing, sizing and structure based on key indicators such as, market conditions and expectations, changes in benchmark rates and spreads for comparable issuances, the potential for other transactions to compete with the issuance of this series of Recovery Bonds and the potential implication on future series of recovery bonds.

After evaluation of a broad range of potential alternatives, PG&E ultimately selected, with the Finance Team's concurrence, a proposed structure that was anticipated to produce the greatest amount of investor interest, highest present value savings and lowest weighted average interest rate on the Recovery Bonds relative to alternative structures. Having conducted its review and provided input and comments on the proposed structuring and marketing of the Recovery Bonds, the Finance Team accepted the approach to register the Recovery Bonds with the Securities and Exchange Commission on a Form SF-1 to facilitate greater liquidity and identify the Recovery Bonds as not "asset-backed securities" as such term is defined by the SEC in governing regulations Item 1101 of Regulation AB.

With the opportunity to provide comment by the Finance Team, PG&E developed and implemented a marketing and structuring plan to incentivize underwriters to market the Recovery Bonds to their customers and to reach out to a broad base of potential investors, including both corporate and ABS investors and investors who have not previously purchased this type of security. PG&E held a group roadshow and further supplemented its marketing efforts at the request of the Finance Team, including adding opportunities for potential investors to have one-on-one and small group calls with PG&E management and the underwriters. Furthermore, the Finance Team noted that the large issuance size likely eliminated any marketing synergies with Series One, and requested that PG&E compare the marketing plan to that which was utilized for Series One, with rationale for any variances resulting from length of overall process, sequencing/exclusion of key marketing tactics, and key confounding marketing events (e.g., Vegas ABS Conference, Federal Reserve meetings, etc.).

Pursuant to the Decision, the Finance Team reviewed and provided input on certificates provided by PG&E and the lead left underwriter, necessary to further align interests and ensure the statutory objective was achieved.¹²

The Finance Team was apprised that PG&E held frequent market update discussions with the underwriting team to develop recommendations for pricing. PG&E and the Finance Team met with the underwriting team before and during the marketing phase. The Finance Team's Financial Advisor engaged with the underwriters on key elements of the marketing, pricing, and syndication process including participating in market updates, pricing discussions and roadshows, using such information to inform the Finance Team's review and feedback on the structure and marketing process. This process included participating in pricing discussions, review of subscriptions, and modifications available, focused on meeting the statutory objective.

¹² Decision, Ordering ¶ 3.

5. Transaction Fees and Costs

Pursuant to the Decision, the Finance Team had the right to review all transaction fees and costs for the Recovery Bonds, including Bond Issuance Costs and other Financing Costs.¹³ That includes reviewing and approving servicing and administrative fees and associated crediting, and any return on equity contribution.¹⁴

The Finance Team asked questions and provided input on the fees and costs for the Recovery Bonds, including a review of pricing comparisons and amounts separately credited back by PG&E. The Finance Team provided feedback on various aspects of the fees and costs for the Recovery Bonds. As determined in the Financing Order, the transaction also included a credit enhancement for the Recovery Bonds in the form of the true-up mechanism and an equity contribution of 0.50% of the original principal amount of the Recovery Bonds. The rate of return on this amount, tied to the cost of the securitization, was also determined in the Financing Order, and reviewed by the Finance Team.

6. Collateral and Credit Enhancements

Pursuant to the Decision, the Finance Team was directed to determine whether over-collateralization and other additional credit enhancements would be required for the transaction.¹⁵ In response to the Finance Team's inquiries and input, PG&E confirmed no additional enhancements would be required to obtain the highest possible credit rating and achieve the statutory objective.

7. Sale of Recovery Bonds

Pursuant to the Decision, the Finance Team had the right to review all material terms of the Recovery Bonds in a negotiated offering through one or more underwriters.¹⁶ The Finance Team worked with PG&E and the underwriters (and each of their respective counsels) to finalize documentation in accordance with established standards for transactions of this sort and the terms of the Decision. The Finance Team was apprised of developments in the marketing process, including the roadshow process and results, the level of interest from investors, questions raised throughout the process and pricing implications.

V. CONCLUSION

The Finance Team has completed its pre-issuance review and approves the material terms of the Recovery Bonds in the Draft Issuance Advice Letter in accordance with the Decision (pending review of ultimately proposed final sizing and pricing levels). Based on the materials that the Finance Team has received and reviewed, the Finance Team is satisfied that the issuance of the Recovery Bonds as proposed would reduce, to the maximum extent possible, consumer rates on a present value basis as compared to the use of traditional utility financing mechanisms.

¹³ Decision, Ordering ¶ 3.

¹⁴ Decision, Ordering ¶ 3.

¹⁵ Decision, Ordering ¶ 3.

¹⁶ Decision, Ordering ¶ 3.

Christine Jun Hammond

Christine Jun Hammond
General Counsel

Leuwam Tesfai

Leuwam Tesfai
Deputy Executive Director for Energy
and Climate Policy

EXHIBIT A

Draft Issuance Advice Letter



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Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

[] [], 2022

Advice []-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Issuance Advice Letter Submission for Recovery Bonds

Pursuant to California Public Utilities Commission (“CPUC”) Decision (D.) 21-05-015 (Decision), Pacific Gas and Electric Company (“PG&E”) hereby transmits for submission, one business day after the pricing date of this series of Recovery Bonds, the initial Fixed Recovery Charge for the series. This Issuance Advice Letter is for the Senior Secured Recovery Bonds Series 2022-B, Tranche(s) [A-1], [A-2], [A-3], [A-4] and [A-5] (“Recovery Bonds”).

Pursuant to Ordering Paragraph 4 of the Financing Order, attached hereto as Exhibit 5 is the Finance Team’s pre-issuance approval letter dated [] [], 2022.

Purpose

This submission establishes initial Fixed Recovery Charge for rate schedules for Consumers, including the Billing Commencement Date. This submission also establishes the Recovery Property to be sold to the Recovery Property Owner (“Special Purpose Entity” or “SPE”). Finally, this submission sets forth the final terms of the Recovery Bonds, including a final estimate of Bond Issuance Costs and estimated Ongoing Financing Costs for the 12-month period following the Closing Date.

Background

In D. 21-05-015, the Commission authorized PG&E to submit Issuance Advice Letters when final terms and pricing for Recovery Bonds have been established. Issuance Advice Letter submissions are those in which PG&E uses the bond sizing methodology and Fixed Recovery Charge formulas found reasonable by the Commission in D. 21-05-015 to establish initial Fixed Recovery Charge for a series of Recovery Bonds. Using the

Confidential document solely for use in connection with the Recovery Bond securitization; Exempt from Public Disclosure Under GO 66-D

Preliminary draft subject to material change. This is intended for discussion purposes only and is not intended for broader distribution beyond the original recipients.

methodology approved by the Commission in D. 21-05-015, this submission establishes the initial Fixed Recovery Charge.

Issuance Information:

Decision 21-05-015 requires PG&E to provide the following information.

Recovery Bond Name: Senior Secured Recovery Bonds, Series 2022-B

Recovery Property Owner (SPE): PG&E Wildfire Recovery Funding LLC

Bond Trustee(s): The Bank of New York Mellon Trust Company, N.A.

Closing Date: [] [], 2022

Bond Rating(s): AAA(sf) (S&P) / Aaa(sf) (Moody's)

Principal Amount Issued: \$[3,250,000,000]

Bond Issuance Costs: \$[15,979,475] (See Table 1 below)

Bond Issuance Costs as a Percent of Principal Amount Issued: [0.49]%

Recovery Costs Financed: \$[3,234,020,525]

Coupon Rate(s): []% (Tranche [A-1]); []% (Tranche [A-2]); []% (Tranche [A-3]); []% (Tranche [A-4]) and []% (Tranche [A-5])

Call Features: None

Expected Principal Amortization Schedule: See Exhibit 1

Scheduled Final Payment Date(s): [], 20[] (Tranche [A-1]); [], 20[] (Tranche [A-2]); [], 20[] (Tranche [A-3]); [], 20[] (Tranche [A-4]); and [], 20[] (Tranche [A-5])

Legal Maturity Date(s): [], 20[] (Tranche [A-1]); [], 20[] (Tranche [A-2]); [], 20[] (Tranche [A-3]); [], 20[] (Tranche [A-4]); and [], 20[] (Tranche [A-5])

Payment Dates (semi-annually): [June 1] and [December 1]

Annual Servicing Fee as a percent of the issuance amount: [.05]%

Overcollateralization amount for the series, if any: None

Principal Amount of Recovery Property Established: \$[3,234,020,525]

FRC Annual Adjustment Date: [March 1]

Semi-Annual Adjustment Dates: [September 1]

Billing Commencement Date: [September 1, 2022]

First Payment Period: Closing Date through and including first Payment Date

Second Payment Period: Day following First Payment Date through and including second Payment Date

Bond Issuance Costs:

Table 1 Bond Issuance Costs	
Underwriter Fees and Expenses	\$[13,000,000]
Legal Fees and Expenses	[808,200]
SEC Registration Fees	[301,275]

Rating Agency Fees	[1,285,000]
Accounting Fees and Expenses	[125,000]
Section 1904 Fees ¹	[-]
Printing/Edgarizing Costs	[150,000-]
Servicer Set-up Costs	[-]
Bond Trustee Fees and Expenses	[60,000]
Original Issue Discount	[TBD]
Company Advisory Fee	[-]
Miscellaneous	[250,000]
Costs of the Commission	[TBD]
Total	[\$15,979,475]
Note 1: Section 1904 Fees computed in accordance with D. 21-05-015.	

True-Up Mechanism:

Not less often than annually, the servicer will compare the actual principal amortization with the scheduled principal amortization as set forth in Exhibit 1. If the servicer forecasts that Fixed Recovery Charge collections will be insufficient to make all scheduled payments of bond principal, interest, and related costs on a timely basis during the current or next succeeding payment period or to replenish any draws upon the capital subaccount, a change to the Fixed Recovery Charge will be requested via a Routine True-Up Mechanism Advice Letter or Non-Routine True-Up Mechanism Advice Letter in accordance with Decision 21-05-015.

Ongoing Financing Costs:

Table 2 Estimated Ongoing Financing Costs		
	First Payment Period	Second Payment Period
Servicing Fee (PG&E as Servicer) (0.05% of the initial Recovery Bond principal amount)	[\$1,403,819.44]	[\$812,500]
Administration Fee	[86,388.89]	[50,000]
Accountant's Fee	[-]	[-]
Legal Fees/Expenses for PG&E's/Issuer's Counsel	[-]	[-]
Bond Trustee's/ Bond Trustee's Counsel Fees and Expenses	[8,500]	[8,500]
Independent Managers' Fees	[-]	[-]
Rating Agency Fees	[20,000]	[20,000]
Printing/Edgarizing Fees	[-]	[-]
Miscellaneous	[5,000]	[5,000]
Return on Equity	[TBD]	[TBD]

TOTAL ONGOING FINANCING COSTS (with PG&E as Servicer)	[\$1,523,708.33]	[\$896,000]
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Fixed Recovery Charge:

Table 3 below shows the current assumptions for each of the variables used in the Fixed Recovery Charge calculation.

Table 3 Input Values For Fixed Recovery Charge¹	
kWh sales for the applicable period	[82,119,905,750]
Percent of revenue requirement allocated to Consumers	[100%]
Percent of Consumers' revenue written off (Res/Non-Res)	[0.42%/0.08%]
Percent of Consumers' billed amounts expected to be uncollected	[0.34%]
Percent of billed amounts collected in current month	[33.68%]
Percent of billed amounts collected in second month after billing	[55.43%]
Percent of billed amounts collected in third month after billing	[7.35%]
Percent of billed amounts collected in fourth month after billing	[1.72%]
Percent of billed amounts collected in fifth month after billing	[0.89%]
Percent of billed amounts collected in sixth month after billing	[0.59%]
Ongoing Financing Costs for the applicable period	[See Table 2]
Expected Fixed Recovery Charge outstanding balance as of [_ / _ / _]	[See Exhibit 3]

Table 4 shows the initial Fixed Recovery Charge calculated for Consumers. The Fixed Recovery Charge calculations are shown in Exhibit 2.

Table 4	
Consumers Fixed Recovery Charge ²	[] ¢/kWh

Exhibit 4 includes proposed changes to Part IX of PG&E's Preliminary Statement to show the Fixed Recovery Charge rate value which is to be effective [][], 2022. Preliminary Statement Part IX is included in this advice letter on an illustrative basis and will be submitted again in PG&E's [] rate change advice letter before it is made effective on [][], 2022.

Recovery Property:

¹ Applicable period from [] through [].

² For residential rates, PG&E shall retain the total rate relationships by tier determined by D.15-07-001 with the addition of the Fixed Recovery Charge and Customer Credit.

Recovery Property is the property described in Public Utilities Code Section 850(b)(11) relating to the Fixed Recovery Charge set forth herein, including, without limitation, all of the following:

- (1) The right, title and interest in and to the Fixed Recovery Charge set forth herein, as adjusted from time to time.
- (2) The right to be paid the principal amount of the Recovery Bonds, together with interest thereon as the same become due as shown on Exhibit 3, together with all Ongoing Financing Costs as the same become due.
- (3) The right, title and interest in and to all revenues, collections, claims, payments, money, or proceeds of or arising from the Fixed Recovery Charge, as set forth herein.
- (4) All rights to obtain adjustments to the Fixed Recovery Charge under the True-Up Mechanism.

These Fixed Recovery Charge, as adjusted from time to time, shall remain in place until the total amounts in Exhibit 3 are paid in full to the owner of the Recovery Property, or its assignee(s).

Description of Exhibits

Exhibit 1 to this Issuance Advice Letter presents the scheduled principal amortization schedule for the Recovery Bonds.

Exhibit 2 presents the Fixed Recovery Charge calculations.

Exhibit 3 presents the amounts receivable and expected principal amount amortization.

Exhibit 4 provides proposed changes to Part IX of PG&E's Preliminary Statement.

Exhibit 5 provides the pre-issuance approval letter of the Finance Team.

Effective Date

In accordance with Decision 21-05-015, unless before noon on the fourth business day after pricing the Commission staff rejects the Issuance Advice Letter, the Issuance Advice Letter and the Fixed Recovery Charge established by an Issuance Advice Letter will be effective automatically at noon on the fourth business day after pricing, and pursuant to Section 850.1(h), the Recovery Property established by the Financing Order, will come into being simultaneously with the sale of the Recovery Property to the SPE. The Fixed Recovery Charge will continue to be effective, unless they are changed by a subsequent

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

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blasing Smith Wynne, P.C.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

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

East Bay Community Energy Ellison
Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
Hanna & Morton
ICF
International Power Technology

Intertie

Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy