

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



Pacific Gas & Electric Company
GAS (Corp ID 39)
Status of Advice Letter 4721G/6867E
As of April 17, 2023

Subject: Request to Recover 2022 Liability Insurance Costs in Compliance with the 2020 General Rate Case (GRC) Decision (D.) 20-12-005

Division Assigned: Energy

Date Filed: 03-02-2023

Date to Calendar: 03-08-2023

Authorizing Documents: D2012005

Disposition:	Accepted
Effective Date:	04-01-2023

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio
(951)965-8905
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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

March 2, 2023

Advice 4721-G/6867-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Request to Recover 2022 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 \$99.0 million for the cost of excess liability insurance above \$1.4 billion in coverage obtained by PG&E from third-party providers in 2022.¹ 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).²

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

¹ In accordance with the Settlement Agreement Between Pacific Gas and Electric Company, The Utility Reform Network, and the Public Advocates Office at the California Public Utilities Commission on Wildfire Liability Issues (2023 GRC Wildfire Liability Insurance Settlement), adopted in D.23-01-005, PG&E will move to a self-insurance only framework for wildfire liability insurance for 2023-2026.

² D.20-12-005, OP1. Nothing in the 2023 GRC Wildfire Liability Insurance Settlement adopted in D.23-01-005 affects PG&E's authority to recover the costs presented in this AL pursuant to D.20-12-005 (D.23-01-005, App. A, 2023 GRC Wildfire Liability Insurance Settlement, Sections 3.1 and 3.8).

billion. PG&E may file a Tier 2 advice letter for coverage beyond \$1.4 billion, consistent with Cal Advocates' proposal.³

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.⁴

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. On March 14, 2022, PG&E submitted Advice Letter 4584-G/6423-E, which similarly sought recovery of costs for coverage in excess of \$1.4 billion procured in 2021. The Advice Letter was not protested and was accepted by the Energy Division of the California Public Utilities Commission effective May 15, 2022. PG&E followed the same methodology as it did in Advice Letter 4444-G/6210-E and Advice Letter 4584-G/6423-E to calculate the costs of the coverage above \$1.4 billion for 2020 and follows the same methodology for 2022 as it presents below. This is the final Advice Letter to recover costs for insurance in excess of \$1.4 billion of coverage for the 2020 GRC period.

Request

PG&E requests recovery of \$99.0 million for the CPUC jurisdictional portion of the cost for excess liability insurance above \$1.4 billion in coverage in 2022.⁵ PG&E's 2022 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.⁶

The amount of insurance coverage PG&E purchased in 2022 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 2022, PG&E maintained less than \$1.4 billion

³ 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.

⁴ The GT&S portion is collected through the AMCDOP.

⁵ As discussed below, PG&E had less than \$1.4 billion in liability coverage from January 1, 2022 through March 31, 2022.

⁶ See Attachment 1 for calculations of the CPUC jurisdictional costs of insurance above \$1.4 B in coverage.

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 2022 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 \$1.67 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 2022 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.

Discussion

A. PG&E's Liability Insurance Procurement Process

PG&E has historically purchased 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.⁷ The Commission has consistently found that doing so was a reasonable and prudent business practice, the costs for which should be included in rates.⁸

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,⁹ 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.

When purchasing insurance through the commercial market, PG&E works diligently to manage the cost of insurance and find available capacity where possible. Most notably, 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

⁷ See *FN 1 supra*. In accordance with the 2023 GRC Wildfire Liability Insurance Settlement, adopted in D.23-01-005, PG&E will move to a self-insurance only framework for wildfire liability insurance for 2023-2026.

⁸ 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.

⁹ D.20-12-005, p. 254-255.

policyholders.¹⁰ 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.¹¹

Over the years, PG&E's insurance program has helped reduce customer costs for claims. PG&E has received nearly one dollar and forty-two cents in claim proceeds to date for each dollar in insurance premiums paid in its renewals covering policy years 2011 to 2022 - resulting in a net benefit to the utility and its customers from insurance procured.¹²

B. PG&E's Insurance Coverage for 2022 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. In recent years, PG&E has procured 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.

¹⁰ 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.

¹¹ D.20-04-024, FOF 38-42, Conclusion of Law 1.

¹² This does not include outstanding recoveries PG&E expects to collect in relation to recent fires pending final resolution, which would further increase the amount of total insurance recovery compared to premiums paid.

The amount of wildfire liability coverage purchased in August 2021 (for coverage in portions of 2021 and 2022) and later in April 2022 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."¹³ 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 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 2022

The chart below summarizes the total excess liability insurance carried by PG&E in 2022 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.

2022 Period	Coverage		
	Total Coverage	Wildfire	Non-Wildfire
Jan - Mar	1,275,000,000	600,000,000	675,000,000
Apr - Dec	1,665,000,000	940,000,000	725,000,000

January 2022 to March 2022:

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.

¹³ Pub. Util. Code § 3293.

- During the August 2020 renewal period, PG&E secured a single multi-year wildfire liability policy that provides \$600 million in new wildfire liability coverage each year on August 1, 2020, August 1, 2021, and August 1, 2022. The \$600 million in wildfire liability coverage for the period of January 2022 to March 2022 is based on the \$600 million in coverage that renewed on August 1, 2021, which runs to July 31, 2022.
- The \$675 million in non-wildfire liability coverage shown in the summary chart is comprised of coverage purchased by PG&E in two different procurement periods: (1) \$140 million in non-wildfire liability coverage procured in August 2020 that covers the period of August 1, 2020 to March 31, 2022; and (2) \$535 million in non-wildfire liability coverage procured in June 2021 that covers the period of June 1, 2021 to March 31, 2022.

Working with its brokers, PG&E implemented a program change in calendar year 2021 whereby the Company amended the timing of its excess liability insurance procurements to an April timeframe. PG&E implemented that program change as follows:

- PG&E cancelled certain policies from its August 2020 excess liability insurance renewal and worked with its brokers and the insurance carriers to reissue the policies with a new calendar year 2021 start date and March 31, 2022 coverage end date.
- PG&E's wildfire liability insurance program was amended to cover the period of April 1, 2021 to March 31, 2022 and the non-wildfire liability program was amended to cover the period of June 1, 2021 to March 31, 2022, with a goal of having both products renew at the same time in April of each year beginning in April 2022.
- PG&E and its brokers were unable to reach agreement with certain carriers from the August 2020 renewal on the cancellation and reissue of policies with a new calendar year 2021 start date. The preference of these carriers was to issue policies covering the period of August 1, 2020 to March 31, 2022. This included the carriers providing the \$140 million in non-wildfire liability coverage as referenced above. The remainder of the non-wildfire liability coverage, or \$535 million, for this January 2022 to March 2022 coverage period was procured by PG&E in the June 2021 renewal following the program change.

The available insurance for this period includes nearly \$1.3 billion in total excess liability coverage consisting of approximately \$600 million of wildfire liability and \$675 million of non-wildfire liability coverage. Through the April 2021 wildfire liability renewal, PG&E procured an additional \$300 million in new wildfire liability coverage for the period of April 1, 2021 to March 31, 2022 which resulted in total limits of \$900 million when combined with the \$600 million in wildfire liability coverage that went into effect on August 1, 2021. The combined \$900 million in wildfire liability coverage was also the most that PG&E

was able to secure at the time of the April 2021 renewal due to a lack of available wildfire liability capacity in the marketplace.

April 2022 to December 2022:

In 2021, PG&E moved the annual wildfire liability renewal process from August to April, except for a single multi-year policy procured in August 2020 as discussed in the preceding section. PG&E's April 2022 renewal was the first renewal in which PG&E and its brokers marketed the wildfire liability insurance program to prospective carriers under the program change.

- PG&E was able to secure \$340 million in new wildfire liability coverage for the period of April 1, 2022 to March 31, 2023. The \$340 million in new coverage is in addition to \$600 million in existing wildfire liability protection provided by the single multi-year policy that renewed on August 1, 2021 and runs to July 31, 2022, resulting in total wildfire liability coverage of \$940 million through July 31, 2022.
- On August 1, 2022, \$600 million in new wildfire liability coverage became available under the single multi-year policy with coverage running to July 31, 2023. The new coverage available under the single multi-year policy and the \$340 million of wildfire liability coverage secured in April 2022 both cover the period of August 2022 to December 2022, resulting in total wildfire liability coverage of \$940 million through December 31, 2022.
- In terms of PG&E's non-wildfire liability program, April 2022 was the first renewal that PG&E and its brokers marketed the program with a new April renewal date following program changes that began in calendar year 2021. PG&E was able to secure \$725 million in non-wildfire liability coverage in the April 2022 renewal which runs to March 31, 2023.
- The total available insurance between wildfire liability and non-wildfire liability coverage for April 2022 to December 2022 reflects nearly \$1.67 billion in total excess liability coverage, consisting of \$940 million in wildfire liability coverage and \$725 million in non-wildfire liability coverage as discussed herein.

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

PG&E requests recovery of \$99.0 million for the CPUC jurisdictional portion of cost of excess liability insurance above \$1.4 billion in coverage. The period covered by this advice letter is limited to the 2022 calendar year. As stated above, because PG&E had less than \$1.4 billion in insurance coverage from January 1, 2022 through March 31, 2022, PG&E seeks no additional cost recovery for that 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 2022 and the related cost attributed to coverage above \$1.4 billion.

2022 Period	Purchased Coverage \$	Annualized Premium Cost \$	Coverage Cap \$	\$ Coverage in Excess of \$1.4B	Average Rate Per \$ of coverage	Cost Attributed to Coverage in Excess of \$1.4B
Jan - Mar	1,275,000,000	668,263,819	1,400,000,000	-	\$ 0.524	-
Apr - Dec	1,665,000,000	932,983,456	1,400,000,000	265,000,000	\$ 0.560	111,369,646.80
						<u>111,369,646.80</u>

PG&E calculated the \$99.0 million it seeks recovery for through this advice letter as follows:¹⁴

First, PG&E determined the amount of coverage purchased above \$1.4 billion available during 2022¹⁵. Second, PG&E determined the average rate per dollar of available liability insurance in a given period¹⁶. 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 \$111.4 million¹⁷. Finally, PG&E calculated the CPUC jurisdictional portion of the \$111.4 million total company amount¹⁸ by using applicable cost allocation factors¹⁹. The CPUC jurisdictional amount is \$99.0 million²⁰.

¹⁴Attachment 1, (Costs of Coverage Above \$1.4 B) shows this calculation in more detail.

¹⁵ See Attachment 1, column B, lines 9-10

¹⁶ See Attachment 1, column F, lines 9-10

¹⁷ See Attachment 1, column G, lines 9-10

¹⁸ See Attachment 1, columns A-G, lines 17-18

¹⁹ See Attachment 1, columns A-D, lines 22-31. Any over or under collection due to the annual change in allocation factors will be recovered through the AET/AGT process.

²⁰ See Attachment 1, Column H, line 31

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

		Requested Cost Recovery		
		Total	Cost	Interest
Electric Distribution		39,330,426.14	38,915,483.64	414,942.50
Electric Generation		25,625,524.80	25,355,171.28	270,353.52
Gas Distribution		22,879,223.94	22,637,844.34	241,379.60
GRC Total		87,835,174.88	86,908,499.26	926,675.62
Gas Transmission & Storage		11,126,454.16	11,009,068.23	117,385.93
		98,961,629.04	97,917,567.49	1,044,061.55

PG&E respectfully requests disposition of this Advice Submittal by April 3, 2023 so that it may incorporate these costs in its June 1, 2023 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 March 22, 2023, which is 20 days 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 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
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).



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 (U 39 M)

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: (951)965-8905

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: stuart.rubio@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) #: 4721-G/6867-E

Tier Designation: 2

Subject of AL: Request to Recover 2022 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: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

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: 4/1/23

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: (415)973-2093
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 4721-E/6867-G
March 2, 2023

Attachment 1

	A	B	C	D	E	F	G	H	I	J
1		Coverage			Annualized Premium Cost \$			Annualized Premium Cost \$ Ratio		
2	2022 Period	Total Coverage	Wildfire	Non-Wildfire	Total Cost	Premium and Fees	Excise Tax	Total Ratio	Premium and Fees	Excise Tax
3	Jan - Mar	1,275,000,000	600,000,000	675,000,000	668,263,819	648,770,832	19,492,987	100%	97%	3%
4	Apr - Dec	1,665,000,000	940,000,000	725,000,000	932,983,456	897,242,570	35,740,886	100%	96%	4%

	2022 Period	Purchased Coverage \$	Annualized Premium Cost \$	Coverage Cap \$	\$ Coverage in Excess of \$1.4B	Average Rate Per \$ of coverage	Cost Attributed to Coverage in Excess of \$1.4B	Total	Premium and Fees	Excise Tax
8	Jan - Mar	1,275,000,000	668,263,819	1,400,000,000	-	\$ 0.524	-	-	-	-
9	Apr - Dec	1,665,000,000	932,983,456	1,400,000,000	265,000,000	\$ 0.560	111,369,646.80	111,369,646.80	107,103,279.79	4,266,367.01
10							111,369,646.80	111,369,646.80	107,103,279.79	4,266,367.01

	CPUC Jurisdictional Cost Attributed to Coverage in Excess of \$1.4B						CPUC Jurisdictional Cost Attributed to Coverage in Excess of \$1.4B			
	GRC Cost			GT&S Cost			Total	GRC	GT&S	
2022 Period	Total	Premium and Fees	Excise Tax	Total	Premium and Fees	Excise Tax	Total	GRC	GT&S	
16	Jan - Mar	-	-	-	-	-	-	-	-	
17	Apr - Dec	86,908,499.26	83,363,422.17	3,545,077.09	11,009,068.23	10,559,998.28	449,069.95	97,917,567.49	86,908,499.26	11,009,068.23
18		86,908,499.26	83,363,422.17	3,545,077.09	11,009,068.23	10,559,998.28	449,069.95	97,917,567.49	86,908,499.26	11,009,068.23

	2020 GRC		Requested Cost Recovery			
	Blended Labor & Plant Factor	Adopted Labor Factor	Total	Cost	Interest	
24	Electric Distribution	34.85%	37.21%	39,330,426.14	38,915,483.64	414,942.50
25	Electric Generation	22.71%	24.24%	25,625,524.80	25,355,171.28	270,353.52
26	Gas Distribution	20.27%	21.64%	22,879,223.94	22,637,844.34	241,379.60
27	GRC Total	77.83%	83.09%	87,835,174.88	86,908,499.26	926,675.62
28	Gas Transmission & Storage	9.86%	10.53%			
29	Electric Transmission	12.31%	6.38%	11,126,454.16	11,009,068.23	117,385.93
30		100.00%	100.00%	98,961,629.04	97,917,567.49	1,044,061.55

Computation of Cost for Coverage above \$1.4 Billion

- (1) Compute amount of coverage purchased in excess of \$1.4B
Coverage above \$1.4B computed as "Total Coverage" minus "Coverage Cap"
- (2) 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"
- (3) Compute cost attributed to coverage above \$1.4B using average rate per dollar of coverage
 - (3a) "Coverage Above \$1.4B" multiplied by "Average Rate per \$ of Coverage" to derive annual cost attributed to coverage above \$1.4B
 - (3b) annual cost attributed to coverage above \$1.4B divided by 12 months multiplied by number of applicable months of related coverage
- (4) Compute GRC and GT&S portion of cost attributed to coverage above \$1.4B and recoverable via RTBA and AMCDOP, respectively
 - (4a) Apply premium cost ratio to allocate premium cost attributed to coverage above \$1.4B between "Premium and Fees" and "Excise Tax"
 - (4b) 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

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blaising 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
Downey Brand LLP
Dish Wireless L.L.C.

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

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
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.

Resource Innovations

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