



ELECTRIC PRELIMINARY STATEMENT PART JF
WILDFIRE HARDENING FIXED RECOVERY CHARGE (WHFRC)

Sheet 1

JF. WILDFIRE HARDENING FIXED RECOVERY CHARGE (WHFRC)

(N)

1. PURPOSE:

The purpose of this section is to establish a Wildfire Hardening Fixed Recovery Charge, as mandated by Article 5.8 of the California Public Utilities Code (Article 5.8). Article 5.8 Section 850(a)(2) authorizes PG&E to recover a portion of its costs associated with fire risk mitigation capital expenditures and wildfire-related costs and expenditures (Wildfire Amounts) through the issuance of Wildfire Hardening Recovery Bonds. The Wildfire Hardening 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 costs and expenses related to catastrophic wildfires and financing costs associated with the Wildfire Hardening Recovery Bonds. The Wildfire Hardening Fixed Recovery Charge will be comprised of the following components: (1) scheduled debt service on the Wildfire Hardening 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 subaccounts, and (7) other ongoing financing costs. A separate Wildfire Hardening Fixed Recovery Charge will apply to each series of Wildfire Hardening Recovery Bonds issued. The aggregate amount of applicable Wildfire Hardening Fixed Recovery Charges will appear on customers' bills under one line item called "Wildfire Hardening Charge (WHC)."

The rights in and to the Wildfire Hardening Fixed Recovery Charge established pursuant to the Financing Order constitute "Wildfire Hardening Recovery Property" as defined in the legislation and have been established pursuant to a Financing Order (FO), Decision 21-06-030, issued by the California Public Utilities Commission. Concurrently with the effectiveness of the Wildfire Hardening Recovery Charge, PG&E has sold all of its rights with respect to such Wildfire Hardening Recovery Property to [SPE], a Delaware Limited Liability Company (Special Purpose Entity). The Wildfire Hardening Recovery Property includes the right, title, and interest of PG&E 1) in and to the Wildfire Hardening Fixed Recovery Charges, including all rights to obtain adjustments to the Wildfire Hardening 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 Wildfire Hardening Fixed Recovery Charges that are subject of the Financing Order. PG&E has no rights to the Wildfire Hardening Recovery Property, Wildfire Hardening Fixed Recovery Charge or any amounts payable thereunder.

2. APPLICABILITY:

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

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<i>Advice</i>	6372-E-A	<i>Issued by</i>	<i>Submitted</i>	November 23, 2021
<i>Decision</i>	D.21-06-030	Robert S. Kenney	<i>Effective</i>	November 21, 2021
		<i>Vice President, Regulatory Affairs</i>	<i>Resolution</i>	



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(N)

3. ISSUANCE ADVICE LETTER:

PG&E shall submit an Issuance Advice Letter no later than one day after the Wildfire Hardening Recovery Bonds are priced. The Issuance Advice Letter will include the final issuance details and a request that the Wildfire Hardening Fixed Recovery Charge be set based on the actual amount, price, and other terms of the Wildfire Hardening Recovery Bonds. Unless before noon on the fourth business day after pricing the Commission issues an order finding that the proposed issuance does not comply with the Financing Order, the Issuance Advice Letter and the Wildfire Hardening Fixed Recovery Charges established by an Issuance Advice Letter will be effective automatically at noon on the fourth business day after pricing - and the Wildfire Hardening Recovery Property, established pursuant to Section 850.1(h) and the Financing Order, will come into being simultaneous with the sale of the Wildfire Hardening Recovery Property to the SPE.

4. WILDFIRE HARDENING 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 Wildfire Hardening Fixed Recovery Charge to ensure timely recovery of Wildfire Hardening Recovery Bond principal, interest, and other Financing Costs. All true-up adjustments to the Wildfire Hardening Fixed Recovery Charges shall ensure that the Wildfire Hardening 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 Wildfire Hardening Recovery costs to be paid with Wildfire Hardening Fixed Recovery Charge revenues. The adjustment will be based on the following: (1) the most recent test-year sales; (2) the most recent adopted revenue allocation factors, (3) the test-year projected amortization schedule; (4) estimated ongoing financing costs; (5) an adjustment to reflect collections from the prior period; and (6) changes to projected uncollectibles. The advice letter will adjust the Wildfire Hardening Fixed Recovery Charge for each series of Wildfire Hardening 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 after the filing of an interim Routine True-Up.

In addition to the Routine True-Up Mechanism, PG&E may also make changes to the Wildfire Hardening 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 file a Non-Routine True-Up Mechanism Advice Letter at least 90 days before the date when the proposed changes would become effective.

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<i>Advice Decision</i>	6372-E-A D.21-06-030	<i>Issued by</i> Robert S. Kenney <i>Vice President, Regulatory Affairs</i>	<i>Submitted Effective Resolution</i>	<u>November 23, 2021</u> <u>November 21, 2021</u>
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5. WILDFIRE HARDENING FIXED RECOVERY CHARGE:

WILDFIRE HARDENING RECOVERY BONDS Series 1 (FO Issued 6/24/21)

Rate Group	Rate (\$/kWh)	
Residential	\$0.00083	(I)
Small L&P/BEV1	\$0.00086	(I)
A-10S/B-10S	\$0.00071	(I)
A-10P/B-10P	\$0.00064	(I)
A-10T/B-10T	\$0.00048	(I)
E-19S/B-19S/BEV2S	\$0.00060	(I)
E-19P/B-19P/BEV2P	\$0.00054	(I)
E-19T/B-19T/BEV2T	\$0.00047	(I)
Streetlight	\$0.00073	(I)
Standby S - STOUS/SBS	\$0.00086	(I)
Standby P - STOUP/SBP	\$0.00169	(I)
Standby T - STOUT/SBT	\$0.00043	(I)
Agriculture	\$0.00076	(I)
E-20S/B-20S	\$0.00055	(I)
E-20P/B-20P	\$0.00050	(I)
E-20T/B-20T	\$0.00033	(I)

WILDFIRE HARDENING RECOVERY BONDS Series 2 (FO Issued 8/5/22)

Rate Group	Rate (\$/kWh)	
Residential	\$0.00137	(I)
Small L&P/BEV1	\$0.00139	(I)
A-10S/B-10S	\$0.00116	(I)
A-10P/B-10P	\$0.00109	(I)
A-10T/B-10T	\$0.00079	(I)
E-19S/B-19S/BEV2S	\$0.00098	(I)
E-19P/B-19P/BEV2P	\$0.00093	(I)
E-19T/B-19T/BEV2T	\$0.00076	(I)
Streetlight	\$0.00117	(I)
Standby S - STOUS/SBS	\$0.00143	(I)
Standby P - STOUP/SBP	\$0.00240	(I)
Standby T - STOUT/SBT	\$0.00071	(I)
Agriculture	\$0.00125	(I)
E-20S/B-20S	\$0.00084	(I)
E-20P/B-20P	\$0.00081	(I)
E-20T/B-20T	\$0.00054	(I)



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5. WILDFIRE HARDENING FIXED RECOVERY CHARGE (Cont'd):

WILDFIRE HARDENING RECOVERY BONDS Series 3 (FO Issued 2/16/24)

Rate Group	Rate (\$/kWh)	
Residential	\$0.00171	(I)
Small L&P/BEV1	\$0.00181	(I)
A-10S/B-10S	\$0.00158	(I)
A-10P/B-10P	\$0.00144	(I)
A-10T/B-10T	\$0.00097	(I)
E-19S/B-19S/BEV2S	\$0.00139	(I)
E-19P/B-19P/BEV2P	\$0.00119	(I)
E-19T/B-19T/BEV2T	\$0.00099	(I)
Streetlight	\$0.00191	(I)
Standby S - STOUS/SBS	\$0.00152	(I)
Standby P - SToup/SBP	\$0.00299	(I)
Standby T - STOUT/SBT	\$0.00090	(I)
Agriculture	\$0.00160	(I)
E-20S/B-20S	\$0.00125	(I)
E-20P/B-20P	\$0.00116	(I)
E-20T/B-20T	\$0.00084	(I)