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DELTA REPORT

10-Q

PCG PR A - PACIFIC GAS & ELECTRIC CO

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 7863

█ CHANGES 295

█ DELETIONS 3044

█ ADDITIONS 4524

UNITED STATES SECURITIES AND EXCHANGE

COMMISSION

Washington, D.C., 20549

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FORM Q

UNITED STATES SECURITIES AND EXCHANGE

COMMISSION

Washington, D.C., 20549

FORM

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QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE

SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023

OR

For the quarterly period ended

For the quarterly period ended

For the quarterly period ended

OR

OR

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

For the transition period from _____ to _____

For the transition period from _____ to _____

Commission File Number	Commission File Number	Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation	IRS Employer Identification Number	Commission File Number	Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation	IRS Employer Identification Number
1-12609	1-12609	PG&E Corporation	California	94-3234914	1-12609	PG&E Corporation	California	94-3234914
1-2348	1-2348	Pacific Gas and Electric Company	California	94-0742640	1-2348	Pacific Gas and Electric Company	California	94-0742640
PG&E Corporation	PG&E Corporation		Pacific Gas and Electric Company					

PG&E Corporation

PG&E Corporation

300 Lakeside Drive

300 Lakeside Drive	300 Lakeside Drive	300 Lakeside Drive
300 Lakeside Drive	Oakland, California 94612	Oakland, California 94612
Oakland,		
Address of principal executive offices, including zip code		
Address of principal executive offices, including zip code		
Address of principal executive offices, including zip code		
PG&E Corporation	Pacific Gas and Electric Company	
PG&E Corporation		
PG&E Corporation		
415	415	
415	973-415 1000	
415 973-7000		
Registrant's telephone number, including area code		
Registrant's telephone number, including area code		
Registrant's telephone number, including area code		

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, no par value	PCG	The New York Stock Exchange
First preferred stock, cumulative, par value \$25 per share, 6% nonredeemable	PCG-PA	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 5.50% nonredeemable	PCG-PB	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 5% nonredeemable	PCG-PC	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 5% redeemable	PCG-PD	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 5% series A redeemable	PCG-PE	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 4.80% redeemable	PCG-PG	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 4.50% redeemable	PCG-PH	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 4.36% redeemable	PCG-PI	NYSE American LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

PG&E Corporation: Yes No
 Pacific Gas and Electric Company: Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

PG&E Corporation: Yes No
 Pacific Gas and Electric Company: Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

PG&E Corporation:	<input checked="" type="checkbox"/> Large accelerated filer	<input type="checkbox"/> Accelerated filer
	<input type="checkbox"/> Non-accelerated filer	
	<input type="checkbox"/> Smaller reporting company	<input type="checkbox"/> Emerging growth company
Pacific Gas and Electric Company:	<input type="checkbox"/> Large accelerated filer	<input type="checkbox"/> Accelerated filer
	<input checked="" type="checkbox"/> Non-accelerated filer	
	<input type="checkbox"/> Smaller reporting company	<input type="checkbox"/> Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

PG&E Corporation:	<input type="checkbox"/>
Pacific Gas and Electric Company:	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

PG&E Corporation:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Pacific Gas and Electric Company:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

PG&E Corporation:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Pacific Gas and Electric Company:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock outstanding as of **October 18, 2023** **April 17, 2024**:

PG&E Corporation:	2,611,251,771*	2,614,901,996*
Pacific Gas and Electric Company:		264,374,809

*Includes **67,743,590** shares of common stock held by PG&E ShareCo LLC, a wholly-owned subsidiary of PG&E Corporation, and **410,000,000** **477,743,590** shares of common stock held by Pacific Gas and Electric Company.

**PG&E CORPORATION AND
PACIFIC GAS AND ELECTRIC COMPANY**
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2023 MARCH 31, 2024

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UNITS OF MEASUREMENT

1 Kilowatt (kW)	=	One thousand watts
1 Kilowatt-Hour (kWh)	=	One kilowatt continuously for one hour
1 Megawatt (MW)	=	One thousand kilowatts
1 Megawatt-Hour (MWh)	=	One megawatt continuously for one hour
1 Gigawatt (GW)	=	One million kilowatts
1 Gigawatt-Hour (GWh)	=	One gigawatt continuously for one hour
1 Kilovolt (kV)	=	One thousand volts
1 MVA	=	One megavolt ampere
1 Mcf	=	One thousand cubic feet
1 MMcf	=	One million cubic feet
1 Bcf	=	One billion cubic feet
1 MDth	=	One thousand decatherms

GLOSSARY

The following terms and abbreviations appearing in the text of this report have the meanings indicated below.

2022 Form 10-K	PG&E Corporation's and the Utility's joint Annual Report on Form 10-K for the year ended December 31, 2022
Form 10-Q	PG&E Corporation's and the Utility's joint Quarterly Report on Form 10-Q for the period ended September 30, 2023
AB	Assembly Bill
ALJ	administrative law judge
Amended Articles	Amended and Restated Articles of Incorporation of PG&E Corporation and the Utility, each filed on June 22, 2020, and for PG&E Corporation, as amended by the Certificate of Amendment of Articles of Incorporation, filed on May 24, 2022
APD	alternate proposed decision
ARO	asset retirement obligation
Bankruptcy Court	the U.S. United States Bankruptcy Court for the Northern District of California
CAISO	California Independent System Operator Corporation
Cal Fire	California Department of Forestry and Fire Protection
CEMA	Catastrophic Event Memorandum Account
Chapter 11	Chapter 11 of Title 11 of the U.S. United States Code
Chapter 11 Cases	the voluntary cases commenced by each of PG&E Corporation and the Utility under Chapter 11 on January 29, 2019
Confirmation Order	the order confirming the Plan, dated as of June 20, 2020, with the Bankruptcy Court
CPPMA	COVID-19 Pandemic Protections Memorandum Account
CPUC	California Public Utilities Commission
CRR	congestion revenue rights
D&O Insurance	directors and officers liability insurance
Diablo Canyon	Diablo Canyon nuclear power plant
District Court	United States District Court for the Northern District of California
DOE	United States Department of Energy
DOJ	United States Department of Justice
DTSC	California Department of Toxic Substances Control
DWR	California Department of Water Resources
EMANI	European Mutual Association for Nuclear Insurance
Emergence Date	July 1, 2020, the effective date of the Plan in the Chapter 11 Cases
EOEP	Enhanced Oversight and Enforcement Process
EPS	earnings per common share
EPSS	Enhanced Powerline Safety Settings
Exchange Act	Securities Exchange Act of 1934, as amended
FERC	Federal Energy Regulatory Commission
FHPMA	Fire Hazard Prevention Memorandum Account
Fire Victim Trust	The trust established pursuant to the Plan for the benefit of holders of the Fire Victim Claims into which the Aggregate Fire Victim Consideration (as defined in the Plan) has been, and will continue to be, funded
First Mortgage Bonds	bonds issued pursuant to the Indenture of Mortgage, dated as of June 19, 2020, between the Utility and The Bank of New York Mellon Trust Company, N.A., as amended and supplemented
FRMMA	Fire Risk Mitigation Memorandum Account
GAAP	U.S. United States Generally Accepted Accounting Principles
GO	general order
GRC	general rate case
GT&S	gas transmission and storage
HSMA	Hazardous Substance Memorandum Account

IOUs	investor-owned utility(ies)
IRC	Internal Revenue Code
IRS	Internal Revenue Service of 1986, as amended
Lakeside Building	300 Lakeside Drive, Oakland, California, 94612
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in Part I, Item 2, of this Form 10-Q
MGP	manufactured gas plants
NAV	net asset value
NEIL	Nuclear Electric Insurance Limited
NEM	net energy metering
	Shares of PG&E Corporation
	common stock held by
	ShareCo that may be
New Shares	exchanged for Plan Shares as contemplated by the Share Exchange and Tax Matters Agreement
NRC	Nuclear Regulatory Commission
OEIS	Office of Energy Infrastructure Safety (successor to the Wildfire Safety Division of the CPUC)
OII	order instituting investigation
OIR	order instituting rulemaking
Pacific Generation	Pacific Generation LLC, a subsidiary of the Utility
PCWA	Placer County Water Agency
PD	proposed decision
PERA	Public Employees Retirement Association of New Mexico
Plan	PG&E Corporation and the Utility, Knighthead Capital Management, LLC, and Abrams Capital Management, LP Joint Chapter 11 Plan of

	Reorganization, dated as of June 19, 2020
Plan Shares	Shares of PG&E Corporation common stock issued to the Fire Victim Trust pursuant to the Plan
PSPS	Public Safety Power Shutoff
Receivables Securitization Program	The accounts receivable securitization program entered into by the Utility on October 5, 2020, providing for the sale of a portion of the Utility's accounts receivable and certain other related rights to the SPV, which, in turn, obtains loans secured by the receivables from financial institutions
ROE	return on equity
RTBA ROU asset	Risk Transfer Balancing Account right- of-use asset
RUBA	Residential Uncollectibles Balancing Account
SB	Senate Bill
SEC	United States Securities and Exchange Commission
Securities Act	The Securities Act of 1933, as amended
SED	Safety and Enforcement Division of the CPUC
SFGO	The Utility's former San Francisco General Offer

Share Exchange and Tax Matters Agreement	General Office headquarters complex
Share	Share
Exchange and	Exchange and
Tax Matters	Tax Matters
Agreement	Agreement
dated July 8,	dated July 8,
2021 between	2021 between
PG&E	PG&E
Corporation,	Corporation,
the Utility,	the Utility,
ShareCo and	ShareCo and
the Fire Victim	the Fire Victim
Trust	Trust
ShareCo	PG&E ShareCo
SPV	LLC, a limited liability company
whose sole member is	whose sole member is
PG&E	PG&E
Corporation	Corporation
PG&E AR	PG&E AR
Facility, LLC	Facility, LLC
TCJA	Tax Cuts and Jobs Act of 2017
TO	transmission owner
USFS	United States Forest Service
Utility	Pacific Gas and Electric Company
Utility Revolving Credit Agreement	Credit Agreement, dated as of July 1, 2020, as amended, by and among the Utility, the several banks and other financial institutions or entities party thereto from time to time and Citibank, N.A., as Administrative Agent and Designated Agent
VIE(s)	variable interest entity(ies)
VMBA	Vegetation Management Balancing Account
WEMA	Wildfire

WGSC	Wildfire and Gas Safety Costs
Wildfire Fund	statewide fund established by AB 1054 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
WMBA	Wildfire Mitigation Balancing Account
WMCE	Wildfire Mitigation and Catastrophic Events
WMP	Wildfire Mitigation Plan
WMPMA	Wildfire Mitigation Plan Memorandum Account

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that are necessarily subject to various risks and uncertainties. These statements reflect management's judgment and opinions that are based on current estimates, expectations, and projections about future events and assumptions regarding these events and management's knowledge of facts as of the date of this report. These forward-looking statements relate to, among other matters, estimated losses, including penalties and fines associated with various investigations and proceedings; forecasts of capital expenditures; forecasts of **expense reduction**; **cost savings**; estimates and assumptions used in critical accounting estimates, including those relating to insurance receivables, regulatory assets and liabilities, environmental remediation, litigation, third-party claims, the Wildfire Fund, and other liabilities; and the level of future equity or debt issuances. These statements are also identified by words such as "assume," "expect," "intend," "forecast," "plan," "project," "believe," "estimate," "predict," "anticipate," "commit," "goal," "target," "will," "may," "should," "would," "could," "potential," and similar expressions. PG&E Corporation and the Utility are not able to predict all the factors that may affect future results. Some of the factors that could cause future results to differ materially from those expressed or implied by the forward-looking statements, or from historical results, include, but are not limited to:

- the extent to which the Wildfire Fund and revised prudence standard under AB 1054 effectively mitigate the risk of liability for damages arising from catastrophic wildfires, including whether the Utility maintains an approved WMP and a valid safety certification and whether the Wildfire Fund has sufficient remaining funds;
- the risks and uncertainties associated with wildfires that have occurred or may occur in the Utility's service area, including the wildfire that began on October 23, 2019 northeast of Geyserville in Sonoma County, California (the "2019 Kincade fire"), the wildfire that began on September 27, 2020 in the area of Zogg Mine Road and Jenny Bird Lane, north of Igo in Shasta County, California (the "2020 Zogg fire"), the wildfire that began on July 13, 2021 near the Cresta Dam in the Feather River Canyon in Plumas County, California (the "2021 Dixie fire"), the wildfire that began on September 6, 2022 near Oxbow Reservoir in Placer County, California (the "2022 Mosquito fire"), and any other wildfires for which the causes have yet to be determined; the damage caused by such wildfires; the extent of the Utility's liability in connection with such wildfires (including the risk that the Utility may be found liable for damages regardless of fault); investigations into such wildfires, including those being conducted by the CPUC; potential liabilities in connection with fines or penalties that could be imposed on the Utility if the CPUC or any other enforcement agency were to bring an enforcement action in respect of any such fire; the risk that the Utility is not able to recover costs from the Wildfire Fund or other third parties or through rates; and the effect on PG&E Corporation's and the Utility's reputations of such wildfires, investigations, and proceedings;
- the extent to which the Utility's wildfire mitigation initiatives are effective, including the Utility's ability to comply with the targets and metrics set forth in its WMP; **or to retain or contract for the workforce necessary to execute its WMP**; the effectiveness of its system hardening, including undergrounding; the cost of the program and the timing and outcome of any proceeding to recover such costs through rates; and any determination by **the OEIS** that the Utility has not complied with its WMP;
- the impact of the Utility's implementation of its PSPS program, and whether any fines, penalties, or civil liability for damages will be imposed on the Utility as a result; the costs in connection with PSPS events, the timing and outcome of any proceeding to recover such costs through rates, and the effects on PG&E Corporation's and the Utility's reputations caused by implementation of the PSPS program;**
- the Utility's ability to safely, reliably, and efficiently construct, maintain, operate, protect, and decommission its facilities, and provide electricity and natural gas services safely and reliably;
- significant changes to the electric power and **natural** gas industries driven by technological advancements, electrification, and the transition to a decarbonized economy; the impact of reductions in Utility customer demand for electricity and natural gas, driven by customer **self-generation**, **customer** departures to community choice aggregators, direct access providers, **increased competition from** **and** government-owned utilities, and legislative mandates to **replace gas-fuel technologies**; **reduce the use of natural gas**; and whether the Utility is successful in addressing the impact of growing distributed and renewable generation resources and changing customer demand for its natural gas and electric services;
- cyber or physical attacks, including acts of terrorism, war, and vandalism, on the Utility or its third-party vendors, contractors, or customers (or others with whom they have shared data) which could result in operational disruption; the misappropriation or loss of confidential or proprietary assets, information or data, including customer, employee, financial, or operating system information, or intellectual property; corruption of data; or potential costs, lost revenues, litigation, or reputational harm incurred in connection therewith;
- the Utility's ability to attract or retain specialty personnel;**

- the impact of severe weather events and other natural disasters, including wildfires and other fires, storms, tornadoes, floods, extreme heat events, drought, earthquakes, lightning, tsunamis, rising sea levels, mudslides, pandemics, solar events, electromagnetic events, wind events or other weather-related conditions, climate change, or natural disasters, and other events that can cause unplanned outages, reduce generating output, disrupt the Utility's service to customers, or damage or disrupt the facilities, operations, or information technology and systems owned by the Utility, its customers, or third parties on which the Utility relies, and the effectiveness of the Utility's efforts to prevent, mitigate, or respond to such conditions or events; the reparation and other costs that the Utility may incur in connection with such conditions or events; the impact of the adequacy of the Utility's emergency preparedness; whether the Utility incurs liability to third parties for property damage or personal injury caused by such events; whether the Utility is able to procure replacement power; and whether the Utility is subject to civil, criminal, or regulatory penalties in connection with such events;
- existing and future regulation and federal, state or local legislation, their implementation, and their interpretation; the cost to comply with such regulation and legislation; and the extent to which the Utility recovers its associated compliance and investment costs, including those regarding:
 - wildfires, including inverse condemnation reform, wildfire insurance, and additional wildfire mitigation measures or other reforms targeted at the Utility or its industry;
 - the environment, including the costs incurred to discharge the Utility's remediation obligations or the costs to comply with standards for greenhouse gas emissions, renewable energy targets, energy efficiency standards, distributed energy resources, and electric vehicles;
 - the nuclear industry, including operations, seismic design, security, safety, relicensing, the storage of spent nuclear fuel, decommissioning, and cooling water intake, and whether Diablo Canyon's operations are extended; and the Utility's ability to continue operating Diablo Canyon until its planned retirement;
 - the regulation of utilities and their affiliates, including the conditions that apply to PG&E Corporation as the Utility's holding company;
 - privacy and cybersecurity; and
 - taxes and tax audits;
- the timing and outcomes of the Utility's pending and future ratemaking and regulatory proceedings, including the extent to which PG&E Corporation and the Utility are able to recover their costs through rates as recorded in memorandum accounts or balancing accounts, or as otherwise requested; the Utility's application to transfer its non-nuclear generation assets to Pacific Generation and the potential sale of a minority interest in Pacific Generation; and the transfer of ownership of the Utility's assets to municipalities or other public entities, including as a result of the City and County of San Francisco's valuation petition;
- whether the Utility can control its operating costs within the authorized levels of spending; whether the Utility can continue implementing the Lean operating system and achieve projected savings; the extent to which the Utility incurs unrecoverable costs that are higher than the forecasts of such costs; the risks and uncertainties associated with inflation; and changes in cost forecasts or the scope and timing of planned work resulting from changes in customer demand for electricity and natural gas or other reasons;
- the outcome of current and future self-reports, investigations or other enforcement actions, **agency compliance reports**, or notices of violation that could be issued related to the Utility's compliance with laws, rules, regulations, or orders applicable to its gas and electric operations; the construction, expansion, or replacement of its electric and gas facilities; electric grid reliability; audit, inspection and maintenance practices; customer billing and privacy; physical and cybersecurity protections; environmental laws and regulations; or otherwise, such as fines; penalties; remediation obligations; or the implementation of corporate governance, operational or other changes in connection with the EOEP;
- the risks and uncertainties associated with PG&E Corporation's and the Utility's substantial indebtedness and the limitations on their operating flexibility in the documents governing that indebtedness;
- the risks and uncertainties associated with the resolution of the Subordinated Claims and the timing and outcomes of PG&E Corporation's and the Utility's ongoing litigation, including certain indemnity obligations to current and former officers and directors, **the Wildfire-Related Non-Bankruptcy Securities Claims, and other third-party claims**, as well as potential indemnity obligations to underwriters for certain of the Utility's note offerings; **the Wildfire-Related Non-Bankruptcy Claims; the purported PSPS class action filed in December 2019; and other third-party claims**, **offerings**, including the extent to which related costs can be recovered through insurance, rates, or from other third parties;
- the ability of PG&E Corporation and the Utility to **securitize** **use securitization to finance the recovery** of the remaining \$1.385 billion of fire risk mitigation capital expenditures that were or will be incurred by the Utility;
- whether PG&E Corporation or the Utility undergoes an "ownership change" within the meaning of Section 382 of the IRC, as a result of which tax attributes could be limited;
- the ultimate amount of unrecoverable environmental costs the Utility incurs associated with the Utility's natural gas compressor station site located near Hinkley, California and the Utility's fossil fuel-fired generation sites;
- the supply and price of electricity, natural gas, and nuclear fuel; the extent to which the Utility can manage and respond to the volatility of energy commodity prices; the ability of the Utility and its counterparties to post or return collateral in connection with price risk management activities; and whether the Utility is able to recover timely its

electric generation and energy commodity costs through rates, including its renewable energy procurement costs;

- the ability of PG&E Corporation and the Utility to access capital markets and other sources of debt and equity financing in a timely manner on acceptable terms;
- the risks and uncertainties associated with **rising high** rates for the Utility's customers;
- actions by credit rating agencies to downgrade PG&E Corporation's or the Utility's credit ratings;
- the severity, extent and duration of the global COVID-19 pandemic and **its impact on PG&E Corporation's and the Utility's workforce availability and the ability of the Utility to collect on customer receivables; and**
- the impact of changes in GAAP, standards, rules, or policies, including those related to regulatory accounting, and the impact of changes in their interpretation or application.

For more information about the significant risks that could affect the outcome of the forward-looking statements and PG&E Corporation's and the Utility's future financial condition, results of operations, liquidity, and cash flows, see Item 1A. Risk Factors in this Form 10-Q and the **2022 2023** Form 10-K and a detailed discussion of these matters contained in Item 7. MD&A in the **2022 2023** Form 10-K and Item **2.2** in this Form 10-Q. PG&E Corporation and the Utility do not undertake any obligation to update forward-looking statements, whether in response to new information, future events, or otherwise.

PG&E Corporation's and the Utility's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and proxy statements are available free of charge on both PG&E Corporation's website, www.pgecorp.com, and the Utility's website, www.pge.com, as promptly as practicable after they are filed with, or furnished to, the SEC. Additionally, PG&E Corporation and the Utility routinely provide links to the Utility's principal regulatory proceedings before the CPUC and the FERC at <http://investor.pgecorp.com>, under the "Regulatory Filings" tab, so that such filings are available to investors upon filing with the relevant agency. PG&E Corporation and the Utility also routinely post or provide direct links to presentations, documents, and other information that may be of interest to investors **including regarding dividends, at** <http://investor.pgecorp.com>, under the "Wildfire and Safety **Updates, "Updates" and "News & Events: Events & Presentations, " and "Shareholders: Dividend Information" Presentations**" tabs, respectively, in order to publicly disseminate such information. Specifically, within two hours during business hours or four hours outside of business hours of the determination that an incident is attributable or allegedly attributable to the Utility's electric facilities and has resulted in property damage estimated to exceed \$50,000, a fatality or injury requiring overnight in-patient hospitalization, or significant public or media attention, the Utility is required to submit an electric incident report including information about such incident to the CPUC. The information included in an electric incident report is limited and may not include important information about the facts and circumstances about the incident due to the limited scope of the reporting requirements and timing of the report and is necessarily limited to information to which the Utility has access at the time of the report. Ignitions are also reportable under CPUC Decision 14-02-015 when they involve self-propagating fire of material other than electrical or communication facilities; the fire traveled greater than one linear meter from the ignition point; and the Utility has knowledge that the fire occurred. It is possible that any of these filings or information included therein could be deemed to be material information. The information contained on such **website websites** is not part of this or any other report that PG&E Corporation or the Utility files with, or furnishes to, the SEC. PG&E Corporation and the Utility are providing the address to this website solely for the information of investors and do not intend the address to be an active link.

ITEM 1A. RISK FACTORS

For information about the significant risks that could affect PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows, see Item 1A. Risk Factors in the **section of the 2022 2023** Form 10-K, **entitled "Risk Factors"** as supplemented below and the section of this quarterly report entitled "Forward-Looking Statements."

PG&E Corporation is a holding company and relies on dividends, distributions and other payments, advances, and transfers of funds from the Utility to pay dividends on its common stock and meet its obligations.

PG&E Corporation conducts its operations primarily through its subsidiary, the Utility, and substantially all of PG&E Corporation's consolidated assets are held by the Utility. Accordingly, PG&E Corporation's cash flow, ability to pay dividends on its common stock, and ability to meet its debt service obligations under its existing and future indebtedness largely depend upon the earnings and cash flows of the Utility and the distribution of these earnings and cash flows to PG&E Corporation. The ability of the Utility to pay dividends or make other advances, distributions, and transfers of funds will depend on its results of operations and is restricted by, among other things, applicable laws limiting the amount of funds available for payment of dividends and certain restrictive covenants contained in financing agreements. See "Liquidity and Financial Resources" in Item 7. MD&A in the **2023** Form 10-K. The Utility must use its resources to satisfy its own obligations, including its obligation to serve customers, to pay principal and interest on outstanding debt, to meet its obligations to employees and creditors, and to pay preferred stock dividends, before it can distribute cash to PG&E Corporation. In particular, the CPUC requires PG&E Corporation's and the Utility's Boards of Directors to give first priority to the capital requirements of the Utility, as determined to be necessary and prudent to meet the Utility's obligation to serve or to operate the Utility in a prudent and efficient manner. The CPUC also regulates the Utility's capital structure. Dividend payments on PG&E Corporation's common stock are also subject to the discretion of PG&E Corporation's Board of Directors. See Note 6 of the Notes to the Condensed Consolidated Financial Statements included in Item 1.

The deterioration of income from, or other available assets of, the Utility for any reason could limit or impair the Utility's ability to pay dividends or make other distributions to PG&E Corporation, which could, in turn, materially and adversely affect PG&E Corporation's ability to pay common stock dividends or meet other obligations.

PART I. FINANCIAL INFORMATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

This is a combined quarterly report of PG&E Corporation and the Utility and should be read in conjunction with each company's Condensed Consolidated Financial Statements and the Notes to the Condensed Consolidated Financial Statements included in Item 1. It should also be read in conjunction with the 2022 2023 Form 10-K.

Key Factors Affecting Financial Results

PG&E Corporation and the Utility believe that their financial condition, results of operations, liquidity, and cash flows may be materially affected by the following factors:

- *The Uncertainties in Connection with Wildfires, Wildfire Mitigation, and Associated Cost Recovery.* PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows may be materially affected by the costs and effectiveness of the Utility's wildfire mitigation initiatives; the extent of damages from wildfires that do occur; the financial impacts of wildfires; and PG&E Corporation's and the Utility's ability to mitigate those financial impacts with insurance, the Wildfire Fund, and regulatory recovery.

In response to the wildfire threat facing California, PG&E Corporation and the Utility have taken aggressive steps to mitigate the threat of catastrophic wildfires. The Utility's wildfire mitigation initiatives include EPSS, Enhanced Powerline Safety Settings ("EPSS"), PSPS, vegetation management, asset inspections, and system hardening. In particular, in 2022 2023, the Utility introduced or expanded the EPSS program to all distribution lines in high fire risk areas, its use of several measures including downed conductor detection, partial voltage force out, and transmission operational controls. The Utility is also focused on undergrounding more lines each year while using economies of scale to make undergrounding more cost efficient. These initiatives have significantly reduced the number of CPUC-reportable ignitions and the number of acres burned. The success of the Utility's wildfire mitigation efforts depends on many factors, including whether the Utility can retain or contract for the workforce necessary to execute its wildfire mitigation actions.

PG&E Corporation and the Utility have incurred and will continue to incur substantial expenditures in connection with these initiatives. For more information on incurred expenditures, see Note 3 of the Notes to the Condensed Consolidated Financial Statements in Item 1. The extent to which the Utility will be able to recover these expenditures and other potential costs through rates is uncertain. If additional requirements are imposed that go beyond current expectations, such requirements could have a substantial impact on the costs of the Utility's wildfire mitigation initiatives.

The Utility is subject to a number of legal and regulatory requirements related to its wildfire mitigation efforts, which require periodic inspections of electric assets and ongoing reporting related to this work. Although the Utility believes that it has complied substantially with these requirements, it continually reviews and has identified instances of noncompliance. The Utility intends to update the CPUC and the OEIS as its review progresses. The Utility could face fines, penalties, enforcement action, or other adverse legal or regulatory consequences for late inspections or other noncompliance related to wildfire mitigation efforts. See "Self-Reports to the CPUC" in "Regulatory Matters" below.

Despite these extensive measures, the potential that the Utility's equipment will be involved in the ignition of future wildfires, including catastrophic wildfires, is significant. This risk may be attributable to, and exacerbated by, a variety of factors, including climate (in particular, extended periods of seasonal dryness coupled with periods of high wind velocities and other storms), infrastructure, and vegetation conditions. Once an ignition has occurred, the Utility is unable to control the extent of damages, which is primarily determined by environmental conditions (including weather and vegetation conditions), third-party suppression efforts, and the location of the wildfire.

The financial impact of past wildfires is significant. As of September 30, 2023 March 31, 2024, PG&E Corporation and the Utility had recorded aggregate liabilities of \$1.025 billion, \$1.125 billion, \$400 million, \$1.6 billion, and \$100 million for claims in connection with the 2019 Kincade fire, the 2020 Zogg fire, the 2021 Dixie fire, and the 2022 Mosquito fire, respectively, and in each case before available insurance, and, in the case of the 2021 Dixie fire and the 2022 Mosquito fire, other probable cost recoveries. These liability amounts correspond to the lower end of the range of reasonably estimable probable losses, unless expressly noted otherwise, with the exception of amounts relating to the 2020 Zogg fire, which represent the best estimate of the liability, but do not include all categories of potential damages and losses.

PG&E Corporation and the Utility may be able to mitigate the financial impact of future wildfires in excess of insurance coverage through the Wildfire Fund, or cost recovery through rates. Each of these mitigations involves uncertainties, and liabilities could exceed available recoveries. See "Loss Recoveries" in Note 10 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

Recorded liabilities in connection with the 2019 Kincade fire and the 2021 Dixie fire have already exceeded potential amounts recoverable under applicable insurance policies. As of September 30, 2023 March 31, 2024, the Utility has recorded insurance receivables of \$430 million for the 2019 Kincade fire, \$373 million \$374 million for the 2020 Zogg fire, \$527 million \$526 million for the 2021 Dixie fire, and \$58 \$68 million for the 2022 Mosquito fire.

If the eligible claims for liabilities arising from wildfires were to exceed \$1.0 billion in any Wildfire Fund coverage year ("Coverage Year"), the Utility may be eligible to make a claim against the Wildfire Fund under AB 1054 for such excess amount. The Wildfire Fund is available to the Utility to pay eligible claims for liabilities arising from wildfires, provided that the Utility satisfies the conditions to the Utility's ongoing participation in the Wildfire Fund set forth in AB 1054 and that the Wildfire Fund has sufficient remaining funds. However, the impact of AB 1054 on PG&E Corporation and the Utility is subject to numerous uncertainties, including the Utility's ability to demonstrate to the CPUC that wildfire-related costs paid from the Wildfire Fund were just and reasonable and therefore not subject to reimbursement, and whether the benefits of participating in the Wildfire Fund ultimately outweigh its substantial costs. Finally, recoveries for the 2019 Kincade fire would be subject to a 40% limitation on the allowed amount of claims arising before emergence from bankruptcy. As of September 30, 2023 March 31, 2024, the Utility has recorded a Wildfire Fund receivable of \$600 million for the 2021 Dixie fire. See "Wildfire Fund under AB 1054" in Note 10 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

The Utility will be permitted to recover its wildfire-related claims in excess of insurance and legal fees through rates unless the CPUC or the FERC, as applicable, determines that the Utility has not met the applicable prudence standard. The revised prudence standard under AB 1054 has not been interpreted or applied by the CPUC, and it is possible that the CPUC could interpret the standard or apply it to the relevant facts differently from how the Utility has interpreted and applied the standard, in which case the Utility may not be able to recover all or a portion of expenses that it has recorded as receivables. As of September 30, 2023 March 31, 2024, the Utility has recorded receivables for regulatory recovery of \$542 million \$576 million for the 2021 Dixie fire and \$60 million for the 2022 Mosquito fire. See "2021 Dixie Fire," and "2022 Mosquito Fire" in Note 10 of the Notes to the Condensed Consolidated Financial Statements in Item 1 for more information.

- *The Timing and Outcome of Ratemaking and Other Proceedings.* Regulatory ratemaking proceedings are a key aspect of the Utility's business. The Utility's revenue requirements consist primarily of a base amount set to enable the Utility to recover its reasonable operating expenses (e.g., maintenance, administrative and general expenses) and capital costs (e.g., depreciation and financing expenses). In addition, the The CPUC also authorizes the Utility to collect revenues to recover costs that the Utility is allowed to pass through to customers, (referred to as "Utility Revenues and Costs that did not Impact Earnings" below), including its costs to procure electricity and natural gas for customers and to administer public purpose and customer programs. Although the Utility generally seeks to recover its recorded costs on a timely basis, in recent years, the amount of the costs recorded in memorandum and balancing accounts has increased. The Other proceedings that could impact the Utility's business profile and financial results include actions by municipalities and other public entities to acquire the electric assets of the Utility has also applied within their respective jurisdictions, and the Utility's application to transfer its non-nuclear generation assets to Pacific Generation and potentially sell a minority interest in Pacific Generation. The outcome of regulatory proceedings can be affected by many factors, including intervening parties' testimonies, potential rate impacts, the regulatory and political environments, and other factors. See Notes 3 and 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1, and "Regulatory Matters" below.
- *The Outcome of Other Enforcement, Litigation, and Regulatory Matters, and Other Government Proposals.* The Utility is subject to enforcement, litigation, and regulatory matters, including those described above, the EOEP, and actions in connection with the Utility's WMP, and safety and other self-reports. See Note 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1. In addition, the Utility's business profile and financial results could be impacted by actions by municipalities and other public entities to acquire the electric assets of the Utility within their respective jurisdictions or by state intervention, including the possibility of a state takeover of the Utility. See "Jurisdictions may attempt to acquire the Utility's assets through eminent domain" in Item 1A. Risk Factors in the 2022 Form 10-K for more information. These matters could result in penalties, additional regulatory requirements, or changes to the Utility's operations. PG&E Corporation and the Utility seek to limit these matters by implementing a robust compliance program and by delivering excellent customer experiences.
- *PG&E Corporation's and the Utility's Ability to Control Operating and Financing Costs.* Under cost-of-service ratemaking, a utility's earnings depend on its ability to manage costs within the amounts authorized for recovery in its ratemaking proceedings. The Utility has set a goal to increase its capital investments to meet safety and climate goals, while also reducing non-fuel achieving operating and maintenance costs cost savings. The Utility plans to achieve such savings by two percent per year. The Utility's ability to meet this goal depends, in part, on whether the Utility can improve improving the planning and execution of its work by continuing to implement through increased efficiencies, including waste elimination through the Lean operating system. PG&E Corporation and the Utility also work to minimize financing costs by identifying and executing on opportunities to efficiently finance the business, which depends on capital market conditions.

For more information about the risks that could materially affect PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows, or that could cause future results to differ from historical results, see Item 1A. Risk Factors in this Form 10-Q and the 2022 2023 Form 10-K. In addition, this quarterly report contains forward-looking statements that are necessarily subject to various risks 10-K and uncertainties. These statements reflect management's judgment and opinions that are based on current estimates, expectations, and projections about future events and assumptions regarding these events and management's knowledge of facts as of the date of this report. See "Forward-Looking Statements" above for a list of some of the factors that may cause actual results to differ materially. PG&E Corporation and the Utility are unable to predict all the factors that may affect future results and do not undertake an obligation to update forward-looking statements, whether in response to new information, future events, or otherwise.

Tax Matters

PG&E Corporation had a U.S. federal net operating loss carryforward of approximately \$26.6 \$32.9 billion and a California net operating loss carryforward of approximately \$25.2 \$32.6 billion as of December 31, 2022 December 31, 2023.

Under Section 382 of the IRC, if a corporation (or a consolidated group) undergoes an "ownership change," net operating loss carryforwards and other tax attributes may be subject to certain limitations. In general, an ownership change occurs if the aggregate stock ownership of certain shareholders (generally five percent shareholders, applying certain look-through and aggregation rules) increases by more than 50% over such shareholders' lowest percentage ownership during the testing period (generally three years). PG&E Corporation's and the Utility's Amended Articles limit Transfers (as defined in the Amended Articles) that increase a person's or entity's (including certain groups of persons) ownership of PG&E Corporation's equity securities to 4.75% or more prior to the Restriction Release Date (as defined in the Amended Articles) without approval by the Board of Directors of PG&E Corporation (the "Ownership Restrictions"). As discussed below under "Update on Ownership Restrictions in Corporation. Shares of PG&E Corporation's Amended Articles," due Corporation common stock held directly by the Utility are attributed to the election to treat the Fire Victim Trust as a grantor trust PG&E Corporation for income tax purposes and are therefore effectively excluded from the calculation total number of outstanding equity securities when calculating a person's Percentage Stock Ownership (as defined in the Amended Articles) will effectively be based on a reduced number for purposes of the 4.75% ownership limitation in the Amended Articles. For example, although PG&E Corporation had 2,614,901,996 shares outstanding namely the total as of April 17, 2024, only 2,137,158,406 shares (the number of outstanding equity securities shares of common stock less the number of equity securities shares held directly by the Fire Victim Trust, Utility) count as outstanding for purposes of the Utility, and ShareCo. ownership restrictions in the Amended Articles. As such, a person's effective Percentage Stock Ownership limitation for purposes of the Amended Articles as of April 17, 2024 was 3.88% of PG&E Corporation's outstanding shares.

As of the date of this report, it is more likely than not that PG&E Corporation has not undergone an ownership change, and consequently, its net operating loss carryforwards and other tax attributes are not limited by Section 382 of the IRC.

Furthermore, the activities of the Fire Victim Trust are treated as activities of the Utility for tax purposes. Accordingly, PG&E Corporation will recognize income tax benefits and the corresponding deferred tax asset as the Fire Victim Trust sells shares of PG&E Corporation common stock, and the amounts of such benefits and assets will be impacted by the price at which the Fire Victim Trust sells the shares, rather than the price at the time such shares were transferred to the Fire Victim Trust. On each of January 9, 2023, April 11, 2023, and July 12, 2023, the Fire Victim Trust exchanged 60,000,000 Plan Shares for an equal number of New Shares in the manner contemplated by the Share Exchange and Tax Matters Agreement; the Fire Victim Trust thereafter reported that it sold the applicable New Shares. During the nine months ended September 30, 2023, the Fire Victim Trust's sale of PG&E Corporation common stock in the aggregate amount of 180,000,000 shares resulted in an aggregate tax benefit of \$822 million recorded in PG&E Corporation's and the Utility's Condensed Consolidated Financial Statements. Cumulatively through September 30, 2023, the Fire Victim Trust has sold 410,000,000 shares resulting in an aggregate tax benefit of approximately \$1.7 billion recorded in PG&E Corporation's and the Utility's Condensed Consolidated Financial Statements.

Update on Ownership Restrictions in PG&E Corporation's Amended Articles

As a result of the grantor trust election, shares of PG&E Corporation common stock owned by the Fire Victim Trust are treated as held by the Utility and, in turn, attributed to PG&E Corporation for income tax purposes. Consequently, any shares of PG&E Corporation common stock owned by the Fire Victim Trust, along with any shares owned by the Utility directly, are effectively excluded from the total number of outstanding equity securities when calculating a person's Percentage Stock Ownership (as defined in the Amended Articles) for purposes of the 4.75% ownership limitation in the Amended Articles. Shares owned by ShareCo are also effectively excluded because ShareCo is a disregarded entity for income tax purposes. For example, although PG&E Corporation had 2,611,251,771 shares outstanding as of October 18, 2023, only 2,065,764,591 shares (the number of outstanding shares of common stock less the number of shares held by the Fire Victim Trust, the Utility, and ShareCo) count as outstanding for purposes of the ownership restrictions in the Amended Articles. As such, based on the total number of outstanding equity securities and taking into account the shares of PG&E Corporation common stock known to have been sold by the Fire Victim Trust as of October 18, 2023, a person's effective Percentage Stock Ownership limitation for purposes of the Amended Articles as of October 18, 2023 was 3.75% of the outstanding shares. As of October 18, 2023, to the knowledge of PG&E Corporation, the Fire Victim Trust had sold 410,000,000 shares of PG&E Corporation common stock in the aggregate and owned 67,743,590 shares.

RESULTS OF OPERATIONS

The following discussion presents PG&E Corporation's and the Utility's operating results for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. See "Key Factors Affecting Financial Results" above for further discussion about factors that could affect future results of operations.

PG&E Corporation

The consolidated results of operations consist primarily of results related to the Utility, which are discussed in the "Utility" section below. The following table provides a summary of income (loss) attributable to common shareholders for the three and nine months ended September 30, 2023 March 31, 2024 and 2022:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Consolidated Total	\$ 348	\$ 456	\$ 1,323	\$ 1,287
PG&E Corporation	(69)	(31)	(193)	(323)
Utility	\$ 417	\$ 487	\$ 1,516	\$ 1,610

(in millions)	Three Months Ended March 31,	
	2024	2023
Consolidated Total	\$ 732	\$ 569
PG&E Corporation	(46)	(54)
Utility	\$ 778	\$ 623

PG&E Corporation's net loss primarily consists of interest expense on long-term debt.

Utility

The table below shows certain items from the Utility's Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. The table separately identifies the revenues and costs that impacted earnings from those that did not impact earnings. In general, expenses the Utility is authorized to pass through directly to customers (such as costs to purchase electricity and natural gas, as well as costs to fund public purpose programs), and the corresponding amount of revenues collected to recover those pass-through costs do not impact earnings. net income.

Revenues that impact earnings are primarily those that have been authorized by the CPUC and the FERC to recover the Utility's costs to own and operate its assets and to provide the Utility an opportunity to earn its authorized rate of return on rate base. Expenses that impact earnings are primarily those that the Utility incurs to own and operate its assets.

CPUC and FERC rates decouple authorized revenue from the volume of electricity and natural gas sales, so the Utility receives revenue equal to the amounts authorized by the relevant regulatory agencies. As a result, the volume of electricity and natural gas sold does not have a direct impact on PG&E Corporation's and the Utility's financial results.

(in millions)	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	Revenues/Costs:			Revenues/Costs:		
	That Impacted Earnings	Impact Earnings	Total Utility	That Impacted Earnings	Impact Earnings	Total Utility
Electric operating revenues	\$ 3,247	\$ 1,260	\$ 4,507	\$ 2,603	\$ 1,292	\$ 3,895
Natural gas operating revenues	1,047	334	1,381	1,137	362	1,499
Total operating revenues	4,294	1,594	5,888	3,740	1,654	5,394
Cost of electricity	—	846	846	—	1,032	1,032

Cost of natural gas	—	158	158	—	257	257
Operating and maintenance	2,520	616	3,136	1,771	477	2,248
SB 901 securitization charges, net	346	—	346	—	—	—
Wildfire-related claims, net of recoveries	(32)	—	(32)	9	—	9
Wildfire Fund expense	219	—	219	118	—	118
Depreciation, amortization, and decommissioning	811	—	811	1,002	—	1,002
Total operating expenses	3,864	1,620	5,484	2,900	1,766	4,666
Operating income (loss)	430	(26)	404	840	(112)	728
Interest income	151	—	151	42	—	42
Interest expense	(594)	—	(594)	(458)	—	(458)
Other income, net	36	26	62	15	112	127
Income before income taxes	23	—	23	439	—	439
Income tax benefit ⁽¹⁾			(397)			(51)
Net Income			420			490
Preferred stock dividend requirement ⁽¹⁾			3			3
Income Available for Common Shareholders			\$ 417			\$ 487

⁽¹⁾ These items impacted earnings for the three months ended September 30, 2023 and 2022.

(in millions)	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	Revenues/Costs:			Revenues/Costs:		
	That Impacted Earnings	Impact Earnings	Total Utility	That Impacted Earnings	Impact Earnings	Total Utility
Electric operating revenues	\$ 8,804	\$ 3,674	\$ 12,478	\$ 7,893	\$ 3,850	\$ 11,743
Natural gas operating revenues	3,058	1,851	4,909	2,992	1,575	4,567
Total operating revenues	11,862	5,525	17,387	10,885	5,425	16,310
Cost of electricity	—	2,040	2,040	—	2,314	2,314
Cost of natural gas	—	1,348	1,348	—	1,177	1,177
Operating and maintenance	6,023	2,218	8,241	5,293	2,272	7,565
SB 901 securitization charges, net	908	—	908	40	—	40
Wildfire-related claims, net of recoveries	(35)	—	(35)	153	—	153
Wildfire Fund expense	453	—	453	353	—	353
Depreciation, amortization, and decommissioning	2,885	—	2,885	2,915	—	2,915
Total operating expenses	10,234	5,606	15,840	8,754	5,763	14,517
Operating income (loss)	1,628	(81)	1,547	2,131	(338)	1,793
Interest income	401	—	401	71	—	71
Interest expense	(1,667)	—	(1,667)	(1,175)	—	(1,175)
Other income, net	129	81	210	77	338	415
Income before income taxes	491	—	491	1,104	—	1,104
Income tax benefit ⁽¹⁾			(1,035)			(516)
Net Income			1,526			1,620
Preferred stock dividend requirement ⁽¹⁾			10			10
Income Available for Common Shareholders			\$ 1,516			\$ 1,610

⁽¹⁾ These items impacted earnings for the nine months ended September 30, 2023 and 2022.

Utility Revenues and Costs that Impacted Earnings

The following discussion presents the Utility's operating results for the three and nine months ended September 30, 2023 and 2022, focusing on revenues and expenses that impacted earnings for these periods.

(in millions)	Three Months Ended March 31,	
	2024	2023
Electric operating revenues	\$ 4,052	\$ 4,119

Natural gas operating revenues	1,809	2,090
Total operating revenues	5,861	6,209
Cost of electricity	321	522
Cost of natural gas	529	916
Operating and maintenance	2,631	2,674
SB 901 securitization charges, net	—	273
Wildfire-related claims, net of recoveries	(1)	(2)
Wildfire Fund expense	78	117
Depreciation, amortization, and decommissioning	1,022	1,077
Total operating expenses	4,580	5,577
Operating Income	1,281	632
Interest income	134	110
Interest expense	(654)	(520)
Other income, net	79	84
Income Before Income Taxes	840	306
Income tax provision (benefit)	59	(320)
Net Income	781	626
Preferred stock dividend requirement	3	3
Income Available for Common Shareholders	\$ 778	\$ 623

Operating Revenues

The Utility's electric and natural gas operating revenues that impacted earnings increased decreased by \$554 million \$348 million, or 15% 6%, in the three months ended September 30, 2023 March 31, 2024, compared to the same period in 2022, 2023. These decreases were primarily due to:

- the recognition of approximately \$740 million \$585 million in revenues authorized in the 2021 final 2020 WMCE proceeding (see "2021 WMCE Application" below) decision in the three months ended March 31, 2023, with no comparable revenues in 2024; and
- a decrease in revenues to recover the cost of electricity procurement (which decreased by approximately \$270 million \$200 million) and the cost of natural gas (which decreased by approximately \$390 million) in the three months ended March 31, 2024, as compared to the same period in 2023. These costs are passed through to customers and do not impact net income. See "Cost of Electricity" and "Cost of Natural Gas" below.

Partially offset by:

- approximately \$650 million in increased base revenues authorized in the 2023 GRC in the three months ended March 31, 2024, as compared to the same period in 2023; and
- approximately \$275 million in interim rate relief authorized in the 2022 WMCE proceeding (see "2022 WMCE Application" below) in the three months ended September 30, 2023 March 31, 2024, as compared to the same period in 2022. These increases were partially offset 2023.

Cost of Electricity

The Utility's Cost of electricity includes the cost of power purchased from third parties (including renewable energy resources), fuel and associated transmission costs used in its own generation facilities, fuel and associated transmission costs supplied to other facilities under power purchase agreements, costs to comply with California's cap-and-trade program, and realized gains and losses on price risk management activities. See Note 8 of the Notes to the Condensed Consolidated Financial Statements in Item 1. Cost of electricity also includes net energy sales (Utility owned and third parties' generation) in the CAISO electricity markets and directly with third parties. The Utility's total purchased power is driven by decreases in miscellaneous customer demand, net CAISO electricity market activities (purchases or sales), the availability of the Utility's own generation facilities (including Diablo Canyon and vegetation management-related revenues its hydroelectric plants), and the recognition cost-effectiveness of approximately \$180 million in revenues each source of electricity.

(in millions)	Three Months Ended March 31,	
	2024	2023
Cost of purchased power, net	\$ 232	\$ 140
Fuel used in generation facilities	89	382
Total cost of electricity	\$ 321	\$ 522

The Cost of electricity decreased by \$201 million in the three months ended September 30, 2022 related to the final decision approving \$356 million in revenue requirements for capital expenditures incurred in the period from 2011 through 2014 for its GT&S system, with no comparable revenues in 2023 (see "2015 Gas Transmission and Storage Rate

Case" in Regulatory Matters in the 2022 Form 10-K).

The Utility's electric and natural gas operating revenues that impacted earnings increased by \$977 million, or 9%, in the nine months ended September 30, 2023, March 31, 2024 as compared to the same period in 2022, 2023. These decreases were primarily due to the result of lower natural gas market prices, which contributed to the recognition of approximately \$740 million in revenues authorized in the 2021 WMCE proceeding (see "2021 WMCE Application" below), \$585 million in revenues authorized in the 2020 WMCE proceeding (see "2020 WMCE Application" below), and \$270 million in interim rate relief authorized in the 2022 WMCE proceeding (see "2022 WMCE Application" below) in the nine months ended September 30, 2023, with no comparable revenues in 2022. These increases were partially offset by decreases in miscellaneous both fuel costs and vegetation management-related revenues, the recognition of approximately \$310 million in revenues related to the approval of the settlement agreement for the 2018 CEMA application (see "2018 CEMA Application" in Regulatory Matters in the 2022 Form 10-K), and the recognition of approximately \$180 million in revenues related to the final decision approving \$356 million in revenue requirements for capital expenditures incurred in the period from 2011 through 2014 for its GT&S system (see "2015 Gas Transmission and Storage Rate Case" in Regulatory Matters in the 2022 Form 10-K) in the nine months ended September 30, 2022, with no comparable revenues in 2023. CAISO market revenues.

Cost of Natural Gas

The Utility's Cost of natural gas includes the costs of procurement, storage and transportation of natural gas, costs to comply with California's cap-and-trade program and realized gains and losses on price risk management activities. See Note 8 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

(in millions)	Three Months Ended March 31,	
	2024	2023
Cost of natural gas sold	\$ 480	\$ 877
Transportation cost of natural gas sold	49	39
Total cost of natural gas	\$ 529	\$ 916

The Cost of natural gas decreased by \$387 million in the three months ended March 31, 2024 as compared to the same period in 2023. These decreases were primarily the result of lower natural gas market prices.

Operating and Maintenance Cost of Electricity

The Utility's operating Cost of electricity includes the cost of power purchased from third parties (including renewable energy resources), fuel and maintenance expenses that impacted earnings increased by \$749 million, or 42%, associated transmission costs used in the three months ended September 30, 2023, compared its own generation facilities, fuel and associated transmission costs supplied to the same period in 2022, primarily due other facilities under power purchase agreements, costs to the recognition of previously deferred expenses including approximately \$720 million authorized in the 2021 WMCE proceeding (see "2021 WMCE Application" below) comply with California's cap-and-trade program, and approximately \$270 million in interim rate relief authorized in the 2022 WMCE proceeding (see "2022 WMCE Application" below). These increases were partially offset by decreases in insurance costs related to the Utility's adoption of self-insurance realized gains and vegetation management-related costs, as well as operating cost efficiencies in the three months ended September 30, 2023. Additionally, the Utility incurred \$77 million in one-time charges as a result of its voluntary separation program in the three months ended September 30, 2022, with no comparable charges in 2023.

The Utility's operating and maintenance expenses that impacted earnings increased by \$730 million, or 14%, in the nine months ended September 30, 2023, compared to the same period in 2022, as a result of the recognition of previously deferred expenses including approximately \$420 million authorized in the 2020 WMCE proceeding (see "2020 WMCE Application" below), approximately \$720 million authorized in the 2021 WMCE proceeding (see "2021 WMCE Application" below), and approximately \$270 million in interim rate relief authorized in the 2022 WMCE proceeding (see "2022 WMCE Application" below) in the nine months ended September 30, 2023. Additionally, the Utility recognized \$50 million in expenses related to the Zogg Stipulation (as defined in losses on price risk management activities. See Note 10 of the Notes to the Condensed Consolidated Financial Statements in Item 1). Cost of electricity also includes net energy sales (Utility owned and third parties' generation) in the nine months ended September 30, 2023. These increases were partially offset CAISO electricity markets and directly with third parties. The Utility's total purchased power is driven by decreases in insurance costs related to customer demand, net CAISO electricity market activities (purchases or sales), the availability of the Utility's adoption of self-insurance own generation facilities (including Diablo Canyon and vegetation management-related costs, as well as operating cost efficiencies in the nine months ended September 30, 2023. Additionally, the Utility recognized approximately \$310 million of previously deferred expenses which were authorized in the 2018 CEMA proceeding (see "2018 CEMA Application" in Regulatory Matters in the 2022 Form 10-K), \$85 million in expenses related to the Kincade SED Settlement, \$77 million in one-time charges as a result of its voluntary separation program, and \$55 million in expenses related to the Kincade Stipulation hydroelectric plants), and the Dixie Stipulation (each as defined in Note 15 cost-effectiveness of the Notes to the Consolidated Financial Statements in Item 8 each source of the 2022 Form 10-K) in the nine months ended September 30, 2022, with no comparable charges in 2023. electricity.

(in millions)	Three Months Ended March 31,	
	2024	2023
Cost of purchased power, net	\$ 232	\$ 140
Fuel used in generation facilities	89	382
Total cost of electricity	\$ 321	\$ 522

SB 901 Securitization Charges, Net

SB 901 securitization charges, net, that impacted earnings increased The Cost of electricity decreased by \$346 \$201 million or 100%, and \$868 million, or 2170%, in the three and nine months ended September 30, 2023, respectively, March 31, 2024 as compared to the same period in 2022. In 2023. These decreases were primarily the three and nine months ended September 30, 2023, the Utility recorded charges of \$346 million and \$908 million, respectively, representing the amounts that are refundable to ratepayers as a result of tax benefits lower natural gas market prices, which contributed to decreases in both fuel costs and CAISO market revenues.

Cost of Natural Gas

The Utility's Cost of natural gas includes the costs of procurement, storage and transportation of natural gas, costs to comply with California's cap-and-trade program and realized within income tax expense related to the Fire Victim Trust's sale of PG&E Corporation common stock, compared to charges of \$0 gains and \$40 million, respectively, in the same periods in 2022. For more information, see losses on price risk management activities. See Note 58 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

(in millions)	Three Months Ended March 31,	
	2024	2023
Cost of natural gas sold	\$ 480	\$ 877
Transportation cost of natural gas sold	49	39
Total cost of natural gas	\$ 529	\$ 916

Wildfire-Related Claims, Net The Cost of Recoveries

Costs related to wildfires that impacted earnings natural gas decreased by \$41 \$387 million or 456%, in the three months ended September 30, 2023, March 31, 2024 as compared to the same period in 2022. The Utility recognized pre-tax charges 2023. These decreases were primarily the result of \$425 million related to the 2021 Dixie fire offset by probable recoveries through the Wildfire Fund, insurance, and WEMA in the three months ended September 30, 2023, as compared to pre-tax charges of \$100 million related to the 2022 Mosquito fire, offset by \$90 million of probable recoveries through insurance and the WEMA in the three months ended September 30, 2022.

Costs related to wildfires that impacted earnings decreased \$188 million, or 123%, in the nine months ended September 30, 2023, compared to the same period in 2022. The Utility recognized pre-tax charges of \$425 million related to the 2021 Dixie fire, offset by probable recoveries through the Wildfire Fund, insurance, and WEMA in the nine months ended September 30, 2023, as compared to pre-tax charges of \$150 million related to the 2019 Kincade fire and \$100 million related to the 2022 Mosquito fire, offset by \$97 million of probable recoveries through insurance and the WEMA in the nine months ended September 30, 2022, lower natural gas market prices.

Wildfire Fund Expense

The Utility's Wildfire Fund expense that impacted earnings increased by \$101 million, or 86%, and \$100 million, or 28%, in the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022, primarily due to accelerated amortization of the Wildfire Fund asset recorded in 2023 as a result of the \$425 million Wildfire Fund receivable accrued in relation to the 2021 Dixie fire, with no comparable amounts recorded in 2022.

Depreciation, Amortization, and Decommissioning

The Utility's depreciation, amortization, and decommissioning expenses that impacted earnings decreased by \$191 million, or 19%, and \$30 million, or 1% in the three and nine months ended September 30, 2023, compared to the same periods in 2022, primarily due to the final decision in the 2021 Nuclear Decommissioning Cost Triennial Proceeding and a deferral of depreciation expense pending probable recovery through the 2023 GRC.

Interest Income

Interest income that impacted earnings increased by \$109 million, or 260%, and \$330 million, or 465%, in the three and nine months ended September 30, 2023, respectively, compared to the same periods in 2022, primarily due to higher interest rates earned on regulatory balancing accounts.

Interest Expense

Interest expense that impacted earnings increased by \$136 million, or 30%, and \$492 million, or 42%, in the three and nine months ended September 30, 2023, respectively, compared to the same period in 2022, primarily due to the issuance of additional long-term debt and an increase in interest rates on variable-rate debt.

Other Income, Net

Changes to Other income, net that impact earnings are primarily driven by fluctuations in the balance of construction work in progress that impact the equity component of allowance for funds used during construction, and gains and losses on equity securities held by the customer credit trust.

Income Tax Benefit

Income tax benefit increased by \$346 million and \$519 million in the three and nine months ended September 30, 2023, compared to the same periods in 2022, primarily due to an increase in the tax benefit recognized related to the sale of shares in the Fire Victim Trust in the three and nine months ended September 30, 2023, compared to the same periods in 2022.

The following table reconciles the income tax expense at the federal statutory rate to the income tax provision:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Federal statutory income tax rate	21.0 %	21.0 %	21.0 %	21.0 %
Increase (decrease) in income tax rate resulting from:				

State income tax (net of federal benefit) ⁽¹⁾	(447.9)%	(4.8)%	(55.5)%	(10.9)%
Effect of regulatory treatment of fixed asset differences ⁽²⁾	(417.4)%	(34.6)%	(59.8)%	(32.4)%
Tax credits	(63.9)%	(0.8)%	(4.0)%	(0.9)%
Fire Victim Trust ⁽³⁾	(953.1)%	— %	(125.4)%	(22.9)%
Other, net	151.6 %	7.6 %	13.2 %	(0.7)%
Effective tax rate	(1,709.7)%	(11.6)%	(210.5)%	(46.8)%

⁽¹⁾ Includes the effect of state flow-through ratemaking treatment.

⁽²⁾ Includes the effect of federal flow-through ratemaking treatment for certain property-related costs. For these temporary tax differences, the Utility recognizes the deferred tax impact in the current period and records offsetting regulatory assets and liabilities. Therefore, the Utility's effective tax rate is impacted as these differences arise and reverse. The Utility recognizes such differences as regulatory assets or liabilities as it is probable that these amounts will be recovered from or returned to customers in future rates. These amounts also reflect the impact of the amortization of excess deferred tax benefits to be refunded to customers as a result of the TCJA.

⁽³⁾ Includes the tax benefit related to the sale of shares of stock in the Fire Victim Trust. See "Tax Matters" above and Note 6 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

Utility Revenues and Costs that did not Impact Earnings

Fluctuations in revenues that did not impact earnings are primarily driven by procurement costs. See below for more information.

Cost of Electricity

The Utility's Cost of electricity includes the cost of power purchased from third parties (including renewable energy resources), fuel and associated transmission costs used in its own generation facilities, fuel and associated transmission costs supplied to other facilities under power purchase agreements, costs to comply with California's cap-and-trade program, and realized gains and losses on price risk management activities. See Note 8 of the Notes to the Condensed Consolidated Financial Statements in Item 1. Cost of electricity also includes net energy sales (Utility owned generation and third parties' generation) in the CAISO electricity markets, markets and directly with third parties. The Utility's total purchased power is driven by customer demand, net CAISO electricity market activities (purchases or sales), the availability of the Utility's own generation facilities (including Diablo Canyon and its hydroelectric plants), and the cost-effectiveness of each source of electricity.

(in millions)	Three Months Ended March 31,	
	2024	2023
Cost of purchased power, net	\$ 232	\$ 140
Fuel used in generation facilities	89	382
Total cost of electricity	\$ 321	\$ 522

The Cost of electricity decreased by \$201 million in the three and nine months ended September 30, 2023, March 31, 2024 as compared to the same periods period in 2022, 2023. These decreases were primarily the result of decreased customer demand for the Utility's bundled electric services, higher energy sales lower natural gas market prices, which contributed to the CAISO, and \$48 million recorded as a deduction to the Cost of electricity for income related to DWR grants as authorized by AB 180 for eligible costs incurred to support the extension of Diablo Canyon. These reductions were partially offset by increased decreases in both fuel costs due to higher natural gas prices occurring in early 2023. See Note 2 of the Notes to the Condensed Consolidated Financial Statements in Item 1 for information on the DWR grants.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of purchased power, net	\$ 752	\$ 879	\$ 1,518	\$ 2,016
Fuel used in generation facilities	94	153	522	298
Total cost of electricity	\$ 846	\$ 1,032	\$ 2,040	\$ 2,314

and CAISO market revenues.

Cost of Natural Gas

The Utility's Cost of natural gas includes the costs of procurement, storage and transportation of natural gas, costs to comply with California's cap-and-trade program and realized gains and losses on price risk management activities. See Note 8 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

(in millions)	Three Months Ended March 31,	
	2024	2023
Cost of natural gas sold	\$ 480	\$ 877
Transportation cost of natural gas sold	49	39
Total cost of natural gas	\$ 529	\$ 916

The Cost of natural gas decreased by \$387 million in the three months ended September 30, 2023, March 31, 2024 as compared to the same period in 2022, 2023. These decreases were primarily due to the result of lower natural gas market prices.

Operating and Maintenance

The Cost of natural gas increased Utility's Operating and maintenance expenses decreased by \$43 million, or 2%, in the nine months ended September 30, 2023 March 31, 2024, compared to the same period in 2023. These decreases were primarily due to:

- the recognition of approximately \$420 million of previously deferred expenses authorized in the final 2020 WMCE decision in the three months ended March 31, 2023.

Partially offset by:

- the recognition of approximately \$110 million of previously deferred expenses as a result of the 2023 GRC in the three months ended March 31, 2024, with no comparable costs in 2023; and
- the recognition of approximately \$275 million of previously deferred expenses authorized in the 2022 WMCE proceeding (see "2022 WMCE Application" below) in the three months ended March 31, 2024, with no comparable costs in 2023.

SB 901 Securitization Charges, Net

The Utility's SB 901 securitization charges, net decreased by \$273 million, or 100%, in the three months ended March 31, 2024, compared to the same period in 2023. In the three months ended March 31, 2023, the Utility recorded charges of \$273 million representing the amounts that are refundable to ratepayers as a result of tax benefits realized within income tax expense related to the Fire Victim Trust's sale of PG&E Corporation common stock, with no comparable charges in the same period in 2024. For more information, see Note 5 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

Wildfire-Related Claims, Net of Recoveries

There was no material change to Wildfire-related claims, net of recoveries for the periods presented.

Wildfire Fund Expense

The Utility's Wildfire Fund expense decreased by \$39 million, or 33%, in the three months ended March 31, 2024, compared to the same period in 2023. This decrease was due to the increase in the estimated period of coverage of the Wildfire Fund from 15 to 20 years. For more information, see Note 2 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

Depreciation, Amortization, and Decommissioning

The Utility's Depreciation, amortization and decommissioning expenses decreased by \$55 million, or 5%, in the three months ended March 31, 2024, compared to the same period in 2023. These decreases were primarily due to the recognition of deferred depreciation expense in the first quarter of 2023 as a result of the 2020 WMCE final decision, a reduction to nuclear decommissioning expense as a result of the 2021 Nuclear Decommissioning Cost Triennial Proceeding final decision, and lower depreciation rates authorized in the 2023 GRC.

Interest Income

The Utility's Interest income increased by \$24 million, or 22%, in the three months ended March 31, 2024, compared to the same period in 2023. These increases were primarily due to higher natural gas prices occurring in early 2023 resulting from various factors including higher customer demand, lower storage levels, and regional pipeline constraints.

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cost of natural gas sold	\$ 116	\$ 224	\$ 1,226	\$ 1,070
Transportation cost of natural gas sold	42	33	122	107
Total cost of natural gas	\$ 158	\$ 257	\$ 1,348	\$ 1,177

interest rates earned on regulatory balancing accounts.

Operating and Maintenance Expenses Interest Expense

The Utility's operating expenses that did not impact earnings include certain costs that interest expense increased by \$134 million, or 26%, in the Utility is authorized three months ended March 31, 2024 compared to recover as incurred. If the Utility same period in 2023. These increases were primarily due to spend more than authorized amounts, these expenses could have an impact on earnings. increase in long term debt with higher fixed interest rates and an increase in short-term debt with higher variable interest rates.

Other Income, Net

The Utility's other There was no material change to Other income, net that did not impact earnings includes pension and other post-retirement benefit costs that fluctuate primarily from market and interest rate changes, for the periods presented.

Income Tax Provision (Benefit)

The Utility's Income tax provision increased by \$379 million in the three months ended March 31, 2024, compared to the same period in 2023, primarily due to an decrease in the tax benefit recognized related to the Fire Victim Trust's sale of PG&E Corporation common stock in the three months ended March 31, 2024, compared to the same period in 2023.

The following table reconciles the income tax expense at the federal statutory rate to the income tax provision:

	Three Months Ended March 31,	
	2024	2023
Federal statutory income tax rate	21.0 %	21.0 %
Increase (decrease) in income tax rate resulting from:		
State income tax (net of federal benefit) ⁽¹⁾	2.3 %	(26.7)%
Effect of regulatory treatment of fixed asset differences ⁽²⁾	(13.1)%	(35.6)%
Tax credits	(0.5)%	(0.8)%
Fire Victim Trust ⁽³⁾	— %	(63.0)%
Other, net	(2.7)%	0.2 %
Effective tax rate	7.0 %	(104.9)%

⁽¹⁾ Includes the effect of state flow-through ratemaking treatment.

⁽²⁾ Includes the effect of federal flow-through ratemaking treatment for certain property-related costs. For these temporary tax differences, the Utility recognizes the deferred tax impact in the current period and records offsetting regulatory assets and liabilities. Therefore, the Utility's effective tax rate is impacted as these differences arise and reverse. The Utility recognizes such differences as regulatory assets or liabilities as it is probable that these amounts will be recovered from or returned to customers in future rates. These amounts also reflect the impact of the amortization of excess deferred tax benefits to be refunded to customers as a result of the TCJA.

⁽³⁾ Includes the tax effect of the Fire Victim Trust's sale of PG&E Corporation common stock. For more information, see "Tax Matters" in Item 7. MD&A and Note 6 of the Notes to the Consolidated Financial Statements in Item 8 of the 2023 Form 10-K.

LIQUIDITY AND FINANCIAL RESOURCES

Overview

The Utility's ability to fund operations, finance capital expenditures, make scheduled principal and interest payments, and make distributions to PG&E Corporation depends on the levels of its operating cash flows and access to the capital and credit markets. The CPUC authorizes the Utility's capital structure, the aggregate amount of long-term and short-term debt that the Utility may issue, and the revenue requirements the Utility is able to collect to recover its cost of capital. The Utility generally utilizes retained earnings, equity contributions from PG&E Corporation and long-term debt issuances. The Utility expects to maintain its CPUC-authorized long-term capital structure consisting of 52% common equity, 47.5% long-term debt, be able to generate and 0.5% preferred equity and relies on short-term debt, including its revolving credit facilities, obtain adequate cash to fund temporary financing needs. On May 28, 2020, the CPUC approved a final decision to meet their cash requirements in the Chapter 11 Proceedings OI, which, among other things, grants short-term and in the Utility a temporary, five-year waiver from compliance with its authorized capital structure for the financing in place upon the Utility's emergence from Chapter 11, long-term.

PG&E Corporation's ability to fund operations, make scheduled principal and interest payments, and fund equity contributions to the Utility, and pay dividends depends on the level of cash on hand, cash received from the Utility, and PG&E Corporation's access to the capital and credit markets.

Generally, PG&E Corporation's Corporation and the Utility's Utility expect that capital expenditures, debt maturities, and PG&E Corporation common stock dividends will exceed operating cash flows. As a result, they expect to finance future cash needs in excess of operating cash flows primarily through the capital and credit ratings may be affected by the ultimate outcome of pending enforcement and litigation matters. Credit rating downgrades may impact the cost and availability of short-term borrowings, including credit facilities, and long-term debt costs. In addition, some of the Utility's commodity contracts contain collateral posting provisions tied to the Utility's credit rating from each of the major credit rating agencies. The collateral posting provisions for some of the Utility's power and natural gas commodity and transportation and service agreements state that if the Utility's credit ratings were to fall below investment grade, the Utility would be required to post additional cash immediately to fully collateralize some or all of its net liability positions.

The Utility's annual cost of capital adjustment mechanism provides that in any year during the applicable cost of capital period in which the difference between (i) the average Moody's Baa utility bond rates (as measured in the 12-month period from October of the prior year through September of the year in which the mechanism could trigger (the "Index")) and (ii) 4.37% (based on the 2023 Cost of Capital decision) exceeds 100 basis points, the Utility's ROE will be adjusted by one-half of such difference, and the cost of debt will be trued up to the most recent recorded cost of debt. The Utility is to initiate this adjustment mechanism by filing an advice letter on or before October 15 of the year in which the mechanism is triggered, to become effective on January 1 of the next year. For the period from October 1, 2022 to September 30, 2023, the Index averaged 141 basis points above the Utility's cost of capital benchmark rate of 4.37%. On October 13, 2023, the Utility filed an advice letter indicating that the cost of capital adjustment mechanism had been triggered and requesting to increase the Utility's ROE from 10.0% to 10.7% and its cost of long-term debt from 4.31% to 4.66%.

PG&E Corporation and the Utility have various contractual commitments which impact cash requirements. These commitments are discussed in "Purchase Commitments" in Note 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

As of September 30, 2023 March 31, 2024, PG&E Corporation and the Utility had access to approximately \$4.4 billion of total liquidity comprised of approximately \$265 million of Utility's cash \$324 and cash equivalents, \$131 million of PG&E Corporation's cash and cash equivalents and \$3.8 billion of availability under PG&E Corporation's and the Utility's revolving credit facilities.

Arrearages Related to the COVID-19 Pandemic Credit Ratings

The Utility continues to experience increased arrearages as a result. Credit ratings impact the cost and availability of the COVID-19 pandemic. The principal areas of near-term impact include liquidity, financial results, short-term borrowings, including credit facilities, and business operations, stemming primarily from the ongoing economic hardship long-term debt costs. In addition, some of the Utility's customers, an annual cap set by commodity contracts contain collateral posting provisions tied to the CPUC on the number of service disconnections for residential customers, and the CPUC's "Emergency Authorization and Order Directing Utilities to Implement Emergency Customer COVID-19 Protections." The Utility's accounts receivable balances over 30 days outstanding as of September 30, 2023 were approximately \$1.0 billion, or \$107 million lower than the balance as of December 31, 2022 and \$783 million higher than the balance as of December 31, 2019. The Utility is unable to estimate the portion credit rating from each of the major credit rating agencies. Contracts which may require collateral postings include the Utility's power and natural gas commodity, transportation, services, and environmental products agreements. Because the Utility's credit rating remains below investment grade, the Utility generally does not receive unsecured credit from its energy procurement counterparties and it may be required to increase directly attributable to the COVID-19 pandemic its collateral postings if its credit rating is downgraded.

The Utility established the CPPMA for tracking costs related to the CPUC's emergency authorization and order for the period the CPPMA was in effect. As of September 30, 2023, costs recorded to the CPPMA totaled \$16 million and were reflected in Long-term regulatory assets on the Condensed Consolidated Balance Sheets. In addition to the \$16 million recorded to the CPPMA, the Utility recorded approximately \$450 million of under-collections from residential customers from January 1, 2023 to September 30, 2023 to the RUBA, which is expected to be recovered in 2024 and is reflected in Regulatory balancing accounts receivable on the Condensed Consolidated Balance Sheets.

The COVID-19 pandemic may continue to impact PG&E Corporation and the Utility financially, and PG&E Corporation and the Utility will continue to monitor the overall impact of the COVID-19 pandemic.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents consist of cash and short-term, highly liquid investments with original maturities of three months or less. PG&E Corporation and the Utility maintain separate bank accounts and primarily invest their cash in money market funds. In addition to cash and cash equivalents, the Utility holds restricted cash that primarily consists of AB 1054 and SB 901 fixed recovery charge collections that are to be used to service the associated bonds.

As of March 31, 2024, the Utility had contributed \$435 million to its wholly-owned subsidiary and captive insurance company for the administration of wildfire liability self-insurance, of which approximately \$8 million was classified as Restricted cash due to minimum capital and surplus requirements (see "Self-Insurance" in Note 10 of the Notes to the Condensed Consolidated Financial Statements in Item 1).

Financial Resources

Equity Financings

PG&E Corporation and the Utility does not plan to meet their capital requirements issue any equity in 2024, except for 2023 through internally generated funds and the issuance of long-term and short-term debt, employee compensation purposes. PG&E Corporation and the Utility are also pursuing the potential sale of a minority interest in Pacific Generation. (See "Application with Pacific Generation LLC for Approval to Transfer Non-Nuclear Generation Assets" below.) PG&E Corporation does not plan to issue any equity securities in 2023 or 2024. Factors that could affect PG&E Corporation's planned equity issuances include liquidity and cash flow needs, capital expenditures, interest rates, its share price, its earnings, the timing and outcome of ratemaking proceedings, and the timing and terms of other financings, including the potential sale of a minority interest in Pacific Generation.

Debt Financings

The Utility generally issues first mortgage bonds and secured debt to meet its long-term debt funding requirements.

On January 6, 2023 February 28, 2024, the Utility completed the sale of (i) \$750 million \$850 million aggregate principal amount of 6.150% 5.550% First Mortgage Bonds due 2033 2029, (ii) \$1.1 billion aggregate principal amount of 5.800% First Mortgage Bonds due 2034 and (iii) \$750 million \$300 million aggregate principal amount of 6.750% First Mortgage Bonds due 2053. The Utility used the net proceeds were used for the repayment of borrowings outstanding under the Utility's revolving credit facility pursuant to the Utility Revolving Credit Agreement.

On March 30, 2023, the Utility completed the sale of \$750 million aggregate principal amount of 6.70% First Mortgage Bonds due 2053. The Utility intends to disburse or allocate an amount equal to the net proceeds to finance or refinance, in whole or in part, new or existing eligible green projects Credit Facilities and eligible social projects. Pending full disbursement or allocation of an amount equal to the net proceeds from this offering to finance or refinance eligible projects, the Utility expects to use the net proceeds for the repayment of borrowings outstanding under the Utility Revolving Credit Agreement.

On June 5, 2023, the Utility completed the sale of (i) \$850 million aggregate principal amount of 6.100% First Mortgage Bonds due 2029, (ii) \$1.15 billion aggregate principal amount of 6.400% First Mortgage Bonds due 2033, and (iii) \$500 million aggregate principal amount of 6.750% First Mortgage Bonds due 2053. The proceeds were used for the repayment of \$375 million aggregate principal amount of 3.25% First Mortgage Bonds due June 15, 2023 and for general purposes, including for the repayment of borrowings outstanding under the Utility's revolving credit facility pursuant to the Utility Revolving Credit Agreement. The Utility used the remaining net proceeds to repay the \$500 million aggregate principal amount of 4.25% First Mortgage Bonds due August 1, 2023.

Credit Facilities Term Loans

As of September 30, 2023 March 31, 2024, PG&E Corporation and the Utility had \$500 million and \$3.3 billion available under their respective \$500 million and \$4.4 billion revolving credit facilities. The Utility also has access to the Receivables Securitization Program, under which the Utility may borrow the lesser of the facility limit and the facility availability. The facility limit fluctuates between \$1.25 billion and \$1.5 billion depending on the periods set forth in the transaction documents. Further, the facility availability may vary based on the amount of accounts receivable that the Utility owns that are eligible for sale to the SPV and the portion of those accounts receivable that are sold to the SPV that are eligible for advances by the lenders under the Receivables Securitization Program.

Utility

On April 18, 2023 April 16, 2024, the Utility amended its existing term loan agreement to extend the maturity of the \$125 million combine its \$400 million 2-year tranche loan maturing April 19, 2024 and its \$125 million 364-day tranche loan thereunder from April 19, 2023 to maturing April 16, 2024 into a single loan of \$525 million maturing April 15, 2025. The 364-day tranche loan bears interest based on the Utility's election of either (1) Term Secured Overnight Financing Rate ("SOFR") (plus a 0.10% credit spread adjustment) plus an applicable margin of 1.375%, or (2) the alternative base rate plus an applicable margin of 0.375%.

On June 9, 2023, the Utility entered into an amendment to the Utility Receivables Securitization Program to, among other things, extend the scheduled termination date from September 30, 2024 to June 9, 2025 and increase the low end of the facility limit from \$1.0 billion to \$1.25 billion.

On June 22, 2023, the Utility amended its existing revolving credit agreement to, among other things, (i) extend the maturity date to June 22, 2028 (subject to two one-year extensions at the option of the Utility), (ii) increase the maximum letter of credit sublimit to \$2.0 billion, and (iii) increase the uncommitted incremental facility to up to \$1.0 billion.

PG&E Corporation

On June 22, 2023, PG&E Corporation amended its existing revolving credit agreement to, among other things, extend the maturity date to June 22, 2026 (subject to two one-year extensions at the option of PG&E Corporation).

For more information, see "Credit Facilities" Facilities and Term Loans" in Note 4 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

Other Financings

The Utility is seeking financing through the Energy Infrastructure Reinvestment category of the DOE's Clean Energy Financing Program to help fund California's clean energy transition.

On February 20, 2024, the Utility entered into an agreement with Citizens Energy Corporation ("Citizens") pursuant to which the Utility may lease to Citizens entitlements to certain transmission assets. The costs related to such leased entitlements are and will continue to be excluded from the Utility's FERC transmission rates for the duration of the lease. The Utility may offer Citizens up to five lease options over the term of the agreement, for a total investment by Citizens of up to \$1.0 billion. If Citizens exercises and the parties close on a lease option, the Utility will receive an upfront payment as prepaid rent for that lease, which is expected to average approximately \$200 million per lease, and the rate base associated with the leased entitlements will go into Citizens' rate base, rather than the Utility's, for 30 years. The transactions contemplated by the agreement are subject to FERC and CPUC approval.

Dividends

Utility

On each of December 15, 2022, February 16, 2023, and May 18, 2023 February 13, 2024, the Board of Directors of the Utility declared dividends on its outstanding series of preferred stock totaling \$3.5 million, which were paid on February 15, May 15, and August 15, 2023 \$3.5 million, respectively. On September 14, 2023, the Board of Directors of the Utility declared dividends on its outstanding series of preferred stock totaling \$3.5 million, payable on November 15, 2023, May 15, 2024 to holders of record on October 31, 2023 as of April 30, 2024.

On each of February 16, May 18, and September 14, 2023 February 13, 2024, the Board of Directors of the Utility declared common stock dividends of \$425 million, \$450 million, and \$450 million, which were paid to PG&E Corporation on February 28, June 21, and September 29, 2023, respectively. March 25, 2024.

PG&E Corporation

On December 20, 2017 February 13, 2024, the Boards of Directors of PG&E Corporation suspended quarterly cash dividends on PG&E Corporation common stock, beginning the fourth quarter of 2017. Subject to the dividend restrictions described in Note 7 of the Notes to the Consolidated Financial Statements in Item 8 of the 2022 Form 10-K, any decision to declare and pay dividends on PG&E Corporation's common stock in the future will be made at the discretion of the Board of Directors and will depend on, among other things, results of operations, financial condition, cash requirements, contractual restrictions of PG&E Corporation, and other factors that the Board of Directors of PG&E Corporation may deem relevant. declared a quarterly common stock dividend of \$0.01 per share, totaling \$21 million, which was paid on April 15, 2024, to holders of record as of March 28, 2024.

Utility Cash Flows

PG&E Corporation's condensed consolidated cash flows consist primarily of cash flows related to the Utility. The following discussion presents the Utility's cash flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022.2023.

The Utility's cash flows were as follows:

(in millions)	Nine Months Ended September 30,	
	2023	2022
Net cash provided by operating activities	\$ 4,530	\$ 2,940
Net cash used in investing activities	(6,710)	(8,173)
Net cash provided by financing activities	1,991	5,304

Net change in cash, cash equivalents, and restricted cash	\$	(189)	\$	71
Three Months Ended March 31,				
(in millions)		2024		2023
Net cash provided by operating activities	\$	2,309	\$	1,262
Net cash used in investing activities		(2,930)		(2,140)
Net cash provided by financing activities		769		1,314
Net change in cash, cash equivalents, and restricted cash	\$	148	\$	436

Operating Activities

Net cash provided by operating activities increased by \$1.0 billion, or 83%, during three months ended March 31, 2024 as compared to the same period in 2023. The increase was primarily due to a decrease in amounts paid for natural gas and in amounts paid for repair and restoration work performed during the three months ended March 31, 2024, as compared to the same period in 2023, due to a decrease in natural gas commodity prices and a decrease in declared winter storm events in the Utility's service area, respectively. Additionally, during the three months ended March 31, 2024, there was an increase in collections through rates as a result of the 2023 GRC decision that was issued in November 2023.

The Utility's cash flows from operating activities primarily consist of receipts from customers less payments of operating expenses, other than expenses such as depreciation and amortization that do not require the use of cash. During The Utility's receipts from customers are expected to increase primarily as a result of increases in the nine months ended September 30, 2023, net cash provided by operating activities increased by \$1.6 billion compared to the same period in 2022. The increase was primarily due to wildfire insurance premium payments of \$778 million and a payment made to the Fire Victim Trust of \$592 million during the nine months ended September 30, 2022, with no similar payments made in 2023. Utility's rate base.

Future cash flow from operating activities will be affected by various factors, including:

- the timing and amount of costs in connection with the 2019 Kincade fire, the 2020 Zogg fire, the 2021 Dixie fire, and the 2022 Mosquito fire and the timing and amount of any potential related insurance, including funds available from self-insurance (see "2023 General Rate Case" in the "Regulatory Matters" section below for more information), the Wildfire Fund, and regulatory recoveries;
- the timing and amounts of costs, including fines and penalties, that may be incurred in connection with current and future enforcement, litigation, and regulatory matters (see "Wildfire-Related Securities Litigation" in Note 10 of the Notes to the Condensed Consolidated Financial Statements in Item 1 and "Regulatory Matters" below for more information);
- the ability of the Utility to collect on its customer arrearages resulting from the COVID-19 pandemic;
- the timing and amount of costs in connection with future wildfires and the timing and amount of any potential related insurance, including funds available from self-insurance and the Wildfire Fund (see "Wildfire Fund under AB 1054" in Note 10 of the Notes to the Condensed Consolidated Financial Statements in Item 1), and regulatory recoveries;
- the timing and amount of costs in connection with the 2020-2022 and 2023-2025 WMPs and the costs previously incurred in connection with the 2019 WMP that are not currently being recovered through rates (see "Regulatory Matters" below for more information);
- the timing of the gain to be returned to customers from the sale of the SFGO and transmission tower wireless licenses and the amounts incurred related to the move to and the purchase of the Lakeside Building; and
- the timing and outcomes of the Utility's 2023 GRC and other pending and future ratemaking and regulatory proceedings, including the extent to which PG&E Corporation and the Utility are able to recover their costs through regulated rates as recorded in memorandum accounts or balancing accounts, or as otherwise requested; and
- the timing and amount of electric commodity price volatility and differences between commodity costs and revenue collections.

PG&E Corporation and the Utility do not have any off-balance sheet arrangements that have had, or are reasonably likely to have, a current or future material effect on their financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources, other than those discussed under "Purchase Commitments" in Note 16 of the Notes to the Condensed Consolidated Financial Statements in Item 8 of the 2022 Form 10-K.

Investing Activities

The following table summarizes changes in key components of the Utility's investing cash flows for the three months ended March 31, 2024, compared to March 31, 2023.

(in millions)	Three Months Ended March 31,
Cash used in investing activities - 2023	\$ (2,140)
Capital expenditures	(350)
Net purchases related to customer credit trust investments	(438)
Other investing activities	(2)
Net increase in cash used in investing activities	\$ (790)
Cash used in investing activities - 2024	\$ (2,930)

Net cash used in investing activities decreased increased by \$1.5 billion \$790 million, or 37%, during the nine three months ended September 30, 2023 March 31, 2024 as compared to the same period in 2022, 2023. The decrease increase was primarily driven by a \$1.4 billion decrease in purchases, net of proceeds, due to \$350 million of customer credit trust investments investment purchases in 2024 with no similar transaction in 2023. In addition, capital expenditures increased by \$350 million in 2024 compared to 2023 primarily due to being able to complete more planned capital work in 2024 as result of fewer winter storm events.

The Utility's investing activities primarily consist of the construction of new and replacement facilities necessary to provide safe and reliable electricity and natural gas services to its customers. Cash used in investing activities also includes the proceeds from sales of nuclear decommissioning trust and customer credit trust investments which are partially offset by the amount of cash used to purchase new nuclear decommissioning trust and customer credit trust investments. The funds in the decommissioning trusts, along with accumulated earnings, are used exclusively for decommissioning and dismantling the Utility's nuclear generation facilities. Pursuant to SB 901, the funds in the customer credit trust, along with accumulated earnings, are used exclusively to fund a monthly credit to customers that is anticipated to equal the fixed recovery charges such that the SB 901 securitization is designed to be rate neutral to customers.

Future cash flows used in investing activities are largely dependent on the timing and amount of capital expenditures. The Utility estimates that it will incur between \$7.9 billion and \$11.2 \$10.4 billion of capital expenditures in 2023, 2024. Additionally, future cash flows used in investing activities could be impacted by the timing and amount of contributions to the self-insurance captive (see "Self-Insurance" in Note 10 of the Notes to the Condensed Consolidated Financial Statements in Item 1) and to the customer credit trust, including certain shareholder tax benefits, and \$1.0 billion of cash \$650 million to be contributed by 2025 (see Note 5 of the Notes to the Condensed Consolidated Financial Statements in 2024. Item 1).

Financing Activities

The following table summarizes changes in key components of the Utility's financing cash flows for the three months ended March 31, 2024, compared to March 31, 2023.

(in millions)	Three Months Ended March 31,
Cash provided by financing activities - 2023	\$ 1,314
Net borrowings under credit facilities	(440)
Repayments of long-term debt	(450)
Issuance of long-term debt	36
Proceeds related to DWR Loans	232
Equity contributions from PG&E Corporation, net of dividend payments to PG&E Corporation	105
Other financing activities	(28)
Net decrease in cash provided by financing activities	\$ (545)
Cash provided by financing activities - 2024	\$ 769

Net cash provided by financing activities decreased by \$3.3 billion \$545 million, or 41%, during the nine three months ended September 30, 2023 March 31, 2024 as compared to the same period in 2022, 2023. The decrease was decreases were primarily due to:

- a \$440 million decrease in net borrowings under credit facilities; and
- a \$450 million increase in repayments related to \$7.5 billion long-term debt.

Partially offset by:

- \$232 million in proceeds from SB 901 recovery bonds related to the DWR loan in 2022 2024, with no similar transaction in 2023, partially offset by a \$5.1 billion decrease in long-term debt repayments as compared to 2022. Additionally, the Utility's repayments under revolving credit facilities increased \$1.5 billion during the nine months ended September 30, 2023 as compared to the same period in 2022 2023.

Cash provided by or used in financing activities is driven by the Utility's financing needs, which depend on the level of cash provided by or used in operating activities, the level of cash provided by or used in investing activities, the conditions in the capital markets, and the maturity date or prepayment date of existing debt instruments. Additionally, the Utility's future cash flows from financing activities will be affected by the timing and outcome of future AB 1054 securitization transactions, the timing and outcome of the potential sale of a minority interest in Pacific Generation to one or more investors to be identified and, the timing and outcome of future AB 1054 securitization transactions, dividend payments, and equity contributions from PG&E Corporation, and the payments related to the lease and purchase of Oakland headquarters (see "Oakland Headquarters Lease and Purchase" in Note 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1).

LITIGATION MATTERS

PG&E Corporation and the Utility have significant contingencies arising from their operations, including contingencies related to the enforcement and litigation matters described in Notes 10 and 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1 and in "Regulatory Matters" below that are incorporated by reference herein. The outcome of these matters, individually or in the aggregate, could have a material effect on PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows.

REGULATORY MATTERS

The Utility is subject to substantial regulation by the CPUC, the FERC, the OEIS, the NRC, and other federal and state regulatory agencies. The resolutions of the proceedings described below and other proceedings may materially affect PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows. Except as otherwise noted, PG&E Corporation and the Utility are unable to predict the timing and outcome of the following proceedings.

During the three months ended September 30, 2023 March 31, 2024 and through the date of this filing, key updates to regulatory and legislative matters were as follows:

- On October 13, March 29, 2024, the Utility filed submitted an advice letter indicating application for net recovery of \$418 million of costs associated with extended operations at Diablo Canyon.
- On March 20, 2024, the assigned ALJ in the 2023 Cost of Capital proceeding issued a PD that the cost of capital adjustment mechanism had been triggered. would deny intervenors' petition for modification.
- On October 13, March 15, 2024, the Utility filed its TO21 rate case with CPUC granted the FERC proposing revisions Utility's request to its formula rate. delay \$650 million of contributions to the customer credit trust from 2024 to 2025.
- On October 7, SB 410 became law. SB 410 authorizes March 15, 2024, the CPUC's assigned ALJ issued a ratemaking mechanism to recover distribution line, substation capacity, and new business investments PD that exceed would deny the GRC annual authorized revenue requirements. application regarding Pacific Generation.
- On September 15, March 7, 2024, the CPUC approved a final decision in the WGSC proceeding authorizing the Utility served opening testimony proposing to establish a balancing account recover \$516 million in interim rates to record and recover costs of electric distribution capacity additions and new non-residential electric distribution extension work as part of Phase 2 of the 2023 GRC. be recovered over 12 months starting April 1, 2024.
- On September 13, February 2, 2024, the assigned ALJs CPUC issued a PD final resolution approving an Administrative Consent Order and Agreement between the SED and the assigned Commissioner issued an APD in Utility regarding the Utility's 2023 GRC. 2021 Dixie fire.
- On August 10, December 29, 2023, the OEIS issued a final decision approving the Utility's 2023-2025 WMP, which the CPUC approved the settlement agreement ratified on February 15, 2024. The OEIS issued a safety certificate for the 2021 WMCE proceeding.
- On August 10, the Utility filed an application with the CPUC seeking authorization for a third transaction to finance using securitization up to \$1.38 billion of fire risk mitigation capital expenditure amounts that have been or would be incurred by the Utility from 2019 through the first quarter of 2024. on January 22, 2024.

Cost Recovery Proceedings

Periodically, costs arise that could not have been anticipated by the Utility during CPUC GRC proceedings or that have been deliberately excluded from such requests. These For instance, these costs may result from catastrophic events, changes in regulation, or extraordinary changes in operating practices. The Utility may seek authority to track incremental costs in a memorandum account and the CPUC may authorize recovery of costs tracked in memorandum accounts if the costs are deemed incremental and prudently incurred. The CPUC may also authorize balancing accounts with limitations or caps to on cost recovery. These accounts, which include the CEMA, WEMA, FHPMA, Fire Hazard Prevention Memorandum Account ("FHPMA"), FRMMA, WMPMA, VMBA, WMBA, and RTBA Microgrids Memorandum Account ("MGMA") among others, allow the Utility to track the costs associated with work related to disaster and wildfire response, other wildfire prevention-related costs, certain third-party wildfire claims, and insurance costs. While the Utility generally expects such costs to be recoverable, there can be no assurance that the CPUC will may authorize the Utility to recover less than the full amount of its costs.

In recent years, the amount of the costs recorded in these accounts has increased. Because rate recovery may require CPUC authorization for of the costs in these accounts, there can be a delay between when the Utility incurs costs and when it may recover those costs. As of September 30, 2023 March 31, 2024, the Utility had recorded an aggregate amount of approximately \$5.8 \$4.6 billion in costs for the CEMA, WEMA, FHPMA, FRMMA, WMPMA, VMBA, WMBA, RTBA, and Microgrids Memorandum Account. MGMA. Of these costs, approximately \$1.7 \$1.1 billion was authorized for recovery and accounted for as current, and \$4.1 \$3.5 billion was accounted for as long term as of September 30, 2023 March 31, 2024. See Note 3 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

If the amount of the costs recorded in these accounts continues to increase, or the delay between incurring and recovering costs lengthens, PG&E Corporation and the Utility may incur additional financing costs. If the Utility does not recover the full amount of its recorded costs, the difference between the recorded and recovered amounts would be written off as a non-cash disallowance. Such disallowances could materially affect PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows.

Except as otherwise noted, the Utility is unable to predict the timing and outcome of the following applications. PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows could be materially affected if the Utility is unable to timely recover costs included in these applications.

For more information, see Note 3 of the Notes to the Condensed Consolidated Financial Statements in Item 1, and "Wildfire Mitigation and Catastrophic Events Cost Recovery Applications" and "Wildfire and Gas Safety Costs Recovery Application" below.

The Utility's cost recovery proceedings for the costs described above that are pending, have pending appeals, or were completed during the three months ended **September 30, 2023** **March 31, 2024** are summarized in the following table:

Proceeding	Request ⁽¹⁾	Request	Status
2021 WMCE	Revenue requirement of approximately \$1.47 billion	Partial settlement agreement to recover \$721 million of revenue requirement approved August 2023. Settlement excludes VMBA's \$592 million proposed revenue requirement.	
2022 WMCE	Revenue requirement of approximately \$1.36 \$1.29 billion	Filed December 2022. Decision authorizing \$1.1 billion of interim rate relief adopted June 2023. Partial settlement filed December 2023.	
2023 WMCE	Revenue requirement of approximately \$1.86 billion	Application filed December 2023.	
2023 WGSC	Revenue requirement of approximately \$688 million \$688 million	Application filed June 2023. Decision authorizing \$516 million of interim rate relief adopted March 2024.	

⁽¹⁾ The revenue requirement request amounts do not include interest.

Wildfire Mitigation and Catastrophic Events Cost Recovery Applications

2020 WMCE Application

On September 30, 2020, the Utility filed an application with the CPUC requesting cost recovery of recorded expenditures related to wildfire mitigation and certain catastrophic events (the "2020 WMCE application"). The recorded expenditures, which excluded amounts disallowed as a result of the CPUC's decision in the OII into the multiple wildfires that began on October 8, 2017 and spread through Northern California, including Napa, Sonoma, Butte, Humboldt, Mendocino, Lake, Nevada and Yuba Counties, as well as in the area surrounding Yuba City (the "2017 Northern California wildfires"), and the 2018 Camp fire, consisted of \$1.18 billion in expense and \$801 million in capital expenditures, resulting in a proposed revenue requirement of approximately \$1.28 billion.

The costs addressed in the 2020 WMCE application cover activities mainly during the years 2017 to 2019 and were incremental to those previously authorized in the Utility's 2017 GRC and other proceedings. The majority of costs addressed in this application reflected work necessary to mitigate wildfire risk and to respond to catastrophic events occurring during the years 2017 to 2019. The Utility's requested revenue included amounts for the FHPMA of \$293 million, the FRMMA and the WMPMA of \$740 million, and the CEMA of \$251 million.

On September 21, 2021, the Utility and certain parties filed a motion with the CPUC seeking approval of a settlement agreement that would resolve all of the issues raised by the settling parties in the 2020 WMCE application. The settlement agreement proposes that the Utility recover a revenue requirement of \$1.04 billion. The settlement agreement authorizes the Utility to recover a revenue requirement of \$591 million over a 24-month amortization period beginning March 2023, which is in addition to the interim rate relief of \$447 million that was approved by an earlier CPUC decision. On February 2, 2023, the CPUC approved a final decision adopting the settlement agreement without modifications.

2021 WMCE Application

On September 16, 2021, the Utility filed an application with the CPUC requesting cost recovery of approximately \$1.6 billion of recorded expenditures, resulting in a proposed revenue requirement of approximately \$1.47 billion (the "2021 WMCE application"). The costs addressed in this application reflect costs related to wildfire mitigation and certain catastrophic events, as well as implementation of various customer-focused initiatives. These costs were incurred primarily in 2020.

The recorded expenditures consist of \$1.4 billion in expenses and \$197 million in capital expenditures. The costs addressed in the 2021 WMCE application are incremental to those previously authorized in the Utility's 2017 GRC, 2020 GRC, and other proceedings.

The Utility's requested revenue requirement includes amounts recorded to the VMBA of \$592 million, the CEMA of \$535 million, the WMBA of \$149 million, and other memorandum accounts. On November 18, 2021, the Utility filed updates to the application, increasing total costs by \$19 million. On December 30, 2021, the Utility filed supplemental testimony reducing the cost recovery request of the COVID-19 CEMA costs by \$12 million. The \$12 million reduction was a result of costs, such as employee business travel expenses and in-person training costs, that the Utility was able to avoid due to the pandemic.

On **January 18, 2023** **August 10, 2023**, the Utility, The Utility Reform Network, and the Public Advocates Office of the CPUC filed a joint motion for approval of **approved** a settlement agreement among the Utility and intervenors pursuant to which the Utility would receive began collecting a revenue requirement of \$721 million. On August 10, 2023, the CPUC approved the settlement agreement, and the associated revenue requirement went into rates starting September 1, 2023 to be amortized million over 24 months. months beginning September 1, 2023. The settlement agreement does did not address the Utility's revenue requirement of \$592 million associated with costs recorded to the VMBA, for which cost recovery will be determined separately by the CPUC.

On March 14, 2024, the CPUC extended the deadline to resolve the remaining issues in the proceeding to June 30, 2024.

2022 WMCE Application

On December 15, 2022, the Utility filed an application with the CPUC requesting cost recovery of approximately \$1.36 billion of recorded expenditures, resulting in a proposed revenue requirement of approximately \$1.29 billion (the "2022 WMCE application"). The costs addressed in this application reflect costs related to wildfire mitigation and certain catastrophic events, as well as implementation of various customer-focused initiatives. These costs were incurred primarily in 2021.

The recorded expenditures consist of \$1.2 billion in expenses and \$136 million in capital expenditures. The costs addressed in On June 8, 2023, the 2022 WMCE application are incremental to those previously authorized in CPUC adopted a final decision granting the Utility's 2020 GRC and other proceedings. In connection with the 2022 WMCE application, the Utility also requested interim rate relief of \$1.1 billion to be recovered over 12 months, beginning June 1, 2023 which went into effect July 1, 2023. The remaining \$224 million would will be recovered to the extent it is approved after the CPUC issues a final decision. On June 8, 2023, the CPUC adopted a final decision granting the Utility's request for interim rate relief, which went into effect July 1, 2023. See "2022 WMCE Interim Rate Relief Subject to Refund" in Note 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

On June 23, 2023 December 22, 2023, the ALJ revised Utility filed an unopposed joint settlement with intervenors for an additional \$70 million revenue requirement, which is incremental to the previously approved interim rate relief. If the CPUC adopts the settlement agreement, it would resolve all costs recorded to accounts other than the VMBA and the WMBA. The settlement agreement did not address the Utility's revenue requirement request of \$916 million associated with costs recorded to the VMBA or the WMBA, for which cost recovery will be determined separately by the CPUC.

The CPUC's procedural schedule so indicates that a PD will be issued by the second quarter of 2024.

2023 WMCE Application

On December 1, 2023, the Utility filed an application with the CPUC requesting cost recovery of approximately \$2.18 billion of recorded expenditures, resulting in a proposed revenue requirement of approximately \$1.86 billion (the "2023 WMCE application"). The costs addressed in this application reflect costs related to wildfire mitigation and certain catastrophic events, as well as implementation of various customer-focused initiatives. These costs were incurred primarily in 2022.

The recorded expenditures consist of \$1.6 billion in expenses and \$559 million in capital expenditures. Of these amounts, approximately 15% of expense, or \$239 million, and 30% of capital expenditures, or \$167 million, relate to the Utility's response to the 2022-2023 extreme winter storms CEMA event.

In connection with the 2023 WMCE application, the Utility also requested interim rate relief of \$1.46 billion to be recovered over 12 months beginning March 1, 2024. The remaining \$399 million would be recovered after the CPUC issues a final decision. On January 29, 2024, the Utility filed a supplemental motion for interim rate relief based on an agreement with the Public Advocates Office of the CPUC. Under the supplemental motion, the Utility would recover \$944 million over 17 months, at least \$500 million of which would be recovered in 2024. Following the 17-month period, the Utility would recover the remaining \$515 million amount up to \$1.46 billion.

The CPUC's procedural schedule indicates a final decision by the second quarter of 2025.

Wildfire and Gas Safety Costs Recovery Application

On June 15, 2023, the Utility filed a WGSC application with the CPUC requesting cost recovery of approximately \$2.5 billion of recorded expenditures related to wildfire mitigation costs and gas safety and electric modernization costs.

The recorded expenditures for wildfire mitigation consist of \$726 million in expenses and \$1.5 billion in capital expenditures and cover activities during the years 2020 to 2022. The recorded expenditures for gas safety and electric modernization consist of \$120 million in expenses and \$118 million in capital expenditures and cover activities during the years 2017 to 2022. If approved, the requested cost recovery would result in an aggregate revenue requirement of \$749 \$688 million. The costs addressed in the WGSC application are incremental to those previously authorized in the Utility's 2020 GRC and other proceedings.

The Utility recorded these costs to the memorandum and balancing accounts as set forth in the following table:

	Recorded Costs (in millions)
WMPMA	\$ 2,095
FRMMA	165
Gas storage balancing account ⁽¹⁾	101
In line inspection memorandum account ⁽²⁾	92
Other	45
Total	\$ 2,498

⁽¹⁾ Includes costs for the Utility's natural gas storage facilities, other than Gill Ranch, in excess of amounts authorized in the 2019 GT&S proceeding.

⁽²⁾ Includes (i) capital expenditure costs for traditional in-line inspection upgrade projects in excess of amounts authorized in the 2019 GT&S rate case, (ii) expenses incurred for the associated initial traditional in-line inspection runs and direct examination and repair resulting from those initial runs, and (iii) costs associated with in-line inspection re-assessments.

In connection with the WGSC application, the Utility also requested interim rate relief of \$631 million to be recovered over 12 months. \$583 million. The remaining \$105 million would be recovered after the CPUC issues a final decision. On March 7, 2024, the CPUC approved a final decision authorizing the Utility to recover \$516 million in interim rates to be recovered over at least 12 months starting April 1, 2024.

The Utility ALJ has proposed adopted a schedule that would call for result in a PD on the wildfire mitigation costs by January 2025 and a final decision prior to June 15, 2024, on the gas safety and electric modernization costs by June 2025.

Forward-Looking Rate Cases

The Utility routinely participates in forward-looking rate case applications before the CPUC and the FERC. Those applications include GRCs, where the revenue required for general operations ("base revenue") of the Utility is assessed and reset. In addition, the Utility is periodically involved in "cost of capital" proceedings to adjust its regulated return on rate base. The Utility's future earnings will depend on the revenue requirements authorized in such rate cases.

Decisions in GRC proceedings have historically been expected prior to the commencement of the period to which the rates would apply. In recent years, decisions in GRC proceedings have been delayed. Delayed decisions may cause the Utility to develop its budgets based on possible outcomes, rather than authorized amounts. When decisions are delayed, SB 884 cost application with the CPUC typically provides rate relief to after the Utility effective as of the commencement of the rate case period (not effective as of the date of the delayed decision). Nonetheless, the Utility's spending during the period of the delay may exceed the authorized amount, without an ability for the Utility to seek cost recovery of such excess. If the Utility's spending during the period of the delay is less than the authorized amount, the Utility could be exposed to operational and financial risk associated with the lower level of work achieved compared to that funded by the CPUC.

Except as otherwise noted, the Utility is unable to predict the timing and outcome of the following applications. PG&E Corporation's [OEIS](#) and the Utility's financial condition, results of operations, liquidity, and cash flows could be materially affected depending on the outcomes of these applications. CPUC approve guidelines (see "SB 884 10-Year Distribution Undergrounding Program" below).

The Utility's forward-looking rate cases that are pending, have pending appeals, or were completed during the three months ended [September 30, 2023](#) [March 31, 2024](#) are summarized in the following table:

Rate Case	Request	Status
2023 GRC	Phase 2: balancing account for additional energization costs Revenue requirement	Final decision on Phase 1 issued November 2023. PD on Phase 2 expected by the end of \$15.82 billion for 2023 PD and APD issued September 2023. A final decision is expected in the fourth quarter of 2023/2024.
2023 Cost of Capital	Increase ROE to 11% and cost of debt to 4.31%	Final decision issued December 2022, adopting a 10% ROE. Intervenor application PD that would deny the intervenor petition for modification issued March 2024.
Cost of Capital Adjustment Mechanism	Increase ROE to 10.7% and cost of debt to 4.66%	Approved December 2023.
TO18, TO19, and TO20	See Note 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1	Settlement in principle reached February 2024.
TO21	Revenue requirement of \$2.83 billion for 2024	Accepted except as to CAISO adder December 2023. Request for rehearing denied in August 2023, filed January 2024.

2023 General Rate Case

Phase 1

On [June 30, 2021](#), the Utility filed its 2023 GRC application with the CPUC ("the Original Application"). The 2023 GRC combined what had historically been separated into the GRC and GT&S rate cases. In a GRC, the CPUC approves annual revenue requirements for the first year (a "test year") of the GRC period and typically authorizes the Utility to receive annual increases in revenue requirements for the subsequent years of the GRC period (known as "attrition years"). In the 2023 GRC, the CPUC will determine the annual amount of base revenues that the Utility will be authorized to collect from customers from 2023 through 2026 (the "GRC period") to recover its anticipated costs for gas distribution, gas transmission and storage, electric distribution, and electric generation and to provide the Utility an opportunity to earn its authorized rate of return. The Utility's revenue requirements for other portions of its operations, such as electric transmission, and electricity, natural gas and power purchases, are authorized in other regulatory proceedings overseen by the CPUC or the FERC. In the Original Application, the Utility proposed a series of safety, resiliency, and clean energy investments to further reduce wildfire risk and deliver safe, reliable, and clean energy service.

Between August 2021 and January 2022, the Utility served various updates to its 2023 GRC testimony. On February 25, 2022 and February 28, 2022, the Utility served supplemental testimony for its 2023 GRC to reflect the Utility's integrated wildfire mitigation strategy, including the Utility's proposals for the initial phase of undergrounding 10,000 miles of electric distribution powerlines in high fire risk areas throughout the Utility's service area, the EPSS program, and its enhanced vegetation management program. On March 10, 2022, the Utility filed an amended application that revised and superseded the revenue requirement request in the Original Application. On September 6, 2022, the Utility submitted testimony updating the revenue requirement request in its 2023 GRC proceeding. The testimony reflected updates for escalation rates and federal tax law and guidance since the filing of the Original Application. On December 9, 2022, the Utility submitted a post-hearing reply brief. In the reply brief, the Utility updated the revenue requirement request due to the wildfire insurance settlement dated October 7, 2022 discussed below, stipulations with the parties regarding several disputed issues, and a reduction to the Utility's forecast for wildfire system hardening mileage targets over the 2023 to 2026 rate case period.

Over the GRC period of 2023 through 2026, the Utility plans to make average annual capital investments of approximately \$9.69 billion in gas distribution, transmission and storage, electric distribution, and electric generation infrastructure, and to improve safety, reliability, and customer service.

On January 12, 2023 November 17, 2023, the CPUC approved a settlement agreement among the Utility and two parties to the proceeding pursuant to which the Utility's wildfire liability insurance will be entirely based on self-insurance beginning in 2023. The self-insurance will be funded through CPUC-jurisdictional rates at \$400 million for test year 2023 and subsequent years until \$1.0 billion of unimpaired self-insurance is reached. If losses are incurred, the settlement agreement contains an adjustment mechanism designed to adjust customer funded self-insurance based on the amount of wildfire related liabilities incurred in the previous year. For 2024, 2025, and 2026, if the estimated claims for wildfire events from the immediately preceding year exceed the amount collected for self-insurance in that same year, the self-insurance amount to be collected through rates during the following year would increase by 50% of the difference between the self-insurance amount collected and estimated claims for events in the immediately preceding year. As a result, the Utility could collect the self-insurance amounts over a longer period than it makes wildfire-related payments. The settlement agreement includes a five percent deductible, capped at a maximum of \$50 million, on claims that are incurred each year. The settlement agreement prohibits the Utility from purchasing additional wildfire liability insurance from the commercial insurance market.

On September 13, 2023, the assigned ALJs issued a PD and the assigned Commissioner issued an APD final decision on Phase 1, Tracks 1 and 2.

Track 1

The Utility would be authorized to collect in rates the approved revenue requirement increases beginning January 1, 2024 and to amortize the incremental revenue increases related to 2023 over the period of January 1, 2024 through December 31, 2026.

The following table compares the Track 1 revenue requirements that the PD and APD would authorize with the revenue requirement currently authorized for 2022. For more information, see "Regulatory Matters" in the 2020 GRC and 2019 GT&S proceedings and the revenue requirement requested in the Utility's application as amended and updated:

Year	Revenue Requirement (in billions)					
	Request ⁽¹⁾	PD ⁽²⁾	Difference Between PD and Request		APD ⁽²⁾	Difference Between APD and Request
2022 (as adopted)	\$ 12.21	\$ —	\$ —	\$ —	\$ —	\$ —
2023	15.41	13.82	(1.59)	13.31		(2.10)
2024	16.34	14.47	(1.87)	14.02		(2.32)
2025	16.98	14.73	(2.25)	14.32		(2.66)
2026	17.43	14.85	(2.58)	14.49		(2.94)

⁽¹⁾ Request has been adjusted to exclude amounts related to self-insurance.

⁽²⁾ Per the PD and APD, the Utility shall adjust the revenue requirements to reflect removal of certain costs pending reasonableness review as follows: for 2023 subtraction of \$250 million; for 2024, subtraction of \$239 million; for 2025, subtraction of \$235 million; and for 2026, subtraction of \$226 million.

The key differences between the PD and the APD relate to underground and overhead system hardening and escalation. The PD would authorize funding for 200 miles of undergrounding and 1,800 miles of covered conductor for the GRC period. The APD would authorize funding for 973 miles of undergrounding and 1,027 miles of covered conductor for the GRC period. The Utility most recently had requested 2,000 miles of undergrounding and 320 miles of covered conductor for the GRC period. The PD would also grant the Utility's requested escalation update whereas the APD would grant 25% of the increase in escalation rates.

Track 2

On July 22, 2022, the Utility submitted a request for Track 2 of the GRC proceeding, requesting cost recovery of recorded expenditures related primarily to the safety and reliability of the Utility's gas transmission and storage system incurred from January 2015 to December 2021. The recorded expenditures consist of \$209 million in expenses and \$129 million in capital expenditures. On January 6, 2023, the Utility and the Public Advocates Office of the CPUC filed a motion for approval of a settlement agreement for all amounts at issue in the second track of the proceeding. In the motion, the parties requested that the CPUC approve \$183 million in expense and \$127 million of capital expenditures for recovery through rates.

The PD and APD would each approve the settlement agreement. The settlement agreement would result in a revenue requirement of \$221 million to be recovered over 2023 and 2024.

Rate Base and Capital Additions

The following table compares the weighted-average GRC rate base that the PD and APD would authorize with the weighted-average GRC rate base requested in the Utility's application as amended and updated:

Year	Rate Base (in billions)					
	Request	PD	Difference Between PD and Request		APD	Difference Between APD and Request
2023	\$ 50.4	\$ 47.3	\$ (3.1)	\$ 46.2	\$ —	\$ (4.2)
2024	55.4	50.3	(5.1)	49.0		(6.4)
2025	59.6	52.5	(7.1)	51.1		(8.5)
2026	63.7	54.6	(9.1)	53.5		(10.2)

The PD and APD weighted-average rate base amounts above are subject to removal of up to approximately \$1.0 billion each year pending reasonableness review.

Both the PD and the APD would deny cost recovery through this GRC for a number of costs but give the Utility an opportunity to seek recovery of these costs in future proceedings to the extent they are eligible for cost recovery: capital costs of \$0.9 billion associated with moving the Utility's corporate headquarters to Oakland, California; capital costs of \$1.2 billion and expense costs of \$0.4 billion for rebuilding electric and gas infrastructure following the 2018 Camp fire; capital costs of \$1.3 billion tracked in certain wildfire mitigation and other memorandum accounts; and capital costs of \$0.5 billion for the gas advanced metering infrastructure module replacement project. These costs and the corresponding rate base have been removed from the PD and the APD with the exception of the \$1.3 billion of costs tracked in certain wildfire mitigation and other memorandum accounts.

The Utility's comments on the PD and the APD, as well as comments by other parties, were due on October 3, 2023. Reply comments were filed on October 9, 2023. The CPUC could vote on the PD and the APD as early as November 2, 2023.

Form 10-K.

Phase 2

On September 15, 2023, the Utility served opening testimony proposing to establish a balancing account consistent with SB 410 to record and recover energization costs of electric distribution capacity additions and new non-residential electric distribution extension work incremental to the forecasts of the Utility's Phase 1 2023 GRC. Energization activities include new business connections and capacity-related work to allow for the connections and reduce energization timelines. The Utility proposed to record to the balancing account actual capital expenditures for these programs, with recorded costs for a given year to be recovered through the following year's rates and subject to reasonableness review in the 2027 GRC application. Costs recorded to the account would be subject to an annual cap, which is designed to effectuate an electric distribution average rate impact of no more than 2.5%, calculated based on the Utility's adopted GRC electric distribution revenue requirement for the applicable year beginning in 2024. Based on the Utility's proposed 2024 GRC electric revenue requirement of approximately \$8.5 billion, final decision on Phase 1, the 2.5% cap would equate to approximately \$213 \$183 million of revenue requirement and incremental capital expenditures of approximately \$1.5 \$1.26 billion. A PD on the balancing account proposal is expected in April the second quarter of 2024.

Cost of Capital Proceedings

2023 Cost of Capital Application

On December 19, 2022, the CPUC issued a final decision adopting a new cost of capital including ratemaking capital structure (i.e., the relative weightings of common equity, preferred equity, and debt for ratemaking), ROE, cost of preferred stock, and cost of debt for the Utility's electric generation, electric distribution, natural gas distribution, and natural gas transmission and storage rate base beginning on January 1, 2023. On January 10, 2023, the CPUC issued a decision correcting certain typographical errors in the final decision. See On December 14, 2023, certain intervenors filed a petition for modification requesting that the 2022 Form 10-K 2023 Cost of Capital decision be modified to, among other things, suspend application of the cost of capital adjustment mechanism pending further CPUC decision. On March 20, 2024, the assigned ALJ issued a PD that would deny the petition for modification.

The 2023 cost of capital application also requested that the CPUC approve an upward adjustment above the three-month commercial paper rate for interest on the Utility's balancing and memorandum accounts to reflect the Utility's actual cost of short-term debt. The Utility requested that the adjustment be set on an annual basis effective January 1 of each year based on the average difference between the three-month commercial paper rate and the Utility's actual cost of short-term debt over the preceding twelve-month period from November through October. The decision deferred consideration of the proposal to a second phase of the proceeding. On September 20, 2023, the The assigned ALJ issued has set a ruling identifying the remaining issues to be addressed in the second phase of schedule that would fully resolve the proceeding and outlining a proposed process and schedule to resolve the remaining issues, by October 31, 2024.

Cost of Capital Adjustment Mechanism

On October 13, 2023, the Utility filed an advice letter indicating that the cost of capital adjustment mechanism had been triggered and requesting to increase the Utility's ROE from 10.0% to 10.7% and its cost of long-term debt from 4.31% to 4.66%.

The Utility's annual cost of capital adjustment mechanism provides that in any year during the applicable cost of capital period in which the difference between (i) the average Moody's Baa utility bond rates (as measured in the 12-month period from October of the prior year through September of the year in which the mechanism could trigger (the "Index")) and (ii) 4.37% (based on the 2023 Cost of Capital decision) exceeds 100 basis points, the Utility's ROE will be adjusted by one-half of such difference, and the cost of debt will be trued up to the most recent recorded cost of debt. The Utility is to initiate this adjustment mechanism by filing an advice letter on or before October 15 of the year in which the mechanism is triggered, to become effective on January 1 of the next year. For the period from October 1, 2022 to September 30, 2023, the Index averaged 141 basis points above the Utility's cost of capital benchmark rate of 4.37%, triggering the adjustment mechanism for the rest of the Cost of Capital period.

Transmission Owner Rate Cases

On December 22, 2023, the CPUC approved the Utility's advice letter. As a result, the Utility is authorized to collect a revenue requirement of \$328 million, based on the 2023 GRC rate base, effective January 1, 2024. Starting on January 1, 2024, the Utility's authorized ROE increased from 10.0% to 10.7%, its authorized cost of long-term debt increased from 4.31% to 4.66%, and the benchmark has been updated to 5.78%. On January 12, 2024, several intervenors submitted a request for the CPUC to review the December 22, 2023 approval of the advice letter.

Transmission Owner Rate Case for 2017 (the "TO18" rate case)

On July 29, 2016, the Utility filed its TO18 rate case with the FERC requesting a 2017 retail electric transmission revenue requirement of \$1.72 billion, a \$387 million increase over the 2016 revenue requirement of \$1.33 billion. The forecasted network transmission rate base for 2017 was \$6.7 billion. The Utility sought a ROE of 10.9%, which included an incentive component of 50-basis points for the Utility's continuing participation in the CAISO.

On October 15, 2020, the FERC issued an order that, among other things, rejected the Utility's direct assignment of common plant to FERC and required the allocation of all common plant between CPUC and FERC jurisdiction be based on operating and maintenance labor ratios. The order reopened the record for the limited purpose of allowing the participants to the proceeding an opportunity to present written evidence concerning the FERC's revised ROE methodology adopted in FERC Opinion No. 569-A, issued on May 21, 2020.

On December 17, 2020 and June 17, 2021, the FERC issued orders denying requests for rehearing submitted by the Utility and intervenors. In 2021, the Utility filed four appeals. The appeals related to two issues: (1) impact of the TCJA on TO18 rates in January and February 2018 and (2) aspects of the rehearing order other than the TCJA. The appeals have been consolidated and are being held in abeyance until the FERC addresses the ROE issue on rehearing.

As a result of an order denying rehearing on the common plant allocation, the Utility increased its regulatory liabilities for amounts previously collected during the TO18, TO19, and TO20 rate case periods from 2017 through the third quarter of 2023 by approximately \$479 million. A portion of these common plant costs are expected to be recovered at the CPUC in a separate application and as a result, as of September 30, 2023, the Utility had recorded approximately \$297 million to Regulatory assets.

On March 17, 2022, the FERC issued a further order in the TO18 rate case proceeding finding that 9.26% is the just and reasonable base ROE for the Utility. With the incentive component of 50-basis points for the Utility's continuing participation in the CAISO, the resulting ROE would be 9.76%. As a result, the Utility increased its regulatory liability for the potential refund for TO18 by \$30 million in the first quarter of 2022. On April 18, 2022, the Utility and several other parties sought rehearing of the FERC's determination of the base ROE finding. On May 19, 2022, the FERC denied all parties' rehearing requests. The Utility has filed an appeal in the D.C. Circuit Court of Appeals, as have the other parties that sought rehearing. The appeal is being held in abeyance until the FERC issues a substantive order on rehearing on the ROE issue.

On May 16, 2022 and May 31, 2022, the Utility filed a compliance filing and a refund report describing the adjustments made to the transmission revenue requirement, adjusted rates, and the calculation and mechanism of the refunds based on the FERC's TO18 orders, including the orders on common plant, depreciation, the TCJA, and ROE. On May 18, 2023, the FERC issued an order rejecting a revised compliance filing regarding the TCJA. On June 20, 2023, the Utility filed a further compliance filing and a request for rehearing of the FERC's order. On July 21, 2023, the FERC issued an order denying rehearing by operation of law. The Utility has filed an appeal in the D.C. Circuit Court of Appeals. The appeal has been consolidated with the other appeals from the FERC's TO18 orders and is being held in abeyance until the FERC addresses the ROE issue on rehearing. For the TCJA issue, on September 27, 2023, the Utility submitted a request for a private letter ruling with the IRS to obtain clarification regarding the appropriate disposition of the matter. The outcome of the private letter ruling may impact the outcome of the Utility's request for rehearing. The Utility expects to issue the refund after the FERC issues a decision on the compliance filing.

Aside from the ultimate outcome of the ROE rehearing request and the common plant allocation, the FERC's orders in the TO18 proceeding are not expected to result in a material impact on the Utility's financial condition, results of operations, liquidity, and cash flows. Some of the issues that will be decided in a final and unappealable TO18 decision, including the common plant allocation, will also be incorporated into the Utility's TO19 and TO20 rate cases. The ROE rehearing request will not impact the TO20 rate case. See "Transmission Owner Rate Case Revenue Subject to Refund" in Note 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

Transmission Owner Rate Case for 2018 (the "TO19" rate case)

On July 27, 2017, the Utility filed its TO19 rate case with the FERC. On December 20, 2018, the FERC issued an order approving an all-party settlement filed by the Utility. As part of the settlement, the TO19 revenue requirement will be set at 98.85% of the revenue requirement for TO18 that will be determined upon the issuance of a final, non-appealable TO18 decision. On March 17, 2022, the Ninth Circuit Court of Appeals upheld the FERC's order granting the Utility the 50-basis point ROE incentive adder for CAISO participation and eliminating the refund obligation, and so the Utility was not obligated to make a refund to customers based on this matter. For a discussion of the incentive adder, see "Transmission Owner Rate Cases for 2015 and 2016" in Item 7. MD&A in the 2022 Form 10-K. As a result of the potential reduction to the TO18 revenue requirement, the Utility increased its regulatory liability for the potential refund for TO19 by \$32 million in the first quarter of 2022. On April 18, 2022, the Utility sought rehearing of the FERC's determination of the base ROE finding.

Transmission Owner Rate Case for 2019 (the "TO20" rate case)

As disclosed in the 2022 Form 10-K, the Utility uses a formula rate for the costs associated with the Utility's FERC-jurisdictional electric transmission facilities, which the FERC accepted, with May 1, 2019 as the effective date for rate changes. Pursuant to a settlement agreement, which the FERC has approved, the Utility has an all-in ROE of 10.45%; a fixed capital structure of 49.75% common stock, 49.75% debt, and 0.5% preferred stock; and fixed depreciation rates for various categories of transmission facilities (represented by individual FERC accounts). The term of the settlement continues until December 31, 2023. The Utility filed a replacement rate filing (see "Transmission Owner Rate Case for 2024" below) on October 13, 2023 to be effective on January 1, 2024.

Some of the issues that will be decided in a final and unappealable TO18 decision, including the common plant allocation, will also be incorporated into the Utility's TO20 rate case.

Under its formula rate, the Utility submits an annual update to the FERC each December for rates to go into effect on January 1 of the following year. Parties have protested the Utility's annual updates, and these protests are pending before the FERC.

On October 24, 2023, the Utility filed a waiver request for certain inputs to the formula related to the cost of long-term debt and certain underwriting fees. The waiver request is pending before the FERC.

Transmission Owner Rate Case for 2024 (the "TO21" rate case)

On October 13, 2023, the Utility filed its TO21 rate case with the FERC. In the filing, the Utility forecasts a 2024 retail electric transmission revenue requirement of \$2.83 billion. The proposed amount reflects an approximately 11% decrease over the current rate year 2023 retail revenue requirement of \$3.18 billion, due in part to a refund to customers (see "Transmission Owner Rate Case Revenue Subject to Refund" in Note 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1) and a potential transaction to lease entitlements associated with certain transmission assets (see "Liquidity and Financial Resources - Other Financings" above). The Utility made investments of approximately \$1.22 billion in 2023 and forecasts that it will make investments of approximately \$1.22 billion and \$1.43 billion for 2023 and 2024 respectively, for various capital

projects to be placed in service before the end of 2024. The Utility has requested that FERC approve a 12.37% base return on equity ROE as well as a 0.5% adder for its participation in the CAISO. The TO21 filing also addresses the Utility's capital structure and several new issues including wildfire self-insurance recovery from transmission customers. On December 29, 2023, the FERC issued an order accepting the TO21 filing subject to refund, establishing a January 1, 2024 effective date, and establishing a settlement and hearing process, but rejecting the 0.5% ROE adder for participation in the CAISO. On January 29, 2024, the Utility filed a request for rehearing of the FERC's rejection of the 0.5% ROE adder. On February 29, 2024, the FERC issued a notice of denial of rehearing by operation of law. FERC's denial indicated that substantive issues related to rehearing will be addressed in a future order. On April 22, 2024, the Utility filed an appeal of the FERC's order in the Court of Appeals for the Ninth Circuit.

Other Regulatory Proceedings

2020-2022 Wildfire Mitigation Plans

On February 25, 2022, the Utility submitted the 2022 WMP. The 2022 WMP addressed the Utility's wildfire safety programs and initiatives focused on reducing the potential for catastrophic wildfires related to electrical equipment, reducing the potential for fires to spread, and reducing the impact of PSPS events. On November 10, 2022, OEIS approved the Utility's 2022 WMP. On December 15, 2022, the CPUC ratified OEIS's approval.

On February 26, 2023, OEIS issued its final Annual Report on Compliance ("ARC") for the Utility's 2020 WMP. In the final ARC, OEIS found that the Utility undertook significant efforts to reduce its wildfire risk and, in many instances, achieved its stated objectives and targets but found that the Utility did not substantially comply with the WMP during the 2020 compliance period. On March 24, 2023, the Utility filed a writ in the California superior court seeking judicial review of the OEIS ARC on the grounds that OEIS failed to utilize the compliance evaluation criteria adopted by the CPUC. If the court sustains the ARC's finding that the Utility did not substantially comply with the WMP during the 2020 compliance period, the CPUC is required to issue penalties for the finding of noncompliance. PG&E Corporation and the Utility cannot reasonably estimate whether they will incur a loss in connection with the ARC or the amount of any such loss, as the writ is pending in state court and because any penalty issued by CPUC depends upon various factors.

2023-2025 Wildfire Mitigation Plan

On March 27, 2023, the Utility submitted the 2023-2025 WMP. The 2023-2025 WMP addresses the Utility's wildfire safety programs and initiatives focused on reducing the potential for catastrophic wildfires related to electrical equipment and reducing the customer impact of EPSS and PSPS events. On June 22, 2023 December 29, 2023, the OEIS issued a revision notice requiring final decision approving the Utility's 2023-2025 WMP. On February 15, 2024, the CPUC ratified the OEIS's approval. On January 8, 2024, the Utility filed a change order request to address eight critical issues. reflect spend amounts approved in the 2023 GRC final decision.

The Utility submitted the response updates to the revision notice WMP for 2025 on August 7, 2023. On September 27, 2023 April 2, 2024, the Utility submitted additional information on the revision notice response to the OEIS. The OEIS is scheduled to issue a draft decision for the 2023-2025 WMP by November 14, 2023. A final decision is expected from the OEIS by December 29, 2023.

OIR to Revisit Net Energy Metering Tariffs

On August 17, 2020, the CPUC initiated a rulemaking proceeding to develop a successor to the existing NEM tariffs. The successor tariff is being developed pursuant to the requirements of AB 327. Under AB 327, the successor to the existing NEM tariffs should provide customer-generators with credit or compensation for electricity generated by their renewable facilities based on the value of that generation to all customers and allow customer-sited renewable generation to grow sustainably among different types of customers.

On November 10, 2022, the CPUC withdrew a previously-issued PD and issued a new PD. On December 19, 2022, the CPUC issued a final decision. The final decision will reduce the NEM subsidy by, in large part, reducing the bill credits for exported energy to avoided cost levels for new customers interconnecting under the successor tariff established as directed by the final decision. For new non-CARE customers interconnecting under the successor tariff, the subsidy is reduced by about 60% for standalone solar and about 45% for solar-paired storage. The decision will also reduce the subsidy for new commercial customers interconnecting under the successor tariff by about 35%. The decision declined to adopt a charge to recover grid and infrastructure costs for new or existing customers and, instead, defers to the ongoing Demand Flexibility OIR, which is considering income-based fixed charges for all customers. The decision does, however, clarify that charges adopted in the Demand Flexibility OIR will apply to NEM and successor tariff customers. The final decision does not reform the legacy period for existing NEM customers.

On January 18, 2023, intervenors filed an application for rehearing. On June 30, 2023, the CPUC denied the application.

On May 4, 2023, intervenors filed in the California Court of Appeal a petition for writ of review of the CPUC's decision. On September 14, 2023, the appellate court granted review and will hold oral argument on a date to be determined. OEIS.

Application with Pacific Generation LLC for Approval to Transfer Non-Nuclear Generation Assets

On September 28, 2022, the Utility filed an application with the CPUC regarding the separation of the Utility's non-nuclear generation assets into a newly formed, stand-alone Utility subsidiary, Pacific Generation. The application, which was filed jointly with Pacific Generation, seeks to establish Pacific Generation as a separate, rate-regulated utility subject to regulation by the CPUC and contemplates the potential sale of a minority interest in Pacific Generation to one or more investors to be identified. The application proposes that the negotiated transaction documents would be submitted to the CPUC via an advice letter. On January 20, 2023 March 15, 2024, the CPUC assigned ALJ issued a scoping memo. On March 30, 2023, PD that would deny the ALJ modified the procedural schedule, pursuant to which a PD would be issued by January 2024. Parties filed opening briefs on September 18, 2023 and reply briefs on October 5, 2023, application.

On December 13, 2022, the Utility and Pacific Generation filed an application with a similar request with the FERC and also filed a related application with the FERC requesting the transfer of certain hydro licenses to Pacific Generation. On May 31, 2023, the FERC issued an order approving the transfer of FERC-jurisdictional assets from the Utility to Pacific Generation of FERC-jurisdictional assets. Generation.

Self-Reports to the CPUC

The Utility self-reports potential violations of certain requirements to the CPUC. The Utility could face penalties, enforcement actions, or other adverse legal or regulatory consequences for these potential violations, including under the EOEP. For more information about the EOEP, see "PG&E Corporation and the Utility are subject to the Enhanced Oversight and Enforcement Process" in Item 1A. Risk Factors in the 2022 Form 10-K. The Utility is unable to predict the likelihood and the amount of potential fines or penalties, if any, related to these matters.

Electric Asset Inspections

The Utility has notified the CPUC of various errors relating to inspections and maintenance of its electric assets or implementation of WMP initiatives. These notices include missed inspections or the inability to locate records evidencing performance of inspections required under CPUC GOs 95 and 165 and errors regarding reporting meeting targets set by the Utility's 2020 WMP. In these notices, the Utility describes the failures and corrective actions the Utility is taking to remediate these issues and to prevent recurrence. Among other corrective measures, the Utility has developed short-term and longer-term systemic corrective actions to address these errors, including performing enhanced inspections for poles with outdated or incomplete GO 165 inspection records and strengthening the Utility's asset registry, as well as corrective actions regarding reporting on the progress toward WMP targets.

On October 26, 2022, the Utility notified the CPUC that the Utility's procedure for wood pole replacements did not comply with CPUC requirements for replacement of poles under certain conditions and, in some instances, the Utility failed to replace wood poles with safety factors below the required minimum. Among other short- and longer-term corrective measures, the Utility is replacing identified poles on a risk prioritized basis and revising its wood pole replacement procedures in alignment with CPUC requirements. On December 22, 2022 and February 1, 2024, the Utility submitted an update to the CPUC explaining the Utility had identified a population of wood poles that had not received intrusive inspections in accordance with GO 165's deadlines due to legacy issues, which should no longer be an issue due to changes in Utility procedures. As of September 30, 2023, the Utility completed the intrusive tests, and as of October 2, 2023, the Utility completed an end-to-end assessment of the wood pole test and treat program to proactively identify and address potential issues.

The Utility continues to evaluate whether there are additional failures to comply with GO 95 and 165, beyond those identified in submitted self-reports. The Utility intends to update the CPUC upon completion of its reviews and to address any issues it identifies.

Order Instituting an Investigation into PG&E Corporation's and the Utility's Safety Culture

On August 27, 2015, the CPUC began a formal investigation into whether the organizational culture and governance of PG&E Corporation and the Utility prioritize safety and adequately direct resources to promote accountability and achieve safety goals and standards (the "Safety Culture OII"). The CPUC directed the SED to evaluate the Utility's and PG&E Corporation's organizational culture, governance, policies, practices, and accountability metrics in relation to the Utility's record of operations, including its record of safety incidents.

On April 13, 2023, the ALJ issued a PD that would close this proceeding but allow for the continued monitoring of the Utility's safety culture through an advice letter process. On May 19, 2023, the CPUC issued a final order closing the proceeding and implementing the proposed advice letter process to allow for further monitoring.

Extension of Diablo Canyon Operations

On September 2, 2022, SB 846 became law. SB 846 supports the extension of operations at Diablo Canyon through no later than 2030, with the potential for an earlier retirement date. Under the legislation, the Utility would continue to operate Diablo Canyon on behalf of all CPUC-jurisdictional load serving entities ("LSEs"), and all customers of those load serving entities LSEs would be responsible for the cost of extended operations.

The key remaining steps to continued operations include are NRC license renewal and approvals from California state agencies. If either is not received, agencies, including the Utility would retire Unit 1 in 2024 and Unit 2 in 2025 as previously approved by the CPUC.

The Utility expects to submit a new application for license renewal with the NRC by the end of 2023. On March 2, 2023, the NRC approved the Utility's exemption request to allow continued operations at Diablo Canyon past the plant's current licenses. This exemption will allow the Utility, similar to exemptions granted to other utilities, to continue operating both units at Diablo Canyon while the Utility's license renewal application is under review.

Consistent with SB 846, the CPUC, the California Energy Resources Conservation and Development Commission, California State Lands Commission, California Coastal Commission, and other state agencies will need to determine that extended operations represents an appropriate path to meet California's reliability, affordability, and environmental goals.

On February 28, 2023, and in consultation with agencies. In 2023, the CAISO and Utility received approvals from the CPUC, the California Energy Resources Conservation and Development Commission, determined that it is prudent to extend the operation of Diablo Canyon to support electric system reliability through 2030.

The Utility leases land from the state for the water intake structure, breakwaters, cooling water discharge channel, and other structures on state land associated with Diablo Canyon. On June 7, 2023, the California State Lands Commission, approved an extension of the Utility's lease at Diablo Canyon through October 31, 2030.

On August 15, 2023, the and California State Water Resources Control Board approved the Utility's plan for once-through cooling at Diablo Canyon. Board.

On September 26, 2023 November 7, 2023, the California Energy Resources Conservation Utility submitted an application for license renewal with the NRC. On December 19, 2023, the NRC deemed the application sufficient, which allows continued operations at Diablo Canyon past the plant's current licenses.

On March 29, 2024, the Utility submitted an application for net recovery through rates of approximately \$418 million of costs associated with extended operations at Diablo Canyon for the period from 2023 through 2025. The request represents approximately \$1.2 billion of forecasted expenditures and Development Commission issued collectible revenues

authorized by SB 846, offset by forecasted market revenues of \$813 million. The Utility expects to update its net recovery request in the draft report concluding that no suitable supply-side resources can be brought online as alternatives fourth quarter of 2024, before the CPUC issues a final decision, to Diablo Canyon's energy reflect updated market conditions and capacity output prior to the planned retirement dates in 2024 and 2025, potential cost revisions.

Application for Third AB 1054 Securitization Transaction

AB 1054 provides that the first \$5.0 billion expended in the aggregate by California's three large electric IOUs on fire risk mitigation capital expenditures included in their respective approved WMPs will be excluded from their respective equity rate bases. The \$5.0 billion of capital expenditures has been allocated among the large electric IOUs in accordance with their Wildfire Fund allocation metrics. The Utility's allocation is \$3.21 billion. AB 1054 contemplates that such capital expenditures may be financed using a structure that securitizes a dedicated customer charge.

On August 10, 2023, the Utility filed an application with the CPUC seeking authorization for a third transaction to use securitization to finance using securitization the recovery of up to \$1.38 billion \$1.38 billion of fire risk mitigation capital expenditure amounts that have been or would be incurred by the Utility from August 1, 2019 through the first second quarter of 2024. The \$1.38 billion reflected \$187 million recorded capital expenditure amounts that were approved by the CPUC in the 2020 GRC, \$350 million capital expenditure amounts that were approved by the CPUC in the 2020 WMCE proceeding, and up to \$843 million forecasted capital expenditure amounts pending in the 2023 GRC. These amounts were not included in the first or second securitization transactions. The final amount to be financed using securitization would be based on actual recorded and authorized capital expenditures incurred by the Utility prior to the securitization transaction and not to exceed the remaining \$1.38 billion of the Utility's AB 1054 allocation. If approved, the Utility anticipates the transaction will result in the last securitization of AB 1054 capital expenditure amounts subject to the equity rate base exclusion.

The application requested that the CPUC issue a financing order authorizing one or more series of recovery bonds, determine that the issuance of the bonds and collection through fixed recovery charges is just and reasonable, consistent with the public interest, would reduce rates on a present-value basis compared to traditional utility financing mechanisms, and authorize the Utility to collect a non-bypassable charge sufficient to pay debt service on the recovery bonds. The application also requested that

On February 16, 2024, the CPUC exclude the securitized debt from issued a final decision approving the Utility's ratemaking capital structure and adjust the Utility's 2020 GRC, 2020 WMCE proceeding, and 2023 GRC revenue requirements following the issuance of the recovery bonds.

The Utility has requested a financing order be issued within 180 days after the filing of the application on August 10, 2023, application.

SB 884 10-Year Distribution Undergrounding Program

On September 13, 2023 March 7, 2024, the CPUC released approved a Staff Proposal for its SB 884 Program (the "SB 884 Proposal"). If adopted, the SB 884 Proposal would establish resolution that establishes an expedited utility distribution infrastructure undergrounding program pursuant to Public Utilities Code Section 8388.5(a). The SB 884 Proposal resolution addresses the process and requirements for the CPUC's review of any large electrical corporation's 10-year distribution infrastructure undergrounding plan and conditional approval of its related costs.

On October 16, 2023 December 13, 2023, the OEIS issued a request for comments as part of its ongoing process to develop guidelines for its program.

The Utility anticipates that the OEIS and the CPUC will issue final SB 884 guidelines by the end of 2023 or beginning of 2024, in mid-2024. The Utility expects to submit its SB 884 undergrounding plan to the OEIS in early 2024 after final guidelines are issued before submitting its SB 884 cost application to the CPUC, as directed in Public Utilities Code Section 8388.5.

LEGISLATIVE AND REGULATORY INITIATIVES

Inflation Reduction Act

In 2022, the Inflation Reduction Act became law. The Inflation Reduction Act includes a 15% corporate alternative minimum tax on the adjusted financial statement income ("AFSI") of corporations with average AFSI exceeding \$1.0 billion over a three-year period, effective January 1, 2023. The law also extends and modifies existing tax credits and creates new tax credits for qualifying investments on renewable and clean energy sources and energy storage. The U.S. Department of the Treasury and the IRS have broad authority to issue and have issued regulations and guidance to implement its provisions. PG&E Corporation and the Utility continue to evaluate the totality of the law, the regulations issued in connection with it, and its impact on qualifying investments.

The Inflation Reduction Act also added a new Energy Infrastructure Reinvestment ("EIR") category to the DOE's Clean Energy Financing Program. The Utility is seeking financing through the EIR to help fund California's clean energy transition.

Revenue Procedure 2023-15

On April 14, 2023, the IRS issued Revenue Procedure 2023-15, which provides a safe harbor method for determining natural gas repairs deductions for income tax purposes. PG&E Corporation and the Utility are continuing to evaluate the impact of the revenue procedure.

Senate Bill 410

On October 7, 2023, SB 410 became law. SB 410 authorizes electrical corporations to request, and requires the CPUC to approve, a ratemaking mechanism to recover distribution line, substation capacity, and new business investments that exceed the GRC annual authorized revenue requirements, up to an annual cap. Amounts recorded to the related balancing account would be reviewed for reasonableness in the following GRC.

ENVIRONMENTAL MATTERS

The Utility's operations are subject to extensive federal, state, and local laws and permits relating to the protection of the environment and the safety and health of the Utility's personnel and the public. These laws and requirements relate to a broad range of the Utility's activities, including the remediation of hazardous substances; the reporting and reduction of carbon dioxide and other greenhouse gas emissions; the discharge of pollutants into the air, water, and soil; the reporting of safety and reliability measures for natural gas storage facilities; and the transportation, handling, storage, and disposal of spent nuclear fuel. See "Environmental Remediation Contingencies" in Note 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q, quarterly report, as well as "Item 1A. Risk Factors" and Note 16 of the Notes to the Consolidated Financial Statements in Item 8 of the 2022 Form 10-K.

RISK MANAGEMENT ACTIVITIES

PG&E Corporation, mainly through its ownership of the Utility, and the Utility are exposed. There have been no material changes to risks associated with adverse changes in commodity prices, interest rates, and counterparty credit.

The Utility actively manages market risk through risk management programs designed to support business objectives, discourage unauthorized risk-taking, reduce commodity cost volatility, and manage cash flows. The Utility uses derivative instruments only for risk mitigation purposes and not for speculative purposes. The Utility's risk management activities include the use of physical and financial instruments such as forward contracts, futures, swaps, options, and other instruments and agreements, most of which are accounted for as derivative instruments. Some contracts are accounted for as leases. The Utility manages credit risk associated with its counterparties by assigning credit limits based on evaluations of their financial conditions, net worth, credit ratings, and other credit criteria as deemed appropriate. Credit limits and credit quality are monitored periodically. These activities are discussed in detail in the 2022 Form 10-K. There were no significant developments to the Utility's and PG&E Corporation's risk management activities during the nine three months ended September 30, 2023 March 31, 2024. These activities are discussed in detail in Item 7 of the 2023 Form 10-K.

CRITICAL ACCOUNTING ESTIMATES

The preparation of There have been no material changes to the Condensed Consolidated Financial Statements in accordance with GAAP involves the use of estimates Utility's and assumptions that affect the recorded amounts of assets and liabilities as of the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. PG&E Corporation and the Utility consider their Corporation's critical accounting policies for regulatory assets and liabilities, loss contingencies associated with environmental remediation liabilities and legal and regulatory matters, AROs, contributions to the Wildfire Fund, and pension and other post-retirement benefit plans to be critical accounting policies. These policies are considered critical accounting estimates due, in part, to their complexity and because their application is relevant and material to the financial position and results of operations of PG&E Corporation and the Utility, and because these policies require the use of material judgments and estimates. Actual results may differ materially from these estimates and assumptions, during three months ended March 31, 2024. These accounting estimates and their key characteristics are discussed in detail in Item 7 of the 2022 Form 10-K.

ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

See Note 2 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PG&E CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)

		(Unaudited)					
		(Unaudited)					
		(Unaudited)					
		(Unaudited)					
		Three Months Ended September 30,				Nine Months Ended September 30,	
		2023		2022		2023	
Operating Revenues	Operating Revenues						
Operating Revenues							
Operating Revenues							
Electric							
Electric							
Electric	Electric	\$	4,507	\$	3,895	\$	12,478
Natural gas	Natural gas		1,381		1,499		4,909
Natural gas							
Natural gas							
Total operating revenues							
Total operating revenues							

Total operating revenues	Total operating revenues	5,888	5,394	17,387	16,310
Operating Expenses	Operating Expenses				
Operating Expenses					
Operating Expenses					
Cost of electricity					
Cost of electricity					
Cost of electricity	Cost of electricity	846	1,032	2,040	2,314
Cost of natural gas	Cost of natural gas	158	257	1,348	1,177
Cost of natural gas					
Cost of natural gas					
Operating and maintenance					
Operating and maintenance					
Operating and maintenance	Operating and maintenance	3,139	2,250	8,252	7,651
SB 901 securitization charges, net	SB 901 securitization charges, net	346	—	908	40
SB 901 securitization charges, net					
SB 901 securitization charges, net					
Wildfire-related claims, net of recoveries					
Wildfire-related claims, net of recoveries					
Wildfire-related claims, net of recoveries	Wildfire-related claims, net of recoveries	(32)	9	(35)	153
Wildfire Fund expense	Wildfire Fund expense	219	118	453	353
Wildfire Fund expense					
Wildfire Fund expense					
Depreciation, amortization, and decommissioning					
Depreciation, amortization, and decommissioning					
Depreciation, amortization, and decommissioning	Depreciation, amortization, and decommissioning	811	1,002	2,885	2,915
Total operating expenses	Total operating expenses	5,487	4,668	15,851	14,603
Total operating expenses					
Total operating expenses					
Operating Income					
Operating Income					
Operating Income	Operating Income	401	726	1,536	1,707
Interest income	Interest income	154	43	409	70
Interest income					
Interest income					
Interest expense					
Interest expense					
Interest expense	Interest expense	(682)	(525)	(1,924)	(1,355)
Other income, net	Other income, net	62	118	213	246
Income (Loss) Before Income Taxes		(65)	362	234	668
Income tax benefit		(416)	(97)	(1,099)	(629)
Other income, net					
Other income, net					
Income Before Income Taxes					
Income Before Income Taxes					
Income Before Income Taxes					
Income tax provision (benefit)					

Income tax provision (benefit)						
Income tax provision (benefit)						
Net Income						
Net Income	Net Income	351	459	1,333	1,297	
Preferred stock dividend requirement of subsidiary	Preferred stock dividend requirement of subsidiary	3	3	10	10	
Preferred stock dividend requirement of subsidiary	Preferred stock dividend requirement of subsidiary					
Preferred stock dividend requirement of subsidiary	Preferred stock dividend requirement of subsidiary					
Income Available for Common Shareholders						
Income Available for Common Shareholders	Income Available for Common Shareholders	\$ 348	\$ 456	\$ 1,323	\$ 1,287	
Weighted Average Common Shares Outstanding, Basic	Weighted Average Common Shares Outstanding, Basic	2,111	1,987	2,041	1,987	
Weighted Average Common Shares Outstanding, Basic	Weighted Average Common Shares Outstanding, Basic					
Weighted Average Common Shares Outstanding, Basic	Weighted Average Common Shares Outstanding, Basic					
Weighted Average Common Shares Outstanding, Diluted	Weighted Average Common Shares Outstanding, Diluted					
Weighted Average Common Shares Outstanding, Diluted	Weighted Average Common Shares Outstanding, Diluted					
Weighted Average Common Shares Outstanding, Diluted	Weighted Average Common Shares Outstanding, Diluted					
Net Income Per Common Share, Basic	Net Income Per Common Share, Basic	\$ 0.16	\$ 0.23	\$ 0.65	\$ 0.65	
Net Income Per Common Share, Basic	Net Income Per Common Share, Basic					
Net Income Per Common Share, Diluted	Net Income Per Common Share, Diluted					
Net Income Per Common Share, Diluted	Net Income Per Common Share, Diluted	\$ 0.16	\$ 0.21	\$ 0.62	\$ 0.60	

See accompanying Notes to the Condensed Consolidated Financial Statements.

PG&E CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

(Unaudited)						
		Three Months Ended		Nine Months Ended		
		September 30,	September 30,	2023	2022	2023
		March 31,				
		2024				
		2024				
		2024				
Three Months Ended						
March 31,						
2024						
2024						
2024						

Net Income					
Net Income					
Net Income	Net Income	\$351	\$459	\$1,333	\$1,297
Other	Other				
Comprehensive	Comprehensive				
Income	Income				
Other Comprehensive Income					
Other Comprehensive Income					
Pension and other postretirement benefit plans obligations (net of taxes of \$0, \$0, \$0, and \$0, respectively)		—	—	—	—
Net unrealized gains (losses) on available-for-sale securities (net of taxes of \$0, \$5, \$2, and \$7, respectively)	(2)	(12)	3	(17)	
Net unrealized gains (losses) on available-for-sale securities (net of taxes of \$1 and \$2, respectively)					
Net unrealized gains (losses) on available-for-sale securities (net of taxes of \$1 and \$2, respectively)					
Net unrealized gains (losses) on available-for-sale securities (net of taxes of \$1 and \$2, respectively)					
Total other comprehensive income (loss)					
Total other comprehensive income (loss)					
Total other comprehensive income (loss)	Total other comprehensive income (loss)	(2)	(12)	3	(17)
Comprehensive	Comprehensive				
Income	Income	349	447	1,336	1,280
Comprehensive Income					
Comprehensive Income					
Preferred stock dividend requirement of subsidiary					
Preferred stock dividend requirement of subsidiary					
Preferred stock dividend requirement of subsidiary	Preferred stock dividend requirement of subsidiary	3	3	10	10
Comprehensive	Comprehensive				
Income	Income				
Available for	Available for				
Common	Common				
Shareholders	Shareholders	\$346	\$444	\$1,326	\$1,270
Comprehensive Income Available for Common Shareholders					
Comprehensive Income Available for Common Shareholders					

See accompanying Notes to the Condensed Consolidated Financial Statements.

PG&E CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

		(Unaudited)	
		(Unaudited)	
		(Unaudited)	
ASSETS	ASSETS	September 30, 2023	December 31, 2022
ASSETS	ASSETS		
ASSETS	ASSETS		
Current Assets	Current Assets		
Current Assets	Current Assets		
Cash and cash equivalents	Cash and cash equivalents	\$ 589	\$ 734
Restricted cash (includes \$368 million and \$201 million related to VIEs at respective dates)		373	213
Cash and cash equivalents			
Cash and cash equivalents			
Restricted cash (includes \$345 million and \$282 million related to VIEs at respective dates)			
Restricted cash (includes \$345 million and \$282 million related to VIEs at respective dates)			
Restricted cash (includes \$345 million and \$282 million related to VIEs at respective dates)			
Accounts receivable	Accounts receivable		
Customers (net of allowance for doubtful accounts of \$537 million and \$166 million at respective dates) (includes \$1.78 billion and \$2.47 billion related to VIEs, net of allowance for doubtful accounts of \$537 million and \$166 million at respective dates)		2,178	2,645
Accrued unbilled revenue (includes \$1.13 billion and \$1.16 billion related to VIEs at respective dates)		1,305	1,304
Accounts receivable			
Accounts receivable			
Customers (net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates) (includes \$1.8 billion and \$1.7 billion related to VIEs, net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates)			
Customers (net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates) (includes \$1.8 billion and \$1.7 billion related to VIEs, net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates)			
Customers (net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates) (includes \$1.8 billion and \$1.7 billion related to VIEs, net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates)			
Accrued unbilled revenue (includes \$1.2 billion and \$1.1 billion related to VIEs at respective dates)			
Accrued unbilled revenue (includes \$1.2 billion and \$1.1 billion related to VIEs at respective dates)			
Accrued unbilled revenue (includes \$1.2 billion and \$1.1 billion related to VIEs at respective dates)			
Regulatory balancing accounts			
Regulatory balancing accounts			
Regulatory balancing accounts	Regulatory balancing accounts	4,954	3,264

Other	Other	1,179	1,624
Other			
Other			
Regulatory assets			
Regulatory assets			
Regulatory assets	Regulatory assets	355	296
Inventories	Inventories		
Inventories			
Inventories			
Gas stored underground and fuel oil			
Gas stored underground and fuel oil			
Gas stored underground and fuel oil	Gas stored underground and fuel oil	66	91
Materials and supplies	Materials and supplies	822	751
Materials and supplies			
Materials and supplies			
Wildfire Fund asset			
Wildfire Fund asset			
Wildfire Fund asset	Wildfire Fund asset	450	460
Other	Other	538	1,433
Other			
Other			
Total current assets			
Total current assets			
Total current assets	Total current assets	12,809	12,815
Property, Plant, and Equipment	Property, Plant, and Equipment		
Property, Plant, and Equipment			
Property, Plant, and Equipment			
Electric			
Electric			
Electric	Electric	78,729	74,772
Gas	Gas	29,574	28,226
Gas			
Gas			
Construction work in progress	Construction work in progress	4,580	4,137
Financing lease right of use asset and other		788	19
Construction work in progress			
Construction work in progress			
Financing lease ROU asset and other			
Financing lease ROU asset and other			
Financing lease ROU asset and other			
Total property, plant, and equipment			
Total property, plant, and equipment			
Total property, plant, and equipment	Total property, plant, and equipment	113,671	107,154
Accumulated depreciation	Accumulated depreciation	(32,625)	(30,946)
Accumulated depreciation			
Accumulated depreciation			
Net property, plant, and equipment			
Net property, plant, and equipment			

Net property, plant, and equipment	Net property, plant, and equipment	81,046	76,208
Other Noncurrent Assets	Other Noncurrent Assets		
Other Noncurrent Assets			
Regulatory assets			
Regulatory assets			
Regulatory assets	Regulatory assets	16,444	16,443
Customer credit trust	Customer credit trust	319	745
Customer credit trust			
Customer credit trust			
Nuclear decommissioning trusts	Nuclear decommissioning trusts	3,410	3,297
Operating lease right of use asset		625	1,311
Nuclear decommissioning trusts			
Nuclear decommissioning trusts			
Operating lease ROU asset			
Operating lease ROU asset			
Operating lease ROU asset			
Wildfire Fund asset			
Wildfire Fund asset	Wildfire Fund asset	4,410	4,847
Income taxes receivable	Income taxes receivable	9	9
Other (includes noncurrent accounts receivable of \$0 and \$17 million related to VIEs, net of noncurrent allowance for doubtful accounts of \$0 and \$1 million at respective dates)		3,937	2,969
Income taxes receivable			
Income taxes receivable			
Other			
Other			
Other			
Total other noncurrent assets			
Total other noncurrent assets			
Total other noncurrent assets	Total other noncurrent assets	29,154	29,621
TOTAL ASSETS	TOTAL ASSETS	\$ 123,009	\$ 118,644
TOTAL ASSETS			
TOTAL ASSETS			

See accompanying Notes to the Condensed Consolidated Financial Statements.

PG&E CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share amounts)

		(Unaudited)			
		Balance at			
		September	December		
		30, 2023	31, 2022		
		(Unaudited)			
		Balance at			
		March 31, 2024			

Current Liabilities		Current Liabilities		Current Liabilities	
Short-term borrowings	Short-term borrowings	\$ 580	\$ 2,055		
Long-term debt, classified as current (includes \$173 million and \$168 million related to VIEs at respective dates)		3,599	2,268		
Long-term debt, classified as current (includes \$177 million and \$176 million related to VIEs at respective dates)					
Accounts payable	Accounts payable				
Trade creditors					
Trade creditors	Trade creditors	2,689	2,888		
Regulatory balancing accounts	Regulatory balancing accounts	1,573	1,658		
Other	Other	805	778		
Operating lease liabilities	Operating lease liabilities	85	231		
Financing lease liabilities	Financing lease liabilities	254	—		
Interest payable (includes \$137 million and \$116 million related to VIEs at respective dates)		592	626		
Interest payable (includes \$136 million and \$67 million related to VIEs at respective dates)					
Wildfire-related claims	Wildfire-related claims	1,508	1,912		
Other	Other	3,487	3,372		
Total current liabilities	Total current liabilities	15,172	15,788		
Noncurrent Liabilities	Noncurrent Liabilities			Noncurrent Liabilities	
Long-term debt (includes \$10.51 billion and \$10.31 billion related to VIEs at respective dates)		50,343	47,742		
Long-term debt (includes \$10.4 billion and \$10.4 billion related to VIEs at respective dates)					
Regulatory liabilities	Regulatory liabilities	18,884	17,630		
Pension and other postretirement benefits	Pension and other postretirement benefits	220	231		
Asset retirement obligations	Asset retirement obligations	5,990	5,912		
Deferred income taxes	Deferred income taxes	2,181	2,732		

Operating lease liabilities	Operating lease liabilities	540	1,243
Financing lease liabilities	Financing lease liabilities	559	—
Other	Other	4,736	4,291
Total noncurrent liabilities	Total noncurrent liabilities	83,453	79,781
Equity	Equity		Equity
Shareholders' Equity	Shareholders' Equity		Shareholders' Equity
Common stock, no par value, authorized 3,600,000,000 and 3,600,000,000 shares at respective dates; 2,133,508,181 and 1,987,784,948 shares outstanding at respective dates		31,041	32,887
Treasury stock, at cost; 67,743,590 and 247,743,590 shares at respective dates		(688)	(2,517)
Common stock, no par value, authorized 3,600,000,000 and 3,600,000,000 shares at respective dates; 2,137,156,228 and 2,133,597,758 shares outstanding at respective dates			
Treasury stock, at cost; 0 and 0 shares at respective dates			
Reinvested earnings	Reinvested earnings	(6,219)	(7,542)
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(2)	(5)
Total shareholders' equity	Total shareholders' equity	24,132	22,823
Noncontrolling Interest - Preferred Stock of Subsidiary	Noncontrolling Interest - Preferred Stock of Subsidiary	252	252
Total equity	Total equity	24,384	23,075
TOTAL LIABILITIES AND EQUITY	TOTAL LIABILITIES AND EQUITY	\$ 123,009	\$ 118,644

See accompanying Notes to the Condensed Consolidated Financial Statements.

PG&E CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

(Unaudited)

		(Unaudited)				(Unaudited)	
		Nine Months Ended September 30,		Three Months Ended March 31,			
		2023	2022			2024	2023
Cash Flows from Operating Activities	Cash Flows from Operating Activities	Cash Flows from Operating Activities					
Net income	Net income	\$1,333	\$1,297				
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation, amortization, and decommissioning	Depreciation, amortization, and decommissioning	2,885	2,915				
Depreciation, amortization, and decommissioning	Depreciation, amortization, and decommissioning						
Bad debt expense	Bad debt expense	552	126				
Allowance for equity funds used during construction	Allowance for equity funds used during construction	(123)	(138)				
Deferred income taxes and tax credits, net	Deferred income taxes and tax credits, net	(570)	53				
Wildfire Fund expense	Wildfire Fund expense	453	352				
Wildfire Fund expense	Wildfire Fund expense						
Other	Other	328	541				
Other	Other						
Effect of changes in operating assets and liabilities:	Effect of changes in operating assets and liabilities:						
Accounts receivable	Accounts receivable						
Accounts receivable	Accounts receivable	112	(515)				
Wildfire-related insurance receivable	Wildfire-related insurance receivable	356	127				
Inventories	Inventories	(46)	(152)				
Accounts payable	Accounts payable	331	607				
Wildfire-related claims	Wildfire-related claims	(404)	(528)				
Other current assets and liabilities	Other current assets and liabilities	190	(551)				

Other current assets and liabilities			
Other current assets and liabilities			
Regulatory assets, liabilities, and balancing accounts, net	Regulatory assets, liabilities, and balancing accounts, net	(246)	(1,239)
Other noncurrent assets and liabilities			
Other noncurrent assets and liabilities			
Other noncurrent assets and liabilities	Other noncurrent assets and liabilities	(881)	(183)
Net cash provided by operating activities	Net cash provided by operating activities	4,270	2,712
Cash Flows from Investing Activities	Cash Flows from Investing Activities		
Capital expenditures	Capital expenditures	(7,101)	(7,411)
Proceeds from sales and maturities of nuclear decommissioning trust investments	Proceeds from sales and maturities of nuclear decommissioning trust investments	1,226	2,135
Proceeds from sales and maturities of nuclear decommissioning trust investments			
Proceeds from sales and maturities of nuclear decommissioning trust investments			
Purchases of nuclear decommissioning trust investments	Purchases of nuclear decommissioning trust investments	(1,302)	(2,129)
Proceeds from sales and maturities of customer credit trust investments	Proceeds from sales and maturities of customer credit trust investments	455	79
Purchases of customer credit trust investments		—	(1,017)
Purchases of customer credit investments			
Other	Other	11	25
Net cash used in investing activities	Net cash used in investing activities	(6,711)	(8,318)
Cash Flows from Financing Activities	Cash Flows from Financing Activities		
Borrowings under credit facilities	Borrowings under credit facilities	7,658	7,325
Repayments under credit facilities	Repayments under credit facilities	(8,817)	(7,364)

Proceeds from issuance of long-term debt, net of premium, discount and issuance costs of \$61 and \$35 at respective dates	4,690	4,265
Proceeds from issuance of long-term debt, net of premium, discount and issuance costs of \$9 and \$27 at respective dates		
Proceeds from issuance of long-term debt, net of premium, discount and issuance costs of \$9 and \$27 at respective dates		
Proceeds from issuance of long-term debt, net of premium, discount and issuance costs of \$9 and \$27 at respective dates		
Repayments of long-term debt	Repayments of long-term debt	(896) (5,980)
Proceeds from issuance of SB 901 recovery bonds, net of financing fees of \$0 and \$36 at respective dates	—	7,464
Repayment of AB 1054 recovery bonds	Repayment of AB 1054 recovery bonds	(38) —
Repayment of SB 901 recovery bonds	Repayment of SB 901 recovery bonds	(67) —
Repayment of AB 1054 recovery bonds		
Repayment of AB 1054 recovery bonds		
Common stock dividends paid		
Common stock dividends paid		
Common stock dividends paid		
Proceeds from DWR loan		
Other	Other	(74) (4)
Net cash provided by financing activities	Net cash provided by financing activities	2,456 5,706
Net change in cash, cash equivalents, and restricted cash	Net change in cash, cash equivalents, and restricted cash	15 100
Cash, cash equivalents, and restricted cash at January 1	Cash, cash equivalents, and restricted cash at January 1	947 307
Cash, cash equivalents, and restricted cash at September 30	Cash, cash equivalents, and restricted cash at September 30	\$ 962 \$ 407
Cash, cash equivalents, and restricted cash at March 31		
Less: Restricted cash and restricted cash equivalents	Less: Restricted cash and restricted cash equivalents	(373)
Cash and cash equivalents at September 30	Cash and cash equivalents at September 30	\$ 589
Cash and cash equivalents at March 31		\$ 262

Supplemental disclosures of cash flow information		Supplemental disclosures of cash flow information	
Cash paid for:		Cash paid for:	
Interest, net of amounts capitalized	Interest, net of amounts capitalized	\$ (1,761)	\$ (1,295)
Supplemental disclosures of noncash investing and financing activities		Supplemental disclosures of noncash investing and financing activities	
Capital expenditures financed through accounts payable	Capital expenditures financed through accounts payable	\$ 1,068	\$ 1,177
Operating lease liabilities arising from obtaining right-of-use assets		269	397
Operating lease liabilities arising from ROU assets			
Financing lease liabilities arising from obtaining right-of-use assets		52	—
Reclassification of operating lease liabilities to financing lease liabilities		913	—
Changes to PG&E Corporation common stock and treasury stock in connection with the Share Exchange and Tax Matters Agreement		(1,829)	—
Forgiveness of DWR loan for performance-based disbursements earned		102	—
Financing lease liabilities arising from obtaining ROU assets			
Financing lease liabilities arising from obtaining ROU assets			

Financing lease liabilities
arising from obtaining ROU
assets

Changes to PG&E
Corporation common stock
and treasury stock in
connection
with share exchanges with
the Fire Victim Trust

Changes to PG&E
Corporation common stock
and treasury stock in
connection
with share exchanges with
the Fire Victim Trust

Changes to PG&E
Corporation common stock
and treasury stock in
connection
with share exchanges with
the Fire Victim Trust

DWR loan
forgiveness
and
performance-
based
disbursements
Common
stock
dividends
declared but
not yet paid



See accompanying Notes to the Condensed Consolidated Financial Statements.

PG&E CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(in millions, except share amounts)

	Common Stock		Treasury Stock		Reinvested Earnings	Other (Loss)	Accumulated Comprehensive Income	Total Shareholders' Equity	Non- controlling Interest -		Preferred Stock of Subsidiary	Total Equity
	Shares	Amount	Shares	Amount					(\$)	(\$)		
	Balance at December 31, 2022	1,987,784,948	\$ 32,887	247,743,590	\$ (2,517)	\$ (7,542)	\$ (5)	\$ 22,823	\$ 252	\$ 23,075		
Net income	—	—	—	—	572	—	—	572	—	—	572	
Other comprehensive income	—	—	—	—	—	—	5	5	—	—	5	
Common stock issued, net	7,989,135	(610)	—	—	—	—	—	—	(610)	—	(610)	
Treasury stock disposition	—	—	(60,000,000)	610	—	—	—	610	—	—	610	
Stock-based compensation												
amortization	—	(63)	—	—	—	—	—	—	(63)	—	(63)	
Preferred stock dividend requirement of subsidiary	—	—	—	—	(3)	—	—	(3)	—	—	(3)	
Balance at March 31, 2023	1,995,774,083	32,214	187,743,590	(1,907)	(6,973)	—	—	23,334	252	—	23,586	
Net income	—	—	—	—	410	—	—	410	—	—	410	
Common stock issued, net	67,007,576	(609)	—	—	—	—	—	—	(609)	—	(609)	
Treasury stock disposition	—	—	(60,000,000)	609	—	—	—	609	—	—	609	
Stock-based compensation												
amortization	—	23	—	—	—	—	—	23	—	—	23	
Preferred stock dividend requirement of subsidiary	—	—	—	—	(4)	—	—	(4)	—	—	(4)	

Balance at June 30, 2023	2,062,781,659	31,628	127,743,590	(1,298)	(6,567)	—	23,763	252	24,015
Net income	—	—	—	—	351	—	351	—	351
Other comprehensive loss	—	—	—	—	—	(2)	(2)	—	(2)
Common stock issued, net	70,726,522	(610)	—	—	—	—	(610)	—	(610)
Treasury stock disposition	—	—	(60,000,000)	610	—	—	610	—	610
Stock-based compensation amortization	—	23	—	—	—	—	23	—	23
Preferred stock dividend requirement of subsidiary	—	—	—	—	(3)	—	(3)	—	(3)
Balance at September 30, 2023	2,133,508,181	\$ 31,041	67,743,590	\$ (688)	\$ (6,219)	\$ (2)	\$ 24,132	\$ 252	\$ 24,384

PG&E CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(in millions, except share amounts)

	Common Stock		Common Stock		Treasury Stock		Accumulated		Non-controlling	
									Other	Total
	Shares	Amount	Shares	Amount	Reinvested Earnings	Comprehensive Income	Shareholders' Equity	Interest - Preferred Stock of Subsidiary	Interest - Total Subsidiary Equity	
Balance at December 31, 2023										
Balance at December 31, 2023										
Balance at December 31, 2023										
Balance at December 31, 2023										
Net income										
Other comprehensive loss										
Common stock issued, net										
Stock-based compensation amortization										
Common stock dividends declared										
Preferred stock dividend requirement of subsidiary										
Balance at March 31, 2024										
	Common Stock		Treasury Stock		Accumulated		Non-controlling			
	Shares	Amount	Shares	Amount	Reinvested Earnings	Comprehensive Income	Shareholders' Equity	Interest - Preferred Stock of Subsidiary	Interest - Total Subsidiary Equity	
Balance at December 31, 2021	1,985,400,540	\$ 35,129	477,743,590	\$ (4,854)	\$ (9,284)	\$ (20)	\$ 20,971	\$ 252	\$ 21,223	
Net income	—	—	—	—	478	—	478	—	478	
Common stock issued, net	2,072,050	(407)	—	—	—	(407)	—	(407)	(407)	

Treasury stock										
disposition	—	—	(40,000,000)	407	—	—	407	—	407	
Stock-based compensation										
amortization	—	4	—	—	—	—	4	—	4	
Preferred stock dividend requirement of subsidiary in arrears	—	—	—	—	(59)	—	(59)	—	(59)	
Preferred stock dividend requirement of subsidiary	—	—	—	—	(2)	—	(2)	—	(2)	
Balance at March 31,										
2022	1,987,472,590	34,726	437,743,590	(4,447)	(8,867)	(20)	21,392	252	21,644	
Net income	—	—	—	—	360	—	360	—	360	
Other comprehensive loss	—	—	—	—	—	(5)	(5)	—	(5)	
Common stock issued, net	195,630	(609)	—	—	—	—	(609)	—	(609)	
Treasury stock disposition	—	—	(60,000,000)	609	—	—	609	—	609	
Stock-based compensation										
amortization	—	24	—	—	—	—	24	—	24	
Preferred stock dividend requirement of subsidiary	—	—	—	—	(4)	—	(4)	—	(4)	
Balance at June 30, 2022	1,987,668,220	34,141	377,743,590	(3,838)	(8,511)	(25)	21,767	252	22,019	
Net income	—	—	—	—	459	—	459	—	459	
Other comprehensive loss	—	—	—	—	—	(12)	(12)	—	(12)	
Common stock issued, net	31,865	—	—	—	—	—	—	—	—	
Stock-based compensation										
amortization	—	23	—	—	—	—	23	—	23	
Preferred stock dividend requirement of subsidiary	—	—	—	—	(3)	—	(3)	—	(3)	
Balance at September 30, 2022	1,987,700,085	\$ 34,164	377,743,590	\$ (3,838)	\$ (8,055)	\$ (37)	\$ 22,234	\$ 252	\$ 22,486	

	Non-controlling interest - Preferred									
	Common Stock		Treasury Stock		Accumulated Other				Total Shareholders' Stock of Subsidiary	
	Shares	Amount	Shares	Amount	Reinvested Earnings	Comprehensive Income	(Loss)	Equity	Preferred	Total Equity
Balance at December 31, 2022	1,987,784,948	\$ 32,887	247,743,590	\$ (2,517)	\$ (7,542)	\$ (5)	\$ 22,823	\$ 252	\$ 23,075	
Net income	—	—	—	—	572	—	572	—	572	
Other comprehensive income	—	—	—	—	—	5	5	—	—	5
Common stock issued, net	7,989,135	(610)	—	—	—	—	—	(610)	—	(610)
Treasury stock disposition	—	—	(60,000,000)	610	—	—	—	610	—	610
Stock-based compensation										
amortization	—	(63)	—	—	—	—	—	(63)	—	(63)

Preferred stock dividend requirement of subsidiary	—	—	—	—	(3)	—	—	(3)	—	(3)
Balance at March 31, 2023	<u>1,995,774,083</u>	<u>\$ 32,214</u>	<u>187,743,590</u>	<u>\$ (1,907)</u>	<u>\$ (6,973)</u>	<u>—</u>	<u>\$ 23,334</u>	<u>\$ 252</u>	<u>\$ 23,586</u>	

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(in millions)

		(Unaudited)									
		(Unaudited)									
		(Unaudited)									
				(Unaudited)							
				Three Months Ended September 30,				Nine Months Ended September 30,			
				2023		2022		2023		2022	
Operating Revenues	Operating Revenues										
Operating Revenues											
Operating Revenues											
Electric	Electric	\$ 4,507	\$ 3,895	\$ 12,478	\$ 11,743						
Natural gas	Natural gas	1,381	1,499	4,909	4,567						
Natural gas	Natural gas										
Total operating revenues											
Total operating revenues											
Total operating revenues	Total operating revenues	<u>5,888</u>	<u>5,394</u>	<u>17,387</u>	<u>16,310</u>						
Operating Expenses	Operating Expenses										
Operating Expenses											
Cost of electricity	Cost of electricity	846	1,032	2,040	2,314						
Cost of natural gas	Cost of natural gas	158	257	1,348	1,177						
Cost of natural gas	Cost of natural gas										
Operating and maintenance	Operating and maintenance										
Operating and maintenance	Operating and maintenance										
Operating and maintenance	Operating and maintenance	3,136	2,248	8,241	7,565						
SB 901 securitization charges, net	SB 901 securitization charges, net	346	—	908	40						
SB 901 securitization charges, net	SB 901 securitization charges, net										
SB 901 securitization charges, net	SB 901 securitization charges, net										
Wildfire-related claims, net of recoveries	Wildfire-related claims, net of recoveries										
Wildfire-related claims, net of recoveries	Wildfire-related claims, net of recoveries										
Wildfire-related claims, net of recoveries	Wildfire-related claims, net of recoveries	(32)	9	(35)	153						
Wildfire Fund expense	Wildfire Fund expense	219	118	453	353						
Wildfire Fund expense	Wildfire Fund expense										
Depreciation, amortization, and decommissioning	Depreciation, amortization, and decommissioning										

Depreciation, amortization, and decommissioning	Depreciation, amortization, and decommissioning	811	1,002	2,885	2,915
Total operating expenses	Total operating expenses	5,484	4,666	15,840	14,517
Total operating expenses	Total operating expenses				
Operating Income	Operating Income				
Operating Income	Operating Income				
Operating Income	Operating Income	404	728	1,547	1,793
Interest income	Interest income	151	42	401	71
Interest income					
Interest income					
Interest expense					
Interest expense	Interest expense	(594)	(458)	(1,667)	(1,175)
Other income, net	Other income, net	62	127	210	415
Other income, net					
Other income, net					
Income Before Income Taxes	Income Before Income Taxes				
Taxes	Taxes	23	439	491	1,104
Income tax benefit		(397)	(51)	(1,035)	(516)
Income Before Income Taxes	Income Before Income Taxes				
Income tax provision (benefit)					
Income tax provision (benefit)					
Income tax provision (benefit)					
Net Income	Net Income				
Net Income	Net Income				
Net Income	Net Income	420	490	1,526	1,620
Preferred stock dividend requirement	Preferred stock dividend requirement	3	3	10	10
Preferred stock dividend requirement					
Preferred stock dividend requirement					
Income Available for Common Stock	Income Available for Common Stock	\$ 417	\$ 487	\$ 1,516	\$ 1,610
Income Available for Common Stock	Income Available for Common Stock				
Income Available for Common Stock	Income Available for Common Stock				

See accompanying Notes to the Condensed Consolidated Financial Statements

PACIFIC GAS AND ELECTRIC COMPANY

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)**

(Unaudited)				
Three	Months	Ended	Nine Months	Ended
September	September	30,	September	30,
2023	2022	2023	2022	(Unaudited)
Three Months Ended				
March 31,				
2024				

		2024			
		2024			
Net Income					
Net Income	Net Income	\$420	\$490	\$1,526	\$1,620
Other	Other				
Comprehensive	Comprehensive				
Income	Income				
Pension and other post-retirement benefit plans obligations (net of taxes of \$0, \$0, \$0, and \$0, respectively)	1	—	1	1	
Net unrealized gains (losses) on available-for-sale securities (net of taxes of \$0, \$5, \$2, and \$7, respectively)	(3)	(12)	3	(17)	
Other Comprehensive Income					
Other Comprehensive Income					
Net unrealized gains (losses) on available-for-sale securities (net of taxes of \$1 and \$2, respectively)					
Net unrealized gains (losses) on available-for-sale securities (net of taxes of \$1 and \$2, respectively)					
Net unrealized gains (losses) on available-for-sale securities (net of taxes of \$1 and \$2, respectively)					
Total other comprehensive income (loss)					
Total other comprehensive income (loss)					
Total other comprehensive income (loss)	Total other comprehensive income (loss)	(2)	(12)	4	(16)
Comprehensive	Comprehensive				
Income	Income	\$418	\$478	\$1,530	\$1,604
Comprehensive Income					
Comprehensive Income					

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions)

		(Unaudited)			
		(Unaudited)		(Unaudited)	
ASSETS	ASSETS	Balance at		Balance at	
		September	December		
		30, 2023	31, 2022		
ASSETS	ASSETS				
Current Assets	Current Assets				
Cash and cash equivalents	Cash and cash equivalents	\$ 265	\$ 609		

Restricted cash (includes \$368 million and \$201 million related to VIEs at respective dates)	368	213
Restricted cash (includes \$345 million and \$282 million related to VIEs at respective dates)		
Accounts receivable	Accounts receivable	
Customers (net of allowance for doubtful accounts of \$537 million and \$166 million at respective dates) (includes \$1.78 billion and \$2.47 billion related to VIEs, net of allowance for doubtful accounts of \$537 million and \$166 million at respective dates)	2,178	2,645
Accrued unbilled revenue (includes \$1.13 billion and \$1.16 billion related to VIEs at respective dates)	1,305	1,304
Customers (net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates) (includes \$1.8 billion and \$1.7 billion related to VIEs, net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates)		
Customers (net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates) (includes \$1.8 billion and \$1.7 billion related to VIEs, net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates)		
Customers (net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates) (includes \$1.8 billion and \$1.7 billion related to VIEs, net of allowance for doubtful accounts of \$400 million and \$445 million at respective dates)		
Accrued unbilled revenue (includes \$1.2 billion and \$1.1 billion related to VIEs at respective dates)		
Regulatory balancing accounts	Regulatory balancing accounts	3,264
Other	Other	1,633
Regulatory assets	Regulatory assets	296
Inventories	Inventories	
Gas stored underground and fuel oil		
Gas stored underground and fuel oil		

Gas stored underground and fuel oil	Gas stored underground and fuel oil	66	91
Materials and supplies	Materials and supplies	822	751
Wildfire Fund asset	Wildfire Fund asset	450	460
Other	Other	537	1,421
Total current assets	Total current assets	12,480	12,687
Property, Plant, and Equipment	Property, Plant, and Equipment		Property, Plant, and Equipment
Electric	Electric	78,729	74,772
Gas	Gas	29,574	28,226
Construction work in progress	Construction work in progress	4,580	4,137
Financing lease right of use asset and other		787	18
Financing lease ROU asset and other			
Total property, plant, and equipment	Total property, plant, and equipment	113,670	107,153
Accumulated depreciation	Accumulated depreciation	(32,624)	(30,946)
Net property, plant, and equipment	Net property, plant, and equipment	81,046	76,207
Other Noncurrent Assets	Other Noncurrent Assets		Other Noncurrent Assets
Regulatory assets	Regulatory assets	16,444	16,443
Customer credit trust	Customer credit trust	319	745
Nuclear decommissioning trusts	Nuclear decommissioning trusts	3,410	3,297
Operating lease right of use asset		625	1,311
Operating lease ROU asset			
Wildfire Fund asset	Wildfire Fund asset	4,410	4,847
Income taxes receivable	Income taxes receivable	7	7
Other (includes noncurrent accounts receivable of \$0 and \$17 million related to VIEs, net of noncurrent allowance for doubtful accounts of \$0 and \$1 million at respective dates)		3,795	2,834
Other			
Total other noncurrent assets	Total other noncurrent assets	29,010	29,484
TOTAL ASSETS	TOTAL ASSETS	\$ 122,536	\$ 118,378

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in millions, except share amounts)

		(Unaudited)				(Unaudited)	
		(Unaudited)		Balance at			
				September 30, 2023	December 31, 2022	Balance at	
LIABILITIES AND SHAREHOLDERS' EQUITY	LIABILITIES AND SHAREHOLDERS' EQUITY			LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities	Current Liabilities	Current Liabilities					
Short-term borrowings	Short-term borrowings	\$ 580	\$ 2,055				
Long-term debt, classified as current (includes \$173 million and \$168 million related to VIEs at respective dates)		3,572	2,241				
Long-term debt, classified as current (includes \$177 million and \$176 million related to VIEs at respective dates)							
Accounts payable	Accounts payable						
Trade creditors							
Trade creditors	Trade creditors	2,687	2,886				
Regulatory balancing accounts	Regulatory balancing accounts	1,573	1,658				
Other	Other	736	747				
Operating lease liabilities	Operating lease liabilities	85	231				
Financing lease liabilities	Financing lease liabilities	254	—				
Interest payable (includes \$137 million and \$116 million related to VIEs at respective dates)		565	573				
Interest payable (includes \$136 million and \$67 million related to VIEs at respective dates)							
Wildfire-related claims	Wildfire-related claims	1,508	1,912				
Other	Other	3,194	3,067				
Total current liabilities	Total current liabilities	14,754	15,370				
Noncurrent Liabilities	Noncurrent Liabilities						
Long-term debt (includes \$10.51 billion and \$10.31 billion related to VIEs at respective dates)		45,758	43,155				

Long-term debt (includes \$10.4 billion and \$10.4 billion related to VIEs at respective dates)			
Regulatory liabilities	Regulatory liabilities	18,884	17,630
Pension and other postretirement benefits	Pension and other postretirement benefits	150	160
Asset retirement obligations	Asset retirement obligations	5,990	5,912
Deferred income taxes	Deferred income taxes	2,604	3,090
Operating lease liabilities	Operating lease liabilities	540	1,243
Financing lease liabilities	Financing lease liabilities	559	—
Other	Other	4,778	4,334
Total noncurrent liabilities	Total noncurrent liabilities	79,263	75,524
Shareholders' Equity	Shareholders' Equity	Shareholders' Equity	
Preferred stock	Preferred stock	258	258
Common stock, \$5 par value, authorized 800,000,000 shares; 264,374,809 shares outstanding at respective dates		1,322	1,322
Common stock, \$5 par value, authorized 800,000,000 shares; 800,000,000 shares outstanding at respective dates			
Additional paid-in capital	Additional paid-in capital	30,120	29,280
Reinvested earnings	Reinvested earnings	(3,177)	(3,368)
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(4)	(8)
Total shareholders' equity	Total shareholders' equity	28,519	27,484
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 122,536	\$ 118,378

See accompanying Notes to the Condensed Consolidated Financial Statements.

**PACIFIC GAS AND ELECTRIC COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

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(in millions)

		(Unaudited)			
		(Unaudited)		(Unaudited)	
Cash Flows from Operating Activities	Cash Flows from Operating Activities	Nine Months Ended September 30, 2023		Three Months Ended March 31, 2024	
		2023	2022	2024	2023
Cash Flows from Operating Activities	Cash Flows from Operating Activities	Cash Flows from Operating Activities			
Net income	Net income	\$1,526	\$1,620		
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation, amortization, and decommissioning	Depreciation, amortization, and decommissioning	2,885	2,915		
Depreciation, amortization, and decommissioning	Depreciation, amortization, and decommissioning				
Depreciation, amortization, and decommissioning	Depreciation, amortization, and decommissioning				
Bad debt expense	Bad debt expense	552	126		
Allowance for equity funds used during construction	Allowance for equity funds used during construction	(123)	(138)		
Deferred income taxes and tax credits, net	Deferred income taxes and tax credits, net	(499)	165		
Wildfire Fund expense	Wildfire Fund expense	453	352		
Wildfire Fund expense	Wildfire Fund expense				
Other	Other	319	332		
Other	Other				
Effect of changes in operating assets and liabilities:	Effect of changes in operating assets and liabilities:				
Accounts receivable	Accounts receivable				
Accounts receivable	Accounts receivable	120	(514)		
Wildfire- related insurance receivable	Wildfire- related insurance receivable	356	127		
Inventories	Inventories	(46)	(152)		
Accounts payable	Accounts payable	293	595		
Wildfire- related claims	Wildfire- related claims	(404)	(528)		

Other current assets and liabilities	Other current assets and liabilities	219	(524)
Other current assets and liabilities			
Other current assets and liabilities			
Regulatory assets, liabilities, and balancing accounts, net	Regulatory assets, liabilities, and balancing accounts, net	(246)	(1,239)
Other noncurrent assets and liabilities			
Other noncurrent assets and liabilities			
Other noncurrent assets and liabilities	Other noncurrent assets and liabilities	(875)	(197)
Net cash provided by operating activities	Net cash provided by operating activities	4,530	2,940
Cash Flows from Investing Activities		Cash Flows from Investing Activities	
Capital expenditures	Capital expenditures	(7,101)	(7,411)
Proceeds from sales and maturities of nuclear decommissioning trust investments	Proceeds from sales and maturities of nuclear decommissioning trust investments	1,226	2,135
Proceeds from sales and maturities of nuclear decommissioning trust investments			
Proceeds from sales and maturities of nuclear decommissioning trust investments			
Purchases of nuclear decommissioning trust investments	Purchases of nuclear decommissioning trust investments	(1,302)	(2,129)
Proceeds from sales and maturities of customer credit trust investments	Proceeds from sales and maturities of customer credit trust investments	455	79
Purchases of customer credit trust investments		—	(1,017)
Intercompany note to PG&E Corporation		—	145
Purchases of customer credit trust investments			
Other			
Other	Other	12	25
Net cash used in investing activities	Net cash used in investing activities	(6,710)	(8,173)
Cash Flows from Financing Activities		Cash Flows from Financing Activities	

Borrowings under credit facilities	Borrowings under credit facilities	7,658	7,325	
Repayments under credit facilities	Repayments under credit facilities	(8,817)	(7,364)	
Proceeds from issuance of long-term debt, net of premium, discount and issuance costs of \$61 and \$35 at respective dates		4,690	4,265	
Proceeds from issuance of long-term debt, net of premium, discount and issuance costs of \$9 and \$27 at respective dates				
Repayments of long-term debt	Repayments of long-term debt	(875)	(5,959)	
Proceeds from issuance of SB 901 recovery bonds, net of financing fees of \$0 and \$36 at respective dates		—	7,464	
Repayment of AB 1054 recovery bonds	Repayment of AB 1054 recovery bonds	(38)	—	
Repayment of SB 901 recovery bonds		(67)	—	
Repayment of AB 1054 recovery bonds				
Repayment of AB 1054 recovery bonds				
Preferred stock dividends paid				
Preferred stock dividends paid				
Preferred stock dividends paid	Preferred stock dividends paid	(10)	(66)	
Common stock dividends paid	Common stock dividends paid	(1,325)	(850)	
Equity contribution from PG&E Corporation	Equity contribution from PG&E Corporation	840	427	
Proceeds from DWR loan				
Proceeds from DWR loan				
Proceeds from DWR loan				
Other	Other	(65)	62	
Net cash provided by financing activities	Net cash provided by financing activities	1,991	5,304	
Net change in cash, cash equivalents, and restricted cash	Net change in cash, cash equivalents, and restricted cash	(189)	71	
Cash, cash equivalents, and restricted cash at January 1	Cash, cash equivalents, and restricted cash at January 1	822	181	
Cash, cash equivalents, and restricted cash at September 30	\$	633	\$	252
Cash, cash equivalents, and restricted cash at March 31				
Less: Restricted cash and restricted cash equivalents	Less: Restricted cash and restricted cash equivalents	(368)	(145)	
Cash and cash equivalents at September 30	\$	265	\$	107
Cash and cash equivalents at March 31				

Supplemental disclosures of cash flow information		Supplemental disclosures of cash flow information	
Cash paid for:	Cash paid for:	Cash paid for:	
Interest, net of amounts capitalized	Interest, net of amounts capitalized	\$ (1,496) \$(1,100)	
Supplemental disclosures of noncash investing and financing activities	Supplemental disclosures of noncash investing and financing activities		
Supplemental disclosures of noncash investing and financing activities			
Capital expenditures financed through accounts payable	Capital expenditures financed through accounts payable	\$ 1,068	\$ 1,177
Operating lease liabilities arising from obtaining right-of-use assets	269	397	
Financing lease liabilities arising from obtaining right-of-use assets	52	—	
Reclassification of operating lease liabilities to financing lease liabilities	913	—	
Forgiveness of DWR loan for performance-based disbursements earned	102	—	
Capital expenditures financed through accounts payable			
Capital expenditures financed through accounts payable			
Operating lease liabilities arising from obtaining ROU assets			
Financing lease liabilities arising from obtaining ROU assets			

DWR loan forgiveness and performance-based disbursements
DWR loan forgiveness and performance-based disbursements
DWR loan forgiveness and performance-based disbursements

See accompanying Notes to the Condensed Consolidated Financial Statements.

PACIFIC GAS AND ELECTRIC COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Reinvested Earnings	Other Comprehensive Income (Loss)	Accumulated Shareholders' Equity	Total Shareholders' Equity
Balance at December 31, 2022	\$ 258	\$ 1,322	\$ 29,280	\$ (3,368)	\$ (8)	\$ 27,484	
Net income	—	—	—	626	—	—	626
Other comprehensive income	—	—	—	—	6	—	6
Equity contribution	—	—	310	—	—	—	310
Common stock dividend	—	—	—	(425)	—	—	(425)
Preferred stock dividend requirement	—	—	—	(3)	—	—	(3)
Balance at March 31, 2023	258	1,322	29,590	(3,170)	(2)	27,998	
Net income	—	—	—	480	—	—	480
Equity contribution	—	—	250	—	—	—	250
Common stock dividend	—	—	—	(450)	—	—	(450)
Preferred stock dividend requirement	—	—	—	(4)	—	—	(4)
Balance at June 30, 2023	258	1,322	29,840	(3,144)	(2)	28,274	
Net income	—	—	—	420	—	—	420
Other comprehensive loss	—	—	—	—	(2)	—	(2)
Equity contribution	—	—	280	—	—	—	280
Common stock dividend	—	—	—	(450)	—	—	(450)
Preferred stock dividend requirement	—	—	—	(3)	—	—	(3)
Balance at September 30, 2023	\$ 258	\$ 1,322	\$ 30,120	\$ (3,177)	\$ (4)	\$ 28,519	

	Preferred Stock	Common Stock	Additional Paid-in Capital	Reinvested Earnings	Other Comprehensive Income (Loss)	Accumulated Shareholders' Equity	Total Shareholders' Equity
Balance at December 31, 2023	\$ 258	\$ 1,322	\$ 30,570	\$ (2,613)	\$ (13)	\$ 29,524	
Net income	—	—	—	781	—	—	781
Other comprehensive loss	—	—	—	—	(1)	—	(1)
Equity contribution	—	—	440	—	—	—	440
Common stock dividend	—	—	—	(450)	—	—	(450)
Preferred stock dividend requirement	—	—	—	(3)	—	—	(3)
Balance at March 31, 2024	\$ 258	\$ 1,322	\$ 31,010	\$ (2,285)	\$ (14)	\$ 30,291	

	Accumulated					
	Additional		Other		Total	
	Preferred Stock	Common Stock	Paid-in Capital	Reinvested Earnings	Comprehensive Income (Loss)	Shareholders' Equity
Balance at December 31, 2021	\$ 258	\$ 1,322	\$ 28,286	\$ (4,247)	\$ (9)	\$ 25,610

										Accumulated					
										Preferred	Common	Paid-in	Reinvested	Other	Total
		Preferred		Stock						Stock	Stock	Capital	Earnings	Comprehensive	Shareholders'
Balance at															
December 31,															
2022															
Net income	Net income	—	—	—	530	—	530								
Other	Other														
comprehensive	comprehensive														
income	income	—	—	—	—	1	1								
Preferred stock dividend															
requirement in arrears		—	—	—	(59)	—	(59)								
Preferred stock dividend															
requirement		—	—	—	(2)	—	(2)								
Balance at March 31, 2022		258	1,322	28,286	(3,778)	(8)	26,080								
Net income	—	—	—	600	—	—	600								
Other comprehensive loss	—	—	—	—	—	(5)	(5)								
Equity	Equity														
contribution	contribution	—	—	212	—	—	212								
Common stock	Common stock														
dividend	dividend	—	—	—	(425)	—	(425)								
Preferred stock	Preferred stock														
dividend	dividend	—	—	—	(4)	—	(4)								
requirement	requirement	—	—	—	(4)	—	(4)								
Balance at June 30, 2022		258	1,322	28,498	(3,607)	(13)	26,458								
Net income	—	—	—	490	—	—	490								
Other comprehensive loss	—	—	—	—	—	(12)	(12)								
Equity contribution	—	—	215	—	—	—	215								
Common stock dividend	—	—	—	(425)	—	—	(425)								
Preferred stock dividend															
requirement	requirement	—	—	—	(3)	—	(3)								
Balance at September 30,															
2022		\$ 258	\$ 1,322	\$ 28,713	\$ (3,545)	\$ (25)	\$ 26,723								
Balance at															
March 31,															
2023															

See accompanying Notes to the Condensed Consolidated Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND BASIS OF PRESENTATION

Organization and Basis of Presentation

PG&E Corporation is a holding company whose primary operating subsidiary is Pacific Gas and Electric Company, a public utility serving northern and central California. The Utility generates revenues mainly through the sale and delivery of electricity and natural gas to customers. The Utility is primarily regulated by the CPUC and the FERC. In addition, the NRC oversees the licensing, construction, operation, and decommissioning of the Utility's nuclear generation facilities.

This quarterly report on Form 10-Q is a combined report of PG&E Corporation and the Utility. PG&E Corporation's Condensed Consolidated Financial Statements include the accounts of PG&E Corporation, the Utility, and other wholly owned and controlled subsidiaries. The Utility's Condensed Consolidated Financial Statements include the accounts of the Utility and its wholly owned and controlled subsidiaries. All intercompany transactions have been eliminated in consolidation. The Notes to the Condensed Consolidated Financial Statements apply to both PG&E Corporation and the Utility. PG&E Corporation and the Utility assess financial performance and allocate resources on a consolidated basis (i.e., the companies operate in one segment).

The accompanying Condensed Consolidated Financial Statements have been prepared in conformity with GAAP and in accordance with the interim period reporting requirements of Form 10-Q and reflect all adjustments that management believes are necessary for the fair presentation of PG&E Corporation's and the Utility's financial condition, results of operations, and cash flows for the periods presented. The information as of **December 31, 2022** **December 31, 2023** in the Condensed Consolidated Balance Sheets included in this

quarterly report on Form 10-Q was derived from the audited Consolidated Balance Sheets in Item 8 of the **2022** **2023** Form 10-K. This quarterly report on Form 10-Q should be read in conjunction with the **2022** **2023** Form 10-K.

The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Some of the more significant estimates and assumptions relate to the Utility's regulatory assets and liabilities, wildfire-related liabilities, legal and regulatory contingencies, the Wildfire Fund, environmental remediation liabilities, **AROs**, **asset retirement obligations**, wildfire-related receivables, and pension and other post-retirement benefit plan obligations. Management believes that its estimates and assumptions reflected in the Condensed Consolidated Financial Statements are appropriate and reasonable. A change in management's estimates or assumptions could result in an adjustment that would have a material impact on PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows during the period in which such change occurred.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Revenue from Contracts with Customers

The Utility recognizes revenues when electricity and natural gas services are delivered. The Utility records unbilled revenues for the estimated amount of energy delivered to customers but not yet billed at the end of the period. Unbilled revenues are included in **accounts** **Accounts** receivable on the Condensed Consolidated Balance Sheets. Rates charged to customers are based on CPUC and FERC authorized revenue requirements. Revenues can vary significantly from period to period because of seasonality, weather, and customer usage patterns.

Regulatory Balancing Account Revenue

The CPUC authorizes most of the Utility's revenues in the Utility's GRCs, which occur every four years. CPUC and FERC rates decouple authorized revenue from the volume of electricity and natural gas sales, so the Utility receives revenue equal to the amounts authorized by the relevant regulatory agencies. As a result, the volume of electricity and natural gas sold does not have a direct impact on PG&E Corporation's and the Utility's financial results. The Utility recognizes revenues that have been authorized for rate recovery, are objectively determinable and probable of recovery, and are expected to be collected within 24 months. Generally, electric and natural gas operating revenue is recognized ratably over the year. The Utility records a balancing account asset or liability for differences between customer billings and authorized revenue requirements that are probable of recovery or refund.

The Utility also collects additional revenue requirements to recover costs that the CPUC has authorized the Utility to pass on to customers, including costs to purchase electricity and natural gas, and to fund public purpose, demand response, and customer energy efficiency programs. In general, the revenue recognition criteria for pass-through costs billed to customers are met at the time the costs are incurred. The Utility records a regulatory balancing account asset or liability for differences between incurred costs and customer billings or authorized revenue meant to recover those costs, to the extent that these differences are probable of recovery or refund. As a result, these differences have no impact on net income.

The following table presents the Utility's revenues disaggregated by type of customer:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Electric				
Revenue from contracts with customers				
Residential	\$ 2,052	\$ 2,128	\$ 4,745	\$ 4,834
Commercial	1,818	1,711	4,245	4,135
Industrial	579	534	1,307	1,206
Agricultural	628	777	1,097	1,477
Public street and highway lighting	22	20	61	57
Other, net ⁽¹⁾	459	115	381	26
Total revenue from contracts with customers - electric	<u>5,558</u>	<u>5,285</u>	<u>11,836</u>	<u>11,735</u>
Regulatory balancing accounts ⁽²⁾	(1,051)	(1,390)	642	8
Total electric operating revenue	\$ 4,507	\$ 3,895	\$ 12,478	\$ 11,743
Natural gas				
Revenue from contracts with customers				
Residential	\$ 326	\$ 392	\$ 2,900	\$ 2,243
Commercial	120	162	822	703
Transportation service only	364	356	1,206	1,111
Other, net ⁽¹⁾	21	16	(389)	(251)
Total revenue from contracts with customers - gas	<u>831</u>	<u>926</u>	<u>4,539</u>	<u>3,806</u>
Regulatory balancing accounts ⁽²⁾	550	573	370	761
Total natural gas operating revenue	\$ 1,381	\$ 1,499	\$ 4,909	\$ 4,567
Total operating revenues	\$ 5,888	\$ 5,394	\$ 17,387	\$ 16,310

(in millions)	Three Months Ended March 31,	
	2024	2023
Electric		
Revenue from contracts with customers		
Residential	\$ 1,799	\$ 1,289
Commercial	1,505	1,144
Industrial	413	353
Agricultural	180	155
Public street and highway lighting	25	19
Other, net ⁽¹⁾	121	43
Total revenue from contracts with customers - electric	4,043	3,003
Regulatory balancing accounts ⁽²⁾	9	1,116
Total electric operating revenue	\$ 4,052	\$ 4,119
Natural gas		
Revenue from contracts with customers		
Residential	\$ 1,517	\$ 1,883
Commercial	373	513
Transportation service only	475	444
Other, net ⁽¹⁾	(64)	(153)
Total revenue from contracts with customers - gas	2,301	2,687
Regulatory balancing accounts ⁽²⁾	(492)	(597)
Total natural gas operating revenue	\$ 1,809	\$ 2,090
Total operating revenues	\$ 5,861	\$ 6,209

⁽¹⁾ This activity is primarily related to the change in unbilled revenue and amounts subject to refund, partially offset by other miscellaneous revenue items.

⁽²⁾ These amounts represent revenues authorized to be billed or refunded to customers.

Financial Assets Measured at Amortized Cost – Credit Losses

PG&E Corporation and the Utility use the current expected credit loss model to estimate the expected lifetime credit loss on financial assets measured at amortized cost. PG&E Corporation and the Utility evaluate credit risk in their portfolio of financial assets quarterly. As of **September 30, 2023** **March 31, 2024**, PG&E Corporation and the Utility identified the following significant categories of financial assets.

Trade Receivables

Trade receivables are represented by customer accounts. PG&E Corporation and the Utility record an allowance for doubtful accounts to recognize an estimate of expected lifetime credit losses. The allowance is determined on a collective basis based on the historical amounts written-off and an assessment of customer collectability. Furthermore, economic conditions are evaluated as part of the estimate of expected lifetime credit losses.

During the three and nine months ended September 30, 2023, expected credit losses of \$259 million and \$552 million, respectively, \$139 million were recorded in Operating and maintenance expense on the Condensed Consolidated Statements of Income for credit losses associated with trade and other receivables. For receivables during the three and nine months ended September 30, 2022, expected credit losses were \$50 million **March 31, 2024** and \$126 million, **2023**, respectively. The portion of expected credit losses that are deemed probable of recovery are deferred to the RUBA, CPPMA, and a FERC regulatory asset. As of **September 30, 2023** **March 31, 2024**, the RUBA current balancing accounts receivable balance was \$450 million, \$55 million, and CPPMA and FERC long-term noncurrent regulatory asset balances were \$5 million \$6 million and \$70 million \$79 million, respectively. As of December 31, 2023, the RUBA current balancing accounts receivable balance was \$507 million, and CPPMA and FERC noncurrent regulatory asset balances were \$5 million and \$78 million, respectively. The RUBA current balancing account balance decreased from December 31, 2023 to March 31, 2024 primarily due to the annual electric and gas true-up which allows the Utility to recover approximately \$500 million in undercollections from residential customers in 2024.

Other Receivables and Available-For-Sale Debt Securities

Insurance receivables are related to the liability insurance policies PG&E Corporation and the Utility carry. Insurance receivable risk is related to each insurance carrier's risk of defaulting on their individual policies. Wildfire Fund receivables are the funds available from the statewide fund established under AB 1054 for payment of eligible claims related to the 2021 Dixie fire that exceed \$1.0 billion and available insurance coverage. For more information, see Note 10 below. Wildfire Fund receivables risk is related to the Wildfire Fund's durability, which is a measurement of its claim-paying capacity. Lastly, PG&E Corporation and the Utility are required to determine if the fair value is below the amortized cost basis for their available-for-sale debt securities (i.e., impairment). If such an impairment exists and does not otherwise result in a write-down, then PG&E Corporation and the Utility must determine whether a portion of the impairment is a result of expected credit loss.

As of **September 30, 2023** **March 31, 2024**, expected credit losses for insurance receivables, Wildfire Fund receivables, and available-for-sale debt securities were immaterial.

Government Assistance

PG&E Corporation and the Utility received participated in various government assistance programs during the nine months ended September 30, 2023. PG&E Corporation's March 31, 2024 and the 2023. The Utility's accounting policy is to apply a grant accounting model by analogy to International Accounting Standards 20, *Accounting for Government Grants and Disclosure of Government Assistance*.

Assembly Bill 180

On June 30, 2022, AB 180 became law. AB 180 authorized the DWR to use up to \$75 million to support contracts with the owners of electric generating facilities pending retirement, such as Diablo Canyon, to fund, reimburse or compensate the owner for any costs, expenses or financial commitments incurred to retain the future availability of such generating facilities pending further legislation. The resulting agreement between DWR and the Utility was effective beginning October 1, 2022, and will continue until full disbursement of funds or termination per the agreement. In the event of a termination, the Utility will take reasonable steps to end activities associated with this agreement and will return to DWR any unused funds. During the three and nine months ended September 30, 2023 March 31, 2024, the amount reflected in the Condensed Consolidated Statements of Income reflected \$48 million recorded as a deduction to Cost of electricity for income related to government grants for incurred eligible costs to purchase nuclear fuel. fuel was immaterial.

DWR Loan Agreement

On October 18, 2022, the DWR and the Utility executed a \$1.4 billion \$1.4 billion loan agreement to support the extension of Diablo Canyon, up to approximately \$1.1 billion \$1.1 billion of which could be repaid by funds received from the DOE (see "U.S. DOE's Civil Nuclear Credit Program" below). Under the loan agreement, the DWR pays the Utility a monthly performance-based disbursement equal to \$7 for each MWh generated by Diablo Canyon, effective September 2, 2022. The Utility may use the proceeds of the performance-based disbursements for any business purpose, except as profits or dividends to shareholders or as otherwise prohibited by SB 846. The Utility began earning performance-based disbursements beginning on September 2, 2022 and is eligible to earn performance-based disbursements until the previously-approved retirement dates for Diablo Canyon Unit 1 and Unit 2 (2024 and 2025, respectively). The performance-based disbursements are contingent upon the Utility's ongoing efforts to pursue extension of and continued safe and reliable operation of Diablo Canyon. The aggregate amount of performance-based disbursements under this agreement will not exceed \$300 million. \$300 million.

The Utility initially accounts for all disbursements from the DWR loan agreement pursuant to ASC 470, *Debt*. *Debt*. When there is reasonable assurance that the Utility will have loan disbursements forgiven by the DWR, such as when the Utility earns a performance-based disbursement or when funds expected to be received from the DOE are less than incurred eligible costs to support the extension of Diablo Canyon, the Utility will recognize those forgiven loans as income related to government grants. The Utility plans to record records the income related to government grants as a deduction to *Operating and maintenance expense* in the same period(s) that eligible costs are incurred. As

The following table provides a summary of September 30, 2023, where the DWR loan activity is presented in PG&E Corporation's and the Utility's Condensed Consolidated Financial Statements reflected \$210 million in Long-term debt. During for the three and nine months ended September 30, 2023, the Condensed Consolidated Statements of Income reflected \$50 million March 31, 2024 and \$102 million, respectively, as a deduction to *Operating and maintenance expense* for income related to government grants for performance-based disbursements. 2023, respectively:

	2024	2023
(in millions)		
Long-term debt:		
DWR Loan Outstanding at January 1	\$ 98	\$ 312
Proceeds received	232	—
Operating Expenses:		
Operating and maintenance expense - <i>Performance-based disbursements</i>	(22)	(33)
Other current liabilities:		
Performance-based disbursements deferred	(12)	—
Long-term debt:		
DWR Loan Outstanding at March 31	<u>\$ 296</u>	<u>\$ 279</u>

U.S. DOE's Civil Nuclear Credit Program

On November 17, 2022 January 11, 2024, the Utility was conditionally awarded and DOE entered into a total of approximately Credit Award and Payment Agreement for up to \$1.1 billion from the DOE related to Diablo Canyon as part of the DOE's Civil Nuclear Credit Program. The Utility will use these funds to repay its loans outstanding under the DWR Loan Agreement (see "DWR Loan Agreement" above). Final award amounts will be determined following completion of each year of the award period, and amounts awarded over a four-year award period ending in 2026 will be based on a number of factors, including actual costs. The Utility will repay its loans outstanding under costs incurred to extend the DWR Loan Agreement with funding received from the DOE's Civil Nuclear Credit Program. Diablo Canyon operations. When there is reasonable assurance that the Utility will receive funding and comply with the conditions of the DOE's Civil Nuclear Credit Program, the Utility will recognize such funding as income and will record a receivable related to government grants. During the three and nine months ended September 30, 2023 March 31, 2024, the Condensed Consolidated Statements of Income reflected \$72 \$140 million

and \$106 million, respectively, as a deduction to Operating and maintenance expense, for income related to government grants for incurred eligible costs to support the extension of Diablo Canyon.

Variable Interest Entities

A VIE is an entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support from other parties, or whose equity investors lack any characteristics of a controlling financial interest. An enterprise that has a controlling financial interest in a VIE is a primary beneficiary and is required to consolidate the VIE.

Consolidated VIEs

Receivables Securitization Program

The SPV was created in connection with the Receivables Securitization Program and is a bankruptcy remote, limited liability company wholly owned by the Utility, and its assets are not available to creditors of PG&E Corporation or the Utility. Pursuant to the Receivables Securitization Program, the Utility sells certain of its receivables and certain related rights to payment and obligations of the Utility with respect to such receivables, and certain other related rights to the SPV, which, in turn, obtains loans secured by the receivables from financial institutions (the "Lenders"). The pledged receivables and the corresponding debt are included in Accounts receivable, Accrued unbilled revenue, Other noncurrent assets, and Long-term debt on the Condensed Consolidated Balance Sheets.

The SPV is considered a VIE because its equity capitalization is insufficient to support its activities. The most significant activities that impact the economic performance of the SPV are decisions made to manage receivables. The Utility is considered the primary beneficiary and consolidates the SPV as it makes these decisions. No additional financial support was provided to the SPV during the **nine** three months ended **September 30, 2023** **March 31, 2024** or is expected to be provided in the future that was not previously contractually required. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the SPV had net accounts receivable of **\$2.9** **\$3.0** billion and **\$3.6** **\$2.7** billion, respectively, and outstanding borrowings of \$1.5 billion and \$1.2 billion, respectively, under the Receivables Securitization Program. For more information, see Note 4 below.

AB 1054 Securitization

PG&E Recovery Funding LLC is a bankruptcy remote, limited liability company wholly owned by the Utility, and its assets are not available to creditors of PG&E Corporation or the Utility. Pursuant to the financing orders for the first and second AB 1054 securitization transactions, the Utility sold its right to receive revenues from the non-bypassable wildfire hardening fixed recovery charges ("Recovery Property") to PG&E Recovery Funding LLC, which, in turn, issued two separate series of recovery bonds secured by separate Recovery Property.

PG&E Recovery Funding LLC is considered a VIE because its equity capitalization is insufficient to support its operations. The most significant activities that impact the economic performance of PG&E Recovery Funding LLC are decisions made by the servicer of the Recovery Property. The Utility is considered the primary beneficiary and consolidates PG&E Recovery Funding LLC as it acts in this role as servicer. No additional financial support was provided to PG&E Recovery Funding LLC during the **nine** three months ended **September 30, 2023** **March 31, 2024** or is expected to be provided in the future that was not previously contractually required. On November 12, 2021, PG&E Recovery Funding LLC issued approximately \$860 million of Senior Secured Recovery Bonds. On November 30, 2022, PG&E Recovery Funding LLC issued approximately \$983 million of Series 2022-A Senior Secured Recovery Bonds. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, PG&E Recovery Funding LLC had outstanding borrowings of **\$1.8 billion**, **\$1.8 billion** included in Long-term debt and Long-term debt, classified as current on the Condensed Consolidated Balance Sheets.

SB 901 Securitization

PG&E Wildfire Recovery Funding LLC is a bankruptcy remote, limited liability company wholly owned by the Utility, and its assets are not available to creditors of PG&E Corporation or the Utility. Pursuant to the financing order for the first and second SB 901 securitization transactions, the Utility sold its right to receive revenues from the non-bypassable fixed recovery charges ("SB 901 Recovery Property") to PG&E Wildfire Recovery Funding LLC, which, in turn, issued two separate series of recovery bonds secured by separate SB 901 Recovery Property.

PG&E Wildfire Recovery Funding LLC is considered a VIE because its equity capitalization is insufficient to support its operations. The most significant activities that impact the economic performance of PG&E Wildfire Recovery Funding LLC are decisions made by the servicer of the SB 901 Recovery Property. The Utility is considered the primary beneficiary and consolidates PG&E Wildfire Recovery Funding LLC as it acts in this role as servicer. No additional financial support was provided to PG&E Wildfire Recovery Funding LLC during the **nine** three months ended **September 30, 2023** **March 31, 2024** or is expected to be provided in the future that was not previously contractually required. On May 10, 2022, PG&E Wildfire Recovery Funding LLC issued \$3.6 billion aggregate principal amount of senior secured recovery bonds (the "Series 2022-A Recovery Bonds"). On July 20, 2022, PG&E Wildfire Recovery Funding LLC issued \$3.9 billion aggregate principal amount of senior secured recovery bonds (the "Series 2022-B Recovery Bonds"). As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, PG&E Wildfire Recovery Funding LLC had outstanding borrowings of **\$7.4** **\$7.3 billion** and **\$7.5 billion**, respectively, included in Long-term debt and Long-term debt, classified as current on the Condensed Consolidated Balance Sheets. For more information, see Note 5 below.

Non-Consolidated VIEs

Power Purchase Agreements

Some of the counterparties to the Utility's power purchase agreements are considered VIEs. Each of these VIEs was designed to own a power plant that would generate electricity for sale to the Utility. To determine whether the Utility was the primary beneficiary of any of these VIEs as of **September 30, 2023** **March 31, 2024**, the Utility assessed whether it absorbs any of the VIE's expected losses or receives any portion of the VIE's expected residual returns under the terms of the power purchase agreement, analyzed the variability in the VIE's gross margin, and considered whether it had any decision-making rights associated with the activities that are most significant to the VIE's performance, such as dispatch rights or operating and maintenance activities. The Utility's financial obligation is limited to the amount the Utility pays for delivered electricity and capacity. The Utility did not have

any decision-making rights associated with any of the activities that are most significant to the economic performance of any of these VIEs. Since the Utility was not the primary beneficiary of any of these VIEs as of **September 30, 2023** **March 31, 2024**, it did not consolidate any of them.

The Lakeside Building

BA2 300 Lakeside LLC, a wholly owned subsidiary of TMG Bay Area Investments II, LLC, and the Utility are parties to an office lease agreement for approximately 910,000 rentable square feet of space within the Lakeside Building, which serves as the Utility's principal administrative headquarters.

BA2 300 Lakeside LLC is considered a VIE because the group that holds the equity investment at risk lacks the right to receive the expected residual returns of the entity due to a fixed-price purchase option covering more than 50% of the fair value of the assets held by the entity. The most significant activities that impact the economic performance of BA2 300 Lakeside LLC are decisions related to significant maintenance and remarketing of the property. The Utility is not considered the primary beneficiary and does not consolidate BA2 300 Lakeside LLC as it does not have any decision-making rights associated with these activities. The Utility's financial obligation is limited to the issued letter of credit as well as the amounts it pays for base rent and certain costs, per the office lease agreement. For more information, see "Oakland Headquarters Lease and Purchase" in Note 11 below.

Contributions to the Wildfire Fund Established Pursuant to AB 1054

PG&E Corporation and the Utility account for contributions to the Wildfire Fund by capitalizing an asset, amortizing **to periods over the life of the fund** ratably based on an estimated period of coverage, and incrementally adjusting for accelerated amortization as the level of coverage declines, as further described below. However, AB 1054 did not specify a period of coverage for the Wildfire Fund; therefore, this accounting treatment is subject to significant accounting judgments and **estimates**. Since the inception of the Wildfire Fund, **PG&E Corporation and the Utility have estimated a period of coverage of 15 years**, **estimates**. In **estimating estimating** the period of coverage, PG&E Corporation and the Utility used a dataset of historical, publicly available fire-loss data caused by electrical equipment to create Monte Carlo simulations of expected loss. The number of years of historic fire-loss data and the effectiveness of mitigation efforts by the California electric utility companies are significant assumptions used to estimate the period of coverage. Other assumptions include the estimated costs to settle wildfire claims for participating electric utilities including the Utility, the CPUC's determinations of whether costs were just and reasonable in cases of electric utility-caused wildfires and amounts required to be reimbursed to the Wildfire Fund, the impacts of climate change, the **amount of future insurance coverage held by the electric utilities**, the **FERC-allocable portion of loss recovery**, and the future transmission and distribution equity rate base growth of participating electric utilities. These assumptions create a high degree of uncertainty for the estimated useful life of the Wildfire Fund.

PG&E Corporation and the Utility re-evaluate the estimated period of coverage annually and as required by additional information. Changes in any of the assumptions could materially impact the estimated period of coverage. PG&E Corporation and the Utility assess the Wildfire Fund asset for acceleration of the amortization of the asset in the event that it is probable that a participating utility's electrical equipment will be found to be the substantial cause of a catastrophic wildfire. **PG&E Corporation and the Utility initially estimated a period of coverage of 15 years. In the first quarter of 2024, the annual assessment resulted in the expected life of the Wildfire Fund increasing to 20 years after incorporating 2023 loss information into the dataset with no events triggering a claim against the Wildfire Fund.**

As of **September 30, 2023** **March 31, 2024**, PG&E Corporation and the Utility recorded \$193 million in Other current liabilities, **\$941** **\$752** million in Other **non-current noncurrent** liabilities, **\$450** **\$305** million in Current assets - Wildfire Fund asset, and \$4.4 billion in **Non-current Noncurrent** assets - Wildfire Fund asset in the Condensed Consolidated Balance Sheets. During the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023**, the Utility recorded amortization and accretion expense of **\$219** **\$78** million and **\$118** million, respectively. During the nine months ended **September 30, 2023** **2023** and **2022**, the Utility recorded amortization and accretion expense of **\$453** million and **\$353** million **\$117** million, respectively. The amortization of the asset, accretion of the liability, and applicable acceleration of the amortization of the asset is reflected in Wildfire Fund expense in the Condensed Consolidated Statements of Income. As of **September 30, 2023** **March 31, 2024**, PG&E Corporation and the Utility **had** recorded **\$600** **\$450** million in **Accounts receivable - other** and **\$150** million in Other noncurrent assets in the Condensed Consolidated Balance Sheets, for Wildfire Fund receivables related to the 2021 Dixie fire.

For more information, see "Wildfire Fund under AB 1054" in Note 10 below.

Pension and Other Post-Retirement Benefits

PG&E Corporation and the Utility sponsor a non-contributory defined benefit pension plan and cash balance plan. Both plans are included in "Pension Benefits" below. Post-retirement medical and life insurance plans are included in "Other Benefits" below.

The net periodic benefit costs reflected in PG&E Corporation's Condensed Consolidated Financial Statements for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** were as follows:

		Pension	Other		
		Benefits	Benefits		
				Three Months Ended	
				September 30,	
		Pension Benefits		Pension Benefits	Other Benefits
		Three Months Ended March			Three Months Ended March 31,
		31,			
(in	(in				
millions)	millions)	2023	2022	2023	2022
		(in millions)		2024	2023
				2024	2023

Service cost	Service					
for benefits	cost for					
earned ⁽¹⁾	benefits					
	earned ⁽¹⁾	\$ 94	\$ 144	\$ 10	\$ 15	
Interest cost	Interest					
	cost	228	173	18	13	
Expected	Expected					
return on	return on					
plan	plan					
plan assets	assets	(245)	(297)	(33)	(32)	
Amortization of prior						
service cost		(1)	(1)	1	2	
Amortization of net						
actuarial (gain) loss		1	—	(5)	(10)	
Amortization						
of prior						
service cost						
(credit)						
Amortization						
of net						
actuarial						
gain						
Net	Net					
periodic	periodic					
benefit	benefit					
cost	cost	77	19	(9)	(12)	
Regulatory	Regulatory					
account	account					
transfer ⁽²⁾	transfer ⁽²⁾	6	64	—	—	
Total	Total	\$ 83	\$ 83	\$ (9)	\$ (12)	

⁽¹⁾A portion of service costs is capitalized pursuant to GAAP.

⁽²⁾The Utility recorded these amounts to a regulatory account since they are probable of recovery from, or refund to, customers through rates in future rates.

(in millions)	Pension Benefits		Other Benefits	
	Nine Months Ended September 30,			
	2023	2022	2023	2022
Service cost for benefits earned ⁽¹⁾	\$ 284	\$ 432	\$ 29	\$ 46
Interest cost	685	519	55	40
Expected return on plan assets	(736)	(892)	(99)	(97)
Amortization of prior service cost	(3)	(3)	2	5
Amortization of net actuarial (gain) loss	1	1	(14)	(30)
Net periodic benefit cost	231	57	(27)	(36)
Regulatory account transfer ⁽²⁾	19	191	—	—
Total	\$ 250	\$ 248	\$ (27)	\$ (36)

⁽¹⁾A portion of service costs is capitalized pursuant to GAAP.

⁽²⁾The Utility recorded these amounts to a regulatory account since they are probable of recovery from, or refund to, customers in future rates, periods.

Non-service costs are reflected in Other income, net on the Condensed Consolidated Statements of Income. Service costs are reflected in Operating and maintenance on the Condensed Consolidated Statements of Income.

There was no material difference between PG&E Corporation and the Utility for the information disclosed above.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income (Loss)

The changes, net of income tax, in PG&E Corporation's accumulated other comprehensive income (loss) consisted of the following:

		Customer							
		Pension Benefits	Other Benefits	Credit Trust	Total	Pension Benefits		Other Benefits	Customer Credit Trust Total
(in millions, net of income tax)		(in millions, net of income tax) Three Months Ended September 30, 2023				(in millions, net of income tax) Three Months Ended March 31, 2024			
Beginning balance	Beginning balance	\$ (12)	\$ 18	\$ (1)	\$ 5				
Other comprehensive income before reclassification	Other comprehensive income before reclassification								
Loss on investments (net of taxes of \$0, \$0 and \$0, respectively)		—	—	(2)	(2)				
Loss on investments (net of taxes of \$0, \$0 and \$1, respectively)									
Loss on investments (net of taxes of \$0, \$0 and \$1, respectively)									
Loss on investments (net of taxes of \$0, \$0 and \$1, respectively)									
Amounts reclassified from other comprehensive income: ⁽¹⁾	Amounts reclassified from other comprehensive income: ⁽¹⁾								
Amortization of prior service cost (net of taxes of \$0, \$1 and \$0, respectively)		(1)	—	—	(1)				
Amortization of net actuarial gain (net of taxes of \$0, \$2 and \$0, respectively)		1	(3)	—	(2)				
Amortization of prior service cost (net of taxes of \$0, \$0 and \$0, respectively)									
Amortization of prior service cost (net of taxes of \$0, \$0 and \$0, respectively)									
Amortization of prior service cost (net of taxes of \$0, \$0 and \$0, respectively)									
Amortization of net actuarial gain (net of taxes of \$0, \$1 and \$0, respectively)									
Regulatory account transfer (net of taxes of \$0, \$1 and \$0, respectively)	Regulatory account transfer (net of taxes of \$0, \$1 and \$0, respectively)	—	3	—	3				
Net current period other comprehensive loss	Net current period other comprehensive loss	—	—	(2)	(2)				

Ending balance	Ending balance	\$ (12)	\$ 18	\$ (3)	\$ 3
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(a) These components are included in the computation of net periodic pension and other post-retirement benefit costs. See the "Pension and Other Post-Retirement Benefits" table above for additional details.

(in millions, net of income tax)	Three Months Ended September 30, 2022				
	Pension Benefits		Other Benefits		Customer Credit Trust
	\$	(33)	\$	18	\$ (5)
Beginning balance					\$ (20)
Other comprehensive income before reclassification					
Loss on investments (net of taxes of \$0, \$0 and \$5, respectively)		—		—	(12)
Amounts reclassified from other comprehensive income: (1)					
Amortization of prior service cost (net of taxes of \$1, \$0 and \$0, respectively)		—		2	2
Amortization of net actuarial gain (net of taxes of \$0, \$2 and \$0, respectively)		—		(8)	(8)
Regulatory account transfer (net of taxes of \$1, \$2 and \$0, respectively)		—		6	6
Net current period other comprehensive loss		—		—	(12)
Ending balance	\$	(33)	\$	18	\$ (17)
					\$ (32)

(a) These components are included in the computation of net periodic pension and other post-retirement benefit costs. See the "Pension and Other Post-Retirement Benefits" table above for additional details.

(in millions, net of income tax)	Nine Months Ended September 30, 2023				
	Pension Benefits		Other Benefits		Customer Credit Trust
	\$	(12)	\$	18	\$ (6)
Beginning balance					\$ —
Other comprehensive income before reclassification					
Gain on investments (net of taxes of \$0, \$0 and \$2, respectively)		—		—	3
Amounts reclassified from other comprehensive income: (1)					
Amortization of prior service cost (net of taxes of \$1, \$1 and \$0, respectively)		(2)		1	(1)
Amortization of net actuarial gain (net of taxes of \$0, \$4 and \$0, respectively)		1		(10)	(9)
Regulatory account transfer (net of taxes of \$1, \$3 and \$0, respectively)		1		9	10
Net current period other comprehensive gain		—		—	3
Ending balance	\$	(12)	\$	18	\$ (3)
					\$ 3

(a) These components are included in the computation of net periodic pension and other post-retirement benefit costs. See the "Pension and Other Post-Retirement Benefits" table above for additional details.

(in millions, net of income tax)	Customer			(in millions, net of income tax)	Other		
	Pension Benefits		Credit		Pension Benefits		Customer Credit Trust
	Pension Benefits	Other Benefits	Trust		Pension Benefits	Other Benefits	Customer Credit Trust
Pension Benefits							
(in millions, net of income tax)	(in millions, net of income tax)	(in millions, net of income tax)	(in millions, net of income tax)				
Beginning balance	Beginning balance	\$ (33)	\$ 18	\$ —	\$ (15)		
Other comprehensive income before reclassification	Other comprehensive income before reclassification						
Loss on investments (net of taxes of \$0, \$0 and \$7, respectively)		—	—	(17)	(17)		
Gain on investments (net of taxes of \$0, \$0 and \$2, respectively)		—		—	(17)	(17)	
Gain on investments (net of taxes of \$0, \$0 and \$2, respectively)							

Gain on investments (net of taxes of \$0, \$0 and \$2, respectively)								
Amounts reclassified from other comprehensive income: (1)	Amounts reclassified from other comprehensive income: (1)							
Amortization of prior service cost (net of taxes of \$1, \$1 and \$0, respectively)				(2) 4 — 2				
Amortization of net actuarial (gain) loss (net of taxes of \$0, \$8 and \$0, respectively)				1 (22) — (21)				
Regulatory account transfer (net of taxes of \$1, \$7 and \$0, respectively)				1 18 — 19				
Net current period other comprehensive loss	— — (17) (17)							
Amortization of prior service cost (net of taxes of \$0, \$0 and \$0, respectively)								
Amortization of prior service cost (net of taxes of \$0, \$0 and \$0, respectively)								
Amortization of prior service cost (net of taxes of \$0, \$0 and \$0, respectively)								
Amortization of net actuarial gain (net of taxes of \$0, \$1 and \$0, respectively)								
Regulatory account transfer (net of taxes of \$0, \$1 and \$0, respectively)								
Net current period other comprehensive gain	— — (17) (17)							
Ending balance	Ending balance							
	\$ (33)	\$ 18	\$ (17)	\$ (32)				

(1) These components are included in the computation of net periodic pension and other post-retirement benefit costs. See the "Pension and Other Post-Retirement Benefits" table above for additional details.

There was no material difference between PG&E Corporation and the Utility for the information disclosed above.

Accounting Standards Issued But Not Yet Adopted

Segment Reporting

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which amends the existing guidance to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This ASU will become effective for PG&E Corporation and the Utility for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. PG&E Corporation and the Utility are currently evaluating the impact the guidance will have on their Condensed Consolidated Financial Statements and related disclosures.

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which amends the existing guidance to enhance the transparency and decision usefulness of income tax disclosures. The standard requires consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. This ASU will become effective for PG&E Corporation and the Utility for fiscal years beginning after December 15, 2024. PG&E Corporation and the Utility are currently evaluating the impact the guidance will have on their Condensed Consolidated Financial Statements and related disclosures.

NOTE 3: REGULATORY ASSETS, LIABILITIES, AND BALANCING ACCOUNTS

Regulatory Assets

Current Regulatory Assets

As of September 30, 2023 and December 31, 2022, the Utility had current regulatory assets of \$355 million and \$296 million, respectively. As of September 30, 2023, current regulatory assets included approximately \$150 million of deferred depreciation, interest, and tax expense related to 2022 rate base that were determined to be probable of recovery through the 2023 GRC.

Long-Term Regulatory Assets

Long-term Noncurrent regulatory assets are comprised of the following:

(in millions)	Balance at	
	September 30, 2023	December 31, 2022
Pension benefits ⁽¹⁾	\$ 103	\$ 120
Environmental compliance costs	1,216	1,193
Utility retained generation ⁽²⁾	51	86
Price risk management	150	177
Catastrophic event memorandum account ⁽³⁾	1,072	1,085
Wildfire expense memorandum account ⁽⁴⁾	517	439
Fire hazard prevention memorandum account ⁽⁵⁾	54	79
Fire risk mitigation memorandum account ⁽⁶⁾	24	65
Wildfire mitigation plan memorandum account ⁽⁷⁾	778	756
Deferred income taxes ⁽⁸⁾	3,275	2,730
Insurance premium costs ⁽⁹⁾	—	99
Wildfire mitigation balancing account ⁽¹⁰⁾	225	327
Vegetation management balancing account ⁽¹¹⁾	1,930	2,276
COVID-19 pandemic protection memorandum accounts ⁽¹²⁾	16	26
Microgrid memorandum account ⁽¹³⁾	82	213
Financing costs ⁽¹⁴⁾	199	211
SB 901 securitization ⁽¹⁵⁾	5,252	5,378
AROs in excess of recoveries ⁽¹⁶⁾	173	120
Other	1,327	1,063
Total long-term regulatory assets	\$ 16,444	\$ 16,443

⁽¹⁾ Payments into the pension and other benefits plans are based on annual contribution requirements. As these annual requirements continue indefinitely into the future, the Utility expects to continuously recover pension benefits.

⁽²⁾ In connection with the settlement agreement entered into among PG&E Corporation, the Utility, and the CPUC in 2003 to resolve the Utility's 2001 proceeding under Chapter 11, the CPUC authorized the Utility to recover \$1.2 billion of costs related to the Utility's retained generation assets. The individual components of these regulatory assets are being amortized over the respective lives of the underlying generation facilities, consistent with the period over which the related revenues are recognized.

⁽³⁾ Includes costs of responding to catastrophic events that have been declared a disaster or state of emergency by competent federal or state authorities. The increase in the CEMA regulatory asset from December 31, 2022 to September 30, 2023 is primarily due to costs incurred for repair and restoration work performed related to an increase in declared winter storm events in the Utility's service area. As of September 30, 2023 and December 31, 2022, \$44 million and \$44 million in COVID-19 related costs were recorded to CEMA regulatory assets, respectively. Recovery of CEMA costs is subject to CPUC review and approval.

⁽⁴⁾ Represents incremental wildfire claims and outside legal expenses related to the 2021 Dixie fire and the 2022 Mosquito fire. Recovery of WEMA costs is subject to CPUC review and approval.

⁽⁵⁾ Includes costs associated with the implementation of regulations and requirements adopted to protect the public from potential fire hazards associated with overhead power line facilities and nearby aerial communication facilities that were approved for recovery in the 2020 WMCE final decision.

⁽⁶⁾ Includes incremental costs associated with fire risk mitigation. Recovery of FRMMA costs is subject to CPUC review and approval.

⁽⁷⁾ Includes costs associated with the 2020 WMP for the period of January 1, 2020 through December 31, 2020, the 2021 WMP for the period of January 1, 2021 through December 31, 2021, the 2022 WMP for the period of January 1, 2022 through December 31, 2022, and the 2023 WMP for the period of January 1, 2023 through September 30, 2023. Recovery of these costs was requested in the 2022 WGSC application. Also includes the noncurrent portion of costs associated with the 2019 WMP that were approved for recovery per the 2020 WMCE final decision. Recovery of WMPMA costs is subject to CPUC review and approval.

⁽⁸⁾ Represents cumulative differences between amounts recognized for ratemaking purposes and expense recognized in accordance with GAAP.

⁽⁹⁾ Represents excess liability insurance premium costs recorded to RTBA and adjustment mechanism for costs determined in other proceedings, as authorized in the 2020 GRC and 2019 GT&S rate cases, respectively.

- (10) Represents costs associated with certain wildfire mitigation activities for the period of January 1, 2020 through September 30, 2023. The noncurrent balance includes costs incurred during the 12-month period ending December 31, 2020 that were approved for recovery in the 2021 WMCE final decision. The remaining balance includes costs above 115% of adopted revenue requirements, which are subject to CPUC review and approval.
- (11) Includes costs associated with certain vegetation management activities for the period of January 1, 2020 through September 30, 2023. The noncurrent balance represents costs above 120% of adopted revenue requirements, which are subject to CPUC review and approval.
- (12) Includes costs associated with customer protections, including higher uncollectible costs related to the moratorium on electric and gas service disconnections program implementation costs, and higher accounts receivable financing costs for the period of March 4, 2020 to September 30, 2021. As of September 30, 2023, the Utility had recorded uncollectibles in the amount of \$5 million for small business customers. The remaining \$11 million is associated with program costs and higher accounts receivable financing costs. As of December 31, 2022, the Utility had recorded uncollectibles in the amount of \$4 million for small business customers. The remaining \$22 million is associated with program costs and higher accounts receivable financing costs. Recovery of CPPMA costs is subject to CPUC review and approval.
- (13) Includes costs associated with temporary generation, infrastructure upgrades, and community grid enablement programs associated with the implementation of microgrids. Amounts incurred are subject to CPUC review and approval.
- (14) Includes costs associated with long-term debt financing deemed recoverable under ASC 980 more than twelve months from the current date. These costs and their amortization periods are reviewable and approved in the Utility's cost of capital or other regulatory filings.
- (15) In connection with the SB 901 securitization, the CPUC authorized the issuance of one or more series of recovery bonds in connection with the post-emergence transaction to finance \$7.5 billion of claims associated with the 2017 Northern California wildfires. The balance represents PG&E Wildfire Recovery Funding LLC's right to recover \$7.5 billion in wildfire claims costs associated with the 2017 Northern California wildfires, partially offset by the \$2.0 billion in required upfront shareholder contributions to the customer credit trust, net of amortization since inception. The recovery bonds are being paid through fixed recovery charges, which are designed to recover the full scheduled principal amount of the recovery bonds along with any associated interest and financing costs. See Note 5 below.
- (16) Represents the cumulative differences between ARO expenses and amounts collected through rates. Decommissioning costs related to the Utility's nuclear facilities are recovered through rates and are placed in nuclear decommissioning trusts. This regulatory asset also represents the deferral of realized and unrealized gains and losses on these nuclear decommissioning trust investments. See Note 9 below.

(in millions)	Balance at	
	March 31, 2024	December 31, 2023
Pension benefits	\$ 339	\$ 348
Environmental compliance costs	1,122	1,218
Price risk management	166	160
Catastrophic event memorandum account	1,031	1,074
Wildfire-related accounts	2,455	2,915
Deferred income taxes	3,748	3,543
Financing costs	192	196
SB 901 securitization	5,247	5,249
General rate case memorandum accounts	992	1,291
Other	1,041	1,195
Total noncurrent regulatory assets	\$ 16,333	\$ 17,189

Regulatory Liabilities

Long-term Noncurrent regulatory liabilities are comprised of the following:

(in millions)	Balance at	
	September 30, 2023	December 31, 2022
Cost of removal obligations (1)	\$ 8,103	\$ 7,773
Public purpose programs (2)	1,281	1,062
Employee benefit plans (3)	925	904
Transmission tower wireless licenses (4)	416	430
SFGO sale (5)	205	264
SB 901 securitization (6)	6,333	5,800
Wildfire self-insurance (7)	300	—
Other	1,321	1,397
Total long-term regulatory liabilities	\$ 18,884	\$ 17,630

- (1) Represents the cumulative differences between the recorded costs to remove assets and amounts collected through rates for expected costs to remove assets.
- (2) Represents amounts collected through rates designated for public purpose program costs expected to be incurred beyond the next 12 months, primarily related to energy efficiency programs.
- (3) Represents cumulative differences between incurred costs and amounts collected through rates for post-retirement medical, post-retirement life and long-term disability plans.
- (4) Represents the portion of the net proceeds received from the sale of transmission tower wireless licenses that will be returned to customers through 2042. Of the \$416 million, \$291 million will be refunded to FERC-jurisdictional customers, and \$125 million will be refunded to CPUC-jurisdictional customers.
- (5) Represents the noncurrent portion of the net gain on the sale of the SFGO, which closed on September 17, 2021, that will be distributed to customers over a five-year period that began in 2022.
- (6) In connection with the SB 901 securitization, the Utility is required to return up to \$7.59 billion of certain shareholder tax benefits to customers via periodic bill credits over the life of the recovery bonds. The balance reflects qualifying shareholder tax benefits that PG&E Corporation is obligated to contribute to the customer credit trust, net of amortization since inception, and is expected to increase as additional qualifying amounts are

recognized, including when the Fire Victim Trust sells additional shares. PG&E Corporation will continue to separately recognize tax benefits within income tax expense on the income statement when the Fire Victim Trust sells additional shares. See Note 5 below.

(1) Represents amounts collected through rates designated for wildfire self-insurance. See Note 10 below.

(in millions)	Balance at	
	March 31, 2024	December 31, 2023
Cost of removal obligations	\$ 8,355	\$ 8,191
Public purpose programs	1,300	1,238
Employee benefit plans	1,037	1,032
Transmission tower wireless licenses	342	384
SFGO sale	138	185
SB 901 securitization	6,550	6,628
Wildfire self-insurance	498	407
Other	1,447	1,379
Total noncurrent regulatory liabilities	\$ 19,667	\$ 19,444

Regulatory Balancing Accounts

Current regulatory balancing accounts receivable and payable are comprised of the following:

(in millions)	Balance at	
	September 30, 2023	December 31, 2022
Electric distribution (1)	\$ 690	\$ 448
Electric transmission (2)	98	96
Gas distribution and transmission (3)	90	72
Energy procurement (4)	1,204	684
Public purpose programs (5)	192	358
Fire hazard prevention memorandum account (6)	130	—
Wildfire mitigation plan memorandum account (7)	79	—
Wildfire mitigation balancing account (8)	67	2
Vegetation management balancing account (9)	693	137
Insurance premium costs (10)	107	602
Residential uncollectibles balancing accounts (11)	450	126
Catastrophic event memorandum account (12)	502	144
Other	652	595
Total regulatory balancing accounts receivable	\$ 4,954	\$ 3,264

(in millions)	Balance at	
	March 31, 2024	December 31, 2023
Electric distribution	\$ 1,757	\$ 1,092
Electric transmission	105	99
Gas distribution and transmission	165	144
Energy procurement	1,122	1,002
Public purpose programs	340	137
Wildfire-related accounts	798	729
Insurance premium costs	37	227
Residential uncollectibles balancing accounts	55	507
Catastrophic event memorandum account	374	413
General rate case memorandum accounts	1,108	1,097
Other	581	213
Total regulatory balancing accounts receivable	\$ 6,442	\$ 5,660

(in millions)	Balance at		
	September 30, 2023	December 31, 2022	
Electric transmission (2)	\$ 207	\$ 228	
Gas distribution and transmission (3)	98	66	
Energy procurement (4)	515	428	
Public purpose programs (5)	266	272	
SFGO sale	112	152	
Other	375	512	
Total regulatory balancing accounts payable	\$ 1,573	\$ 1,658	

- (2) The electric distribution accounts track the collection of revenue requirements approved in the GRC and other proceedings.
- (3) The electric transmission accounts track recovery of costs related to the transmission of electricity approved in the FERC TO rate cases.
- (4) The gas distribution and transmission accounts track the collection of revenue requirements approved in the GRC and the GT&S rate case and other proceedings.
- (5) Energy procurement balancing accounts track recovery of costs related to the procurement of electricity and other revenue requirements approved by the CPUC for recovery in procurement-related balancing accounts, including any environmental compliance-related activities.
- (6) The Public purpose programs balancing accounts are primarily used to record and recover authorized revenue requirements for CPUC-mandated programs such as energy efficiency.
- (7) The FHPMA tracks costs associated with the implementation of regulations and requirements adopted to protect the public from potential fire hazards which were approved for cost recovery in the 2020 WMCE final decision.
- (8) The WMPMA tracks costs associated with the 2019 WMP which were approved for cost recovery in the 2020 WMCE final decision.
- (9) The WMBA tracks costs associated with wildfire mitigation revenue requirement activities which were authorized for cost recovery in the 2021 WMCE proceeding and the final decision granting interim rate relief in connection with the 2022 WMCE application.
- (10) The VMBA tracks routine and enhanced vegetation management activities which were approved for cost recovery in the final decision granting interim rate relief in connection with the 2022 WMCE application.
- (11) The insurance premium costs track the current portion of incremental excess liability insurance costs recorded to RTBA and adjustment mechanism for costs determined in other proceedings, as authorized in the 2020 GRC and 2019 GT&S rate cases, respectively. In addition to insurance premium costs recorded in Regulatory balancing accounts receivable and in Long-term regulatory assets above, as of September 30, 2023, and December 31, 2022 there were \$0 and \$48 million, respectively, in insurance premium costs recorded in Current regulatory assets.
- (12) The RUBA tracks costs associated with customer protections, including higher uncollectible costs related to a moratorium on electric and gas service disconnections for residential customers.
- (13) The CEMA tracks costs associated with responding to catastrophic events that have been declared a disaster or state of emergency by competent federal or state authorities which were approved for cost recovery in the 2018 CEMA and 2020 WMCE final decisions.

(in millions)	Balance at		
	March 31, 2024	December 31, 2023	
Electric transmission	\$ 178	\$ 200	
Gas distribution and transmission	379	224	
Energy procurement	408	77	
Public purpose programs	391	299	
SFGO sale	20	79	
Wildfire-related accounts	163	125	
Nuclear decommissioning adjustment mechanism	176	216	
Other	446	449	
Total regulatory balancing accounts payable	\$ 2,161	\$ 1,669	

For more information, see Note 43 of the Notes to the Consolidated Financial Statements in Item 8 of the 2022 2023 Form 10-K.

NOTE 4: DEBT

Credit Facilities and Term Loans

The following table summarizes PG&E Corporation's and the Utility's outstanding borrowings and availability under their credit facilities as of September 30, 2023 March 31, 2024:

(in millions)	(in millions)	Maximum			Letters of	
		Termination Date	Facility Limit	Loans Outstanding	Credit Outstanding	Facility Availability
Utility	Utility					
revolving	revolving					
credit facility	credit facility	June 2028	\$ 4,400	\$ (455)	\$ (647)	\$ 3,298
Utility revolving credit facility						
Utility revolving credit facility						

Utility Receivables											
Securitization Program (2)											
Utility Receivables											
Securitization Program (2)											
Utility	Utility	(3)				(3)					
Receivables	Receivables										
Securitization	Securitization										
Program (2)	Program (2)	June 2025	1,500	(1,500)	—	—	June 2025	1,500	(3)	(3)	(3)
PG&E	PG&E										
Corporation	Corporation										
revolving	revolving										
credit facility	credit facility	June 2026	500	—	—	—	500				
Total credit facilities	Total credit facilities		\$ 6,400	\$ (1,955)	\$ (647)	\$ 3,798					
Total credit facilities	Total credit facilities										

(1) Includes a \$2.0 billion letter of credit sublimit.

(2) For more information on the Receivables Securitization Program, see "Variable Interest Entities" in Note 2 above.

(3) The amount the Utility may borrow under the Receivables Securitization Program is limited to the lesser of the facility limit and the facility availability. The facility limit fluctuates between \$1.25 billion and \$1.5 billion depending on the periods set forth in the transaction documents. Further, the facility availability may vary based on the amount of accounts receivable that the Utility owns that are eligible for sale to the SPV and the portion of those accounts receivable that are sold to the SPV that are eligible for advances by the lenders under the Receivables Securitization Program.

Utility

On April 18, 2023 April 16, 2024, the Utility amended its existing term loan agreement to extend the maturity of the combine its \$400 million 2-year tranche loan maturing April 19, 2024 and its \$125 million 364-day tranche loan thereunder from April 19, 2023 to maturing April 16, 2024 into a single loan of \$525 million maturing April 15, 2025. The 364-day tranche loan bears interest based on the Utility's election of either (1) Term SOFR (plus a 0.10% credit spread adjustment) plus an applicable margin of 1.375%, or (2) the alternative base rate plus an applicable margin of 0.375%.

On June 9, 2023, the Utility entered into an amendment to the Utility Receivables Securitization Program to, among other things, extend the scheduled termination date from September 30, 2024 to June 9, 2025 and increase the low end of the facility limit from \$1.0 billion to \$1.25 billion.

On June 22, 2023, the Utility amended its existing revolving credit agreement to, among other things, (i) extend the maturity date to June 22, 2028 (subject to two one-year extensions at the option of the Utility), (ii) increase the maximum letter of credit sublimit to \$2.0 billion, and (iii) increase the uncommitted incremental facility to up to \$1.0 billion.

PG&E Corporation

On June 22, 2023, PG&E Corporation amended its existing revolving credit agreement to, among other things, extend the maturity date to June 22, 2026 (subject to two one-year extensions at the option of PG&E Corporation).

Long-Term Debt Issuances and Redemptions

Utility

On January 6, 2023 February 28, 2024, the Utility completed the sale of (i) \$750 \$850 million aggregate principal amount of 6.150% 5.550% First Mortgage Bonds due 2033 2029, (ii) \$1.1 billion aggregate principal amount of 5.800% First Mortgage Bonds due 2034 and (iii) \$750 \$300 million aggregate principal amount of 6.750% First Mortgage Bonds due 2053. The Utility used the net proceeds were used for the repayment of borrowings outstanding under the Utility's revolving credit facility pursuant to the Utility Revolving Credit Agreement.

Convertible Notes

On March 30, 2023 December 4, 2023, the Utility PG&E Corporation completed the sale of \$750 million aggregate principal amount of 6.70% First Mortgage Bonds due 2053. The Utility intends to disburse or allocate an amount equal to the net proceeds to finance or refinance, in whole or in part, new or existing eligible green projects and eligible social projects. Pending full disbursement or allocation of an amount equal to the net proceeds from this offering to finance or refinance eligible projects, the Utility expects to use the net proceeds for the repayment of borrowings outstanding under the Utility Revolving Credit Agreement.

On June 5, 2023, the Utility completed the sale of (i) \$850 million aggregate principal amount of 6.100% First Mortgage Bonds due 2029, (ii) \$1.15 billion aggregate principal amount of 6.400% First Mortgage Bonds due 2033 and (iii) \$500 million aggregate principal amount of 6.750% First Mortgage Bonds due 2053. The proceeds were used for the repayment of \$375 million aggregate principal amount of 3.25% First Mortgage Bonds due June 15, 2023 and for general corporate purposes, including for the repayment of borrowings outstanding under the Utility's revolving credit facility pursuant to the Utility Revolving Credit Agreement. The Utility used the remaining net proceeds to repay the \$500 million \$2.15 billion aggregate principal amount of 4.25% First Mortgage Bonds Convertible Senior Secured Notes due August 1, 2023 December 1, 2027 (the "Convertible Notes"). For more information about the Convertible Notes, see Note 4 of the Notes to the Consolidated Financial Statements in Item 8 of the 2023 Form 10-K. As of March 31, 2024, none of the conditions allowing holders of the Convertible Notes to convert had been met.

NOTE 5: SB 901 SECURITIZATION AND CUSTOMER CREDIT TRUST

Pursuant to the financing order for the SB 901 securitization transactions, the Utility sold its right to receive revenues from the SB 901 Recovery Property to PG&E Wildfire Recovery Funding LLC, which, in turn, issued the recovery bonds secured by separate fixed recovery charges and separate SB 901 Recovery Property. The fixed recovery charges are designed to recover the full scheduled principal amount of the applicable series of recovery bonds along with any associated interest and financing costs. In the context of the customer harm threshold decision, which is intended to insulate customers from the fixed recovery charge, there is a customer credit, which is designed to equal the recovery bond principal, interest, and financing costs over the life of the recovery bonds. The customer credit is funded by the customer credit trust (see Note 9 below). The fixed recovery charges and customer credits are presented on a net basis in Operating revenues in the Condensed Consolidated Statements of Income and had no net impact on Operating revenues **in the Condensed Consolidated Statements of Income for the nine three months ended September 30, 2023, March 31, 2024 and 2023.**

Upon issuance of the Series 2022-A Recovery Bonds in May 2022 ("inception"), the Utility recorded a \$5.5 billion SB 901 securitization regulatory asset reflecting PG&E Wildfire Recovery Funding LLC's right to recover \$7.5 billion in wildfire claims costs associated with the 2017 Northern California wildfires, partially offset by the \$2.0 billion in required upfront shareholder contributions to the customer credit trust. Of the \$2.0 billion in required upfront shareholder contributions, \$1.0 billion was contributed to the customer credit trust in 2022, \$350 million was contributed on March 28, 2024, and **\$1.0 billion \$650 million is required to be contributed in 2024, no later than March 31, 2025 unless certain conditions are met requiring an earlier contribution or unless otherwise ordered by the CPUC.** The Utility also recorded a \$5.54 billion SB 901 securitization regulatory liability at inception, which represents certain shareholder tax benefits the Utility had previously recognized that will be returned to customers. As the Fire Victim Trust sells the remaining shares it holds of sold PG&E Corporation common stock shares it held, the SB 901 securitization regulatory liability **will increase, reflecting the recognition of additional income increased accordingly.** As tax benefits are monetized, contributions will be made to the customer credit trust, up to \$7.59 billion. **As these tax benefits are monetized, they will be contributed to the customer credit trust.** The Utility expects to amortize the SB 901 securitization regulatory asset and liability over the life of the recovery bonds, with such amortization reflected in Operating and maintenance expense in the Condensed Consolidated Statements of Income. During the three months ended **September 30, 2023** **March 31, 2024**, the Utility recorded SB 901 securitization charges, net, of \$346 million for tax benefits realized within income tax expense in the current year related to the Fire Victim Trust's sale of PG&E Corporation common stock (see Note 6 below) and \$93 million \$80 million for amortization of the regulatory asset and liability in the Condensed Consolidated Statements of Income. During the **nine three months ended September 30, 2023** **March 31, 2023**, the Utility recorded SB 901 securitization charges, net, of **\$908 million \$273 million** for tax benefits realized within income tax expense in the current year related to the Fire Victim Trust's sale of PG&E Corporation common stock (see Note 6 below) and **\$251 million \$87 million** for amortization of the regulatory asset and liability in the Condensed Consolidated Statements of Income. SB 901 securitization charges are expected to increase in future periods, up to \$2.09 billion in total, as the tax benefits described above are recognized and recorded within Deferred income taxes.

The following tables illustrate the changes in the SB 901 securitization's impact on the Utility's regulatory assets and liabilities since December 31, 2022: **liabilities:**

SB 901 securitization regulatory asset (in millions)

Balance at December 31, 2022	\$ 5,378
Amortization	(126)
Balance at September 30, 2023	\$ 5,252
(in millions)	
Balance at January 1	\$ 5,378
Amortization	(49)
Balance at March 31	\$ 5,329

SB 901 securitization regulatory liability (in millions)

Balance at December 31, 2022	\$ (5,800)
Amortization	377
Additions ⁽¹⁾	(910)
Balance at September 30, 2023	\$ (6,333)
(in millions)	
Balance at January 1	\$ (5,800)
Amortization	136
Additions ⁽¹⁾	(273)
Balance at March 31	\$ (5,937)

⁽¹⁾ Includes \$2 \$4 million and \$0 million of expected returns on investments in the customer credit trust to be credited to customers, customers for the three months ended March 31, 2024 and March 31, 2023, respectively.

NOTE 6: EQUITY

Settlement of Equity Units

During 2020, PG&E Corporation issued 16 million PG&E Corporation equity units. The equity units represent the right of the unitholders to receive, on the settlement date, between 137 million and 168 million shares of PG&E Corporation common stock. The common stock received was based on the value of PG&E Corporation common stock over a measurement period specified in the purchase contract component of each equity unit and was subject to certain adjustments as provided therein. The common stock received by these unitholders was originally valued at approximately \$1.3 billion and recognized in shareholders' equity by PG&E Corporation upon the issuance of the equity units. During the nine months ended September 30, 2023, all equity units were settled, resulting in the issuance of 137 million shares of PG&E Corporation common stock, valued at approximately \$1.3 billion.

Ownership Restrictions in PG&E Corporation's Amended Articles Dividends

Under Section 382 of the IRC, if a corporation (or a consolidated group) undergoes an "ownership change," net operating loss carryforwards and other tax attributes may be subject to certain limitations (which could limit PG&E Corporation or the Utility's ability to use these deferred tax assets to offset taxable income). In general, an ownership change occurs if the aggregate stock ownership Articles of certain shareholders (generally five percent shareholders, applying certain look-through and aggregation rules) increases by more than 50% over such shareholders' lowest percentage ownership during the testing period (generally three years). The Amended Articles limit Transfers (as defined in the Amended Articles) that increase a person's or entity's (including certain groups of persons) ownership of PG&E Corporation's equity securities to 4.75% or more prior to the Restriction Release Date (as defined in the Amended Articles) without approval by the Board of Directors of PG&E Corporation.

On July 8, 2021, PG&E Corporation, **Incorporation**, the Utility ShareCo and the Fire Victim Trust entered into the Share Exchange and Tax Matters Agreement, pursuant to which PG&E Corporation and the Utility made a "grantor trust" election for the Fire Victim Trust effective retroactively to the inception of the Fire Victim Trust. As a result of the grantor trust election, shares of PG&E Corporation common stock owned by the Fire Victim Trust are treated as held by the Utility and, in turn, attributed to PG&E Corporation for income tax purposes. Consequently, any shares owned by the Fire Victim Trust, along with any shares owned by the Utility directly, are effectively excluded from the total number of outstanding equity securities when calculating a person's Percentage Stock Ownership (as defined in the Amended Articles) for purposes of the 4.75% ownership limitation in the Amended Articles. Shares owned by ShareCo are also effectively excluded because ShareCo is a disregarded entity for income tax purposes. For example, although PG&E Corporation had 2,611,251,771 shares outstanding as of October 18, 2023, only 2,065,764,591 shares (that is, the number of outstanding shares of common stock less the number of shares held by the Fire Victim Trust, the Utility and ShareCo) count as outstanding for purposes of the ownership restrictions in the Amended Articles. As such, based on the total number of outstanding equity securities and taking into account the shares of PG&E Corporation common stock known to have been sold by the Fire Victim Trust as of October 18, 2023, a person's effective Percentage Stock Ownership limitation for purposes of the Amended Articles as of October 18, 2023 was 3.75% of the outstanding shares. At various dates throughout 2022 and during the nine months ended September 30, 2023, the Fire Victim Trust exchanged Plan Shares for an equal number of New Shares in the manner contemplated by the Share Exchange and Tax Matters Agreement; in each case, the Fire Victim Trust thereafter reported that it sold the applicable New Shares. During the nine months ended September 30, 2023, the Fire Victim Trust's sale of PG&E Corporation common stock in the aggregate amount of 180,000,000 shares resulted in an aggregate tax benefit of \$822 million recorded in PG&E Corporation's and the Utility's Condensed Consolidated Financial Statements. Cumulatively through September 30, 2023, the Fire Victim Trust has sold 410,000,000 shares resulting in an aggregate tax benefit of approximately \$1.7 billion recorded in PG&E Corporation's and the Utility's Condensed Consolidated Financial Statements. As of October 18, 2023, to the knowledge of PG&E Corporation, the Fire Victim Trust had sold 410,000,000 shares of PG&E Corporation common stock in the aggregate and owned 67,743,590 shares.

As of the date of this report, it is more likely than not that PG&E Corporation has not undergone an ownership change and consequently, its net operating loss carryforwards and other tax attributes are not limited by Section 382 of the IRC.

Dividends

Utility

On each of December 15, 2022, February 16, 2023, and May 18, 2023, the Board of Directors of the Utility declared dividends on its outstanding series of preferred stock totaling \$3.5 million, which were paid on February 15, May 15, and August 15, 2023, respectively. On September 14, 2023, the Board of Directors of the Utility declared dividends on its outstanding series of preferred stock totaling \$3.5 million, payable on November 15, 2023, to holders of record on October 31, 2023.

On each of February 16, May 18, and September 14, 2023, the Board of Directors of the Utility declared cannot pay common stock dividends unless all cumulative preferred dividends on the Utility's preferred stock have been paid. Additionally, the CPUC requires the Utility to maintain a capital structure composed of \$425 million, \$450 million, and \$450 million, which were paid to PG&E Corporation at least 52% equity on February 28, June 21, and September 29, 2023, respectively, average. The CPUC has granted the Utility a temporary waiver from compliance with its authorized capital structure until 2025 for the financing in place upon the Utility's emergence from Chapter 11.

PG&E Corporation

On December 20, 2017, the Boards of Directors of PG&E Corporation suspended quarterly cash dividends on PG&E Corporation common stock, beginning the fourth quarter of 2017. Subject to the **dividend foregoing** restrictions, described in Note 7 of the Notes to the Consolidated Financial Statements in Item 8 of the 2022 Form 10-K, any decision to declare and pay dividends in the future will be made at the discretion of PG&E Corporation's and the Utility's Boards of Directors and will depend on, among other things, results of operations, financial condition, cash requirements, contractual restrictions and other factors that the Boards of Directors may deem relevant.

Utility

On February 13, 2024, the Board of Directors of the Utility declared dividends on its outstanding series of preferred stock totaling \$3.5 million, payable on May 15, 2024 to holders of record as of April 30, 2024.

On February 13, 2024, the Board of Directors of the Utility declared common stock dividends of \$450 million, which was paid to PG&E Corporation on March 25, 2024.

PG&E Corporation

On February 13, 2024, the Board of Directors of PG&E Corporation declared a quarterly common stock dividend of \$0.01 per share, totaling \$21 million, which was paid on April 15, 2024 to holders of record as of March 28, 2024.

NOTE 7: EARNINGS PER SHARE

PG&E Corporation's basic EPS is calculated by dividing the income available for common shareholders by the weighted average number of common shares outstanding. PG&E Corporation applies the treasury stock method of reflecting the dilutive effect of outstanding share-based compensation in the calculation of diluted EPS. The following is a reconciliation of PG&E Corporation's income available for common shareholders and weighted average common shares outstanding for calculating diluted EPS:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,		Three Months Ended March 31,	
		Three Months Ended March 31,		Three Months Ended March 31,	
(in millions, except per share amounts)					
(in millions, except per share amounts)					
(in millions, except per share amounts)	(in millions, except per share amounts)	2023	2022	2023	2022
Income available for common shareholders	Income available for common shareholders	\$ 348	\$ 456	\$ 1,323	\$ 1,287
Income available for common shareholders					
Income available for common shareholders					
Weighted average common shares outstanding, basic					
Weighted average common shares outstanding, basic					
Weighted average common shares outstanding, basic	Weighted average common shares outstanding, basic	2,111	1,987	2,041	1,987
Add incremental shares from assumed conversions:	Add incremental shares from assumed conversions:				
Add incremental shares from assumed conversions:					
Add incremental shares from assumed conversions:					
Employee share-based compensation					
Employee share-based compensation					
Employee share-based compensation	Employee share-based compensation	6	8	6	8
Equity Units	Equity Units	23	137	91	137
Equity Units					
Equity Units					
Weighted average common shares outstanding, diluted					
Weighted average common shares outstanding, diluted					
Weighted average common shares outstanding, diluted	Weighted average common shares outstanding, diluted	2,140	2,132	2,138	2,132
Total income per common share, diluted	Total income per common share, diluted	\$ 0.16	\$ 0.21	\$ 0.62	\$ 0.60
Total income per common share, diluted					
Total income per common share, diluted					

For each of the periods presented above, the calculation of outstanding common shares on a diluted basis excluded an insignificant amount of options and securities that were antidilutive. In addition, the Convertible Notes (as defined in Note 4) issued in December 2023 did not have a material impact on the calculation of diluted EPS.

NOTE 8: DERIVATIVES

Use of Derivative Instruments

The Utility is exposed to commodity price risk as a result of its electricity and natural gas procurement activities. Procurement costs are recovered through rates. The Utility uses both derivative and non-derivative contracts to manage volatility in customer rates due to fluctuating commodity prices. Derivatives include contracts, such as power purchase agreements, forwards, futures, swaps, options, and CRRs that are traded either on an exchange or over-the-counter.

Derivatives are presented in the Utility's Condensed Consolidated Balance Sheets and recorded at fair value and on a net basis in accordance with master netting arrangements for each counterparty. The fair value of derivative instruments is further offset by cash collateral paid or received where the right of offset and the intention to offset exist.

Price risk management activities that meet the definition of derivatives are recorded at fair value on the Condensed Consolidated Balance Sheets. These instruments are not held for speculative purposes and are subject to certain regulatory requirements. The Utility expects to fully recover through rates all costs related to derivatives under the applicable ratemaking mechanism in place as long as the Utility's price risk management activities are carried out in accordance with CPUC directives. Therefore, all unrealized gains and losses associated with the change in fair value of these derivatives are deferred and recorded within the Utility's regulatory assets and liabilities on the Condensed Consolidated Balance Sheets. Net realized gains or losses on commodity derivatives are recorded in the cost of electricity or the cost of natural gas with corresponding increases or decreases to regulatory balancing accounts for recovery from or refund to customers.

The Utility elects the normal purchase and sale exception for eligible derivatives. Eligible derivatives are those that require physical delivery in quantities that are expected to be used by the Utility over a reasonable period in the normal course of business and do not contain pricing provisions unrelated to the commodity delivered. These items are not reflected in the Condensed Consolidated Balance Sheets at fair value.

Volume of Derivative Activity

The volumes of the Utility's outstanding derivatives were as follows:

Underlying Product	Underlying Product	Instruments	Contract Volume at		Underlying Product	Instruments	Contract Volume at	
			September 30, 2023	December 31, 2022			March 31, 2024	December 31, 2023
Natural Gas (1)	Natural Gas (1)	Forwards, Futures and Swaps (2)	243,455,325	171,212,813				
		Options	75,115,000	27,785,000				
Electricity (MWh)	Electricity (MWh)	Forwards, Futures and Swaps	8,464,522	10,814,728				
		Options	—	215,600				
		Options	—	215,600				
		Congestion Revenue Rights (3)	179,224,328	205,743,505				

(1) Amounts shown are for the combined positions of the electric fuels and core gas supply portfolios.

(2) Million British Thermal Units.

(3) CRRs are financial instruments that enable the holders to manage variability in electric energy congestion charges due to transmission grid limitations.

Presentation of Derivative Instruments in the Financial Statements

As of September 30, 2023 March 31, 2024, the Utility's outstanding derivative balances were as follows:

(in millions)	Commodity Risk					
	Gross Derivative Balance		Netting	Cash Collateral		Total Derivative Balance
Current assets – other	\$ 121	\$ (5)		\$ 15	\$ 131	
Other noncurrent assets – other	238	—		—	238	
Current liabilities – other	(85)	5		2	(78)	
Noncurrent liabilities – other	(150)	—		—	(150)	
Total commodity risk	\$ 124	\$ —		\$ 17	\$ 141	

(in millions)	Commodity Risk				
	Gross Derivative Balance		Netting	Cash Collateral	Total Derivative Balance
Current assets – other	\$ 156	\$ (6)		\$ 5	\$ 155
Other noncurrent assets – other	254	—		—	254
Current liabilities – other	(126)	6		2	(118)
Noncurrent liabilities – other	(166)	—		—	(166)
Total commodity risk	\$ 118	\$ —		\$ 7	\$ 125

As of **December 31, 2022** December 31, 2023, the Utility's outstanding derivative balances were as follows:

(in millions)	Commodity Risk				
	Gross Derivative Balance		Netting	Cash Collateral	Total Derivative Balance
Current assets – other	\$ 824	\$ (170)		\$ 537	\$ 1,191
Other noncurrent assets – other	306	—		—	306
Current liabilities – other	(238)	170		16	(52)
Noncurrent liabilities – other	(177)	—		—	(177)
Total commodity risk	\$ 715	\$ —		\$ 553	\$ 1,268

(in millions)	Commodity Risk				
	Gross Derivative Balance		Netting	Cash Collateral	Total Derivative Balance
Current assets – other	\$ 134	\$ (8)		\$ 50	\$ 176
Other noncurrent assets – other	280	—		—	280
Current liabilities – other	(172)	8		46	(118)
Noncurrent liabilities – other	(160)	—		—	(160)
Total commodity risk	\$ 82	\$ —		\$ 96	\$ 178

Cash inflows and outflows associated with derivatives are included in operating cash flows on the Utility's Condensed Consolidated Statements of Cash Flows.

Some of the Utility's derivative instruments, including power purchase agreements, contain collateral posting provisions tied to the Utility's credit rating from each of the major credit rating agencies, also known as a credit-risk-related contingent feature. Multiple credit agencies continue to rate the Utility below investment grade, which results in the Utility posting additional collateral. As of **September 30, 2023** March 31, 2024, the Utility satisfied or has otherwise addressed its obligations related to the credit-risk related contingency features.

NOTE 9: FAIR VALUE MEASUREMENTS

PG&E Corporation and the Utility measure their cash equivalents, trust assets, and price risk management instruments at fair value. A three-tier fair value hierarchy is established that prioritizes the inputs to valuation methodologies used to measure fair value:

- **Level 1** – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- **Level 2** – Other inputs that are directly or indirectly observable in the marketplace.
- **Level 3** – Unobservable inputs which are supported by little or no market activities.

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Assets and liabilities measured at fair value on a recurring basis for PG&E Corporation and the Utility are summarized below. Assets held in rabbi trusts are held by PG&E Corporation and not the Utility.

(in millions)	Fair Value Measurements				
	At March 31, 2024				
	Level 1	Level 2	Level 3	Netting ⁽¹⁾	Total
Assets:					
Short-term investments ⁽²⁾	\$ 567	\$ —	\$ —	\$ —	\$ 567
Nuclear decommissioning trusts					

Short-term investments	37	—	—	—	—	37
Global equity securities	2,283	—	—	—	—	2,283
Fixed-income securities	1,135	993	—	—	—	2,128
Assets measured at NAV	—	—	—	—	—	20
Total nuclear decommissioning trusts (3)	3,455	993	—	—	—	4,468
Customer credit trust						
Short-term investments	351	—	—	—	—	351
Global equity securities	47	—	—	—	—	47
Fixed-income securities	21	88	—	—	—	109
Total customer credit trust	419	88	—	—	—	507
Price risk management instruments (Note 8)						
Electricity	—	15	385	—	—	400
Gas	—	10	—	(1)	—	9
Total price risk management instruments	—	25	385	(1)	—	409
Rabbi trusts						
Short-term investments	103	—	—	—	—	103
Global equity securities	5	—	—	—	—	5
Life insurance contracts	—	65	—	—	—	65
Total rabbi trusts	108	65	—	—	—	173
Long-term disability trust						
Short-term investments	7	—	—	—	—	7
Assets measured at NAV	—	—	—	—	—	131
Total long-term disability trust	7	—	—	—	—	138
TOTAL ASSETS	\$ 4,556	\$ 1,171	\$ 385	\$ (1)	\$ 6,262	
Liabilities:						
Price risk management instruments (Note 8)						
Electricity	\$ —	\$ 49	\$ 240	\$ (6)	\$ 283	
Gas	—	3	—	(2)	—	1
TOTAL LIABILITIES	\$ —	\$ 52	\$ 240	\$ (8)	\$ 284	

(3)

(in millions)	Fair Value Measurements					
	At September 30, 2023					
	Level 1	Level 2	Level 3	Netting (1)	Total	
Assets:						
Short-term investments	\$ 487	\$ —	\$ —	\$ —	\$ —	\$ 487
Nuclear decommissioning trusts						
Short-term investments	125	—	—	—	—	125
Global equity securities	1,933	—	—	—	—	1,933
Fixed-income securities	1,112	855	—	—	—	1,967
Assets measured at NAV	—	—	—	—	—	16
Total nuclear decommissioning trusts (2)	3,170	855	—	—	—	4,041
Customer credit trust						
Short-term investments	108	—	—	—	—	108
Global equity securities	92	—	—	—	—	92
Fixed-income securities	22	97	—	—	—	119
Total customer credit trust	222	97	—	—	—	319
Price risk management instruments (Note 8)						
Electricity	—	13	326	1	—	340
Gas	—	20	—	9	—	29
Total price risk management instruments	—	33	326	10	—	369

Rabbi trusts							
Short-term investments	98	—	—	—	—	—	98
Global equity securities	5	—	—	—	—	—	5
Life insurance contracts	—	66	—	—	—	—	66
Total rabbi trusts	103	66	—	—	—	—	169
Long-term disability trust							
Short-term investments	6	—	—	—	—	—	6
Assets measured at NAV	—	—	—	—	—	—	110
Total long-term disability trust	6	—	—	—	—	—	116
TOTAL ASSETS	\$ 3,988	\$ 1,051	\$ 326	\$ 10	\$ 5,501		
Liabilities:							
Price risk management instruments (Note 8)							
Electricity	\$ —	\$ 29	\$ 188	\$ (6)	\$ 211		
Gas	—	18	—	(1)	17		
TOTAL LIABILITIES	\$ —	\$ 47	\$ 188	\$ (7)	\$ 228		

Includes the effect of the contractual ability to settle contracts under master netting agreements and cash collateral.

(a) Includes \$438 million in money market funds to be used for the administration of wildfire liability self-insurance. For more information see "Self-insurance" in Note 10 below.

(b) Represents amount before deducting \$757 million primarily related to deferred taxes on appreciation of investment value.

(in millions)	Fair Value Measurements					
	December 31, 2023					
	Level 1	Level 2	Level 3	Netting ⁽¹⁾	Total	
Assets:						
Short-term investments	\$ 203	\$ —	\$ —	\$ —	\$ —	\$ 203
Nuclear decommissioning trusts						
Short-term investments	52	—	—	—	—	52
Global equity securities	2,144	—	—	—	—	2,144
Fixed-income securities	1,168	909	—	—	—	2,077
Assets measured at NAV	—	—	—	—	—	18
Total nuclear decommissioning trusts ⁽²⁾	3,364	909	—	—	—	4,291
Customer credit trust						
Short-term investments	49	—	—	—	—	49
Global equity securities	71	—	—	—	—	71
Fixed-income securities	29	84	—	—	—	113
Total customer credit trust	149	84	—	—	—	233
Price risk management instruments (Note 8)						
Electricity	—	7	404	(1)	410	
Gas	—	3	—	43	46	
Total price risk management instruments	—	10	404	42	456	
Rabbi trusts						
Short-term investments	102	—	—	—	—	102
Global equity securities	5	—	—	—	—	5
Life insurance contracts	—	65	—	—	—	65
Total rabbi trusts	107	65	—	—	—	172
Long-term disability trust						
Short-term investments	7	—	—	—	—	7
Assets measured at NAV	—	—	—	—	—	139
Total long-term disability trust	7	—	—	—	—	146
TOTAL ASSETS	\$ 3,830	\$ 1,068	\$ 404	\$ 42	\$ 5,501	
Liabilities:						

Price risk management instruments (Note 8)							
Electricity	\$	—	\$	43	\$	213	\$
Gas		—		76		—	(48)
TOTAL LIABILITIES	\$	—	\$	119	\$	213	\$

(1) Includes the effect of the contractual ability to settle contracts under master netting agreements and cash collateral.

(2) Represents amount before deducting \$631 million \$717 million, primarily related to deferred taxes on appreciation of investment value.

(in millions)	Fair Value Measurements					
	December 31, 2022					
	Level 1	Level 2	Level 3	Netting (1)	Total	
Assets:						
Short-term investments	\$ 658	\$ —	\$ —	\$ —	\$ —	\$ 658
Fixed-income securities	—	49	—	—	—	49
Nuclear decommissioning trusts						
Short-term investments	117	—	—	—	—	117
Global equity securities	1,845	—	—	—	—	1,845
Fixed-income securities	1,094	791	—	—	—	1,885
Assets measured at NAV	—	—	—	—	—	25
Total nuclear decommissioning trusts (2)	3,056	791	—	—	—	3,872
Customer credit trust						
Short-term investments	19	—	—	—	—	19
Global equity securities	218	—	—	—	—	218
Fixed-income securities	216	292	—	—	—	508
Total customer credit trust	453	292	—	—	—	745
Price risk management instruments (Note 8)						
Electricity	—	94	432	40	566	
Gas	—	604	—	327	931	
Total price risk management instruments	—	698	432	367	1,497	
Rabbi trusts						
Short-term investments	25	—	—	—	—	25
Global equity securities	5	—	—	—	—	5
Fixed-income securities	—	69	—	—	—	69
Life insurance contracts	—	64	—	—	—	64
Total rabbi trusts	30	133	—	—	—	163
Long-term disability trust						
Short-term investments	10	—	—	—	—	10
Assets measured at NAV	—	—	—	—	—	133
Total long-term disability trust	10	—	—	—	—	143
TOTAL ASSETS	\$ 4,207	\$ 1,963	\$ 432	\$ 367	\$ 7,127	
Liabilities:						
Price risk management instruments (Note 8)						
Electricity	\$ —	\$ 10	\$ 233	\$ (20)	\$ 223	
Gas	—	172	—	(166)	6	
TOTAL LIABILITIES	\$ —	\$ 182	\$ 233	\$ (186)	\$ 229	

(1) Includes the effect of the contractual ability to settle contracts under master netting agreements and cash collateral.

(2) Represents amount before deducting \$575 million, primarily related to deferred taxes on appreciation of investment value.

Valuation Techniques

The following describes the valuation techniques used to measure the fair value of the assets and liabilities shown in the tables above. There are no restrictions on the terms and conditions upon which the investments may be redeemed. There were no material transfers between any levels for the nine three months ended September 30, 2023 March 31,

Trust Assets

Assets Measured at Fair Value

In general, investments held in the trusts are exposed to various risks, such as interest rate, credit, and market volatility risks. Nuclear decommissioning trust assets, customer credit trust assets and other trust assets are composed primarily of equity and fixed-income securities and also include short-term investments that are money market funds classified as Level 1.

Global equity securities primarily include investments in common stock that are valued based on quoted prices in active markets and are classified as Level 1.

Fixed-income securities are primarily composed of U.S. government and agency securities, municipal securities, and other fixed-income securities, including corporate debt securities. U.S. government and agency securities primarily consist of U.S. Treasury securities that are classified as Level 1 because the fair value is determined by observable market prices in active markets. A market approach is generally used to estimate the fair value of fixed-income securities classified as Level 2 using evaluated pricing data such as broker quotes, for similar securities adjusted for observable differences. Significant inputs used in the valuation model generally include benchmark yield curves and issuer spreads. The external credit ratings, coupon rate, and maturity of each security are considered in the valuation model, as applicable.

Assets Measured at NAV Using Practical Expedient

Investments in the nuclear decommissioning trusts and the long-term disability trust that are measured at fair value using the NAV per share practical expedient have not been classified in the fair value hierarchy tables above. The fair value amounts are included in the tables above in order to reconcile to the amounts presented in the Condensed Consolidated Balance Sheets. These investments include commingled funds that are composed of equity securities traded publicly on exchanges as well as fixed-income securities that are composed primarily of U.S. government securities, credit securities and asset-backed securities.

Price Risk Management Instruments

Price risk management instruments include physical and financial derivative contracts, such as power purchase agreements, forwards, futures, swaps, options, and CRRs that are traded either on an exchange or over-the-counter.

Power purchase agreements, forwards, and swaps are valued using a discounted cash flow model. Exchange-traded futures that are valued using observable market forward prices for the underlying commodity are classified as Level 1. Over-the-counter forwards and swaps that are identical to exchange-traded futures or are valued using forward prices from broker quotes that are corroborated with market data are classified as Level 2. Exchange-traded options are valued using observable market data and market-corroborated data and are classified as Level 2.

Long-dated power purchase agreements that are valued using significant unobservable data are classified as Level 3. These Level 3 contracts are valued using either estimated basis adjustments from liquid trading points or techniques, including extrapolation from observable prices, when a contract term extends beyond a period for which market data is available. The Utility utilizes models to derive pricing inputs for the valuation of the Utility's Level 3 instruments using pricing inputs from brokers and historical data.

The Utility holds CRRs to hedge the financial risk of CAISO-imposed congestion charges in the day-ahead market. Limited market data is available in the CAISO auction and between auction dates; therefore, the Utility utilizes historical prices to forecast forward prices. CRRs are classified as Level 3.

Level 3 Measurements and Uncertainty Analysis

Inputs used and the fair value of Level 3 instruments are reviewed period-over-period and compared with market conditions to determine reasonableness.

Significant increases or decreases in any of those inputs would result in a significantly higher or lower fair value, respectively. All reasonable costs related to Level 3 instruments are expected to be recoverable through rates; therefore, there is no impact on net income resulting from changes in the fair value of these instruments. See Note 8 above.

Fair Value at						
(in millions)		At September 30, 2023		Valuation Technique	Unobservable Input	Range (1)/Weighted-Average Price (2)
Fair Value Measurement	Assets	Liabilities				
Congestion revenue rights	\$ 282	\$ 112	Market approach	CRR auction prices	\$ (145.09) - 287.80 / 1.07	
Power purchase agreements	\$ 44	\$ 76	Discounted cash flow	Forward prices	\$ 1.49 - 187.10 / 59.85	

Fair Value at						
(in millions)		At March 31, 2024		Valuation Technique	Unobservable Input	Range (1)/Weighted-Average Price (2)
Fair Value Measurement	Assets	Liabilities				
Congestion revenue rights	\$ 356	\$ 145	Market approach	CRR auction prices	\$ (3,804.15) - 16,696.90 / 1.44	
Power purchase agreements	\$ 29	\$ 95	Discounted cash flow	Forward prices	\$ 0.77 - 154.60 / 54.02	

(1) Represents price per MWh.

(2) Unobservable inputs were weighted by the relative fair value of the instruments.

(in millions)	Fair Value at At December 31, 2022			Range (1)/Weighted-	(in millions)	Fair Value at At December 31, 2023			Valuation Technique
	Fair Value Measurement	Fair Value Measurement	Assets	Liabilities		Assets	Liabilities		
Congestion revenue rights	Congestion revenue rights	Market approach	CRR auction prices	\$ (145.09) - 2,724.93 / 0.89	Congestion revenue rights	\$357	\$134	Market approach	Market approach
Power purchase agreements	Power purchase agreements	Discounted cash flow	Forward prices	\$ (6.39) - 286.75 / 78.14	Power purchase agreements	\$ 47	\$ 79	Discounted cash flow	Discounted cash flow

(1) Represents price per MWh.

(2) Unobservable inputs were weighted by the relative fair value of the instruments.

Level 3 Reconciliation

The following table presents the reconciliation for Level 3 price risk management instruments for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively:

(in millions)	Price Risk Management Instruments	
	2023	2022
Asset balance as of July 1	\$ 126	\$ 11
Net realized and unrealized gains:		
Included in regulatory assets and liabilities or balancing accounts (1)	12	20
Asset balance as of September 30	\$ 138	\$ 31

(in millions)	Price Risk Management Instruments	
	2024	2023
Asset balance as of January 1	\$ 191	\$ 199
Net realized and unrealized gains (losses):		
Included in regulatory assets and liabilities or balancing accounts (1)	(46)	13
Asset balance as of March 31	\$ 145	\$ 212

(1) The costs related to price risk management activities are recovered through rates. Accordingly, unrealized gains and losses are deferred in regulatory liabilities and assets and net income is not impacted.

(in millions)	Price Risk Management Instruments	
	2023	2022
Asset (Liability) balance as of January 1	\$ 199	\$ (34)
Net realized and unrealized gains (losses):		
Included in regulatory assets and liabilities or balancing accounts (1)	(61)	65
Asset balance as of September 30	\$ 138	\$ 31

(1) The costs related to price risk management activities are recovered through rates. Accordingly, unrealized gains and losses are deferred in regulatory liabilities and assets and net income is not impacted.

Financial Instruments

PG&E Corporation and the Utility use the following methods and assumptions in estimating fair value for financial instruments: the fair values of cash, net accounts receivable, short-term borrowings, accounts payable, customer deposits, and the Utility's variable rate pollution control bond loan agreements approximate their carrying values as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, as they are short-term in nature.

The carrying amount and fair value of PG&E Corporation's and the Utility's long-term debt instruments were as follows (the table below excludes financial instruments with carrying values that approximate their fair values):

(in millions)	At March 31, 2024		At December 31, 2023	
	Carrying Amount	Level 2 Fair Value	Carrying Amount	Level 2 Fair Value
Debt (Note 4)				
PG&E Corporation ⁽¹⁾	\$ 4,343	\$ 4,587	\$ 4,548	\$ 4,695
Utility	38,359	35,576	35,909	32,866

(in millions)	At September 30, 2023		At December 31, 2022	
	Carrying Amount	Level 2 Fair Value	Carrying Amount	Level 2 Fair Value
Debt (Note 4)				
PG&E Corporation	\$ 4,379	\$ 4,450	\$ 4,355	\$ 4,490
Utility	35,246	29,313	32,847	27,666

As of March 31, 2024, the net carrying amount and the estimated fair value (Level 2) of the Convertible Notes were \$2.1 billion and \$2.2 billion, respectively.

Nuclear Decommissioning Trust Investments

The following table provides a summary of equity securities and available-for-sale debt securities:

(in millions)	Amortized Cost	Total Unrealized Gains		Total Unrealized Losses		Total Fair Value		
		Unrealized Gains	Unrealized Losses	Unrealized Losses	Unrealized Losses			
As of September 30, 2023								
Nuclear decommissioning trusts								
Short-term investments	\$ 125	\$ —	\$ —	\$ —	\$ —	\$ 125		
Global equity securities	377	1,584	(12)			1,949		
Fixed-income securities	2,134	2	(169)			1,967		
Total ⁽¹⁾	\$ 2,636	\$ 1,586	\$ (181)	\$ —	\$ —	\$ 4,041		
As of December 31, 2022								
Nuclear decommissioning trusts								
Short-term investments	\$ 117	\$ —	\$ —	\$ —	\$ —	\$ 117		
Global equity securities	413	1,468	(11)			1,870		
Fixed-income securities	1,991	10	(116)			1,885		
Total ⁽¹⁾	\$ 2,521	\$ 1,478	\$ (127)	\$ —	\$ —	\$ 3,872		

(in millions)	Amortized Cost	Total Unrealized Gains		Total Unrealized Losses		Total Fair Value		
		Unrealized Gains	Unrealized Losses	Unrealized Losses	Unrealized Losses			
As of March 31, 2024								
Nuclear decommissioning trusts								
Short-term investments	\$ 37	\$ —	\$ —	\$ —	\$ —	\$ 37		
Global equity securities	378	1,937	(12)			2,303		
Fixed-income securities	2,184	34	(90)			2,128		
Total ⁽¹⁾	\$ 2,599	\$ 1,971	\$ (102)	\$ —	\$ —	\$ 4,468		
As of December 31, 2023								
Nuclear decommissioning trusts								
Short-term investments	\$ 52	\$ —	\$ —	\$ —	\$ —	\$ 52		
Global equity securities	381	1,792	(11)			2,162		
Fixed-income securities	2,103	60	(86)			2,077		
Total ⁽¹⁾	\$ 2,536	\$ 1,852	\$ (97)	\$ —	\$ —	\$ 4,291		

⁽¹⁾ Represents amounts before deducting \$631 million \$757 million and \$575 \$717 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, primarily related to deferred taxes on appreciation of investment value.

The fair value of fixed-income securities by contractual maturity is as follows:

(in millions)	As of	
	September 30, 2023	March 31, 2024
Less than 1 year	\$	328
1–5 years		636,694
5–10 years		463,435
More than 10 years		865,971
Total maturities of fixed-income securities	\$	1,967,2128

The following table provides a summary of activity for the fixed-income and equity securities:

(in millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	Three Months Ended March 31,			Nine Months Ended September 30,		
	Three Months Ended March 31,			Nine Months Ended September 30,		
	Three Months Ended March 31,			Nine Months Ended September 30,		
(in millions)	(in millions)	2023	2022	2023	2022	
Proceeds from sales and maturities of nuclear decommissioning trust investments	Proceeds from sales and maturities of nuclear decommissioning trust investments	\$ 475	\$ 766	\$ 1,226	\$ 2,135	
Proceeds from sales and maturities of nuclear decommissioning trust investments						
Proceeds from sales and maturities of nuclear decommissioning trust investments						
Gross realized gains on securities	Gross realized gains on securities	30	21	72	158	
Gross realized losses on securities	Gross realized losses on securities	(15)	(40)	(33)	(105)	
Gross realized losses on securities						
Gross realized losses on securities						

Customer Credit Trust

The following table provides a summary of equity securities and available-for-sale debt securities:

(in millions)	(in millions)	Total	Total	Total	Amortized Cost (in millions)	Total	Total	Total	Total Fair Value (in millions)
		Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value				
As of September 30, 2023									
As of March 31, 2024									
Customer credit trust									
Customer credit trust									
Customer credit trust									
Short-term investments									
Short-term investments									
Short-term investments									

Global equity securities				
Fixed-income securities				
Total				
As of December 31, 2023				
			As of December 31, 2023	
Customer credit trust	Customer credit trust		Customer credit trust	
Short-term investments	Short-term investments	\$ 108	\$ —	\$ — 108
Global equity securities	Global equity securities	82	13	(3) 92
Fixed-income securities	Fixed-income securities	123	—	(4) 119
Total	Total	\$ 313	\$ 13	\$ (7) \$319
As of December 31, 2022				
Customer credit trust				
Short-term investments	Short-term investments	\$ 19	\$ —	\$ — 19
Global equity securities	Global equity securities	219	13	(14) 218
Fixed-income securities	Fixed-income securities	516	—	(8) 508
Total	Total	\$ 754	\$ 13	\$ (22) \$745

The fair value of fixed-income securities by contractual maturity is as follows:

(in millions)	As of September 30, 2023	As of March 31, 2024
Less than 1 year	\$ —	—
1–5 years	3115	3115
5–10 years	2729	2729
More than 10 years	6165	6165
Total maturities of fixed-income securities	\$ 119	109

The following table provides a summary of activity for the fixed-income and equity securities:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Proceeds from sales and maturities of customer credit trust investments	\$ 151	\$ 79	\$ 455	\$ 79
Gross realized gains on securities	9	8	17	8
Gross realized losses on securities ⁽¹⁾	(6)	(18)	(16)	(18)

⁽¹⁾ Includes \$4 million and \$7 million of impaired debt securities which were written down to their respective fair values during the nine months ended September 30, 2023 and the three and nine months ended September 30, 2022, respectively.

(in millions)	Three Months Ended March 31,	
	2024	2023
Proceeds from sales and maturities of customer credit trust investments	\$ 81	\$ 169
Gross realized gains on securities	8	2
Gross realized losses on securities	(1)	(5)

NOTE 10: WILDFIRE-RELATED CONTINGENCIES

Liability Overview

PG&E Corporation and the Utility have significant contingencies arising from their operations, including contingencies related to wildfires. A PG&E Corporation and the Utility record a provision for a loss contingency is recorded when they determine that it is both probable that a liability has been incurred and the amount of the liability can be reasonably estimated. PG&E Corporation and the Utility evaluate which potential liabilities are probable and the related range of reasonably estimated losses and record a charge that reflects their best estimate or the lower end of the range, if there is no better estimate.

Assessing whether a loss is probable or reasonably possible, whether the loss or a range of losses is estimable, and the amount of the best estimate or lower end of the range often requires management to exercise significant judgment about future events. Management makes these assessments based on a number of assumptions and subjective factors, including negotiations (including those during mediations with claimants), discovery, settlements and payments, rulings, advice of legal counsel, and other information and events pertaining to a particular matter, and estimates based on currently available information and prior experience with wildfires. Unless expressly noted otherwise, the loss accruals in this Note reflect the lower end of the range of the reasonably estimable range of losses. PG&E Corporation and the Utility believe that it is reasonably possible that the amount of loss could be greater than the accrued estimated amounts but are unable to reasonably estimate the additional loss or the upper end of the range because, as described below, there are a number of unknown facts and legal considerations that may impact the amount of any potential liability, including the total scope and nature of claims that may be asserted against PG&E Corporation and the Utility.

Loss contingencies are reviewed quarterly, and estimates are adjusted to reflect the impact of all known information. As more information becomes available, including from potential claimants as litigation or resolution efforts progress, management estimates and assumptions regarding the potential financial impacts of wildfire events may change. PG&E Corporation's and the Utility's provision for loss and expense excludes anticipated legal costs, which are expensed as incurred. PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows may be materially affected by the outcome of the following matters.

Potential liabilities related to wildfires depend on various factors, including the cause of the fire, contributing causes of the fire (including alternative potential origins, weather- and climate-related issues, and forest management and fire suppression practices), the number, size and type of structures damaged or destroyed, the contents of such structures and other personal property damage, the number and types of trees damaged or destroyed, attorneys' fees for claimants, the nature and extent of any personal injuries, including the loss of lives, the amount of fire suppression and clean-up costs, other damages the Utility may be responsible for if found negligent, and the amount of any penalties, fines, or restitution that may be imposed by courts or other governmental entities.

PG&E Corporation and the Utility are aware of numerous civil complaints related to the following wildfire events and expect that they may receive further complaints. The complaints include claims based on multiple theories of liability, including inverse condemnation, negligence, violations of the Public Utilities Code, violations of the Health & Safety Code, premises liability, trespass, public nuisance, and private nuisance. The plaintiffs in each action principally assert that PG&E Corporation's and the Utility's alleged failure to properly maintain, inspect, and de-energize their transmission power lines was the cause of the relevant wildfire. The timing and outcome for resolution of any such claims or investigations are uncertain. The Utility believes it will continue to receive additional information from potential claimants in connection with these wildfire events as litigation or resolution efforts progress. Any such additional information may potentially allow PG&E Corporation and the Utility to refine the estimates of their accrued losses and may result in changes to the accrual depending on the information received. PG&E Corporation and the Utility intend to vigorously defend themselves against both criminal charges and civil complaints.

If the Utility's facilities, such as its electric distribution and transmission lines, are judicially determined to be the substantial cause of the following matters, and the doctrine of inverse condemnation applies, the Utility could be liable for property damage, business interruption, interest, and attorneys' fees without having been found negligent. California courts have imposed liability under the doctrine of inverse condemnation in legal actions brought by property holders against utilities on the grounds that losses borne by the person whose property was damaged through a public use undertaking should be spread across the community that benefited from such undertaking, and based on the assumption that utilities have the ability to recover these costs through rates. Further, California courts have determined that the doctrine of inverse condemnation is applicable regardless of whether the CPUC ultimately allows recovery by the utility for any such costs. The CPUC may decide not to authorize cost recovery even if a court decision were to determine that the Utility is liable as a result of the application of the doctrine of inverse condemnation. In addition to claims for property damage, business interruption, interest, and attorneys' fees under inverse condemnation, PG&E Corporation and the Utility could be liable for fire suppression costs, evacuation costs, medical expenses, personal injury damages, punitive damages and other damages under other theories of liability in connection with the following wildfire events, including if PG&E Corporation or the Utility were found to have been negligent.

Unless expressly noted otherwise, the loss accruals in this Note reflect the lower end of the range of the reasonably estimable range of losses. PG&E Corporation and the Utility believe that it is reasonably possible that the amount of loss could be greater than the accrued estimated amounts but are unable to reasonably estimate the additional loss and the upper end of the range because, as described above, there are a number of unknown facts and legal considerations that may impact the amount of any potential liability, including the total scope and nature of claims that may be asserted against PG&E Corporation and the Utility. If the liability for wildfires were to exceed \$1.0 billion in the aggregate in any Coverage Year, the Utility may be eligible to make a claim to the Wildfire Fund under AB 1054 to satisfy settled or finally adjudicated eligible claims in excess of such amount, except that claims related to the 2019 Kincade fire would be subject to the 40% limitation on the allowed amount of claims arising before emergence from bankruptcy. PG&E Corporation and the Utility intend to continue to review the available information and other information as it becomes available, including evidence in the possession of Cal Fire, USFS, or the relevant district attorney's office, evidence from or held by other parties, claims that have not yet been submitted, and additional information about the nature and extent of personal and business property damages and losses, the nature, number and severity of personal injuries, and information made available through the discovery process.

The following table presents the cumulative amounts PG&E Corporation and the Utility have paid through March 31, 2024.

Payments (in millions)

2019 Kincade Fire	\$	780
2020 Zogg Fire		392
2021 Dixie Fire		869
2022 Mosquito Fire		15
Total at March 31, 2024	\$	2,056

2019 Kincade Fire

According to Cal Fire, on October 23, 2019 at approximately 9:27 p.m. Pacific Time, a wildfire began northeast of Geyserville in Sonoma County, California (the "2019 Kincade fire"), located in the service area of the Utility. According to a Cal Fire incident update dated March 3, 2020, 3:35 p.m. Pacific Time, the 2019 Kincade fire consumed 77,758 acres and resulted in no fatalities, four first responder injuries, 374 structures destroyed, and 60 structures damaged. In connection with the 2019 Kincade fire, state and local officials issued numerous mandatory evacuation orders and evacuation warnings. Based on County of Sonoma information, PG&E Corporation and the Utility understand that the geographic zones subject to either a mandatory evacuation order or an evacuation warning between October 23, 2019 and November 4, 2019 included approximately 200,000 persons.

On July 16, 2020, Cal Fire issued a press release with its determination that the Utility's equipment caused the 2019 Kincade fire.

As of **October 18, 2023** **April 17, 2024**, PG&E Corporation and the Utility are aware of approximately **125** **132** complaints on behalf of at least **2,870** **2,913** plaintiffs related to the 2019 Kincade fire. The plaintiffs filed master complaints on July 16, 2021; PG&E Corporation's and the Utility's response was filed on August 16, 2021; and PG&E Corporation and the Utility filed a demurrer with respect to the plaintiffs' inverse condemnation claims. On December 10, 2021, the court overruled the demurrer. On **July 20, 2022**, PG&E Corporation and the Utility filed a motion for summary adjudication on individual plaintiffs' claims for punitive damages. The court has rescheduled the hearing on this summary adjudication motion for July 25, 2024. On July 28, 2023, the court scheduled a new trial date for August 26, 2024. PG&E Corporation and the Utility are also aware of a complaint on behalf of Geysers Power Company, Calpine Corporation, and CPN Insurance Corporation.

In addition, on January 5, 2022, Cal Fire filed a complaint against the Utility in the coordinated proceeding seeking to recover approximately \$90 million for fire suppression and other costs incurred in connection with the 2019 Kincade fire. The Utility filed an answer to Cal Fire's complaint on February 4, 2022. On August 8, 2023, PG&E Corporation and the Utility entered into an agreement with Cal Fire to resolve its claims arising from the 2019 Kincade fire.

On **July 20, 2022** **January 24, 2024**, PG&E Corporation and the Utility Cal Fire filed a motion for summary adjudication on individual plaintiffs' claims for punitive damages. The request to dismiss its complaint with prejudice in the coordinated proceeding, which the court scheduled a hearing on this summary adjudication motion for October 7, 2022, which it vacated on October 6, 2022, entered.

On October 11, 2022, the Utility entered into a tolling agreement with the California Governor's Office of Emergency Services ("Cal OES"), which remains in effect.

Based on the current state of the law concerning inverse condemnation in California and the facts and circumstances available to PG&E Corporation and the Utility as of the date of this filing, including Cal Fire's determination of the cause and the information gathered as part of PG&E Corporation's and the Utility's investigation, PG&E Corporation and the Utility believe it is probable that they will incur a loss in connection with the 2019 Kincade fire. Based on the facts and circumstances available to PG&E Corporation and the Utility as of the date of this report, filing, including their experience with settlements, PG&E Corporation and the Utility recorded a liability in the aggregate amount of **\$1.025 billion** **\$1.125 billion** as of **December 31, 2022** December 31, 2023 (before available insurance). The aggregate liability remained unchanged as of **September 30, 2023** March 31, 2024.

PG&E Corporation's and the Utility's accrued estimated losses of **\$1.025 billion** **\$1.125 billion** do not include, among other things: (i) any amounts for potential penalties or fines that may be imposed by courts or other governmental entities on PG&E Corporation or the Utility, (ii) any punitive damages, (iii) any amounts in respect of compensation claims by federal or state agencies other than state fire suppression costs, (iv) evacuation costs, or (v) any other amounts that are not reasonably estimable.

The following table presents changes in the lower end of the range of PG&E Corporation's and the Utility's reasonably estimable range of losses for claims arising from the 2019 Kincade fire since **December 31, 2022** December 31, 2023.

Loss Accrual (in millions)

Balance at December 31, 2022 December 31, 2023	\$	650,458
Accrued Losses		—
Payments		(274) (113)
Balance at September 30, 2023 March 31, 2024	\$	376,345

The Utility has liability insurance coverage for third-party liability attributable to the 2019 Kincade fire in an aggregate amount of \$430 million. As, which was fully collected as of **September 30, 2023**, the Utility recorded an insurance receivable for the full amount of \$430 million December 31, 2023.

2020 Zogg Fire

According to Cal Fire, on September 27, 2020, at approximately 4:03 p.m. Pacific Time, a wildfire began in the area of Zogg Mine Road and Jenny Bird Lane, north of Igo in Shasta County, California (the "2020 Zogg fire"), located in the service area of the Utility. According to a Cal Fire incident update dated October 16, 2020, 3:08 p.m. Pacific Time, the 2020 Zogg fire consumed 56,338 acres and resulted in four fatalities, one injury, 204 structures destroyed, and 27 structures damaged.

On March 22, 2021, Cal Fire issued a press release with its determination that the 2020 Zogg fire was caused by a pine tree contacting electrical facilities owned and operated by the Utility located north of the community of Igo.

On September 24, 2021, the Shasta County District Attorney's Office ("Shasta D.A.") charged the Utility with 11 felonies and 20 misdemeanors related to the 2020 Zogg fire, the 2020 Daniel fire, the 2020 Ponder fire, and the 2021 Woody fire. On September 24, 2021 As of April 17, 2024, PG&E Corporation and the Utility announced that they disputed the charges. They further announced that they would accept Cal Fire's finding that a Utility electric line caused the 2020 Zogg fire, even though PG&E Corporation and the Utility did not have access to settled or reached settlements in principle with substantially all of the evidence that Cal Fire gathered. On June 9, 2022, the Utility entered a plea of not guilty to all of the charges. At the conclusion of the preliminary hearing conducted in January and February 2023, the court dismissed 20 of the 31 counts, including all charges related to the three smaller fires as well as all charges relating to air contamination. On February 24, 2023, the Utility filed a motion to set aside 10 of the remaining 11 counts. On April 14, 2023, the court issued a written tentative ruling dismissing nine of the remaining counts and inviting the parties to submit additional briefing on the issues discussed in the tentative ruling. On

May 31, 2023, the Utility and the Shasta D.A. filed a civil stipulated judgment (the "Zogg Stipulation") for the Shasta D.A. to dismiss with prejudice all criminal charges against the Utility in connection with the 2020 Zogg fire. On May 31, 2023, the Shasta County Superior Court granted the Shasta D.A.'s motion to dismiss the pending criminal charges. Subject to the terms and conditions of the Zogg Stipulation, the Utility agreed to (1) pay a total of \$50 million, which will not be recoverable through rates; (2) take certain wildfire mitigation actions consistent with its then-applicable wildfire mitigation plan and (3) extend the term of the independent compliance monitor to monitor the Utility's compliance with certain commitments in Shasta County by approximately one year. After the Zogg Stipulation was entered by the Shasta County Superior Court, the Shasta D.A. moved to dismiss the charges with prejudice, which was granted by the court on June 14, 2023. As of September 30, 2023, PG&E Corporation's and the Utility's Condensed Consolidated Financial Statements reflected \$46 million within Other current liabilities in connection with the Zogg Stipulation, known individual plaintiffs.

On October 25, 2022, the SED issued a proposed administrative enforcement order alleging that the Utility violated CPUC regulations and Public Utilities Code Section 451 in connection with the CPUC's investigation of the 2020 Zogg fire. The proposed order recommends a penalty of \$155 million. On February 21, 2023, the Utility and the SED filed a joint motion for approval of a settlement agreement (the "Zogg SED Settlement"). The Zogg SED Settlement provides that the Utility would (i) pay \$10 million to California's General Fund; (ii) implement certain enhancements to its vegetation management processes; (iii) incur \$140 million in connection with certain initiatives specified in the Zogg SED Settlement, and the Utility may not seek recovery of this \$140 million of costs. The SED agreed to refrain from instituting any further enforcement proceedings against the Utility related to the 2020 Zogg fire. The Zogg SED Settlement states that it does not constitute an admission or evidence of any wrongdoing, fault, omission, negligence, imprudence, or liability on the part of the Utility. In connection with the Zogg SED Settlement, PG&E Corporation and the Utility recorded a liability of \$10 million reflected in Other current liabilities on the Consolidated Financial Statements for the year ended December 31, 2022. For the \$140 million of costs for which the Utility will not seek recovery, the Utility expects to record disallowances as such costs are incurred. On May 24, 2023, the CPUC issued a resolution granting the joint motion filed by the Utility and the SED and approving the Zogg SED Settlement.

As of October 18, 2023, PG&E Corporation and the Utility are aware of approximately 32 complaints on behalf of at least 541 plaintiffs related to the 2020 Zogg fire. The plaintiffs seek damages that include wrongful death, property damage, economic loss, punitive damages, exemplary damages, attorneys' fees and other damages. The plaintiffs filed master complaints on August 6, 2021, and PG&E Corporation's and the Utility's answer was filed on September 7, 2021, and PG&E Corporation and the Utility filed a demurrer with respect to the plaintiffs' inverse condemnation claims. On December 10, 2021, the court overruled the demurrer. The court has set a trial date in the coordinated proceeding for April 8, 2024.

In addition, on March 18, 2022, Cal Fire filed a complaint against the Utility in the coordinated proceeding seeking to recover approximately \$34.5 million for fire suppression and other costs incurred in connection with the 2020 Zogg fire. The Utility filed an answer to Cal Fire's complaint on May 3, 2022. The Utility and Cal Fire reached a settlement of Cal Fire's claims and dismissal of Cal Fire's complaint with prejudice was entered on December 22, 2022. On September 26, 2022, the Utility entered into a tolling agreement with Cal OES, which remains in effect.

Based on the current state of the law concerning inverse condemnation in California and the facts and circumstances available to PG&E Corporation and the Utility as of the date of this filing, including Cal Fire's determination of the cause and the information gathered as part of PG&E Corporation's and the Utility's investigation, PG&E Corporation and the Utility believe it is probable that they will incur a loss in connection with the 2020 Zogg fire. Based on the facts and circumstances available to PG&E Corporation and the Utility as of the date of this report, PG&E Corporation and the Utility recorded a liability in the aggregate amount of \$400 million as of December 31, 2022 December 31, 2023 (before available insurance). The aggregate liability remained unchanged as of September 30, 2023 March 31, 2024.

PG&E Corporation's and the Utility's accrued estimated losses represent the best estimate of the liability and ~~do~~ does not include: (i) include any claims related to the Cal OES complaint (ii) or any punitive damages, or (iii) any other amounts that are not reasonably estimable. damages.

The following table presents changes in the best estimate of the range of PG&E Corporation's and the Utility's reasonably estimable range of losses for claims arising from the 2020 Zogg fire since December 31, 2022 December 31, 2023.

Loss Accrual (in millions)

Balance at December 31, 2022	December 31, 2023	\$	3210
Accrued Losses		\$	—
Payments		\$	(19)(2)
Balance at September 30, 2023	March 31, 2024	\$	138

The Utility has liability insurance for third-party liability attributable to the 2020 Zogg fire in an aggregate amount of \$611 million. As of September 30, 2023 March 31, 2024, the Utility recorded an insurance receivable for \$373 million \$374 million for probable insurance recoveries in connection with the 2020 Zogg fire, which equals the \$400 million probable loss estimate less an initial self-insured retention of \$60 million, plus \$33 million \$34 million in legal fees incurred. Recovery under the Utility's wildfire insurance policies for the 2021 Dixie fire will reduce the amount of insurance proceeds available for the 2020 Zogg fire by the same amount up to \$600 million and vice versa.

2021 Dixie Fire

According to the Cal Fire Investigation Report on the 2021 Dixie fire (the "Cal Fire Investigation Report"), on July 13, 2021, at approximately 5:07 p.m. Pacific Time, a wildfire began in the Feather River Canyon near Cresta Dam (the "2021 Dixie fire"), located in the service area of the Utility. According to the Cal Fire Investigation Report, the 2021 Dixie fire consumed 963,309 acres and resulted in 1,311 structures destroyed and 94 structures damaged (including 763 residential homes, 12 multi-family homes, 8 commercial residential homes, 148 nonresidential commercial structures, and 466 detached structures), and four first-responder injuries. The Cal Fire Investigation Report does not attribute a fatality that was previously published in an October 25, 2021 Cal Fire incident report to the 2021 Dixie fire.

On January 4, 2022, Cal Fire issued a press release with its determination that the 2021 Dixie fire was caused by a tree contacting electrical distribution lines owned and operated by the Utility. On June 7, 2022, the Utility received a copy of the Cal Fire Investigation Report, which states that the fire ignited when a tree fell and contacted electrical distribution lines owned and operated by the Utility, and the Cal Fire Investigation Report has been made publicly available. The Cal Fire Investigation Report alleges that the Utility acted negligently in its response to the initial outage and fault that caused the 2021 Dixie fire. The Cal Fire Investigation Report also alleges that the subject tree had visible outward signs

of damage and decay which would have been noticeable at the ground level, and that a brief visual inspection should have discovered the decay. Based on the information currently available to the Utility, through its ongoing investigation, including its inspection records, operating and inspection protocols and procedures, implementation of those protocols and procedures, and day-of-event response, the Utility believes its personnel acted reasonably (within the meaning of the applicable prudence standard discussed under "Regulatory Recovery" below) given the information available at the time and followed applicable policies and protocols both before ignition and in the day-of-event response. While an intervenor in a future cost recovery proceeding may argue the Cal Fire Investigation Report itself creates serious doubt with respect to the reasonableness of the Utility's conduct, PG&E Corporation and the Utility do not believe the report identifies sufficient facts to shift the burden of proof applicable in a proceeding for cost recovery to the Utility. (See "Regulatory Recovery" and "Wildfire Fund under AB 1054" below.) PG&E Corporation and the Utility disagree with many allegations in the Cal Fire Investigation Report and plan to vigorously contest them. However, if the CPUC or the FERC were to reach conclusions similar to those of the Cal Fire Investigation Report, it may determine that the Utility had been imprudent, in which case some or all of its costs recorded to the WEEMA would not be recoverable, the Utility would not be able to recover costs through FERC TO rates, or the Utility would be required to reimburse the Wildfire Fund for the costs and expenses that are allocated to it.

The United States Attorney's Office for the Eastern District of California has issued a subpoena for documents. It is unclear whether the investigation is still pending. Other than the investigations that have been resolved, various entities, which may include other state and federal law enforcement agencies, may also be investigating the fire. PG&E Corporation and the Utility are also conducting their own investigation into the cause of the 2021 Dixie fire. This investigation is ongoing.

On October 9, 2023, the SED submitted for adoption by the CPUC a draft resolution approving an Administrative Consent Order and Agreement between the SED and the Utility (the "Dixie ACO"). The Dixie ACO would resolve the SED's investigation into the 2021 Dixie fire. The Dixie ACO provides that the Utility would (i) pay \$2.5 million to California's General Fund; (ii) pay \$2.5 million to tribes impacted by the 2021 Dixie fire; (iii) improve its and undertake an initiative to transition to electronic recordkeeping regarding records for specified patrols and inspections of distribution facilities, at an approximate cost of \$40 million over five years, and the Utility may not seek recovery of such costs. The SED agreed to refrain from instituting any further enforcement proceedings against the Utility related to the 2021 Dixie fire. The Dixie ACO states that it does not constitute an admission or evidence of any wrongdoing, fault, omission, negligence, imprudence, or liability on the part of the Utility. The Dixie ACO also states that the parties to it intend that nothing in it shall not affect whether the Utility may obtain recovery of costs and expenses incurred in connection with the 2021 Dixie fire, including for amounts drawn from the Wildfire Fund or otherwise sought through a cost recovery application to the CPUC. The On February 2, 2024, the CPUC issued a final decision approving the Dixie ACO will be on the agenda for the CPUC's November 16, 2023 meeting. ACO. In connection with the Dixie ACO, PG&E Corporation and the Utility recorded a liability of \$5 million reflected in Other current liabilities on the Condensed Consolidated Financial Statements for the period ended September 30, 2023 as of March 31, 2024. For the recordkeeping initiative costs for which the Utility will not seek recovery, the Utility expects to record disallowances as such costs are incurred.

As of October 18, 2023 April 17, 2024, PG&E Corporation and the Utility are aware of approximately 161 167 complaints on behalf of at least 8,222 8,478 individual plaintiffs and a separate putative class complaint related to the 2021 Dixie fire and expect that they may receive further complaints. The plaintiffs seek damages that include wrongful death, property damage, economic loss, medical monitoring, punitive damages, exemplary damages, attorneys' fees and other damages. On September 20, 2023 March 15, 2024, the court vacated the November 8, 2023 trial date and scheduled a new trial date for April 2, 2024 October 14, 2024. Cal FireThe court also filed set a complaint largely repeating the allegations of the earlier Cal Fire Investigation Report and seeking damages subsequent trial date for fire suppression and investigation costs.

On January 17, 2023, PG&E Corporation and the Utility reached an agreement with certain public entities to settle their claims for \$24 million.

On March 2, 2023, PG&E Corporation and the Utility entered into an agreement with the insurance subrogation plaintiffs in the 2021 Dixie fire litigation to resolve their claims arising from the 2021 Dixie fire. February 24, 2025.

Based on the current state of the law concerning inverse condemnation in California and the facts and circumstances available to PG&E Corporation and the Utility as of the date of this filing, including Cal Fire's determination of the cause and the information gathered as part of PG&E Corporation's and the Utility's investigation, PG&E Corporation and the Utility believe it is probable that they will incur a loss in connection with the 2021 Dixie fire. PG&E Corporation and the Utility recorded a liability in the aggregate amount of \$1.175 billion as of December 31, 2022 (before available recoveries). Based on the facts and circumstances available to PG&E Corporation and the Utility as of the date of this filing, including their experience to date in settling the claims of individual plaintiffs, PG&E Corporation and the Utility recorded an additional charge a liability in the third quarter of 2023 for probable losses in connection with the 2021 Dixie fire of \$425 million for an aggregate liability amount of \$1.6 billion as of December 31, 2023 (before available insurance). The aggregate liability remained unchanged as of March 31, 2024.

PG&E Corporation's and the Utility's accrued estimated losses of \$1.6 billion do not include, among other things: (i) any amounts for potential penalties or fines that may be imposed by courts or other governmental entities on PG&E Corporation or the Utility, (ii) any punitive damages, (iii) any amounts in respect of compensation claims by federal or state agencies including for state or federal fire suppression costs and damages related to federal land, (iv) evacuation costs, (v) medical monitoring costs, or (vi) any other amounts that are not reasonably estimable.

As noted above, the aggregate estimated liability for claims in connection with the 2021 Dixie fire does not include potential claims for fire suppression costs from federal, state, county, or local agencies or damage to land and vegetation in national parks or national forests. As to these damages, PG&E Corporation and the Utility have not concluded that a loss is probable. PG&E Corporation and the Utility are unable to reasonably estimate the range of possible losses for any such claims due to, among other factors, incomplete information as to facts pertinent to potential claims and defenses, as well as facts that would bear on the amount, type, and valuation of vegetation loss, potential reforestation, habitat loss, and other resources damaged or destroyed by the 2021 Dixie fire. PG&E Corporation and the Utility believe, however, that such losses could be significant with respect to fire suppression costs due to the size and duration of the 2021 Dixie fire and corresponding magnitude of fire suppression resources dedicated to fighting the 2021 Dixie fire and with respect to claims for damage to land and vegetation in national parks or national forests due to the very large number of acres of national park parks and national forests that were affected by the 2021 Dixie fire. According to the Cal Fire Investigation Report, over \$650 million of costs had been incurred in suppressing the 2021 Dixie fire. The Utility estimates that the fire burned approximately 70,000 acres of national parks and approximately 685,000 acres of national forests.

The following table presents changes in the lower end of the range of PG&E Corporation's and the Utility's reasonably estimable range of losses for claims arising from the 2021 Dixie fire since December 31, 2022 December 31, 2023.

Loss Accrual (in millions)		
Balance at December 31, 2022	December 31, 2023	\$ 1,131 870
Accrued Losses		425 —
Payments		(533) (138)
Balance at September 30, 2023	March 31, 2024	\$ 1,023 732

The Utility has liability insurance coverage for third-party liability in an aggregate amount of \$900 million. Recovery under the Utility's wildfire insurance policies for the 2020 Zogg fire will reduce the amount of insurance proceeds available for the 2021 Dixie fire by the same amount up to \$600 million and vice versa. As of September 30, 2023 March 31, 2024, the Utility recorded an insurance receivable of \$527 million \$526 million for probable insurance recoveries in connection with the 2021 Dixie fire, which equals the aggregate \$900 million of available insurance coverage for third-party liability attributable to the 2021 Dixie fire, less the \$373 million \$374 million insurance receivable recorded in connection with the 2020 Zogg fire.

As of September 30, 2023 March 31, 2024, the Utility recorded a Wildfire Fund receivable of \$600 million for probable recoveries in connection with the 2021 Dixie fire. AB 1054 provides that the CPUC may allocate costs and expenses in the application for cost recovery in full or in part taking into account factors both within and beyond the utility's control that may have exacerbated the costs and expenses, including humidity, temperature, and winds. PG&E Corporation and the Utility believe that, even if it found that the Utility acted unreasonably, the CPUC would nevertheless authorize recovery in part. See "Wildfire Fund under AB 1054" below. The As of March 31, 2024, the Utility also recorded a \$88 million \$92 million reduction to its regulatory liability for wildfire-related claims costs that were determined to be probable of recovery through the FERC TO formula rate and a \$454 million \$484 million regulatory asset for costs that were determined to be probable of recovery through the WEMA. See "Regulatory Recovery" below. Decreases in the amount of the insurance receivable for the 2021 Dixie fire may also increase the amount that is probable of recovery through the FERC TO formula rate and the WEMA.

2022 Mosquito Fire

On September 6, 2022, at approximately 6:17 p.m. Pacific Time, the Utility was notified that a wildfire had ignited near Oxbow Reservoir in Placer County, California (the "2022 Mosquito fire"), located in the service area of the Utility. The National Wildfire Coordinating Group's InciWeb incident overview dated November 4, 2022 at 6:30 p.m. Pacific Time indicated that the 2022 Mosquito fire had consumed approximately 76,788 acres at that time. It also indicated no fatalities, no injuries, 78 structures destroyed, and 13 structures damaged (including 44 residential homes and 40 detached structures) and that the fire was 100% contained.

The USFS has indicated to the Utility an initial assessment that the fire started in the area of the Utility's power line on National Forest System lands and that the USFS is conducting a criminal investigation into the 2022 Mosquito fire. On September 24, 2022, the USFS removed and took possession of one of the Utility's transmission poles and attached equipment. The USFS has not issued a determination as to the cause.

The cause of the 2022 Mosquito fire remains under investigation by the USFS and the DOJ, United States Department of Justice, and PG&E Corporation and the Utility are cooperating with the investigation. PG&E Corporation and the Utility have received document and information requests from the DOJ. It is uncertain when any such investigations will be complete. PG&E Corporation and the Utility are also conducting their own investigation into the cause of the 2022 Mosquito fire. This investigation is preliminary, and PG&E Corporation and the Utility do not currently have access to the evidence in the possession of the USFS, the DOJ, or other third parties, ongoing.

The CPUC is investigating the 2022 Mosquito fire, and other entities may also be investigating the 2022 Mosquito fire, investigating. It is uncertain when any such investigations will be complete.

As of October 18, 2023 April 17, 2024, PG&E Corporation and the Utility are aware of approximately six complaints on behalf of at least 233 individual plaintiffs related to the 2022 Mosquito fire and expect that they may receive further complaints. PG&E Corporation and the Utility also are aware of a complaint on behalf of the Placer County Water Agency, PCWA, a complaint on behalf of the Middle Fork Project Finance Authority, a complaint on behalf of El Dorado County, Placer County, Georgetown Divide Public Utility District, Georgetown Fire Protection District, and El Dorado County Water Agency, and five complaints on behalf of the subrogation insurers, Agency. The plaintiffs seek damages that include property damage, economic loss, punitive damages, exemplary damages, attorneys' fees and other damages. On April 24, 2024, PG&E Corporation and the Utility filed cross-complaints against PCWA, alleging that conduct by PCWA was a substantial cause of the 2022 Mosquito fire. The cross-complaints seek property damages, indemnification, attorneys' fees, and other damages.

Based on the current state of the law concerning inverse condemnation in California and the facts and circumstances available to PG&E Corporation and the Utility as of the date of this filing, including the information gathered as part of PG&E Corporation's and the Utility's investigation, PG&E Corporation and the Utility believe it is probable that they will incur a loss in connection with the 2022 Mosquito fire. Based on the facts and circumstances available to PG&E Corporation and the Utility as of the date of this report, PG&E Corporation and the Utility recorded a liability in the aggregate amount of \$100 million as of December 31, 2022 December 31, 2023 (before available insurance). The aggregate liability remained unchanged as of September 30, 2023 March 31, 2024.

PG&E Corporation's and the Utility's accrued estimated losses do not include, among other things: (i) any amounts for potential penalties or fines that may be imposed by courts or other governmental entities on PG&E Corporation or the Utility, (ii) any punitive damages, (iii) any amounts in respect of compensation claims by federal or state agencies including for state or federal fire suppression costs and damages related to federal land, (iv) evacuation costs, or (v) any other amounts that are not reasonably estimable.

As noted above, the aggregate estimated liability for claims in connection with the 2022 Mosquito fire does not include potential claims for fire suppression costs from federal, state, county, or local agencies or damage to land and vegetation in national parks or national forests. As to these damages, PG&E Corporation and the Utility have not concluded that a loss is probable. PG&E Corporation and the Utility are unable to reasonably estimate the range of possible losses for any such claims due to, among other factors, incomplete information as to facts pertinent to potential claims and defenses, as well as facts that would bear on the amount, type, and valuation of vegetation loss, potential reforestation, habitat loss, and other resources damaged or destroyed by the 2022 Mosquito fire.

The following table presents changes in the lower end of the range of PG&E Corporation's and the Utility's reasonably estimable range of losses for claims arising from the 2022 Mosquito fire since December 31, 2023.

Loss Accrual (in millions)

Balance at December 31, 2023	\$	85
Accrued Losses		—
Payments		—
Balance at March 31, 2024	\$	85

The Utility has liability insurance coverage for third-party liability in an aggregate amount of \$733 million, with a deductible of \$60 million. As of **September 30, 2023** **March 31, 2024**, the Utility recorded an insurance receivable of **\$58 million** **\$68 million** for probable insurance recoveries in connection with the 2022 Mosquito fire, including legal fees. As of **September 30, 2023** **March 31, 2024**, the Utility also recorded a **\$9 million** **\$8 million** reduction to its regulatory liability for wildfire-related claims costs that were determined to be probable of recovery through the FERC TO formula rate and a **\$51 million** **\$52 million** regulatory asset for costs that were determined to be probable of recovery through the WEMA. See "Regulatory Recovery" below.

Loss Recoveries

PG&E Corporation and the Utility have recovery mechanisms available for wildfire liabilities including from insurance, customers, and the Wildfire Fund. PG&E Corporation and the Utility record a receivable for a recovery when it is deemed probable that recovery of a recorded loss will occur, and the Utility can reasonably estimate the amount or its range. While the Utility plans to seek recovery of all insured losses, it is unable to predict the ultimate amount and timing of such recoveries. For more information on the applicable facts and circumstances of the corresponding wildfires, see "2019 Kincade Fire," "2020 Zogg Fire," "2021 Dixie Fire," and "2022 Mosquito Fire."

Total probable recoveries for the 2021 Dixie fire and the 2022 Mosquito fire as of **September 30, 2023** **March 31, 2024** are:

Potential Recovery Source (in millions)	2021 Dixie fire	2022 Mosquito fire
Potential Recovery Source (in millions)	2021 Dixie fire	2022 Mosquito fire
Recovery Source (in millions)	Recovery Source (in millions)	Recovery Source (in millions)
Insurance	Insurance	Insurance
FERC TO rates	FERC TO rates	FERC TO rates
WEMA	WEMA	WEMA
Wildfire Fund	Wildfire Fund	Wildfire Fund
Probable recoveries	\$ 118	\$ 1,669
at September 30, 2023 ⁽¹⁾		
Probable recoveries		
at March 31, 2024 ⁽¹⁾		

⁽¹⁾ Includes legal costs of \$96 million and \$28 million related to the 2021 Dixie fire and 2022 Mosquito fire, respectively, as of March 31, 2024.

The Utility could be subject to significant liability in connection with these wildfire events. If such liability is not recoverable from insurance or the other mechanisms described in this section, it could have a material impact on PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows.

Insurance

Insurance Coverage

In April 2022, the Utility purchased approximately \$340 million in wildfire liability insurance coverage for the period from April 1, 2022 to April 1, 2023, at a cost of approximately \$263 million. Additionally, the Utility purchased approximately \$600 million in wildfire liability insurance in August 2022 for the period from August 1, 2022 to August 1, 2023, at a cost of approximately \$516 million. The Utility's wildfire liability insurance is subject to an initial self-insured retention of \$60 million. In the nine months ended September 30, 2023, the Utility commuted \$207 million of the \$340 million in wildfire liability insurance coverage running from \$757 million to \$970 million. PG&E Corporation and the Utility did not procure additional wildfire liability insurance in April 2023 as they move to a program of self-insurance. See "Self-Insurance" below.

In April 2023, the Utility purchased approximately \$710 million in non-wildfire liability coverage for the period from April 1, 2023 to April 1, 2024 at a cost of approximately \$167 million. The Utility's non-wildfire liability insurance is subject to an initial self-insured retention of \$10 million.

As of September 30, 2023, PG&E Corporation and the Utility had prepaid insurance of \$118 million, reflected in Other current assets on the Condensed Consolidated Balance Sheets.

Various coverage limitations applicable to different insurance layers could result in material uninsured costs in the future depending on the amount and type of damages resulting from covered events.

In the Utility's 2020 GRC proceeding, the CPUC also approved a settlement agreement provision that allows the Utility to recover annual insurance costs for up to \$1.4 billion in excess liability insurance coverage. For more information about the RTBA, see Note 3 above.

Self-Insurance

On January 12, 2023, the CPUC approved a settlement agreement among the Utility and two parties to the proceeding pursuant to which Since August 2023, the Utility's wildfire liability insurance will be for amounts up to \$1.0 billion has been entirely based on self-insurance once all of the Utility's existing wildfire liability insurance policies expire, which occurred on August 1, 2023, and will remain as such through at least 2026. The self-insurance is funded through CPUC-jurisdictional rates at \$400 million for test year 2023 and subsequent years until \$1.0 billion of unimpaired self-insurance is reached. If losses are incurred, the settlement agreement contains an adjustment mechanism designed to adjust customer funded self-insurance based on the amount of wildfire related liabilities incurred in the previous year. For 2024, 2025, and 2026, if the estimated claims for wildfire events from the immediately preceding year exceed the amount collected for self-insurance in that same year, the self-insurance amount to be collected through rates during the following year would increase by 50% of the difference between the self-insurance amount collected and estimated claims for events in the immediately preceding year. The settlement agreement program includes a 5% deductible, capped at a maximum of \$50 million, on claims that are incurred each year. The settlement agreement prohibits the Utility from purchasing additional wildfire liability insurance from the commercial insurance market.

Insurance Receivable

Through September 30, 2023 March 31, 2024, PG&E Corporation and the Utility recorded \$430 million \$374 million, \$373 million, \$527 million \$526 million, and \$58 million \$68 million for probable insurance recoveries in connection with the 2019 Kincade fire, the 2020 Zogg fire, the 2021 Dixie fire, and the 2022 Mosquito fire, respectively. PG&E Corporation and the Utility intend to seek full recovery for all insured losses.

The balances for insurance receivables with respect to wildfires are included in Other accounts receivable in PG&E Corporation's and the Utility's Condensed Consolidated Balance Sheets:

Insurance Receivable (in millions)	2022 Mosquito fire	2021 Dixie fire	2020 Zogg fire	2019 Kincade fire	Total
Balance at December 31, 2022	\$ 45	\$ 530	\$ 118	\$ 101	\$ 794
Accrued insurance recoveries (1)	13	(3)	3	—	13
Reimbursements	—	(200)	(68)	(101)	(369)
Balance at September 30, 2023	<u>\$ 58</u>	<u>\$ 327</u>	<u>\$ 53</u>	<u>—</u>	<u>\$ 438</u>

(1) For the nine months ended September 30, 2023, the accrued insurance recoveries decreased for the 2021 Dixie fire with a corresponding increase to the 2020 Zogg fire for \$3 million.

Insurance Receivable (in millions)	2020 Zogg fire	2021 Dixie fire	2022 Mosquito fire	Total
Balance at December 31, 2023	\$ 47	\$ 326	\$ 63	\$ 436
Accrued insurance recoveries	—	—	5	5
Reimbursements	(5)	(75)	—	(80)
Balance at March 31, 2024	<u>\$ 42</u>	<u>\$ 251</u>	<u>\$ 68</u>	<u>\$ 361</u>

Regulatory Recovery

Section 451.1 of the Public Utilities Code provides that when determining an application to recover costs and expenses arising from a covered wildfire, the CPUC shall allow cost recovery if the costs and expenses are just and reasonable (i.e., the "prudence standard"). AB 1054 states that a utility with a valid safety certification for the time period in which a covered wildfire ignited "shall be deemed to have been reasonable" unless "a party to the proceeding creates a serious doubt as to the reasonableness of the [Utility's] conduct," in which case the burden shifts to the utility to prove its conduct was reasonable. The Utility had a valid safety certification at the time of the 2021 Dixie fire and the 2022 Mosquito fire, so any analysis of cost recovery starts with this reasonableness presumption. AB 1054 also allows the CPUC to allocate costs and expenses "in full or in part taking into account factors both within and beyond the Utility's control that may have exacerbated the costs and expenses, including humidity, temperature, and winds."

The Utility's recorded receivables under the WEMA and with respect to the Wildfire Fund take into account this revised prudence standard and the presumption of reasonableness of the Utility's conduct, based on the Utility's interpretation of AB 1054 and the information currently available to the Utility. Although the concept of "serious doubt" has been applied in other regulatory proceedings, such as FERC proceedings, the revised prudence standard under AB 1054 has not been interpreted or applied by the CPUC and it is possible that the CPUC could interpret or apply the standard differently, in which case the Utility may not be able to recover all or a portion of expenses that it has recorded as a receivable.

FERC TO Rates

The Utility recognizes income and reduces its regulatory liability for potential refund through future FERC TO formula rates for a portion of the third-party wildfire-related claims in excess of insurance coverage. The FERC presumes that a utility's expenditures are prudent and permits cost recovery unless a party raises a serious doubt regarding the prudence of such costs. The allocation to transmission customers was based on a FERC-approved allocation factor as determined in the formula rate. Based on information currently available to the Utility regarding the 2021 Dixie fire and the 2022 Mosquito fire, as of September 30, 2023 March 31, 2024, the Utility recorded reductions of \$88 million \$92 million and \$9 million \$8 million, respectively, to its regulatory liability for wildfire-related claims costs that were determined to be probable of recovery through the FERC TO formula rate.

WEMA

The WEMA provides for tracking of incremental wildfire claims, outside legal costs, and insurance premiums above those authorized in rates. With respect to wildfire claims and outside legal costs, the Utility expects that the same prudence standard as applies to the Wildfire Fund would also be applied in any CPUC review of an application filed by the Utility seeking recovery of such costs recorded to the WEMA. See "Wildfire Fund under AB 1054" below. As of **September 30, 2023** **March 31, 2024**, based on information currently available to the Utility, incremental wildfire claims-related costs for the 2021 Dixie fire and the 2022 Mosquito fire were determined to be probable of recovery and the Utility recorded **\$454 million** **\$484 million** and **\$51 million** **\$52 million**, respectively, as regulatory assets in the WEMA.

Wildfire Fund under AB 1054

On July 12, 2019, the California governor signed into law AB 1054 a bill which became law. The law provides for the establishment of 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. Each of California's large electric IOUs has elected to participate in the Wildfire Fund. 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 Coverage 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, added by AB 1054. The accrued Wildfire Fund receivable as of **September 30, 2023** **March 31, 2024** reflects an expectation that the Coverage Year will be based on the calendar year.

Electric utility companies that draw from the Wildfire Fund will only be required to reimburse amounts that are determined by the CPUC in a proceeding for cost recovery not to be just and reasonable, applying the prudence standard in AB 1054 and after allocating costs and expenses for cost recovery based on relevant factors both within and outside of a utility's control that may have exacerbated the costs and expenses, subject to a disallowance cap equal to 20% of the IOU's transmission and distribution equity rate base. For the Utility, the disallowance cap would be approximately **\$3.7** **\$4.1** billion based on its **forecasted 2023** **2024** equity rate base, which is subject to adjustment based on changes in the Utility's **total** **electric** transmission and distribution equity rate base and would apply for a three calendar-year period. The disallowance cap is inapplicable in certain circumstances, including if the Wildfire Fund administrator determines that the electric utility company's actions or inactions that resulted in the applicable wildfire constituted "conscious or willful disregard for the rights and safety of others," or the electric utility company failed to maintain a valid safety certification. Costs that the CPUC determines to be just and reasonable in accordance with the prudence standard in AB 1054 will not be reimbursed to the Wildfire Fund, resulting in a draw-down of the Wildfire Fund.

Before the expiration of any current safety certification, the Utility must request a new safety certification from the OEIS, which the Utility expects to be issued within 90 days if the Utility has provided documentation that it has satisfied the requirements for the safety certification pursuant to Section 8389(e) of the Public Utilities Code, added by AB 1054. An issued safety certification is valid for 12 months or until a timely request for a new safety certification is acted upon, whichever occurs later. The safety certification is separate from the CPUC's enforcement authority and does not preclude the CPUC from pursuing remedies for safety or other applicable violations. On **December 13, 2022** **January 22, 2024**, the OEIS approved the Utility's **2022** **2023** application and issued the Utility's **2022** **2023** safety certification. The OEIS has set December 12, 2023 as the deadline for the Utility to file its **2023** application.

The Wildfire Fund and disallowance cap will be terminated when the amounts therein are exhausted. The Wildfire Fund is expected to be capitalized with (i) \$10.5 billion of proceeds of bonds supported by a 15-year extension of the DWR charge to customers, (ii) \$7.5 billion in initial contributions from California's three large electric IOUs and (iii) \$300 million in annual contributions paid by the participating electric IOUs for a 10-year period.

The Wildfire Fund will only be available for payment of eligible claims so long as there are sufficient funds remaining in the Wildfire Fund. Such funds could be depleted more quickly than expected, including as a result of claims made by California's other participating electric utility companies. The Wildfire Fund is available to pay for the Utility's eligible claims arising as of July 12, 2019, the effective date of AB 1054, subject to a limit of 40% of the allowed amount of such claims arising between the effective date of AB 1054 and the Utility's emergence from Chapter 11. The 40% limit does not apply to eligible claims that arise after the Utility's emergence from Chapter 11. AB 1054 authorizes the reimbursement of funds where a participating utility has demonstrated that it exercised reasonable business judgment in the valuation and payment of third-party claims.

As of **September 30, 2023** **March 31, 2024**, PG&E Corporation and the Utility recorded **\$600** **\$450** million and **\$150** million in **Accounts receivable - other** and **Other noncurrent assets**, respectively, for Wildfire Fund receivables related to the 2021 Dixie fire.

For more information, see Note 2 above.

Wildfire-Related Securities Litigation

As further described under the headings "Wildfire-Related Securities Claims in District Court" and "Wildfire-Related Securities Claims—Claims in the Bankruptcy Court Process," PG&E Corporation and the Utility face certain wildfire-related securities claims related to the 2017 Northern California wildfires and other claims related to the 2018 Camp fire and the PSPS program in the Chapter 11 Cases (i.e., the Subordinated Claims), and certain former directors, current and former officers, and underwriters of certain note offerings face wildfire-related securities claims in the District Court action. The claims described under the heading "Wildfire-Related Securities Claims in District Court" are referred to as the "Wildfire-Related Non-Bankruptcy Securities Claims" and collectively with the claims described under the heading "Wildfire-Related Securities Claims—Claims in the Bankruptcy Court Process" are referred to in this section as the "Wildfire-Related Securities Claims."

Based on the facts and circumstances available to PG&E Corporation and the Utility as of the date of this filing, PG&E Corporation believes it is probable that it will incur a loss in connection with these matters. PG&E Corporation has recorded a liability in the aggregate amount of \$300 million, **(before available insurance)**, which represents its best estimate of probable losses for the Wildfire-Related Securities Claims. PG&E Corporation believes that it is reasonably possible that the amount of loss could be greater or less than the accrued estimated amount due to the number of plaintiffs and the complexity of the litigation, and because a class settlement, if any, would be subject to, among other things, approval by the Bankruptcy Court and the District Court, and class members would have the right to opt out of any such settlement.

Wildfire-Related Securities Claims in District Court

In June 2018, two purported securities class actions were filed in the District Court, naming PG&E Corporation and certain of its then-current and former officers as defendants, entitled *David C. Weston v. PG&E Corporation, et al.* and *Jon Paul Moretti v. PG&E Corporation, et al.*, respectively. The complaints alleged material misrepresentations and omissions in various PG&E Corporation public disclosures related to, among other things, vegetation management and other issues connected to the 2017 Northern California wildfires. The complaints asserted claims under Section 10(b) and Section 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder, and sought unspecified monetary relief, interest, attorneys' fees and other costs. Both complaints identified a proposed class period of April 29, 2015 to June 8, 2018. On September 10, 2018, the court consolidated both cases, and the litigation is now denominated *In re PG&E Corporation Securities Litigation*, U.S. District Court for the Northern District of California, Case No. 18-03509. The court also appointed PERA as lead plaintiff. PERA filed a consolidated amended complaint on November 9, 2018. On December 14, 2018, PERA filed a second amended consolidated complaint to add allegations regarding the 2018 Camp fire, including allegations regarding transmission line safety and the PSPS program.

Due to the commencement of the Chapter 11 Cases, the proceedings were automatically stayed as to PG&E Corporation and the Utility.

On February 22, 2019, a third purported securities class action was filed in the District Court, entitled *York County on behalf of the York County Retirement Fund, et al. v. Rambo, et al.* (the "York County Action"). The complaint named as defendants certain then-current and former officers and directors, as well as the underwriters of four public offerings of notes from 2016 to 2018. Neither PG&E Corporation nor the Utility was named as a defendant. The complaint asserted claims under Section 11 of the Securities Act of 1933, as amended, based on alleged material misrepresentations and omissions in connection with the note offerings related to, among other things, PG&E Corporation's and the Utility's vegetation management and wildfire safety measures. On May 7, 2019, the York County Action was consolidated with *In re PG&E Corporation Securities Litigation*.

On May 28, 2019, the plaintiffs in the consolidated securities actions filed a third amended consolidated class action complaint, which includes the claims asserted in the previously filed actions and names as defendants PG&E Corporation, the Utility, certain current and former officers and former directors, and the underwriters. On August 28, 2019, the Bankruptcy Court denied PG&E Corporation's and the Utility's request to extend the stay to the claims against the officer, director, and underwriter defendants. On October 4, 2019, the officer, director, and underwriter defendants filed motions to dismiss the third amended complaint, which motions are under submission with the District Court. On September 30, 2022, the District Court issued an order staying the action pending resolution of the bankruptcy proceedings. Accordingly, the District Court administratively closed the case, subject to a motion by the parties thereto to reopen the case. On October 31, 2022, PERA filed a notice of appeal of the District Court's order staying the action. PERA filed its opening brief on March 6, 2023, the answering brief was filed on May 8, 2023, and PERA filed its reply on May 30, 2023. Oral argument was held on September 13, 2023.

A group of shareholders who also filed proofs of claim in the Chapter 11 Cases filed a motion to intervene in the District Court action to, among other things, oppose the lifting of the stay sought by PERA. That motion remains pending. In addition, on March 21, 2023, a sub-set of this group of shareholders filed a separate action in the *United States District Court for the Northern District of California* against certain former officers and directors, entitled *Orbis Capital Limited et al., v. Williams et al.*, alleging similar claims to those alleged in *In re PG&E Corporation Securities Litigation*. The parties stipulated to a stay, and on May 16, 2023, the District Court entered an order staying the action.

Wildfire-Related Securities Claims—Claims in the Bankruptcy Court Process

PG&E Corporation and the Utility intend to resolve securities claims filed in the bankruptcy consistent with the Plan. These claims consist of pre-petition claims against PG&E Corporation or the Utility under the federal securities laws related to, among other things, allegedly misleading statements or omissions with respect to vegetation management and wildfire safety disclosures, and are classified into separate categories under the Plan, each of which is subject to subordination under the United States Bankruptcy Code. The first category of claims consists of pre-petition claims arising from or related to the trading of common stock of PG&E Corporation (such claims, with certain other similar claims against PG&E Corporation, the "HoldCo Rescission or Damage Claims"). The second category of pre-petition claims, which comprises two separate classes under the Plan, consists of claims arising from the trading of debt securities issued by PG&E Corporation and the Utility (such claims, with certain other similar claims against PG&E Corporation and the Utility, the "Subordinated Debt Claims," and together with the HoldCo Rescission or Damage Claims, the "Subordinated Claims").

While PG&E Corporation and the Utility believe they have defenses to the Subordinated Claims, these defenses may not prevail and proceeds from any applicable insurance coverage may not be adequate to cover the full amount of the allowed claims. In that case, PG&E Corporation and the Utility will be required, pursuant to the Plan, to satisfy any such allowed claims as follows:

- each holder of an allowed HoldCo Rescission or Damage Claim will receive a number of shares of common stock of PG&E Corporation equal to such holder's HoldCo Rescission or Damage Claim Share (as such term is defined in the Plan); and
- each holder of an allowed Subordinated Debt Claim will receive payment in full in cash.

PG&E Corporation and the Utility have engaged in settlement efforts with respect to the Subordinated Claims. All such settlements have been conditioned upon, among other things, resolution of that claimant's Wildfire-Related Non-Bankruptcy Securities Claims. If any of the Subordinated Claims are ultimately not settled, PG&E Corporation and the Utility expect that those Subordinated Claims will be resolved by the Bankruptcy Court in the claims reconciliation process and treated as described above under the Plan. Under the Plan, after the Emergence Date, PG&E Corporation and the Utility have the authority to compromise, settle, object to, or otherwise resolve proofs of claim, and the Bankruptcy Court retains jurisdiction to hear disputes arising in connection with disputed claims. With respect to the Subordinated Claims, the claims reconciliation process may include litigation of the merits of such claims, including the filing of motions, fact discovery, and expert discovery. The total number and amount of allowed Subordinated Claims, if any, was not determined at the Emergence Date. To the extent any such claims are allowed, the total amount of such claims could be material, and therefore could result in (a) the issuance of a material number of shares of common stock of PG&E Corporation with respect to allowed HoldCo Rescission or Damage Claims, or (b) the payment of a material amount of cash with respect to allowed Subordinated Debt Claims. There can be no assurance that such claims will not have a material adverse impact on PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows.

Further, if shares are issued in respect of allowed HoldCo Rescission or Damage Claims, it may be determined that, under the Plan, the Fire Victim Trust should receive additional shares of common stock of PG&E Corporation such that it would have owned 22.19% of the outstanding common stock of reorganized PG&E Corporation on the Emergence Date, assuming that such issuance of shares in satisfaction of the HoldCo Rescission or Damage Claims had occurred on the Emergence Date.

On July 2, 2020, PERA filed a notice of appeal of the Confirmation Order to the District Court, solely to the extent of seeking review of that part of the Confirmation Order approving the Insurance Deduction (as defined in the Plan) with respect to the formula for the determination of the HoldCo Rescission or Damage Claims Share. On August 10, 2021 January 25, 2021, the District Bankruptcy Court issued an order affirming the Bankruptcy Court's ruling with respect to the Insurance Deduction. On September 9, 2021, PERA filed a notice of appeal of the District Court's order to the United States Court of Appeals for the Ninth Circuit. The Ninth Circuit Court of Appeals heard oral argument on May 5, 2023. On May 16, 2023, the Ninth Circuit Court of Appeals issued its decision affirming the District Court's order. The time for appeal has expired.

On September 1, 2020, PG&E Corporation and the Utility filed a motion (the "Securities Claims Procedures Motion") with the Bankruptcy Court to approve procedures to help facilitate the resolution of the Subordinated Claims. The motion, order, among other things, requested approval of established procedures allowing PG&E Corporation and the Utility to collect trading information with respect to the Subordinated Claims, to engage in an alternative dispute resolution process for resolving disputed Subordinated Claims, and to file certain omnibus claim objections with respect to the Subordinated Claims. On January 25, 2021, the Bankruptcy Court granted the Securities Claims Procedures Motion.

PG&E Corporation and the Utility have worked to resolve the Subordinated Claims in accordance with procedures approved by the Bankruptcy Court, including by collecting trading information from holders of Subordinated Claims. Also, pursuant to those procedures, PG&E Corporation and the Utility have filed numerous omnibus objections in the Bankruptcy Court to certain of the Subordinated Claims. The Bankruptcy Court has entered several orders disallowing and expunging Subordinated Claims that were subject to these omnibus objections, and certain Subordinated Claims subject to these omnibus objections remain pending. PG&E Corporation and the Utility expect to file additional continue to prosecute omnibus objections with respect to certain of the Subordinated Claims and to continue to act under the procedures approved by the Bankruptcy Court to resolve the Subordinated Claims.

Indemnification Obligations and D&O Insurance Coverage

To the extent permitted by law, PG&E Corporation and the Utility have obligations to indemnify directors and officers for certain events or occurrences while a director or officer is or was serving in such capacity, which indemnification obligations may extend to the claims asserted against certain directors and officers in the securities class actions and in the litigation matters enumerated under the heading "Wildfire-Related Derivative Litigation" in Note 15 of the Notes to the Consolidated Financial Statements in Item 8 of the 2022 Form 10-K. PG&E Corporation and the Utility maintain D&O Insurance coverage to reduce their exposure to such indemnification obligations.

In July 2022, PG&E Corporation, the Utility, and the former director and officer defendants settled with certain of their D&O Insurance carriers the majority of their claims regarding, among other things, the applicability of one year of the D&O Insurance policies to the Wildfire-Related Non-Bankruptcy Securities Claims and the derivative claims described in the 2022 Form 10-K. As a result of these agreements, PG&E Corporation received insurance proceeds in an aggregate amount of \$272 million. Proceeds from the D&O Insurance coverage were paid to the Fire Victim Trust for the Fire Victim Trust D&O Claims in the amount of \$117 million, and PG&E Corporation intends to apply the remaining \$155 million of proceeds to the Wildfire-Related Securities Claims actions.

PG&E Corporation and the Utility additionally may have indemnification obligations to the underwriters for the Utility's note offerings, pursuant to the underwriting agreements associated with those offerings. PG&E Corporation's and the Utility's indemnification obligations to the officers, directors and underwriters may be limited or affected by the Chapter 11 Cases, among other things.

Butte County District Attorney's Office Investigation into the 2018 Camp Fire

Following the 2018 Camp fire, the Butte County District Attorney's Office and the California Attorney General's Office opened a criminal investigation of the 2018 Camp fire.

On March 17, 2020, the Utility entered into the Plea Agreement and Settlement (the "Plea Agreement") with the People of the State of California, by and through the Butte County District Attorney's Office to resolve the criminal prosecution of the Utility in connection with the 2018 Camp fire. Subject to the terms and conditions of the Plea Agreement, the Utility pleaded guilty to 84 counts of involuntary manslaughter in violation of Penal Code section 192(b) and one count of unlawfully causing a fire in violation of Penal Code section 452, and to admit special allegations pursuant to Penal Code sections 452.1(a)(2), 452.1(a)(3) and 452.1(a)(4).

On August 20, 2021, the Butte County Superior Court held a brief hearing on the status of restitution, which involves distribution of funds from the Fire Victim Trust. The Butte County Superior Court has since continued the hearing to January 12, 2024 September 20, 2024.

NOTE 11: OTHER CONTINGENCIES AND COMMITMENTS

PG&E Corporation and the Utility have significant contingencies arising from their operations, including contingencies related to enforcement and litigation matters and environmental remediation. A provision for a loss contingency is recorded when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated. PG&E Corporation and the Utility evaluate the range of reasonably estimated losses and record a provision based on the lower end of the range, unless an amount within the range is a better estimate than any other amount. The assessments of whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involve a series of complex judgments about future events. Loss contingencies are reviewed quarterly, and estimates are adjusted to reflect the impact of all known information, such as negotiations, discovery, settlements and payments, rulings, penalties related to regulatory compliance, advice of legal counsel, and other information and events pertaining to a particular matter. PG&E Corporation and the Utility exclude anticipated legal costs from the provision for loss and expense these costs as incurred. The Utility also has substantial financial commitments in connection with agreements entered into to support its operating activities. See "Purchase Commitments" below. PG&E Corporation's and the Utility's financial condition, results of operations, liquidity, and cash flows may be materially affected by the outcome of the following matters.

CPUC and FERC Matters

Transmission Owner Rate Case Revenue Subject to Refund

The FERC determines the amount of authorized revenue requirements, including the rate of return on electric transmission assets, that the Utility may collect in rates in through TO rate cases. The FERC typically authorizes the Utility to charge new rates based on the requested revenue requirement, subject to refund, before the FERC has issued a final

decision. The Utility bills and records revenue based on the amounts requested in its rate case filing and records a reserve for its estimate of the amounts that are probable of refund.

Rates subject to refund went into effect on March 1, 2017, March 1, 2018, and May 1, 2019 for under the TO rate case for 2017 ("TO18"), were in effect from March 1, 2017 through February 28, 2018. Rates under the TO rate case for 2018 ("TO19"), and were in effect from March 1, 2018 through April 30, 2019. Rates under the TO rate case for 2019 ("TO20"), respectively, were in effect from May 1, 2019 through December 31, 2023.

On October 15, 2020, the FERC issued an order that, among other things, rejected addressing substantive disputed issues concerning TO18 including the Utility's direct assignment of common plant to FERC and required the allocation of all common plant between CPUC and FERC jurisdiction be based on operating and maintenance labor ratios. The order reopened the record for the limited purpose of allowing the parties an opportunity to present written evidence concerning the FERC's revised ROE methodology adopted in FERC Opinion No. 569-A, issued on May 21, 2020.

On December 17, 2020 and June 17, 2021, the FERC issued orders denying requests for rehearing submitted by the Utility and intervenors. In 2021, the Utility filed four appeals. The appeals related to two issues: (i) costs, impact of the TCJA on January and February 2018 rates, and depreciation and ordered additional briefing on the appropriate ROE. On April 15, 2021, the FERC issued an order on rehearing setting aside its earlier determination on the TCJA and determining that the lower tax rates in the TCJA applied to the TO18 rates in January and February 2018 and (ii) aspects of the rehearing order other than the TCJA. The appeals have been consolidated and are being held in abeyance until the FERC addresses the ROE issue on rehearing.

2018. On March 17, 2022, the FERC issued a further order in the TO18 rate case proceeding finding that 9.26% is the just and reasonable base ROE for the Utility. With the incentive component of 50-basis points for the Utility's continuing participation in the CAISO, the resulting ROE would be 9.76%. As a result, the Utility increased its regulatory liabilities for amounts previously collected during the TO18 and TO19 rate case periods from March 2017 through the first quarter of 2022 by approximately \$62.5 million. On April 18, 2022, the

The Utility and several other parties sought rehearing have filed appeals of the FERC's determination of the base ROE finding. On May 19, 2022, the FERC denied all parties' rehearing requests. TO18 orders. The Utility has filed an appeal in appeals are currently pending before the D.C. Circuit Court of Appeals as have the other parties that sought rehearing. The appeal is and are being held in abeyance until the FERC issues a substantive order on abeyance. Requests for rehearing on of the ROE issue.

decision are still pending at the FERC. On February 8, 2024, the Utility and certain intervenors reached a settlement in principle.

On May 16, 2022 and May 31, 2022, the Utility filed a compliance filing and a refund report describing the adjustments made to the transmission revenue requirement, adjusted rates, and the calculation and mechanism of the refunds based on the FERC's TO18 orders, including the orders on common plant, depreciation, the TCJA, and ROE. On May 18, 2023 December 20, 2018, the FERC issued an order rejecting a revised compliance filing regarding the TCJA. On June 20, 2023, the Utility filed a further compliance filing and a request for rehearing of the FERC's order. On July 21, 2023, the FERC issued an order denying rehearing by operation of law. The Utility has filed an appeal in the D.C. Circuit Court of Appeals. The appeal has been consolidated with the other appeals from the FERC's TO18 orders and is being held in abeyance until the FERC addresses the ROE issue on rehearing. For the TCJA issue, on September 27, 2023, the Utility submitted a request for a private letter ruling with the IRS to obtain clarification regarding the appropriate disposition of the matter. The outcome of the private letter ruling may impact the outcome of the Utility's request for rehearing. The Utility expects to issue the refund after the FERC issues a decision on the compliance filing.

On September 21, 2018, the Utility filed approving an all-party settlement with the FERC, which was approved filed by the FERC on December 20, 2018, in connection with Utility regarding TO19. As part of the settlement, the TO19 revenue requirement will be set at 98.85% of the revenue requirement for TO18 that will be determined upon the issuance of a final, unappealable decision in the non-appealable TO18 proceeding. decision.

On December 30, 2020, the FERC approved an all-party settlement agreement in connection with TO20. The TO20 settlement resolved all issues of the Utility's formula rate. However, some of the was a formula rate, issues are contingent on the outcome of TO18, including the allocation of costs related to common, general and intangible plant. The settlement provides that the formula rate will remain in effect through December 31, 2023. The TO20 rate case provides that the transmission revenue requirement and rates are to be updated annually on January 1, subject to true-up.

As a result of an order denying rehearing on the common plant allocation, the Utility increased its regulatory liabilities for amounts previously collected during the TO18, TO19, and TO20 rate case periods from 2017 through the third quarter of 2023 by approximately \$479 million. A portion of these common plant costs are expected to be recovered at the CPUC in a separate application and as a result, the Utility recorded approximately \$297 million to Regulatory assets.

Under its formula rate, which means the Utility submits an annual update to the FERC each December for rates to go into effect on January 1 of the following year. year based on a formula, without a separate rate case. On August 17, 2020, and December 30, 2020, FERC accepted a partial settlement and final settlement, respectively, in the TO20 proceedings. Several issues in the settlements, such as the direct assignment of common plant costs, are contingent on the outcome of a final, non-appealable TO18 decision.

Parties have protested the Utility's annual updates under the formula rate, and these protests are pending before the FERC.

On October 24, 2023, the Utility filed a waiver request for certain inputs to the formula rate related to the cost of long-term debt and certain underwriting fees. fees, which the FERC denied on December 22, 2023. On January 22, 2024, the Utility filed a request for reconsideration, which the FERC denied on February 22, 2024. On March 28, 2024, the Utility filed a petition for review in the Court of Appeals for the District of Columbia.

Aside from the ultimate outcome of the ROE rehearing request and the direct assignment of common plant costs, the FERC's orders in the TO18 proceeding are not expected to result in a material impact on the Utility's financial condition, results of operations, liquidity, or cash flows. Some of the issues that will be decided in a final and unappealable TO18 decision, including the direct assignment of common plant costs, will also be incorporated into the Utility's TO19 and TO20 rate cases. The waiver request is Utility has established regulatory liabilities for amounts previously collected during the TO18, TO19, and TO20 rate case periods from 2017 through the first quarter of 2024 of approximately \$484 million

pending before a final and non-appealable TO18 decision. Based on the FERC settlement in principle, a portion of the direct assignment of common plant costs are expected to be recovered at the CPUC in a separate application, and as a result, as of March 31, 2024, the Utility had recorded approximately \$233 million to Regulatory assets.

2022 WMCE Interim Rate Relief Subject to Refund

On December 15, 2022, the Utility filed an application with the CPUC requesting cost recovery of approximately \$1.36 billion of recorded expenditures, resulting in a proposed revenue requirement of approximately \$1.29 billion (the "2022 WMCE application"). The costs addressed in this application reflect costs related to wildfire mitigation and certain catastrophic events, as well as the implementation of various customer-focused initiatives. These costs were incurred primarily in 2021.

The recorded expenditures consist of \$1.2 billion in expenses and \$136 million in capital expenditures. The costs addressed in On June 8, 2023, the 2022 WMCE application are incremental to those previously authorized in CPUC adopted a final decision granting the Utility's 2020 GRC and other proceedings. In connection with the 2022 WMCE application, the Utility also requested interim rate relief of \$1.1 billion to be recovered over 12 months, beginning June 1, 2023 which went into effect July 1, 2023. The remaining \$224 million would will be recovered to the extent it is approved after the CPUC issues a final decision. On June 8, 2023, the CPUC adopted a final decision granting the Utility's request for interim rate relief, which went into effect July 1, 2023. Cost recovery requested in this application is subject to the CPUC's reasonableness review, which could result in some or all of the interim rate relief being subject to refund.

On June 23, 2023, the ALJ revised the The CPUC's procedural schedule so indicates that a PD will be issued by the second quarter of 2024.

Wildfire and Gas Safety Costs Interim Rate Relief Subject to Refund

On June 15, 2023, the Utility filed a WGSC application with the CPUC requesting cost recovery of approximately \$2.5 billion of recorded expenditures related to wildfire mitigation costs and gas safety and electric modernization costs.

The recorded expenditures for wildfire mitigation consist of \$726 million in expenses and \$1.5 billion in capital expenditures and cover activities during the years 2020 to 2022. The recorded expenditures for gas safety and electric modernization consist of \$120 million in expenses and \$118 million in capital expenditures and cover activities during the years 2017 to 2022. If approved, the requested cost recovery would result in an aggregate revenue requirement of \$688 million. The costs addressed in the WGSC application are incremental to those previously authorized in the Utility's 2020 GRC and other proceedings.

On March 7, 2024, the CPUC approved a final decision authorizing the Utility to recover \$516 million in interim rates to be recovered over at least 12 months starting April 1, 2024. The remaining \$172 million will be recovered to the extent it is approved after the CPUC issues a final decision. Cost recovery requested in this application is subject to the CPUC's reasonableness review, which could result in some or all of the interim rate relief being subject to refund.

The ALJ has adopted a schedule that would result in a final decision on the wildfire mitigation costs by late December 2024 and a final decision on the gas safety and electric modernization costs by June 2025.

Other Matters

PG&E Corporation and the Utility are subject to various claims and lawsuits that separately are not considered material. Accruals for contingencies related to such matters totaled \$71 million \$87 million and \$69 million \$89 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. These amounts were included in Other current liabilities on the Condensed Consolidated Financial Statements. Included among these claims and lawsuits are the proofs of claim filed in the Chapter 11 Cases, except for proofs of claim discussed under "Wildfire-Related Securities Claims—Claims in the Bankruptcy Court Process" in Note 10. PG&E Corporation and the Utility have resolved a significant majority of the proofs of claim. PG&E Corporation and the Utility continue their review and analysis of certain remaining claims. PG&E Corporation and the Utility do not believe it is reasonably possible that the resolution of these matters will have a material impact on their financial condition, results of operations, or cash flows.

PSPS Class Action

On December 19, 2019, a complaint was filed in the United States Bankruptcy Court for the Northern District of California naming PG&E Corporation and the Utility. The plaintiff seeks certification of a class consisting of all California residents and business owners who had their power shut off by the Utility during the October 9, October 23, October 26, October 28, or November 20, 2019 power outages and any subsequent voluntary outages occurring during the course of litigation. The plaintiff alleges that the necessity for the October and November 2019 power shutoff events was caused by the Utility's negligence in failing to properly maintain its electrical lines and surrounding vegetation. The complaint seeks up to \$2.5 billion in special and general damages, punitive and exemplary damages and injunctive relief to require the Utility to properly maintain and inspect its power grid. PG&E Corporation and the Utility believe the allegations are without merit and intend to defend this lawsuit vigorously.

On March 30, 2020, the Bankruptcy Court granted a motion to dismiss this class action by the Utility because the plaintiff's class action claims are preempted as a matter of law by the California Public Utilities Code. On April 3, 2020, the Bankruptcy Court entered an order dismissing the action without leave to amend.

The plaintiff appealed the decision dismissing the complaint to the District Court. On March 26, 2021, the District Court affirmed the Bankruptcy Court's dismissal of this action, and the plaintiff filed a notice of appeal to the Ninth Circuit Court of Appeals. On February 28, 2022, the Ninth Circuit Court of Appeals entered an order certifying two questions of state law to the California Supreme Court. On June 1, 2022, the California Supreme Court accepted certification of the questions. The plaintiff filed its opening brief on July 1, 2022. The Utility's answering brief was filed on August 31, 2022, and the plaintiff's reply brief was filed on October 20, 2022. The Supreme Court of California heard oral argument on September 6, 2023 and is expected to issue a decision on the two questions certified by the Ninth Circuit of Appeals by December 5, 2023.

PG&E Corporation and the Utility are unable to determine the timing and outcome of this proceeding.

Confirmation Order Appeals

PG&E Corporation and the Utility emerged from bankruptcy on July 1, 2020. Certain parties filed notices of appeal with respect to the Confirmation Order, including the Ad Hoc Committee of Holders of Trade Claims (the "Trade Committee"). The Trade Committee appealed the Confirmation Order's holding, which awarded post-petition interest on general unsecured claims at the federal judgment rate of 2.59%. The Trade Committee is seeking for its members to receive post-petition interest at the rates specified under their contracts or the rate established under California state law, which is 10%. The Bankruptcy Court and the federal district court held that the Trade Committee's members are entitled to post-petition interest at the federal judgment rate. On June 8, 2021, the Trade Committee appealed the federal district court decision to the Ninth Circuit Court of Appeals. On August 29, 2022, a three-judge panel of the Ninth Circuit Court of Appeals reversed the federal district court decision 2-1. On February 2, 2023, the Utility filed a petition for a writ of certiorari to the Supreme Court of the United States. On May 22, 2023, the Supreme Court of the United States denied the Utility's petition.

Based on the information available, PG&E Corporation and the Utility believe it is probable that a liability has been incurred. Accordingly, PG&E Corporation and the Utility have recorded charges for amounts that are not material. PG&E Corporation and the Utility do not believe that the resolution of this matter will have a material impact on their financial condition, results of operations, or cash flows.

Tax Matters

PG&E Corporation's tax returns have been accepted through 2015 for federal income tax purposes, except for a few matters, the most significant of which relate to the deductibility of approximately \$850 million in repair costs for gas transmission and distribution lines and \$400 million in customer bill credits, which the Utility incurred in connection with the decision issued in 2015 for the San Bruno natural gas explosion in September of 2010. The IRS Internal Revenue Service is auditing tax years 2015 through 2018.

CZU Lightning Complex Fire Notices of Violation

Between November 2020 and January 2021, several governmental entities raised concerns regarding the Utility's emergency response to the 2020 CZU Lightning Complex fire, including Cal Fire, the California Coastal Commission, the Central Coast Regional Water Quality Control Board, and Santa Cruz County Board of Supervisors alleging environmental, vegetation management, and unpermitted work violations. In the matter of Santa Cruz County's complaint with the CPUC, the parties reached a settlement, and the CPUC dismissed the complaint on December 15, 2021. The Utility continues to work with the California Coastal Commission Cal Fire, and the Central Coast Regional Water Quality Control Board to resolve any outstanding issues and to work with Santa Cruz County to implement the terms of the settlement agreement. Violations can result in penalties, remediation, and other relief.

Based on the information available, PG&E Corporation and the Utility believe it is probable that a liability has been incurred. Accordingly, PG&E Corporation and the Utility have recorded charges for amounts that are not material. PG&E Corporation and the Utility do not believe that the resolution of these matters will have a material impact on their financial condition, results of operations, or cash flows.

Environmental Remediation Contingencies

Given the complexities of the legal and regulatory environment and the inherent uncertainties involved in the early stages of a remediation project, the process for estimating remediation liabilities requires significant judgment. The Utility records an environmental remediation liability when the site assessments indicate that remediation is probable, and the Utility can reasonably estimate the loss or a range of probable amounts. The Utility records an environmental remediation liability based on the lower end of the range of estimated probable costs, unless an amount within the range is a better estimate than any other amount. Key factors that inform the development of estimated costs include site feasibility studies and investigations, applicable remediation actions, operations and maintenance activities, post-remediation monitoring, and the cost of technologies that are expected to be approved to remediate the site. Amounts recorded are not discounted to their present value. The Utility's environmental remediation liability is primarily included in non-current Noncurrent liabilities on the Condensed Consolidated Balance Sheets and is comprised of the following:

(in millions)	Balance at	
	September 30, 2023	December 31, 2022
Topock natural gas compressor station	\$ 282	\$ 284
Hinkley natural gas compressor station	106	110
Former MGP sites owned by the Utility or third parties ⁽¹⁾	837	750
Utility-owned generation facilities (other than fossil fuel-fired), other facilities, and third-party disposal sites ⁽²⁾	117	112
Fossil fuel-fired generation facilities and sites ⁽³⁾	25	26
Total environmental remediation liability	\$ 1,367	\$ 1,282

(in millions)	Balance at	
	March 31, 2024	December 31, 2023
Topock natural gas compressor station	\$ 293	\$ 276
Hinkley natural gas compressor station	105	104
Former MGP sites owned by the Utility or third parties ⁽¹⁾	800	809
Utility-owned generation facilities (other than fossil fuel-fired), other facilities, and third-party disposal sites ⁽²⁾	79	107
Fossil fuel-fired generation facilities and sites ⁽³⁾	18	19
Total environmental remediation liability	\$ 1,295	\$ 1,315

⁽¹⁾ Primarily driven by the following sites: San Francisco Beach Street, Vallejo, Napa, and San Francisco East Harbor.

⁽²⁾ Primarily driven by geothermal landfill and Shell Pond site.

⁽³⁾ Primarily driven by the San Francisco Potrero Power Plant.

The Utility's gas compressor stations, former MGP sites, power plant sites, gas gathering sites, and sites used by the Utility for the storage, recycling, and disposal of potentially hazardous substances are subject to requirements issued by the **United States** Environmental Protection Agency under the Federal Resource Conservation and Recovery Act in addition to other state laws relating to hazardous substances. The Utility has a comprehensive program to comply with federal, state, and local laws and regulations related to hazardous materials, waste, remediation activities, and other environmental requirements. The Utility assesses and monitors the environmental requirements on an ongoing basis and implements changes to its program as deemed appropriate. The Utility's remediation activities are overseen by the DTSC, several California regional water quality control boards, and various other federal, state, and local agencies.

The Utility's environmental remediation liability as of **September 30, 2023** **March 31, 2024**, reflects its best estimate of probable future costs for remediation based on the current assessment data and regulatory obligations. Future costs will depend on many factors, including the extent of work necessary to implement final remediation plans, the Utility's time frame for remediation, and unanticipated claims filed against the Utility. The Utility may incur actual costs in the future that are materially different than this estimate and such costs could have a material impact on results of operations, financial condition, and cash flows during the period in which they are recorded. As of **September 30, 2023** **March 31, 2024**, the Utility expected to recover **\$1.13 billion** **\$1.1 billion** of its environmental remediation liability for certain sites through various ratemaking mechanisms authorized by the CPUC.

Natural Gas Compressor Station Sites

The Utility is legally responsible for remediating groundwater contamination caused by hexavalent chromium used in the past at the Utility's natural gas compressor stations. The Utility is also required to take measures to abate the effects of the contamination on the environment.

Topock Site

The Utility's remediation and abatement efforts at the Topock site are subject to the regulatory authority of the DTSC and the U.S. Department of the Interior. On April 24, 2018, the DTSC authorized the Utility to build an in-situ groundwater treatment system to convert hexavalent chromium into a non-toxic and non-soluble form of chromium. Construction activities began in October 2018, and the initial phase of construction was completed in 2021. Additional phases of construction will continue for several years. It is reasonably possible that the Utility's undiscounted future costs associated with the Topock site may increase by as much as **\$229 million** **\$212 million** if the extent of contamination or necessary remediation is greater than anticipated. The costs associated with environmental remediation at the Topock site are expected to be recovered primarily through the HSMA, where 90% of the costs are recovered through rates.

Hinkley Site

The Utility has been implementing remediation measures at the Hinkley site to reduce the mass of the chromium plume in groundwater and to monitor and control movement of the plume. The Utility's remediation and abatement efforts at the Hinkley site are subject to the regulatory authority of the California Regional Water Quality Control Board, Lahontan Region. In November 2015, the California Regional Water Quality Control Board, Lahontan Region adopted a clean-up and abatement order directing the Utility to contain and remediate the underground plume of hexavalent chromium and the potential environmental impacts. The final order states that the Utility must continue and improve its remediation efforts, define the boundaries of the chromium plume, and take other action. Additionally, the final order sets plume capture requirements, requires a monitoring and reporting program, and includes deadlines for the Utility action to meet interim cleanup targets. **The United States Geological Survey team is conducting a background study on the site to better define the chromium plume boundaries. A background report was finalized in April 2023.** It is reasonably possible that the Utility's undiscounted future costs associated with the Hinkley site may increase by as much as **\$128 million** **\$129 million** if the extent of contamination or necessary remediation is greater than anticipated. The costs associated with environmental remediation at the Hinkley site will not be recovered through rates.

Former Manufactured Gas Plants

Former MGPs used coal and oil to produce gas for use by the Utility's customers before natural gas became available. The by-products and residues of this process were often disposed of at the MGPs themselves. The Utility has a program to manage the residues left behind as a result of the manufacturing process; many of the sites in the program have been addressed. It is reasonably possible that the Utility's undiscounted future costs associated with MGP sites may increase by as much as **\$598 million** **\$576 million** if the extent of contamination or necessary remediation at identified MGP sites is greater than anticipated. The costs associated with environmental remediation at the MGP sites are recovered through the HSMA, where 90% of the costs are recovered through rates.

Utility-Owned Generation Facilities and Third-Party Disposal Sites

Utility-owned generation facilities and third-party disposal sites often involve long-term remediation. It is reasonably possible that the Utility's undiscounted future costs associated with Utility-owned generation facilities and third-party disposal sites may increase by as much as **\$77 million** **\$79 million** if the extent of contamination or necessary remediation is greater than anticipated. The environmental remediation costs associated with the Utility-owned generation facilities and third-party disposal sites are recovered through the HSMA, where 90% of the costs are recovered through rates.

Fossil Fuel-Fired Generation Sites

In 1998, the Utility divested its generation power plant business as part of generation deregulation. Although the Utility sold its fossil-fueled power plants, the Utility retained the environmental remediation liability associated with each site. It is reasonably possible that the Utility's undiscounted future costs associated with fossil fuel-fired generation sites may increase by as much as **\$50 million** **\$20 million** if the extent of contamination or necessary remediation is greater than anticipated. The environmental remediation costs associated with the fossil fuel-fired sites will not be recovered through rates.

Nuclear Insurance

The Utility maintains multiple insurance policies through NEIL and EMANI, covering nuclear or non-nuclear events at the Utility's two nuclear generating units at Diablo Canyon and the **retired** Humboldt Bay **Unit 3**, **independent spent fuel storage installation**.

NEIL provides insurance coverage for property damages and business interruption losses incurred by the Utility if a nuclear or non-nuclear event were to occur at the Utility's two nuclear generating units at Diablo Canyon. NEIL provides property damage and business interruption coverage of up to \$3.2 billion per nuclear incident and \$2.5 billion per non-nuclear incident for Diablo Canyon. For the Humboldt Bay Unit 3, independent spent fuel storage installation, NEIL provides up to \$50 million of coverage for nuclear and non-nuclear property damages to the site's spent fuel storage installation. NEIL also provides coverage for damages caused by acts of terrorism and cyberattacks at nuclear power plants. Through NEIL, there is up to \$3.2 billion available to the membership to cover this exposure. These coverage amounts are shared by all NEIL members and all nuclear and non-nuclear property insurance policies issued by NEIL. EMANI shares losses with NEIL, as part of the first \$400 million of coverage within the current nuclear insurance program. EMANI also provides an additional \$200 million in excess insurance for property damage and business interruption losses incurred by the Utility if a nuclear or non-nuclear event were to occur at Diablo Canyon. If NEIL losses in any policy year exceed accumulated funds, the Utility could be subject to a retrospective assessment. If NEIL were to exercise this assessment, the maximum aggregate annual retrospective premium obligation for the Utility would be approximately \$41 million. If EMANI losses in any policy year exceed accumulated funds, the Utility could be subject to a retrospective assessment of approximately \$5 million. For more information about the Utility's nuclear insurance coverage, see Note 16 of the Notes to the Consolidated Financial Statements in Item 8 of the 2022 Form 10-K.

Purchase Commitments

In the ordinary course of business, the Utility enters into various agreements to purchase power and electric capacity; natural gas supply, transportation, and storage; nuclear fuel supply and services; and various other commitments. As of December 31, 2022, the Utility had undiscounted future expected obligations of approximately \$35 billion. See Note 16 of the Notes to the Consolidated Financial Statements in Item 8 of the 2022 Form 10-K.

Oakland Headquarters Lease and Purchase

On October 23, 2020, the Utility and BA2 300 Lakeside LLC ("Landlord"), a wholly owned subsidiary of TMG Bay Area Investments II, LLC, entered into an office lease agreement for approximately 910,000 rentable square feet of space within the Lakeside Building (the "Property") to serve as the Utility's principal administrative headquarters (the "Lease"). In connection with the Lease, the Utility also issued to Landlord (i) an option payment letter of credit in the amount of \$75 million, and (ii) a lease security letter of credit in the amount of \$75 million. The term of the Lease began on April 8, 2022.

The Lease required the Landlord to pursue approvals to subdivide the real estate it owns surrounding the Lakeside Building to create a separate legal parcel that contains the Lakeside Building (the "Property") that can be sold to the Utility, and the process of subdividing the real estate was completed on February 6, 2023.

The Lease also requires the rentable space to be delivered in two phases, with each phase consisting of multiple subphases. As of September 30, 2023, approximately 659,000 rentable square feet of the leased premises has been made available for use by the Utility.

On July 11, 2023, the Utility and the Landlord entered into an Amendment to Office Lease and an Agreement of Purchase and Sale and Joint Escrow Instructions, pursuant to which the Utility was deemed to have exercised its option to purchase the Property, as modified. Pursuant to the Purchase and Sale and Joint Escrow Instructions, the purchase price of the Property will be \$906 million, with deposits applicable to such purchase price of \$150 million paid by July 11, 2023, \$250 million to be paid on or before July 11, 2024, and the remaining \$506 million to be paid at closing in June 2025. Additionally, the \$75 million option payment letter of credit was returned to the Utility. The Utility will also receive a credit of approximately \$172 million towards the final payment, subject to adjustments, which represents the estimated outstanding principal balance of a loan carried by the Property that will be assigned to, and assumed by, the Utility at closing. The Utility will continue to lease the Property pursuant to the Lease, as amended, until closing.

The execution Lease also requires the rentable space to be delivered in two phases, with each phase consisting of multiple subphases. As of March 31, 2024, approximately 715,000 rentable square feet of the Amendment to Office Lease Agreement on July 11, 2023 triggered a modification of leased premises has been made available for use by the Lease, which resulted in the Lease being remeasured and reclassified from an operating lease to a financing lease during the quarter ended September 30, 2023.

As of September 30, 2023, the Utility has recorded \$787 million in Financing lease right of use ROU assets, \$130 million in accumulated amortization, \$237 million in leasehold improvements, net of accumulated amortization, which includes \$156 million that was provided to the Utility as lease incentives, \$254 million in current Financing lease liabilities, and \$559 million in noncurrent Financing lease liabilities in the Condensed Consolidated Financial Statements primarily related to the Lease, as amended.

For more information about the Lease, see "Oakland Headquarters Lease and Purchase" in Note 2 of the Notes to the Consolidated Financial Statements in Item 8 of the 2023 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

PG&E Corporation's and the Utility's primary market risk results from changes in energy commodity prices. PG&E Corporation and the Utility engage in price risk management activities for non-trading purposes only. Both PG&E Corporation and the Utility may engage in these price risk management activities using forward contracts, futures, options, and swaps to hedge the impact of market fluctuations on energy commodity prices and interest rates. See the section above entitled "Risk Management Activities" in MD&A and in Notes 8 and 9 of the Notes to the Condensed Consolidated Financial Statements in Item 1.

ITEM 4. CONTROLS AND PROCEDURES

Based on an evaluation of PG&E Corporation's and the Utility's disclosure controls and procedures as of September 30, 2023, PG&E Corporation's and the Utility's respective principal executive officers and principal financial officers have concluded that such controls and procedures are effective to ensure that information required to be disclosed by PG&E Corporation and the Utility in reports that the companies file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and (ii) accumulated and communicated to PG&E Corporation's and the Utility's management, including PG&E Corporation's and the Utility's respective principal executive officers and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in internal control over financial reporting that occurred during the quarter ended **September 30, 2023** **March 31, 2024**, that have materially affected, or are reasonably likely to materially affect, PG&E Corporation's or the Utility's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

PG&E Corporation and the Utility are parties to various lawsuits and regulatory proceedings in the ordinary course of their business. For more information regarding material lawsuits and proceedings, including updates to information reported under Item 3. Legal Proceedings of the **2022** **2023** Form 10-K, see Notes 10 and 11 of the Notes to the Condensed Consolidated Financial Statements in Item 1 and Part I, MD&A: "Litigation Matters."

Each of PG&E Corporation and the Utility has elected to disclose environmental proceedings described in Item 103(c)(3)(iii) of Regulation S-K unless it reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$1 million.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Share Exchanges

On July 8, 2021, PG&E Corporation, the Utility, ShareCo and the Fire Victim Trust entered into the Share Exchange and Tax Matters Agreement, pursuant to which PG&E Corporation and the Utility made a "grantor trust" election for the Fire Victim Trust effective retroactively to the inception of the Fire Victim Trust. As a result of the grantor trust election, shares of PG&E Corporation common stock owned by the Fire Victim Trust are treated as held by the Utility and, in turn attributed to PG&E Corporation for income tax purposes. On each of January 9, 2023, April 11, 2023, and July 12, 2023, the Fire Victim Trust exchanged 60,000,000 Plan Shares, for an equal number of New Shares in the manner contemplated by the Share Exchange and Tax Matters Agreement; the Fire Victim Trust thereafter reported that it sold the applicable New Shares. As of September 30, 2023, to the knowledge of PG&E Corporation, the Fire Victim Trust had sold 410,000,000 shares of PG&E Corporation common stock in the aggregate.

Each exchange was effected in reliance on the exemption from registration under Section 3(a)(10) of the Securities Act. See "Tax Matters" in Part I, MD&A above and "Share Exchange and Tax Matters Agreement" in Note 6 of the Notes to the Consolidated Financial Statements in Item 8 of PG&E Corporation's and the Utility's joint Annual Report on Form 10-K for the year ended December 31, 2021 for a detailed discussion of the exchange and the terms of the Share Exchange and Tax Matters Agreement, respectively. None.

ITEM 5. OTHER INFORMATION

On **June 7, 2023** **February 29, 2024**, Cheryl F. Campbell, John R. Simon, who serves as a non-employee director on each Executive Vice President, General Counsel and Chief Ethics & Compliance Officer of PG&E Corporation's and the Utility's Boards of Directors and is Chair of the Utility's Board of Directors, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c), for the sale of up to **10,000** **50,000** shares of PG&E Corporation common stock. The trading arrangement **terminated** **will terminate on the earlier of March 1, 2025 or the execution of the sale of all 10,000 shares on September 12, 2023.** **50,000 shares.**

Certain officers have made elections to participate in, and are participating in, the PG&E Corporation Retirement Savings Plan (the 401(k) plan), which includes a PG&E Corporation Common Stock Fund investment option, and non-qualified deferred compensation plans, which may have a similar option and are described in PG&E Corporation's and the Utility's joint proxy statement. Also, certain officers have made, and may from time to time make, elections to have shares withheld to cover withholding taxes upon the vesting of restricted stock units or performance share units, or to pay the exercise price and withholding taxes for stock options, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1 under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

ITEM 6. EXHIBITS

EXHIBIT INDEX

- 3.1 [Conformed Version Amended and Restated Articles of Incorporation of PG&E Corporation, filed on June 22, 2020, June 22, 2020, as amended by the Certificate of Amendment of Articles of Incorporation of PG&E Corporation, filed May 24, 2022 \(incorporated by reference to PG&E Corporation's Form 10-K dated December 31, 2022 \(File No. 1-12609\), Exhibit 3.1\)](#)
- 3.2 [Bylaws of PG&E Corporation, Amended and Restated as of May 18, 2023 \(incorporated by reference to PG&E Corporation's Form 8-K dated May 18, 2023 \(File No. 1-12609\), Exhibit 3.1\)](#)

3.3	Amended and Restated Articles of Incorporation of Pacific Gas and Electric Company, effective as of June 22, 2020 (incorporated by reference to Pacific Gas and Electric Company's Form 8-K dated June 20, 2020 (File No. 1-2348), Exhibit 3.2)
3.4	Bylaws of Pacific Gas and Electric Company, Amended and Restated as of May 18, 2023 (incorporated by reference to Pacific Gas and Electric Company's Form 8-K dated May 18, 2023 (File No. 1-2348), Exhibit 3.2)
10.1.4.1	Amendment to Office Lease, Twenty-Fourth Supplemental Indenture, dated as of July 11, 2023, by and between Pacific Gas and Electric Company and BA2 300 Lakeside LLC (redacted) February 28, 2024 (incorporated by reference to Pacific Gas and Electric Company's Form 10-Q 8-K dated June 30, 2023 February 26, 2024 (File No. 1-2348), Exhibit 10.7) 4.1)
10.1	Amendment No. 3 to Credit Agreement, dated as of April 16, 2024, among Pacific Gas and Electric Company, the lenders party thereto and Bank of America, N.A., as administrative agent
10.2	PG&E Corporation Supplemental Retirement Savings Plan, as amended effective Amendment No. 10 to Receivables Financing Agreement, dated as of September 12, 2023 December 8, 2023, among PG&E AR Facility, LLC, as borrower, Pacific Gas and frozen after December 31, 2004 Electric Company, in its capacity as initial Servicer, the financial institutions from time to time and part thereto and listed therein as lenders and MUFG Bank, Ltd., as administrative agent
10.3	PG&E Corporation 2005 Supplemental Retirement Savings Plan, as amended effective Amendment No. 11 to Receivables Financing Agreement, dated as of September 12, 2023 March 28, 2024, among PG&E AR Facility, LLC, as borrower, Pacific Gas and Electric Company, in its capacity as initial Servicer, the financial institutions from time to time and party thereto and listed therein as lenders and MUFG Bank, Ltd., as administrative agent
10.4	PG&E Corporation Supplemental Executive Retirement Plan, as amended effective Update to Schedule 1 to Collection Account Intercreditor Agreement, dated as of September 12, 2023 March 28, 2024, among Pacific Gas and Electric Company, PG&E Recovery Funding LLC, PG&E Wildfire Recovery Funding LLC, Citibank, N.A., MUFG Bank, Ltd., and The Bank of New York Mellon Trust Company, N.A. (redacted)
10.5	Retention Letter Agreement between PG&E Corporation Defined Contribution Executive Supplemental Retirement Plan, as amended effective as of September 12, 2023 and Carla J. Peterman, dated February 20, 2024 (redacted)
10.6	Retention Letter Agreement between PG&E Corporation 2012 Officer Severance Policy, as amended effective as of September 12, 2023 and John R. Simon, dated February 20, 2024 (redacted)
31.1	Certifications of the Principal Executive Officer and the Principal Financial Officer of PG&E Corporation required by Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certifications of the Principal Executive Officers and the Principal Financial Officer of Pacific Gas and Electric Company required by Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certifications of the Principal Executive Officer and the Principal Financial Officer of PG&E Corporation required by Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certifications of the Principal Executive Officer and the Principal Financial Officer of Pacific Gas and Electric Company required by Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

*Management contract or compensatory agreement

**Pursuant to Item 601(b)(32) of SEC Regulation S-K, these exhibits are furnished rather than filed with this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this Quarterly Report on Form 10-Q to be signed on their behalf by the undersigned thereunto duly authorized.

PG&E CORPORATION

/s/ CAROLYN J. BURKE

Carolyn J. Burke
Executive Vice President and Chief Financial Officer
(duly authorized officer and principal financial officer)

PACIFIC GAS AND ELECTRIC COMPANY

/s/ STEPHANIE N. WILLIAMS

Stephanie N. Williams
Vice President, Chief Financial Officer, and Controller
(duly authorized officer and principal financial officer)

Dated: **October 25, 2023** April 24, 2024

10084

EXHIBIT 10.1

EXHIBIT 10.2 AMENDMENT NO. 3 TO CREDIT AGREEMENT

**PG&E CORPORATION
SUPPLEMENTAL RETIREMENT SAVINGS PLAN**

This is the controlling and definitive statement of the PG&E CORPORATION ("PG&E CORP") Supplemental Retirement Savings Plan (the "Plan"). Except as provided herein, the Plan is effective **AMENDMENT NO. 3**, dated as of **January 1, 2000** April 16, 2024 (this "Amendment"), with respect is entered into by and among PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (the "Borrower"), each lender party hereto (the "Lenders") and BANK OF AMERICA, N.A., as administrative agent (in such capacity, the "Administrative Agent").

RECITALS:

WHEREAS, reference is hereby made to all individuals who were Eligible Employees the Credit Agreement, dated as of such date. The Plan takes April 20, 2022, among the place Borrower, the Lenders and the Administrative Agent (as amended by that certain Amendment No. 1 to Credit Agreement dated as of September 23, 2022 and assumes existing benefits under that certain Amendment No. 2 to Credit Agreement dated as of April 18, 2023, the PG&E Corporation Deferred Compensation Plan for Officers, "Credit Agreement"; capitalized terms used (including in the PG&E Corporation Supplemental Executive Retirement Plan, the Savings Fund Plan Excess Benefit Arrangement of Pacific Gas preamble and Electric Company, and any other non-qualified recitals hereto) but not defined contribution retirement plan excess benefit plans, programs or practices maintained by any Participating Subsidiary of PG&E CORP. The Plan as originally adopted was effective January 1, 2000, for Eligible Employees of Pacific Gas and Electric Company and for Grandfathered Eligible Employees of PG&E CORP; it was effective January 1, 1999, for Eligible Employees of PG&E Generating Company; and it was effective January 1, 1997, for all other Eligible Employees of PG&E CORP. The Plan as amended herein is effective September 19, 2001. The Plan is frozen as to amounts "deferred" within the meaning of Code Section 409A after December 31, 2004. The Plan was amended effective September 12, 2023, to add claims and appeals procedures.

1. Purpose of the Plan.

The Plan is established and is maintained for the benefit of a select group of management and highly compensated employees of PG&E CORP and its Participating Subsidiaries in order to provide such employees with certain deferred compensation benefits. The Plan is an unfunded deferred compensation plan that is intended to qualify for the exemptions provided in Sections 201, 301, and 401 of ERISA.

2. Definitions.

The following words and phrases shall have the following meanings unless a different meaning is plainly required by assigned to such terms in the context:

- (a) "Basic Employer Contributions" shall mean the amounts credited to Eligible Employees' Accounts under the Plan by the Employers, in accordance with Section 3(c). Credit Agreement); and
- (b) "WHEREASBoard of Directors" shall mean, the Board of Directors of PG&E CORP, as from time Borrower has requested, and the Lenders have agreed, to time constituted.
- (c) "Code" shall mean amend the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code shall include such section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation amending, supplementing, or superseding such section.
- (d) "Committee" shall mean the Nominating and Compensation Committee of the Board, as it may be constituted from time to time.
- (e) "Eligible Employee" shall mean an Employee who:
- (1) Is an officer of PG&E CORP or any Participating Subsidiary and who is in Officer Band 5 or above; or
-
- (2) Is a key employee of PG&E CORP or any Participating Subsidiary and who is designated by the Plan Administrator as eligible to participate in the Plan.
- (f) "Eligible Employee's Account" or "Account" shall mean as to any Eligible Employee, the separate account maintained Credit Agreement, on the books of terms and subject to the Employer in accordance with Section 6(a) in order to reflect his or her interest under the Plan. Accounts shall be centrally administered by the Plan Administrator or its designee.
- (g) "Employee" shall mean an individual who is treated in the records of an Employer as an employee of the Employer, who is not on an unpaid leave of absence, and/or who is not covered by a collective bargaining agreement; provided, however, such term shall not mean an individual who is a "leased employee" or who has entered into a written contract or agreement with an Employer which explicitly excludes such individual from participation in an Employer's benefit plans. The provisions of this definition shall govern, whether or not it is determined that an individual otherwise meets the definition of "common law" employee.
- (h) "Employers" shall mean PG&E CORP and the Participating Subsidiaries designated by the Employee Benefit Committee of PG&E CORP. An initial list of the Participating Subsidiaries is contained in Appendix A to this Plan.
- (i) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific section of ERISA shall include such section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation amending, supplementing, or superseding such section.
- (j) "Grandfathered" shall mean an individual who was an Employee of Pacific Gas and Electric Company and who has become an Employee of PG&E CORP by reason of a transfer prior to January 1, 2000.
- (k) "Investment Funds" shall mean (i) the PG&E CORP Phantom Stock Fund, (ii) the AA Utility Bond Fund, and (iii) the S&P 500 Index Fund. The Investment Funds shall be used for tracking phantom investment results under the Plan.
- (l) "Matching Employer Contributions" shall mean the amounts credited to Eligible Employees' Accounts under the Plan by the Employers, in accordance with Section 3(b).
- (m) "Participating Subsidiary" shall mean a United States-based subsidiary of PG&E CORP, which has been designated by the Employee Benefit Committee of PG&E CORP as a Participating Subsidiary under this Plan. At such times and under such conditions as the Committee may direct, one or more other subsidiaries of PG&E CORP may become Participating Subsidiaries or a Participating Subsidiary may be withdrawn from the Plan. An initial list of the Participating Subsidiaries is contained in Appendix A to this Plan.

(n) "PG&E CORP" shall mean PG&E Corporation, a California corporation.

(o) "Plan" shall mean the PG&E Corporation Supplemental Retirement Savings Plan, as set forth in this instrument Amendment, to convert the existing 2-Year Tranche Loans into 364-Day Tranche Loans and as heretofore and hereafter amended from time extend the 364-Day Tranche Maturity Date to time.

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(p) "Plan Year" shall mean the calendar year.

(q) "Retirement" or "Retire" shall mean an Eligible Employee's "separation from service" within the meaning of Section 401(k) of the Code, provided that the Eligible Employee is at least 55 years of age and has been employed by an Employer for at least five years.

(r) "RSP" shall mean, with respect to any Eligible Employee, the PG&E Corporation Retirement Savings Plan or any predecessor qualified retirement plan sponsored by PG&E CORP or any of its subsidiary companies.

(s) "Valuation Date" shall mean:

- (1) For purposes of valuing Plan assets and Eligible Employees' Accounts for periodic reports and statements, the date as of which such reports or statements are made; and
- (2) For purposes of determining the amount of assets actually distributed to the Eligible Employee, his or her beneficiary, or an Alternate Payee (or available for withdrawal), a date that shall not be more than seven business days prior to the date the check is issued to the Eligible Employee.

In any other case, the Valuation Date shall be the date designated by the Plan Administrator (in its discretion) or the date otherwise set forth in this Plan. In all cases, the Plan Administrator (in its discretion) may change the Valuation Date, on a uniform and nondiscriminatory basis, as is necessary or appropriate. Notwithstanding the foregoing, the Valuation Date shall occur at least annually.

3. Employer Contributions

(a) **NOW, THEREFORE** Matching Employer Contributions, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby agree as follows:

A. Amendment to the Credit Agreement. Subject to the provisions of Section 13, the Eligible Employee's Account shall be credited for each Plan Year with a Matching Employer Contribution, calculated in the manner provided in Sections 3(a) (1), (2), and (3) below:

- (1) First, an amount shall be calculated equal to the maximum matching contribution that would be made under the terms As of the RSP, taking into account for such Plan Year Amendment No. 3 Effective Date (as defined below), (a) the amount of pre-tax deferrals and after-tax contributions Credit Agreement is hereby amended to (x) delete the Eligible Employee elected under the RSP. For purposes of this calculation, any amounts deferred under Subsection 4(a) of this Plan shall be treated as pre-tax deferrals under the RSP.
- (2) The calculation made in accordance with this Section 3(a) (1) above shall be made without regard to any limitation on such amounts under the RSP resulting from the application of any of the limitations under Code Sections 401(m), 401(a)(17), or 415.
- (3) The Employer Matching Contribution to be credited to the Account of an Eligible Employee for any Plan Year shall equal the amount calculated in accordance with Sections 3(a) (1) and (2) above, reduced by the amount of matching contribution made to such Eligible Employee's account for such Plan Year under the RSP.

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- (b) **Crediting of Matching Employer Contributions.** Matching Employer Contributions shall be calculated and credited to the Eligible Employee's Account as of the first business day of the calendar year following the Plan Year and shall be credited only if the Eligible Employee is an Employee on the last day of Plan Year for which the amounts are credited.
- (c) **Basic Employer Contributions.** Subject to the provisions of Section 13, the Account of each Eligible Employee shall be credited for each Plan Year with a Basic Employer Contribution, calculated in the manner provided in Sections 3(c) (1), (2), and (3) below:
- (1) First, an amount shall be calculated equal to the Basic Employer Contribution that would be made under the terms of the RSP, taking into account for such Plan Year the Eligible Employee's Covered Compensation under the RSP, before any deductions for compensation deferrals elected by such Eligible Employee under Subsection 4(a) of this Plan. For Eligible Employees as defined by Section 2(e)(1) of this Plan, compensation shall also reflect such Eligible Employee's Short-Term Incentive Plan awards.
- (2) The calculation made in accordance with this Section 3(c)(1) above shall be made without regard to any limitation on such amounts under the RSP resulting from the application of any of the limitations under Code Sections 401(a)(4), 401(a)(17), or 415.
- (3) The Employer Contribution to be credited to the Account of an Eligible Employee for any Plan Year shall equal the amount calculated in accordance with Sections 3(c)(1) and (2) above, reduced by the amount of Basic Employer Contributions made to such Eligible Employee's account for such Plan Year under the RSP.
- (d) **Crediting of Basic Employer Contributions.** The Employer Contribution attributable to an Eligible Employee's Short Term Incentive Plan award shall be credited to an Eligible Employee's Account as of the first business day of the month following the date on which the Short-Term Incentive Plan award is paid. All other Employer Contributions made in respect of an Eligible Employee shall be credited to the Eligible Employee's Account as of the first business day of the calendar year following the Plan Year and shall be credited only if the Eligible Employee is an Employee on the last day of the Plan Year for which the amounts are credited.
- (e) **FICA Taxes.** Each Eligible Employee shall be responsible for FICA taxes on amounts credited to his or her Account under Sections 3 and 4(d).

4. Eligible Employee Deferrals.

- (a) **Amount of Deferral.** An Eligible Employee may defer (i) 5 percent to 50 percent of his or her annual salary; and (ii) all or part of his or her Short Term Incentive Plan awards, Long-Term Incentive Plan (LTIP) awards (other than stock options), Perquisite Allowances, and any other special payments, awards, or bonuses as authorized by the Plan Administrator.
- (b) **Credits to Accounts.** Salary deferrals shall be credited to an Eligible Employee's Account as of each payroll period. All other deferrals attributable to allowances,

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- awards, bonuses, and other payments shall be credited as of the date that they otherwise would have been paid.
- (c) **Deferral Election.** An Eligible Employee must file an election form with the Plan Administrator which indicates the percentage of salary and applicable pay periods, and the amount of any awards, allowances, payments, and bonuses to be deferred under the Plan. Notwithstanding the foregoing, upon first becoming an Eligible Employee, an election to defer shall be effective for the month following

the filing of a Deferral Election Form, provided said Form is filed within 60 days following the date when the employee first becomes an Eligible Employee.

(d) **Deferral of Special Incentive Stock Ownership Premiums.** All of an Eligible Employee's Special Incentive Stock Ownership Premiums are automatically deferred to the Plan immediately upon grant and converted into units in the PG&E CORP Phantom Stock Fund. The units attributable to Special Incentive Stock Ownership Premiums and any additional units resulting from the conversion of dividend equivalents thereon remain unvested until the earlier of the third anniversary of the date on which the Special Incentive Stock Ownership Premiums are credited to an Eligible Employee's account (provided the Eligible Employee continues to be employed on such date), death, disability, or retirement of the participant, or upon a Change in Control as defined in the LTIP. (The term "disability" shall, for purposes of the Plan, have the same meaning as in Section 22(e)(3) of the Internal Revenue Code.) Unvested units attributable to Special Incentive Stock Ownership Premiums and any additional units resulting from the conversion of dividend equivalents thereon shall be forfeited upon termination of the Eligible Employee's employment unless otherwise provided in the PG&E Corporation Officer Severance Policy, or if an Eligible Employee's stock ownership falls below the levels set forth in the Executive Stock Ownership Program.

5. Investment Funds.

(a) Although no assets will be segregated or otherwise set aside with respect to an Eligible Employee's Account, the amount that is ultimately payable to the Eligible Employee with respect to such Account shall be determined as if such Account had been invested in some or all of the Investment Funds. The Plan Administrator, in its sole discretion, shall adopt (and modify from time to time) such rules and procedures as it deems necessary or appropriate to implement the deemed investment of the Eligible Employees' Accounts. Such procedures generally shall provide that an Eligible Employee's Account shall be deemed to be invested among the three Investment Funds in the manner elected by the Eligible Employee in such percentages and manner as prescribed by the Plan Administrator. In the event no election has been made by the Eligible Employee, such Account will be deemed to be invested in the AA Utility Bond Fund. Eligible Employees shall be able to reallocate their Accounts between the Investment Funds and reallocate amounts newly credited to their Accounts at such time and in such manner as the Plan Administrator shall prescribe. Anything to the contrary herein notwithstanding, an Eligible Employee may not reallocate Account balances between Investment Funds if such reallocation would result in a non-exempt Discretionary Transaction as defined in Rule 16b-3 of the Securities Exchange Act of 1934, as amended, or any successor to Rule 16b-3, as in effect when the reallocation is requested.

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(1) AA Utility Bond Fund. Interest shall be credited daily on the amounts invested in the AA Utility Bond Fund. Such interest shall be at a rate equal to the AA Utility Bond Yield reported in Moody's Public Utility, published in the issue of Moody's Investors Service immediately preceding the day on which the interest is to be credited. Such interest shall become a part of the Eligible Employee's Account and shall be paid at the same time or times as the balance of the Eligible Employee's Account.

(2) PG&E CORP Phantom Stock Fund. Amounts credited to the PG&E CORP Phantom Stock Fund shall be converted into units (including fractions computed to three decimal places) each representing a share of PG&E CORP common stock. The value of a unit for purposes of determining the number of units to credit upon initial allocation or upon reallocation from another Investment Fund, and for determining the dollar value of the aggregate number of units to be reallocated from the PG&E CORP Phantom Stock Fund to another Investment Fund and for distributions from the Plan, shall be the closing price of a share of PG&E CORP common stock as traded on the New York Stock Exchange on the date that (i) amounts are credited to an Eligible Employee's Account in the PG&E CORP Phantom Stock Fund, or (ii) the Plan Administrator receives a reallocation request, in the case of reallocations. If such credit or reallocation occurs after close of the New York Stock Exchange on that day, the price shall be based on the closing price of a share of PG&E CORP common stock on the next day on which such shares are traded on the New York Stock Exchange. Thereafter, the value of a unit shall fluctuate in accordance with the closing price of PG&E CORP common stock on the New York Stock Exchange. Each time that PG&E CORP pays a dividend on its common stock, an amount equal to such dividend payable with respect to each share of PG&E CORP common stock, multiplied by the number of units credited to an Eligible Employee's Account, shall be credited to the Eligible Employee's Account and converted into additional

units. The number of additional units shall be calculated by dividing the aggregate amount of credited dividends, i.e., the dividend multiplied by the number of units credited to the Eligible Employee's Account as of the dividend record date, by the closing price of a share of PG&E CORP common stock on the New York Stock Exchange on the dividend payment date. If, after the record date but before the dividend payment date, an Eligible Employee's balance in the PG&E CORP Phantom Stock Fund has been reallocated to another Investment Fund(s) or has been paid to the Eligible Employee or to the Eligible Employee's beneficiary, other than pursuant to an election under Sections 7(c)(2) or 8, then an amount equal to the aggregated dividend shall be credited to the Eligible Employee's Account in such other Investment Fund(s) or paid directly to the Eligible Employee or the Eligible Employee's beneficiary, whichever is applicable.

- (3) S&P 500 Index Fund. Amounts credited to the S&P 500 Index Fund shall be converted into units each representing a Large Company Stock Fund (LCSF) unit held in the RSP on the date of allocation. Thereafter, the value of a unit held in the S&P Index Fund shall be determined stricken text (indicated textually in the same manner as the value of a LCSF unit under Section 18 following example: ~~stricken text~~) and (y) add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Annex A to this Amendment and (b) Schedule 1.1 to the Credit Agreement is amended and replaced in its entirety with Schedule 1.1 as set forth in Annex B to this Amendment.

B. Conditions Precedent. This Amendment shall become effective as of the RSP.

6. Accounting.

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- (a) **Eligible Employees' Accounts.** At the direction of the Plan Administrator, there shall be established and maintained on the books of the Employer, a separate account for each Eligible Employee in order to reflect his or her interest under the Plan.
- (b) **Investment Earnings.** Each Eligible Employee's Account shall initially reflect the value of his or her Account's interest in date first above written when each of the Investment Funds, deemed acquired with following conditions precedent shall have been satisfied (the "Amendment No. 3 Effective Date"):

1. **Executed Counterparts.** The Administrative Agent shall have received a counterpart to this Amendment duly executed by the amounts credited thereto. Each Eligible Employee's Account Borrower and all of the Lenders;

2. **Organizational Documents; Certificates.** The Administrative Agent shall also be credited (or debited) have received (i) a certificate of the Borrower, dated as of the end Amendment No. 3 Effective Date (with a recent short-form good standing certificate of the Borrower), similar to the one delivered pursuant to Section 5.1(f)(i) of the Credit Agreement, with appropriate insertions and attachments and (ii) a certificate of a Responsible Officer, dated the Amendment No. 3 Effective

Date, confirming the satisfaction of the conditions precedent set forth in clauses (3) and (4) below;

3. **Representations and Warranties.** The representations and warranties of the Borrower contained in Section 4 of the Credit Agreement (other than the representations and warranties set forth in Sections 4.2, 4.6(b) and 4.13) shall be true and correct in all material respects immediately prior to and immediately after giving effect to this Amendment; *provided* that each day with of such representations and warranties that contains a materiality qualification shall be true and correct on and as of the net appreciation Amendment No. 3 Effective Date (or, depreciation), earnings to the extent such representations and gains (or losses) warranties specifically relate to an earlier date, such representations and warranties were true and correct in all material respects, or true and correct, as the case may be, as of such earlier date);

4. **No Default.** No Default or Event of Default shall have occurred and be continuing immediately prior to, and immediately after giving effect to, the Amendment No. 3 Effective Date;

5. **Legal Opinion.** The Administrative Agent shall have received the legal opinion of Hunton Andrews Kurth LLP, counsel to the Borrower, in a form reasonably satisfactory to the Administrative Agent;

6. **Know Your Customer Information.** The Administrative Agent shall have received, at least five (5) Business Days prior to the Amendment No. 3 Effective Date, all documentation and other information with respect to the investments deemed made Borrower reasonably requested by his it, which documentation is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act;

7. **Fees and Expenses.** On or her Account. Any prior to the Amendment No. 3 Effective Date, the Borrower shall have paid all reasonable out-of-pocket costs and expenses of the Administrative Agent required to be paid or reimbursed by the Borrower in connection with the preparation, negotiation, execution and delivery of this Amendment and related documentation (including, in each case, without limitation, the reasonable fees and disbursements of counsel for the Administrative Agent with respect thereto); and

8. **Bond Documents.** The Borrower shall have caused to be issued to the Administrative Agent a new First Mortgage Bond (the "New FMB") in the amount of \$525,000,000, such net earnings that the maturity date of such Senior Bond will match the 364-Day Tranche Maturity Date (after giving effect to this Amendment). Upon receipt of the New FMB, the Administrative Agent shall return to the Borrower the original First Mortgage Bond of the Forty-Ninth Series in the amount of \$125,000,000 issued on April 18, 2023 and the original First Mortgage Bond of the Forty-Eighth Series in the amount of \$400,000,000 issued on the Effective Date. In addition, the Administrative Agent shall have received:

- (i) the New FMB, duly issued and authenticated under the FMB Indenture and in a form reasonably satisfactory to the Administrative Agent;
- (ii) a certificate of a duly authorized officer of the Indenture Trustee certifying that the New FMB has been authenticated and is outstanding under the FMB Indenture;
- (iii) copies of all other documents delivered to the Indenture Trustee by or gains deemed realized on behalf of the Borrower on or prior to the Amendment No. 3 Effective Date in connection with the issuance of the New FMB; and
- (iv) copies of all title reports and commitments, if any, as of the Amendment No. 3 Effective Date with respect to any investment the Mortgaged Property consisting of any Eligible Employee's Account shall be deemed reinvested real property as to which Liens in additional amounts favor of the same investment and credited to the Eligible Employee's Account.
- (c) **Accounting Methods.** The accounting methods or formulae to be used under the Plan for the purpose of maintaining the Eligible Employees' Accounts shall be determined by the Plan Administrator. The accounting methods or formulae selected by the Plan Administrator may be revised from time to time but shall conform to the extent practicable with the accounting methods used under the Applicable Plan.
- (d) **Valuations and Reports.** The fair market value of each Eligible Employee's Account shall be determined as of each Valuation Date. In making such determinations and in crediting net deemed earnings and gains (or losses) in the Investment Funds to the Eligible Employees' Accounts, the Plan Administrator (in its discretion) may employ such accounting methods as the Plan Administrator (in its discretion) may deem appropriate in order to fairly reflect the fair market values of the Investment Funds and each Eligible Employee's Account. For this purpose, the Plan Administrator may rely upon information provided by the Plan Administrator or other persons believed by the Plan Administrator to be competent.
- (e) **Statements of Eligible Employee's Accounts.** Each Eligible Employee shall be furnished with periodic statements of his or her interest in the Plan, at least annually.

7. **Distributions.**

- (a) **Distribution of Account Balances.** Unless the Eligible Employee has elected otherwise under this Section 7, distribution of the balance credited to an Eligible Employee's Account shall be made in a single sum in the January of the year following Retirement or termination of service:
 - (1) In the case of an Alternate Payee (as defined in Section 9(a)), distribution shall be made as directed in a domestic relations order which the Plan Administrator determines is a QDRO (as defined in Section 9(a)), but only as to the portion of the Eligible Employee's Account which the QDRO states is payable to the Alternate Payee.
 - (2) Any provisions of the Plan notwithstanding distribution of account balances must commence no later than in the January following the year which the Eligible Employee reaches age 72.

(b) **Installment Distributions.** In lieu of a single sum payment, an Eligible Employee whose Account value (exclusive of Special Incentive Stock Ownership Premiums) is at least \$5,000 may elect in writing and file with the Plan Administrator an election that payment of amounts credited to the Eligible Employee's Account be made in a specified number of approximately equal annual installments (not in excess of 10). However, if during the installment payment period the Account balance, exclusive of Special Incentive Stock Ownership Premiums, is less than \$5,000, the value of the remaining installments shall be paid as a lump sum. All installment payments will be made during the month of January.

(c) **Early Distributions.** By filing an irrevocable election with the Plan Administrator, an Eligible Employee may elect to commence distribution of full or partial payment at any time other than Retirement or termination, provided that:

- (1) such election is made at least one year prior to the Retirement or termination of the Eligible Employee and does not provide for the receipt of such amounts earlier than one year from the date of the election; or
- (2) the Eligible Employee elects to forfeit 10 percent of the value of the requested distribution, valued as of the new date for distribution of such Account funds, and such Eligible Employee shall not be permitted to make future deferrals for 24 months following such distribution.

All early distributions elected pursuant to Section 7(c)(1) must be made during the month of January.

(d) **Death Distributions.** If an Eligible Employee dies before the entire balance of his or her Account has been distributed (whether or not the Eligible Employee had previously terminated employment and whether or not installment payments had previously commenced), the remaining balance of the Eligible Employee's Account shall be distributed to the beneficiary designated or otherwise determined in accordance with Section 7(g), as soon as practicable after the date of death.

(e) **Special Incentive Stock Ownership Premiums.** Distributions attributable to Special Incentive Stock Ownership Premiums shall only be made in January following the year in which an Eligible Employee terminates employment, Retires, or dies, and shall only be made in the form of one or more certificates for the number of vested Special Incentive Stock Ownership Premium units, rounded down to the nearest whole share.

(f) **Effect of Change in Eligible Employee Status.** If an Eligible Employee ceases to be an Eligible Employee, the balance credited to his or her Account shall continue to be credited (or debited) with appreciation, depreciation, earnings, gains or losses under the terms of the Plan and shall be distributed to him or her at the time and in the manner set forth in this Section 7; provided, however, that if an Eligible Employee terminates employment with an Employer other than by reason of Retirement, the entire balance credited to his or her Account shall be distributed in a lump sum cash payment in January of the year following the year of termination of employment. Anything to the contrary notwithstanding, the Plan Administrator, in its sole discretion, may authorize an accelerated distribution of the balance credited to his or her Account in the form of a lump sum cash payment as of any earlier date.

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(g) **Payments to Incompetents.** If any individual to whom a benefit is payable under the Plan is a minor or if the Plan Administrator determines that any individual to whom a benefit is payable under the Plan is incompetent to receive such payment or to give a valid release therefor, payment shall be made to the guardian, committee, or other representative of the estate of such individual which has been duly appointed by a court of competent jurisdiction. If no guardian, committee, or other representative has been appointed, payment may be made to any person as custodian for such individual under the California Uniform Transfers to Minors Act (or similar law of another state) or may be made to or applied to or Indenture Trustee, for the benefit of the minor holders of the New FMB, has been granted.

A. Other Terms.

1. Reference to the Effect on the Loan Documents.

(i) As of the Amendment No. 3 Effective Date, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or incompetent, words of like import, and each reference in the incompetent's spouse, children other Loan Documents to the "Credit Agreement" (including, without limitation, by means of words like "thereunder," "thereof" and words of like import), shall mean and be a reference to the Credit Agreement as amended hereby, and this Amendment and the Credit Agreement shall be read together and construed as a single instrument.

(ii) Except as expressly amended hereby or specifically waived above, all of the terms and provisions of the Credit Agreement and all other dependents, Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the institution Lenders, the Borrower, or persons maintaining the minor or incompetent, or Administrative Agent under any of them, in such proportions as the Plan Administrator from time to time shall determine; and the release Loan Documents, nor constitute a waiver or amendment of any other provision of any of the person Loan Documents or institution receiving the payment shall be for any purpose except as expressly set forth herein.

(iv) This Amendment is a valid and complete discharge of any liability of PG&E CORP Loan Document.

(v) The Borrower hereby requests a 1-month Term SOFR Rate Interest Period with respect to the 364-Day Tranche Term Benchmark Loans (as defined in the Credit Agreement after the Amendment No. 3 Effective Date) in the aggregate principal amount of \$525,000,000 which will begin on April 16, 2024. The parties hereto agree that any benefit so paid, notice requirement set forth in Section 2.9 of the Credit Agreement has been satisfied.

(h) 2. Beneficiary Designations Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Amendment that is an electronic sound, symbol, or process attached to, or associated with, a contract or other

record and adopted by a Person with the intent to sign, authenticate or accept such contract or record (each, an "Electronic Signature") transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be.

3. Ratification. *Each Eligible Employee may designate,* This Amendment shall be effective pursuant to Section 10.1 of the Credit Agreement (and approved and ratified by all Lenders and the Administrative Agent for all purposes under the Loan Documents).

4. Governing Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

5. Section Titles. The section titles contained in this Amendment are and shall be without substantive meaning or content of any kind whatsoever and are not a signed writing delivered part of the agreement between the parties hereto, except when used to reference a section.

6. Notices. All communications and notices hereunder shall be given as provided in the Credit Agreement.

7. Severability. The fact that any term or provision of this Amendment is held invalid, illegal or unenforceable as to any person in any situation in any jurisdiction shall not affect the validity, enforceability or legality of the remaining terms or provisions hereof or the validity, enforceability or legality of such offending term or provision in any other situation or jurisdiction or as applied to any person.

8. Successors. The terms of this Amendment shall be binding upon, and shall inure to the Plan Administrator, on such form as it may prescribe, one or more beneficiaries to receive any distribution which may become payable under the Plan as the result benefit of, the Eligible Employee's death. An Eligible Employee may designate different beneficiaries at any time by delivering a new designation in like manner. Any designation shall become effective only upon its receipt by the Plan Administrator, parties hereto and the last effective designation received by the Plan Administrator shall supersede all prior designations. If an Eligible Employee dies without having designated a beneficiary or if no beneficiary

survives the Eligible Employee, the Eligible Employee's Account shall be payable to the beneficiary or beneficiaries designated or otherwise determined under the RSP, their respective successors and assigns.

(i) 9. Undistributable Accounts Jurisdiction; Waiver of Jury Trial. The jurisdiction and waiver of right to trial by jury provisions in Section 10.12 and Section 10.15, respectively, of the Credit Agreement are incorporated herein by reference *mutatis mutandis*. Each Eligible Employee

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IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and (in the event of death) his or her beneficiary shall keep the Plan Administrator advised of his or her current address. If the Plan Administrator is unable to locate the Eligible Employee or beneficiary to whom an Eligible Employee's Account is payable under Section 7, the Eligible Employee's Account shall be frozen. Amendment as of the date on which distribution would have been completed in accordance with this Section 7, and no further appreciation, depreciation, earnings, gains or losses shall be credited (or debited) thereto. PG&E CORP shall have first set forth above.

PACIFIC GAS AND ELECTRIC COMPANY,

as the right to assign or transfer the liability for payment of any undistributable Account to the Eligible Employee's former Employer (or any successor thereto). Borrower

(i) By: Plan Administrator Discretion /s/ Margaret K. Becker

Within the specific time periods described in this Section 7, the Plan Administrator shall have sole discretion to determine the specific timing of the payment of any Account balance under the Plan. Name: Margaret K. Becker

Title: Vice President and Treasurer

8. Distribution Due to Unforeseeable Emergency (Hardship Distribution)

A participant may request a distribution due to an unforeseeable emergency by submitting a written request to the Plan Administrator. The Plan Administrator shall have the authority to require such evidence as it deems necessary to determine if a distribution is warranted. If an application for a hardship distribution due to an unforeseeable emergency is approved, the distribution shall be payable in a method determined by the Plan Administrator as soon as possible after approval of such distribution. After receipt of a payment requested due to an unforeseeable emergency, a participant may not make additional deferrals during the remainder of the Plan Year in

- Signature Page to Credit Agreement

Pacific Gas and Electric Company9-

which the recipient received the payment. A participant who has commenced receiving installment payments under the Plan may request acceleration of such payments in the event of an unforeseeable emergency. The Administrator may permit accelerated payments to the extent such accelerated payment does not exceed the amount necessary to meet the emergency.

9. Domestic Relations Orders

(a) **Qualified Domestic Relations Orders.** The Plan Administrator shall establish written procedures for determining whether a domestic relations order purporting to dispose of any portion of an Eligible Employee's Account is a qualified domestic relations order (within the meaning of Section 414(p) of the Code) (a "QDRO").

- (1) **No Payment Unless a QDRO.** No payment shall be made to any person designated in a domestic relations order (an "Alternate Payee") until the Plan Administrator (or a court of competent jurisdiction reversing an initial adverse determination by the Plan Administrator) determines that the order is a QDRO. Payment shall be made to each Alternate Payee as specified in the QDRO.
- (2) **Time of Payment.** Payment may be made to an Alternate Payee in the form of a lump sum, at the time specified in the QDRO, but no earlier than as soon as practicable following the date the QDRO determination is made.

(3) **Hold Procedures.** Notwithstanding any contrary Plan provision, prior to the receipt of a domestic relations order, the Plan Administrator may, in its sole discretion, place a hold upon all or a portion of an Eligible Employee's Account for a reasonable period of time (as determined by the Plan Administrator) if the Plan Administrator receives notice that (a) a domestic relations order is being sought by the Eligible Employee, his or her spouse, former spouse, child or other dependent, and (b) the Eligible Employee's Account is a source of the payment under such domestic relations order. For purposes of this Section 9(a)(3), a "hold" means that no withdrawals, distributions, or investment transfers may be made with respect to an Eligible Employee's Account. If the Plan Administrator places a hold upon an Eligible Employee's Account pursuant to this Section 9(a)(3), it shall inform the Eligible Employee of such fact.

10. Vesting

Except as provided in Section 4(d), an Eligible Employee's interest in his or her Account at all times shall be 100 percent vested and nonforfeitable.

11. Administration of the Plan

(a) **Plan Administrator.** The Employee Benefit Committee of PG&E CORP is hereby designated as the administrator of the Plan (within the meaning of Section 3(16)(A) of ERISA). The Plan Administrator delegates to the Senior Human Resource Officer for PG&E CORP, or his or her designee, the authority to carry out all duties and responsibilities of the Plan Administrator under the Plan. The Plan Administrator shall have the authority to control and manage the operation and administration of the Plan.

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(b) **BANK OF AMERICA, N.A.** Powers of Plan Administrator. The Plan Administrator shall have all discretion and powers necessary to supervise the administration of the Plan and to control its operation in accordance with its terms, including, but not by way of limitation, the power to interpret the provisions of the Plan and to determine, in its sole discretion, any question arising under, or in connection with the administration or operation of, the Plan.,
as Administrative Agent

(c) By: Decisions of Plan Administrator /s/ Jacqueline G. Margetis
. All decisions of the Plan Administrator and any action taken by it in respect of the Plan and within the powers granted to it under the Plan shall be conclusive and binding on all persons and shall be given the maximum deference permitted by law. Name: Jacqueline G. Margetis
Title: Director

12. Funding

All amounts credited to an Eligible Employee's Account under the Plan shall continue for all purposes to be a part of the general assets of PG&E CORP. The interest of the Eligible Employee in his or her Account, including his or her right to distribution thereof, shall be an unsecured claim against the general assets of PG&E CORP. While PG&E CORP may choose to invest a portion of its general assets in investments identical or similar to those selected by Eligible Employees for purposes of determining the amounts to be credited (or debited) to their Accounts, nothing contained in the Plan shall give any Eligible Employee or beneficiary any interest in or claim against any specific assets of PG&E CORP.

13. Modification or Termination of Plan

(a) **Employers' Obligations Limited.** The Plan is voluntary on the part of the Employers, and the Employers do not guarantee to continue the Plan. PG&E CORP at any time may, by appropriate amendment of the Plan, suspend Matching Employer Contributions and/or Basic Employer Contributions or may discontinue Matching Employer Contributions and/or Basic Employer Contributions, with or without cause.

- (b) **Right to Amend or Terminate.** The Board of Directors, acting through its Nominating and Compensation Committee, reserves the right to alter, amend, or terminate the Plan, or any part thereof, in such manner as it may determine, for any reason whatsoever.
- (1) **Limitations.** Any alteration, amendment, or termination shall take effect upon the date indicated in the document embodying such alteration, amendment, or termination, provided that no such alteration or amendment shall divest any portion of an Account that is then vested under the Plan.
- (c) **Effect of Termination.** If the Plan is terminated, the balances credited to the Accounts of the Eligible Employees affected by such termination shall be distributed to them at the time and in the manner set forth in Section 7; provided, however, that the Plan Administrator, in its sole discretion, may authorize accelerated distribution of Eligible Employees' Accounts as of any earlier date.

14. General Provisions

- (a) **Inalienability.** Except to the extent otherwise directed by a domestic relations order which the Plan Administrator determines is a QDRO (as defined in Section

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9(a) or mandated by applicable law, in no event may either an Eligible Employee, a former Eligible Employee or his or her spouse, beneficiary or estate sell, transfer, anticipate, assign, hypothecate, or otherwise dispose of any right or interest under the Plan; and such rights and interests shall not at any time be subject to the claims of creditors nor be liable to attachment, execution, or other legal process.

- (b) **Rights and Duties.** Neither the Employers nor the Plan Administrator shall be subject to any liability or duty under the Plan except as expressly provided in the Plan, or for any action taken, omitted, or suffered in good faith.
- (c) **No Enlargement of Employment Rights.** Neither the establishment or maintenance of the Plan, the making of any Matching Employer Contributions, nor any action of any Employer or Plan Administrator, shall be held or construed to confer upon any individual any right to be continued as an Employee nor, upon dismissal, any right or interest in any specific assets of the Employers other than as provided in the Plan. Each Employer expressly reserves the right to discharge any Employee at any time, with or without cause or advance notice.
- (d) **Apportionment of Costs and Duties.** All acts required of the Employers under the Plan may be performed by PG&E CORP for itself and its Participating Subsidiaries, and the costs of the Plan may be equitably apportioned by the Plan Administrator among PG&E CORP and the other Employers. Whenever an Employer is permitted or required under the terms of the Plan to do or perform any act, matter or thing, it shall be done and performed by any officer or employee of the Employer who is thereunto duly authorized by the board of directors of the Employer.
- (e) **Applicable Law.** The provisions of the Plan shall be construed, administered, and enforced in accordance with the laws of the State of California and, to the extent applicable, ERISA.
- (f) **Severability.** If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included.
- (g) **Captions.** The captions contained in and the table of contents prefixed to the Plan are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge, or describe the scope or intent of the Plan nor in any way shall affect the construction of any provision of the Plan.

15. Claims and Appeals Procedure

Any claims for benefits under the Plan made by a participant, beneficiary or other person shall be made and administered in accordance with the following procedures.

- (a) **Compliance with Regulations.** It is intended that the claims procedure of the Plan be administered in accordance with the claims procedure regulations of the U.S. Department of Labor set forth in 29 C.F.R. Section 2560.503-1.

(b) Initial Claims.

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- (1) Submission of Initial Claims by a Claimant. Claims for benefits under the Plan made by a participant, beneficiary or other person covered or claiming they are entitled to benefits from the Plan (a "Claimant") (or by an authorized representative of any Claimant) must be submitted in writing to the Director, Benefits, or if the title for the position ever changes, the individual employed in Benefits with direct management responsibility over the Plan (whether a Manager or some other title) (such individual, the "Initial Claim Reviewer"), care of Benefits.
- (2) Authorized Representative. The Plan Administrator may establish and enforce reasonable procedures for determining whether any individual or entity has been authorized to act on behalf of a Claimant.
- (3) Processing of Approved Claims. Approved claims will be processed and, if applicable, the Plan Administrator will issue instructions authorizing payments as approved.
- (4) Notification of Denied Claims. If a claim is denied in whole or in part by the Initial Claim Reviewer in its discretion, the Initial Claim Reviewer shall notify the Claimant of the decision by written or electronic notice, in a manner calculated to be understood by the Claimant. The notice shall set forth:
 - a) The specific reasons for the denial of the claim;
 - b) A reference to specific provisions of the Plan on which the denial is based;
 - c) A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and
 - d) An explanation of the Plan's claims review procedure for the denied or partially denied claim and any applicable time limits, and a statement that the Claimant has a right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Such notification shall be given within 90 days after the claim is received by the Initial Claim Reviewer (or within 180 days, if special circumstances require an extension of time for processing the claim and provided that written notice of such extension and circumstances and the date a decision is expected is given to the Claimant within the initial 90-day period). A claim is considered approved only if its approval is communicated in writing to a Claimant.

(c) Appeals of Denied Claims.

- (1) Right to Appeal. Upon denial of a claim in whole or in part, a Claimant or his or her duly authorized representative shall have the right to submit a written request to the Employee Benefit Appeals Committee, as such term is defined the Pacific Gas and Electric Company Retirement Plan Part I, as amended and restated from time to time (the "Employee Benefit Appeals Committee") for a full and fair review of the denied claim. A request for review of a claim must be submitted within 60 days of receipt by the

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Claimant of written notice of the denial of the claim. If the Claimant fails to file a request for review within 60 days of the denial notification, the claim will be deemed abandoned and the Claimant is precluded from reasserting it. Also, if the Claimant is not

provided a notice of denial of an initial claim as set forth in Section 15(b), the Claimant may submit a written request for review to the Employee Benefit Appeals Committee.

- (2) **Access to Documents and Records.** The Claimant or the Claimant's representative shall have, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits.
- (3) **Right to Submit Additional Information.** The Claimant may submit written comments, documents, records and other information relating to the claim for benefits.
- (4) **Scope of the Review.** The Employee Benefit Appeals Committee review process shall include all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.
- (5) **Preclusion for Materials Not Submitted.** Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review of the claim.
- (6) **Decision by the Employee Benefit Appeals Committee.** The decision by the Employee Benefit Appeals Committee on review shall be in written or electronic form, in a manner calculated to be understood by the Claimant. If the claim is denied on review, the notice shall set forth:
 - a) The specific reasons for the denial of the appeal of the claim;
 - b) A reference to specific provisions of the Plan on which the denial is based;
 - c) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and;
 - d) A statement describing any voluntary appeal procedures offered by the Plan (if any) and the Claimant's right to obtain the information about such procedures, and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

The Employee Benefit Appeals Committee will advise the Claimant of the results of the review within 60 days after receipt of the written request for review (or within 120 days if special circumstances require an extension of time for processing the request, and if notice of such extension and circumstances, including the date a decision is expected to be made, is given to such Claimant within the initial 60-day period).

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(d) **Authority of Initial Claim Reviewer and Employee Benefit Appeals Committee and Deference to their Decisions.** To the extent of the responsibility to review initial benefit claims (with respect to the Initial Claim Reviewer) or to review appeals of the denial of benefit claims (with respect to the Employee Benefit Appeals Committee), the Initial Claim Reviewer and the Employee Benefit Appeals Committee, shall have the discretionary authority to interpret and apply the provisions of the Plan and such decisions shall be afforded the maximum deference permitted by law. Benefits will be paid only if the Initial Claim Reviewer (with respect to initial benefit claims) or the Employee Benefit Appeals Committee (with respect to appeals of the denial of benefit claims) decides in its discretion that the Claimant is entitled to them. The decisions of the Employee Benefit Appeals Committee shall be final and binding on the Claimant.

(e) **Exhaustion of Claims Procedure Required in All Cases.** A participant, beneficiary or other person asserting a claim, alleging a violation of or seeking any remedy under any provision of ERISA or other applicable law that relates in any manner to the Plan is considered a Claimant and is subject to the claims procedures described in this Section 15.

A participant, beneficiary or other person made subject to the claims procedures in this Section 15 must follow and exhaust the applicable claims procedures described in this Section 15 with respect to any claim, alleged violation, or sought remedy before taking

action in any other forum regarding a claim for benefits under the Plan or alleging a violation of, or seeking any remedy under, any provision of ERISA or other applicable law.

A Claimant and any representative of a Claimant may not bring an action in any other forum later than the earliest of (1) one year from the date of completion of the Plan's claims appeal process set forth in this Section 15, (2) one year from the latest date on which an appeal is permitted to be filed under this claims and appeals process after the denial of an initial claim (i.e., within 60 days of receipt of an initial claim denial notification), and (3) two years from the date a Claimant knew or should have known that a claim existed. The foregoing in no way serves as a waiver of the exhaustion requirement set forth in the preceding paragraph.

Any action described in this Section 15(e) must be filed in the Federal District Court for the Northern District of California.

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APPENDIX A

PARTICIPATING SUBSIDIARIES

Participating Subsidiaries as of January 1, 1997

- PG&E Gas Transmission Corporation
- PG&E Gas Transmission, Texas Corporation
- PG&E Gas Transmission TECO, Inc.
- PG&E Energy Trading-Gas Corporation
- PG&E Energy Services Corporation
- And the U.S. subsidiaries of each of the above-named corporations.

Additional Participating Subsidiaries as of January 1, 1998

- PG&E Corporation
- Pacific Gas and Electric Company
- PG&E Generating Company
- PG&E Corporation Support Services, Inc.
- And the U.S. subsidiaries of each of the above-named corporations.

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PG&E CORPORATION

SUPPLEMENTAL RETIREMENT SAVINGS PLAN

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EXHIBIT 10.3

PG&E CORPORATION
2005 SUPPLEMENTAL RETIREMENT SAVINGS PLAN

This is the controlling and definitive statement of the PG&E CORPORATION ("PG&E CORP") 2005 Supplemental Retirement Savings Plan (the "Plan"). The Plan was amended for compliance with the final Code Section 409A regulations effective as of January 1, 2009, further amended effective July 13, 2009 and August 1, 2011 with respect to available investment options, further amended effective September 17, 2013 with respect to default investment funds and election of installment payments, further amended effective September 15, 2015 with respect to salary deferral percentages and crediting of matching contributions upon Separation from Service, further amended effective January 1, 2022 to reflect changes to officer characterization, further amended effective February 15, 2023 with respect to when contribution payments are made under the Plan, and further amended effective September 12, 2023 to add claims and appeals procedures. Except as provided herein, the Plan is generally effective as of

January 1, 2005, with respect to all individuals who are Eligible Employees as of such date. The Plan continues the benefit program embodied in the PG&E Corporation Supplemental Retirement Savings Plan (the "Prior Plan"). Benefits accrued under the Prior Plan continue to be payable under the Prior Plan pursuant to the terms and conditions of the Prior Plan.

1. Purpose of the Plan. The Plan is established and is maintained for the benefit of a select group of management and highly compensated employees of PG&E CORP and its Participating Subsidiaries in order to provide such employees with certain deferred compensation benefits. The Plan is an unfunded deferred compensation plan that is intended to qualify for the exemptions provided in Sections 201, 301, and 401 of ERISA.

2. Definitions. The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

(a) "**Basic Employer Contributions**" shall mean the amounts credited to Eligible Employees' Accounts under the Plan by the Employers, in accordance with Section 3(c).

(b) "**Board of Directors**" shall mean the Board of Directors of PG&E CORP, as from time to time constituted.

(c) "**Code**" shall mean the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code shall include such section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation amending, supplementing, or superseding such section.

(d) "**Committee**" shall mean the Compensation Committee of the Board, as it may be constituted from time to time.

(e) "**Eligible Employee**" shall mean an Employee who:

(1) Is an officer of PG&E CORP or any Participating Subsidiary with the title of Vice President, Senior Vice President, Executive Vice President, or higher; or

(2) Is a key employee of PG&E CORP or any Participating Subsidiary and who is designated by the Plan Administrator as eligible to participate in the Plan.

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(f) "**BANK OF AMERICA, N.A.** Eligible Employee's Account" or "**Account**" shall mean, as to any Eligible Employee, the separate account maintained on the books of the Employer in accordance with Section 6(a) in order to reflect his or her interest under the Plan. Accounts shall be centrally administered by the Plan Administrator or its designee, a Lender.

(g) "By: Employee /s/ Jacqueline G. Margetis" shall mean an individual who is treated in the records of an Employer as an employee of the Employer, who is not on an unpaid leave of absence, and/or who is not covered by a collective bargaining agreement; provided, however, such term shall not mean an individual who is a "leased employee" or who has entered into a written contract or agreement with an Employer which explicitly excludes such individual from participation in an Employer's benefit plans. The provisions of this definition shall govern, whether or not it is determined that an individual otherwise meets the definition of "common law" employee.

(h) "**Employers**" shall mean PG&E CORP and the Participating Subsidiaries designated by the Employee Benefit Committee of PG&E CORP. An initial list of the Employers is contained in Appendix A to this Plan.

(i) "**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific section of ERISA shall include such section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation amending, supplementing, or superseding such section.

(j) "**Investment Funds**" shall mean the investment funds established by the Board of Directors and reflected from time to time on Appendix B. The Investment Funds shall be used for tracking phantom investment results under the Plan.

(k) "Matching Employer Contributions" shall mean the amounts credited to Eligible Employees' Accounts under the Plan by the Employers, in accordance with Section 3(b).

(l) "Participating Subsidiary" shall mean a United States-based subsidiary of PG&E CORP, which has been designated by the Employee Benefit Committee of PG&E CORP as a Participating Subsidiary under this Plan and which has agreed to make payments or reimbursements with respect to its Eligible Employees pursuant to Section 14(d). At such times and under such conditions as the Employee Benefit Committee may direct, one or more other subsidiaries of PG&E CORP may become Participating Subsidiaries or a Participating Subsidiary may be withdrawn from the Plan. An initial list of the Participating Subsidiaries is contained in Appendix A to this Plan.

(m) "PG&E CORP" shall mean PG&E Corporation, a California corporation.

(n) "Plan" shall mean the PG&E Corporation 2005 Supplemental Retirement Savings Plan, as set forth in this instrument and as heretofore and hereafter amended from time to time.

(o) "Plan Year" shall mean the calendar year.

(p) "Prior Plan" shall mean the PG&E Corporation Supplemental Retirement Savings Plan.

(q) "Retirement" or "Retire" shall mean an Eligible Employee's Separation from Service, provided that the Eligible Employee is at least 55 years of age and has been employed by an Employer for at least five consecutive years prior to the Separation from Service. Name: Jacqueline G. Margetis

Title: Director

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(r) "RSP" shall mean, with respect to any Eligible Employee, the PG&E Corporation Retirement Savings Plan or any predecessor qualified retirement plan sponsored by PG&E CORP or any of its subsidiary companies.

(s) "Separation from Service" shall mean an Eligible Employee's "separation from service" within the meaning of Code Section 409A(a)(2)(A)(i) and related Treasury Regulations and other guidance, as determined by the Plan Administrator in its discretion.

(t) "Valuation Date" shall mean:

(1) For purposes of valuing Plan assets and Eligible Employees' Accounts for periodic reports and statements, the date as of which such reports or statements are made; and

(2) For purposes of determining the amount of assets actually distributed to the Eligible Employee, his or her beneficiary, or an Alternate Payee (or available for withdrawal), a date that shall not be more than seven business days prior to the date the check is issued to the Eligible Employee.

In any other case, the Valuation Date shall be the date designated by the Plan Administrator (in its discretion) or the date otherwise set forth in this Plan. In all cases, the Plan Administrator (in its discretion) may change the Valuation Date, on a uniform and nondiscriminatory basis, as is necessary or appropriate. Notwithstanding the foregoing, the Valuation Date shall occur at least annually.

3. Employer Contributions.

(a) Matching Employer Contributions. Subject to the provisions of Section 13, the Eligible Employee's Account shall be credited for each Plan Year with a Matching Employer Contribution, calculated in the manner provided in Sections 3(a)(1), (2), and (3) below:

(1) First, an amount shall be calculated equal to the maximum matching contribution that would be made under the terms of the RSP, taking into account for such Plan Year the amount of pre-tax deferrals and after-tax contributions the Eligible Employee elected under the RSP. For purposes of this calculation, any amounts deferred under Subsection 4(a) of this Plan shall be treated as pre-tax deferrals under the RSP.

(2) The calculation made in accordance with this Section 3(a)(1) above shall be made without regard to any limitation on such amounts under the RSP resulting from the application of any of the limitations under Code Sections 401(m), 401(a)(17), or 415.

(3) The Employer Matching Contribution to be credited to the Account of an Eligible Employee for any Plan Year shall equal the amount calculated in accordance with Sections 3(a)(1) and (2) above, reduced by the amount of matching contribution made to such Eligible Employee's account for such Plan Year under the RSP.

(b) Crediting of Matching Employer Contributions. Matching Employer Contributions shall be calculated and credited to the Eligible Employee's Account as of the first business day of February of the calendar year following the Plan Year and shall be credited only if the Eligible Employee was an Eligible Employee on at least one day of the Plan Year for which the amounts are credited, except that if an Eligible Employee Separates from Service on or after September 15, 2015, then upon that Eligible Employee's Separation from Service, the value of the Matching Employer Contribution for the Plan Year during which Separation from Service occurs shall instead be calculated and credited to the Eligible Employee's Account as soon as

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practicable, as determined by PG&E CORP. All such amounts shall be deemed to be invested in an Investment Fund designated by the Plan Administrator.

(c) Basic Employer Contributions. Subject to the provisions of Section 13, the Account of each Eligible Employee shall be credited for each Plan Year with a Basic Employer Contribution, calculated in the manner provided in Sections 3(c)(1), (2), and (3) below:

(1) First, an amount shall be calculated equal to the Basic Employer Contribution that would be made under the terms of the RSP, taking into account for such Plan Year the Eligible Employee's Covered Compensation under the RSP, before any deductions for compensation deferrals elected by such Eligible Employee under Subsection 4(a) of this Plan. For Eligible Employees as defined by Section 2(e)(1) of this Plan, compensation shall also reflect such Eligible Employee's Short-Term Incentive Plan awards.

(2) The calculation made in accordance with this Section 3(c)(1) above shall be made without regard to any limitation on such amounts under the RSP resulting from the application of any of the limitations under Code Sections 401(a)(4), 401(a)(17), or 415.

(3) The Employer Contribution to be credited to the Account of an Eligible Employee for any Plan Year shall equal the amount calculated in accordance with Sections 3(c)(1) and (2) above, reduced by the amount of Basic Employer Contributions made to such Eligible Employee's account for such Plan Year under the RSP.

(d) Crediting of Basic Employer Contributions. The Employer Contribution attributable to an Eligible Employee's Short Term Incentive Plan award shall be credited to an Eligible Employee's Account as of the first business day of the month following the date on which the Short-Term Incentive Plan award is paid. All other Employer Contributions made in respect of an Eligible Employee shall be credited to the Eligible Employee's Account as of the first business day of February of the calendar year following the Plan Year and shall be credited only if the Eligible Employee is an Employee on the last day of the Plan Year for which the amounts are credited. All such amounts shall be deemed to be invested in an Investment Fund designated by the Plan Administrator.

(e) FICA Taxes. Each Eligible Employee shall be responsible for FICA taxes on amounts credited to his or her Account under Sections 3 and 4(d).

4. Eligible Employee Deferrals.

(a) Amount of Deferral. An Eligible Employee may defer all or part of his or her annual salary, Short Term Incentive Plan awards, Long-Term Incentive Plan (LTIP) awards (other than stock options), Perquisite Allowances, and any other special payments, awards, or bonuses as authorized by the Plan Administrator.

(b) Credits to Accounts. Salary deferrals shall be credited to an Eligible Employee's Account as of each payroll period. All other deferrals attributable to allowances, awards, bonuses, and other payments shall be credited as soon as practicable, but no more than 30 days after the date

that they otherwise would have been paid.

(c) **Deferral Election.** An Eligible Employee must file an election form with the Plan Administrator which indicates the percentage of salary and the amount of any awards, allowances, payments, and bonuses to be deferred under the Plan. The election shall occur no later than December 31 (or such earlier date established by the Plan Administrator) of the calendar year next preceding the service year (within the meaning of Treasury Regulation Section 1.409A-2(a)(3)). Notwithstanding the foregoing, to the extent permitted under Treasury

Regulation Section 1.409A-2(a)(7), upon first becoming an Eligible Employee, an election to defer shall be effective for compensation to be earned for services performed beginning in the month following the filing of a Deferral Election Form, provided said Form is filed within 30 days following the date when the employee first becomes an Eligible Employee. Notwithstanding the foregoing, in the case of performance-based compensation (within the meaning of Treasury Regulation Section 1.409A-1(e)), the election may be made with respect to such performance-based compensation on or before the date that is six months before the end of the applicable performance period to the extent permitted under Treasury Regulation Section 1.409A-2(a)(8). The Plan Administrator may, in its sole discretion, permit elections to be made under other timing rules that comply with Code Section 409A.

(d) **Deferral of Special Incentive Stock Ownership Premiums.** All of an Eligible Employee's Special Incentive Stock Ownership Premiums are automatically deferred to the Plan immediately upon grant and converted into units in the PG&E Corporation Phantom Stock Fund. The units attributable to Special Incentive Stock Ownership Premiums and any additional units resulting from the conversion of dividend equivalents thereon remain unvested until the earlier of the third anniversary of the date on which the Special Incentive Stock Ownership Premiums are credited to an Eligible Employee's account (provided the Eligible Employee continues to be employed on such date), death, disability (within the meaning of Section 22(e)(3) of the Internal Revenue Code), or Retirement of the participant, or upon a Change in Control (as defined in the LTIP). Unvested units attributable to Special Incentive Stock Ownership Premiums and any additional units resulting from the conversion of dividend equivalents thereon shall be forfeited upon termination of the Eligible Employee's employment (unless otherwise provided in the PG&E Corporation Executive Stock Ownership Program or the PG&E Corporation Officer Severance Plan) or if an Eligible Employee's stock ownership falls below the levels set forth in the Executive Stock Ownership Program.

5. **Investment Funds.** Although no assets will be segregated or otherwise set aside with respect to an Eligible Employee's Account, the amount that is ultimately payable to the Eligible Employee with respect to such Account shall be determined as if such Account had been invested in some or all of the Investment Funds. The Plan Administrator, in its sole discretion, shall adopt (and modify from time to time) such rules and procedures as it deems necessary or appropriate to implement the deemed investment of the Eligible Employees' Accounts. Such procedures generally shall provide that an Eligible Employee's Account shall be deemed to be invested among the available Investment Funds in the manner elected by the Eligible Employee in such percentages and manner as prescribed by the Plan Administrator. In the event no election has been made by the Eligible Employee, such Account will be deemed to be invested in an Investment Fund designated by the Plan Administrator. Eligible Employees shall be able to reallocate their Accounts between the Investment Funds and reallocate amounts newly credited to their Accounts at such time and in such manner as the Plan Administrator shall prescribe. Anything to the contrary herein notwithstanding, an Eligible Employee may not reallocate Account balances between Investment Funds if such reallocation would result in a non-exempt Discretionary Transaction as defined in Rule 16b-3 of the Securities Exchange Act of 1934, as amended, or any successor to Rule 16b-3, as in effect when the reallocation is requested. The available Investment Funds shall be listed on Appendix B and may be changed from time to time by the Board of Directors.

6. **Accounting.**

(a) **Eligible Employees' Accounts.** At the direction of the Plan Administrator, there shall be established and maintained on the books of the Employer, a separate account for each Eligible Employee in order to reflect his or her interest under the Plan.

(b) **Investment Earnings.** Each Eligible Employee's Account shall initially reflect the value of his or her Account's interest in each of the Investment Funds, deemed acquired with the amounts credited thereto. Each Eligible Employee's Account shall also be credited (or debited) with the net appreciation (or depreciation), earnings and gains (or losses) with respect to the investments deemed made by his or her Account. Any such net earnings or gains deemed realized with respect to any investment of any Eligible Employee's Account shall be deemed reinvested in additional amounts of the same investment and credited to the Eligible Employee's Account.

(c) **Accounting Methods.** The accounting methods or formulae to be used under the Plan for the purpose of maintaining the Eligible Employees' Accounts shall be determined by the Plan Administrator. The accounting methods or formulae selected by the Plan Administrator may be revised from time to time but shall conform to the extent practicable with the accounting methods used under the Applicable Plan.

(d) **Valuations and Reports.** The fair market value of each Eligible Employee's Account shall be determined as of each Valuation Date. In making such determinations and in crediting net deemed earnings and gains (or losses) in the Investment Funds to the Eligible Employees' Accounts, the Plan Administrator (in its discretion) may employ such accounting methods as the Plan Administrator (in its discretion) may deem appropriate in order to fairly reflect the fair market values of the Investment Funds and each Eligible Employee's Account. For this purpose, the Plan Administrator may rely upon information provided by the Plan Administrator or other persons believed by the Plan Administrator to be competent.

(e) **Statements of Eligible Employee's Accounts.** Each Eligible Employee shall be furnished with periodic statements of his or her interest in the Plan.

7. Distributions.

(a) **Distribution of Account Balances.** Except to the extent the Eligible Employee has elected otherwise under this Section 7 at the time of deferral, distribution of the balance credited to an Eligible Employee's Account shall be made in a single lump sum as soon as reasonably practicable (but in any event within 90 days) following the date that is seven (7) months following Separation from Service.

In the case of an Alternate Payee (as defined in Section 9(a), to the extent allowable under Code Section 409A, distribution shall be made as directed in a domestic relations order which the Plan Administrator determines is a DRO (as defined in Section 9(a), but only as to the portion of the Eligible Employee's Account which the DRO states is payable to the Alternate Payee.

(b) **Specific Distributions.** In lieu of a payment described in Section 7(a), by filing an irrevocable election with the Plan Administrator, an Eligible Employee may at the time of deferral elect to receive distribution of the specific type of income deferral for that calendar year plus the earnings thereon (exclusive of Special Incentive Stock Ownership Premiums) in, or in the case of installments commencing in, January of any future year and in the form of either (1) a single lump sum or (2) from two to ten annual installments with subsequent installments paid on each anniversary of the installment commencement date.

(c) **Election of Installment Payments.** In lieu of a single sum payment under Section 7(a), except in the case of Special Incentive Stock Ownership Premiums, an Eligible Employee may elect in writing to the Plan Administrator, on such form or in such other manner as it may prescribe, and file with the Plan Administrator an election that payment of amounts credited to the Eligible Employee's Account be made in from 2 to 10 equal annual installments. If the

Eligible Employee elects installment payments pursuant to this Section 7(c), then such installment payments shall commence as soon as reasonably practicable (but in any event within 90 days) following the date that is seven (7) months following Separation from Service ("Benefit Commencement Date") and subsequent installments will be paid on each anniversary of the Benefit Commencement Date thereof until all installments are paid.

(d) **Change in Distribution Election.** An Eligible Employee may change a distribution election previously made pursuant to Section 7(b) or 7(c) (or in place by default pursuant to Section 7(a)) only with respect to the portion of the Eligible Employee's Account attributable to Eligible Employee Deferrals (exclusive of Special Incentive Stock Ownership Premiums) and only in accordance with the rules under Code Section 409A. Generally, a

subsequent election pursuant to this Section 7(d): (1) cannot take effect for twelve (12) months, (2) must occur at least twelve (12) months before the first scheduled payment under a payment at a specified date elected pursuant to Section 7(b), and (3) must defer a previously elected distribution at least five (5) additional years. The Plan Administrator may establish additional rules or restrictions on changes in distribution elections.

(e) Death Distributions. If an Eligible Employee dies before the balance of his or her Account has been distributed (whether or not the Eligible Employee had previously had a Separation from Service), the Eligible Employee's Account shall be distributed in a lump sum to the beneficiary designated or otherwise determined in accordance with Section 7, as soon as practicable after the date of death (but in any event within 90 days after the date of death).

(f) Special Incentive Stock Ownership Premiums. Distributions attributable to Special Incentive Stock Ownership Premiums shall only be made in the form of one or more certificates for the number of vested Special Incentive Stock Ownership Premium units, rounded down to the nearest whole share, in accordance with the timing rule set forth in Section 7(a).

(g) Effect of Change in Eligible Employee Status. If an Eligible Employee ceases to be an Eligible Employee but does not experience a Separation from Service, the balance credited to his or her Account shall continue to be credited (or debited) with appreciation, depreciation, earnings, gains or losses under the terms of the Plan and shall be distributed to him or her at the time and in the manner set forth in this Section 7.

(h) Payments to Incompetents. If any individual to whom a benefit is payable under the Plan is a minor or if the Plan Administrator determines that any individual to whom a benefit is payable under the Plan is incompetent to receive such payment or to give a valid release therefor, payment shall be made to the guardian, committee, or other representative of the estate of such individual which has been duly appointed by a court of competent jurisdiction. If no guardian, committee, or other representative has been appointed, payment may be made to any person as custodian for such individual under the California Uniform Transfers to Minors Act (or similar law of another state) or may be made to or applied to or for the benefit of the minor or incompetent, the incompetent's spouse, children or other dependents, the institution or persons maintaining the minor or incompetent, or any of them, in such proportions as the Plan Administrator from time to time shall determine; and the release of the person or institution receiving the payment shall be a valid and complete discharge of any liability of PG&E CORP with respect to any benefit so paid.

(i) Beneficiary Designations. Each Eligible Employee may designate, in a signed writing delivered to the Plan Administrator, on such form as it may prescribe, one or more beneficiaries to receive any distribution which may become payable under the Plan as the result of the Eligible Employee's death. An Eligible Employee may designate different beneficiaries at any time by delivering a new designation in like manner. Any designation shall become effective only upon its receipt by the Plan Administrator, and the last effective designation

received by the Plan Administrator shall supersede all prior designations. If an Eligible Employee dies without having designated a beneficiary or if no beneficiary survives the Eligible Employee, the Eligible Employee's Account shall be payable to the beneficiary or beneficiaries designated or otherwise determined under the RSP.

(j) Undistributable Accounts. Each Eligible Employee and (in the event of death) his or her beneficiary shall keep the Plan Administrator advised of his or her current address. If the Plan Administrator is unable to locate the Eligible Employee or beneficiary to whom an Eligible Employee's Account is payable under this Section 7, the Eligible Employee's Account shall be frozen as of the date on which distribution would have been completed in accordance with this Section 7, and no further appreciation, depreciation, earnings, gains or losses shall be credited (or debited) thereto. PG&E CORP shall have the right to assign or transfer the liability for payment of any undistributable Account to the Eligible Employee's former Employer (or any successor thereto).

(k) Plan Administrator Discretion. Within the specific time periods described in this Section 7, the Plan Administrator shall have sole discretion to determine the specific timing of the payment of any Account balance under the Plan.

8. Distribution Due to Unforeseeable Emergency (Hardship Distribution). A participant may request a distribution due to an unforeseeable emergency (within the meaning of Code Section 409A) by submitting a written request to the Plan Administrator. The Plan Administrator shall have the authority to require such evidence as it deems necessary to determine if a distribution is warranted. If an application for a hardship distribution due to an unforeseeable emergency is approved, the distribution shall be payable in a lump sum within 30 days after approval of such distribution. After receipt of a payment requested due to an unforeseeable emergency, a participant may not make additional deferrals during the remainder of the Plan

Year in which the recipient received the payment. The distribution due to an unforeseeable emergency shall not exceed the amount reasonably necessary to meet the emergency. This Section 8 shall be administered in accordance with the requirements of Code Section 409A.

9. Domestic Relations Orders.

(a) **Domestic Relations Orders.** The Plan Administrator shall establish written procedures for determining whether an order purporting to dispose of any portion of an Eligible Employee's Account is a domestic relations order (within the meaning of Section 414(p) of the Code) (a "DRO").

(1) **No Payment Unless a DRO.** No payment shall be made to any person designated in an order (an "Alternate Payee") until the Plan Administrator (or a court of competent jurisdiction reversing an initial adverse determination by the Plan Administrator) determines that the order is a DRO. Payment shall be made to each Alternate Payee as specified in the DRO.

(2) **Time of Payment.** Payment may be made to an Alternate Payee in the form of a lump sum, at the time specified in the DRO, but no earlier than the date the DRO determination is made.

(3) **Hold Procedures.** Notwithstanding any contrary Plan provision, prior to the receipt of a domestic relations order, the Plan Administrator may, in its sole discretion, place a hold upon all or a portion of an Eligible Employee's Account for a reasonable period of time (as determined by the Plan Administrator in accordance with Code Section 409A) if the Plan Administrator receives notice that (a) a domestic relations order is being sought by the Eligible

Employee, his or her spouse, former spouse, child or other dependent, and (b) the Eligible Employee's Account is a source of the payment under such domestic relations order. For purposes of this Section 9(a)(3), a "hold" means that no withdrawals, distributions, or investment transfers may be made with respect to an Eligible Employee's Account. If the Plan Administrator places a hold upon an Eligible Employee's Account pursuant to this Section 9(a)(3), it shall inform the Eligible Employee of such fact.

10. Vesting. Except as provided in Section 4(d), an Eligible Employee's interest in his or her Account at all times shall be 100 percent vested and nonforfeitable.

11. Administration of the Plan.

(a) **Plan Administrator.** The Employee Benefit Committee of PG&E CORP is hereby designated as the administrator of the Plan (within the meaning of Section 3(16)(A) of ERISA). The Plan Administrator delegates to the Senior Human Resource Officer for PG&E CORP, or his or her designee, the authority to carry out all duties and responsibilities of the Plan Administrator under the Plan. The Plan Administrator shall have the authority to control and manage the operation and administration of the Plan.

(b) **Powers of Plan Administrator.** The Plan Administrator shall have all discretion and powers necessary to supervise the administration of the Plan and to control its operation in accordance with its terms, including, but not by way of limitation, the power to interpret the provisions of the Plan and to determine, in its sole discretion, any question arising under, or in connection with the administration or operation of, the Plan.

(c) **Decisions of Plan Administrator.** All decisions of the Plan Administrator and any action taken by it in respect of the Plan and within the powers granted to it under the Plan shall be conclusive and binding on all persons and shall be given the maximum deference permitted by law.

12. Funding. All amounts credited to an Eligible Employee's Account under the Plan shall continue for all purposes to be a part of the general assets of PG&E CORP. The interest of the Eligible Employee in his or her Account, including his or her right to distribution thereof, shall be an unsecured claim against the general assets of PG&E CORP. While PG&E CORP may choose to invest a portion of its general assets in investments identical or similar to those selected by Eligible Employees for purposes of determining the amounts to be credited (or debited) to their Accounts, nothing contained in the Plan shall give any Eligible Employee or beneficiary any interest in or claim against any specific assets of PG&E CORP.

13. Modification or Termination of Plan.

(a) Employers' Obligations Limited. The Plan is voluntary on the part of the Employers, and the Employers do not guarantee to continue the Plan. PG&E CORP at any time may, by appropriate amendment of the Plan, suspend Matching Employer Contributions and/or Basic Employer Contributions or may discontinue Matching Employer Contributions and/or Basic Employer Contributions, with or without cause.

(b) Right to Amend or Terminate. The Board of Directors, acting through the Committee, reserves the right to alter, amend, or terminate the Plan, or any part thereof, in such manner as it may determine, for any reason whatsoever.

(1) Limitations. Any alteration, amendment, or termination shall take effect upon the date indicated in the document embodying such alteration, amendment, or termination.

provided that no such alteration or amendment shall divest any portion of an Account that is then vested under the Plan.

(c) Effect of Termination. If the Plan is terminated, the balances credited to the Accounts of the Eligible Employees affected by such termination shall be distributed to them at the time and in the manner set forth in Section 7; provided, however, that the Plan Administrator, in its sole discretion, may authorize accelerated distribution of Eligible Employees' Accounts to the extent provided in Treasury Regulation Sections 1-409A-3(j) (4)(ix) (A) (relating to terminations in connection with certain corporate dissolutions), (B) (relating to terminations in connection with certain change of control events), and (C) (relating to general terminations).

14. General Provisions.

(a) Inalienability. Except to the extent otherwise directed by a domestic relations order which the Plan Administrator determines is a DRO (as defined in Section 9(a)) or mandated by applicable law, in no event may either an Eligible Employee, a former Eligible Employee or his or her spouse, beneficiary or estate sell, transfer, anticipate, assign, hypothecate, or otherwise dispose of any right or interest under the Plan; and such rights and interests shall not at any time be subject to the claims of creditors nor be liable to attachment, execution, or other legal process.

(b) Rights and Duties. Neither the Employers nor the Plan Administrator shall be subject to any liability or duty under the Plan except as expressly provided in the Plan, or for any action taken, omitted, or suffered in good faith.

(c) No Enlargement of Employment Rights. Neither the establishment or maintenance of the Plan, the making of any Matching Employer Contributions, nor any action of any Employer or Plan Administrator, shall be held or construed to confer upon any individual any right to be continued as an Employee nor, upon dismissal, any right or interest in any specific assets of the Employers other than as provided in the Plan. Each Employer expressly reserves the right to discharge any Employee at any time, with or without cause or advance notice.

(d) Apportionment of Costs and Duties. All acts required of the Employers under the Plan may be performed by PG&E CORP for itself and its Participating Subsidiaries, and the costs of the Plan may be equitably apportioned by the Plan Administrator among PG&E CORP and the other Employers. Whenever an Employer is permitted or required under the terms of the Plan to do or perform any act, matter or thing, it shall be done and performed by any officer or employee of the Employer who is thereunto duly authorized by the board of directors of the Employer. Each Participating Subsidiary shall be responsible for making benefit payments pursuant to the Plan on behalf of its Eligible Employees or for reimbursing PG&E CORP for the cost of such payments, as determined by PG&E CORP in its sole discretion. In the event the respective Participating Subsidiary fails to make such payment or reimbursement, and PG&E CORP does not exercise its discretion to make the payment on such Participating Subsidiary's behalf, participation in the Plan by the Eligible Employees of that Participating Subsidiary shall be suspended in a manner consistent with Code Section 409A. If at some future date, the Participating Subsidiary makes all past-due payments and reimbursements, plus interest at a rate determined by PG&E CORP in its sole discretion, the suspended participation of its Eligible Employees eligible to participate in the Plan will be recognized in a manner consistent with Code Section 409A. In the event the respective Participating Subsidiary fails to make such payment or reimbursement, an Eligible Employee's (or other payee's) sole recourse shall be against the respective Participating Subsidiary, and not against PG&E CORP. An Eligible Employee's participation in the Plan shall constitute agreement with this provision.

(e) **Applicable Law.** The provisions of the Plan shall be construed, administered, and enforced in accordance with the laws of the State of California and, to the extent applicable, ERISA. The Plan is intended to comply with the provisions of Code Section 409A. However, PG&E CORP makes no representation that the benefits provided under the Plan will comply with Code Section 409A and makes no undertaking to prevent Code Section 409A from applying to the benefits provided under the Plan or to mitigate its effects on any deferrals or payments made under the Plan.

(f) **Severability.** If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included.

(g) **Captions.** The captions contained in and the table of contents prefixed to the Plan are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge, or describe the scope or intent of the Plan nor in any way shall affect the construction of any provision of the Plan.

15. **Claims and Appeals Procedure.** Any claims for benefits under the Plan made by a participant, beneficiary or other person shall be made and administered in accordance with the following procedures.

(a) **Compliance with Regulations.** It is intended that the claims procedure of the Plan be administered in accordance with the claims procedure regulations of the U.S. Department of Labor set forth in 29 C.F.R. Section 2560.503-1.

(b) **Initial Claims.**

(1) **Submission of Initial Claims by a Claimant.** Claims for benefits under the Plan made by a participant, beneficiary or other person covered or claiming they are entitled to benefits from the Plan (a "Claimant") (or by an authorized representative of any Claimant) must be submitted in writing to the Director, Benefits, or if the title for the position ever changes, the individual employed in Benefits with direct management responsibility over the Plan (whether a Manager or some other title) (such individual, the "Initial Claim Reviewer"), care of Benefits.

(2) **Authorized Representative.** The Plan Administrator may establish and enforce reasonable procedures for determining whether any individual or entity has been authorized to act on behalf of a Claimant.

(3) **Processing of Approved Claims.** Approved claims will be processed and, if applicable, the Plan Administrator will issue instructions authorizing payments as approved.

(4) **Notification of Denied Claims.** If a claim is denied in whole or in part by the Initial Claim Reviewer in its discretion, the Initial Claim Reviewer shall notify the Claimant of the decision by written or electronic notice, in a manner calculated to be understood by the Claimant. The notice shall set forth:

a) The specific reasons for the denial of the claim;

b) A reference to specific provisions of the Plan on which the denial is based;

c) A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and

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d) An explanation of the Plan's claims review procedure for the denied or partially denied claim and any applicable time limits, and a statement that the Claimant has a right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Such notification shall be given within 90 days after the claim is received by the Initial Claim Reviewer (or within 180 days, if special circumstances require an extension of time for processing the claim and provided that written notice of such extension and circumstances and the date a decision is expected is given to the Claimant within the initial 90-day period). A claim is considered approved only if its approval is communicated in writing to a Claimant.

(c) Appeals of Denied Claims.

(1) Right to Appeal. Upon denial of a claim in whole or in part, a Claimant or his or her duly authorized representative shall have the right to submit a written request to the Employee Benefit Appeals Committee, as such term is defined the Pacific Gas and Electric Company Retirement Plan Part I, as amended and restated from time to time (the "Employee Benefit Appeals Committee") for a full and fair review of the denied claim. A request for review of a claim must be submitted within 60 days of receipt by the Claimant of written notice of the denial of the claim. If the Claimant fails to file a request for review within 60 days of the denial notification, the claim will be deemed abandoned and the Claimant is precluded from reasserting it. Also, if the Claimant is not provided a notice of denial of an initial claim as set forth in Section 15(b), the Claimant may submit a written request for review to the Employee Benefit Appeals Committee.

(2) Access to Documents and Records. The Claimant or the Claimant's representative shall have, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits.

(3) Right to Submit Additional Information. The Claimant may submit written comments, documents, records and other information relating to the claim for benefits.

(4) Scope of the Review. The Employee Benefit Appeals Committee review process shall include all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(5) Preclusion for Materials Not Submitted. Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review of the claim.

(6) Decision by the Employee Benefit Appeals Committee. The decision by the Employee Benefit Appeals Committee on review shall be in written or electronic form, in a manner calculated to be understood by the Claimant. If the claim is denied on review, the notice shall set forth:

- a) The specific reasons for the denial of the appeal of the claim;
- b) A reference to specific provisions of the Plan on which the denial is based;
- c) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and;

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d) Annex A statement describing any voluntary appeal procedures offered by the Plan (if any) and the Claimant's right to obtain the information about such procedures, and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

The Employee Benefit Appeals Committee will advise the Claimant of the results of the review within 60 days after receipt of the written request for review (or within 120 days if special circumstances require an extension of time for processing the request, and if notice of such extension and circumstances, including the date a decision is expected to be made, is given to such Claimant within the initial 60-day period).

(d) Authority of Initial Claim Reviewer and Employee Benefit Appeals Committee and Deference to their Decisions. To the extent of the responsibility to review initial benefit claims (with respect to the Initial Claim Reviewer) or to review appeals of the denial of benefit claims (with respect to the Employee Benefit Appeals Committee), the Initial Claim Reviewer and the Employee Benefit Appeals Committee, shall have the discretionary authority to interpret and apply the provisions of the Plan and such decisions shall be afforded the maximum deference permitted by law. Benefits will be paid only if the Initial Claim Reviewer (with respect to initial benefit claims) or the Employee Benefit Appeals Committee (with respect to appeals of

the denial of benefit claims) decides in its discretion that the Claimant is entitled to them. The decisions of the Employee Benefit Appeals Committee shall be final and binding on the Claimant.

(e) **Exhaustion of Claims Procedure Required in All Cases.** A participant, beneficiary or other person asserting a claim, alleging a violation of or seeking any remedy under any provision of ERISA or other applicable law that relates in any manner to the Plan is considered a Claimant and is subject to the claims procedures described in this Section 15.

A participant, beneficiary or other person made subject to the claims procedures in this Section 15 must follow and exhaust the applicable claims procedures described in this Section 15 with respect to any claim, alleged violation, or sought remedy before taking action in any other forum regarding a claim for benefits under the Plan or alleging a violation of, or seeking any remedy under, any provision of ERISA or other applicable law.

A Claimant and any representative of a Claimant may not bring an action in any other forum later than the earliest of (1) one year from the date of completion of the Plan's claims appeal process set forth in this Section 15, (2) one year from the latest date on which an appeal is permitted to be filed under this claims and appeals process after the denial of an initial claim (i.e., within 60 days of receipt of an initial claim denial notification), and (3) two years from the date a Claimant knew or should have known that a claim existed. The foregoing in no way serves as a waiver of the exhaustion requirement set forth in the preceding paragraph.

Any action described in this Section 15(e) must be filed in the Federal District Court for the Northern District of California. Amended Credit Agreement

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APPENDIX A

EMPLOYERS

(As of January 1, 2005)

- PG&E Corporation
- All Participating Subsidiaries

Participating Subsidiaries (as of January 1, 2005):

- Pacific Gas and Electric Company
- All U.S. subsidiaries of the above-named corporations

APPENDIX B

INVESTMENT FUNDS

(as of August 1, 2011)

SRSP Target Date Funds are a suite of funds that provides investors with convenient, cost-effective exposure across major global asset classes within single investment options. The suite consists of ten funds targeting a normal retirement age of 65. These broadly diversified vehicles combine low-cost stock and bond strategies and automatic rebalancing with professional judgment regarding the appropriate risk level for a specific retirement date. On an annual basis, the SRSP Target Date Funds incrementally reduce exposure to equities and increase exposure to fixed income assets as the target retirement date approaches. This equity roll down continues for five years after the target retirement date, at which time a fixed income-oriented allocation of 65% is combined with 35% stocks that is maintained indefinitely within the RSP Target Retirement Income Fund. A participant typically invests in one fund within the suite which fund reflects a target retirement date closest to the anticipated retirement date of the participant.

PG&E Corporation Phantom Stock Fund converts contributions and transferred amounts into units of phantom common stock valued at the closing price of a share of PG&E Corporation common stock on the contribution/transfer date. If the transfer request is received after the market closes, the following day's closing price will be used. Thereafter, the value of a unit shall fluctuate depending on the price of PG&E Corporation common stock. Each time a dividend is paid on common stock, an amount equal to such dividend shall be credited to the account as additional units.

SRSP Total US Stock Index Fund seeks to match the returns of the Russell 3000 Index. The Russell 3000 Index represents the 3,000 largest stocks in the US market and accounts for approximately 97% of the US stock market's capitalization. The strategy of investing in the same stocks as the Russell 3000 Index provides reliable exposure to this asset class and results in lower expenses.

SRSP Large Company Stock Index Fund seeks to match the returns of the S&P 500 Index. The Fund invests in all 500 stocks in the S&P 500 Index in proportion to their weightings in the Index. The S&P 500 provides exposure to about 85% of the market value of all publicly traded common stocks in the United States. The strategy of investing in the same stocks as the S&P 500 Index provides reliable exposure to this asset class and results in lower expenses.

SRSP Small Company Stock Index Fund seeks to match the returns of the Russell Small Cap Completeness Index. The Fund invests in all of the stocks in the Russell Special Small Cap Completeness Index in proportion to their weightings in the Index. The Russell Small Cap Completeness Index represents about 15% of the market value of all publicly traded common stocks in the United States. The strategy of investing in the same stocks as the Russell Small Cap Completeness Index provides reliable exposure to this asset class and results in lower expenses.

SRSP World Stock Index Fund seeks to match the returns of the MSCI All Country World Index over the long term. The MSCI All Country World Index invests in the US, Canada, Europe, Australasia and Far East countries and emerging markets. The strategy of investing in a portfolio of stocks designed to track the MSCI All Country World Ex-US Index provides reliable exposure to this asset class and results in lower expenses.

SRSP International Stock Index Fund seeks to match the returns of the MSCI World ex-US Index. The Fund invests in all of the stocks in the MSCI World ex-US Index in proportion to their weightings in the Index. The MSCI World ex-US index provides exposure to Canada as well as developed market countries in Europe, Australasia, and the Far East. The strategy of investing in the same stocks as the MSCI World ex-US provides reliable exposure to this asset class and results in lower expenses.

SRSP Emerging Markets Enhanced Index Fund seeks to provide a total investment return in excess of the performance of the MSCI Emerging Markets Index over the long term. The MSCI Emerging Markets Index invests in emerging market countries. The strategy attempts to identify and capitalize on inefficiencies in the emerging markets by employing a disciplined investment process that combines top-down country selection with bottom-up stock selection to determine an optimal country and security mix. Portfolio construction is risk-controlled, with the goal of a well-diversified portfolio that has characteristics similar to the benchmark and superior performance potential.

SRSP Bond Index Fund seeks to match the returns of the Barclays Capital Aggregate Bond Index. The Fund invests in a portfolio of government, corporate, mortgage-backed, and asset-backed fixed-income securities that is representative of the broad domestic bond market. The Barclays Capital Aggregate Bond Index is an unmanaged, market-value weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more. The strategy of investing in a portfolio of bonds designed to track the Barclays Capital Aggregate Bond Index provides reliable exposure to this asset class and results in lower expenses.

SRSP US Government Bond Index Fund seeks to match the returns of the Barclays Capital US Government Bond Index. The Fund invests in a well-diversified portfolio that is representative of the Barclays Capital US Government Bond Index, which consists of US Government and government agency securities (other than mortgage securities) with maturities of one year or more. The strategy of investing in a portfolio of stocks designed to track the Barclays Capital US Government Index provides reliable exposure to this asset class and results in lower expenses.

SRSP Money Market Investment Fund is maintained for the purpose of investing in a diversified portfolio consisting primarily of short-term government and non-government debt securities. The primary objective of this fund is to provide participants with preservation of principal.

Short-Term Bond Index Fund is maintained for the purpose of investing in a diversified portfolio consisting primarily of short-term, marketable fixed-income securities.

AA Utility Bond Fund accrues interest on the amount invested in this fund. The interest rate is equal to the AA Utility Bond Yield reported by [Moody's Investor Services](#).

Execution Version

PG&E CORPORATION

2005 SUPPLEMENTAL RETIREMENT SAVINGS PLAN

\$525,000,000

TERM LOAN CREDIT AGREEMENT

among

PACIFIC GAS AND ELECTRIC COMPANY,

as Borrower,

the Lenders from Time to Time Parties Hereto, and

BANK OF AMERICA, N.A.

as Administrative Agent,

Dated as of April 20, 2022

[as amended by Amendment No. 1 dated as of September 23, 2022; Amendment No. 2 dated as of April 18, 2023 [and](#) [Amendment No. 3 dated as of April 16, 2024](#)]

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SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
OF
PG&E CORPORATION
 (As Amended Effective as of September 12, 2023)

This is the controlling and definitive statement of the Supplemental Executive Retirement Plan ("PLAN")¹ for ELIGIBLE EMPLOYEES of PG&E Corporation ("CORPORATION"), Pacific Gas and Electric Company ("COMPANY") and such other companies, affiliates, subsidiaries, or associations as the BOARD OF DIRECTORS may designate from time to time. The PLAN is the successor plan to the Supplemental Executive Retirement Plan of the COMPANY. The PLAN as contained herein was first adopted effective January 1, 2005.

No new participants can become eligible to accrue benefits under the PLAN on or after January 1, 2013, and existing participants in the PLAN as of January 1, 2013 shall cease to accrue further benefits under the Plan as of the date they become participants in Part III of the RETIREMENT PLAN. This Plan was further amended effective June 3, 2019 to reflect incentive structures adopted in connection with the CORPORATION's and the COMPANY's voluntary petition filed on January 29, 2019 pursuant to chapter 11 of title 11 of the U.S. Bankruptcy Code. This Plan was further amended effective September 12, 2023 to add claims and appeals procedures.

ARTICLE 1

DEFINITIONS

1.01 Basic SERP Benefit shall mean the benefit described in Section 2.01.

1.02 Board or Board of Directors shall mean the BOARD OF DIRECTORS of the CORPORATION or, when appropriate, any committee of the BOARD which has been delegated the authority to take action with respect to the PLAN.

1.03 Company shall mean the Pacific Gas and Electric Company, a California corporation.

1.04 Corporation shall mean PG&E Corporation, a California corporation.

1.05 Eligible Employee shall mean individuals who are, prior to January 1, 2013 (1) (a) employees of the COMPANY or, with respect to PG&E Corporation, PG&E Corporation Support Services, Inc., and PG&E Corporation Support Services II, Inc. only, (i) prior to April 1, 2007, were employees who transferred to PG&E Corporation, PG&E Corporation Support Services, Inc., or PG&E Corporation Support Services II, Inc. from Pacific Gas and Electric Company; or (ii) after March 31, 2007, all employees, and (b) officers in Officer Bands I-V, or (2) such other employees of the COMPANY, the CORPORATION, PG&E Corporation Support Services, Inc., PG&E Corporation Support Services II, Inc., or such other companies, affiliates, subsidiaries, or associations, as may be designated by the Chief Executive Officer of the CORPORATION. ELIGIBLE EMPLOYEES shall not include employees who retired prior to January 1, 2005, or whose employment relationship with any of the PARTICIPATING EMPLOYERS was otherwise terminated prior to January 1, 2005.

¹ Words in all capitals are defined in Article I.

This TERM LOAN CREDIT AGREEMENT (this "Agreement"), dated as of April 20, 2022, among PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (the "Borrower"), the banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders") and BANK OF AMERICA, N.A., as administrative agent (in such capacity, together with any permitted successor thereto, the "Administrative Agent").

WITNESSETH:

WHEREAS, the Borrower has requested that the Lenders provide the term loans set forth herein and the Lenders are willing to make available to the Borrower such term loans upon the terms and subject to the conditions set forth herein; and.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS: SECTION 1. DEFINITIONS

1.1 **Defined Terms.** As used in this Agreement, the terms listed in this Section Section 1 shall have the respective meanings set forth in this Section Section 1.

"2-Year Tranche Commitment": as to each 2-Year Tranche Lender, its obligation to make 2-Year Tranche Loans to the Borrower on the Effective Date pursuant to Section 2.1(a), in an aggregate principal amount equal to the amount set forth opposite such 2-Year Tranche Lender's name on Schedule 1.1, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Effective Date, the aggregate amount of the 2-Year Tranche Commitments for all 2-Year Tranche Lenders is

\$400,000,000.

"2-Year Tranche Lender": a Lender with a 2-Year Tranche Commitment or holding a 2-Year Tranche Loan.

"2-Year Tranche Loans": as defined in Section 2.1(b). **"2-Year Tranche Maturity Date":** April 19, 2024.

"364-Day Tranche Commitment": as to each 364-Day Tranche Lender, its obligation to make 364-Day Tranche Loans to the Borrower on the Amendment No. 3 Effective Date pursuant to Section 2.1(a), in an aggregate principal amount equal to the amount set forth opposite such 364-Day Tranche Lender's name on Schedule 1.1, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Amendment No. 3 Effective Date, the aggregate amount

1.06 **STIP Payment** shall mean amounts received by an ELIGIBLE EMPLOYEE under the Short-Term Incentive Plan or other short-term or annual performance-based cash incentive plan (e.g., the 2019 Key Employee Incentive Plan) maintained by the CORPORATION prior to the date the ELIGIBLE EMPLOYEE becomes a participant in Part III of the RETIREMENT PLAN. 364-Day Tranche Commitments for all 364-Day Tranche Lenders is \$125,000,000 525,000,000.

1.07 **"PART III of the RETIREMENT PLAN 364-Day Tranche Lender"** shall mean the cash balance benefit available under the RETIREMENT PLAN.": a Lender with a 364-Day Tranche Commitment or holding a 364-Day Tranche Loan.

1.08 **"Participating Employer 364-Day Tranche Loans"** shall mean the COMPANY, the CORPORATION, PG&E Corporation Support Services, Inc., PG&E Corporation Support Services II, Inc., and any other companies, affiliates, subsidiaries or associations designated by the Chief Executive Officer of the CORPORATION.

1.09 **Plan** shall mean the Supplemental Executive Retirement Plan ("SERP") as set forth herein and as may be amended from time to time.

1.010 **Plan Administrator** shall mean the Employee Benefit Committee or such individual or individuals as that Committee may appoint to handle the day-to-day affairs of the PLAN.

1.10 **Retirement Plan** shall mean the Pacific Gas and Electric Company Retirement Plan.

1.11 **Salary** shall mean the base salary received by an ELIGIBLE EMPLOYEE prior to the date the ELIGIBLE EMPLOYEE becomes a participant in Part III of the RETIREMENT PLAN. SALARY shall not include amounts received by an employee after such employee ceases to be an ELIGIBLE EMPLOYEE. For purposes of calculating benefits under the PLAN, SALARY shall not be reduced to reflect amounts that have been deferred under the PG&E Corporation Supplemental Retirement Savings Plan.

1.12 **Service** shall mean "credited service" as that term is defined in the RETIREMENT PLAN or, if the Nominating and Compensation Committee of the BOARD OF DIRECTORS has granted an adjusted service date for an ELIGIBLE EMPLOYEE, "credited service" as calculated from

such adjusted service date. In no event, however, shall SERVICE include periods of time after which an officer has ceased to be an ELIGIBLE EMPLOYEE or after the date the ELIGIBLE EMPLOYEE becomes a participant in Part III of the RETIREMENT PLAN.

ARTICLE 2

SERP BENEFITS

2.01 The BASIC SERP BENEFIT payable from the PLAN shall be a monthly annuity with an annuity start date of the later of (a) the first of the month following the month in which the ELIGIBLE EMPLOYEE has a separation from service (as provided under Code Section 409A and related guidance), or (b) the first of the month following the ELIGIBLE EMPLOYEE's 55th birthday; provided, however, that no payments under the PLAN shall be made until the seventh month following the annuity start date. The first payment shall consist of the monthly annuity payment for the seventh month, plus the first six monthly annuity payments, including interest calculated at a rate to reflect the CORPORATION's marginal cost of funds. The monthly amount of the BASIC SERP BENEFIT shall be equal to the product of:

1.7% x the average of three highest calendar years' combination of SALARY and STIP PAYMENT for the last ten years of SERVICE x SERVICE x 1/12. 2.1(a).

2

In computing

"364-Day Tranche Maturity Date": April 1615, 20242025.

"ABR": for any day, a year's combination rate per annum equal to the greatest of SALARY (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus 1/2 of 1% and STIP PAYMENT, (c) the year's amount Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the ABR due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If ABR is being used as an alternate rate of interest pursuant to Section 2.13 (for the avoidance of doubt, only until any amendment has become effective pursuant to Section 2.13(b)), then ABR shall be the sum greater of the SALARY clauses (a) and STIP PAYMENT, if any, paid or payable in the same calendar year. If an ELIGIBLE EMPLOYEE has fewer than three years' SALARY, the average (b) above and shall be determined without reference to clause (c) above. If the combination ABR as determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of SALARY and STIP PAYMENT this Agreement.

"ABR Loans": Loans the rate of interest applicable to which is based upon the

ABR.

"Adjusted Daily Simple SOFR": an interest rate per annum equal to (a) the

Daily Simple SOFR, plus (b) 0.10%; provided that if Adjusted Daily Simple SOFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

"Adjusted Term SOFR Rate": for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such shorter time, divided by Interest Period, plus (b) 0.10%; provided that if the number of years and partial years during which Adjusted Term SOFR Rate as so determined would be less than the Floor, such employee was an ELIGIBLE EMPLOYEE.

The BASIC SERP BENEFIT is further reduced by any amounts paid or payable from the RETIREMENT PLAN (other than amounts paid or payable under Part III of the RETIREMENT PLAN), calculated before adjustments for marital or joint pension option elections.

The BASIC SERP BENEFIT is a benefit commencing at age 65. The amount of the benefit payable shall be reduced by deemed to be equal to the appropriate age and service factors contained in the RETIREMENT PLAN applicable to such employee. For such calculations, the service factor shall be SERVICE purposes of this Agreement.

"Administrative Agent": as defined in the PLAN. preamble hereto.

"Affected Financial Institution": (a) any EEA Financial Institution or (b) any UK Financial Institution.

In computing amounts payable from the RETIREMENT PLAN as an offset **"Affiliate"**: with respect to the benefit payable from this PLAN, the RETIREMENT PLAN benefit shall be calculated as though the ELIGIBLE EMPLOYEE elected to receive a pension from the RETIREMENT PLAN commencing on the same date as benefits from this PLAN.

2.02 For ELIGIBLE EMPLOYEES of the PARTICIPATING EMPLOYERS, who transfer from any of said companies to specified Person, another subsidiary Person that directly, or affiliate, the principles of Section 10 of the RETIREMENT PLAN shall govern the calculation of benefits indirectly through one or more intermediaries, Controls or is Controlled by or is under this PLAN.

2.03 An ELIGIBLE EMPLOYEE may elect to have his BASIC SERP BENEFIT paid in any one of the following forms that are actuarially equivalent within the meaning of Treasury Regulations Section 1.409A-2(b)(ii), common Control with the first annuity payment commencing at the time set forth Person specified.

"Agent Parties": as defined in Section 2.01:

(a) BASIC SERP BENEFIT, or a reduced BASIC SERP BENEFIT as calculated under Section 2.02, paid as a monthly annuity for 10.2(d)(ii). **"Agents"**: the life of the ELIGIBLE EMPLOYEE with no survivor's benefit.

(b) A monthly annuity payable for the life of the ELIGIBLE EMPLOYEE with a survivor's option payable to the ELIGIBLE EMPLOYEE's joint annuitant beginning on the first of the month following the ELIGIBLE EMPLOYEE's death. Subject to the requirements of Treasury Regulations Section 1.409A-2(b)(ii), the factors to be applied to reduce the BASIC SERP BENEFIT to provide for a survivor's benefit shall be the factors which are contained in the RETIREMENT PLAN and which are appropriate given the type of joint pension elected and the ages and marital status of the joint annuitants. **Administrative Agent**.

An ELIGIBLE EMPLOYEE may make this election by the latest date permitted by the PLAN ADMINISTRATOR and in compliance with the rules of Treasury Regulations Section 1.409A-2(b)(2)(ii).

2.04 Annuities payable to an ELIGIBLE EMPLOYEE who is receiving a (i) BASIC SERP BENEFIT, (ii) a BASIC SERP BENEFIT reduced to provide a survivor's benefit to a joint annuitant, or (iii) a joint annuitant who is receiving a survivor's benefit shall be decreased by any additional amounts which can be paid from the RETIREMENT PLAN where such additional amounts are due to increases in the limits placed on benefits payable from qualified pension plans under Section 415 of the Internal Revenue Code. The amount of any such decrease shall be adjusted to reflect the type of pension elected by an ELIGIBLE EMPLOYEE under the RETIREMENT PLAN and this PLAN.

ARTICLE 3

SURVIVOR BENEFITS

3.01 In the event that an ELIGIBLE EMPLOYEE who has accrued a benefit under this PLAN dies prior to the date that a BASIC SERP BENEFIT would otherwise commence, the PLAN ADMINISTRATOR shall pay a survivor's benefit ("SURVIVOR'S BENEFIT") to the ELIGIBLE

EMPLOYEE's surviving spouse or BENEFICIARY ("Beneficiary" shall have the same meaning as provided under the RETIREMENT PLAN):

(a) If the sum of the age and SERVICE of the ELIGIBLE EMPLOYEE at the time of death equaled 70 (69.5 or more is rounded to 70) or if the ELIGIBLE EMPLOYEE was age 55 or older at the time of death, the surviving spouse's or BENEFICIARY's benefit shall be a monthly annuity commencing at the time set forth in Section 2.01 and shall be payable for the life of the surviving spouse or BENEFICIARY. The amount of the monthly benefit shall be a monthly benefit that is actuarially equivalent to one-half of the monthly BASIC SERP BENEFIT that would have been paid to the ELIGIBLE EMPLOYEE calculated:

- (i) as if he had elected to receive a BASIC SERP BENEFIT, without survivor's option; and
- (ii) the monthly annuity starting date was the first of the month following the month in which the ELIGIBLE EMPLOYEE died; and
- (iii) without the application of early retirement reduction factors. However, if the surviving spouse or BENEFICIARY is more than 10 years younger than the ELIGIBLE EMPLOYEE, the amount of the surviving spouse's or BENEFICIARY's benefit shall be reduced one-twentieth of 1 percent for each full month in excess of 120 months' difference in their ages, except that such reduction shall not result in a SURVIVOR'S BENEFIT lower than would have been payable if the ELIGIBLE EMPLOYEE had retired as of the date of death and elected a 50 percent joint pension with a spouse of the same gender and age as the surviving spouse or BENEFICIARY.

(b) If the ELIGIBLE EMPLOYEE is less than 55 years of age or had fewer than 70 points (as calculated under Section 3.01(a)) at the time of death, the surviving spouse or BENEFICIARY will be entitled to receive a monthly annuity commencing at the time set forth in Section 2.01. The amount of the monthly annuity payable to the surviving spouse or BENEFICIARY shall be equal to the BASIC SERP BENEFIT converted to a marital joint annuity providing for a 50 percent survivor's benefit, calculated as if: 1) the ELIGIBLE EMPLOYEE had terminated employment at the date of death, 2) had lived until age 55, 3) had begun to receive PENSION payments at age 55, and 4) had subsequently died.

(c) If a former ELIGIBLE EMPLOYEE was age 55 or older at the time of his death and not yet receiving a SERP BENEFIT under the PLAN, the surviving spouse or BENEFICIARY will be entitled to receive a monthly annuity at the time set forth in Section 2.01 in an amount equal to the BASIC SERP BENEFIT converted to a marital joint annuity providing for a 50 percent survivor's benefit, calculated as if the former ELIGIBLE EMPLOYEE had begun receiving the converted SERP BENEFIT immediately prior to his death.

(d) If a former ELIGIBLE EMPLOYEE was younger than age 55 and had fewer than 70 points (as calculated under Section 3.01(a)) at the time of his death, the surviving spouse or BENEFICIARY will be entitled to receive a monthly annuity at the time set forth in Section 2.01 in an amount equal to the BASIC SERP BENEFIT converted to a marital joint annuity providing for a 50 percent survivor's benefit, calculated as if: 1) the former ELIGIBLE EMPLOYEE had survived until age 55, 2) had begun receiving the converted SERP BENEFIT at age 55, and 3) had subsequently died.

3.02 A surviving spouse

"Agreement": as defined in the preamble hereto.

"Amendment No. 3": that certain Amendment No. 3 to Credit Agreement, dated as of April 16, 2024, by and among the Borrower, each Lender party thereto and the Administrative Agent.

"Amendment No. 3 Effective Date": as defined in Section B of Amendment No.

3, which date is April 16, 2024.

"Anti-Corruption Laws": as defined in Section 4.15.

"Applicable Margin": for any day, (a) with respect to 2 Year Tranche Loans that are (i) ABR Loans, 0.250% per annum and (ii) Term Benchmark Loans, 1.250% per annum and (b) with respect to 364-Day Tranche Loans that are (i) ABR Loans, 0.375% per annum and (ii) Term Benchmark Loans, 1.375% per annum.

"Approved Fund": with respect to any Lender, any Person (other than a natural person) that is engaged in making, purchasing, holding or **BENEFICIARY** who otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business that is **entitled** administered or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of any entity that administers or manages such Lender.

"Arranger": Bank of America, N.A., an affiliate of BofA Securities, Inc., in its capacity as sole lead arranger and sole bookrunner.

"A/R Securitization Assets": (i) any accounts receivable, notes receivable, rights to receive a **SURVIVOR'S BENEFIT** under Section 3.01 shall not be entitled future accounts receivable, notes receivable or residuals or other similar rights to receive payments due or any other benefit under the **PLAN**.

ARTICLE 4

ADMINISTRATIVE PROVISIONS

4.01 Administration. The **PLAN** shall be administered by the Senior Human Resources Officer rights to payment or related assets in respect of the **CORPORATION** ("PLAN ADMINISTRATOR"), who shall have provision of gas and electric service to consumers or otherwise (whether then existing or arising in the authority to interpret the **PLAN** and make and revise such rules as he or she deems appropriate. The **PLAN** ADMINISTRATOR shall have the duty and responsibility of maintaining records, making the requisite calculations, and disbursing payments hereunder. The **PLAN** ADMINISTRATOR's interpretations, determinations, rules, and calculations shall be final and binding on all persons and parties concerned.

4.02 Amendment and Termination. The **CORPORATION** may amend or terminate the **PLAN** at any time, provided, however, that no such amendment or termination shall adversely affect an accrued benefit which an **ELIGIBLE EMPLOYEE** has earned prior to the date of such amendment or termination, nor shall any amendment or termination adversely affect a benefit which is being provided to an **ELIGIBLE EMPLOYEE**, surviving spouse, joint annuitant, or beneficiary under Article II or Article III on the date of such amendment or termination. Anything in this Section 4.02 to the contrary notwithstanding, the **CORPORATION** may (but is not obligated to) reduce or terminate any benefit to which an **ELIGIBLE EMPLOYEE**, surviving spouse or joint annuitant, is or may become entitled provided that such **ELIGIBLE EMPLOYEE**, surviving spouse or joint annuitant is or becomes entitled to an amount equal to such benefit under another plan, practice, or arrangement **future** of the **CORPORATION** that preserves the time and form of payment rules under the **PLAN** and otherwise in a manner that complies with Code Section 409A, to the extent required to not violate Code Section 409A.

4.03 Nonassignability of Benefits. Except to the extent otherwise directed by a domestic relations order that the Plan Administrator determines is a Qualified Domestic Relations Order under Section 401(a)(12) of the Internal Revenue Code, the benefits payable under this **PLAN** Borrower or the right to receive future benefits under this **PLAN** may not be anticipated, alienated, pledged, encumbered, or subject to any charge or legal process, and if any attempt is made to do so, or a person eligible for any benefits becomes bankrupt, the interest under the **PLAN** of the person affected may be terminated by the **PLAN** ADMINISTRATOR which, in its sole discretion, may cause the same to be held if applied for the benefit of one or more of the dependents of such person or make any other disposition of such benefits that it deems appropriate.

4.04 Nonguarantee of Employment. Nothing contained in this **PLAN** shall be construed as a contract of employment between a **PARTICIPATING EMPLOYER** and the **ELIGIBLE EMPLOYEE**, or as a right of the **ELIGIBLE EMPLOYEE** to be continued in the employ of a **PARTICIPATING EMPLOYER**, to remain as an officer of a **PARTICIPATING EMPLOYER**, or as a limitation on the right of a **PARTICIPATING EMPLOYER** to discharge any of its employees, Subsidiaries and the proceeds thereof and (ii) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such receivables or without cause, asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with receivables or assets in connection with a securitization transaction involving such assets.

4.05 "Apportionment A/R Securitization Subsidiary": PG&E AR Facility, LLC and any other Subsidiary formed and operating solely for the purpose of **Costs** entering into A/R Securitization Transactions and engaging in activities ancillary thereto.

"The costs A/R Securitization Transaction": any financing transaction or series of financing transactions entered into by the **Borrower** or any **Subsidiary** of the **PLAN** may be equitably apportioned by the **PLAN** ADMINISTRATOR among the **PARTICIPATING EMPLOYERS**. Each **PARTICIPATING EMPLOYER** shall be responsible for making benefit payments **Borrower** pursuant to which the **PLAN** on behalf of its **ELIGIBLE EMPLOYEES** **Borrower** may sell, convey or for reimbursing the **CORPORATION** for the cost of such payments, as determined by the **CORPORATION** otherwise transfer to any Person (including, without limitation, an A/R Securitization Subsidiary), or may grant a security interest in its sole discretion. In the event the respective **PARTICIPATING EMPLOYER** fails to make such payment or reimbursement, any A/R Securitization Assets and the **CORPORATION** does not exercise its discretion to make the contribution on such **PARTICIPATING EMPLOYER**'s behalf, future benefit accruals of the **ELIGIBLE EMPLOYEES** of that **PARTICIPATING EMPLOYER** shall be suspended. If at

some future that are (other than to the extent of the Standard A/R Securitization Obligations) non-recourse to the Borrower or any of its Subsidiaries (other than an A/R Securitization Subsidiary).

“Assignee”: as defined in Section 10.6(b).

“Assignment and Assumption”: an Assignment and Assumption, substantially in the form of Exhibit E.

“Available Tenor”: as of any date of determination and with respect to the **PARTICIPATING EMPLOYER** makes all past-due contributions, plus then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest **at calculated** with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.13(e).

“Bail-In Action”: the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation”: (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Benchmark”: initially, with respect to any Term Benchmark Loan, the Term SOFR Rate; provided that if a Benchmark Transition Event, and the related Benchmark Replacement Date, have occurred with respect to **the** Daily Simple SOFR or **the** Term SOFR Rate, as applicable, or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.13(b).

“Benchmark Replacement”: for any Available Tenor, the first alternative set forth in the order below that can be determined by the **PLAN ADMINISTRATOR** in his or her sole discretion, the benefit accrual of its **ELIGIBLE EMPLOYEES** will be recognized **Administrative Agent** for the period of applicable Benchmark Replacement Date:

- (1) Adjusted Daily Simple SOFR; and
- (2) the **suspension**.

4.06 Benefits Unfunded and Unsecured. The benefits under this **PLAN** are unfunded, sum of: (a) the alternate benchmark rate that has been selected by the **Administrative Agent** and the **interest** under this **PLAN** **Borrower** as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of any **ELIGIBLE EMPLOYEE** and a replacement benchmark rate or the mechanism for determining such **ELIGIBLE EMPLOYEE**’s right to receive a distribution of benefits under this **PLAN** shall be an unsecured claim against the general assets of the **CORPORATION**.

4.07 Applicable Law. All questions pertaining to the construction, validity, and effect of the **PLAN** shall be determined in accordance with the laws of the United States, and to the extent not preempted by such laws, **rate** by the laws of the State of California. The **PLAN** is intended to comply with the provisions of Code Section 409A. However, the **CORPORATION** makes no representation that the benefits provided under this **PLAN** will comply with Code Section 409A and makes no undertaking to prevent Code Section 409A from applying to the benefits provided under this **PLAN** **Relevant Governmental Body** or to mitigate its effects on (ii) any deferrals evolving or payments made under this **PLAN**.

4.08 Satisfaction of Claims. Notwithstanding Section 4.05 or any other provision of the **PLAN**, the **CORPORATION** may at any time satisfy its obligations (either on a before-tax or after-tax basis) for any benefits accrued under the **PLAN** by the purchase from an insurance company of an annuity contract on behalf of an **ELIGIBLE EMPLOYEE**. Such purchase shall be in the sole discretion of the **CORPORATION** and shall be subject to

the ELIGIBLE EMPLOYEE's acknowledgement that the CORPORATION's obligations to provide benefits hereunder have been discharged, without regard to the payments ultimately made under the contract. In the event of a purchase pursuant to this Section 4.07, the CORPORATION may in its sole discretion make payments to or on behalf of an ELIGIBLE EMPLOYEE to defray the cost to such ELIGIBLE EMPLOYEE of any personal income tax in connection with the purchase.

ARTICLE 5

CLAIMS AND APPEALS PROCEDURE

Any claims for benefits under the Plan made by a participant, beneficiary or other person shall be made and administered in accordance with the following procedures.

5.01 Compliance with Regulations. It is intended that the claims procedure of the Plan be administered in accordance with the claims procedure regulations of the U.S. Department of Labor set forth in 29 C.F.R. Section 2560.503-1.

5.02 Initial Claims.

(a) Submission of Initial Claims by a Claimant. Claims for benefits under the Plan made by a participant, beneficiary or other person covered or claiming they are entitled to benefits from the Plan (a "Claimant") (or by an authorized representative of any Claimant) must be submitted in writing to the Director, Benefits, or if the title for the position ever changes, the individual employed in Benefits with direct management responsibility over the Plan (whether a Manager or some other title) (such individual, the "Initial Claim Reviewer"), care of Benefits.

(b) Authorized Representative. The Plan Administrator may establish and enforce reasonable procedures then-prevailing market convention for determining whether any individual or entity has been authorized to act on behalf of a Claimant.

(c) Processing of Approved Claims. Approved claims will be processed and, if applicable, the Plan Administrator will issue instructions authorizing payments benchmark rate as approved.a replacement for

6

(d) Notification of Denied Claims. If a claim is denied

the then-current Benchmark for dollar-denominated syndicated credit facilities at such time in whole or in part by the Initial Claim Reviewer in its discretion, United States and (b) the Initial Claim Reviewer shall notify the Claimant of the decision by written or electronic notice, in a manner calculated to be understood by the Claimant. The notice shall set forth:related Benchmark Replacement Adjustment;

- i) The specific reasons for the denial of the claim;
- ii) A reference to specific provisions of the Plan on which the denial is based;
- iii) A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and
- iv) An explanation of the Plan's claims review procedure for the denied or partially denied claim and any applicable time limits, and a statement that the Claimant has a right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Such notification shall be given within 90 days after the claim is received by the Initial Claim Reviewer (or within 180 days, if special circumstances require an extension of time for processing the claim and provided that written notice of such extension and circumstances and the date a decision is expected is given to the Claimant within the initial 90-day period). A claim is considered approved only if its approval is communicated in writing to a Claimant.

5.03 Appeals of Denied Claims.

(a) Right to Appeal. Upon denial of a claim in whole or in part, a Claimant or his or her duly authorized representative shall have the right to submit a written request to the Employee Benefit Appeals Committee, as such term is defined the Pacific Gas and Electric Company

Retirement Plan Part I, as amended and restated from time to time (the "Employee Benefit Appeals Committee") for a full and fair review of the denied claim. A request for review of a claim must be submitted within 60 days of receipt by the Claimant of written notice of the denial of the claim. If the Claimant fails Benchmark Replacement as determined pursuant to file a request for review within 60 days of clause (1) or (2) above would be less than the denial notification, Floor, the claim Benchmark Replacement will be deemed abandoned to be the Floor for the purposes of this Agreement and the Claimant is precluded from reasserting it. Also, if the Claimant is not provided a notice of denial of an initial claim as set forth in Section 5.02, the Claimant may submit a written request for review to the Employee Benefit Appeals Committee. other Loan Documents.

(b) **Access to Documents and Records. Benchmark Replacement Adjustment** The Claimant or the Claimant's representative shall have, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits.

(c) **Right to Submit Additional Information.** The Claimant may submit written comments, documents, records and other information relating to the claim for benefits.

(d) **Scope of the Review.** The Employee Benefit Appeals Committee review process shall include all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(e) **Preclusion for Materials Not Submitted.** Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review of the claim.

(f) **Decision by the Employee Benefit Appeals Committee.** The decision by the Employee Benefit Appeals Committee on review shall be in written or electronic form, in a

manner calculated to be understood by the Claimant. If the claim is denied on review, the notice shall set forth:

i) The specific reasons for the denial of the appeal of the claim;

ii) A reference to specific provisions of the Plan on which the denial is based;

(iii) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and;

(iv) A statement describing any voluntary appeal procedures offered by the Plan (if any) and the Claimant's right to obtain the information about such procedures, and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

The Employee Benefit Appeals Committee will advise the Claimant of the results of the review within 60 days after receipt of the written request for review (or within 120 days if special circumstances require an extension of time for processing the request, and if notice of such extension and circumstances, including the date a decision is expected to be made, is given to such Claimant within the initial 60-day period).

5.04 Authority of Initial Claim Reviewer and Employee Benefit Appeals Committee and Deference to their Decisions. To the extent of the responsibility to review initial benefit claims (with respect to the Initial Claim Reviewer) or to review appeals of the denial of benefit claims (with respect to the Employee Benefit Appeals Committee), the Initial Claim Reviewer and the Employee Benefit Appeals Committee, shall have the discretionary authority to interpret and apply the provisions of the Plan and such decisions shall be afforded the maximum deference permitted by law. Benefits will be paid only if the Initial Claim Reviewer (with respect to initial benefit claims) or the Employee Benefit Appeals Committee (with respect to appeals of the denial of benefit claims) decides in its discretion that the Claimant is entitled to them. The decisions of the Employee Benefit Appeals Committee shall be final and binding on the Claimant.

5.05 Exhaustion of Claims Procedure Required in All Cases. A participant, beneficiary or other person asserting a claim, alleging a violation of or seeking any remedy under any provision of ERISA or other applicable law that relates in any manner to the Plan is considered a Claimant and is subject to the claims procedures described in this Article 5.

A participant, beneficiary or other person made subject to the claims procedures in this Article 12 must follow and exhaust the applicable claims procedures described in this Article 5": with respect to any claim, alleged violation, replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or sought remedy before taking action in method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero), that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any other forum regarding a claim for benefits under the Plan selection or alleging a violation of, or seeking any remedy under, any provision of ERISA or other applicable law.

A Claimant and any representative recommendation of a Claimant spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body as of the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Conforming Changes": with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "ABR," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date": with respect to any other forum Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later than the earliest of (1) one year from (a) the date of completion the public statement or publication of information referenced therein and (b) the Plan's claims appeal process set forth in this Article 5, (2) one year from the latest date on which an appeal is permitted to be filed under this claims and appeals process after the denial administrator of an initial claim (i.e., within 60 days of receipt of an initial claim denial notification), and (3) two years from such Benchmark (or the date a Claimant knew or should have known that a claim existed. The foregoing in no way serves as a waiver of the exhaustion requirement set forth in the preceding paragraph.

Any action described in this Section 5.05 must be filed in the Federal District Court for the Northern District of California.

9 published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

PG&E CORPORATION
DEFINED CONTRIBUTION EXECUTIVE SUPPLEMENTAL RETIREMENT PLAN

Effective as (2) in the case of January 1, 2013 (the "Effective Date"), PG&E Corporation adopted this Plan clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the benefit administrator of a select group of management or highly compensated employees of PG&E Corporation and its Participating Subsidiaries. This Plan was further amended effective September 17, 2013, with respect to certain vesting and deferral election provisions and effective June 3, 2019 to reflect incentive structures adopted in connection with PG&E Corporation's and Pacific Gas and Electric Company's voluntary petition filed on January 29, 2019 pursuant to chapter 11 of title 11 of the U.S. Bankruptcy Code. This Plan was further amended effective January 1, 2022 to reflect changes to officer categorization. This Plan was further amended effective February 15, 2023 with respect to when contribution payments are made under the Plan. This Plan was further amended effective September 12, 2023 to add Article 12 - Claims and Appeals Procedure. The Plan is an unfunded arrangement and is intended such Benchmark (or such component thereof) to be exempt from the participation, vesting, funding and fiduciary requirements set forth in Title I of ERISA.

Article 1 – Definitions

When used in this Plan, the following words, terms and phrases have the meanings given to them in this Article unless another meaning is expressly provided elsewhere in this document. When applying these definitions and any other word, term or phrase used in this Plan, the form of any word, term or phrase will include any and all of its other forms.

1.01 "Account" means the bookkeeping account established for each Eligible Employee as provided in Section 5.01 hereof.

1.02 "Aggregated Plan" means any arrangement that, along with this Plan, would be treated as a single nonqualified deferred compensation plan under Treasury Regulation Section 1.409A-1(c)(2).

1.03 "Board" means the Board of Directors of Company.

1.04 "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code shall include such section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation amending, supplementing, or superseding such section.

1.05 "Committee" means the Compensation Committee of the Board, as it may be constituted from time to time.

1.06 "Company" means PG&E Corporation, a California corporation.

1.07 "Company Contribution" means a deemed contribution that is credited to an Eligible Employee's Account in accordance with the terms of Article 2 hereof.

1.08 "Eligible Employee" means any individual who (i) was a participant in the SERP and elects to switch under the Pacific Gas and Electric Company Retirement Plan for Management Employees to a cash-balance formula pension benefit effective January 1, 2014, (ii) becomes an Officer with the title of Vice President, Senior Vice President, Executive Vice President, or higher of Company or a Participating Subsidiary on or after the Effective Date; or (iii) is an employee of Company or a Participating Employer, and is designated as a Plan Participant by the Chief

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Executive Officer of Company. Notwithstanding the forgoing, any individual who is a participant in the Excess Plan shall not become an Eligible Employee until January 1 of the calendar year after satisfying any of the criteria in (ii)-(iii) above. If an individual ceases to be an Officer with the title of Vice President, Senior Vice President, Executive Vice President, or higher or if his or her participation in this Plan is terminated by the Chief Executive Officer, then any accrued benefits will be handled in accordance with Article 6.

1.09 **“Employer”** means any entity that employs an Eligible Employee, whether that entity is the Company or any of the Participating Subsidiaries designated by the Plan Administrator.

1.10 **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

1.11 **“Excess Plan”** means the Retirement Excess Plan of the Pacific Gas and Electric Company, as amended from time to time.

1.12 **“Investment Fund”** means each deemed investment vehicle which serves as a means to measure value, increases or decreases with respect to an Eligible Employee’s Account.

1.13 **“Participating Subsidiary”** means a United States-based subsidiary of Company, which has been designated by the Plan Administrator as a Participating Subsidiary under this Plan and which has agreed to make payments or reimbursements with respect to its Eligible Employees pursuant to Section 11.04. At such times and under such conditions as the Plan Administrator may direct, one or more other subsidiaries of Company may become Participating Subsidiaries or a Participating Subsidiary may be withdrawn from the Plan. An initial list of the Participating Subsidiaries is contained in Appendix A to this Plan.

1.14 **“Plan”** means the PG&E Corporation Defined Contribution Executive Supplemental Retirement Plan.

1.15 **“Plan Year”** means each calendar year during which the Plan is in effect.

1.16 **“SERP”** means the Supplemental Executive Retirement Plan of PG&E Corporation, as amended from time to time.

1.17 **“Salary”** means only the gross amount of an Eligible Employee’s base salary as reflected in the payroll records of the applicable Employer. Salary shall not include amounts received by an employee after such employee ceases to be an Eligible Employee or prior to becoming an Eligible Employee. Salary shall be calculated before reduction for compensation voluntarily deferred or contributed by the Eligible Employee pursuant to all qualified or nonqualified plans of the applicable Employer and shall be calculated to include amounts not otherwise included in the Eligible Employee’s gross income under Code Sections 125, 132, 402(e)(3), 402(h), or 403(b) pursuant to plans or arrangements established by the Employers; provided, however, that all such amounts will be included in compensation only to the extent that had there been no such plan, the amount would have been payable in cash to the Eligible Employee. Without limiting the foregoing, “Salary” shall not include any amount paid pursuant to a disability plan or pursuant to a disability insurance policy or distributions from nonqualified deferred compensation plans, incentive payments of any kind, commissions, overtime, fringe benefits, or any non-cash benefit.

1.18 **“Separation from Service”** means a “separation from service” with Company and its Affiliates within the meaning of Code Section 409A(a)(2)(A)(i) and related Treasury Regulations and other guidance, as determined by the Plan Administrator in its discretion.

1.19 **“STIP Payment”** means the gross amount of an Eligible Employee’s bonus under the annual cash Short-Term Incentive Plan or other short-term or annual performance-based cash

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incentive plan (e.g., the 2019 Key Employee Incentive Plan) adopted and maintained each year by Company or its Participating Subsidiaries. STIP Payments shall not include amounts received by an employee after such employee ceases to be an Eligible Employee or prior to becoming an Eligible Employee. For purposes of calculating benefits under the Plan, STIP Payment shall be calculated before reduction for compensation voluntarily deferred or contributed by the Eligible Employee pursuant to all qualified or nonqualified plans of the applicable Employer, and shall be calculated to include amounts not otherwise included in the Eligible Employee’s gross income under Code Sections 125, 132, 402(e)(3), 402(h), or 403(b) pursuant to plans or arrangements established by the Employer; provided, however, that all such amounts will be included in compensation only to the extent that had there been no such plan, the amount would have been payable in cash to the Eligible Employee.

1.20 **“Valuation Date”** means:

- (1) For purposes of valuing Plan assets and Eligible Employees' Accounts for periodic reports and statements, the date as of which such reports or statements are made; and
- (2) For purposes of determining the amount of assets actually distributed to the Eligible Employee, his or her beneficiary, or an Alternate Payee (or available for withdrawal), a date that shall not be more than thirty business days prior to the date the check is issued to the Eligible Employee.

In any other case, the Valuation Date shall be the date designated by the Plan Administrator (in its discretion) or the date otherwise set forth in this Plan. In all cases, the Plan Administrator (in its discretion) may change the Valuation Date, on a uniform and nondiscriminatory basis, as is necessary or appropriate. Notwithstanding the foregoing, the Valuation Date shall occur at least annually.

Article 2 - Company Contributions

2.01 Company Contributions. Company will make a deemed contribution to each Eligible Employee's Account in a percentage amount designated by the Committee, in its sole discretion, of the Eligible Employee's Salary and STIP Payment, as soon as practicable, but no more than 30 days after such time that Salary or such STIP Payment is paid.

2.02 Excess Plan Participants. Company will make an additional deemed contribution to the Account of each Eligible Employee who was a participant in the Excess Plan on or after January 1, 2013. The amount of such contribution will be approximately equal to the difference between the amounts that the Eligible Employee could have received under the Plan if contributions, if any, under Section 2.01 had commenced upon satisfying any of the eligibility criteria in Section 1.08(ii)-(iii), and the amount actually accrued under the Excess Plan, in each case through December 31 of such year. Such payments shall be made only for the portion of the calendar year prior to the individual becoming an Eligible Employee. Such calculation shall be done at the Company's discretion, using such assumptions and methodologies as determined by the Company in its sole discretion. Amounts provided pursuant to this Section will be distributed in a lump-sum, in accordance with Section 6.01(2).

Article 3 - Vesting

3.01 Vesting of Company Contributions. Except as otherwise determined by the Plan Administrator in its sole discretion, and longer representative; provided, that the Eligible Employee has not Separated from Service (other than due to death), an Eligible Employee shall become one hundred percent (100%) vested in the Eligible Employee's Account after completing at least three (3) cumulative years of service with any Employer(s). For this purpose, years of service shall be calculated on an

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elapsed-time, anniversary date of hire basis. "Years of cumulative service" shall include, without limitation, all service while an active participant in the Plan or in the SERP, including active service prior to any break in service. An Employee's service such non-representativeness will be deemed to continue while on approved leave of absence. If an Eligible Employee dies prior to both Separating from Service and satisfying the three-year vesting period, the Eligible Employee's Account shall vest in full and be paid out in accordance with Section 6.05, below.

3.02 Amounts Not Vested. Subject to the foregoing, any amounts credited to an Eligible Employee's Account that are not vested at the time of the Eligible Employee's Separation from Service shall be forfeited.

Article 4 – Investment Funds

Although no assets will be segregated or otherwise set aside with respect to an Eligible Employee's Account, the amount that is ultimately payable to the Eligible Employee with respect to such Account shall be determined as if such Account had been invested in some or all of the Investment Funds. The Plan Administrator, in its sole discretion, shall adopt (and modify from time to time) such rules and procedures as it deems necessary or appropriate to implement the deemed investment of the Eligible Employees' Accounts. Such procedures generally shall provide that an Eligible Employee's Account shall be deemed to be invested among the available Investment Funds in the manner elected by the Eligible Employee in such percentages and manner as prescribed by the Plan Administrator. In the event no election has been made by the Eligible Employee, such

Account will be deemed to be invested in the Investment Funds designated by the Plan Administrator. Eligible Employees shall be able to reallocate their Accounts between the Investment Funds and reallocate amounts newly credited to their Accounts at such time and in such manner as the Plan Administrator shall prescribe. Anything to the contrary herein notwithstanding, an Eligible Employee may not reallocate Account balances between Investment Funds if such reallocation would result in a non-exempt Discretionary Transaction as defined in Rule 16b-3 of the Securities Exchange Act of 1934, as amended, or any successor to Rule 16b-3, as in effect when the reallocation is requested. The available Investment Funds shall be designated by the Plan Administrator and may be changed from time to time by the Plan Administrator at its discretion.

Article 5 - Accountings

5.01 Eligible Employees' Accounts. At the direction of the Plan Administrator, there shall be established and maintained on the books of the Employer, a separate account for each Eligible Employee in order to reflect his or her interest under the Plan.

5.02 Investment Earnings. Each Eligible Employee's Account shall initially reflect the value of his or her Account's interest in each of the Investment Funds, deemed acquired with the amounts credited thereto. Each Eligible Employee's Account shall also be credited (or debited) with the net appreciation (or depreciation), earnings and gains (or losses) with respect to the investments deemed made by his or her Account. Any such net earnings or gains deemed realized with respect to any investment of any Eligible Employee's Account shall be deemed reinvested in additional amounts of the same investment and credited to the Eligible Employee's Account.

5.03 Accounting Methods. The accounting methods or formulae to be used under the Plan for the purpose of maintaining the Eligible Employees' Accounts shall be determined by the Plan Administrator. The accounting methods or formulae selected by the Plan Administrator may be revised from time to time but shall conform to the extent practicable with the accounting methods used under the Plan.

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5.04 Valuations and Reports. The fair market value of each Eligible Employee's Account shall be determined as of each Valuation Date. In making such determinations and in crediting net deemed earnings and gains (or losses) in the Investment Funds to the Eligible Employees' Accounts, the Plan Administrator (in its discretion) may employ such accounting methods as the Plan Administrator (in its discretion) may deem appropriate in order to fairly reflect the fair market values of the Investment Funds and each Eligible Employee's Account. For this purpose, the Plan Administrator may rely upon information provided by the Plan Administrator or other persons believed by the Plan Administrator to be competent.

5.05 Statements of Eligible Employee's Accounts. Each Eligible Employee shall be furnished with periodic statements of his or her interest in the Plan.

Article 6 - Distributions

6.01 Distribution of Account Balances.

- (1) **Participants in SERP.** Distribution of the balance credited to the Account of any Eligible Employee who was a participant in the SERP will be made according to the time and form provisions applicable to that Eligible Employee's benefits under the SERP. Sections 6.01(2), 6.02, 6.03, 6.04 and 6.05 shall not apply to the Eligible Employees described above in this Section 6.01(1).
- (2) **Other Eligible Employees.** Except to the extent the Eligible Employee has elected otherwise under this Section 6 at the time of deferral, distribution of the balance credited to an Eligible Employee's Account shall be made in a single lump sum as soon as reasonably practicable (but in any event within 90 days) following the date that is seven (7) months following Separation from Service.
- (3) **DROs.** In the case of an Alternate Payee (as defined in Section 7.01(1)), to the extent allowable under Code Section 409A, distribution shall be made as directed in a domestic relations order approved by the Plan Administrator, but only as to the portion of the Eligible Employee's Account which the domestic relations order states is payable to the Alternate Payee.

6.02 Election of Installment Payments. In lieu of the single sum payment under Section 6.01, an Eligible Employee may elect in writing, on such form or in such other manner as it may prescribe, and file with the Plan Administrator an election that payment of amounts credited to the Eligible Employee's Account be made in from 2 to 10 equal annual installments. Installment payments elected before September 17, 2013 will be considered separate payments for purposes of Code Section 409A. Installment payments will commence as soon as reasonably practicable (but in any event within 90 days) following the date that is seven (7) months following Separation from Service ("Benefit Commencement Date"), and subsequent installments will be paid on each anniversary of the Benefit Commencement Date thereof until all installments are paid. However, if during the installment payment period after the Benefit Commencement Date the Account balance plus the Eligible Employee's interest in all other Aggregated Plans is less than the dollar limit set forth in Code Section 402(g)(1)(B) in the aggregate, the value of the remaining installments and such other interest(s) may be accelerated by written election of the Plan Administrator and subsequently paid as a lump sum at the sole discretion of the Plan Administrator, except to the extent that would result in a violation of Code Section 409A. Notwithstanding anything in this Section 6.02 to the contrary, if the Eligible Employee's vested Account balance on the Benefit Commencement Date is less than \$50,000, and prior to September 17, 2013 the Eligible Employee elected pursuant to this Section 6.02 to receive payment in installments, then the distribution election described in this Section 6.02 shall be disregarded and

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the Eligible Employee's entire vested Account balance shall be paid in a lump sum distribution as described in Section 6.01(2) above.

6.03 Timing of Elections.

(1) **General Rule.** The election described in Section 6.02 shall be made no later than December 31 of the calendar year immediately preceding the calendar year in which the Salary or STIP Payment commences to be earned that is the basis of the Company Contribution for which an election is being made, in accordance with such procedures established by the Company in its sole discretion.

(2) **Initial Eligibility.** Notwithstanding Section 6.03(1), an Eligible Employee that is newly eligible to participate in the Plan (or in any Aggregated Plan) must make an election regarding whether distributions shall be made in a lump-sum or installments, as provided in Section 6.02. Such election must be made within thirty (30) days after he or she first becomes an Eligible Employee (or within such other earlier deadline as may be established by the Company, in its sole discretion) but only with respect to Company Contributions attributable to Salary and STIP Payments that are paid with respect to services performed after such election is made; provided, however, that for this purpose only such thirty (30) day period shall begin to run on the date that the Eligible Employee first becomes eligible to participate in this Plan (or, if earlier, any Aggregated Plan). In the event an Eligible Employee fails to timely make such election, Section 6.01(2) shall apply. Notwithstanding anything to the contrary herein, no Company Contributions shall be earned or made to a *newly* Eligible Employee's Account with respect to service performed prior to the earlier of (1) the day after the Eligible Employee returns an initial election pursuant to Section 6.03(2) or (2) 31 days after the individual first qualifies as an Eligible Employee.

(3) **Performance-Based Compensation.** Notwithstanding Section 6.03(1), with respect to STIP Payments that qualify as "Performance-Based Compensation," the Company may, in its sole discretion, permit an election pertaining to Company Contributions attributable to such Performance-Based Compensation to be made no later than six (6) months before the end of the performance service period and in accordance with Code Section 409A. For this purpose, "Performance-Based Compensation" shall be compensation, the payment or amount of which is contingent on pre-established organizational or individual performance criteria, which satisfies the requirements of Code Section 409A.

6.04 Change in Distribution Election. An Eligible Employee may change a distribution election previously made pursuant to Section 6.02 only in accordance with the rules under Code Section 409A. Generally, a subsequent election pursuant to this Section 6.04: (1) cannot take effect for twelve (12) months, (2) must occur at least twelve (12) months before the first scheduled payment, and (3) must defer a previously elected distribution at least five (5) additional years. The Plan Administrator may establish additional rules or restrictions on changes in distribution elections.

6.05 Death Distributions. If an Eligible Employee dies before the balance of his or her Account has been distributed (whether or not the Eligible Employee had previously had a Separation from Service), the Eligible Employee's Account shall be distributed in a single lump sum to the beneficiary

designated or otherwise determined in accordance with Section 6.07, as soon as practicable the date of death (but in any event within 90 days after the date of death).

6.06 Effect of Change in Eligible Employee Status. If an Eligible Employee ceases to be an Eligible Employee but does not experience a Separation from Service, the balance credited to his

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or her Account shall continue to be credited (or debited) with appreciation, depreciation, earnings, gains or losses under the terms of the Plan and shall be distributed to him or her at the time and in the manner set forth in this Section 6.

6.07 Payments to Incompetents. If any individual to whom a benefit is payable under the Plan is a minor or if the Plan Administrator determines that any individual to whom a benefit is payable under the Plan is incompetent to receive such payment or to give a valid release therefor, payment shall be made to the guardian, committee, or other representative of the estate of such individual which has been duly appointed by a court of competent jurisdiction. If no guardian, committee, or other representative has been appointed, payment may be made to any person as custodian for such individual under the California Uniform Transfers to Minors Act (or similar law of another state) or may be made to or applied to or for the benefit of the minor or incompetent, the incompetent's spouse, children or other dependents, the institution or persons maintaining the minor or incompetent, or any of them, in such proportions as the Plan Administrator from time to time shall determine; and the release of the person or institution receiving the payment shall be a valid and complete discharge of any liability of Company with respect to any benefit so paid.

6.08 Beneficiary Designations. Each Eligible Employee may designate, in a signed writing delivered to the Plan Administrator, on such form or in such other manner as it may prescribe, one or more beneficiaries to receive any distribution which may become payable under the Plan as the result of the Eligible Employee's death. Such an Eligible Employee may designate different beneficiaries at any time by delivering a new designation in like manner. Any designation shall become effective only upon its receipt by the Plan Administrator, and the last effective designation received by the Plan Administrator shall supersede all prior designations. If such an Eligible Employee dies without having designated a beneficiary or if no beneficiary survives that Eligible Employee, that Eligible Employee's Account shall be payable to the beneficiary or beneficiaries designated or otherwise determined under the PG&E Corporation Retirement Savings Plan or any predecessor qualified retirement plan sponsored by Company or any of its subsidiary companies.

6.09 Undistributable Accounts. Each Eligible Employee and (in the event of death) his or her beneficiary shall keep the Plan Administrator advised of his or her current address. If the Plan Administrator is unable to locate the Eligible Employee or beneficiary to whom an Eligible Employee's Account is payable under this Section 6, the Eligible Employee's Account shall be frozen as of the date on which distribution would have been completed in accordance with this Section 6, and no further appreciation, depreciation, earnings, gains or losses shall be credited (or debited) thereto. Company shall have the right to assign or transfer the liability for payment of any undistributable Account to the Eligible Employee's former Employer (or any successor thereto).

6.10 Plan Administrator Discretion. Within the specific time periods described in this Section 6, the Plan Administrator shall have sole discretion to determine the specific timing of the payment of any Account balance under the Plan.

Article 7 - Domestic Relations Orders

7.01 Domestic Relations Orders. The Plan Administrator shall establish written procedures for determining whether a domestic relations order purporting to dispose of any portion of an Eligible Employee's Account is a domestic relations order within the meaning of Section 414(p) of the Code that is acceptable to the Plan (a "DRO").

(1) **No Payment Unless a DRO.** No payment shall be made to any person designated in a domestic relations order (an "Alternate Payee") until the Plan Administrator (or a court of competent jurisdiction reversing an initial adverse determination by the Plan Administrator) determines that the order is a DRO. Payment shall be made to each Alternate Payee as specified in the DRO.

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- (2) **Time of Payment.** Payment may be made to an Alternate Payee in the form of a lump sum, at the time specified in the DRO, but no earlier than the date the DRO determination is made by the Plan.
- (3) **Hold Procedures.** Notwithstanding any contrary Plan provision, prior to the receipt of a domestic relations order, the Plan Administrator may, in its sole discretion, place a hold upon all or a portion of an Eligible Employee's Account for a reasonable period of time (as determined by the Plan Administrator in accordance with Code Section 409A) if the Plan Administrator receives notice that (a) a domestic relations order is being sought by the Eligible Employee, his or her spouse, former spouse, child or other dependent, and (b) the Eligible Employee's Account is a source of the payment under such domestic relations order. For purposes of this Section 7.01, a "hold" means that no withdrawals, distributions, or investment transfers may be made with respect to an Eligible Employee's Account. If the Plan Administrator places a hold upon an Eligible Employee's Account pursuant to this Section 7.01, it shall inform the Eligible Employee of such fact.

Article 8 - Tax Withholding

Each Eligible Employee shall be responsible for FICA taxes on amounts credited to his or her Account under Section 2. Without limiting the foregoing, the applicable Employer shall have the right to withhold such amounts from other payments due to the Eligible Employee. Company Contributions will not be reduced to cover Eligible Employees' FICA tax liabilities.

The applicable Employer, as applicable, will withhold from other amounts owed to an Eligible Employee or require the Eligible Employee to remit to Employer, as applicable, an amount sufficient to satisfy federal, state and local tax withholding requirements with respect to any Plan benefit or the vesting, payment or cancellation of any Plan benefit.

Article 9 - Administration of the Plan

9.01 Plan Administrator. The Employee Benefit Committee of Company is hereby designated as the administrator of the Plan (within the meaning of Section 3(16)(A) of ERISA). The Plan Administrator delegates reference to the most senior human resource officer for Company, recent statement or his or her designee, the authority to carry out all duties and responsibilities of the Plan Administrator under the Plan. The Plan Administrator shall have the authority to control and manage the operation and administration of the Plan.

9.02 Powers of Plan Administrator. The Plan Administrator shall have all discretion and powers necessary to supervise the administration of the Plan and to control its operation in accordance with its terms, including, but not by way of limitation, the power to interpret the provisions of the Plan and to determine, in its sole discretion, any question arising under, or in connection with the administration or operation of, the Plan.

9.03 Decisions of Plan Administrator. All decisions of the Plan Administrator and any action taken by it in respect of the Plan and within the powers granted to it under the Plan shall be conclusive and binding on all persons and shall be given the maximum deference permitted by law.

Article 10 - Modification or Termination of Plan

10.01 Employers' Obligations Limited. The Plan is voluntary on the part of the Employers, and the Employers do not guarantee to continue the Plan. Company at any time may, by appropriate amendment of the Plan, or suspend Company Contributions, with or without cause.

10.02 Right to Amend or Terminate. The Board of Directors, acting through the Committee, reserves the right to alter, amend, or terminate the Plan, or any part thereof, publication referenced in such manner as it may determine, for clause (e3) and even if any reason whatsoever.

(1) **Limitations.** Any alteration, amendment, or termination shall take effect upon the date indicated in the document embodying Available Tenor of such alteration, amendment, or termination, provided that no Benchmark (or such alteration or amendment shall divest any portion of an Account that is then vested under the Plan.

(2) **Appendices.** Notwithstanding the above, the Plan Administrator may amend the Appendices in its discretion.

10.03 Effect of Termination. If the Plan is terminated, the balances credited to the Accounts of the Eligible Employees affected by such termination shall be distributed to them at the time and in the manner set forth in Section 6; provided, however, that the Plan Administrator, in its sole discretion, may authorize accelerated distribution of Eligible Employees' Accounts to the extent provided in Treasury Regulation Sections 1-409A-3(j)(4)(ix) (A) (relating to terminations in connection with certain corporate dissolutions), (B) (relating to terminations in connection with certain change of control events), and (C) (relating to general terminations).

Article 11 - General Provisions

11.01 Inalienability. Except to the extent otherwise directed by a domestic relations order which the Plan Administrator determines is a DRO (as defined in Section 7.01) or mandated by applicable law, in no event may either an Eligible Employee, a former Eligible Employee or his or her spouse, beneficiary or estate sell, transfer, anticipate, assign, hypothecate, or otherwise dispose of any right or interest under the Plan; and such rights and interests shall not at any time be subject to the claims of creditors nor be liable to attachment, execution, or other legal process.

11.02 Rights and Duties. Neither the Employers nor the Plan Administrator shall be subject to any liability or duty under the Plan except as expressly provided in the Plan, or for any action taken, omitted, or suffered in good faith.

11.03 No Enlargement of Employment Rights. Neither the establishment or maintenance of the Plan nor any action of any Employer or Plan Administrator, shall be held or construed to confer upon any individual any right component thereof continues to be continued as an Employee nor, upon dismissal, any right or interest in any specific assets of the Employers other than as provided in the Plan. Each Employer expressly reserves the right to discharge any Employee at any time, with or without cause or advance notice.

11.04. Apportionment of Costs and Duties. All acts required of the Employers under the Plan may be performed by Company for itself and its Participating Subsidiaries, and the costs of the Plan may be equitably apportioned by the Plan Administrator among Company and the other Employers. Whenever an Employer is permitted or required under the terms of the Plan to do or perform any act, matter or thing, it shall be done and performed by any officer or employee of the Employer who is thereunto duly authorized by the board of directors of the Employer. Each Participating Subsidiary shall be responsible for making benefit payments pursuant to the Plan on behalf of its Eligible Employees or for reimbursing Company for the cost of such payments, as determined by Company in its sole discretion. In the event the respective Participating Subsidiary fails to make such payment or reimbursement, and Company does not exercise its discretion to make the payment on such Participating Subsidiary's behalf, participation in the Plan by the Eligible Employees of that Participating Subsidiary shall be suspended in a manner consistent with Code Section 409A. If at some future date, the Participating Subsidiary makes all past-due date.

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payments and reimbursements, plus interest at a rate determined by Company in its sole discretion, the suspended participation of its Eligible Employees eligible to participate in the Plan will be recognized in a manner consistent with Code Section 409A. In the event the respective Participating Subsidiary fails to make such payment or reimbursement, an Eligible Employee's (or other payee's) sole recourse shall be against the respective Participating Subsidiary, and not against Company. An Eligible Employee's participation in the Plan shall constitute agreement with this provision.

11.05 Applicable Law. The provisions of the Plan shall be construed, administered, and enforced in accordance with the laws of the State of California and, to the extent applicable, ERISA. The Plan is intended to comply with the provisions of Code Section 409A. However, Company makes no representation that the benefits provided under the Plan will comply with Code Section 409A and makes no undertaking to prevent Code Section 409A from applying to the benefits provided under the Plan or to mitigate its effects on any deferrals or payments made under the Plan.

11.06 Severability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included.

11.07 Captions. The captions contained in and the table of contents prefixed to the Plan are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge, or describe the scope or intent of the Plan nor in any way shall affect the construction of any provision of the Plan.

Article 12 - Claims and Appeals Procedure

Any claims for benefits under the Plan made by a participant, beneficiary or other person shall be made and administered in accordance with the following procedures.

12.01 Compliance with Regulations. It is intended that the claims procedure of the Plan be administered in accordance with the claims procedure regulations of the U.S. Department of Labor set forth in 29 C.F.R. Section 2560.503-1.

12.02 Initial Claims.

(1) **Submission of Initial Claims by a Claimant.** Claims for benefits under the Plan made by a participant, beneficiary or other person covered or claiming they are entitled to benefits from the Plan (a "Claimant") (or by an authorized representative of any Claimant) must be submitted in writing to the Director, Benefits, or if the title for the position ever changes, the individual employed in Benefits with direct management responsibility over the Plan (whether a Manager or some other title) (such individual, the "Initial Claim Reviewer"), care of Benefits.

(2) **Authorized Representative.** The Plan Administrator may establish and enforce reasonable procedures for determining whether any individual or entity has been authorized to act on behalf of a Claimant.

(3) **Processing of Approved Claims.** Approved claims will be processed and, if applicable, the Plan Administrator will issue instructions authorizing payments as approved.

(4) **Notification of Denied Claims.** If a claim is denied in whole or in part by the Initial Claim Reviewer in its discretion, the Initial Claim Reviewer shall notify the Claimant of the decision by written or electronic notice, in a manner calculated to be understood by the Claimant. The notice shall set forth:

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a) The specific reasons for the denial of the claim;

b) A reference to specific provisions of the Plan on which the denial is based;

c) A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and d) An explanation of the Plan's claims review procedure for the denied or partially denied claim and any applicable time limits, and a statement that the Claimant has a right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Such notification shall be given within 90 days after the claim is received by the Initial Claim Reviewer (or within 180 days, if special circumstances require an extension of time for processing the claim and provided that written notice of such extension and circumstances and the date a decision is expected is given to the Claimant within the initial 90-day period). A claim is considered approved only if its approval is communicated in writing to a Claimant.

12.03 Appeals of Denied Claims.

(1) **Right to Appeal.** Upon denial of a claim in whole or in part, a Claimant or his or her duly authorized representative shall have the right to submit a written request to the Employee Benefit Appeals Committee, as such term is defined the Pacific Gas and Electric Company Retirement Plan Part I, as amended and restated from time to time (the "Employee Benefit Appeals Committee") for a full and fair review of the denied claim. A request for review of a claim must be submitted within 60 days of receipt by the Claimant of written notice of the denial of the claim. If the Claimant fails to file a request for review within 60 days of the denial notification, the claim will be deemed abandoned and the Claimant is precluded from reasserting it. Also, if the Claimant is not provided a notice of denial of an initial claim as set forth in Section 12.02, the Claimant may submit a written request for review to the Employee Benefit Appeals Committee.

(2) **Access to Documents and Records.** The Claimant or the Claimant's representative shall have, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits.

(3) **Right to Submit Additional Information.** The Claimant may submit written comments, documents, records and other information relating to the claim for benefits.

(4) **Scope of the Review.** The Employee Benefit Appeals Committee review process shall include all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(5) **Preclusion for Materials Not Submitted.** Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review of the claim.

(6) **Decision by the Employee Benefit Appeals Committee.** The decision by the Employee Benefit Appeals Committee on review shall be in written or electronic form, in a manner calculated to be understood by the Claimant. If the claim is denied on review, the notice shall set forth:

a) The specific reasons for the denial of the appeal of the claim;

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b) A reference to specific provisions of the Plan on which the denial is based;

c) A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and;

d) A statement describing any voluntary appeal procedures offered by the Plan (if any) and the Claimant's right to obtain the information about such procedures, and a statement of the Claimant's right to bring an action under Section 502(a) of ERISA.

The Employee Benefit Appeals Committee will advise the Claimant of the results of the review within 60 days after receipt of the written request for review (or within 120 days if special circumstances require an extension of time for processing the request, and if notice of such extension and circumstances, including the date a decision is expected to be made, is given to such Claimant within the initial 60-day period).

12.04 Authority of Initial Claim Reviewer and Employee Benefit Appeals Committee and Deference to their Decisions. To the extent of the responsibility to review initial benefit claims (with respect to the Initial Claim Reviewer) or to review appeals of the denial of benefit claims (with respect to the Employee Benefit Appeals Committee), the Initial Claim Reviewer and the Employee Benefit Appeals Committee, shall have the discretionary authority to interpret and apply the provisions of the Plan and such decisions shall be afforded the maximum deference permitted by law. Benefits will be paid only if the Initial Claim Reviewer (with respect to initial benefit claims) or the Employee Benefit Appeals Committee (with respect to appeals of the denial of benefit claims) decides in its discretion that the Claimant is entitled to them. The decisions of the Employee Benefit Appeals Committee shall be final and binding on the Claimant.

12.05 Exhaustion of Claims Procedure Required in All Cases. A participant, beneficiary or other person asserting a claim, alleging a violation of or seeking any remedy under any provision of ERISA or other applicable law that relates in any manner to the Plan is considered a Claimant and is subject to the claims procedures described in this Article 12.

A participant, beneficiary or other person made subject to the claims procedures in this Article 12 must follow and exhaust the applicable claims procedures described in this Article 12 with respect to any claim, alleged violation, or sought remedy before taking action in any other forum regarding a claim for benefits under the Plan or alleging a violation of, or seeking any remedy under, any provision of ERISA or other applicable law.

A Claimant and any representative of a Claimant may not bring an action in any other forum later than the earliest of (1) one year from the date of completion of the Plan's claims appeal process set forth in this Article 12, (2) one year from the latest date on which an appeal is permitted to be filed under this claims and appeals process after the denial of an initial claim (i.e., within 60 days of receipt of an initial claim denial notification), and (3) two years from the date a Claimant knew or should have known that a claim existed. The foregoing in no way serves as a waiver of the exhaustion requirement set forth in the preceding paragraph.

Any action described in this Section 12.05 must be filed in the Federal District Court for the Northern District of California.

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APPENDIX A
PARTICIPATING SUBSIDIARIES
(As of January 1, 2013)

- Pacific Gas and Electric Company
- All U.S. subsidiaries of PG&E Corporation or the above-named corporation(s)

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EXHIBIT 10.6

PG&E CORPORATION
2012 OFFICER SEVERANCE POLICY
(Amended effective as of September 12, 2023)

1. **Purpose.** This is the controlling and definitive statement of the Officer Severance Policy of PG&E Corporation ("Policy"). Since Officers (defined below) are employed at the will of PG&E Corporation ("Corporation") or a participating employer ("Employer"), their employment may be terminated at any time, with or without cause. A list of Employers is attached hereto as Appendix A. The Policy became effective March 1, 2012, and provides employees with the positions of Vice President, Senior Vice President, Executive Vice President, or higher at the time of termination ("Officers") of the Corporation and Employers with severance benefits if their employment is terminated.¹ The Policy's definition of Change in Control was amended effective May 12, 2014.² The Policy's treatment of STIP payouts and limitations on certain severance payments were added effective September 25, 2020. The value of and eligibility for severance benefits was amended effective November 1, 2021. Appeals and claims procedures were added to the Policy by amendment effective September 12, 2023. For the avoidance of doubt, revisions made (i) if the event giving rise to this Policy relating the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to Code Section 409A (defined below), apply have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all Officers including those that may be covered under prior provisions then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event": with respect to any Benchmark, the occurrence of one or more of the Policy as required following events with respect to such then-current Benchmark:

- (1) a public statement or publication of information by Section 7 hereof.

The purpose or on behalf of the Policy is to attract and retain Officers by defining terms and conditions for severance benefits, administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide severance benefits all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, are part of a competitive total compensation package, to provide consistent treatment for all terminated officers, and to minimize potential litigation costs associated with Officer termination of employment.

2. Termination of Employment Not in Connection with Change in Control.

(a) **Corporation or Employer's Obligations.** If the Corporation or an Employer exercises its right to terminate an Officer's employment without cause and such termination does not entitle Officer to payments under Section 3, the Officer shall be given thirty (30) days' advance written notice or pay in lieu thereof (which shall be paid in a lump sum together with the payment described in Section 2(a)(1) below). Except as provided in Section 2(c) below, in consideration of the Officer's agreement to the obligations described in Section 4 below and to the arbitration provisions described in Section 13 below, the following payments and benefits shall also be provided to Officer following Officer's separation from service (within the meaning of Code Section 409A):³

(1) A lump sum severance payment equal to the sum of the Officer's annual base compensation and the Officer's Short-Term Incentive Plan ("STIP") target award at the time of his such statement or her termination (the "Severance Base Amount"); provided, however, publication, there is no successor administrator that for purposes of this section 2(a)(1), any lump sum severance payment for the Corporation's Chief

1. Severance benefits for Officers who are currently covered by an employment agreement will continue to be provided solely under provide any Available Tenor of such agreements until their expiration at which time this Policy will become effective Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Officers. Specific elements of any Officer's severance benefits may be amended by appropriate board-level approval. Any Officer's waiver of benefits under this Policy shall take precedence Benchmark (or such component), a resolution authority with jurisdiction over the terms administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of this Policy. If an employee becomes a covered Officer under this Policy as a result such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of a promotion, and if such Officer was then covered by a severance arrangement subject to Section 409A of the Internal Revenue Code of 1986 ("Code Section 409A"), the severance benefits under this Policy Benchmark (or such component thereof) permanently or indefinitely; provided to such person shall comply with that, at the time and form of payment provisions of such prior severance arrangement, to the extent required by Code Section 409A.

2Any payments made hereunder shall be less applicable taxes. statement or publication, there is no successor administrator that will

Executive Officer shall be equal continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the product of (1) two and (2) such officer's Severance Base Amount. Annual base compensation shall mean the Officer's monthly base pay regulatory supervisor for the month administrator of such Benchmark (or the published component used in which the Officer is given notice calculation thereof) announcing that all Available Tenors of termination, multiplied by 12. The payment described in this Section 2(a)(1) shall such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, made in representative.

For the avoidance of doubt, a single lump sum as soon as practicable following the date the release "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of claims described in Section 4(a) becomes effective, provided that payment shall in no event be made later than the 15th day of the third month following the later of the end of the calendar year or the Corporation's taxable year in which the Officer's separation from service occurs;

(2) Except as otherwise information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the applicable award agreement or as otherwise required by applicable law, calculation thereof).

"Benchmark Unavailability Period": with respect to any Benchmark, the equity-based incentive awards granted to Officer under the Corporation's Long-Term Incentive Program ("LTIP") which have not yet vested as of the date of termination will continue to vest over a period of twelve months after the date of termination as if the Officer had remained employed for such period. Except as otherwise set forth in the applicable award agreement, for vested stock options as of the date of termination, the Officer shall have the right to exercise such stock options at any time within their respective terms or within five years after termination, whichever is shorter. Except as otherwise set forth in the applicable award agreement, for stock options that vest during a period of twelve months following termination, the Officer shall have the right to exercise such options at any time within one year after termination, subject to the term of the options. Except as otherwise set forth in the applicable award agreement, any unvested equity-based incentive awards remaining at the end of such period shall be forfeited;

(3) A prorated annual incentive payment equal to the annual incentive payment, if any, that the Officer would have earned for the entire calendar year in which the termination occurs pursuant to the Officer's then-current STIP; based on Eligible Earnings paid between January 1 of such calendar year and the Officer's date of termination (a "Pro-Rata Incentive"). Subject to Section 14, an Officer's Pro-Rata Incentive shall be paid by the Officer's former employer on the date that annual incentive payments are paid to the Employers' active employees. Notwithstanding the foregoing, the People and Compensation Committee (or its successor) of the Corporation may, decrease, or eliminate the Pro-Rata Incentive for the Officer in its sole discretion. For purposes of this section, "Eligible Earnings" means the sum of the Officer's: base pay, including paid time off; lump-sum payments as part of a merit increase; temporary assignment pay, including lump-sum payments; and for an Officer on Paid Family Leave or Short-Term Disability, payments made for approved leaves;

(4) A lump sum cash payment equal to the estimated value of 18 months' of COBRA premiums for the Officer, based on the Officer's benefit levels (if any) (x) beginning at the time of termination (with that a Benchmark Replacement Date has occurred if, at such payment subject to taxation time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under applicable law);

(5) To the extent not theretofore paid or provided, the Officer shall be paid or provided with any other amounts or benefits required to be paid or provided or which Loan Document in accordance with Section 2.13 and (y) ending at the Officer is eligible to receive time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any plan, contract, or agreement of the Corporation or Employer; and

(6) A lump sum cash payment of \$19,500, equal to the estimated reasonable value of career transition services for the Officer following separation from service.

(7) All acts required of the Employer under the Policy may be performed by the Corporation for itself and the Employer, and the costs of the Policy may be equitably apportioned by the Administrator among the Corporation and the other Employers. The Corporation shall be responsible for making payments and providing benefits pursuant to this Policy for Officers employed by the Corporation. Whenever the Employer is permitted or required under the terms of the Policy to do or perform any act, matter or thing, it shall be done and performed by any Officer or employee of the Employer who is thereunto duly authorized by

the board of directors of the Employer. Each Employer shall be responsible for making payments and providing benefits pursuant to the Policy on behalf of its Officers or for reimbursing the Corporation for the cost of such payments or benefits, as determined by the Corporation Loan Document in its sole discretion. In the event the respective Employer fails to make such payment or reimbursement, an Officer's (or other payee's) sole recourse shall be against the respective Employer, and not against the Corporation, accordance with Section 2.13.

(b) **“Remedies Beneficial Owner.** An Officer shall be entitled to recover damages for late or nonpayment of amounts to which the Officer is entitled hereunder. The Officer shall also be entitled to seek specific performance of the obligations and any other applicable equitable or injunctive relief.

(c) Section 2(a) shall not apply in the event that an Officer's employment is terminated "for cause." Except: as used in Section 3 of this Policy, "for cause" means that the Corporation, in the case of an Officer employed by the Corporation, or Employer in the case of an Officer employed by an Employer, acting in good faith based upon information then known to it, determines that the Officer has engaged in, committed, or is responsible for (1) serious misconduct, gross negligence, theft, or fraud against the Corporation and/or an Employer; (2) refusal or unwillingness to perform his duties; (3) inappropriate conduct in violation of Corporation's equal employment opportunity policy; (4) conduct which reflects adversely upon, or making any remarks disparaging of, the Corporation, its Board of Directors, Officers, or employees, or its affiliates or subsidiaries; (5) insubordination; (6) any willful act that is likely to have the effect of injuring the reputation, business, or business relationship of the Corporation or its subsidiaries or affiliates; (7) violation of any fiduciary duty; or (8) breach of any duty of loyalty; or (9) any breach of the restrictive covenants contained in Section 4 below. Upon termination "for cause," the Corporation, its Board of Directors, Officers, or employees, or its affiliates or subsidiaries shall have no liability to the Officer other than for accrued salary, vacation benefits, and any vested rights the Officer may have under the benefit and compensation plans in which the Officer participates and under the general terms and conditions of the applicable plan.

(d) The Board of Directors of the Corporation and the Board of Directors of Pacific Gas and Electric Company (the "Utility") reserve the right to: (a) restrict, limit, cancel, reduce or require forfeiture of payments or benefits pursuant to the provisions of Section 2(a), (i) for any executive officer of the Utility (as defined in California Public Utilities Code § 451.5) or any executive officer of the Corporation (as defined in Rule 3b-7 13d-3 and Rule 13d-5 under the Securities Exchange Act, of 1934) except that in calculating the event beneficial ownership of any felony conviction of the Corporation or the Utility related to public health and safety or financial misconduct by the Corporation or the Utility following its July 1, 2020 emergence from Chapter 11 bankruptcy, provided that such executive officer was serving as an executive officer of the Corporation or the Utility, as applicable, at the time of the underlying conduct that led to the conviction ("Company Conviction"), or (ii) for the chief executive officer or chief financial officer of the Corporation or the Utility if that entity is required to prepare a restatement of the financial statement due to the material noncompliance of the Corporation or the Utility, as applicable, with any financial reporting requirement under the federal securities laws, as a result of misconduct, provided that only the payment and benefits under Section 2(a) that the chief executive officer or chief financial officer is eligible to receive during the twelve (12)-month period following the first public issuance or filing with the Securities and Exchange Commission (whichever first occurs) of the financial statement are subject to restriction, limitation, cancellation, reduction or forfeiture and further provided the executive officer was serving as a chief executive officer or chief financial officer of the Corporation or the Utility, as applicable, during the period for which the financial statement is restated; and (b) recoup or require reimbursement or repayment of rights, payments, and benefits under Section 2(a) for any executive officer of the Utility (as defined in California Public Utilities Code § 451.5) or any executive officer of the Corporation (as defined in Rule 3b-7 under

the Securities Exchange Act of 1934) in the event such executive officer engaged in misconduct that materially contributed to some of the actions or omissions on which the Company Conviction is based (as determined by the applicable Board in its discretion). The Corporation, the Utility, their affiliates, and their respective directors, officers, and employees shall have no liability to any such executive officer, including the chief executive officer and chief financial officer of the Corporation or the Utility, in the event of restriction, limitation, reduction, recoupment, forfeiture, reimbursement, or cancellation of the provisions of Section 2(a), other than for accrued salary, vacation benefits, and any vested rights such executive officer may have under the benefit and compensation plans in which the executive officer participates and under the general terms and conditions of the applicable plan.

3. Termination of Employment In Connection With a Change in Control.

(a) If an Executive Officer's (defined below) employment by the Corporation or any subsidiary or successor of the Corporation shall be subject to an Involuntary Termination within the Covered Period, then the provisions of this Section 3 instead of Section 2 shall govern the obligations of the Corporation as to the payments and benefits it shall provide to the Executive Officer. In the event that Executive Officer's employment with the Corporation or an employing subsidiary is terminated under circumstances which would not entitle Executive Officer to payments under this Section 3, Executive Officer shall only receive such benefits to which he is entitled under Section 2, if any. In no event shall Executive Officer be entitled to receive termination benefits under both this Section 3 and Section 2.

All the terms used in this Section 3 shall have the following meanings:

(1) "Affiliate" shall mean any entity which owns or controls, is owned or is under common ownership or control with, the Corporation.

(2) "Cause" shall mean (i) the willful and continued failure of the Executive Officer to perform substantially the Executive Officer's duties with the Corporation or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive Officer by the Board of Directors or the Chief Executive Officer of the Corporation which specifically identifies the manner in which the Board of Directors or Chief Executive Officer believes that the Executive Officer has not substantially performed the Executive Officer's duties; or (ii) the willful engaging by the Executive Officer in illegal conduct or gross misconduct which is materially demonstrably injurious to the Corporation.

For purposes of the provision, no act or failure to act, on the part of the Executive Officer, shall be considered "willful" unless it is done, or omitted to be done, by the Executive Officer in bad faith or without reasonable belief that the Executive Officer's action or omission was in the best interests of the Corporation. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors or upon the instructions of the Chief Executive Officer or a senior officer of the Corporation or based upon the advice of counsel for the Corporation shall be conclusively presumed to be done, or omitted to be done, by the Executive Officer in good faith and in the best interests of the Corporation. The cessation of employment of the Executive Officer shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive Officer a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board of Directors at a meeting of the Board of Directors called and held for such purpose (after reasonable notice is provided to the Executive Officer and the Executive Officer is given an opportunity, together with counsel, to be heard before the Board of Directors), finding that, in the good faith opinion of the Board of Directors, the Executive Officer is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

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(3) "Change in Control" shall mean the occurrence of any of the following:

a. any particular "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act), such "person" will be deemed to have beneficial ownership of 1934 ("Exchange Act"), but excluding all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "Beneficially Owns" and "Beneficially Owned" have correlative meanings.

"Beneficial Ownership Certification": a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation": 31 C.F.R. § 1010.230.

"Benefit Plan": any of (a) an "employee benefit plan for employees or any trustee, agent or other fiduciary for any such plan acting in such person's capacity as such fiduciary), directly or indirectly, becomes the "beneficial owner" plan" (as defined in Rule 13d-3 promulgated ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Benefitted Lender": as defined in Section 10.7(a).

"BHC Act Affiliate": an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)).

"Bond Delivery Agreement": that certain Bond Delivery Agreement, dated as of the Effective Date, between the Borrower and the Administrative Agent.

"Bond Documents": collectively, the FMB Indenture, the Supplemental Indenture, the Senior ~~Bonds~~Bond and the Bond Delivery Agreement.

"Borrower": as defined in the preamble hereto.

"Business Day": a day (other than a Saturday or a Sunday) on which banks are open for business in New York City or Chicago; provided that, in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings of such RFR Loan, any such day that is only ~~an~~

U.S. Government Securities Business Day.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on the balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP, subject to Section 1.2(f).

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Change of Control": the occurrence of one of the following:

(i) (A) PCG shall at any time not be the Beneficial Owner of 100% of the common stock of the Borrower or (B) PCG shall at any time not be the Beneficial Owner of at least 70% of the voting Capital Stock of the Borrower; or

(ii) any person or group (within the meaning of the Exchange ~~Act~~ of securities Act and the rules of the Corporation representing thirty percent (30%) or more ~~SEC~~ thereunder as of the ~~combined~~ Effective Date) shall become the Beneficial Owner of shares representing more than 35% of the voting power of the ~~Corporation's~~ then outstanding voting securities; Capital Stock of PCG; or

b. (iii) at any point during any ~~two~~ period of 24 consecutive years, months, commencing after the Effective Date, individuals who at the beginning of such a 24-month period ~~constitute~~ were directors of PCG, together with any directors whose election or nomination for election to the ~~Board~~ board of Directors ~~directors~~ of PCG (whether by the ~~Corporation~~ ("Board") cease for ~~board~~ of directors of PCG or any ~~reason~~ to constitute at least ~~shareholder~~ of PCG) was approved by a majority of the ~~Board~~, unless the election, or the nomination for election by the ~~shareholders~~ ~~directors~~ who either were directors of the ~~Corporation~~, of each new member of the ~~Board~~ ("Director") was approved by a vote of at least two-thirds (2/3) of the ~~Directors~~ then still in office (1) who were ~~Directors~~ PCG at the beginning of the period or (2) whose election or nomination was previously so approved; or

c. the consummation of any consolidation or merger of the Corporation other than a merger or consolidation which would result in the holders of the voting securities of the Corporation outstanding immediately prior thereto continuing to directly or indirectly hold at least seventy percent (70%) of the Combined Voting Power of the Corporation, the surviving entity in the merger or consolidation or the parent of such surviving entity outstanding immediately after the merger or consolidation; or d. (1) the consummation of any sale, lease, exchange or other transfer (in one or a series of related transactions) of all or substantially all of the assets of the Corporation or (2) the approval of the shareholders of the Corporation of a plan of liquidation or dissolution of the Corporation.

(4) **"Change in Control Date"** shall mean the date on which a Change in Control occurs.

(5) **"Combined Voting Power"** shall mean the combined voting power of the Corporation's or other relevant entity's then outstanding voting securities.

(6) **"Covered Period"** shall mean the period commencing three months prior to the Change in Control Date and terminating two (2) years following said Change in Control Date.⁴

(7) "Disability" shall mean the absence of the Executive Officer from the Executive Officer's duties with the Corporation or the employing subsidiary on a full-time basis for 180 consecutive business days as a result of incapacity due to physical or mental illness which is determined to be total and permanent by a physician selected by the Corporation or its insurers and acceptable to the Executive Officer or the Executive Officer's legal representative.

(8) "Executive Officer" shall mean officers of the Corporation or an Employer with titles of Senior Vice President, Executive Vice President, or higher at time of Involuntary Termination.

4For a period of three years following notification of this definition of "Covered Period," Executive Officers who were eligible for benefits under Section 3 as of November 1, 2021, will continue to be subject to the defintion of "Covered Period" as set forth in the Policy as effective September 24, 2020.

(9) "Good Reason" shall mean any one such 24-month period or more whose election or nomination for election was so approved, cease to constitute a majority of the following which takes place within board of directors of PCG; or

(iv) there shall have been (A) [reserved] or (B) a transfer of the Covered Period:

a. A material diminution in license and/or operating assets constituting more than 10% of the Executive Officer's base compensation; Net Tangible Assets of the Borrower to the State of California, to any other Governmental Authority or to

b. A material diminution

a third party at the direction of the State of California, the CPUC or any similar Governmental Authority.

"Change of Law": the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, statute, treaty, policy, guideline or directive by any Governmental Authority, (b) any change in any law, rule, regulation, statute, treaty, policy, guideline or directive or in the Executive Officer's authority, duties, application, interpretation, promulgation, implementation, administration or responsibilities;

c. A material diminution enforcement thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the authority, duties, Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or responsibilities similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change of Law", regardless of the supervisor to whom the Executive Officer is required to report, including a requirement that the Executive Officer report to a corporate officer date enacted, adopted or employee instead of reporting directly to the Board of Directors issued.

"CME Term SOFR Administrator": CME Group Benchmark Administration Limited as administrator of the Corporation (in the case of an Executive Officer reporting to such Board of Directors);

d. A material diminution in the budget over which the Executive Officer retains authority;

e. A material change in the geographic location at which the Executive Officer must perform the services; or

f. Any other action or inaction term Secured Overnight Financing Rate (SOFR) (or a successor administrator; provided that, constitutes a material breach by the Corporation of this Policy);

provided, however, that the Executive Officer must provide notice to the Corporation of the existence of the applicable condition described in this Section 3(a)(9) within 90 days of the initial existence of the condition, upon the notice of which the Corporation shall have 30 days during which it may

remedy the condition and, if remedied, Good Reason shall not exist.

(10) **"Involuntary Termination"** shall mean a termination (i) by the Corporation (including an employing subsidiary) without Cause, or (ii) by Executive Officer following Good Reason; provided, however, the term "Involuntary Termination" shall not include termination of Executive Officer's employment due to Executive Officer's death, Disability, or voluntary retirement.

(11) **"Reference Salary"** shall mean the greater of (i) the annual rate of Executive Officer's base salary from the Corporation or the employing subsidiary in effect immediately before the date of Executive Officer's Involuntary Termination, or (ii) the annual rate of Executive Officer's base salary from the Corporation or the employing subsidiary in effect immediately before the Change in Control Date.

(12) **"Termination Date"** shall be the date specified in the written notice of termination of Executive Officer's employment given by either party in accordance with Section 3(b) of this Policy.

(b) **Notice of Termination.** During the Covered Period, in the event that there are multiple successor administrators, the Corporation (including an employing subsidiary) or Executive Officer terminates Executive Officer's employment with successor administrator hereunder shall be selected by the Corporation or Employer, the party terminating employment shall give written notice of termination to the other party, specifying the Termination Date Administrative Agent and the specific termination provision in this Section 3 that is relied upon, if any, and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive Officer's employment under the provision so indicated. The Termination Date shall be determined as follows: (i) if Executive Officer's employment is terminated for Disability, thirty (30) days after a Notice of Termination is given (provided that Executive Officer shall not

have returned to the full-time performance of Executive Officer's duties during such 30-day period); (ii) if Executive Officer's employment is terminated by the Corporation in an Involuntary Termination, thirty days after the date the Notice of Termination is received by Executive Officer (provided that the Corporation may provide Officer with pay in lieu of notice, which shall be paid in a lump sum together with the payment described in Section 3(c)(1) below); and (iii) if Executive Officer's employment is terminated by the Corporation for Cause (as defined in this Section 3), the date specified in the Notice of Termination, provided, that the events or circumstances cited by the Board of Directors as constituting Cause are not cured by Executive Officer during any cure period that may be offered by the Board of Directors. The Termination Date for a resignation of employment other than for Good Reason shall be the date set forth in the applicable notice, which shall be no earlier than ten (10) days after the date such notice is received by the Corporation, unless waived by the Corporation.

During the Covered Period, a notice of termination given by Executive Officer for Good Reason shall be given within 90 days after occurrence of the event on which Executive Officer bases his notice of termination and shall provide a Termination Date of thirty (30) days after the notice of termination is given to the Corporation (provided that the Corporation may provide Officer with pay in lieu of notice, which shall be paid in a lump sum together with the payment described in Section 3(c)(1) below) Borrower).

(c) **Corporation's Obligations.** If Executive Officer separates from service due to an Involuntary Termination within the Covered Period, then the Corporation shall provide to Executive Officer the following benefits:

(1) The Corporation shall pay to the Executive Officer a lump sum in cash within thirty (30) days after the later of the Change in Control Date or the Executive Officer's separation from service:

a. the sum of (1) any earned but unpaid base salary through the Termination Date at the rate in effect at the time of the notice of termination to the extent not theretofore paid; (2) the Executive Officer's target bonus under the STIP of the Corporation, an Affiliate, or a predecessor, for the fiscal year in which the Termination Date occurs (the "Target Bonus"), pro-rated to reflect service during that year; and (3) any accrued but unpaid vacation pay, in each case to the extent not theretofore paid;

b. the amount equal to the product of (1) two and (2) the sum of (x) the Reference Salary and (y) the Target Bonus; provided, however, that for the Corporation's Chief Executive Officer, such amount shall be equal to the product of (1) three and (2) the sum of (x) the Reference Salary and (y) the Target Bonus;

c. a lump sum cash payment equal to the estimated value of 18 months' of COBRA premiums for the Executive Officer, based on the Executive Officer's benefit levels at the time of termination (with such payment subject to taxation under applicable law), if any; and d. a lump sum cash payment of \$19,500, equal to the estimated reasonable value of career transition services for the Officer following separation from service.

(2) Except as otherwise set forth in the applicable award agreement or as otherwise required by applicable law, in the event of involuntary termination in connection with a Change in Control in which equity-based awards granted to the Executive Officer under the LTIP are not assumed or continued, Executive Officer's then-outstanding awards that are not vested shall immediately vest in full, and all performance conditions associated with performance-based LTIP awards shall be deemed satisfied as if target performance was achieved.

and shall be settled in cash, shares or a combination thereof, as determined by the People and Compensation Committee (or its successor), within thirty (30) days following such Change in Control (except to the extent that settlement of the award must be made pursuant to its original schedule in order to comply with Code Section 409A), notwithstanding that the applicable performance period, retention period or other restrictions and conditions have not been completed or satisfied.

(3) **Remedies.** The Executive Officer shall be entitled to recover damages for late or nonpayment of amounts which the Corporation is obligated to pay hereunder. The Executive Officer shall also be entitled to seek specific performance of the Corporation's obligations and any other applicable equitable or injunctive relief.

(d) **"Adjustment for Excise Taxes Code."**

(1) **"Best-Net Provision"**

Subject to Section 3(d)(2) below, in the event that the payments and other benefits provided for in this Policy or otherwise payable to Executive Officer (i) constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) would be subject from time to the excise tax imposed by Section 4999 of the Code, then Executive Officer's payments and benefits under this Policy or otherwise payable to Executive Officer outside of this Policy shall be either delivered in full (without the Corporation paying any portion of such excise tax), or delivered time. **"Commitment"**: as to 2.99 times of Executive's base amount (within any Lender, its 364-Day Tranche Commitment or 2 Year Tranche Commitment).

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with the Borrower within the meaning of Section 280G 4001 of ERISA or is part of a group that includes the Borrower and that is treated as a single employer under Section 414 of the Code so as to result in no portion of such payments and benefits being subject to such excise tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and such excise tax, results in the receipt by Executive Officer on an after-tax basis of the greatest amount of payments and benefits, notwithstanding that all or some portion of such payments and benefits may be subject to such excise tax. Unless the Corporation and Executive Officer otherwise agree in writing, any determination required under this Section 3(d)(1) shall be made in writing by Deloitte & Touche (the "Accounting Firm"), whose determination shall be conclusive and binding upon Executive Officer and the Corporation for all purposes. For purposes of making the calculations required by this Section 3(d)(1), the Accounting Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. The Corporation and Executive Officer shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably request in order to make a determination under this Section 3(d)(1).

Any reduction in payments and/or benefits shall occur in the following order as reasonably determined by the Accounting Firm: (1) reduction of cash payments, (2) reduction of non-cash/non-equity-based payments or benefits, and (3) reduction of vesting acceleration of equity-based awards; provided, however, that any non-taxable payments or benefits shall be reduced last in accordance with the same categorical ordering rule. In the event items described in (1) or (2) are to be reduced, reduction shall occur in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment to be reduced (with reductions made pro-rata in the event payments are owed at the same time). In the event that acceleration of vesting of equity-based awards is to be reduced, such acceleration

of vesting shall be cancelled in a manner such as to obtain the best economic benefit for the officer (with reductions made pro-rata if economically equivalent), as determined by the Accounting Firm.

4. Obligations of Officer.

(a) **"Release of Claims Communications.** There shall be no obligation to commence the payment of the amounts and benefits described": as defined in Section 2(a) or Section 3(c) (as applicable) until the latter of (1) the delivery 10.2(d)(ii).

"Compliance Certificate": a certificate duly executed by a Responsible Officer to the Corporation a fully executed comprehensive general release of any and all known or unknown claims that he or she may have against the Corporation, its Board of Directors, Officers, or employees, or its affiliates or subsidiaries and a covenant not to sue substantially in the form prescribed by the Administrator, and (2) the expiration of any revocation period set forth in the release. The Corporation shall promptly furnish such release to Officer in connection with the Officer's separation from service, and such release must be executed by Officer and become effective during the period set forth in the release as a condition to Officer receiving the payments and benefits described in Section 2(a) or Section 3(c) (as applicable). Exhibit C.

(b) **Covenant Not to Compete.** (i) During the period of Officer's employment with the Corporation or its subsidiaries and for a period of twelve (12) months thereafter (the **"Restricted Period Conduit Lender"**): any special purpose corporation organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument; provided, Officer that the designation by any Lender of a Conduit Lender shall not in any county within relieve the State of California or in any city, county or area outside the State of California within the United States or in the countries of Canada or Mexico, directly or indirectly, whether as partner, employee, consultant, creditor, shareholder, or other similar capacity, promote, participate, or engage in any activity or other business competitive with the Corporation's business or that designating Lender of any of its subsidiaries obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or affiliates, without the prior written consent of the Corporation's Chief Executive Officer. Notwithstanding the foregoing, Officer may have an interest in any public company engaged in a competitive business so long as Officer does not own more than 2 percent of any class of securities of such company, Officer is not employed by and does not consult with, or becomes a director of, or otherwise engage in any activities for, such competing company.

(1) The Corporation and its subsidiaries presently conduct their businesses within each county in the State of California and in areas outside California that are located within the United States, and it is anticipated that the Corporation and its subsidiaries will also be conducting business within the countries of Canada and Mexico. Such covenants are necessary and reasonable in order to protect the Corporation and its subsidiaries in the conduct of their businesses. To the extent that the foregoing covenant or any provision of requested under this Section4(b)(1) shall be deemed illegal or unenforceable by a court or other tribunal of competent jurisdiction Agreement with respect to (i) its Conduit Lender,

and provided, further, that no Conduit Lender shall (a) be entitled to receive any geographic area, (ii) any part greater amount pursuant to Sections 2.14, 2.16, 2.17 or 10.5 than the designating Lender would have been entitled to receive in respect of the time period covered extensions of credit made by such covenant, (iii) Conduit Lender or (b) be deemed to have any activity Commitment.

"Connection Income Taxes": Other Connection Taxes that are imposed on or capacity covered measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Capitalization": on any date of determination, the sum of (a) Consolidated Total Debt on such covenant, or (iv) date, plus without duplication, (b) (i) the amounts set forth opposite the captions "common shareholders' equity" (or any other term or provision similar caption) and "preferred stock" (or any similar caption) on the consolidated balance sheet, prepared in accordance with GAAP, of the Borrower and its Subsidiaries as of such covenant, such determination shall not affect such covenant with respect to date, and (ii) the outstanding principal amount of any other geographic area, time period, activity junior subordinated deferrable interest debentures or other term or provision covered similar securities issued by or included in such covenant.

(c) **Soliciting Customers and Employees.** During the Restricted Period, Officer shall not, directly or indirectly, solicit or contact any customer or any prospective customer of the Corporation or its subsidiaries or affiliates for any commercial pursuit that could be reasonably construed to be in competition with the Corporation, or induce, or attempt to induce, any employees, agents or consultants of or to the Corporation Borrower or any of its subsidiaries or affiliates Subsidiaries after the Effective Date.

"Consolidated Capitalization Ratio": on any date of determination, the ratio of

(a) Consolidated Total Debt to do anything from which Officer is restricted by reason (b) Consolidated Capitalization.

"Consolidated Total Debt": at any date, the aggregate principal amount of this covenant nor shall Officer, directly or indirectly, offer or aid to others to offer employment to, or interfere or attempt to interfere with any employment, consulting or agency relationship with, any employees, agents or consultants all obligations of the Corporation, Borrower and its subsidiaries Significant Subsidiaries at such date that in accordance with GAAP would be classified as debt on a consolidated balance sheet of the Borrower, and affiliates, who received compensation without duplication all Guarantee Obligations of \$75,000 or more during the preceding six (6) months, Borrower and its Significant Subsidiaries at such date in respect of obligations of any other Person that in accordance with GAAP would be classified as debt on a consolidated balance sheet of such Person; *provided* that, the determination of "**Consolidated Total Debt**" shall exclude, without duplication, (a) the Securitized Bonds and any Indebtedness under any A/R Securitization Transaction, (b) Indebtedness of the Borrower and its Significant Subsidiaries in an amount equal to work the amount of cash held as cash collateral for any business competitive with any business of the Corporation, its subsidiaries or affiliates.

(d) **Confidentiality.** Officer shall not at any time (including after termination of employment) divulge to others, use to the detriment of the Corporation or its subsidiaries or affiliates, or use in any business competitive with any business of the Corporation or its subsidiaries or affiliates any trade secret, confidential or privileged information obtained during his employment with the Corporation or its subsidiaries or affiliates, without first obtaining the fully cash collateralized letter

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written consent of credit issued for the account of the Corporation's Chief Executive Officer. This paragraph covers but is not limited to discoveries, inventions (except as otherwise provided by California law), improvements, and writings, belonging to Borrower or relating to the affairs any Significant Subsidiary, (c) imputed Indebtedness of the Corporation Borrower or any Significant Subsidiary incurred in connection with power purchase and fuel agreements, (d) any junior subordinated deferrable interest debenture or other similar securities issued by the Borrower and (e) as of any date of determination, the amount of any securities included within the caption "preferred stock" (or any similar caption) on a consolidated balance sheet, prepared in accordance with GAAP, of the Borrower as of such date.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any of its subsidiaries or affiliates, or any marketing systems, customer lists agreement, instrument or other marketing data. Officer shall, upon termination of employment for any reason, deliver undertaking to the Corporation all data, records and communications, and all drawings, models, prototypes which such Person is a party or similar visual or conceptual presentations of any type, and all copies or duplicates thereof, relating to all matters contemplated by this paragraph.

(e) **Assistance in Legal Proceedings.** During the Restricted Period, Officer shall, upon reasonable notice from the Corporation, furnish information and proper assistance (including testimony and document production) to the Corporation as may be reasonably required by the Corporation in connection with any legal, administrative or regulatory proceeding in which it or any of its subsidiaries property is bound.

"Control": the possession, directly or affiliates indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to

exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Corresponding Tenor": with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Covered Entity": any of the following:

- (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Covered Party": as defined in Section 10.19.

"CPUC": the California Public Utilities Commission or its successor.

"Daily Simple SOFR": for any day (a "**SOFR Rate Day**"), a rate per annum equal to SOFR for the day (**such day "SOFR Determination Date"**) that is five (5) U.S. Government Securities Business Day prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

"Debtor Relief Laws": the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Default Right": the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender": subject to the **penultimate**~~final~~ paragraph of Section 2.20, any Lender, as reasonably determined by the Administrative Agent, that has (a) failed to fund any portion of its Loans within two (2) Business Days of the date required to be

funded by it under this Agreement, unless such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, (b) notified the Borrower, the Administrative Agent or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement (other than a notice of a good faith dispute or related communications) or generally under other agreements in which it commits to extend credit, unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied, (c) failed, within two (2) Business Days after written request by the Administrative Agent or the Borrower, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans, unless the subject of a good faith dispute (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent or the Borrower), (d) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it under this Agreement within two (2) Business Days of the date when due, unless the subject of a good faith dispute, or (e) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a custodian appointed for it, or has consented to, approved of or acquiesced in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has consented to, approved of or acquiesced in any such proceeding or appointment, or (iii) become the subject of a **Bail-In Action**;

provided that (x) if a Lender would be a "Defaulting Lender" solely by reason of events relating to a parent company of such Lender or solely because a Governmental Authority has been appointed as receiver, conservator, trustee or custodian for such Lender, in each case as described in clause (e) above, the Administrative Agent may, in its discretion, determine that such Lender is not a "Defaulting Lender" if and for so long as the Administrative Agent is satisfied that such Lender will continue to perform its funding obligations hereunder and (y) a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of voting stock or any other Capital Stock in such Lender or a parent company thereof by a Governmental Authority or an instrumentality thereof, or the exercise of control over such Lender or parent company thereof, by a Governmental Authority or instrumentality thereof so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to the

~~penultimate~~final paragraph of Section 2.20) upon delivery of written notice of such determination to the Borrower and each Lender.

"Disposition": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The term **"Dispose of"** shall have a correlative meaning.

"Dollars" and **"\$"**: dollars in lawful currency of the United States.

"EEA Financial Institution": (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country": any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"EEA Resolution Authority": any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date": the date on which the conditions precedent set forth in ~~Section~~Section 5 shall have been satisfied or waived, which date is April 20, 2022.

"Eligible Assignee": (a) any commercial bank or other financial institution having a senior unsecured debt rating by Moody's of A3 or better and by S&P of A- or better, which is domiciled in a country which is a member of the OECD or (b) with respect to any Person referred to in the preceding clause (a), any other Person that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of business all of the Capital Stock of which is owned, directly or indirectly, by such Person; *provided* that in the case of clause (b), the Administrative Agent shall have consented to the designation of such Person as an Eligible Assignee (such consent not to be unreasonably withheld or delayed).

"Environmental Laws": any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may become, at any time hereafter be in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Event": (a) any Reportable Event; (b) the failure of the Borrower or any Commonly Controlled Entity to timely make a required contribution with respect to any

Plan or any Multiemployer Plan; (c) the imposition of a Lien under Section 430 of the Code or Section 303 of ERISA with respect to any Single Employer Plan; (d) the failure of the Borrower or any Commonly Controlled Entity to meet the minimum funding standard under Section 412 or 430 of the Code with respect to any Plan or the filing of an application for a funding waiver with respect to any Single Employer Plan; (e) the incurrence by the Borrower or any Commonly Controlled Entity of any liability under Title IV of ERISA, including with respect to the termination of any Plan (other than the payment of PBGC premiums in the ordinary course); (f) (i) the termination of, or the filing or receipt of a notice of intent to terminate, a Single Employer Plan under Section 4041 of ERISA, or the treatment of a plan amendment as a termination under Section 4041 of ERISA, or (ii) (A) the appointment of a trustee to administer a Single Employer Plan under Section 4042 of ERISA, or (B) the institution by the PBGC of proceedings to terminate a Single Employer Plan or to have a trustee appointed to administer a Single Employer Plan, or receipt by the Borrower of notice from the PBGC thereof, where such proceedings continue unstayed or in effect for more than 60 days, or such notice is not withdrawn by the PBGC within 60 days following delivery by the PBGC; (g) the incurrence by the Borrower or any Commonly Controlled Entity of any liability with respect to the complete withdrawal or partial withdrawal under Title IV of ERISA from any Multiemployer Plan; (h) the receipt by the Borrower or any Commonly Controlled Entity of any notice from a Multiemployer Plan concerning the imposition of Withdrawal Liability; (i) receipt of notification by the Borrower or any Commonly Controlled Entity from a Multiemployer Plan that such

Multiemployer Plan is in endangered or critical status (within the meaning of Section 305 of ERISA) or in Insolvency; (j) the incurrence by the Borrower or any Commonly Controlled Entity of any liability pursuant to Section 4063 or 4064 of ERISA or a substantial cessation of operations with respect to a Plan within the meaning of Section 4062(e) of ERISA; (k) the posting of a bond or security under Section 436(f) of the Code with respect to any Plan; or (l) the incurrence by the Borrower in ex cess on of any material tax liability with respect to any Plan (including Sections 4975, 4980B, 4980D, 4980H and 4980I of the Code, as applicable).

"Erroneous Payment": as defined in Section 9.13(a).

"EU Bail-In Legislation Schedule": the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default": any of the events specified in Section 8, *provided* that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Exchange Act": the Securities Exchange Act of 1934, as amended.

"Excluded Taxes": any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its lending office located in, the jurisdiction imposing such Tax (or any political

subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender,

U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan (other than pursuant to an assignment request by the Borrower under Section 2.19) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section

2.16(a) or (c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.16(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"FATCA": Sections 1471 through 1474 of the Code, as of the Effective Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"FCA": as defined in connection with Section 2.13(b). **"FCPA"**: as defined in Section 4.15.

"Federal Funds Effective Rate": for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Board": the Board of Governors of the Federal Reserve System of the United States of America.

"First Mortgage Bonds": bonds issued by the Borrower pursuant to the FMB Indenture.

"Floor": the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Adjusted Term SOFR Rate. For the avoidance of doubt, the initial Floor for each of the Adjusted Term SOFR Rate or and Adjusted Daily Simple SOFR shall be 0.0%.

"FMB Indenture": the Indenture of Mortgage (Mortgage), dated as of June 19, 2020, between the Borrower and the Indenture Trustee, as amended or supplemented from time to time, including as supplemented by the Supplemental Indenture.

"Foreign Lender": a Lender that is not a U.S. Person.

"FPA": the Federal Power Act, as amended, and the rules and regulations promulgated thereunder.

"Funding Office": the office of the Administrative Agent specified in Section 10.2(a) or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States as in effect from time to time, except as noted below. In the event that any filing "Change in Accounting Principles" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then, upon the request of the Borrower or the Required Lenders, the Borrower and the Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to reflect equitably such Change in Accounting Principles with the desired result that the criteria for evaluating the Borrower's financial condition shall be the same after such Change in Accounting Principles as if such Change in Accounting Principles had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Change in Accounting Principles had not occurred. "Change in Accounting Principles" refers to (i) changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or

opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or any successor thereto, the SEC or, if applicable, the Public Company Accounting Oversight Board and (ii) any change in the application of GAAP concurred by the Borrower's independent public accountants and disclosed in writing to the Administrative Agent.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners and supra-national bodies such as the European Union or the European Central Bank).

"Guarantee Obligation": as to any Person (the **"guaranteeing person"**), any obligation, including a reimbursement, counterindemnity or similar obligation, of the **Corporation** imposed guaranteeing person that guarantees any Indebtedness, leases, dividends or other obligations (the **"primary obligations"**) of any other third Person (the **"primary obligor"**) in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of

the ability of the primary obligor to make payment of such primary obligation, (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof or (v) to reimburse or indemnify an issuer of a letter of credit, surety bond or guarantee issued by such issuer in respect of primary obligations of a primary obligor other than the Borrower or any taxing, administrative or regulatory authority having jurisdiction, Significant Subsidiary; provided, however, that the **Corporation** term Guarantee Obligation shall **pay** not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of

(a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"IBA": as defined in Section 2.13(b).

"Indebtedness": of any Person at any date, without duplication, (a) all **reasonable expenses** indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables, including under energy procurement and transportation contracts, incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements (other than reimbursement obligations, which are not due and payable on such date, in respect of documentary letters of credit issued to provide for the payment of goods and services in the ordinary course of business), (g) the liquidation value of all mandatorily redeemable preferred Capital Stock of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation (provided, that if

such Person is not liable for such obligation, the amount of such Person's Indebtedness with respect thereto shall be deemed to be the lesser of the stated amount of such obligation and the value of the property subject to such Lien), and

(j) for the purposes of Section 8(e) only, all obligations of such Person in respect of Swap Agreements, *provided* that Indebtedness as used in this Agreement shall exclude any Non-Recourse Debt and any obligations under any A/R Securitization Transaction. The Indebtedness of any Person shall include the Indebtedness of any other entity (including

any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Indemnified Liabilities": as defined in Section 10.5.

"Indemnified Taxes": (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee": as defined in Section 10.5.

"Indenture Trustee": The Bank of New York Mellon Trust Company, N.A. and any successor thereto as trustee under the FMB Indenture.

"Insolvency": with respect to any Multiemployer Plan, the condition that such plan is insolvent within the meaning of Section 4245 of ERISA.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan, (b) with respect to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month), (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and (d) as to any Loan, the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Term Benchmark Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Term Benchmark Loan and ending one month thereafter; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Term Benchmark Loan and ending one month thereafter; *provided* that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period that would extend beyond the ~~applicable~~Maturity Date;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a

calendar month;

(iv) [reserved]; and

(v) at the election of the Borrower, the initial Interest Period for any Term Benchmark Loans made on the Effective Date, shall commence on the Effective Date and end on the last day of the calendar month during which the Effective Date occurs.

"IRS": the United States Internal Revenue Service.

"knowledge of the Borrower": actual knowledge of any Responsible Officer of the Borrower.

"Laws": collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in complying each case whether or not having the force of law.

"Lenders": as defined in the preamble hereto, including each Lender set forth under the heading "Lender" on Schedule 1.1 and their respective successors and assigns as permitted hereunder; *provided*, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any Capital Lease Obligation having substantially the same economic effect as any of the foregoing).

"Loans": the 364-Day Tranche Loans ~~and the 2 Year Tranche Loans~~.

"Loan Documents": this Agreement, the Notes, the Supplemental Indenture, the Senior ~~Bonds~~Bond, the Bond Delivery Agreement, the FMB Indenture and, in each case, any amendment, waiver, supplement or other modification to any of the foregoing; *provided*, that the term "Loan Documents" shall not include the FMB Indenture for any purposes under Section 2.16, Section 8 or Section 10 (other than for the purposes of Sections 10.1(b)(iv)~~10.1(b)(iv)~~ and 10.1(b)(x)).

"Material Adverse Effect": (a) a change in the business, property, operations or financial condition of the Borrower and its Subsidiaries taken as a whole that could reasonably be expected to materially and adversely affect the Borrower's ability to perform its obligations under the Loan Documents or (b) a material adverse effect on (i)

the validity or enforceability of this Agreement or any of the other Loan Documents or

(ii) the rights and remedies of the Administrative Agent and the Lenders, taken as a whole, under this Agreement or any other Loan Document.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Maturity Date": ~~(a) with respect to the 364-Day Tranche Loans, the 364-Day Tranche Maturity Date, and (b) with respect to the 2 Year Tranche Loans, the 2 Year Tranche Maturity Date.~~

"Moody's": Moody's Investors Service, Inc.

"Mortgaged Property": as defined in the FMB Indenture.

"Multiemployer Plan": a plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Tangible Assets": the total amount of the Borrower's assets determined on a consolidated basis in accordance with GAAP as of the last day of the most recently ended fiscal quarter for which financial statements have been delivered under Section 6.1, less (a) the sum of the Borrower's consolidated current liabilities determined in accordance with GAAP, and (b) the amount of the Borrower's consolidated assets classified as intangible assets, determined in accordance with GAAP.

"Non-Recourse Debt": Indebtedness of the Borrower or any of its Significant Subsidiaries that is incurred in connection with the acquisition, construction, sale, transfer or other Disposition of specific assets, to the extent recourse, whether contractual or as a matter of law, for non-payment of such Indebtedness is limited (a) to such assets, or (b) if such assets are (or are to be) held by a Subsidiary formed solely for such purpose, to such Subsidiary or the Capital Stock of such Subsidiary.

"Notes": as defined in Section 2.14(f).

"NYFRB": the Federal Reserve Bank of New York.

"NYFRB Rate": for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if ~~none~~neither of such rates are published for any day that is a Business Day, the term "NYFRB Rate" means the rate for a federal funds transaction quoted at 11:00 a.m. (New York City time) on such day received by the

Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"NYFRB's Website": the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

"Obligations": the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this paragraph within 60 days after Officer incurs such expenses. Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

(f) **"Remedies OECD"**: the countries constituting the "Contracting Parties" to the Convention on the Organisation For Economic Co-operation and Development, as such term is defined in Article 4 of such Convention.

"Other Connection Taxes": with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes": all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

"Overnight Bank Funding Rate": for any day, the rate comprised of overnight federal funds by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB's Website

from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Participant”: as defined in Section 10.6(c).

“Participant Register”: as defined in Section 10.6(c)(iii). **“Patriot Act”**: as defined in Section 10.16.

“Payment Recipient”: as defined in Section 9.13(a).

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“PCG”: PG&E Corporation, a California corporation.

“Percentage”: as to any Lender at any time with respect to a Tranche, the percentage which the aggregate principal amount of such Lender’s Loans then outstanding constitutes of the aggregate principal amount of the Loans then outstanding with respect to such Tranche.

“Person”: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Plan”: at a particular time, any employee benefit plan that is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Platform”: as defined in Section 10.2(d).

“Prime Rate”: the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or in any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“PTE”: a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“QFC”: the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Credit Support” in Section 10.19.

“Qualified Securitization Bond Issuer”: a Subsidiary of the Borrower formed and operating solely for the purpose of (a) purchasing and owning property created under a “financing order” (as such term is defined in the California Public Utilities Code) or

similar order issued by the CPUC, (b) issuing such securities pursuant to such order, (c) pledging its interests in such property to secure such securities and (d) engaging in activities ancillary to those described in (a), (b) and (c).

"Recipient": the Administrative Agent or any Lender.

"Reference Time": with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two Business Days preceding the date of such setting, (2) if such Benchmark is Daily Simple SOFR, then four Business Days prior to such setting or (3) if such Benchmark is ~~none~~neither of the Term SOFR Rate ~~or~~nor Daily Simple SOFR, the time determined by the Administrative Agent in its reasonable discretion.

"Register": as defined in Section 10.6(b).

"Regulation U": Regulation U of the Federal Reserve Board as in effect from time to time.

"Related Parties": with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, consultants, service providers and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body": the Federal Reserve Board and/or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto.

"Relevant Rate": (i) with respect to any Term Benchmark ~~Borrowing~~Loan, the Adjusted Term SOFR Rate or (ii) with respect to any RFR ~~Borrowing~~Loan, Adjusted Daily Simple SOFR.

"Removal Effective Date": as defined in Section 9.9(b).

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty-day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. § 4043.

"Required Lenders": at any time, the holders of more than 50% of the aggregate Loans then outstanding. The Loans of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Requirement of Law": as to any Person, the Articles of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Resignation Effective Date": as defined in Section 9.9(a).

"Resolution Authority": with respect to any EEA Financial Institution, an EEA Resolution Authority and, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer": the chief executive officer, president, chief financial officer, treasurer or assistant treasurer of the Borrower, but in any event, with respect to financial matters, the chief financial officer, treasurer or assistant treasurer of the Borrower.

"RFR Borrowing": as to any ~~Borrowing~~, the ~~RFR~~ Loans comprising such ~~Borrowing~~.

"RFR Loan": a Loan that bears interest at a rate based on Adjusted Daily Simple SOFR.

"S&P": Standard & Poor's Global Ratings, a division of S&P Global Inc., and

any successor thereto.

"Sanctions": as defined in Section 4.15.

"SEC": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"Securitized Bonds": without duplication, securities, however denominated, that are (i) issued by a Qualified Securitization Bond Issuer, (ii) secured by or otherwise payable from charges authorized by the financing order referred to in clause (a) of the definition of "Qualified Securitization Bond Issuer," and (iii) non-recourse to the Borrower or any of its Subsidiaries (other than the issuer of such securities).

"Senior Bonds": (i) with respect to the 364 Day Tranche Loans, that certain First Mortgage Bond in the aggregate principal amount of \$125,000,000 and (ii) with respect to the 2 Year Tranche Loans, that certain First Mortgage Bond in the aggregate principal amount of \$400,000,000, in each case, issued to the Administrative Agent pursuant to the Supplemental Indenture.

"Senior Bond": that certain First Mortgage Bond in the aggregate principal amount of \$525,000,000 issued to the Administrative Agent pursuant to the Supplemental Indenture on the Amendment No. 3 Effective Date.

"Significant Subsidiary": as defined in Article 1, Rule 1-02(w) of Regulation S-X of the Exchange Act as of the Effective Date, provided that notwithstanding the foregoing, no special purpose finance subsidiary, no A/R Securitization Subsidiary (or Subsidiaries of any A/R Securitization Subsidiary) nor any Qualified Securitization Bond Issuer (or Subsidiaries of any Qualified Securitization Bond Issuer) shall constitute a Significant Subsidiary. Unless otherwise qualified, all references to a "Significant

Subsidiary" or to "Significant Subsidiaries" in this Agreement shall refer to a "Significant Subsidiary" or "Significant Subsidiaries" of the Borrower.

"Single Employer Plan": any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"SOFR": a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator": the NYFRB (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website": the NYFRB's website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Determination Date": has the meaning specified in the definition of "Daily Simple SOFR".

"SOFR Rate Day": has the meaning specified in the definition of "Daily Simple SOFR".

"Solvent": with respect to the Borrower and its Subsidiaries, on a consolidated basis, that as of the date of determination, (i) the fair value of the assets of the Borrower and its Subsidiaries, on a consolidated basis, at a fair valuation on a going concern basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (ii) the present fair saleable value of the property of the Borrower and its Subsidiaries, on a consolidated and going concern basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured in the ordinary course of business, (iii) the Borrower and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured in the ordinary course of business, and (iv) the Borrower and its Subsidiaries are not

engaged in businesses, and are not about to engage in businesses for which they have unreasonably small capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all the facts and circumstances existing as of the Effective Date, would reasonably be expected to become an actual and matured liability.

“Specified Exchange Act Filings”: the Borrower’s Form 10-K annual report for the year ended December 31, 20212023 and each and all of the Form 10-Qs and Form 8-Ks (and to the extent applicable proxy statements) filed by the Borrower or PCG with the SEC after December 31, 20212023 and prior to the date that is one Business Day before the Effective Date.

“Standard A/R Securitization Obligations”: representations, warranties, covenants, indemnities, repurchase obligations, servicing obligations, guarantees.

intercompany notes and obligations relating to contributions of A/R Securitization Assets to an A/R Securitization Subsidiary and other obligations entered into by the Borrower or any of its Subsidiaries which are reasonably customary in A/R Securitization Transactions.

“Subsidiary”: as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Supplemental Indenture”: with respect to the Senior BondsBond, the Fifteenth Supplemental Indenture, dated as of the Effective Date, by and between the Borrower and the Indenture Trustee.

“Supported QFC”: as defined in Section 10.19.

“Swap Agreement”: any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or any of its Subsidiaries shall be a “Swap Agreement”.

“Taxes”: all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Benchmark”: when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate.

“Term Loans”: has the meaning assigned to it in Section 2.1(b).

“Term SOFR Determination Day”: has the meaning assigned to it under the definition of Term SOFR Rate.

“Term SOFR Rate”: with respect to any Term Benchmark Borrowing and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period

(such day, the “**Term SOFR Determination Day**”), as such rate is published by the CME Term SOFR Administrator.

“**Term SOFR Reference Rate**”: for any day and time, with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on the Term SOFR Determination Day, the “**Term SOFR Reference Rate**” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

“**Tranche**”: (i) the 364-Day Tranche Commitments or the 364-Day Tranche Loans or (ii) the 2-Year Tranche Commitments or the 2-Year Tranche Loans. Upon Officer’s

“**Transferee**”: any Assignee or Participant.

“**Type**”: as to any Loan, its nature as an ABR Loan or a Term Benchmark Loan. “**UK Financial Institution**”: any BRRD Undertaking (as such term is defined

under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“**UK Resolution Authority**”: the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“**Unadjusted Benchmark Replacement**”: the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**United States**” or “**U.S.**”: the United States of America.

“**U.S. Government Securities Business Day**”: any day except for (i) a Saturday,

(ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“**U.S. Person**”: any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“**U.S. Special Resolution Regime**”: as defined in Section 10.19.

“**U.S. Tax Compliance Certificate**”: as defined in Section 2.16(e)(ii)(B)(III). “**Withdrawal Liability**”: any liability to a Multiemployer Plan as a result of a

complete or partial withdrawal by the Borrower or any Commonly Controlled Entity from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

“**Write-Down and Conversion Powers**”: (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the applicable Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to any UK Resolution Authority, any powers of such UK Resolution Authority under the applicable Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK

Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Other Definitional Provisions and Interpretative Provisions.

- (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.
- (b) As used herein and, except as otherwise provided therein, in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to the Borrower and its Significant Subsidiaries defined in Section 1 and accounting terms partly defined in Section 1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume or become liable in respect of (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.
- (c) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.
- (d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.
- (e) The Borrower shall not be required to perform, nor shall it be required to guarantee the performance of, any of the affirmative covenants set forth in Section 6 that apply to any of its Significant Subsidiaries nor shall any of the Borrower's Significant Subsidiaries be required to perform, nor shall any of such Significant Subsidiaries be required to guarantee the performance of, any of the Borrower's affirmative covenants set forth in Section 6 or any of the affirmative covenants set forth in Section 6 that apply to any other Significant Subsidiary; provided, that nothing in this Section 1.2(e) shall prevent the occurrence of a Default or an Event of Default arising out of the Borrower's failure to cause any Significant Subsidiary to comply with the provisions of this Section 4, the Corporation shall have the right to terminate such Significant Subsidiary.
- (f) Notwithstanding any unpaid amounts other provision contained herein, all terms of an accounting or benefits described in Section 2(a) or Section 3 (as applicable) to Officer. In the event of such termination, the Corporation shall have no further obligations under this Policy and financial nature used herein shall be entitled to recover damages. In the event construed, and all computations of an Officer's breach or threatened breach of any of the covenants set forth in this Section 4, the Corporation shall also be entitled to specific performance by Officer of any such covenant and any other applicable equitable or injunctive relief.

5. Administration. The Policy shall be administered by the Senior Human Resources Officer of the Corporation ("Administrator"), who shall have the authority to interpret the Policy and make and revise such rules as may be reasonably necessary to administer the Policy. The Administrator shall have the duty and responsibility of maintaining records, making the requisite calculations, securing Officer releases, and disbursing payments hereunder. The Administrator's interpretations, determinations, rules, and calculations shall be final and binding on all persons and parties concerned.

6. No Mitigation. Payment of the amounts and benefits under Section 2(a) and Section 3 (except as otherwise provided in Section 2(a)(5)) shall not be subject to offset, counterclaim, recoupment, defense or other claim, right or action which the Corporation or an Employer may have and shall not be subject to a requirement that Officer mitigate or attempt to mitigate damages resulting from Officer's termination of employment.

7. **Amendment and Termination.** The Corporation, acting through its People and Compensation Committee (or its successor), reserves the right to amend or terminate the Policy at any time; provided, however, that any amendment which would reduce the aggregate level of benefits, or terminate the Policy, shall not become effective prior to the completion of the Notice Period. Such Notice Period shall be the first anniversary of the Corporation giving notice to Officers of such amendment or termination.

8. **Successors.** The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets

5To the extent that Officers are eligible for benefits until this Policy as of November 1, 2021, the Notice Period shall be three years from the receipt of notice that the Notice Period has been reduced to one year.

amounts and ratios referred to herein shall be made, without giving effect to any change in accounting for leases pursuant to GAAP resulting from the implementation of the Corporation expressly to assume and to agree to perform its obligations under this Policy in the same manner and Financial Accounting Standards Board ASU No. 2016-02, Leases (Topic 842), to the same extent that such adoption would require treating any lease (or similar arrangement conveying the Corporation right to use) as a capital lease where such lease (or similar arrangement) would not have been required to perform such obligations be so treated under GAAP as in effect on December 31, 2015.

1.3 *Divisions.* For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if no such succession had taken place; provided, however, that no such assumption shall relieve any asset, right, obligation or liability of any Person becomes the Corporation asset, right, obligation or liability of its obligations hereunder. As used herein, the "Corporation" shall mean the Corporation as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform its obligations by operation or law or otherwise.

This Policy shall inure to the benefit of and be binding upon the Officer (and Officer's personal representatives and heirs), Corporation and its successors and assigns, and any such successor or assignee a different Person, then it shall be deemed substituted to have been transferred from the original Person to the subsequent Person, and

(b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Capital Stock at such time.

1.4 *Interest Rates; Benchmark Notification.* The interest rate on a Loan denominated in Dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.13(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to any reference rate referred to herein or with respect to any rate (including, for the Corporation under avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Benchmark Replacement) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Benchmark Replacement Conforming Changes. The

Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Benchmark Replacement) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Benchmark Replacement) (or any component of any of the foregoing), in each case pursuant to the terms of this Policy for all purposes. As used herein, "successor" Agreement, and "assignee" shall include have no liability to the Borrower, any person, firm, corporation Lender or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires the stock of the Corporation or to which the Corporation assigns this Policy by operation of law or otherwise. If Officer

should die while any amount would still be payable to Officer hereunder if Officer had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with this Policy to Officer's devisee, legatee or other designee, or if there is no such designee, to Officer's estate.

9. **Nonassignability of Benefits.** The payments under this Policy or the right to receive future payments under this Policy may not be anticipated, alienated, pledged, encumbered, or subject to any charge or legal process, and if any attempt is made to do so, or a person eligible for payments becomes bankrupt, the payments under the Policy of the person affected may be terminated by the Administrator who, in his or her sole discretion, may cause the same to be held if applied for the benefit of one or more of the dependents of such person or make any other disposition of such benefits that he or she deems appropriate.

10. **Nonguarantee of Employment.** Officers covered by the Policy are at-will employees, and nothing contained in this Policy shall be construed as a contract of employment between the Officer and the Corporation (or, where applicable, a subsidiary or affiliate of the Corporation), or as a right of the Officer to continued employment, or to remain as an Officer, or as a limitation on the right of the Corporation (or a subsidiary or affiliate of the Corporation) to discharge Officer at any time, with or without cause.

11. **Benefits Unfunded and Unsecured.** The payments under this Policy are unfunded, and the interest under this Policy of any Officer and such Officer's right to receive payments under this Policy shall be an unsecured claim against the general assets of the Corporation.

12. **Applicable Law.** All questions pertaining to the construction, validity, and effect of the Policy shall be determined in accordance with the laws of the United States and, to the extent not preempted by such laws, by the laws of the state of California.

13. **Arbitration.** With the exception of any request entity for specific performance, injunctive or other equitable relief, any dispute or controversy damages of any kind, arising out of including direct or related to this Policy, Officer's employment with the Corporation (or with the employing subsidiary) indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), the termination thereof for any error or any claims for benefits shall be resolved exclusively by final and binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. Provided, however, that in making their determination, the arbitrators shall be limited to accepting the position of the Officer or the position of the Corporation, as the case may be. The only claims not covered by this Section 13 are claims for benefits under workers' compensation or unemployment insurance laws; such claims will be resolved under those laws. The place of arbitration shall be San Francisco, California. Parties may be represented by legal counsel at the arbitration but must bear their own fees for such representation. The prevailing party in any dispute or controversy covered by this Section 13, or

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with respect other action or omission related to or affecting the selection, determination, or calculation of any request for specific performance, injunctive rate (or component thereof) provided by any such information source or other equitable relief, shall be entitled to recover, in addition to any other available remedies specified in this Policy, all litigation expenses and costs, including any arbitrator or administrative or filing fees and reasonable attorneys' fees. Such expenses, costs and fees, if payable to Officer, shall be paid within 60 days after they are incurred. Both the Officer and the Corporation specifically waive any right to a jury trial on any dispute or controversy covered by this Section 13. Judgment may be entered on the arbitrators' award in any court of competent jurisdiction. service.

SECTION 2. AMOUNT AND TERMS OF THE TERM LOANS

14.2.1 **Reimbursements and In-Kind Benefits.** Loans Notwithstanding any other provision of this Policy, all reimbursements and in-kind benefits provided under this Policy shall be made or provided in accordance with the requirements of Code Section 409A, including, where applicable, the requirement that (i) the amount of expenses eligible for reimbursement and the provision of benefits in kind during a calendar year shall not affect the expenses eligible for reimbursement or the provision of in-kind benefits in any other calendar year; (ii) the reimbursement for an eligible expense will be made on or before the last day of the calendar year following the calendar year in which the expense is incurred (or by such earlier time set forth in this Policy); (iii) the right to reimbursement or right to in-kind benefit is not subject to liquidation or exchange for another benefit; and (iv) each reimbursement payment or provision of in-kind benefit shall be one of a series of separate payments (and each shall be construed as a separate identified payment) for purposes of Code Section 409A.

15. Separate Payments. Each payment and benefit under this Policy shall be a "separate payment" for purposes of Code Section 409A.

16. Claims and Appeals Procedure. Any claims for benefits under the Plan made by a participant, beneficiary or other person shall be made and administered in accordance with the following procedures. |

(a) Compliance with Regulations. It is intended that Subject to the claims procedure of the Plan be administered in accordance with the claims procedure regulations of the U.S. Department of Labor terms and conditions set forth herein and in 29 C.F.R. Amendment No. 3, each 364-Day Tranche Lender (severally and not jointly) agrees to make be deemed to have made a term loan (the "364-Day Tranche Loans") to the Borrower in Dollars on the Amendment No. 3 Effective Date in an amount equal to such 364-Day Tranche Lender's 364-Day Tranche Commitment. Loans under the 364-Day Tranche may be ABR Loans or Term Benchmark Loans, as further provided herein. 364-Day Tranche Loans borrowed under this Section 2560.503-1, 2.1(a) and paid or prepaid may not be reborrowed.

(b) Initial Claims. Subject to the terms and conditions set forth herein, each 2-Year Tranche Lender (severally and not jointly) agrees to make a term loan (the "2-Year Tranche Loans") to the Borrower in Dollars on the Effective Date in an aggregate amount equal to the amount of such 2-Year Tranche Lender's 2-Year Tranche Commitment. Loans under the 2-Year Tranche may be ABR Loans or Term Benchmark Loans, as further provided herein. 2-Year Tranche Loans borrowed under this Section 2.1(b) and paid or prepaid may not be reborrowed. [Reserved].

2.2 Procedures for Borrowing. The Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent (a) prior to 12:00 Noon, New York City time, three Business Days prior to the Effective Date, in the case of Term Benchmark Loans, or (b) prior to 1:00 P.M., New York City time, one Business Day prior to the Effective Date, in the case of ABR Loans) specifying

(i) the amount and Type of Loans to be borrowed on the Effective Date and (1) Submission in the case of Initial Claims by a Claimant. Claims for benefits under Term Benchmark Loans, the Plan made by a participant, beneficiary or other person covered or claiming they are entitled to benefits respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Upon receipt of any such notice from the Plan (a "Claimant") (or by an authorized representative Borrower, the Administrative Agent shall promptly notify each Lender thereof. Each Lender will make the amount of any Claimant) must be submitted in writing its pro rata share of each borrowing available to the Director, Benefits, or if the title Administrative Agent for the position ever changes, account of the individual employed Borrower at the Funding

Office prior to 10:00 A.M., New York City time, on the Effective Date in Benefits with direct management responsibility over funds immediately available to the Plan (whether a Manager or some other title) (such individual, Administrative Agent. Such borrowing will then be made available to the "Initial Claim Reviewer"), care of Benefits.

(2) Authorized Representative. The Plan Administrator may establish and enforce reasonable procedures for determining whether any individual or entity has been authorized to act on behalf of a Claimant.

(3) Processing of Approved Claims. Approved claims will be processed and, if applicable, the Plan Administrator will issue instructions authorizing payments as approved.

(4) Notification of Denied Claims. If a claim is denied in whole or in part Borrower by the Initial Claim Reviewer in its discretion, Administrative Agent crediting the Initial Claim Reviewer shall notify the Claimant account of the decision by written or electronic notice, in a manner calculated Borrower on the books of such office with the aggregate of the amounts made available to be understood the Administrative Agent by the Claimant. The notice shall set forth:

a. The specific reasons for Lenders and in like funds as received by the denial of the claim; Administrative Agent.

2.5 [Reserved].

2.6 Fees, Etc.

(a) The Borrower agrees to specific provisions of pay to the Plan on which the denial is based;

c. A description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary; and d. An explanation of the Plan's claims review procedure Administrative Agent, for the denied or partially denied claim account of each Lender (other than a Defaulting Lender to the extent provided in Section 2.20), any fees payable in the amounts and any applicable time limits, and a statement that the Claimant has a right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Such notification shall be given within 90 days after times separately agreed upon between the claim is received by the Initial Claim Reviewer (or within 180 days, if special circumstances require an extension of time for processing the claim and provided that written notice of such extension and circumstances Borrower and the date a decision is expected is given Lenders.

(b) The Borrower agrees to pay to the Claimant within Administrative Agent the initial 90-day period). A claim is considered approved only if its approval is communicated fees in writing the amounts and on the dates as set forth in any written, duly executed fee agreements with the Administrative Agent and to a Claimant. perform any other obligations contained therein.

(c) Appeals of Denied Claims[Reserved].

(1) 2.7 Right Termination of Commitments. The Commitments shall automatically terminate in full on the Amendment No. 3Effective Date after the proceeds of the Loans have been deemed to Appeal, have been made available to the Borrower.

2.8 Upon denial of a claim Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, a Claimant without premium or his or her duly authorized representative shall have the right to submit a written request penalty, upon irrevocable notice delivered to the Employee Benefit Appeals Committee, as such term is defined the Pacific Gas and Electric Company Retirement Plan Part I, as amended and restated from Administrative Agent no later than 12:00 Noon, New York City time, to time (the "Employee Benefit Appeals Committee") for a full and fair review of the denied claim. A request for review of a claim must be submitted within 60 days of receipt by the Claimant of written notice of the denial of the claim. If the Claimant fails to file a request for review within 60 days of the denial notification, the claim will be deemed abandoned and the Claimant is precluded from reasserting it. Also, if the Claimant is not provided a notice of denial of an initial claim as set forth in Section 16(b), the Claimant may submit a written request for review to the Employee Benefit Appeals Committee.

(2) Access to Documents and Records. The Claimant or the Claimant's representative shall have, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits.

(3) Right to Submit Additional Information. The Claimant may submit written comments, documents, records and other information relating to the claim for benefits.

(4) Scope of the Review. The Employee Benefit Appeals Committee review process shall include all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered three Business Days prior thereto, in the initial benefit determination.

(5) Preclusion for Materials Not Submitted. Failure case of Term Benchmark Loans, and no later than 2:00 p.m., New York City time, one Business Day prior thereto, in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Term Benchmark Loans or ABR Loans. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to raise issues or present evidence such date on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review the amount prepaid. Partial prepayments of the claim.

(6) Decision by the Employee Benefit Appeals Committee. The decision by the Employee Benefit Appeals Committee on review Loans shall be in written an aggregate principal amount of

\$1,000,000 or electronic form, a whole multiple of \$500,000 in a manner calculated excess thereof. Notwithstanding the foregoing, any notice of prepayment delivered in connection with any refinancing of all of the Loans with the proceeds of such refinancing or of any other incurrence of Indebtedness or the occurrence of some other identifiable event or condition, may be, if expressly so stated to be, understood contingent upon the consummation of such refinancing or incurrence or occurrence of such other identifiable event or condition and may be revoked by the Claimant. If Borrower, subject to compliance with the claim is denied on review, the notice shall set forth obligations under Section 2.17

a. The specific reasons for the denial of the appeal of the claim;

b. A reference in connection with any such revocation, in the event such contingency is not met. Each prepayment of Loans ~~under this clause (a) shall be applied to specific the prepayment in full of the aggregate principal amount and any accrued but unpaid interest with respect to the 364 Day Tranche Loans before being applied to prepay the aggregate principal amount and any accrued but unpaid interest with respect to the 2 Year Tranche Loans and~~ shall be accompanied by accrued interest and fees on the amount prepaid to the date fixed for prepayment plus, in the case of any Term Benchmark Loans that are prepaid on any day other than the last day of the Interest Period applicable to it, the Borrower shall pay any amounts due to the Lenders as a result thereof pursuant to Section 2.17.

2.9 Conversion and Continuation Options.

(a) The Borrower may elect from time to time to convert Term Benchmark Loans to ABR Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 12:00 Noon, New York City time, on the Business Day preceding the proposed conversion date, *provided* that any such conversion of Term Benchmark Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Term Benchmark Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 12:00 Noon, New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor), *provided* that no ABR Loan may be converted into a Term Benchmark Loan when any Event of Default has occurred and is continuing and the Required Lenders have determined in their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each ~~relevant Lender~~ thereof.

(b) Any Term Benchmark Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the ~~Plan on which~~ defined term "Interest Period", of the ~~denial~~ length of the next Interest Period to be applicable to such Loans, *provided* that no Term Benchmark Loan may be continued as such when any Event of Default has occurred and is based;

c. A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and;

d. A statement describing any voluntary appeal procedures offered by the Plan (if any) continuing and the ~~Claimant's right~~ Required Lenders have determined in their sole discretion not to obtain the information about ~~permit~~ such procedures, and a statement of the ~~Claimant's right to bring an action under Section 502(a) of ERISA.~~

~~The Employee Benefit Appeals Committee will advise the Claimant of the results of the review within 60 days after receipt of the written request for review (or within 120 days if special circumstances require an extension of time for processing the request, and if notice of such extension and circumstances, including the date a decision is expected to be made, is given to such Claimant within the initial 60-day period).~~

~~(d) continuations; Authority of Initial Claim Reviewer and Employee Benefit Appeals Committee and Deference to their Decisions provided. To the extent of the responsibility to review initial benefit claims (with respect to the Initial Claim Reviewer) or to review appeals of the denial of benefit claims (with respect to the Employee Benefit Appeals Committee), the Initial Claim Reviewer and the Employee Benefit Appeals Committee, shall have the discretionary authority to interpret and apply the provisions of the Plan and such decisions shall be afforded the maximum deference permitted by law. Benefits will be paid only further, that if the Initial Claim Reviewer (with respect ~~Borrower shall fail to~~ initial benefit claims) or the Employee Benefit Appeals Committee (with respect to appeals of the denial of benefit claims) decides give any required notice as described above in its discretion that the Claimant is entitled to them. The decisions of the Employee Benefit Appeals Committee shall be final and binding on the Claimant.~~

~~(e) Exhaustion of Claims Procedure Required in All Cases. A participant, beneficiary or other person asserting a claim, alleging a violation of or seeking any remedy under any provision of ERISA or other applicable law that relates in any manner to the Plan is considered a Claimant and is this paragraph, subject to the claims procedures described preceding proviso, such Loans shall be automatically continued as Term Benchmark Loans with an Interest Period of one month on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.~~

2.10 Limitations on Term Benchmark Loans. Notwithstanding anything to the contrary in this Section 16, all borrowings, conversions and continuations of Term Benchmark Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that no more than five (5) Interest Periods shall be outstanding at any one time.

A participant, beneficiary or other person made subject to the claims procedures in this Section 16 must follow 2.11 Interest Rates and exhaust the applicable claims procedures described in this Section 16 with respect to any claim, alleged violation, or sought remedy before taking action in any other forum regarding a claim for benefits under the Plan or alleging a violation of, or seeking any remedy under, any provision of ERISA or other applicable law.

A Claimant and any representative of a Claimant may not bring an action in any other forum later than the earliest of (1) one year from the date of completion of the Plan's claims appeal process set forth in this Section 16, (2) one year from the latest date on which an appeal is permitted to be filed under this claims and appeals process after the denial of an initial claim (Payment Dates i.e., within 60 days of receipt of an initial claim denial notification), and (3) two years from the date a Claimant knew or should have known that a claim existed. The foregoing in no way serves as a waiver of the exhaustion requirement set forth in the preceding paragraph.

Any action described in this Section 16(e) must be filed in the Federal District Court for the Northern District of California.

(a) Each Term Benchmark Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Term Benchmark determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of the Loans shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a default rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2% and (ii) if all or a portion of any interest payable on the Loans or any other fee payable in connection herewith (excluding any expenses or other indemnity) shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a default rate per annum equal to the rate then applicable to ABR Loans plus 2%, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to Section 2.11(c) shall be payable from time to time on demand.

(e) The amount of each interest payment received by the Administrative Agent under the applicable Senior Bond shall be deemed to be a payment of interest payable by the Borrower hereunder and shall reduce, dollar-for-dollar, the amount of interest then owing by the Borrower hereunder.

2.12 Computation of Interest and Fees.

(a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of ABR, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Term Benchmark. Any change in the interest rate on a Loan resulting from a change in the ABR or the Term Benchmark shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall constitute prima facie evidence of such

amounts. The Administrative Agent shall, at the request of the Borrower or any Lender, deliver to the Borrower or such Lender a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.11(a).

2.13 Inability to Determine Interest Rate.

(a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.13, if:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) (A) prior to the commencement of any Interest Period for a Term Benchmark Loan, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate or the Term SOFR Rate (including because the Term SOFR Reference Rate is not available or published on a current basis), for such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple SOFR or Daily Simple SOFR; or

(ii) the Administrative Agent is advised by the Required Lenders that

(A) prior to the commencement of any Interest Period for a Term Benchmark Loan, the Adjusted Term SOFR Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Term BenchmarkLoan for such Interest Period or (B) at any time, Adjusted Daily Simple SOFR will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Term BenchmarkLoan;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any notice from the Borrower to the Administrative Agent that requests the conversion of any Loans to, or continuation of any Loans as, a Term Benchmark Loan shall instead be deemed to request the conversion of any Loans to, or continuation of any Loans as, (x) an RFR Borrowing Loan so long as Adjusted Daily Simple SOFR is not also the subject of Section 2.13(a)(i) or (ii) above or

(y) an ABR Borrowing if Adjusted Daily Simple SOFR also is the subject of Section 2.13(a)(i) or (ii) above.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document (and any Swap Agreement shall be deemed not to be a "Loan Document" for purposes of this Section 2.13), if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement"

for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any otherLoan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause

(2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any otherLoan Document in respect of any Benchmark setting at or

after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders of each affected Class.

(c) Notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (2) the implementation of any Benchmark Replacement, (3) the effectiveness of any Benchmark Replacement Conforming Changes, (4) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (5) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.13, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.13.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Rate) and either (A) any tenor for such Benchmark is not displayed on a

screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing or conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any request for a Term Benchmark Borrowing into a request for a Borrowing of or conversion to (A) an RFR Borrowing^{Loans} so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement is implemented pursuant to this Section 2.13, any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, (x) an RFR Borrowing^{Loans} so long as the Adjusted Daily Simple SOFR is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple SOFR is the subject of a Benchmark Transition Event, on such day.

2.14 Pro Rata Treatment and Payments; Notes.

- (a) [Reserved].
- (b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Loans shall be made pro rata ~~(#)~~ in the case of the 364-Day Tranche Loans, according to the respective outstanding principal amounts of the
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364-Day Tranche Loans then held by the 364-Day Tranche Lenders ~~and (ii) in the case of the 2-Year Tranche Loans, according to the respective outstanding principal amounts of the 2-Year Tranche Loans then held by the 2-Year Tranche Lenders.~~

(c) Notwithstanding anything to the contrary herein, all payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 4:00 P.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, ~~as applicable, at the Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Term Benchmark Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Term Benchmark Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment~~

~~shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.~~

(d) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Effective Date, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the NYFRB Rate and (6) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after the Effective Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans from the Borrower within 30 days after written demand therefor.

(e) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the

preceding sentence, such amount with interest thereon at the rate per annum equal to the NYFRB Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(f) The Borrower agrees that, upon the request to the Administrative Agent by any Lender, the Borrower will promptly execute and deliver to such Lender a promissory note (a "Note") of the Borrower evidencing any Loans (or any portion thereof) of such Lender, substantially in the form of Exhibit H, with appropriate insertions as to date and principal amount; provided, that delivery of Notes shall not be a condition precedent to the occurrence of the Effective Date or the making of the Loans on the Effective Date.

(g) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.14(d), then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent hereunder for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender's obligations to the Administrative Agent, as the case may be, under such Section until all such unsatisfied obligations are fully paid, and/or (ii) so long as such Lender is a Defaulting Lender, hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses

(i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

2.15 Change of Law.

(a) If a Change of Law shall:

(i) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its Loans, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) impose, modify or hold applicable any reserve, special deposit, compulsory loan, Federal Deposit Insurance Corporation insurance charge or

other similar insurance charge or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any Lender that is not otherwise included in the determination of the Term Benchmark Rate, which requirements are generally applicable to advances, loans and other extensions of credit made by such Lender; or

(iii) impose on any Lender any other condition that is generally applicable to loans made by such Lender or participations therein;

and the result of any of the foregoing is to increase the cost to such Lender or such other Recipient, by an amount that such Lender or such other Recipient deems to be material, of making, converting into, continuing or maintaining the Loans, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender or such other Recipient, within ten Business Days after its demand, any additional amounts necessary to compensate such Lender or such other Recipient for such increased cost or reduced amount receivable. If any Lender or other Recipient becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled; provided, however, that no Lender or other Recipient shall be entitled to demand such compensation more than 90 days following (x) the last day of the Interest Period in respect of which such demand is made or (y) the repayment of the Loan in respect of which such demand is made. Notwithstanding any other provision herein, no Lender shall demand compensation pursuant to this Section

2.14 if it shall not at the time be the general policy or practice of such Lender to demand such compensation from similarly situated borrowers (to the extent that such Lender has the right to do so under its credit facilities with similarly situated borrowers).

(b) If any Lender shall have determined that a Change of Law regarding capital or liquidity requirements shall have the effect of reducing the rate of return on such Lender's capital or the capital of any corporation controlling such Lender as a consequence of its

obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such Change of Law (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy or liquidity) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) A certificate as to any additional amounts payable pursuant to this Section

2.14 submitted by any Lender or any other Recipient to the Borrower (with a copy to the Administrative Agent) shall constitute *prima facie* evidence of such costs or amounts.

Notwithstanding anything to the contrary in this Section 2.14, the Borrower shall not be required to compensate a Lender or any other Recipient pursuant to this Section 2.14 for any amounts incurred more than six months prior to the date that such Lender or such other Recipient notifies the Borrower of such Lender's or such other Recipient's intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such six-month period shall be extended to include the period of such retroactive effect not to exceed twelve months. The obligations of the Borrower pursuant to this Section 2.14 shall survive for 90 days after the termination of this Agreement and the payment of the Loans and all other amounts then due and payable hereunder.

2.16 Taxes.

(a) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable laws. If any applicable laws (as determined in the good faith discretion of the Borrower or the Administrative Agent making the payment) require the deduction or withholding of any Tax from any such payment, then

(A) the Borrower or the Administrative Agent, as applicable shall withhold or make such deductions as are determined by the Borrower or the Administrative Agent to be required,

(B) the Borrower or the Administrative Agent, as applicable shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 2.16) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Without limiting the provisions of subsection (a) above, the Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) (i) The Borrower shall, and does hereby, indemnify each Recipient, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.16) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom or with respect thereto, whether or not such

Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or another Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or another Recipient, shall be conclusive absent manifest error.

(ii) Each Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (y) the Administrative Agent against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.6(c)(iii) relating to the maintenance of a Participant Register and (z) the Administrative Agent against any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by the Borrower or by the Administrative Agent to a Governmental Authority as provided in this Section 2.16, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other

documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.16(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal

withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit G-1 to the effect that such Foreign Lender is not a

"bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or W-8BEN-E, as applicable; or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of each such direct and indirect partner.;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3) (C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the

Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Effective Date.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 2.16 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) At no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of, or credit with respect to, any Taxes as to which it has been indemnified pursuant to this Section 2.16 (including by the payment of additional amounts pursuant to this Section 2.16), it shall pay to the Borrower an amount equal to such refund or credit (but only to the extent of indemnity payments made under this Section 2.16 with respect to the Taxes giving rise to such refund or credit), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund or credit). The Borrower, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund or credit to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to the Borrower pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund or credit had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph (f) shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

(g) Each party's obligations under this Section 2.16 shall survive for one year after the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.17 *Indemnity.* The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss (other than the loss of Applicable Margin) or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Term Benchmark Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of

or conversion from Term Benchmark Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Term Benchmark Loans on a day that is not the last day of an Interest Period with respect thereto. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive for 90 days after the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.18 *Change of Lending Office.* Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.14 or 2.16 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole but reasonable judgment of such Lender, cause such Lender and its lending office(s) to suffer no unreimbursed economic disadvantage or any legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.14 or 2.16.

2.19 *Replacement of Lenders.* The Borrower shall be permitted to replace any Lender that (a) requests (on its behalf or any of its Participants) reimbursement for amounts owing pursuant to Section 2.14 or 2.16, (b) provides notice under Section 2.21 or (c)

becomes a Defaulting Lender, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (7) no Event of Default shall have occurred and be continuing at the time of such replacement, (8) prior to any such replacement, such Lender shall have taken no action under Section 2.18 which eliminates the continued need for payment of amounts owing pursuant to Section

2.14 or 2.16, (9) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement,

(10) the Borrower shall be liable to such replaced Lender under Section 2.17 if any Term Benchmark Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (11) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (12) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be

obligated to pay the registration and processing fee referred to therein), (13) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.14 or 2.16, as the case may be, and (14) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

2.20 Defaulting Lenders. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(a) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or

mandatory, at maturity, pursuant to Section 7 or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 9.7), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Borrower with the consent of the Administrative Agent, not to be unreasonably withheld, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and sixth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is a payment of the principal amount of the Loans in respect of which that Defaulting Lender has not fully funded its appropriate share such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.20(a) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto;

- (b) [Reserved];
- (c) [Reserved];

(d) [Reserved]; and

(e) that Defaulting Lender's right to approve or disapprove any amendment, supplement, modification, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section Section 10.

If the Borrower and the Administrative Agent reasonably determine in writing that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any cash collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held on a pro rata basis by the Lenders in accordance with their Percentages, whereupon that Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.21 [Reserved].

SECTION 3. [RESERVED].

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, the Borrower hereby represents and warrants to the Administrative Agent and each Lender, on the Effective Date, that:

4.1 Financial Condition. The audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as of December 31, ~~2021~~2023, and the related consolidated statements of income and cash flows for the fiscal year ended on such date, reported on by Deloitte & Touche LLP, in each case, (i) were prepared in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein, and (ii) present fairly in all material respects the consolidated financial condition of the Borrower and its consolidated Subsidiaries as of such date, and its consolidated income and its consolidated cash flows for the respective fiscal year then ended.

4.2 No Change. Since December 31, ~~2021~~2023, no Material Adverse Effect has occurred.

4.3 Existence; Compliance with Law. Each of the Borrower and its Significant Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) has the organizational power and organizational authority to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except to the extent that the failure to so qualify could not reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except for any Requirements of Law being contested in good faith by appropriate proceedings and except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. The Borrower has the corporate power and corporate authority to execute and deliver and to perform its obligations under the Loan Documents and to obtain extensions of credit hereunder. The Borrower has taken all necessary corporate action to authorize the execution and delivery

of, and performance of its obligations under, the Loan Documents to which it is a party and to authorize the extensions of credit on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices which have been obtained or made and are in full force and effect, (ii) any consent, authorization or filing that may be required in the future the failure of which to make or obtain could not reasonably be expected to have a Material Adverse Effect and (iii) applicable Requirements of Law (including the approval of the CPUC) prior to foreclosure or other exercise of remedies under the Loan Documents. This Agreement has been, and each other Loan Document upon execution and delivery will be, duly executed and delivered. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by (x) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, laws of general application related to the enforceability of securities secured by real estate and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and (y) applicable Requirements of Law (including the approval of the CPUC) prior to foreclosure or other exercise of remedies hereunder or under the Loan Documents.

4.5 **No Legal Bar.** The execution and delivery of, and the performance of the obligations under, this Agreement and the other Loan Documents, the borrowing of the Loans hereunder and the use of the proceeds thereof will not violate in any material

respect any Requirement of Law or any Contractual Obligation of the Borrower or any of its Significant Subsidiaries and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Loan Documents and the FMB Indenture).

4.6 **Litigation.** (a) No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened in writing by or against the Borrower or any of its Significant Subsidiaries or against any of their respective material properties or revenues with respect to any of the Loan Documents.

(b) No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened in writing by or against the Borrower or any of its Significant Subsidiaries or against any of their respective material properties or revenues, except as disclosed in the Specified Exchange Act Filings, that could reasonably be expected to have a Material Adverse Effect.

4.7 **No Default.** No Default or Event of Default has occurred and is continuing.

4.8 **Taxes.** The Borrower and each of its Significant Subsidiaries has filed or caused to be filed all Federal and state returns of income and franchise taxes imposed in lieu of net income taxes and all other material tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or with respect to any claims or assessments for taxes made against it or any of its property by any Governmental Authority (other than (i) any amounts the validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or any of its Significant Subsidiaries, as applicable, and (ii) claims which could not reasonably be expected to have a Material Adverse Effect). No material tax Liens have been filed against the Borrower or any of its Significant Subsidiaries other than (A) Liens for taxes which are not delinquent or (B) Liens for taxes which are being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or any of its Significant Subsidiaries, as applicable.

4.9 **Federal Regulations.** No part of the proceeds of any Loans hereunder, will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Federal Reserve Board.

4.10 ERISA. No Reportable Event has occurred during the five year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied with the applicable provisions of ERISA and the Code, except, in each case, to the extent that any such Reportable Event or failure to comply with the applicable provisions of ERISA or the Code could not reasonably be expected to result in a Material Adverse Effect. During the five year period prior to the date on which this representation is made or deemed made, there has been no (i) failure to make a required contribution to any Plan that would result in the imposition of a Lien or other encumbrance or the provision of security under Section 430 of the Code or Section 303 or 4068 of ERISA, or the arising of such a Lien or encumbrance; or (ii) "unpaid minimum required contribution" or "accumulated funding deficiency" (as defined or otherwise set forth in Section 4971 of the Code or Part 3 of Subtitle B of Title I of ERISA), whether or not waived, except, in each case, to the extent that such event could not reasonably be expected to result in a Material Adverse Effect. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date for which a certified actuarial valuation report is available prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits, except as could not reasonably be expected to result in a Material Adverse Effect. Neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any

Multiemployer Plan during the five year period prior to the date on which this representation is made or deemed made that has resulted or could reasonably be expected to result in a material liability under ERISA, and neither the Borrower nor any Commonly Controlled Entity would become subject to any liability under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made, except as could not reasonably be expected to result in a Material Adverse Effect. No such Multiemployer Plan is in endangered or critical status (within the meaning of Section 305 of ERISA) or in Insolvency.

4.11 Investment Company Act; Other Regulations. The Borrower is not an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. On the Effective Date, the Borrower is not subject to regulation under any Requirement of Law (other than

(a) Regulation X of the Federal Reserve Board and ii) Sections 817-830, and Sections 701 and 851 of the California Public Utilities Code) that limits its ability to incur Indebtedness under this Agreement.

4.12 Use of Proceeds. The proceeds of the Loans shall be used to pay fees, costs and expenses relating to the transactions contemplated hereby and for working capital and general corporate purposes.

4.13 Environmental Matters. Except as disclosed in the Specified Exchange Act Filings, the Borrower and its Significant Subsidiaries are not subject to any pending violations or liabilities under Environmental Laws or relating to the disposal, spill or other release of Materials of Environmental Concern that would reasonably be expected to have a Material Adverse Effect, and, to the knowledge of the Borrower, there are no facts, circumstances or conditions that could reasonably be expected to give rise to such violations or liabilities.

4.14 Regulatory Matters. Solely by virtue of the execution, delivery and performance of, or the consummation of the transactions contemplated by this Agreement, no Lender shall be or become subject to regulation (a) under the FPA or iii) as a "public utility" or "public service corporation" or the equivalent under any Requirement of Law.

4.15 **Sanctions; Anti-Corruption.** None of the Borrower, any of its Subsidiaries, nor, to the knowledge of the Borrower, any director, officer, agent, Affiliate or employee of the Borrower or any of its Subsidiaries is currently (i) the subject of any

U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department or the U.S. State Department ("Sanctions") or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of any Sanctions. None of the Borrower, any of its Subsidiaries nor, to the knowledge of the Borrower, any director, officer, agent, Affiliate or employee of the Borrower or any of its Subsidiaries, has taken any action, directly or indirectly, that would result in a violation in any material respect by any such Person of the United States Foreign Corrupt Practices Act of 1977, as amended ("FCPA") or of any other anti-bribery or anti-corruption laws,

rules, regulations legally applicable to such Persons (collectively, "Anti-Corruption Laws"). The Borrower will not use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds (a) to any Subsidiary, Affiliate, joint venture partner or other Person or entity, to fund the activities of any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of any Sanctions, or (b) directly, or, to the knowledge of the Borrower, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the FCPA or of any Anti-Corruption Laws.

4.16 **Affected Financial Institutions.** The Borrower is not an Affected Financial Institution.

4.17 **Solvency.** The Borrower and its Subsidiaries, on a consolidated basis, are Solvent as of the Effective Date.

4.18 **Disclosure.**

(a) All written information relating to the Borrower, its Subsidiaries and their respective businesses, other than any projections, estimates and other forward-looking materials and information of a general economic or industry specific nature, that has been provided by or on behalf of the Borrower to the Administrative Agent or the Lenders in connection with the transactions contemplated hereby does not, when taken as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made (giving effect to all supplements and updates thereto). Any projected information, estimates, other forward-looking materials and pro forma financial information that have been made available to any Lenders or the Administrative Agent prior to the Effective Date in connection with the transactions contemplated hereby have been prepared in good faith based upon assumptions believed by the Borrower to be reasonable as of the date such information was furnished to the Lenders and as of the Effective Date (it being understood that actual results may vary materially from such projections and pro forma information and such projections and pro forma information are not a guarantee of performance).

(b) As of the Effective Date, to the knowledge of the Borrower, the information included in any Beneficial Ownership Certification provided on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all respects.

4.19 **Status of Obligations.** The issuance to the Administrative Agent of the Senior ~~Bonds~~^{Bond}provides the Lenders, as beneficial holders of the Senior ~~Bonds~~^{Bond}through the Administrative Agent, the benefit of the Lien of the FMB Indenture equally and ratably with the holders of other First Mortgage Bonds.

4.20 **Ownership of Property.** As of the Effective Date, each of the Borrower and its Significant Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, subject to no Liens other than Liens permitted under Section 7.3, except for where the failure would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

4.21 **Covered Entity.** The Borrower is not a Covered Entity. SECTION 5. CONDITIONS PRECEDENT

5.1 *Conditions to the Effective Date. The occurrence of the Effective Date and the obligation of each Lender to make its Loans hereunder on the Effective Date is subject to the satisfaction of the following conditions precedent:*

(a) *Credit Agreement. The Administrative Agent shall have received this Agreement (including copies of all schedules attached hereto in a form reasonably satisfactory to the Lenders), executed and delivered by the Administrative Agent, the Borrower and each Person listed on Schedule 1.1.*

(b) *Consents and Approvals. All governmental and third party consents and approvals necessary in connection with the execution and delivery of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby shall have been obtained and be in full force and effect; and the Administrative Agent shall have received a certificate of a Responsible Officer to the foregoing effect.*

(c) *KYC Information. At least three (3) Business Days prior to the Effective Date, the Administrative Agent and each Lender shall have received all documentation and information relating to the Borrower as is reasonably requested in writing by the Administrative Agent and/or any such Lender at least ten (10) Business Days prior to the Effective Date that is required by Governmental Authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation. If the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation and the Administrative Agent or any Lender so request at least five (5) Business Days prior to the Effective Date, then at least three (3) Business Days prior to the Effective Date, the Borrower shall have delivered to the Administrative Agent and/or any such Lender a Beneficial Ownership Certification in relation to the Borrower.*

(d) *Bond Documents. The Administrative Agent shall have received:*

(i) *the Bond Delivery Agreement, duly executed and delivered by the Borrower and Administrative Agent;*

(ii) *the Senior BondsBond in a face amount equal to the Loans as of the Effective Date, duly issued and authenticated under the FMB Indenture and in a form reasonably satisfactory to the Administrative Agent;*

(iii) *the Supplemental Indenture, duly executed and delivered by the Borrower and the Indenture Trustee and in a form reasonably satisfactory to the Administrative Agent;*

(iv) *a certificate of a duly authorized officer of the Indenture Trustee certifying that each Senior Bond has been authenticated and is outstanding under the FMB Indenture;*

(v) *copies of all legal opinions and other documents delivered to the Indenture Trustee by or on behalf of the Borrower on or prior to the Effective Date in connection with the issuance of the Senior BondsBond; and*

(vi) *copies of all title reports and commitments as of the Effective Date with respect to the Mortgaged Property consisting of real property as to which Liens in favor of the Indenture Trustee, for the benefit of the holders of the First Mortgage Bond, has been granted.*

(e) *Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel) on or before the date that is two*

(2) Business Days prior to the Effective Date.

(f) Closing Certificate; Certified Articles of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of the Borrower, dated the Effective Date, substantially in the form of Exhibit D-1, with appropriate insertions and attachments, including the articles of incorporation of the Borrower certified as of a recent date by the Secretary of State of the State of California,

(ii) a good standing certificate for the Borrower dated as of a recent date from the Secretary of State of the State of California, and (iii) a certificate of a Responsible Officer, dated the Effective Date, confirming the satisfaction of the conditions precedent set forth in Sections 5.1(h) and (i), substantially in the form of Exhibit D-2.

(g) Legal Opinion. The Administrative Agent shall have received the legal opinion of Hunton Andrews Kurth LLP, counsel to the Borrower, in a form reasonably satisfactory to the Administrative Agent.

(h) Representations and Warranties. Each of the representations and warranties made by the Borrower in this Agreement that does not contain a materiality qualification shall be true and correct in all material respects on and as of the Effective Date, and each of the representations and warranties made by the Borrower in this Agreement that contains a materiality qualification shall be true and correct on and as of the Effective Date (or, in each case, to the extent such representations and warranties specifically relate to an earlier date, that such representations and warranties were true and correct in all material respects, or true and correct, as the case may be, as of such earlier date).

(i) No Default. No Default or Event of Default shall have occurred and be continuing on the Effective Date or would result from the funding of the Loans on the Effective Date.

(j) Notice of Borrowing. The Administrative Agent shall have received a notice of borrowing in accordance with the requirements of Section 2.2.

SECTION 6. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as any Loan, any interest on any Loan or any fee payable to any Lender or the Administrative Agent hereunder remains outstanding, or any other amount then due and payable is owing to any Lender or the Administrative Agent hereunder, the Borrower shall and, with respect to Sections 6.3 and 6.6(b), shall cause its Significant Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent with a copy for each Lender, and the Administrative Agent shall deliver to each Lender:

(a) as soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Deloitte & Touche LLP or other independent certified public accountants of nationally recognized standing; and

(b) as soon as available, but in any event not later than 60 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to the absence of footnotes and normal year-end audit adjustments).

All such financial statements shall (x) be complete and correct in all material respects and

(y) shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods, subject, in each case to the absence of footnotes and to normal year-end audit adjustments. The Borrower shall be deemed to have delivered the financial statements required to be delivered pursuant to this Section 6.1 upon the filing of such financial statements by the Borrower through the SEC's EDGAR system (or any successor electronic gathering system that is publicly available free of charge) or the publication by the Borrower of such financial statements on its website.

6.2 Certificates; Other Information. Furnish to the Administrative Agent, for delivery to the Lenders:

- (a) within two Business Days after the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer stating that such Responsible Officer has obtained no actual knowledge of any Default or Event of Default except as specified in such certificate and (ii) a Compliance Certificate, substantially in the form of Exhibit C, containing all information and calculations reasonably necessary for determining compliance by the Borrower with the provisions of this Agreement referred to therein as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be;
- (b) within five days after the same are sent, copies of all financial statements and reports that the Borrower sends to the holders of any class of its debt securities or public equity securities, provided that, such financial statements and reports shall be deemed to have been delivered upon the filing of such financial statements and reports by the Borrower through the SEC's EDGAR system (or any successor electronic gathering system that is publicly available free of charge) or publication by the Borrower of such financial statements and reports on its website;
- (c) promptly, such additional financial and other information (other than any such information the disclosure of which is prohibited by applicable law or binding agreement or subject to attorney-client privilege or constitutes attorney-work product or constitutes non-financial trade secrets or non-financial proprietary information so long as

(x) such confidentiality obligation was not entered into in contemplation hereof and (y) the Borrower provides such Lender with notice that information is being withheld due to the existence of such confidentiality obligation) as any Lender, through the Administrative Agent, may from time to time reasonably request; and

- (d) promptly, such documentation and other information that the Administrative Agent or such Lender reasonably requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

6.3 Payment of Taxes. Pay all taxes due and payable or any other tax assessments made against the Borrower or any of its Significant Subsidiaries or any of their respective property by any Governmental Authority (other than (i) any amounts the validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or any of its Significant Subsidiaries, as applicable or (ii) where the failure to effect such payment could not reasonably be expected to have a Material Adverse Effect).

6.4 Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to

maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; (b) comply with all Contractual Obligations except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (c) comply with all Requirements of Law except for any Requirements of Law being contested in good faith by appropriate proceedings or except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear and casualty excepted, except to the extent that failure to do so could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, and (b) maintain with financially sound and reputable insurance companies insurance on all its material property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business of comparable size and financial strength and owning similar properties in the same general areas in which the Borrower operates, which may include self-insurance, if determined by the Borrower to be reasonably prudent.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) unless a Default or Event of Default has occurred and is continuing, not more than once a year and after at least five Business Days' notice, (i) permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time to discuss the business, operations, properties and financial and other condition of the Borrower and its Significant Subsidiaries with officers and employees of the Borrower and its Significant Subsidiaries and (ii) use commercially reasonable efforts to provide for the Lenders (in the presence of representatives of the Borrower) to meet with the independent certified public accountants of the Borrower and its Significant Subsidiaries; provided, that any such visits or inspections shall be subject to such conditions as the Borrower and each of its Significant Subsidiaries shall deem necessary based on reasonable considerations of safety, security and confidentiality; and provided, further, that neither the Borrower nor any Significant Subsidiary shall be required to disclose to any Person any information the disclosure of which is prohibited by applicable law or binding agreement or subject to attorney-client privilege or constitutes attorney-work product or constitutes non-financial trade secrets or non-financial

proprietary information so long as (x) such confidentiality obligation was not entered into in contemplation hereof and (y) the Borrower provides such Lender with notice that information is being withheld due to the existence of such confidentiality obligation.

6.7 Notices. Give notice to the Administrative Agent, and the Administrative Agent shall deliver such notice to each Lender, promptly upon any Responsible Officer obtaining knowledge of:

(a) the occurrence of any Default or Event of Default;

(b) [reserved]; and

(c) the occurrence of an ERISA Event which, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect (provided, that, any judicial proceeding instituted by PBGC that, within 60 days after the institution of such proceeding, has been withdrawn or stayed by PBGC or otherwise, shall be disregarded for the purpose of this Section 6.7(c)).

6.8 Maintenance of Licenses, etc. Maintain in full force and effect any authorization, consent, license or approval of any Governmental Authority necessary for the conduct of the Borrower's business as now conducted by it or necessary in connection with this Agreement, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.9 Further Assurances.

(a) (i) Comply with Section 7.08(a) of the FMB Indenture, (ii) deliver to the Administrative Agent within 120 days after the Effective Date, a copy of the Opinion of Counsel (as defined in the FMB Indenture) delivered to the Indenture Trustee under Section

7.08(a)(i) of the FMB Indenture relating the Supplemental Indenture and

(iii) deliver to the Administrative Agent a copy of each Opinion of Counsel delivered to the Indenture Trustee under Section 7.08(a)(ii) of the FMB Indenture relating to the Supplemental Indenture.

(b) Promptly upon the reasonable request by the Administrative Agent, or by the Required Lenders through the Administrative Agent, (i) correct any material defect or error that may be discovered in any Loan Document or the execution, acknowledgment, filing or recordation thereof and (ii) do, execute, acknowledge and deliver any and all such further certificates, documents, agreements and other instruments as reasonably required from time to time to carry out more effectively the purposes of the Loan Documents.

6.10 Use of Proceeds. The Borrower shall use the proceeds of the Loans in accordance with Section 4.12.

SECTION 7. NEGATIVE COVENANTS

The Borrower hereby agrees that, so long as any Loan, or any interest on any Loan or any fee payable to any Lender or the Administrative Agent hereunder remains outstanding, or any other amount then due and payable is owing to any Lender or the Administrative Agent hereunder, the Borrower shall not and shall not permit its Significant Subsidiaries to:

7.1 [Reserved].

7.2 Consolidated Capitalization Ratio. Permit the Consolidated Capitalization Ratio on the last day of any fiscal quarter, from and after the last day of the first fiscal quarter ending after the Effective Date, to exceed 0.65 to 1.00.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any assets of the Borrower or any Significant Subsidiary, whether now owned or hereafter acquired, except for (a) Liens securing the Obligations under this Agreement and the other Loan Documents and (b) Liens permitted under Section 7.06(b) of the FMB Indenture.

7.4 Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business (including, without limitation, rental equipment or leasehold interests and excluding the sale or transfer of any accounts receivable or of any amounts that are accrued and recorded in a regulatory account for collections by the Borrower, in each case, in connection with a securitization transaction including, without limitation, any A/R Securitization Transaction), except that the Borrower may be merged, consolidated or amalgamated with another Person or Dispose of all or substantially all of its property or business so long as, after giving effect to such transaction, (a) no Default or Event of Default shall have occurred and be continuing, (b) either (1) the Borrower is the continuing or surviving corporation of such merger, consolidation or amalgamation or (2) the continuing or surviving corporation of such merger, consolidation or amalgamation, if not the Borrower or the purchaser, (x) shall be an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia, (y) shall have assumed all obligations of the Borrower under the Loan Documents pursuant to arrangements reasonably satisfactory to the Administrative Agent and (z) to the extent requested by the Administrative Agent or any Lender, shall have promptly provided to the Administrative Agent or such Lender all documentation and other information that may be required by the Administrative Agent or such Lender in order to enable compliance with applicable "know-your-customer" and anti-money laundering rules and regulations, including information required by the Patriot Act and the Beneficial Ownership Regulation and iv) the ratings by Moody's and S&P of the continuing or surviving corporation's or purchaser's senior, secured debt shall be at least the higher of (1) Baa3 from Moody's and BBB- from S&P and (2) the ratings by such rating agencies of the Borrower's senior,

secured debt in effect before the earlier of the occurrence or the public announcement of such event.

7.5 **Sale and Lease Back Transactions.** Enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property having fair market value in excess of \$10,000,000, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred, except for (a) those transactions described on Schedule

7.5 and (b) any other sale of any fixed or capital assets that is made for cash consideration; provided that, in each case, if such sale and leaseback results in a Capital

Lease Obligation, any Lien made the subject of such Capital Lease Obligation is permitted by Section 7.3.

7.6 **Swap Agreements.** Enter into any Swap Agreement, other than Swap Agreements entered into not for speculative purposes (a) to hedge or mitigate risks to which the Borrower and its Subsidiaries are exposed in the conduct of its business or the management of its liabilities (including, without limitation, raw material, commodities, fuel, electricity or other supply costs and currency risks), (b) to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or fixed rate or otherwise) with respect to any interest bearing Indebtedness of the Borrower and its Subsidiaries permitted by this Agreement, (c) to swap currency in connection with funding the business of the Borrower and its Subsidiaries in the ordinary course of business or (d) entered into in connection with any A/R Securitization Transaction.

7.7 **Amendments to FMB Indenture.** Amend, supplement, modify or waive the FMB Indenture in any manner that is materially adverse to the Lenders hereunder; provided that the foregoing shall not prohibit the Borrower from supplementing the FMB Indenture in order to provide for the issuance of additional First Mortgage Bonds in accordance with the FMB Indenture or to add property to the Lien of the FMB Indenture.

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing on or after the Effective Date:

(a) the Borrower shall fail to pay any principal of the Loans when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on the Loans, or any other amount payable hereunder or under any other Loan Document, within five Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by the Borrower herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made, unless, as of any date of determination, the facts or circumstances to which such representation or warranty relates have changed with the result that such representation or warranty is true and correct in all material respects on such date; or

(c) the Borrower shall default in the observance or performance of any agreement contained in Section 6.4(a)(i), Section 6.7(a), Section 6.10, Section 7.2,

Section 7.3 or Section 7.4 of this Agreement; or

(d) the Borrower shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice to the Borrower from the Administrative Agent at the request of the Required Lenders; or

(e) the Borrower or any of its Significant Subsidiaries shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the due date with respect thereto (after giving effect to any period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created); or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or (in the case of all Indebtedness other than Indebtedness under any Swap Agreement) to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate \$200,000,000; provided, further, that unless payment of the Loans hereunder has already been accelerated, if such default shall be cured by the Borrower or such Significant Subsidiary

or waived by the holders of such Indebtedness and any acceleration of maturity having resulted from such default shall be rescinded or annulled, in each case, in accordance with the terms of such agreement or instrument, without any modification of the terms of such Indebtedness requiring the Borrower or such Significant Subsidiary to furnish security or additional security therefor, reducing the average life to maturity thereof or increasing the principal amount thereof, or any agreement by the Borrower or such Significant Subsidiary to furnish security or additional security therefor or to issue in lieu thereof Indebtedness secured by additional or other collateral or with a shorter average life to maturity or in a greater principal amount, then any Default hereunder by reason thereof shall be deemed likewise to have been thereupon cured or waived; or

(f) (i) the Borrower or any of its Significant Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower or any of its Significant Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any of its

Significant Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Borrower or any of its Significant Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distress or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower or any of its Significant Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) there occurs any ERISA Event that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against the Borrower or any of its Significant Subsidiaries by a court of competent jurisdiction involving in the aggregate a liability (not paid or, subject to customary deductibles, fully covered by insurance as to which the relevant insurance company has not denied coverage) of

\$200,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 45 days from the entry thereof

unless, in the case of a discharge, such judgment or decree is due at a later date in one or more payments and the Borrower or such Significant Subsidiary satisfies the obligation to make such payment or payments on or prior to the date such payment or payments become due in accordance with such judgment or decree; or

(i) there shall have occurred a Change of Control; or

(j) any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or the Borrower contests in any manner in writing the validity or enforceability of any Loan Document; or the Borrower denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document; or

(k) at any time (i) ~~any~~^{the} Senior Bond shall cease to be outstanding for any reason other than (A) the payment in full of the applicable Tranche relating to such Senior Bond and other obligations then due and owing under the Loan Documents with respect thereto or (B) the payment in full of such Senior Bond, (ii) the Administrative Agent, on behalf of the Lenders, shall cease at any time to be the holder of ~~any~~^{the} Senior Bond for all purposes of the FMB Indenture (unless such Senior Bond is transferred by the Administrative Agent other than in connection with the payment in full of the obligations with respect to such Senior Bond) or (iii) the Lien of the FMB Indenture shall cease to constitute a valid and enforceable Lien on the Mortgaged Property;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

SECTION 9. THE AGENTS

9.1 **Appointment and Authority.** Each of the Lenders hereby irrevocably appoints Bank of America, N.A. to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the

Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section 9 are solely for the benefit of the Agents, the Lenders and the Borrower shall not have rights as a third-party beneficiary of any of such provisions (other than with respect to the Borrower's rights under Sections 9.9(a) and (b)). It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to any Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.2 **Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by it. The Administrative Agent,

and any such sub-agent may each perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent, and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.3 Exculpatory Provisions.

(a) No Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, no Agent:

(i) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that an Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that no Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay

under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as an Agent or any of its Affiliates in any capacity.

(b) No Agent shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10 and 8), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment.

(c) No Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith,

(iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Section 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any

electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In

determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may

consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until such Agent shall have received such directions, such Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower or any of its Affiliates that may come into the possession of such Agent or any of its officers, directors, employees, agents, attorneys in fact or Affiliates.

9.7 Indemnification. The Lenders agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Percentages in effect on the date on which indemnification is sought under this Section (or, if

indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions,

judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for

the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence or willful misconduct.

9.8 Agent in Its Individual Capacity. Each Person serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and the terms "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include such Person serving as an Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders.

9.9 Successor Agents.

(a) The Administrative Agent may resign upon 10 days' notice to the Lenders and the Borrower. If the Administrative Agent shall so resign under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under Section 8(f) with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld, conditioned or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent and the term "**Administrative Agent**" shall mean such successor agent effective upon such appointment and approval, and the former Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 10 days following a retiring Agent's notice of resignation (the "**Resignation Effective Date**"), the retiring Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Agent's resignation as Administrative Agent the provisions of Section 9.7 shall inure to its benefit as to any

actions taken or omitted to be taken by it while it was an Agent under this Agreement and the other Loan Documents.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (e) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, shall appoint a successor, subject to the approval of the Borrower (unless an Event of Default under Section 8(f) with respect to the Borrower shall have occurred and be continuing), which approval shall not be unreasonably withheld, conditioned or delayed. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of ~~any~~^{the} Senior Bond held by the Administrative Agent on behalf of the Lenders, the retiring or removed Administrative Agent shall continue to hold such Senior Bond in its name until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Agent (other than any rights to indemnity payments or other amounts owed to the retiring or removed Agent as of the Resignation Effective Date or the Removal Effective Date (as applicable)), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The

fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Section and Sections 2.17 and 10.5 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as Agent.

9.10 Reserved.

9.11 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law, the Administrative Agent (irrespective

of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.6, 2.17 and 10.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due to the Administrative Agent under Sections 2.6, 2.17 and 10.5.

9.12 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate

accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrower, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

9.13 Erroneous Payment.

(a) If the Administrative Agent notifies a Lender or any Person who has received funds on behalf of a Lender, ~~such Lender~~ (any such Lender or other recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative

Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, ~~or any Person who has received funds on behalf of a Lender, such Lender, other Payment Recipient~~ hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent

(or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.13(b), and upon demand from the Administrative Agent, it shall

promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such payment, prepayment or repayment as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such payment, prepayment or repayment was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) Each Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such

Lender from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) The Borrower hereby agrees that in the event an Erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount.

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 9.13 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

SECTION 10. MISCELLANEOUS

10.1 *Amendments and Waivers. Subject to Section 2.13(b) and (c), neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10. The Required Lenders and the Borrower may, or, with the written consent of the Required Lenders, the Administrative Agent and the Borrower may, from time to time,*

(a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Borrower hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall:

(i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest or fee payable hereunder (except in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders)) or extend the scheduled date of any payment thereof, in each case without the written consent of each Lender directly affected thereby;

(ii) eliminate or reduce the voting rights of any Lender under this Section 10 or Section 10.6(a)(i) without the written consent of such Lender;

(iii) reduce any percentage specified in the definition of Required Lenders without the written consent of all Lenders;

(iv) amend, modify or waive any provision of Section 2.14, Section

10.7 (Application of Money Collected) of the FMB Indenture or any similar provision in the Loan Documents related to pro rata treatment without the consent of each Lender directly affected thereby;

(v) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent;

(vi) [reserved];

(vii) amend, modify or waive any provision of Section 5 without the written consent of all the Lenders;

(viii) amend, modify or waive any provision of Section 2.8 without the written consent of each Lender affected thereby;

(ix) amend or modify any provision in any Loan Document in a manner that by its terms affects the rights or duties under this Agreement of the Lenders of one Tranche (but not the other Tranche), without the prior written consent of the requisite number or percentage in interest of each affected Tranche of Lenders that would be required to consent thereto under this Section if such Tranche of Lenders were the only Tranche of Lenders hereunder at the time; or

(x) instruct the Administrative Agent to vote the Senior BondsBond in favor of the release of all or substantially all of the Mortgaged Property without the written consent of all the Lenders.

Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Borrower, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Borrower, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

Notwithstanding anything to the contrary contained in this Section 10, if the Administrative Agent and the Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and any such amendment, modification or supplement shall become effective without any further action or consent of any other party to this Agreement.

If the Required Lenders shall have approved any amendment which requires the consent of all of the Lenders, the Borrower shall be permitted to replace any non-consenting Lender with another financial institution, provided that, (i) the replacement financial institution shall purchase at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (ii) the Borrower shall be liable to such replaced Lender under Section 2.17 if any Term Benchmark Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto (as if such purchase constituted a prepayment of such Loans), (iii) such replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (iv) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein) (for the avoidance of doubt, such replacement shall be effective subject to the conditions in the other clauses set forth in this proviso, regardless of whether such replaced Lender enters into an Assignment and Assumption) and (v) any such replacement shall not be deemed to be a waiver of any rights the Borrower, the Administrative Agent, or any other Lender shall have against the replaced Lender.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, supplement, modification, waiver or consent hereunder (and any amendment, supplement, modification, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (i) any reduction of the amount of principal or interest owed to such Defaulting Lender shall, in each case, require the consent of such Defaulting Lender, and

(ii) a Defaulting Lender's Percentage shall be taken into consideration along with the Percentage of non-Defaulting Lenders when voting to approve or disapprove any waiver, amendment or modification that by its terms affects any Defaulting Lender more adversely than other affected Lenders.

10.2 Notices.

(a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered during the recipient's normal business hours, or, if mailed by certified or registered mail, shall be deemed to have been given when received, or, in the case of telecopy notice, when received during the recipient's normal business hours, addressed as follows in the case of the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto in accordance with clause (e) or clause (f) of this Section 10.2:

Borrower: Pacific Gas and Electric Company c/o PG&E Corporation

P.O. Box 770000 300 Lakeside Drive

San Francisco, California 94177-94612 Attention: Treasurer

Telecopy: (415) 973-8968

Telephone: (415) 973-8956

with a copy to: Pacific Gas and Electric Company

c/o PG&E Corporation

P.O. Box 770000 300 Lakeside Drive

San Francisco, California 94177-94612 Attention: General Counsel

Telecopy: (415) 973-5520

Administrative Agent: Bank of America, N.A.

900 W Trade Street Charlotte, NC 28255-0001 Mail Code: NC1-026-06-04

Attention: Libby Russell Telephone: (980) 386-8451 Email: libby.russell@bofa.com
with a copy to: Email: eCredit_Dedicated@bofa.com

provided that any notice, request or demand to or upon the Administrative Agent or any Lender shall not be effective until received.

(b) Notices and other communications to the Administrative Agent or the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Section 2 unless otherwise agreed by such Lender. Notices to the Administrative Agent pursuant to Section 2 may be transmitted to the Administrative Agent by electronic/soft medium in a format reasonably acceptable to the Administrative Agent to eCredit_Dedicated@bofa.com. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication

shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(d) (i) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "Platform").

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-

infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Communications through the Platform, except to the extent such liability resulted from the gross negligence or willful misconduct of the Administrative Agent or any of its Related Parties as determined by a court of competent jurisdiction in a final non-appealable judgment. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

(e) Each of the Borrower and the Administrative Agent may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Administrative Agent.

(f) The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices and notices requesting a Borrowing or a conversion or continuation of Loans) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

10.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent and the Lenders for all their respective reasonable out of pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of only one joint counsel and one joint special California counsel and, if necessary, one joint local counsel in each other relevant jurisdiction to the Administrative Agent and the Lenders (and in the case of an actual or perceived conflict of interest, one additional counsel for each applicable jurisdiction to each group of similarly situated affected persons) and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower prior to the Effective Date (in the case of amounts to be paid on the Effective Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender and the Administrative Agent for all its costs and expenses incurred in connection with the enforcement or preservation of its rights under this Agreement, the other Loan Documents and any such other documents, including the reasonable fees and disbursements of only one joint counsel, one joint special California counsel and, if necessary, one local counsel in each other relevant jurisdiction to the Administrative Agent and the Lenders (and in the case of an actual or perceived conflict of interest, one additional counsel for each applicable jurisdiction to each group of similarly situated affected persons), and (c) to pay, indemnify, and hold each Lender, the Administrative Agent and their respective Affiliates and their respective officers, directors, employees and agents (each, an "Indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever whether brought by the Borrower or any other Person, with

respect to the execution, delivery, enforcement and performance of, or arising out of or in connection with, this Agreement, the other Loan Documents and any such other documents, including any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability

under, any Environmental Law directly or indirectly relating to the Borrower, its Significant Subsidiaries or any of the facilities and properties owned, leased or operated by the Borrower or its Significant Subsidiaries and the reasonable, documented and invoiced fees and expenses of one joint counsel and one joint special California counsel and, if necessary, one joint local counsel in each other relevant jurisdiction to the applicable Indemnitee (and in the case of an actual or perceived conflict of interest, one additional counsel for each applicable jurisdiction to each group of similarly situated affected persons), in connection with claims, actions or proceedings by any Indemnitee against the Borrower under any Loan Document (all the foregoing in this clause (c), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities resulted from, as determined in a final non-appealable judgment by a court of competent jurisdiction, (x) the gross negligence, bad faith or willful misconduct of such Indemnitee or its Affiliates, (y) the material breach of such Indemnitee's funding obligations hereunder or (z) a dispute amongst one or more Lenders not arising from the Borrower's breach of its obligations under the Loan Documents (other than a dispute involving a claim against an Indemnitee for its acts or omissions in its capacity as an arranger, bookrunner, agent or similar role in respect of the Loan Agreement, except, to the extent such acts or omissions are determined by a court of competent jurisdiction by a final and non-appealable judgment to have constituted the gross negligence, bad faith or willful misconduct of such Indemnitee in such capacity). Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Significant Subsidiaries not to assert, and hereby waives and agrees to cause its Significant Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnitee. All amounts due under this Section 10.5 shall be payable not later than 30 days after written demand therefor, subject to the Borrower's receipt of reasonably detailed invoices. Statements payable by the Borrower pursuant to this Section 10.5 shall be submitted to Treasurer (Telephone No. (415) 817-8199/(415) 267-7000) (Telecopy No. (415) 267-7265/7268), at the address of the Borrower set forth in Section 10.2(a) with a copy to Chief Counsel, Corporate (Telephone No. (415) 817-8200) (Telecopy No. (415) 817-8225), at the address of the Borrower set forth in Section 10.2(a), or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section

10.5 shall survive for two years after repayment of the Loans and all other amounts payable hereunder. This Section 10.5 shall not apply with respect to Taxes, other than Taxes that represent claims, damages, losses, liabilities, costs or expenses arising from non-Tax claims.

10.6 Successors and Assigns; Participations and Assignments.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 10.6.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (each, an "Assignee") other than a Defaulting Lender, any Subsidiary of a Defaulting Lender, any natural person (or holding company, investment vehicle or trust for, or owned or operated by or for the primary benefit of, one or more natural persons), the Borrower or any of the Borrower's Affiliates or Subsidiaries, all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower, provided that no consent of the Borrower shall be required for an assignment to a Lender (or an Affiliate of any Lender) or an Approved Fund or, if an Event of Default under Section 8(a), (e) or (f) has occurred and is continuing, any other Person, and provided further, that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof from the assigning Lender (with a copy to the Administrative Agent); and

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of any Loans to an Assignee that is a Lender (or an Affiliate of a Lender) immediately prior to giving effect to such assignment.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Eligible Assignee that is an Affiliate of any Lender or an assignment of the entire remaining amount of the assigning Lender's Loans, the amount of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000 (or, if such Assignee is an Eligible Assignee that is an Affiliate of a Lender, \$5,000,000) unless each of the Borrower and the Administrative Agent otherwise consent, provided that (1) no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing and (2) with respect to any Lender party to

this Agreement on the Effective Date, such amounts shall be aggregated in respect of such Lender and any Affiliate of such Lender that is an Eligible Assignee;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire.

In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the Assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable Assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the Assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, shall have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's

rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.16, 2.17 and 10.5 but shall be subject to the limitations set forth therein); provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from the Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely to establish that the relevant obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations), shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (other than a Defaulting Lender, any holding company, investment vehicle or trust for, or owned or operated by or for the primary benefit of, one or more natural persons, the Borrower or any of the Borrower's Affiliates or Subsidiaries) (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 10 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.16 and 2.17 to the same extent as if it were a

Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section.

(ii) Notwithstanding anything to the contrary herein, a Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent to such greater payments. Any Participant that is a Foreign Lender shall not be entitled to the benefits of Section 2.16 unless such Participant complies with Section 2.16(e).

(iii) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central bank having jurisdiction over such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (d) above.

(f) Notwithstanding the foregoing, any Conduit Lender may assign any or all of the Loans it may have funded hereunder to its designating Lender without the consent of the Borrower or the Administrative Agent and without regard to the limitations set forth in Section 10.6(b). Each of the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any

other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage, expense, obligations, penalties, actions, judgments, suits or any kind whatsoever arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

10.7 Adjustments; Set off.

(a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender, if any Lender (a "Benefitted Lender") shall receive any payment of all or part of the Obligations owing to it hereunder, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender hereunder, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender hereunder, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, including other rights of set-off, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), after any applicable grace period, to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch, Affiliate or agency thereof to or for the credit or the account of the Borrower; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.20 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of

setoff. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts; Electronic Execution; Binding Effect. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of an original executed counterpart hereof. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent. Without limiting the generality of the foregoing, the Borrower hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent and the Lenders, electronic images of this Agreement or any other Loan Documents (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto. This Agreement shall become binding on the parties hereto when it shall have been executed by the Administrative Agent and the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.9, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall

be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Administrative Agent, and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent, or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12 Submission To Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower at its address set forth in Section 10.2(a) or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, and agrees not to assert any right it may have to claim or recover in any legal action or proceeding relating to this Agreement or any other Loan Document any special, exemplary, punitive or consequential damages.

NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR

ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

10.13 Acknowledgments. The Borrower hereby acknowledges that:

(a) *it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;*

(b) *none of the Administrative Agent or any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and*

(c) *no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders.*

10.14 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential in accordance with such party's customary practices (and in any event in compliance with applicable law regarding material non-public information) all non-public information provided to it by the Borrower, the Administrative Agent or any Lender pursuant to or in connection with this Agreement that is designated by the provider thereof as confidential; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any Affiliate thereof, (b) subject to an agreement to comply with the provisions of this Section or substantially equivalent provisions, to any actual or prospective Transferee, any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty) or any credit insurance providers, (c) to its employees, directors, agents, attorneys, service providers, accountants and other professional advisors or those of any of its Affiliates (as long as such attorneys, service providers, accountants and other professional advisors are directed to comply with confidentiality requirements substantially equivalent to this Section), (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document, (j) any rating agency in connection with rating of the Borrower or its

Subsidiaries or the credit facilities provided hereunder or (k) to the extent such information (i) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or its Subsidiaries or (ii) is independently discovered or developed by a party hereto without utilizing any information received from the Borrower or its Subsidiaries or violating the terms of this Section 10.14, provided that, in the case of clauses (d), (e) and (f) of this Section 10.14, with the exception of disclosure to bank regulatory authorities, the Borrower (to the extent legally permissible) shall be given prompt prior notice so that it may seek a protective order or other appropriate remedy.

10.15 WAIVERS OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

10.16 USA Patriot Act; Beneficial Ownership Regulation. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to

obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

10.17 Judicial Reference. If any action or proceeding is filed in a court of the State of California by or against any party hereto in connection with any of the transactions contemplated by this Agreement or any other Loan Document, (i) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, provided that at the option of any party to such proceeding, any such issues pertaining to a "provisional remedy" as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and

(ii) without limiting the generality of Section 10.5, the Borrower shall be solely responsible to pay all fees and expenses of any referee appointed in such action or proceeding.

10.18 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transactions contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (i) (a) the arranging and other services regarding this Agreement provided by the Agents and the Lenders are arm's-length commercial transactions between the Borrower, on the one hand, and the Agents and the Lenders, on the other hand, (b) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (c) the Borrower is capable of

evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (2) (a) each Agent and Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any other Person and (b) none of the Agents or Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (3) the Agents and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Agents or Lenders has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Agents and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby other than a breach of the confidentiality provisions set forth in Section 10.14.

10.19 Acknowledgement Regarding Any Supported QFCs.

(a) To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(b) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be

exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special

Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

APPENDIX A10.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

PARTICIPATING EMPLOYERS(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

[Remainder of page intentionally left blank. Signature pages follow.]

Annex B

Schedule 1.1

Commitments

364-Day Tranche Lender	Commitment
Bank of America, N.A.	\$525,000,000.00
Total:	\$525,000,000.00

EXHIBIT 10.2

AMENDMENT NO. 10 TO
RECEIVABLES FINANCING AGREEMENT

This AMENDMENT NO. 10 TO RECEIVABLES FINANCING AGREEMENT, dated as of December 8, 2023 (this "Amendment"), among PG&E Corporation

AR Facility, LLC, a Delaware limited liability company (the "Borrower"), Pacific Gas and Electric Company, a California corporation ("PG&E"), as initial Servicer (in such capacity, the "Servicer") and as retention holder (in such capacity, the "Retention Holder"), JPMorgan Chase Bank, N.A. ("JPM"), as a Committed Lender and as a Group Agent, Jupiter Securitization Company LLC ("Jupiter"), as a Conduit Lender, Mizuho Bank, Ltd. ("Mizuho"), as a Committed Lender and as a Group Agent, BNP Paribas ("BNP"), as a Committed Lender and as a Group Agent, Starbird Funding Corporation ("Starbird"), as a Conduit Lender, Victory Receivables Corporation ("Victory"), as a Conduit Lender, and MUFG Bank, Ltd. ("MUFG"), as a Committed Lender, as a Group Agent and as Administrative Agent.

PG&E Corporation Support Services, Inc. WITNESSETH:

PG&E Corporation Support Services II, Inc. WHEREAS, the parties hereto have heretofore entered into that certain Receivables Financing Agreement, dated as of October 5, 2020 (as amended, restated, supplemented, assigned or otherwise modified from time to time, the "Agreement"); and

WHEREAS, the parties hereto seek to modify the Agreement upon the terms hereof.

NOW, THEREFORE, in exchange for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged and confirmed), each of the parties hereto agree as follows:

AGREEMENT:

1. Definitions. Unless otherwise defined or provided herein, capitalized terms used herein have the meanings attributed thereto in (or by reference in) Section 1.01 of the Agreement.

2. Amendments to the Agreement. Effective as of the date hereof, the Agreement is hereby amended to incorporate the changes shown on the marked pages of the Agreement attached hereto as Exhibit A.

3. Conditions to Effectiveness. This Amendment shall be effective as of the date hereof, upon satisfaction of the following conditions:

(a) receipt by the Administrative Agent of executed counterparts of this Amendment duly executed by each of the parties hereto; and

¹ Amendment No. 7 to RPA

(b) the Administrative Agent shall have received evidence that the Upfront Fee (as defined below) has been received by each Group Agent.

4. Certain Representations and Warranties. Each of the Servicer, the Retention Holder and the Borrower represents and warrants to each Credit Party as of the date hereof, as follows:

(a) Representations and Warranties. Both before and immediately after giving effect to this Amendment and the transactions contemplated hereby, all of its respective representations and warranties contained in the Agreement (other than the representations and warranties set forth in Sections 6.01(f)(ii) and (l) of the Agreement and in Sections 6.02(f)(ii), (m)(i), (m)(ii) and (p) of the Agreement) and each other Transaction Document to which it is a party that (x) do not contain a materiality qualification are true and correct in all material respects on and as of the date hereof, and (y) contains a materiality qualification are true and correct on and as of the date hereof (or, to the extent such representations and warranties specifically relate to an earlier date, such representations and warranties were true and correct in all material respects, or true and correct, as the case maybe, as of such earlier date).

(b) Power and Authority; Due Authorization. That it has all necessary corporate power, limited liability company power, and authority (as applicable) to (i) execute and deliver this Amendment and the transactions contemplated hereby and (ii) perform its obligations under this Amendment, the Agreement (as amended hereby) and each of the other Transaction Documents to which it is a party and the execution, delivery and performance of, and the consummation of the transactions provided for in, this Amendment, the Agreement and the other Transaction Documents to which it is a party have been duly authorized by all necessary corporate or limited liability company action, as applicable.

(c) Binding Obligations. This Amendment, the Agreement (as amended hereby) and each of the other Transaction Documents to which it is a party constitute the legal, valid and binding obligations of the Borrower, the Servicer and the Retention Holder, as applicable, enforceable against the Borrower, the Servicer or the Retention Holder, as applicable, in accordance with their respective terms, except as enforceability may be limited by (x) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and (y) applicable Requirements of Law (including the approval of the CPUC) prior to foreclosure or other exercise of remedies hereunder or under the Transaction Documents.

(d) No Event of Default or Termination Events. No Event of Default, Unmatured Event of Default, Termination Event or Unmatured Termination Event has occurred and is continuing, and no Event of Default, Unmatured Event of Default, Termination Event or Unmatured Termination Event would result from this Amendment or the transactions contemplated hereby.

5. Reference to and Effect on the Agreement and the Other Transaction Documents.

(a) From and after the effectiveness of this Amendment, each reference in the Agreement to "this Agreement", "hereof", "herein", "hereunder" or words of like import, and each reference in each of the other Transaction Documents to the "Receivables Financing Agreement", "thereunder", "thereof" or words of like import, in each case referring to the Agreement, shall mean and be, a reference to the Agreement, as amended hereby.

(b) The Agreement (except as specifically amended herein) and the other Transaction Documents are hereby ratified and confirmed in all respects by each of the parties hereto and shall remain in full force and effect in accordance with its respective terms.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of or amendment to, any right, power or remedy of the Administrative Agent or any other Credit Party under, nor constitute a waiver of or amendment to, any other provision or condition under, the Agreement or any other Transaction Document.

6. Costs and Expenses. The Borrower agrees to pay on demand all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent and the other Credit Parties in connection with the preparation, negotiation, execution and delivery of this Amendment and the transactions contemplated hereby.

7. GOVERNING LAW. THIS AMENDMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF

THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAWS PROVISIONS THEREOF).

8. Transaction Documents. This Amendment is a Transaction Document executed pursuant to the Agreement and shall be construed, administered and applied in accordance with the terms and provisions thereof.

9. Integration. This Amendment, the Agreement and the other Transaction Documents contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

10. Severability. Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any

such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed signature page of this Amendment by facsimile transmission, emailed pdf, or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of an original executed counterpart hereof or any other electronic means as provided in the immediately following sentence. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

12. Mutual Negotiations. This Amendment is the product of mutual negotiations by the parties hereto and their counsel, and no party shall be deemed the draftsperson of this Amendment or any provision hereof or to have provided the same. Accordingly, in the event of any inconsistency or ambiguity of any provision of this Amendment, such inconsistency or ambiguity shall not be interpreted against any party because of such party's involvement in the drafting thereof.

13. Headings. The captions and headings of this Amendment are included herein for convenience of reference only and shall not affect the interpretation of this Amendment.

14. Upfront Fee. As consideration for the Lenders entering into this Amendment, the Borrower and Servicer, jointly and severally agree to pay, on or prior to the date hereof, a fully earned and nonrefundable Upfront Fee to each Group Agent for the benefit of the Lenders in its Group, an amount equal to the product of (a) 0.05% times (b) the aggregate Commitments of the Committed Lenders in such Group as of the date hereof. Such fee shall be sent by wire transfers on the date hereof in lawful money of the United States of America in immediately available funds to such account as directed in writing to the Borrower or Servicer by the applicable Group Agent or Administrative Agent, as applicable. The payment of all or any portion of the Upfront Fee shall not reduce or modify any other fees, costs or expenses owed to any of the parties hereto or to any other Person pursuant to the Agreement or any other Transaction Document.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

PG&E AR FACILITY, LLC

By: */s/ Monica Klemann*
Name: Monica Klemann
Title: Assistant Treasurer

PACIFIC GAS AND ELECTRIC COMPANY,
as the Servicer and as Retention Holder

By: */s/ Margaret K. Becker*
Name: Margaret K. Becker
Title: Vice President and Treasurer

S-1Amendment No. 10 to RFA

1MUFG BANK, LTD.,
as Administrative Agent

1.Purpose.

By: /s/ Eric Williams
Name: Eric Williams
Title: Managing Director

2.Termination of Employment Not in Connection with
Change in Control

MUFG BANK, LTD.,
as Group Agent for the MUFG Group

1
By: /s/ Eric Williams
Name: Eric Williams
Title: Managing Director

3.Termination of Employment In Connection With a
Change in Control.

S-2Amendment No. 10 to RFA

MUFG BANK, LTD.,
as a Committed Lender

4
By: /s/ Eric Williams
Name: Eric Williams
Title: Managing Director

4.Obligations of Officer.

10

5.VICTORY RECEIVABLES CORPORATION,
as a Conduit Lender

<u>By: /s/ Kevin J. Corrigan</u> <u>Administration</u>	<u>12</u>
<u>6.No Mitigation..</u>	<u>12</u>
<u>7.Amendment and Termination..</u>	<u>12</u>
<u>8.Successors.</u>	<u>12</u>
<u>9.Nonassignability of Benefits..</u>	<u>13</u>
<u>10.Nonguarantee of Employment.</u>	<u>13</u>
<u>11.Benefits Unfunded and Unsecured..</u>	<u>13</u>
<u>12.Applicable Law..</u>	<u>13</u>
<u>13.Arbitration..</u>	<u>13</u>
<u>14.Reimbursements and In-Kind Benefits..</u>	<u>14</u>
<u>15.Separate Payments.</u>	<u>14</u>
	<u>14</u>
<u>16.Claims and Appeals Procedure..</u>	Name: Kevin J. Corrigan Title: Vice President

S-3Amendment No. 10 to RFA

MIZUHO BANK, LTD.,
as Group Agent for the Mizuho Group

By: /s/ David Krafchik
Name: David Krafchik
Title: Director

MIZUHO BANK, LTD.,
as a Committed Lender

By: /s/ David Krafchik
Name: David Krafchik
Title: Director

S-4Amendment No. 10 to RFA

BNP PARIBAS,
as Group Agent for the BNP Group

By: /s/ Chris Fukuoka
Name: Chris Fukuoka
Title: Director

By: /s/ Advait Joshi
Name: Advait Joshi
Title: Director

BNP PARIBAS,
as a Committed Lender

By: /s/ Chris Fukuoka
Name: Chris Fukuoka
Title: Director

By: /s/ Advait Joshi
Name: Advait Joshi
Title: Director

STARBIRD FUNDING CORPORATION,
as a Conduit Lender

By: /s/ David V. DeAngelis
Name: David V. DeAngelis
Title: Vice President

S-5Amendment No. 10 to RFA

JPMORGAN CHASE BANK, N.A.,
as Group Agent for the JPM Group

By: /s/ John M Kuhns
Name: John M Kuhns
Title: Executive Director

JPMORGAN CHASE BANK, N.A.,
as a Committed Lender

By: /s/ John M Kuhns
Name: John M Kuhns
Title: Executive Director

JUPITER SECURITIZATION COMPANY LLC,
as a Conduit Lender

By: /s/ John M Kuhns
Name: John M Kuhns
Title: Executive Director

S-6Amendment No. 10 to RFA

Exhibit A
(attached)

CONFORMED COPY EXECUTION VERSION

CONFORMED To Exhibit A to Amendment 910 to Receivables Financing Agreement,
dated as of June 9 December 8, 2023

RECEIVABLES FINANCING AGREEMENT

Dated as of October 5, 2020 by and among

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REFINITIV 

PG&E AR FACILITY, LLC,
as Borrower,

THE PERSONS FROM TIME TO TIME PARTY HERETO,
as Lenders and as Group Agents,

MUFG BANK, LTD.,
as Administrative Agent, and

PACIFIC GAS AND ELECTRIC COMPANY,
as initial Servicer and as Retention Holder

possession by a receiver, liquidator, examiner, administrator, assignee, trustee, custodian, sequestrator (or other similar official) for, such Person or for any substantial part of its property or (iii) shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due, or, if a corporation or similar entity, its board of directors (or any board or Person holding similar rights to control the activities of such Person) shall vote to implement any of the foregoing.

"Event of Default" has the meaning specified in Section 9.01. For the avoidance of doubt, any Event of Default that occurs shall be deemed to be continuing at all times thereafter unless and until waived in accordance with Section 13.01.

"Excess (1-30) DPI Concentration Amount" means, at any time, the amount by which (a) the aggregate Unpaid Balance of all Eligible Receivables as to which any payment, or part thereof, remains unpaid for one or more days but less than 31 days from the original invoice date for such Receivable at such time, exceeds (b) the product of (x) 80.0%, times (y) the aggregate Unpaid Balance of the Eligible Receivables included in the Receivables Pool at such time.

"Excess (31-60) DPI Concentration Amount" means, at any time, the amount by which

(a) the aggregate Unpaid Balance of all Eligible Receivables as to which any payment, or part thereof, remains unpaid for more than 30 days but less than 61 days from the original invoice date for such Receivable at such time, exceeds (b) the product of (x) 25.0%, times (y) the aggregate Unpaid Balance of the Eligible Receivables included in the Receivables Pool at such time.

"Excess (61-90) DPI Concentration Amount" means, at any time, the amount by which

(a) the aggregate Unpaid Balance of all Eligible Receivables as to which any payment, or part thereof, remains unpaid for more than 60 days but less than 91 days from the original invoice date for such Receivable at such time, exceeds (b) the product of (x) 15.0%, times (y) the aggregate Unpaid Balance of the Eligible Receivables included in the Receivables Pool at such time.

"Excess Budget Bill Concentration Amount" means, at any time, the amount by which (a) the aggregate Unpaid Balance of all Eligible Receivables that constitute Budget Bill Receivables at such time, exceeds (b) the product of (x) 5.00%, times (y) the aggregate Unpaid Balance of the Eligible Receivables included in the Receivables Pool at such time.

"Excess CARE Program Concentration Amount" means, at any time other than during the CARE Program Exclusion Period, the amount by which (a) the aggregate Unpaid Balance of all Eligible Receivables that constitute CARE Program Receivables at such time, exceeds (b) the product of (x) 10.00%, times (y) the aggregate Unpaid Balance of the Eligible Receivables included in the Receivables Pool at such time.

"Excess Deposit Balance Concentration Amount" means, at any time, so long as a Ratings Event has not occurred and is continuing, the amount by which (a) the Deposit Balance at such time, exceeds (b) the product of (x) 20.00%, times (y) the aggregate Unpaid Balance of the Eligible Receivables included in the Receivables Pool at such time.

"Lenders" means the Conduit Lenders and the Committed Lenders.

"Liquidity Agent" means any bank or other financial institution acting as agent for the various Liquidity Providers under each Liquidity Agreement.

"Liquidity Agreement" means any agreement entered into, directly or indirectly, in connection with or related to, this Agreement pursuant to which a Liquidity Provider agrees to make loans or advances to, or purchase assets from, a Conduit Lender (directly or indirectly) in order to provide liquidity or other enhancement for such Conduit Lender's Notes or other senior indebtedness.

"Liquidity Provider" means any lender, credit enhancer or liquidity provider that is at any time party to a Liquidity Agreement or any successor or assign of such lender, credit enhancer or liquidity provider or any similar entity with respect to any permitted assignee of a Conduit Lender.

"Loan" means any loan made by a Lender pursuant to Section 2.02.

"Loan Request" means a letter in substantially the form of Exhibit A hereto executed and delivered by the Borrower to the Administrative Agent and the Group Agents pursuant to Section 2.02(a).

"Local Government Obligor" shall mean any state or local government, including counties, cities and towns, any political subdivision of any of the foregoing, or any agency, department or instrumentality of any of the foregoing.

"Lock-Box" means each locked postal box with respect to which a Collection Account Bank has executed a Collection Account Control Agreement pursuant to which it has been granted exclusive access for the purpose of retrieving and processing payments made on the Receivables and which is listed on Schedule II (as such schedule may be modified from time to time in connection with the addition or removal of any Lock-Box in accordance with the terms hereof).

"Loss Horizon Ratio" means, as of any Cut-Off Date, a fraction (expressed as a percentage), (a) the numerator of which is the sum of (i) the Gross Sales during the immediately preceding ~~four~~^{two}(42) Settlement Periods then most recently ended, plus (ii) 20.0% of the Gross Sales during the third most recently ended Settlement Period and (b) the denominator of which is the Net Receivable Pool Balance as of such Cut-Off Date.

"Loss Ratio" means, as of any Cut-Off Date, the ratio (expressed as a decimal) (a) the numerator of which is the sum of (i) the product of (A) the aggregate Unpaid Balance of all Pool Receivables and Excluded Receivables (other than (x) CARE Program Receivables during the CARE Program Exclusion Period, (y) UDC Consolidated Billing Receivables and (z) Payment Plan Receivables and Revenue Assurance Receivables) as to which any payment, or part thereof, remains unpaid for more than 120 but less than 151 days from the original invoice date for such Pool Receivable, times (B) one minus the Excluded Receivables Percentage, plus

(without duplication) (ii) any Losses (net of recoveries) incurred in the most recently ended Settlement

Excess CARE Program Concentration Amount at such time, plus (f) the Excess FERA Program Concentration Amount at such time, plus (g) the Excess Unbilled Receivables Concentration Amount at such time, plus (h) the Excess Budget Bill Concentration Amount at such time, plus

(i) the Excess Deposit Balance Concentration Amount at such time, plus (j) during each month of each California Climate Credit Period, the related California Climate Credit Accrual, plus (k) the aggregate amount of all Customer Refunds at such time, plus (l) the Customer Payables Proxy at such time, plus (m) during each month of each Other Credit Period, the aggregate related Other Credit Accrual, plus (n) the Excess Extended Unbilled Receivables Concentration Amount at such time, plus (o) the Excess (1-30) DPI Concentration Amount at such time, plus

(p) the Excess (31-60) DPI Concentration Amount at such time, plus (q) the Excess (61-90) DPI Concentration Amount at such time

"Ninth Amendment Date" means June 9, 2023.

"Non-Federal Government Receivable" means any Receivable the Obligor of which is a Governmental Authority other than a Federal Government Obligor.

"Non-Recourse Debt" means Debt of PG&E or any of its Significant Subsidiaries that is incurred in connection with the acquisition, construction, sale, transfer or other Disposition of specific assets, to the extent recourse, whether contractual or as a matter of law, for non-payment of such Indebtedness is limited (a) to such assets, or (b) if such assets are (or are to be) held by a Subsidiary formed solely for such purpose, to such Subsidiary or the Capital Stock of such Subsidiary.

"Non-Securitization Collections" means Miscellaneous Collections and Excluded Collections.

"Non-Securitization Receivables" means Miscellaneous Items and Excluded Receivables. "Notes" means short-term promissory notes issued, or to be issued, by any Conduit

Lender to fund its investments in accounts receivable or other financial assets.

"Nuclear Decommission Charges" means any fees or charges owing by an Obligor that are related to the accumulation of funds necessary to restore sites where PG&E's nuclear power plants are or were located after those plants were removed from service.

"Obligor" means a Person obligated to make payments under a Contract with respect to a Receivable, including any guarantor thereof.

Exhibit A

"OFAC" has the meaning set forth in the definition of Sanctioned Person.

"Organizational Documents" means with respect to any Person, (a) the articles of incorporation, certificate of incorporation or certificate of formation (or the equivalent organizational documents) of such Person and (b) the bylaws or operating agreement (or the equivalent governing documents of such Person).

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

AMENDMENT NO. 11 TO
RECEIVABLES FINANCING AGREEMENT

This AMENDMENT NO. 11 TO RECEIVABLES FINANCING AGREEMENT, dated as of March 28, 2024 (this "Amendment"), among PG&E AR Facility, LLC, a Delaware limited liability company (the "Borrower"), Pacific Gas and Electric Company, a California corporation ("PG&E"), as initial Servicer (in such capacity, the "Servicer") and as retention holder (in such capacity, the "Retention Holder"), JPMorgan Chase Bank, N.A. ("JPM"), as a Committed Lender and as a Group Agent, Jupiter Securitization Company LLC ("Jupiter"), as a Conduit Lender, Mizuho Bank, Ltd. ("Mizuho"), as a Committed Lender and as a Group Agent, BNP Paribas ("BNP"), as a Committed Lender and as a Group Agent, Starbird Funding Corporation ("Starbird"), as a Conduit Lender, Victory Receivables Corporation ("Victory"), as a Conduit Lender, and MUFG Bank, Ltd. ("MUFG"), as a Committed Lender, as a Group Agent and as Administrative Agent (in such capacity, the "Administrative Agent").

WITNESSETH:

WHEREAS, the parties hereto have heretofore entered into that certain Receivables Financing Agreement, dated as of October 5, 2020 (as amended, restated, supplemented, assigned or otherwise modified from time to time, the "Agreement"); and

WHEREAS, concurrently herewith, PG&E, Citibank, N.A., as collection account agent (the "Collection Account Agent") and Wells Fargo Bank, National Association, as the Borrower Account Bank, are entering into that certain Deposit Account Control Agreement, dated as of the date hereof (the "Wells Fargo Account Control Agreement");

WHEREAS, concurrently herewith, PG&E, the Borrower, the Administrative Agent, the Collection Account Agent and the other parties party thereto are entering into that certain Update to Schedule I to the Collection Account Intercreditor Agreement, dated as of the date hereof (the "ICA Update", and together with the Wells Fargo Account Control Agreement, collectively, the "Related Agreements" and each, a "Related Agreement"); and

WHEREAS, the parties hereto seek to modify the Agreement upon the terms hereof.

NOW, THEREFORE, in exchange for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged and confirmed), each of the parties hereto agree as follows:

AGREEMENT:

1. **Definitions.** Unless otherwise defined or provided herein, capitalized terms used herein have the meanings attributed thereto in (or by reference in) Section 1.01 of the Agreement.

2. **Amendment to the Agreement.** Effective as of the date hereof, the Agreement is hereby amended as follows:

- (a) Schedule I of the Agreement is hereby replaced in its entirety with the schedule attached hereto as Schedule I; and
- (b) Schedule II of the Agreement is hereby replaced in its entirety with the schedule attached hereto as Schedule II.

3. Consent. Each of the parties hereto hereby consents to the execution and delivery of each Related Agreement.

4. Conditions to Effectiveness. This Amendment shall be effective as of the date hereof upon satisfaction of the following conditions:

- (a) receipt by the Administrative Agent of executed counterparts of this Amendment duly executed by each of the parties hereto; and
- (b) receipt by the Administrative Agent of executed counterparts of the Related Agreements duly executed by each of the parties thereto.

5. Certain Representations and Warranties. Each of the Servicer, the Retention Holder and the Borrower represents and warrants to each Credit Party as of the date hereof, as follows:

(a) Representations and Warranties. Both before and immediately after giving effect to this Amendment, the Related Agreements and the transactions contemplated hereby and thereby, all of its respective representations and warranties contained in the Agreement (other than the representations and warranties set forth in Sections 6.01(f)(ii) and (l) of the Agreement and in Sections 6.02(f)(ii), (m)(i), (m)(ii) and (p) of the Agreement) and each other Transaction Document to which it is a party that (x) do not contain a materiality qualification are true and correct in all material respects on and as of the date hereof, and (y) contains a materiality qualification are true and correct on and as of the date hereof (or, to the extent such representations and warranties specifically relate to an earlier date, such representations and warranties were true and correct in all material respects, or true and correct, as the case maybe, as of such earlier date).

(b) Power and Authority; Due Authorization. That it has all necessary corporate power, limited liability company power, and authority (as applicable) to (i) execute and deliver this Amendment, the Related Agreements and the transactions

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contemplated hereby and thereby and (ii) perform its obligations under this Amendment, the Agreement (as amended hereby), the Related Agreements and each of the other Transaction Documents to which it is a party and the execution, delivery and performance of, and the consummation of the transactions provided for in, this Amendment, the Agreement, the Related Agreements and the other Transaction Documents to which it is a party have been duly authorized by all necessary corporate or limited liability company action, as applicable.

(c) Binding Obligations. This Amendment, the Agreement (as amended hereby), the Related Agreements and each of the other Transaction Documents to which it is a party constitute the legal, valid and binding obligations of the Borrower, the Servicer and the Retention Holder, as applicable, enforceable against the Borrower, the Servicer or the Retention Holder, as applicable, in accordance with their respective terms, except as enforceability may be limited by (x) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and (y) applicable Requirements of Law (including the approval of the CPUC) prior to foreclosure or other exercise of remedies hereunder or under the Transaction Documents.

(d) No Event of Default or Termination Events. No Event of Default, Unmatured Event of Default, Termination Event or Unmatured Termination Event has occurred and is continuing, and no Event of Default, Unmatured Event of Default, Termination Event or Unmatured Termination Event would result from this Amendment, the Related Agreements or the transactions contemplated hereby or thereby.

6. Reference to and Effect on the Agreement and the Other Transaction Documents.

(a) From and after the effectiveness of this Amendment, each reference in the Agreement to "this Agreement", "hereof", "herein", "hereunder" or words of like import, and each reference in each of the other Transaction Documents to the "Receivables Financing Agreement", "thereunder", "thereof" or words of like import, in each case referring to the Agreement, shall mean and be, a reference to the Agreement, as amended hereby.

(b) The Agreement (except as specifically amended herein) and the other Transaction Documents are hereby ratified and confirmed in all respects by each of the parties hereto and shall remain in full force and effect in accordance with its respective terms.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of or amendment to, any right, power or remedy of the Administrative Agent or any other Credit Party under, nor constitute a waiver of or amendment to, any other provision or condition under, the Agreement or any other Transaction Document.

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7. **Costs and Expenses.** The Borrower agrees to pay on demand all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent and the other Credit Parties in connection with the preparation, negotiation, execution and delivery of this Amendment and the transactions contemplated hereby.

8. **GOVERNING LAW.** THIS AMENDMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAWS PROVISIONS THEREOF).

9. **Transaction Documents.** This Amendment is a Transaction Document executed pursuant to the Agreement and shall be construed, administered and applied in accordance with the terms and provisions thereof.

10. **Integration.** This Amendment, the Agreement and the other Transaction Documents contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof superseding all prior oral or written understandings.

11. **Severability.** Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed signature page of this Amendment by facsimile transmission, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of an original executed counterpart hereof or any other electronic means as provided in the immediately following sentence. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

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13. Mutual Negotiations. This Amendment is the product of mutual negotiations by the parties hereto and their counsel, and no party shall be deemed the draftsperson of this Amendment or any provision hereof or to have provided the same. Accordingly, in the event of any inconsistency or ambiguity of any provision of this Amendment, such inconsistency or ambiguity shall not be interpreted against any party because of such party's involvement in the drafting thereof.

14. Headings. The captions and headings of this Amendment are included herein for convenience of reference only and shall not affect the interpretation of this Amendment.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

PG&E AR FACILITY, LLC

By: /s/ Monica Klemann
Name: Monica Klemann
Title: Assistant Treasurer

PACIFIC GAS AND ELECTRIC COMPANY,
as the Servicer and as Retention Holder

By: /s/ Margaret K. Becker
Name: Margaret K. Becker
Title: Vice President and Treasurer

S-1Amendment No. 11 to RFA

MUFG BANK, LTD.,
as Administrative Agent

By: /s/ Eric Williams
Name: Eric Williams
Title: Managing Director

MUFG BANK, LTD.,
as Group Agent for the MUFG Group

By: /s/ Eric Williams
Name: Eric Williams
Title: Managing Director

MUFG BANK, LTD.,
as a Committed Lender

By: /s/ Eric Williams
Name: Eric Williams
Title: Managing Director

VICTORY RECEIVABLES CORPORATION,
as a Conduit Lender

By: /s/ Kevin J. Corrigan
Name: Kevin J. Corrigan
Title: Vice President

S-2Amendment No. 11 to RFA

MIZUHO BANK, LTD.,
as Group Agent for the Mizuho Group

By: /s/ Jeremy Ebrahim
Name: Jeremy Ebrahim
Title: Managing Director

MIZUHO BANK, LTD.,
as a Committed Lender

By: /s/ Jeremy Ebrahim
Name: Jeremy Ebrahim
Title: Managing Director

S-3Amendment No. 11 to RFA

BNP PARIBAS,
as Group Agent for the BNP Group

By: /s/ Chris Fukuoka
Name: Chris Fukuoka
Title: Director

By: /s/ Advait Joshi
Name: Advait Joshi
Title: Director

BNP PARIBAS,
as a Committed Lender

By: /s/ Chris Fukuoka
Name: Chris Fukuoka
Title: Director

By: /s/ Advait Joshi
Name: Advait Joshi
Title: Director

STARBIRD FUNDING CORPORATION,
as a Conduit Lender

By: /s/ David V. DeAngelis
Name: David V. DeAngelis
Title: Vice President

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REFINITIV 

Ind. Vice President

JPMORGAN CHASE BANK, N.A.,
as Group Agent for the JPM Group

By: /s/ John M Kuhns
Name: John M Kuhns
Title: Executive Director

JPMORGAN CHASE BANK, N.A.,
as a Committed Lender

By: /s/ John M Kuhns
Name: John M Kuhns
Title: Executive Director

JUPITER SECURITIZATION COMPANY LLC,
as a Conduit Lender

By: /s/ John M Kuhns
Name: John M Kuhns
Title: Executive Director

S-4Amendment No. 11 to RFA

SCHEDULE I
Commitments

<u>Party</u>	<u>Capacity</u>	<u>Period 1 Commitment</u>
MUFG	Committed Lender	\$550,000,000.00
Mizuho	Committed Lender	\$316,666,666.67
BNP	Committed Lender	\$316,666,666.67
JPM	Committed Lender	\$316,666,666.67

<u>Party</u>	<u>Capacity</u>	<u>Period 2 Commitment</u>
MUFG	Committed Lender	\$550,000,000.00
Mizuho	Committed Lender	\$316,666,666.67
BNP	Committed Lender	\$316,666,666.67
JPM	Committed Lender	\$316,666,666.67

<u>Party</u>	<u>Capacity</u>	<u>Period 3 Commitment</u>
MUFG	Committed Lender	\$550,000,000.00
Mizuho	Committed Lender	\$316,666,666.67
BNP	Committed Lender	\$316,666,666.67
JPM	Committed Lender	\$316,666,666.67

<u>Party</u>	<u>Capacity</u>	<u>Period 4 Commitment</u>
MUFG	Committed Lender	\$550,000,000.00
Mizuho	Committed Lender	\$316,666,666.67
BNP	Committed Lender	\$316,666,666.67
JPM	Committed Lender	\$316,666,666.67

<u>Party</u>	<u>Capacity</u>	<u>Period 5 Commitment</u>
MUFG	Committed Lender	\$550,000,000.00
Mizuho	Committed Lender	\$316,666,666.67

Schedule I-1

BNP	Committed Lender	\$316,666,666.67
JPM	Committed Lender	\$316,666,666.67

<u>Party</u>	<u>Capacity</u>	<u>Period 6 Commitment</u>
MUFG	Committed Lender	\$550,000,000.00
Mizuho	Committed Lender	\$316,666,666.67
BNP	Committed Lender	\$316,666,666.67
JPM	Committed Lender	\$316,666,666.67

Schedule I-2

SCHEDULE II
Lock-Boxes, Collection Accounts and Borrower Accounts

Collection Account Bank	Collection Account Number	Associated Lock-Box (if any)
Bank of America, N.A.	[****]	N/A
Citibank, N.A.	[****]	N/A
The Bank of New York Mellon	[****]	N/A
Wells Fargo Bank, National Association	[****]	N/A

Borrower Account Bank	Borrower Account Number
The Bank of New York Mellon	[****]

Schedule II-1

EXHIBIT 10.4

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

**UPDATE to SCHEDULE I to
COLLECTION ACCOUNT INTERCREDITOR AGREEMENT**

THIS UPDATE TO SCHEDULE I TO COLLECTION ACCOUNT INTERCREDITOR AGREEMENT (the "Update") is made as of March 28, 2024, by and among:

- (a) *Pacific Gas and Electric Company, a California corporation (the "Company");*
- (b) *PG&E Recovery Funding LLC, as a Securitization SPV ("Recovery Funding");*
- (c) *PG&E Wildfire Recovery Funding LLC, as a Securitization SPV ("Wildfire Recovery Funding")*
- (d) *Citibank, N.A. ("Citibank"), as Collection Account Agent (as defined in the Intercreditor Agreement (as defined below));*
- (e) *MUFG Bank, Ltd. ("MUFG"), as Administrative Agent on behalf of the Credit Parties (as defined in the RFA defined below) under the RFA (as defined below) (in such capacity, together with its successors and assigns in such capacity, the "RFA Administrative Agent");*
- (f) *The Bank of New York Mellon Trust Company, N.A. (the "Series 2021-A Recovery Funding Indenture Trustee"), not in its individual capacity but solely as indenture trustee under the Indenture, dated as of November 12, 2021, between Recovery Funding and the Series 2021-A Recovery Funding Indenture Trustee;*
- (g) *The Bank of New York Mellon Trust Company, N.A. (the "Series 2022-A Recovery Funding Indenture Trustee"), not in its individual capacity but solely as indenture trustee under the Indenture, dated as of November 30, 2022, between Recovery Funding and the Series 2022-A Recovery Funding Indenture Trustee;*
- (h) *The Bank of New York Mellon Trust Company, N.A. (the "Series 2022-A Wildfire Recovery Funding Indenture Trustee"), not in its individual capacity but solely as indenture trustee under the Indenture, dated as of May 10, 2022, between Wildfire Recovery Funding and the Series 2022-A Wildfire Recovery Funding Indenture Trustee; and*

(i) The Bank of New York Mellon Trust Company, N.A. (the "Series 2022-B Wildfire Recovery Funding Indenture Trustee" and, together with the Series 2021-A Recovery Funding Indenture Trustee, the Series 2022-A Recovery Funding Indenture Trustee and the Series 2022-A Wildlife Recovery Funding Indenture Trustee, the "Trustees" and each, a "Trustee"), not in its individual capacity but solely as indenture trustee under the Indenture;

dated as of July 20, 2022, between Wildfire Recovery Funding and the Series 2022-B Wildfire Recovery Funding Indenture Trustee.

WHEREAS, the parties hereto are party to that certain Collection Account Intercreditor Agreement, dated as of October 5, 2020 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"; capitalized terms used but not otherwise defined herein shall have the respective meanings given to them in the Intercreditor Agreement), whereby the parties agreed upon their respective rights relating to the Receivables, Customers Charges, Retained Assets, collections and proceeds of the foregoing and any bank accounts into which collections and proceeds of the foregoing may be deposited, as well as other matters of common interest to them which arise under or result from the coexistence of the Receivables Documents and the Joined Party Transaction Documents and the commingling of collections and proceeds of the Receivables, the Customer Charges and the Retained Assets;

WHEREAS, MUFG has notified the Company that it will no longer provide collection account services and, thus, the Company now desires to close its Collection Account at MUFG (the "MUFG Collection Account") and open a new Collection Account at Wells Fargo Bank, National Association (the "Wells Fargo Bank Collection Account");

WHEREAS, set forth on Schedule I to the Intercreditor Agreement ("Schedule I") are the Lock-Boxes and Collection Accounts into which certain collections are made;

WHEREAS, the parties desire to update Schedule I to the Intercreditor Agreement to remove the MUFG Collection Account and add the Wells Fargo Bank Collection Account, and the parties have so agreed on the terms and conditions set forth herein; and

WHEREAS, the RFA Administrative Agent hereby authorizes and instructs the Collection Account Agent to execute and deliver this Update;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Update to Schedule I. Effective as of the date hereof, Schedule I to the Intercreditor Agreement is hereby updated in its entirety and replaced with Exhibit A attached hereto.

2. Conditions of Effectiveness. This Update shall become effective and be deemed effective as of the date hereof once all parties hereto shall have delivered a duly executed signature page to this Update.

3. Representations and Warranties. Each party hereby represents and warrants that this Update and the Intercreditor Agreement as modified hereby constitute legal, valid and binding obligations of such party, enforceable in accordance with their terms, subject to the effects of (i) bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally, (ii) general principles of equity, regardless of whether

such enforceability is considered in a proceeding in equity or at law and (iii) implied covenants of good faith and fair dealing.

4. Reference to and Effect on the Intercreditor Agreement.

(a) Upon the effectiveness of this Update, each reference to Schedule I in the Intercreditor Agreement shall mean and be a reference to Schedule I as modified hereby.

(b) The Intercreditor Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby reaffirmed, ratified and confirmed.

(c) The execution, delivery and effectiveness of this Update shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any of the parties, nor constitute a waiver of or consent to any modification of any provision of the Intercreditor Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

5. GOVERNING LAW. THIS UPDATE, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICT OF LAWS PROVISIONS THEREOF).

6. Headings. Section headings in this Update are included herein for convenience of reference only and shall not constitute a part of this Update for any other purpose.

7. Counterparts. This Update may be executed by one or more of the parties hereto on any number of separate counterparts (including by means of facsimile or electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Update or in any other certificate, opinion, agreement or document related to this Update shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

8. Severability. Any provisions of this Update which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or

unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction

.....

IN WITNESS WHEREOF, this Update has been duly executed as of the day and year first above written.

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ Monica Kleemann

Name: Monica Kleemann

Title: Director, Assistant Treasurer

Signature Page to Update to Schedule I

ACKNOWLEDGED BY:

PG&E RECOVERY FUNDING LLC, as a Securitization SPV

By: /s/ Margaret K. Becker

Name: Margaret K. Becker

Title: Manager and President

PG&E WILDFIRE RECOVERY FUNDING, as a Securitization SPV

By: /s/ Margaret K. Becker

Name: Margaret K. Becker

Title: Manager and President

CITIBANK, N.A., as Collection Account Agent

By: /s/ Diana Gulyan

Name: Diana Gulyan

Title: Senior Trust Officer

MUFG BANK, LTD., as RFA Administrative Agent

By: /s/ Eric Williams

Name: Eric Williams

Title: Managing Director

Signature Page to Update to Schedule I

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Series 2021-A Recovery Funding Indenture Trustee

By: /s/ Mitchell L. Brumwell
Name: Mitchell L. Brumwell
Title: Vice President

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Series 2022-A Recovery Funding Indenture Trustee

By: /s/ Mitchell L. Brumwell
Name: Mitchell L. Brumwell
Title: Vice President

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Series 2022-A Wildfire Recovery Funding Indenture Trustee

By: /s/ Mitchell L. Brumwell
Name: Mitchell L. Brumwell
Title: Vice President

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Series 2022-B Wildfire Recovery Funding Indenture Trustee

By: /s/ Mitchell L. Brumwell
Name: Mitchell L. Brumwell
Title: Vice President

Signature Page to Update to Schedule I

Exhibit A

SCHEDULE I

Lock-Boxes and Collection Accounts

Collection Account Bank	Collection Account Number	Associated Lock-Box (if any)
Bank of America, N.A.	[****]	N/A
Citibank, N.A.	[****]	N/A
The Bank of New York Mellon	[****]	N/A
Wells Fargo Bank, National Association	[****]	N/A



EXHIBIT 10.5

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

February 20, 2024

Carla J. Peterman
EVP, Corporate Affairs and Chief Sustainability Officer
Personnel Number: [****]

Dear Carla:

I want to personally thank you for your dedication and contributions to Pacific Gas and Electric Company (the "Company"). In recognition of your value to the organization, I am pleased to offer you the following retention incentive to encourage your continued employment.

The retention incentive includes two components:

1. A one-time cash retention of \$250,000 to be paid on March 1, 2024, is contingent on your acceptance of this retention incentive, subject to applicable withholdings. Should you voluntarily resign within 2 years of the date of this retention, you agree to repay the cash retention on a pro-rata basis.
2. An LTIP grant with a value of \$800,000 (100% RSUs). The grant is contingent on your acceptance of this retention incentive and will be granted on March 1, 2024. If the trading window is closed, the grant will be made on the day the trading window reopens. The grant will consist of Restricted Stock Units (RSUs) that vest in accordance with the following schedule:
 - a. Second-year anniversary of the grant date: 50% vest
 - b. Third-year anniversary of the grant date: 50% vest

The actual number of RSUs will be determined by dividing the grant value by the closing price of PG&E Corporation common stock on the grant date. The terms of the RSU award will be governed by the then current PG&E Corporation Long Term Incentive Plan and Restricted Stock Unit Agreement (collectively "LTIP Plan"). If you leave the company, unvested RSUs will be cancelled pursuant to the terms of the LTIP Plan. This retention incentive LTIP will not affect any previous LTIP grants you may have already received nor your eligibility to participate in the Company's STIP and LTIP plans going forward.

One-time cash retention payments are not pension eligible earnings and are not eligible for 401K match.

The provisions of this agreement shall not be construed as an employment contract for any period of time and they do not alter your "at will" employment status with the company.

Sincerely,

Is/ PATRICIA POPPE
Patricia Poppe
Chief Executive Officer

Confidential

1

Please acknowledge your acceptance of this retention incentive and the terms of this letter by signing the original and returning it to me. An additional copy of this letter is enclosed for your personal records.

/s/ CARLA J. PETERMAN

Carla J. Peterman

3/3/2024

Date

Confidential

2

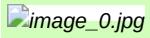


EXHIBIT 10.6

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

February 20, 2024

John R. Simon
EVP, General Counsel and Chief Ethics and Compliance Officer
Personnel Number: [****]

Dear John

I want to personally thank you for your dedication and contributions to Pacific Gas and Electric Company (the "Company"). In recognition of your value to the organization, I am pleased to offer you the following special retention incentive to encourage your continued employment.

The special retention incentive is comprised of an LTIP grant with a value of \$1,500,000 (100% RSUs). The grant is contingent your acceptance of this retention incentive and will be granted on March 1, 2024. If the trading window is closed, the grant will be made on the day the trading window reopens. The grant will consist of Restricted Stock Units (RSUs) that vest in accordance with the following schedule:

1. First-year anniversary of the grant date: 20% vest
2. Second-year anniversary of the grant date: 40% vest
3. Third-year anniversary of the grant date: 40% vest

The actual number of RSUs will be determined by dividing the grant value by the closing price of PG&E Corporation common stock on the grant date. The terms of the RSU award will be governed by the then current PG&E Corporation Long Term Incentive Plan and Restricted Stock Unit Agreement (collectively "LTIP Plan"). If you leave the company, unvested RSUs will be cancelled pursuant to the terms of the LTIP Plan. This retention incentive LTIP will not affect any previous LTIP grants you may have already received nor your eligibility to participate in the Company's STIP and LTIP plans going forward.

The provisions of this agreement shall not be construed as an employment contract for any period of time and they do not alter your "at will" employment status with the company.

Sincerely,

/s/ PATRICIA POPPE
Patricia Poppe
Chief Executive Officer

Please acknowledge your acceptance of this retention incentive and the terms of this letter by signing the original and returning it to me. An additional copy of this letter is enclosed for your personal records.

/s/ JOHN R. SIMON
John R. Simon

3/1/2024
Date

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)

I, Patricia K. Poppe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 of PG&E Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 25, 2023 April 24, 2024

/s/ PATRICIA K. POPPE
Patricia K. Poppe
Chief Executive Officer

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)

I, Carolyn J. Burke, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** of PG&E Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **October 25, 2023** **April 24, 2024**

/s/ CAROLYN J. BURKE

Carolyn J. Burke

Executive Vice President and Chief Financial Officer

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)

I, Sumeet Singh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023****March 31, 2024** of Pacific Gas and Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **October 25, 2023****April 24, 2024**

/s/ SUMEET SINGH

Sumeet Singh

Executive Vice President, Operations and Chief Operating Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)**

I, Marlene M. Santos, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023****March 31, 2024** of Pacific Gas and Electric Company;

2. *Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;*
3. *Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;*
4. *The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:*
 - a. *Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;*
 - b. *Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;*
 - c. *Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and*
 - d. *Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and*
5. *The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):*
 - a. *All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.*

Date: **October 25, 2023** April 24, 2024

/s/ MARLENE M. SANTOS

Marlene M. Santos

Executive Vice President and Chief Customer and Enterprise Solutions Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)**

I, Jason M. Glickman, certify that:

1. *I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** of Pacific Gas and Electric Company;*
2. *Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;*

3. *Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;*
4. *The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:*
 - a. *Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;*
 - b. *Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;*
 - c. *Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and*
 - d. *Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and*
5. *The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):*
 - a. *All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and*
 - b. *Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.*

Date: **October 25, 2023** **April 24, 2024**

/s/ JASON M. GLICKMAN

Jason M. Glickman

Executive Vice President, Engineering, Planning and Strategy

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)**

I, **Stephanie N. Williams**, certify that:

1. *I have reviewed this Quarterly Report on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** of Pacific Gas and Electric Company;*
2. *Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;*
3. *Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;*
4. *The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:*

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **October 25, 2023** **April 24, 2024**

/s/ STEPHANIE N. WILLIAMS

Stephanie N. Williams

Vice President, Chief Financial Officer and Controller

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying Quarterly Report on Form 10-Q of PG&E Corporation for the quarter ended **September 30, 2023** **March 31, 2024** ("Form 10-Q"), I, Patricia K. Poppe, Chief Executive Officer of PG&E Corporation, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

- (1) the Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of PG&E Corporation.

/s/ PATRICIA K. POPPE

Patricia K. Poppe

Chief Executive Officer

October 25, 2023 **April 24, 2024**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

*In connection with the accompanying Quarterly Report on Form 10-Q of PG&E Corporation for the quarter ended **September 30, 2023** **March 31, 2024** ("Form 10-Q"), I, Carolyn J. Burke, Executive Vice President and Chief Financial Officer of PG&E Corporation, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:*

- (1) *the Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and*
- (2) *the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of PG&E Corporation.*

/s/ CAROLYN J. BURKE

Carolyn J. Burke
Executive Vice President and Chief Financial Officer

October 25, 2023 **April 24, 2024**

EXHIBIT 32.2

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

*In connection with the accompanying Quarterly Report on Form 10-Q of Pacific Gas and Electric Company for the quarter ended **September 30, 2023** **March 31, 2024** ("Form 10-Q"), I, Sumeet Singh, Executive Vice President, Operations and Chief Operating Officer of Pacific Gas and Electric Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:*

- (1) *the Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and*
- (2) *the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Pacific Gas and Electric Company.*

/s/ SUMEET SINGH

Sumeet Singh
Executive Vice President, Operations and Chief Operating Officer

October 25, 2023 **April 24, 2024**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350**

*In connection with the accompanying Quarterly Report on Form 10-Q of Pacific Gas and Electric Company for the quarter ended **September 30, 2023** **March 31, 2024** ("Form 10-Q"), I, Marlene M. Santos, Executive Vice President and Chief Customer and Enterprise Solutions Officer of Pacific*

Gas and Electric Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

- (1) the Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Pacific Gas and Electric Company.

/s/ MARLENE M. SANTOS

Marlene M. Santos

Executive Vice President and Chief Customer and Enterprise Solutions Officer

October 25, 2023

April 24, 2024

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying Quarterly Report on Form 10-Q of Pacific Gas and Electric Company for the quarter ended September 30, 2023 March 31, 2024 ("Form 10-Q"), I, Jason M. Glickman, Executive Vice President, Engineering, Planning and Strategy of Pacific Gas and Electric Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

- (1) the Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Pacific Gas and Electric Company.

/s/ JASON M. GLICKMAN

Jason M. Glickman

Executive Vice President, Engineering, Planning and Strategy

October 25, 2023

April 24, 2024

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying Quarterly Report on Form 10-Q of Pacific Gas and Electric Company for the quarter ended September 30, 2023 March 31, 2024 ("Form 10-Q"), I, Stephanie N. Williams, Vice President, Chief Financial Officer and Controller of Pacific Gas and Electric

Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

- (1) the Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Pacific Gas and Electric Company.

/s/ STEPHANIE N. WILLIAMS

Stephanie N. Williams

Vice President, Chief Financial Officer and Controller

October 25, 2023 April 24, 2024

DISCLAIMER

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