

PG&E HEARING EXHIBIT PGE-03-A

A.20-04-023

PG&E'S SECURITIZATION 2020

Errata: Page 3-23 of Chapter 3, Transaction Overview (Mari Becker)

1 As provided for in Sections 850(b)(4), (7), these financing costs would be  
2 recoverable through the Recovery Bond transaction. However, the actual  
3 amount of the issuance costs would not affect the size of the issuance.

4 These fees would be appropriate in light of the complexity of this transaction  
5 and the long lead-time necessary to develop and bring this transaction to a  
6 close. These fees would be less than one percent of the initial Recovery Bond  
7 principal amount, in line with the fee percentage in other complex utility  
8 securities such as pollution control bonds, project financings and leveraged  
9 preferred stock issues. ~~When each Recovery Bond series is sized, issuance~~  
10 ~~costs would be estimated. And after all costs are paid by the applicable SPE,~~  
11 ~~any proceeds not used for Recovery Bond issuance costs would be credited to~~  
12 ~~the excess funds subaccount and used to offset the revenue requirement in the~~  
13 ~~next FRC true-up calculation. In the event that the actual bond issuance costs~~  
14 ~~exceed the estimated amount, the shortfall amount may be recovered in the next~~  
15 ~~periodic true-up adjustment for the FRCs.~~

16 PG&E would use the net proceeds received from the sale of the Recovery  
17 Bonds to pay or reimburse PG&E for the payment of costs and expenses  
18 relating to the 2017 North Bay Wildfires. Section 850(a)(1) permits securitization  
19 as a mechanism to recover costs and expenses related to catastrophic wildfires  
20 ignited in 2017 as determined pursuant to Section 451.2(c).