

PG&E HEARING EXHIBIT PGE-26

A.20-04-023

PG&E'S SECURITIZATION 2020

Risk and Time Calculation

| | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--------------------------|-------|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Debt discount factor | | (50.00) | (50.00) | (50.00) | (50.00) | (50.00) | (50.00) | (50.00) | (50.00) | (50.00) | (50.00) | (50.00) |
| Debt discount factor | 3.00% | 1.000 | 0.971 | 0.943 | 0.915 | 0.888 | 0.863 | 0.837 | 0.813 | 0.789 | 0.766 | 0.744 |
| PV of Debt | | (50.00) | (48.54) | (47.13) | (45.76) | (44.42) | (43.13) | (41.87) | (40.65) | (39.47) | (38.32) | (37.20) |
| Expected value of gamble | | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 |
| Gamble discount factor | 6.00% | 1.000 | 0.943 | 0.890 | 0.840 | 0.792 | 0.747 | 0.705 | 0.665 | 0.627 | 0.592 | 0.558 |
| PV of Gamble | | 55.00 | 51.89 | 48.95 | 46.18 | 43.57 | 41.10 | 38.77 | 36.58 | 34.51 | 32.55 | 30.71 |
| Total PV of deal | | 5.00 | 3.34 | 1.82 | 0.42 | (0.86) | (2.03) | (3.10) | (4.08) | (4.96) | (5.77) | (6.49) |