

PG&E HEARING EXHIBIT PGE-62

A.20-04-023

PG&E'S SECURITIZATION 2020

The Utility Reform Network's Response to PG&E Data Request 7,
Questions 1, 2, 3

PACIFIC GAS AND ELECTRIC COMPANY
Application 20-04-023
(Securitization)

TURN Response to
PG&E Data Requests
Set 7

| | |
|------------------------|-----------------------------------|
| PG&E Data Request No.: | PGE_TURN007 |
| PG&E File Name: | Securitization2020_DR_PGE_TURN007 |
| Date Requested: | November 25, 2020 |
| Date of Response | December 4, 2020 |

Q 1: Explain why forecasts from the following entities were not included in the Ellis Testimony (original or revised).

- a. **Alan Biller**
- b. **AndCo Consulting**
- c. **Cambridge Associates**
- d. **Marquette Associates**
- e. **Meketa**
- f. **Mercer Consulting**
- g. **Milliman**
- h. **NEPC**
- i. **RVK**
- j. **Willis Towers Watson**

Mr. Ellis used only publicly available capital market assumptions reports in his analysis. None of these forecasters' reports was publicly available, as indicated in Exhibit 1 of Horizon's report:

Exhibit 1

| 2020 Survey Participants | |
|---|--|
| <i>AJ Gallagher</i> | <i>Marquette Associates</i> |
| <i>Alan Biller</i> | <i>Meketa Investment Group</i> |
| <i>AndCo Consulting</i> | <i>Mercer</i> |
| <i>Aon Hewitt</i> | <i>Merrill Lynch Global Institutional Consulting</i> |
| <i>The Atlanta Consulting Group</i> | <i>Milliman</i> |
| <i>Bank of New York Mellon*</i> | <i>Morgan Stanley Wealth Management</i> |
| <i>BlackRock*</i> | <i>NEPC</i> |
| <i>Callan Associates</i> | <i>PFM Asset Management, LLC</i> |
| <i>Cambridge Associates</i> | <i>Research Affiliates, LLC*</i> |
| <i>CapTrust</i> | <i>Royal Bank of Canada</i> |
| <i>Ellwood Associates</i> | <i>RVK</i> |
| <i>Investnet</i> | <i>Segal Marco Advisors</i> |
| <i>Franklin Templeton*</i> | <i>SEI</i> |
| <i>Goldman Sachs Asset Management</i> | <i>Sellwood Consulting</i> |
| <i>Graystone Consulting</i> | <i>SunTrust</i> |
| <i>Invesco*</i> | <i>UBS</i> |
| <i>Investment Performance Services, LLC (IPS)</i> | <i>The Vanguard Group*</i> |
| <i>Janney Montgomery Scott, LLC</i> | <i>Verus</i> |
| <i>J.P. Morgan Asset Management*</i> | <i>Voya Investment Management*</i> |
| | <i>Willis Towers Watson</i> |

**Assumptions obtained from published white paper.*

Q 2: Does TURN agree with the following historical 30-year investment returns ending September 30, 2020 for each asset class set forth in the table below?

| Asset Class | Index | Historical 30-year Geometric Average Return |
|--------------------|-----------------------------|--|
| Broad US Equity | Russell 3000 | 10.74% |
| Non-US Equity | MSCI ACWI ex-US IMI (gross) | 6.33% |
| US Fixed Income | Bloomberg Aggregate | 6.01% |
| 56/24/20 Mix* | | 9.00% |

*56% Russell 3000, 24% MSCI ACWI ex-US IMI (gross), 20% Bloomberg Aggregate, rebalanced quarterly.

TURN does not have independent access to the data underlying the results presented in the table so cannot confirm them. Mr. Ellis, like every forecaster reviewed in his survey, recognizes that historical market returns, unadjusted for inflation, economic growth, interest rates, valuations (e.g., P/E ratio), and other factors, are not instructive in predicting future returns.

Q 3: If TURN does not agree in response to Question 2, please provide TURN's historical 30-year investment returns ending September 30, 2020 for each asset class and the asset mix shown in the table in Question 2.

See response to Q 2 above.