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9 *Attorneys for the Fire Victim Trustee*

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**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

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13

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In re:

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**PG&E CORPORATION,**

16

**- and -**

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**PACIFIC GAS AND ELECTRIC  
COMPANY,  
Debtors.**

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- Affects PG&E Corporation
- Affects Pacific Gas and Electric Company
- Affects both Debtors

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*\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

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Case No. 19-30088 (DM)  
Chapter 11  
(Lead Case)  
(Jointly Administered)

**NOTICE OF FILING OF ANNUAL  
REPORT OF FIRE VICTIM TRUST  
AND CLAIMS REPORT OF FIRE  
VICTIM TRUST PURSUANT TO  
FIRE VICTIM TRUST AGREEMENT**

1 TO FIRE VICTIMS AND ALL OTHER INTERESTED PARTIES:

2 PLEASE TAKE NOTICE that, in accordance with Section 2.2 (c)(i) of the PG&E Fire Victim  
3 Trust Agreement Dated as of July 1, 2020 (the “**Trust Agreement**”), Cathy Yanni, in her capacity  
4 as the Trustee (the “**Trustee**”), has filed an annual report (the “**Annual Report**”) audited by the Trust  
5 Accountants along with an opinion of the Trust Accountants as to the fairness in all material respects  
6 of the special-purpose financial statements contained in the Annual Report (the “**Opinion**”). A copy  
7 of the Annual Report and a copy the Opinion are attached hereto as **Exhibit 1**. As further required  
8 by Section 2.2 (c)(i) of the Trust Agreement, the Trustee has provided a copy of the Annual Report  
9 and a copy of the Opinion to the Claims Administrator and the TOC, and will post them on the Fire  
10 Victim Trust Website at [www.firevictimtrust.com](http://www.firevictimtrust.com).

11 PLEASE TAKE FURTHER NOTICE that in accordance with Section 2.2 (c)(ii) of the Trust  
12 Agreement, the Trustee caused to be prepared a report containing a summary regarding the number  
13 and type of claims disposed of during the period covered by the Annual Report (the “**Claims**  
14 **Report**”). A copy of the Claims Report is attached hereto as **Exhibit 2**. As further required by  
15 Section 2.2 (c)(ii) of the Trust Agreement, the Trustee has provided a copy of the Claims Report to  
16 the Claims Administrator and the TOC and will post it on the Fire Victim Trust Website at  
17 [www.firevictimtrust.com](http://www.firevictimtrust.com).

18 DATED: April 28, 2023

BROWN RUDNICK LLP

19 By: /s/ David J. Molton

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27 *Attorneys for the Fire Victim Trustee*

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**EXHIBIT “1”**



## PG&E Fire Victim Trust

Special-Purpose Financial Statements with  
Supplementary Information  
For the Years Ended December 31, 2022 and 2021

The report accompanying these financial statements was issued by  
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member  
of BDO International Limited, a UK company limited by guarantee.



## **PG&E Fire Victim Trust**

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Special-Purpose Financial Statements  
with Supplementary Information  
For the Years Ended December 31, 2022 and 2021

# PG&E Fire Victim Trust

## Contents

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<b>Independent Auditor's Report</b>	1-3
<b>Special-Purpose Financial Statements</b>	
Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity	4
Special-Purpose Statements of Changes in Net Claimants' Equity	5
Special-Purpose Statements of Cash Flows	6
Notes to the Special-Purpose Financial Statements	7-12
<b>Supplementary Information</b>	
Independent Auditor's Report on Supplementary Information	13
Supplementary Schedules of Operating Expenses	14-15



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McLean, VA 22102

## Independent Auditor's Report

Trustee  
PG&E Fire Victim Trust  
San Francisco, California

### Opinion

We have audited the accompanying special-purpose financial statements of the PG&E Fire Victim Trust (the Trust) (a statutory trust created under the laws of the State of Delaware), which comprise the special-purpose statements of assets, liabilities, and net claimants' equity as of December 31, 2022 and 2021, and the related special-purpose statements of changes in net claimants' equity and the special-purpose statements of cash flows for the years then ended, and the related notes to the special-purpose financial statements.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the net claimants' equity of the Trust as of December 31, 2022 and 2021, and the results of its changes in net claimants' equity and its cash flows for the years then ended in accordance with the basis of accounting described in Note 2 to the special-purpose financial statements.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements* section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Emphasis of Matter - Basis of Accounting*

We draw attention to Note 2 of the special-purpose financial statements which describes the basis of accounting. As described in Note 2, the accompanying special-purpose financial statements were prepared in order to account for the amount of claimants' equity presently available to fund current and future claims, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

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### ***Responsibilities of Management for the Special-Purpose Financial Statements***

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the basis of accounting as described in Note 2 to the special-purpose financial statements. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern within one year after the date that the special-purpose financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements***

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the special-purpose financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special-purpose financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special-purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



***Other Matter - Restriction of Use***

Our report is intended solely for the information and use of the Trust and is not intended to be and should not be used by anyone other than the specified party.

***Other Matter - Other Information Included in the Annual Report***

Management is responsible for the other information included in the annual report. The other information comprises the annual report and account of the Trust for the year ended December 31, 2022, but does not include the special-purpose financial statements and our auditor's report thereon. Our opinion on the special-purpose financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the special-purpose financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the special-purpose financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*BDO USA, LLP*

McLean, Virginia  
April 25, 2023

## Special-Purpose Financial Statements

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# PG&E Fire Victim Trust

## Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity

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<i>December 31,</i>	2022	2021
<b>Assets</b>		
Cash	\$ 158,880,801	\$ 314,959,634
Investments	7,587,602,734	9,803,927,665
Interest receivable	-	15,618,747
Prepaid expense	9,000	-
<b>Total assets</b>	<b>7,746,492,535</b>	<b>10,134,506,046</b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	5,116,392	6,662,671
Claims settled, but not paid	51,833,551	-
<b>Total liabilities</b>	<b>56,949,943</b>	<b>6,662,671</b>
<b>Net claimants' equity</b>	<b>\$ 7,689,542,592</b>	<b>\$ 10,127,843,375</b>

*See accompanying notes to the special-purpose financial statements.*

# PG&E Fire Victim Trust

## Special-Purpose Statements of Changes in Net Claimants' Equity

Years Ended December 31,	2022	2021
<b>Additions</b>		
Trust funding	\$ 591,529,714	\$ 758,470,286
Net appreciation in investment securities	1,338,883,446	-
Interest income, net	43,977,965	5,020,806
<b>Total additions</b>	<b>1,974,391,125</b>	<b>842,708,076</b>
<b>Deductions</b>		
Net depreciation in investment securities	-	153,963,743
Approved claims	4,307,738,016	1,686,233,490
Government claims	8,586,183	-
Operating expenses	96,367,709	93,329,126
<b>Total deductions</b>	<b>4,412,691,908</b>	<b>2,012,743,343</b>
<b>Decrease in net claimants' equity</b>	<b>(2,438,300,783)</b>	<b>(1,170,035,267)</b>
Net claimants' equity at the beginning of the year	10,127,843,375	11,297,878,642
<b>Net claimants' equity at the end of the year</b>	<b>\$ 7,689,542,592</b>	<b>\$ 10,127,843,375</b>

*See accompanying notes to the special-purpose financial statements.*

**PG&E Fire Victim Trust**  
**Special-Purpose Statement of Cash Flows**

<i>Years Ended December 31,</i>	2022	2021
<b>Cash flows from operating activities:</b>		
Decrease in net claimants' equity	\$ (2,438,300,783)	\$ (1,170,035,267)
Adjustments to reconcile the decrease in net claimants' equity to net cash used in operating activities:		
Net (appreciation) depreciation in fair market value of investment securities	(1,338,883,446)	153,963,743
Amortization of (discounts) premiums on treasury bills, net	(21,118,741)	79,216,985
Changes in operating assets and liabilities:		
Interest receivable	15,618,747	242,232
Prepaid expenses	(9,000)	125,000
Accounts payable and accrued expenses	(1,546,279)	(10,231)
Claims settled, but not paid	51,833,550	-
<b>Net cash used in operating activities</b>	<b>(3,732,405,952)</b>	<b>(936,497,538)</b>
<b>Cash flows from investing activities:</b>		
Purchases of treasury bills	(12,169,472,881)	(9,243,202,150)
Maturities of treasury bills	12,637,000,000	10,454,602,500
Net proceeds from sales of PG&E Corporation common stock	3,108,800,000	-
<b>Net cash provided by investing activities</b>	<b>3,576,327,119</b>	<b>1,211,400,350</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(156,078,833)</b>	<b>274,902,812</b>
Cash and cash equivalents at the beginning of the year	314,959,634	40,056,822
<b>Cash and cash equivalents at the end of the year</b>	<b>\$ 158,880,801</b>	<b>\$ 314,959,634</b>

*See accompanying notes to the special-purpose financial statements.*

# PG&E Fire Victim Trust

## Notes to the Special-Purpose Financial Statements

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### 1. Description of the Trust

The PG&E Fire Victim Trust (the Trust) was established on July 1, 2020, as a statutory trust created under the laws of the State of Delaware pursuant to an order of the U.S. Bankruptcy Court for the Northern District of California (Bankruptcy Court) pursuant to the Debtors and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization, filed June 19, 2020 (Plan). The Trust is governed by the provisions of the Trust Agreement dated as of July 1, 2020 (Trust Agreement), the Fire Victim Claims Resolution Procedures (CRP), and related Bankruptcy Court approved documents. The provisions of the Trust Agreement, the CRP, and the approved documents are enforceable by the Bankruptcy Court, and, after the close of the PG&E Corporation and Pacific Gas and Electric Company Chapter 11 case, by the U.S. District Court for the Northern District of California (District Court).

The purpose of the Trust is to administer, process, settle, resolve, liquidate and pay certain claims for persons that sustained damage in various ways as a result of the wildfires in the Butte Fire in 2015, the North Bay wildfires in 2017, and the Camp Fire in 2018, as set forth in the Trust Agreement and the CRP, and to preserve, hold and manage the Trust assets for use in paying such claims.

The Trust is administered by the Trustee, Cathy Yanni, Esq.

### 2. Summary of Significant Special-Purpose Accounting Policies

#### *Basis of presentation*

The Trust's special-purpose financial statements are prepared using special-purpose accounting methods adopted by the Trustee, which differs from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net claimants' equity available for the payment of claims and the operating expenses of the Trust. Since the accompanying special-purpose financial statements are not based upon GAAP, the accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

- Trust assets are generally recorded when they are received by the Trust and are available for the payment of claims and the operating expenses of the Trust. The trust has recorded a receivable for interest income earned but not received as of December 31, 2022.
- Certain assets of the Trust are restricted for the payment of certain claims and expenses related to such claims.
- Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions from net claimants' equity in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.
- Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes payable. Under GAAP, the provision for income taxes is recorded based upon income reported for special-purpose financial statement purposes, and federal income taxes both currently payable and changes

# PG&E Fire Victim Trust

## Notes to the Special-Purpose Financial Statements

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in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Under GAAP, deferred taxes include a provision for taxes attributable to changes in unrealized gains and losses on investments.

- Under GAAP, for financial statement disclosure purposes all investments would be categorized based on the priority of inputs used to measure fair value. Under GAAP, inputs used in measuring fair value are categorized into three levels. Level 1 includes inputs that are based upon quoted prices for identical instruments traded in active markets. Level 2 includes inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment. Level 3 includes inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques. The accompanying special-purpose financial statements do not categorize investments into these levels.
- The full amount of claims are expensed in the period in which the approved and accepted claims are paid. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

### *Use of estimates*

The preparation of special-purpose financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosures of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to the net claimants' equity during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on the net assets available for the payment of claims.

### *Investments*

Investment securities are stated at fair value. Investment securities include the investments that mature within three months. Fair value for investment securities is based on quoted market prices for identical or similar instruments traded in active markets as of the date of the special-purpose financial statements. The net appreciation or depreciation in fair value of investments in the accompanying special-purpose statement of changes in net claimants' equity consists of realized gains or losses on sales of investments and the changes in unrealized gains or losses on investments held. Investment income is recognized when earned. Interest income, net of investment expenses and amortization and accretion of treasury bills premiums or discounts, is included in interest income, net in the accompanying special-purpose statement of changes in net claimants' equity. Gains and losses on sales of investment securities are determined using the specific identification method.

# PG&E Fire Victim Trust

## Notes to the Special-Purpose Financial Statements

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### *Accounts payable and accrued expenses*

Accounts payable and accrued expenses consist of outstanding invoices and accruals associated with managing the Trust during the years ended December 31, 2022, and 2021, that had not been paid as of December 31, 2022 and 2021, respectively.

### *Settled claims payable*

Settled claims payable consist of certain claims that are settled but unpaid at December 31, 2022 and 2021. A settled claim is a claim that has been accepted by the claimant, with an executed release submitted to the Trust, and approved by the Trustee.

### *Operating expenses*

Operating expenses of the Trust are paid from the Trust's cash assets when invoices are received, reviewed, and approved for payment.

### *Income taxes*

For tax purposes, the Trust is treated as a grantor trust and the Trust's tax returns are filed on the IRS Form 1041 for federal income tax purposes. As such, the Trust is generally not subject to corporate income taxes and the income, deductions, credits and other tax attributes of the Trust flow directly to PG&E Corporation and Pacific Gas and Electric Company.

In accordance with authoritative guidance on accounting for uncertainty in income taxes issued by the Financial Accounting Standards Board (the FASB), management has evaluated the Trust's tax positions and has concluded that the Company has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

### *Risks and uncertainties*

Certain of the Trust's assets are exposed to credit risk. Cash and cash equivalents are maintained at various financial institutions and, at times, balances may exceed federally insured limits. The Trust has never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at December 31, 2022 approximate \$158.3 million.

The Trust's investment guidelines limit investment to certain United States backed instruments; the Trust has complied with these investment restrictions.

The Trust invests in a professionally managed portfolio that contains treasury bills and monetized stock. Such investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Trust's account balance and the amounts reported in the special-purpose statement of assets, liabilities and net claimants' equity.

### **3. Trust Funding**

At inception, the Trust was funded by PG&E Corporation and Pacific Gas and Electric Company with \$9,692,731,235 consisting of \$5,385,464,815 of cash and PG&E Corporation Common Stock with a

# PG&E Fire Victim Trust

## Notes to the Special-Purpose Financial Statements

then current market value of \$4,307,266,420. During the period from July 1, 2020 (inception) through December 31, 2020, the Trust was funded by PG&E Corporation and Pacific Gas and Electric Company with additional stock contributions of \$6,810,576, pursuant to the terms of the Debtors and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization, filed June 19, 2020 (Plan) and additional cash contributions totaling \$1,811,166.

During the years ended December 31, 2022 and 2021, the Trust received cash contributions totaling \$591,529,714 and \$758,470,286, respectively.

### 4. Investments

Investment securities consist of the following at December 31, 2022:

<i>Description</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury bills	\$ 3,558,861,690	\$ 430,271	\$ -	\$ 3,559,291,961
PG&E Corporation common stock	2,237,177,006	1,791,133,767	-	4,028,310,773
	<b>\$ 5,796,038,696</b>	<b>\$ 1,791,564,038</b>	<b>\$ -</b>	<b>\$ 7,587,602,734</b>

Investment securities consist of the following at December 31, 2021:

<i>Description</i>	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. treasury bills	\$ 4,005,160,556	\$ -	\$ (1,040,074)	\$ 4,004,120,482
PG&E Corporation common stock	4,314,077,007	1,485,730,176	-	5,799,807,183
	<b>\$ 8,319,237,563</b>	<b>\$ 1,485,730,176</b>	<b>\$ (1,040,074)</b>	<b>\$ 9,803,927,665</b>

Net appreciation (depreciation) in the fair value of investment securities of \$1,338,883,446 and \$(153,963,745) for the years ended December 31, 2022 and 2021, respectively, consists of the net change in unrealized gains and net realized gains from investment sales.

#### *Net unrealized gains (losses)*

Net change in unrealized gains from investment market appreciation (depreciation) is comprised of the following investment securities for the years ended December 31:

	2022	2021
U.S. treasury bills	\$ 1,470,345	\$ (1,210,799)
PG&E Corporation common stock	305,403,591	(152,877,949)
	<b>\$ 306,873,936</b>	<b>\$ (154,088,748)</b>

# PG&E Fire Victim Trust

## Notes to the Special-Purpose Financial Statements

### *Net realized gains*

Net realized gains from investment sales consist of the following for the years ended December 31:

	2022	2021
U.S. treasury bills	\$ 109,375	\$ 125,005
PG&E Corporation common stock	1,031,900,135	-
	\$ 1,032,009,510	\$ 125,005

### *Sale of PG&E Corporation Common Stock*

During the year ended December 31, 2022, the Trust sold 230,000,000 shares of PG&E Corporation common stock. The Trust sold the PG&E Corporation common stock in blocks of shares. Aggregate net proceeds from the sales were \$3,108,800,000.

On January 9, 2023, the Trust sold 60,000,000 shares of PG&E Corporation common stock for net proceeds of \$915,600,000. On April 11, 2023, the Trust sold 60,000,000 shares of PG&E Corporation common stock for net proceeds of \$966,420,000.

### *Interest income, net*

Interest income, net consist of the following for the years ended December 31:

	2022	2021
Interest income from treasury bills	\$ 22,859,224	\$ 84,237,790
Amortization of discounts (premiums) on treasury bills	21,118,741	(79,216,984)
	\$ 43,977,965	\$ 5,020,806

## 5. Related Parties

Pursuant to Bankruptcy Court approved agreements, the Trustee performs their duties under the Trust Agreement, the CRP and the related documents. For each of the years ended December 31, 2022 and 2021, the Trust incurred \$1,500,000 for services performed by the Trustee. As of December 31, 2022, the Trust had prepaid \$9,000 to the Trustee for services to be performed in January 2023.

## 6. Contingent Liabilities

The Trust Agreement subjects the Trust to certain indemnification obligations that may result in future claims against the Trust. The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material. The Trust has obtained liability insurance with respect to its obligations to indemnify the Trustee, the Claims Administrator, the members of the Trust Oversight Committee, and certain service providers to the Trust.

# PG&E Fire Victim Trust

## Notes to the Special-Purpose Financial Statements

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### 7. Trust Liability Insurance

The Trust purchased liability insurance requiring premiums of \$6,181,128 in 2020 for the policy term through July 2023. The Trust's special-purpose accounting policy is to expense in the current period any amounts that will not be available to pay future claims or operating expenses of the Trust. Accordingly, no insurance premiums paid were recorded for the years ended December 31, 2022 and 2021.

### 8. Subsequent Events

The Trust has evaluated its December 31, 2022 special-purpose financial statements for subsequent events through April 25, 2023, the date the special-purpose financial statements were available to be issued. The Trust is not aware of any subsequent events which would require recognition or disclosure in the special-purpose financial statements, except as described in Note 4.

## Supplementary Information

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## Independent Auditor's Report on Supplementary Information

Trustee  
PG&E Fire Victim Trust  
San Francisco, California

Our audit of the special-purpose financial statements included in the preceding section of this report was conducted for the purpose of forming an opinion on those special-purpose statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of those special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

*BDO USA, LLP*

April 25, 2023

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# PG&E Fire Victim Trust

## Supplementary Schedule of Operating Expenses

<i>Year Ended December 31, 2022</i>	
Claims processor fees and expenses <sup>1</sup>	\$ 56,762,873
Claims administration fees and expenses <sup>2</sup>	16,793,200
Legal fees and expenses: <sup>3</sup>	
Brown Rudnick LLP	\$ 4,609,388
Greenberg Gross LLP	243,275
Individual Attorney, Litigation	1,053,336
Total legal fees and expenses	5,905,999
Financial professional fees and expenses:	
Accounting, Auditing and Tax Returns <sup>4</sup>	\$ 340,551
Investment Advisors <sup>5</sup>	3,436,430
Total financial professional fees and expenses	3,776,980
Trustee fees and expenses	1,500,000
Insurance, evidence preservation, and other expenses <sup>6</sup>	1,322,460
Consultant fees and expenses	
Public relations firm	\$ 708,984
Morgan Lewis, CPUC monitoring	244,309
Computer consultant (litigation support)	118,780
Lobbying expenditures	210,000
Inverse cost payments	9,024,124
Total consultant fees and expenses	10,306,197
<b>Total operating expenses</b>	<b>96,367,709</b>

*See independent auditor's report on supplementary information.*

<sup>1</sup> Paid to BrownGreer for the services of 388 employees assigned to the Fire Victim Trust, and in the aggregate, they worked just over 446,000 hours on Fire Victim Trust matters at a blended hourly rate of \$127 an hour

<sup>2</sup> Consist of 26 unique payees: exclusively consultants and specialty firms supporting the evaluation, review, reconsideration and appellate review of claims disputes. These consultants and specialty firms address matters such as insurance coverage, lien resolution, economic forecasting, and industry specialization (e.g., building, construction, vineyards, forestry, art).

<sup>3</sup> The firms Andrews & Thornton, Greenberg Gross LLP, Reed Smith LLP, and Shook, Hardy & Bacon LLP are retained in connection with third-party litigation. Brown Rudnick LLP serves as general counsel. The Individual Attorney serves as litigation and settlement counsel and liaison to the Trustee for third-party litigation.

<sup>4</sup> Comprised of BDO USA Ltd. and Jorstad Inc.

<sup>5</sup> Comprised of Morgan Stanley and Houlihan Lokey.

<sup>6</sup> Consists of 19 unique payees: two specialty firms are engaged in digital and physical evidence storage; a combination of Inverse Cost Payments made to various law firms; the remaining payees were paid for cyber insurance coverage, bank fees, office space (at \$5,000 per month) and other incidentals.

# PG&E Fire Victim Trust

## Supplementary Schedule of Operating Expenses

*Year Ended December 31, 2021*

Claims processor fees and expenses <sup>1</sup>	\$	62,918,772
Claims administration fees and expenses <sup>2</sup>		12,118,867
Legal fees and expenses: <sup>3</sup>		
Andrews & Thornton Attorneys at Law	\$	1,047,761
Brown Rudnick LLP		6,459,748
Greenberg Gross LLP		1,518,851
Special Advisor to the Trustee, Litigation		791,440
		9,817,800
Financial professional fees and expenses:		
Accounting, Auditing and Tax Returns <sup>4</sup>	\$	333,800
Investment Advisors <sup>5</sup>		4,629,959
<b>Total financial professional fees and expenses</b>		<b>4,963,759</b>
Trustee fees and expenses		1,500,000
Insurance, evidence preservation, and other expenses <sup>6</sup>		1,227,079
Consultant fees and expenses		
Public relations firm	\$	344,698
Morgan Lewis, CPUC monitoring		409,520
Computer consultant (litigation support)		28,631
<b>Total consultant fees and expenses</b>		<b>782,849</b>
<b>Total operating expenses</b>		<b>93,329,126</b>

*See independent auditor's report on supplementary information.*

<sup>1</sup> Paid to BrownGreer for the services of 568 employees assigned to the Fire Victim Trust, and in the aggregate, they worked just over 500,000 hours on Fire Victim Trust matters at a blended hourly rate of \$123 an hour

<sup>2</sup> Consist of 24 unique payees: exclusively consultants and specialty firms supporting the evaluation, review, reconsideration and appellate review of claims disputes. These consultants and specialty firms address matters such as insurance coverage, lien resolution, economic forecasting, and industry specialization (e.g., building, construction, vineyards, forestry, art).

<sup>3</sup> The firms Andrews & Thornton, Greenberg Gross LLP, Reed Smith LLP, and Shook, Hardy & Bacon LLP are retained in connection with third-party litigation. Brown Rudnick LLP serves as general counsel. The Individual Attorney serves as litigation and settlement counsel and liaison to the Trustee for third-party litigation.

<sup>4</sup> Comprised of BDO USA Ltd. and Jorstad Inc.

<sup>5</sup> Comprised of Morgan Stanley and Houlihan Lokey.

<sup>6</sup> Consists of 8 unique payees: two specialty firms are engaged in digital and physical evidence storage (representing just over \$1 million or 80% of this category); the remaining payees were paid for cyber insurance coverage, bank fees, office space (at \$5,000 per month) and other incidentals.

EXHIBIT “2”

## **FIRE VICTIM TRUST CLAIMS REPORT**

*For the Period from January 1, 2022 through December 31, 2022*

Pursuant to the requirements of the Fire Victim Trust Agreement, and in connection with the filing of the Annual Report, the Claims Administrator provides the following Claims Report summarizing the number and type of Claims disposed of during the period ending on December 31, 2022.

### **A. Submission of Claims**

Under the terms of the Claims Resolution Procedures attached as Exhibit 2 to the Trust Agreement, Claimants seeking compensation from the Trust must submit a Claims Questionnaire that provides sufficient information to identify and support the claimed damages. Claimants may assert multiple Claims in a single Claims Questionnaire, asserting a range of damages that may have resulted from a qualifying Fire. Additionally, multiple Claimants living in the same household are permitted to consolidate their Claims into a single Claims Questionnaire.

As of December 31, 2022, the Trust had 36,589 submitted Claims Questionnaires asserting over 240,000 Claims from 67,740 Claimants. These Claims Questionnaires asserted different Claims corresponding to the specific Claim Type damage categories described in the Claims Resolution Procedures, each of which ultimately require adjudication by the Claims Administrator. These include claims for Real and Personal Property, Business Income Loss, Personal Income Loss, Emotional Distress – Nuisance, Emotional Distress – Zone of Danger, Personal Injury, Wrongful Death, Other Out-of-Pocket Expenses, and all other damages asserted and allowed under California law and in compliance with federal bankruptcy law.

### **B. Disposition of Claims.**

The Claims Administrator's work during the period ending December 31, 2022, was characterized by activities necessary to adjudicate and pay eligible Claims submitted by Fire

Victims and their counsel. Accordingly, the Claims Administrator engaged in the evaluation of claims materials and the application of eligibility criteria necessary to determine the Approved Claim Amount for each submission. In 2022, the Trust continued issuing Determination Notices to eligible Claimants in compliance with the Claims Resolution Procedures. Each Determination Notice conveyed the Approved Claim Amount for the Claims included on the associated Claims Questionnaire. Claimants may accept the Approved Claim Amount and receive a payment or may request reconsideration of their Claim(s) by the Trust. The Trust issued a total of 27,831 Determination Notices and Reconsideration Determination Notices to Claimants with aggregate awards of \$9.9 billion during 2022. By doing so, the Trust had adjudicated over 91% of all submitted Claims Questionnaires by the end of 2022.

The Trust also continued its practice of distributing Preliminary Payments (to Claimants who had demonstrated eligibility on a submitted Claims Questionnaire but not yet received a Determination Notice) as well as *pro rata* distributions (to eligible Claimants who had received a Determination Notice and accepted their Approved Claim Amount). On February 1, 2022, the Trustee announced a *pro rata* payment percentage increase from 30% to 45% for eligible Claimants with an accepted Approved Claim Amount, with the understanding that additional *pro rata* distributions will follow until the fund is depleted. The Claims Administrator issued Preliminary Payments and *pro rata* distributions to 48,624 Claimants in the aggregate amount of \$4.25 billion in the 2022 calendar year, resulting in total payments of \$5.93 billion to 51,703 Claimants.

At the beginning of 2022, 36% of submitted Claims Questionnaires had received a Determination Notice. As of December 31, 2022, the Trust had adjudicated over 91% of all submitted Claims Questionnaires, with over 77% of Approved Claim Amount having been

accepted and finalized and an appeal rate below 1%. Combined with monetization of stock and other assets, this claims resolution benchmark positioned the Trust to announce an additional *pro rata* payment percentage increase from 45% to 60% in the first weeks of 2023.

The Trust continues its dual focus on adjudicating all claims and responsibly managing the Trust's assets to maximize payments to fire survivors. The Trustee provides updated program statistics bimonthly and a monthly update from Trustee Cathy Yanni on its public website ([www.firevictimtrust.com](http://www.firevictimtrust.com)).