BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Application of Pacific Gas and Electric Company for Recovery of Recorded Expenditures in Transmission Revenue Requirement Reclassification Memorandum Account. (U39M)	Application 24-09-015

PACIFIC GAS AND ELECTRIC COMPANY
NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the California Public Utilities Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company ("PG&E") hereby gives notice of the following ex parte communication on the above captioned proceeding.

Sidney Dietz, Regulatory Relations Director, CPUC Communications, PG&E, initiated communication via Webex on November 4, 2025, Tuesday, at 4:30 PM with Kyle Navis and Sarah Meyerhoff, Advisors to Commissioner Matthew Baker. Also participating for PG&E were: Andrea Clatterbuck, Director, FERC Electric Proceedings; Charles Middlekauff, Chief Counsel, Law, Gas and Electric Operations; and George Kataoka, Principal Financial Analyst, Capital Recovery.

<u>SUMMARY</u>

Ms. Clatterbuck stated that the Transmission Revenue Requirement Reclassification Memorandum Account (“TRRRMA”) proceeding is designed to prevent double recovery of costs while allowing PG&E the opportunity to make itself whole by addressing jurisdictional mismatches. Ms. Clatterbuck then discussed affordability and prior California Public Utilities Commission (“CPUC”) and Federal Energy Regulatory Commission (“FERC”) review of certain common, general, and intangible (“CGI”) plant costs at issue in this proceeding. Ms. Clatterbuck further stated that PG&E had also documented these expenditures within the TRRRMA proceeding. Mr. Kataoka described the accounting approach, and how the TRRRMA fits with the other proceedings where the reclassified revenue requirements are for recorded costs that were already reviewed in other rate cases. Ms. Clatterbuck stated that PG&E has demonstrated in the proceeding that recovery of these costs through the TRRRMA should be approved.

During the meeting, a presentation was used and is attached.

Respectfully submitted,

/s/ Sidney Bob Dietz II

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Dated: November 7, 2025

Transmission Revenue Requirement Reclassification Memorandum Account (TRRRMA)

Application 24-09-015

November 4, 2025

PG&E's TRRRMA Request is Reasonable and Should be Approved

The TRRRMA is designed to prevent double recovery of costs while allowing PG&E the opportunity to make itself whole by addressing jurisdictional mismatches between CPUC and FERC rates. This is what PG&E seeks in this Application.

Regarding PG&E's request for $372.8 million for Common, General, & Intangible (CGI) Plant Reallocation:

Affordability – PG&E seeks recovery of costs already refunded to customers in FERC rates.

PG&E is refunding more than $1.36 billion in FERC rates in accordance with the Transmission Owner (TO) 18-20 rate cases settlement, which includes refunds resolving the CGI Plant allocation issue. The settlement, which the CPUC was a party to, provides that PG&E can request cost recovery for CGI Plant of up to $472.8 million in a Commission proceeding, subject to review. The purpose of this Application is to provide PG&E the opportunity to make itself whole for the reclassified revenue requirements while ensuring no double cost recovery. *[PG&E Opening Brief at 62-63]*

Prior Commission/FERC Review – The CGI Plant was already reviewed and included for recovery in other rate cases.

These CGI Plant costs have previously been reviewed, allocated, and approved for recovery in different periods within both CPUC and FERC rates. Cal Advocates audited (by sampling) these CGI Plant costs in PG&E's 2023 GRC and raised no concerns regarding its inclusion in the calculation of 2023 GRC rates. The Commission approved PG&E's 2023 GRC, and FERC approved cost recovery in TO rates for the allocated portion of CGI Plant costs. *[PG&E Opening Brief at 16-18; PG&E Reply Brief at 21-24]*

The Record in this Proceeding – PG&E has provided detailed documentation demonstrating these costs were incurred.

PG&E has thoroughly demonstrated that the CGI Plant costs were incurred. PG&E was prompt and detailed in responding to all of Cal Advocates' discovery requests and provided extensive documentation and materials, including comprehensive reports for 28,875 line-item charges from PG&E's general ledger. During the proceeding, PG&E provided more than 850 pages of invoices and receipts as evidence the costs were incurred. Furthermore, Cal Advocates was offered an opportunity by Judge Fredericks for additional time to conduct a detailed review of this documentation but declined to conduct this review. *[PG&E Opening Brief at 42-57]*

PG&E's TRRRMA Request is Reasonable and Should be Approved

PG&E's $337.9 million revenue requirement requested in this Application for the CGI Plant Reallocation, Distribution to Transmission Accounting Adjustment, and 2023 CAISO Control Change is reasonable and should be approved. Cal Advocates' recommended disallowances are unwarranted and should be denied.

CGI Plant Reallocation [$372.8 million]

- PG&E has met its burden of proof in this Application and as required in the TRRRMA Preliminary Statement. *[PG&E Opening Brief at 36-42]*
- PG&E has thoroughly demonstrated that the CGI Plant costs were incurred. *[PG&E Opening Brief at 42-56]*
- The Commission approved a similar request regarding a CGI Plant reallocation in Southern California Edison's (SCE) 2003 TRRRMA filing. *[PG&E Opening Brief at 33-35]*
- Regarding affordability, PG&E is refunding more than $1.36 billion in FERC rates in accordance with the TO18 settlement. The settlement, which the CPUC was a party to, provides that PG&E can request recovery of up to $472.8 million in CPUC rates through a Commission proceeding. *[PG&E Opening Brief at 62-63]*

Distribution to Transmission Accounting Adjustment credit [$(42.6) million credit]

- PG&E's request to credit CPUC-jurisdictional customers for inadvertently misclassified costs was calculated correctly and for the appropriate reclassification period. Cal Advocates' Advice Letter Proposal should be rejected. *[PG&E Opening Brief at 58-60]*
- The appropriate reclassification period for the credit is from January 1, 2023 through December 31, 2026 to reflect the same period and amounts as included in the revenue requirement reclassification in FERC rates. PG&E's request is consistent with the TRRRMA Preliminary Statement. *[PG&E Opening Brief at 58-60]*

2023 CAISO Control Change [$7.7 million]

- PG&E's request for a transmission facility's CAISO Control change is unopposed and should be approved. *[PG&E Opening Brief at 41]*

PG&E's TRRRMA Request is Reasonable and Should be Approved

Cal Advocates' Ex Parte Point #1

Cal Advocates' Assertion	The Facts
FERC Questioned Whether the CGI Plant Costs Were Actually Incurred	**FERC approved cost recovery for the appropriately allocated portion of total CGI Plant costs.** • The issue before FERC was the appropriate CGI Plant allocation methodology, not whether the recorded CGI Plant costs were actually incurred. *[PG&E Opening Brief at 8-14]* • In the context of reviewing the proper allocation methodology, the FERC ALJ reviewed four pieces of evidence. The ALJ and FERC determined that the evidence did not support PG&E's allocation methodology proposal. *[PG&E Opening Brief at 11-13]* • FERC did not "deny" or "reject" the recovery of any CGI Plant costs. Rather, FERC determined that all PG&E's CGI Plant costs must be allocated using labor factors. In fact, at FERC, PG&E recovered the appropriately allocated CGI Plant costs within TO18 rates. *[PG&E Opening Brief at 14-15]* • The TO18 settlement expressly permits PG&E to request up to $472.8 million in CPUC rates for CGI Plant costs in a Commission proceeding. The CPUC was a party to this settlement. *[PG&E Opening Brief at 18-19]* • FERC did not have before it the extensive record developed in this proceeding [including more than 850 pages of invoices and detailed ledger entries] because the issue at FERC regarded the appropriate allocation methodology, not whether the costs were just and reasonable or actually incurred. [*PG&E Opening Brief at 19-21*]

PG&E's TRRRMA Request is Reasonable and Should be Approved

Cal Advocates' Ex Parte Point #2

Cal Advocates' Assertion	The Facts
PG&E's Showing Does Not Meet the Utility's Burden of Proof	**PG&E has met its burden of proof both in this Application and under the TRRRMA Preliminary Statement.** • PG&E's burden of proof is established by the TRRRMA Preliminary Statement, Commission precedent specifically addressing the recovery of CGI Plant costs through the TRRRMA, and general legal principles regarding the burden of proof. Under all these standards, PG&E has readily met its burden of proof. *[PG&E Opening Brief at 32-42]* • Cal Advocates does not adequately address the *SCE* TRRRMA Decision (D.03-08-062), which is directly relevant and supports PG&E's request. • The evidence in the record, including voluminous general ledger information, invoices, and receipts, demonstrates that the CGI Plant costs were incurred. *[PG&E Opening Brief at 52-56]* • Cal Advocates' witnesses acknowledged at hearing that Cal Advocates was not "disputing that the costs were incurred" only that they were not satisfied with the documentation. In its opening brief, Cal Advocates indicated that the kind of documentation provided by PG&E was the kind of information that would be required by an auditor. *[PG&E Reply Brief at 2]* • The Commission previously approved PG&E's TRRRMA requests for which PG&E provided costs supported by general ledger information and relevant rate case documentation. There was no requirement to support costs with invoices and receipts. *[PG&E Opening Brief at 7-8]*

PG&E's TRRRMA Request is Reasonable and Should be Approved

Cal Advocates' Ex Parte Point #3

Cal Advocates' Assertion	The Facts
PG&E was Non-Responsive to Requests for Evidence that the Costs Were Incurred	**PG&E was responsive and provided an extensive set of documentation and materials in alignment with Cal Advocates' sample selection and requests.** • The issue of whether the CGI Plant costs were "actually incurred" was added <u>after</u> PG&E filed its application and initial testimony. Thus, the first opportunity PG&E had to provide testimony and evidence was in its rebuttal testimony. *[PG&E Opening Brief at 20-21; PG&E Reply Brief at 8-9]* • PG&E responded promptly and in detail to all ten sets of discovery propounded by Cal Advocates, met with Cal Advocates on numerous occasions in meet and confers, and transparently communicated time limitations with offerings of additional material upon request. *[PG&E Opening Brief at 26-32; PG&E Reply Brief at 16-18]* • Most of Cal Advocates' discovery was propounded in March-April 2025, five months after the application was filed and less than two months before Cal Advocates' testimony was due. *[PG&E Opening Brief at 26]* • The sample of documentation provided by PG&E in rebuttal testimony was directly based on Cal Advocates' discovery requests. *[PG&E Opening Brief at 43-47]* • Cal Advocates had additional opportunities to propound discovery following PG&E's Rebuttal Testimony and was given an opportunity at the hearing by Judge Fredericks for additional time to review the materials but declined this opportunity. *[PG&E Opening Brief at 56-57]* • Cal Advocates' assertions regarding "Commission rules" on evidence in initial testimony are not supported by Commission precedent. *[PG&E Reply Brief at 14-16 and Attachment A]*

PG&E's TRRRMA Request is Reasonable and Should be Approved

Cal Advocates' Ex Parte Point #4

Cal Advocates' Assertion	The Facts
PG&E's Rebuttal Showing is Not Sufficient to Justify Recovery of the CGI Plant Costs	**PG&E's Rebuttal showing is sufficient and reflects the same sampling selections in discovery that Cal Advocates agreed to.** • Cal Advocates acknowledges in its opening brief that the evidence provided in PG&E's Rebuttal Testimony "is the same kind of data that would be required by any auditor seeking to determine whether the costs were actually incurred and reasonable." *[PG&E Reply Brief at 19]* • The Commission routinely uses a sampling approach to audit costs. The sample selections used by PG&E is directly based on Cal Advocates' own discovery requests. Moreover, Cal Advocates used a sampling methodology to audit CGI Plant costs in PG&E's 2023 GRC. *[PG&E Opening Brief at 16-18, 43-47]* • PG&E's showing includes invoices, receipts, and other documents for 81% of the costs supported by invoices for the sample work orders that Cal Advocates agreed upon during discovery. *[PG&E Opening Brief at 43-47]* • Cost recovery from CPUC ratepayers is appropriate, including from gas customers, as CGI Plant costs are allocated to all functional areas using labor factors regardless of whether each cost is related to one, multiple, or all functional areas. This is fairly and consistently applied to all CGI Plant costs. For example, a portion of gas-related CGI Plant costs are allocated and recovered in FERC-jurisdictional rates. *[PG&E Opening Brief at 60-61; PG&E Reply Brief at 25-26]*

PG&E's TRRRMA Request is Reasonable and Should be Approved

Cal Advocates' Ex Parte Point #5

Cal Advocates' Assertion	The Facts
No FERC or CPUC Proceedings Have Reviewed or Approved PG&E's Requested CGI Plant Costs	**The CGI Plant costs have been reviewed and approved for recovery in both FERC and CPUC proceedings.** • The CGI Plant costs have previously been reviewed, allocated, and approved for recovery in different periods within both CPUC and FERC-jurisdictional rates. This Application only regards periods for which PG&E was not been able to recover costs in full due to the jurisdictional reclassification of costs. This Application ensures <u>no double cost recovery over any given period</u>. *[PG&E Opening Brief at 14-18]* • None of the CGI Plant costs were disallowed by either Commission. This is in accordance with the TRRRMA Preliminary Statement. *[PG&E Opening Brief at 14-18]* • The CGI Plant costs were audited by sampling in PG&E's 2023 GRC, and Cal Advocates raised no concerns regarding its inclusion within the calculation of 2023 GRC rates. The Commission approved PG&E's 2023 GRC. *[PG&E Opening Brief at 16-18; PG&E Reply Brief at 21-24]* • All CGI Plant costs were included in PG&E's TO rate cases filed at the FERC. The appropriately allocated portion was approved by FERC for recovery within FERC rates. *[PG&E Opening Brief at 14-15]*