BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Joint Application of Pacific Gas and Electric Company (U39E), Southern California Edison (U338E) and San Diego Gas & Electric Company (U902E) Requesting Commission Approval of Proposals for a BCR Calculation Methodology, Audit Methodology, and Cost Recovery Conditions as Specified in Resolution SPD-37.	Application 26-02-005

NOTICE OF EX PARTE MEETING OF THE PUBLIC ADVOCATES OFFICE

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) hereby provides notice, pursuant to Rule 8.2 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, that an ex parte meeting was held with advisors Victor Smith and Benjamin Menzies from Commissioner Darcie Houck's office.

The meeting took place via Webex on Friday, October 30, 2026, at 10:00 a.m. and lasted approximately 30 minutes. Iain Fisher, Program Manager; Merlin Hanauer, Analyst; and Joshua Tey, Attorney, attended for Cal Advocates.

During the meeting, Cal Advocates noted that the Proposed Decision (PD) establishes a standardized, transparent, and objective framework for evaluating undergrounding projects under Senate Bill (SB) 884. Its methodologies ensure consistent benefit-cost calculations, accurate risk assessments, and selection of the most cost-efficient wildfire mitigation measures.

Cal Advocates also discussed how PG&E's Motion to Amend the Procedural Schedule largely reflects dissatisfaction with the number of miles eligible for undergrounding as a result of the PD. The methodological issues in this proceeding have already been extensively litigated, and PG&E had ample opportunity to address their

consequences. The Commission should preserve the PD and reject PG&E's efforts to reopen the record.

Affixed hereto as **Attachment A** is a copy of the PowerPoint presentation used by Cal Advocates during the ex parte communication, which reflects the materials presented and discussed during the meeting.

Respectfully submitted,

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ATTACHMENT A

Joint IOU Phase 1 Application Proposed Decision

A.26-02-005

October 2026

The Public ADVOCATES OFFICE

The PD Applies Consistent Decision Principles

Standardization

– Common evaluative rules and methods across utilities

Accurate Measurement

– Benefits and costs reflect real-world, project-specific conditions

Mitigation Neutrality

– The framework identifies the most efficient mitigation

Transparency and Traceability

– Decision-makers can see what drives results

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BCR Formulation

PD theme: Standardization • Mitigation Neutrality • Accurate Measurement

What you may hear:

"Method 3 does not match the "standard" PG&E uses for other investments."
"Method 3 will result in too few undergrounding miles."

Why the PD should be preserved:

- PG&E's bespoke BCR formulation is not a standard. This proceeding was established, in part, to resolve their theoretically inconsistent methodology.
  - Ensure accurate measurement of mitigation efficiency.
- Method 3 remains mathematically valid when savings are large; Method 1 can produce zero or negative denominators.
- The number of undergrounding miles is an output of the analysis, not a criterion for choosing the method.

The framework should determine the miles. The desired miles should not determine the framework.

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Risk Aversion

PD theme: Standardization • Comparability

What you may hear:

"Risk-averse scaling is allowed by the RDF, and SPD previously called valid."

"Risk-neutral BCRs will result in too few undergrounding miles."

Why the PD should be preserved:

- Risk-neutral BCRs provide the only consistent basis for project selection until a common framework is adopted.
- Overstating risk aversion will result in inefficient over-investment in mitigation.

Permission to present scaled values is not validation of utility-specific scaling as the decisional standard.

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Value of Service

PD theme: Accurate Measurement • Standardization

What you may hear:

"The ICE Calculator is not designed for customer-specific, intra-service-territory use."

Why the PD should be preserved:

- The PD does not require customer-specific values; it requires four standardized categories: HFTD/non-HFTD by residential/non-residential.
- SB 884 projects occur in HFTDs, so the eligible-area population is the relevant population.
- The blended VOS is calculated at the RRU level under a common rule.

Accuracy and comparability require location-relevant data and applying the same valuation rule statewide.

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Uncertainty Factor

PD theme: Mitigation Neutrality • Transparency

What you may hear:

"BCRs are not the only decision metric. That's why we need to consider engineering judgment, subject-matter expertise, and local information outside the BCR."

Why the PD should be preserved:

- Relevant information should improve transparent model inputs, not create a one-way exception to the comparison.
- The proposed factor is asymmetric: it operates only to retain undergrounding when an alternative has the higher BCR.
- The cited local factors are already represented in the utilities' risk models.
- Final mitigation decisions will remain opaque.

Engineering judgment should improve the inputs, not override the comparison.

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Discount Rate

PD theme: Standardization • Mitigation Neutrality

What you may hear:

"The RDF allows each utility to use whichever discount rate it chooses."

Why the PD should be preserved:

- Discount rates directly change the present value of benefits and costs and can change project efficiency.
- The RDF allows utilities to express a preference among scenarios; the PD finds that this is not outright decision choice for ratepayer funding.
- Utility-specific choice would make results depend on analytical assumptions rather than project risk and effectiveness and would violate the goal of a standardized evaluation framework.

Utilities may state preferences. The Commission should establish the common decision standard in the PD.

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PG&E's Attempt to Amend the Record

- The existing record already addresses eligibility
  - The asserted consequences were foreseeable.
  - PG&E discussed the impact of BCR formulation, "risk-averse scaling," and uncertainty factor
    - PG&E easily could have addressed HFTD-specific VOS
- Rule 14.3 Provides the Appropriate Mechanism for PG&E to Challenge the Proposed Decision.
  - Under Rule 14.3(c) comments on a proposed decision shall focus on factual, legal, or technical errors, with specific references to the record or applicable law. PGE is attempting to circumvent this by requesting additional evidentiary submissions and new rounds of comments.
- Rule 13.15(b) governs requests to set aside submission for the taking of additional evidence or argument.
  - Need to specify facts justifying such relief, including any material changes of fact or law since the conclusion of the hearing, identify the proposed additional evidence, and explain why that evidence was not previously presented.

The Proposed Decision appropriately resolves the scoped methodological issues. That the resulting framework does not support PG&E's preferred level of undergrounding does not mean the framework is flawed.

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