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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Review and Recovery of Costs Associated with the 2019 Kincade Fire and 2021 Dixie Fire under AB 1054. (39 M.)

Application 25-11-001

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Sections 1701.1, 1701.8, and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

1.1. The Application

On November 14, 2025, Pacific Gas and Electric Company (PG&E) filed its *Application for Review and Recovery of Costs Associated with the 2019 Kincade Fire and 2021 Dixie Fire under AB 1054 (Application)*. In this *Application*, PG&E seeks the Commission's review and authority to recover costs recorded in its Wildfire Expense Memorandum Account (WEMA) as of September 30, 2025, for the Kincade and Dixie Fires, including approximately \$674 million in claims costs paid by the Wildfire Fund, and the remaining balance of approximately \$1.59 billion in costs not paid by the Wildfire Fund or otherwise reimbursed by insurance, including claims costs, litigation costs, and financing costs.¹ In this

¹ PG&E's request for the recovery of \$674 million in claims costs paid by the Wildfire Fund requires clarification. (*Application* at 5.) Since the Wildfire Fund has paid this sum, there is

Application, PG&E also seeks authorization to recover approximately \$71.6 million in capital costs and \$242 million in operations and maintenance (O&M) costs recorded in its Catastrophic Event Memorandum Account (CEMA) related to the Kincade and Dixie Fires. PG&E asserts that the Kincade and Dixie Fires are “covered wildfires” because they “ignited on or after July 12, 2019” and the “governmental agency responsible for determining causation...determine[d] the wildfire[s] were caused by PG&E.”² As a result, PG&E asserts that the Kincade and Dixie Fires are subject to the cost recovery framework set forth in Public Utilities Code Section 451.1. As a participating electrical corporation in the California Wildfire Fund established pursuant to Assembly Bill 1054, PG&E claims that eligible costs associated with each of the fires are being reimbursed by the Wildfire Fund.³

In its *Application*, PG&E proposes to update its CEMA costs and to provide an updated CEMA balance in its rebuttal testimony, including additional CEMA costs paid after February 28, 2025. (*Id.*, at 19.) PG&E also proposes to update its WEMA costs and provide an updated WEMA balance with its rebuttal testimony. PG&E states this update will include additional payments from the Wildfire Fund, which will be credited to PG&E’s WEMA, as well as any additional claims paid after September 30, 2025. Finally, PG&E proposes to

nothing for PG&E to recover. Instead, the Commission must determine if the \$674 million is just and reasonable. If the answer is yes, then PG&E does not need to reimburse the Wildfire Fund. If the answer is no, then PG&E must reimburse the Wildfire Fund, and the \$674 million must be borne by PG&E’s shareholders rather than PG&E’s ratepayers.

² See Public Utilities Code Section 1701.8(a)(1).

³ PG&E states it intends to submit a future application for a financing order pursuant to Public Utilities Code Section 850 *et seq.* to authorize recovery bond financing of the WEMA-Electric costs that are not paid by the Wildfire Fund and are approved in this proceeding. PG&E also proposes to recover in the normal course through rates the WEMA-Gas costs approved in this proceeding.

update its WEMA and CEMA costs paid after PG&E submits its rebuttal testimony. PG&E claims that these additional submissions are necessary because certain claims remain outstanding, reimbursements from the Wildfire Fund are ongoing, and restoration efforts are also continuing.

1.2. Public Utilities Code Section 451.1

Public Utilities Section 451.1 sets forth a multi-step process that sets the operative standards and allocates the burden of proof for determining an electrical corporation's right to recover costs incurred as a result of a "covered wildfire." First, Section 451.1(b) provides, in part, that when "determining an application by an electrical corporation to recover costs and expenses arising from a covered wildfire, the commission shall allow cost recovery if the costs and expenses are *just and reasonable*." (Italics added.)⁴ Costs are just and reasonable "if the conduct of the electrical corporation related to the ignition was consistent with the actions that a reasonable utility would have undertaken in good faith under similar circumstances, at the relevant point in time, and based on the information available to the electrical corporation at the relevant point in time." (*Id.*)

⁴ Public Utilities Code Section 451 also uses the just and reasonable standard:

All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be *just and reasonable*. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.

Every public utility shall furnish and maintain such adequate, efficient, *just, and reasonable* service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in [Section 54.1 of the Civil Code](#), as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

All rules made by a public utility affecting or pertaining to its charges or service to the public shall be *just and reasonable*. (Italics added.)

Second, Section 451.1(c) provides that an electrical corporation bears the burden to demonstrate, by a preponderance of the evidence, that its conduct was reasonable unless it had a valid safety certification for the time period in which the wildfire ignited. If so, the electrical corporation's conduct "shall be deemed to have been reasonable pursuant to subdivision (b) unless a party to the proceeding creates a serious doubt as to the reasonableness of the electrical corporation's conduct."

Third, Section 451.1(c) provides that once a "serious doubt has been raised, the electrical corporation has the burden of dispelling that doubt and proving the conduct to have been reasonable."

1.3. The Prehearing Conference (PHC)

The Utility Reform Network (TURN) and the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) filed *Protests* on December 4, 2025.

A PHC was held on December 5, 2025, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. After considering the *Application* and the two *Protests* and discussion at the PHC, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo. I have also determined that no environmental and social justice issues have been raised at this time.

2. Issues

Public Utilities Code Section 1701.8 provides that "the scope of the proceeding shall be whether the electrical corporation's costs and expenses for the covered wildfire are just and reasonable pursuant to Section 451 or 451.1, as

applicable.” In the context of this *Application*, the scoped issues to be determined or otherwise considered are as follows:

1. Was PG&E’s conduct related to the ignition of the Kincade Fire prudent and reasonable under Pub. Util. Code Section 451.1?
2. Was PG&E’s conduct related to the ignition of the Dixie Fire prudent and reasonable under Pub. Util. Code Section 451.1?
3. Were there any factors beyond PG&E’s control that exacerbated the costs and expenses attributable to the Kincade Fire, and what were the costs attributable to those factors?
4. Were there any factors beyond PG&E’s control that exacerbated the costs and expenses attributable to the Dixie Fire, and what were the costs attributable to those factors?
5. Are the costs recorded in PG&E’s WEMA, net of insurance, to resolve third-party claims arising from the Kincade Fire, including claims filed by individual plaintiffs, subrogated insurers, and public entities, just and reasonable?
6. Are the costs recorded in PG&E’s WEMA, net of insurance, to resolve third-party claims arising from the Dixie Fire, including claims filed by individual plaintiffs, subrogated insurers, and public entities, just and reasonable?
7. Are the costs recorded in PG&E’s WEMA to defend and resolve claims arising from the Kincade Fire, including costs for outside counsel, mediations, experts and consultants, e-discovery, and other litigation costs, just and reasonable?
8. Are the costs recorded in PG&E’s WEMA to defend and resolve claims arising from the Dixie Fire, including costs for outside counsel, mediations, experts and consultants, e-discovery, and other litigation costs, just and reasonable?
9. Are the approximately \$71.6 million in capital costs recorded in PG&E’s CEMA as of February 28, 2025, and incurred by PG&E to restore service to customers and to

- repair or replace facilities damaged by the Kincade and Dixie Fires, incremental, just, and reasonable?
10. Are the approximately \$242 million in O&M costs recorded in PG&E's CEMA as of February 28, 2025, and incurred by PG&E to restore service to customers and to repair or replace facilities damaged by the Kincade and Dixie Fires, incremental, just, and reasonable?
 11. Are the associated capital revenue requirement of approximately \$64.5 million and O&M revenue requirement of approximately \$296.9 million, incremental, just, and reasonable?
 12. Were there any factors beyond PG&E's control that exacerbated the costs and expenses attributable to the Kincade Fire, and what are the costs attributable to such factors?
 13. Were there any factors beyond PG&E's control that exacerbated the costs and expenses attributable to the Dixie Fire, and what are the costs attributable to such factors?
 14. Should PG&E's cost recovery proposal set forth in chapter 7 of its prepared testimony be adopted?

3. Need for Evidentiary Hearing

Issue numbers 1-14 are potentially contested, material issues of fact. Accordingly, we will allow parties to present evidence on these issues and evidentiary hearings are needed. But in the event the parties are able to stipulate to the truth and admissibility of the material facts and/or reach a settlement, it is possible that the evidentiary hearings may not be needed. Thus, either the assigned Administrative Law Judge (ALJ) or Commissioner may remove evidentiary hearings from the calendar of this proceeding if the circumstances so warrant.

4. Schedule

Public Utilities Code Section 1701.8 sets forth deadlines applicable to this proceeding, including the requirement that “[t]he scoping memorandum shall establish a schedule for the proceeding, including the date of issuance of a proposed decision that is no later than 12 months after the filing date of the application.” (Public Utilities Code Section 1701.8(b)(4)(B).) Accordingly, as reflected in the schedule below, the proposed decision shall be issued on or before November 14, 2026, unless the schedule is modified upon a “showing of good cause” as provided by Public Utilities Code Section 1701.8(b)(4)(C).

In their *Protests* and at the PHC, Cal Advocates and TURN suggested that the schedule be bifurcated and the 12-month deadline be extended for six months so that there are separate schedules and hearings on the Kincade and Dixie Fires. They claim that the underlying facts and circumstances for the two fires are materially different and that, therefore, their resolution would benefit from separate considerations. PG&E opposes that request, reasoning that both the Kincade and Dixie Fires present overlapping factual and legal issues, and that the same witnesses will have to testify twice if bifurcation were to occur.

I have determined that, for now, it is premature to consider such a bifurcation and extension request as the record developed to date is insufficient for a determination of good cause to be made.

The following schedule is adopted here and may be modified by the assigned ALJ or Commissioner as required to promote the efficient and fair resolution of the catastrophic wildfire proceeding:

Event	Date
Intervenors' prepared direct testimony served and motion to extend the 12-month deadline	April 13, 2026
Prepared rebuttal testimony (which shall include all updates to its WEMA and CEMA costs and provide updated WEMA and CEMA balances) served and response to motion to extend the 12-month deadline served	May 29, 2026
PG&E to update its CEMA and WEMA costs and provide updated CEMA and WEMA balances	July 10, 2026
Status Conference	July 24, 2026
Evidentiary Hearing	August 17-21, 2026 (either in person or via WebEx to be determined)
Opening Briefs (not to exceed 50 pages in length, exclusive of attachments)	September 11, 2026
Reply Briefs (not to exceed 30 pages in length, exclusive of attachments)	September 25, 2026
Issue proposed decision	November 13, 2026

The purpose of the July 24, 2026 status conference is to ascertain whether, pursuant to Rule 13.8(c), the parties will stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, evaluate the parties' resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

The proceeding will stand submitted upon the filing of reply briefs, unless the ALJ or Commissioner requires further evidence or argument. Based on this schedule, the proceeding will be resolved as required by Public Utilities Code Section 1701.8 (b)(4)(B).

5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.⁵

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's preliminary determination⁶ that this is a catastrophic wildfire proceeding. Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

⁵ <https://www.cpuc.ca.gov/PUC/adr/>

⁶ Resolution ALJ-176-3572 at 1.

7. Public Outreach

On November 19, 2025, this matter was noticed on the Commission's Daily Calendar. In addition, on December 9, 2025, PG&E advised the parties and the Commission that it intends to file Proof of Compliance with the notice requirements of Rules 3.2(b), (c), and (d) of the Rules of Practice and Procedure by January 18, 2026. This filing will be available on the Commission's website at the Docket Card for this proceeding. Also, pursuant to Public Utilities Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding.

8. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by 30 days after the December 5, 2025, PHC.

9. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

10. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

11. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.⁷

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. **Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.**

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each

⁷ The form to request additions and changes to the Service list may be found at <https://www.cpsc.ca.gov/-/media/cpsc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

12. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

13. Assignment of Proceeding

Matthew Baker is the assigned commissioner and presiding officer for the proceeding, in accordance with Public Utilities Code Section 1701.8(b)(2).

Robert M. Mason III is the assigned ALJ for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Evidentiary hearings are needed, unless otherwise determined by the assigned Commissioner or Administrative Law Judge.
4. The Presiding Officer is Commissioner Matthew Baker.
5. The category of the proceeding is Catastrophic Wildfire.

Dated _ December 12, 2025, at San Francisco, California.

/s/ MATTHEW BAKER

MATTHEW BAKER
Assigned Commissioner