

**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE**

**STATE OF CALIFORNIA**



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**Joint Application of the Public Advocates  
Office, The Utility Reform Network and  
Mussey Grade Road Alliance for Rehearing  
of Resolution SPD-37.**

**Application 26-01-006**

**(Filed January 09, 2026)**

**ENERGY PRODUCERS AND USERS COALITION  
RESPONSE IN SUPPORT OF APPLICATION FOR REHEARING**

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January 26, 2026

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Pursuant to Rule 16.1(d) of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure (Rules), the Energy Producers and Users Coalition (EPUC)<sup>1</sup> submits this response to the Joint Application for Rehearing<sup>2</sup> of Resolution SPD-37,<sup>3</sup> filed on January 9, 2026 by the Public Advocates Office (Cal Advocates), The Utility Reform Network (TURN), and Mussey Grade Road Alliance (MGRA) (collectively, the Applicants).

**I. INTRODUCTION**

The Commission should grant rehearing and adopt the Applicants’ requested relief. The Resolution establishes the framework for the Commission’s review and conditional approval of large electric utilities’ future undergrounding projects and associated cost recovery under Senate Bill (SB) 884.<sup>4</sup> This framework is critical because it will dictate the standards,

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<sup>1</sup> EPUC represents the electricity end-use interests of the following companies in this proceeding: California Resources Corp., Chevron U.S.A. Inc., PBF Holding Company, Phillips 66 Company, and Tesoro Refining & Marketing Company LLC.

<sup>2</sup> Application (A.) 26-01-006, *Joint Application Of The Public Advocates Office, The Utility Reform Network, And Mussey Grade Road Alliance For Rehearing Of Resolution SPD-37*, Jan. 9, 2026 (the Application).

<sup>3</sup> Resolution (Res.) SPD-37, *Update and Revision of Senate Bill 884 Program: CPUC Guidelines, Program for Expediting the Undergrounding of Distribution Equipment of Large Electrical Corporations*, Dec. 4, 2025 (the Resolution).

<sup>4</sup> Application at 1 (citing Res. SPD-37 at 10).

methodologies, and criteria for ensuring that potentially billions of dollars in anticipated expenditures “demonstrably reduce wildfire risk and improve system reliability while protecting ratepayers.”<sup>5</sup>

The Application correctly identifies legal errors in the Resolution that threaten to undermine the integrity of this framework and compromise the Commission’s ability to ensure that future undergrounding costs are just and reasonable. Expedient correction of these errors is essential to protect ratepayers, maintain transparency, and uphold the Commission’s statutory and constitutional obligations.

## **II. RESPONSE**

The Resolution adopts a joint “Phase 1 Application” process to resolve outstanding methodological and oversight issues pertaining to the large electric utilities’ Phase 2 Applications.<sup>6</sup> These issues include: (1) a standardized methodology for calculating benefit-cost ratios (BCRs); (2) an audit methodology for verifying compliance with Phase 2 Conditions; and (3) additional cost recovery conditions to ensure costs booked to balancing accounts are just and reasonable.<sup>7</sup> The Commission’s determinations on these issues are critical to safeguarding ratepayer interests, and ensuring the SB 884 program achieves its statutory goals of reducing wildfire risk and improving reliability without imposing unjust or unreasonable costs.

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<sup>5</sup> Application at 2 (citing Res. SPD-37 at 11).

<sup>6</sup> Id. (“The Resolution establishes what it terms a joint “Phase 1 Application” process to resolve issues not addressed by the Resolution: including how Cost-Benefit Ratios (CBR) must be calculated, whether large electrical corporations’ proposed audit methodologies are adequate, and whether any additional conditions should be placed on what costs are allowed to be recovered through the one-way balancing account adopted in Resolution SPD-15.”) (citing Res. SPD-37 at 2).

<sup>7</sup> Res. SPD-37 at 25-30.

However, as the Application correctly explains, the Resolution contains legal and practical errors that inhibit the development of a robust record on these foundational issues. By imposing an abbreviated 15-day response period and failing to define party status or provide for discovery and hearings, the Resolution deprives stakeholders of a meaningful opportunity to evaluate and respond to the complex Phase 1 proposals.<sup>8</sup> These deficiencies violate the Commission's rules on party participation, notice, and the right to be heard,<sup>9</sup> and they conflict with constitutional due process.<sup>10</sup> Importantly, these defects prevent the development of a robust evidentiary record essential for informed Commission decisions. Unless the Resolution's defects are corrected, the Commission risks adopting methodologies and conditions based on an incomplete record, exposing ratepayers to unjust and unreasonable charges arising from Phase 2 determinations.

The relief requested in the Application is essential to remedy these deficiencies and ensure that the Phase 1 Application process produces determinations grounded in a fair and lawful process.<sup>11</sup> Specifically, the Application urges the Commission to implement a formal application process consistent with its Rules, provide a 30-day response period, allow formal discovery, and establish a hearing process.<sup>12</sup> These measures are essential to ensure the Phase 1 Application process complies with controlling law and due process.<sup>13</sup> Importantly, they will also promote the development of a comprehensive evidentiary record necessary to support

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<sup>8</sup> Application at 7-10.

<sup>9</sup> Id. at 6-7.

<sup>10</sup> Id. at 10.

<sup>11</sup> Id.

<sup>12</sup> Id. at 2-3, 10-11.

<sup>13</sup> Id. at 10.

rigorous reasonableness review of future wildfire undergrounding costs. Furthermore, these safeguards will prevent the undue strain on limited stakeholder and Commission resources caused by the Resolution's current unrealistic and compressed schedule.

### **III. CONCLUSION**

For the foregoing reasons, the Commission should grant rehearing of Resolution SPD-37, and issue an order modifying the Resolution to provide for the Applicants' requested relief. Doing so will correct the Resolution's legal errors, uphold the Commission's obligations under its own Rules and constitutional due process, and ensure that Phase 1 Application determinations are based on a complete and reliable evidentiary record.

Respectfully submitted,

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January 26, 2026