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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

EMAIL RULING QUESTIONS FOR JOINT IOUS ELECTRIC UNDERGROUNDING

Dated June 18, 2026, at San Francisco, California.

/s/ REGINA DEANGELIS

Regina DeAngelis
Administrative Law Judge

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Subject: A.26-02-005 (Joint IOUs Electric Undergrounding) Email Ruling with Questions for Joint IOUs

To Service List for A26-02-005:

This email rulings serves to direct the Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (collectively Joint IOUs) to separately or jointly respond to the below questions on or before June 30, 2026 via a filed response to this ruling. (See, questions below signature line.)

IT IS SO RULED.

The docket office shall file this ruling.

Regina M. DeAngelis

Administrative Law Judge

California Public Utilities Commission

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QUESTIONS

Q1. Topic: Rough Order of Magnitude/AACE /Energy Safety Screens/Phase 2 Application

- (a) In project-level and subproject-level filings to be submitted as part of the Phase 2 Application, do the utilities intend to use cost and risk values as used in benefit-cost ratio (BCR) calculations which are based on "rough order of magnitude" estimates?
- (b) Identify the estimate classes (e.g., AACE) used for project-level and subproject-level cost estimates to be submitted in the Phase 2 Application, including the associated accuracy range for each class. Clarify whether

subproject-level estimates will use a different class or exhibit lower maturity than project-level estimates at the time of filing the Phase 2 Application. If so, describe the basis for that difference.

- (c) Explain how the estimate classes are mapped to milestones in the Phase 2 Application. Provide a table mapping each of the following milestones to the specific estimate class applied, together with the associated accuracy range:

	Phase 2 Application				Post-construction
Energy Safety Screen that projects passed (Office of Energy Infrastructure Safety, <i>10-Year Electrical Undergrounding Plan Guidelines</i> , Feb 2025.)	Screen 1	Screen 2	Screen 3	Screen 4	
Estimate range					
Cost accuracy range					

- (d) Explain whether the same estimate class, and accuracy range applied to cost estimates are also applied to risk reduction estimates used in BCR calculations to be submitted in the Phase 2 Application. If risk reduction estimates do not follow the same standards or an equivalent structured methodology, provide the quantitative estimate range and accuracy range applied to risk reduction modeling at each milestone stage identified in Q1(b).
- (e) Given that the primary components of the BCR (capital costs and risk reduction) may be associated with different estimate classes or accuracy range at the time of filing the Phase 2 Application, identify the resulting expected accuracy range for BCR values at each milestone stage identified in Q1(b), above.

Q2. Topic: O&M Costs and O&M Savings in BCR calculations

- (a) Do the utilities intend to model forecast O&M Costs and O&M Savings to be submitted in the Phase 2 Application using historical data taken primarily from the prior GRC?
- (b) Do the utilities intend to track recorded O&M Costs and O&M Savings as incorporated into the BCR calculation to be submitted in the Phase 2 Application at the project or subproject level post-construction?
- (c) Identify all historical datasets, filters and variables used to estimate: (1) forecast O&M Costs, and (2) forecast O&M Savings to be submitted in the Phase 2 Application. Describe how the utility ensures that non-recurring historical costs are not projected into the future.
- (d) Identify all no-build baseline O&M activities that are considered to be avoided or reduced (e.g., routine vegetation management, inspections, emergency repairs, etc.) when calculating O&M Savings to be submitted in the Phase 2 Application. For each identified no-build baseline O&M activity, explain whether the costs of the O&M activity are eliminated entirely or, instead, reduced for undergrounding and covered conductor mitigations. If reduced, specify the reduction using a quantitative measure, such as a dollar amount, a percentage reduction, or both, and explain the utility's rationale for that value. In addition, clarify whether and how the utility removes costs from legacy O&M activities/programs, such as Enhanced Vegetation Management (EVM), if and when it decides to terminate such activities/programs.
- (e) Describe the time horizon over which O&M Costs and O&M Savings to be submitted in the Phase 2 Application are modeled. Explain if and how the utility assumes these values as incorporated into the BCR calculations change over time.
- (f) Explain how the utility ensures that O&M Savings as incorporated into the BCR calculation to be submitted in the Phase 2 Application are representative of specific circuit segments, given that maintenance needs vary by location. Specifically:
 - 1. If a utility uses a system-wide average or pro-rata allocation, provide the mathematical justification for applying that average to segments that historically require little or no vegetation management or patrol. Explain how the utility avoids including O&M Savings as incorporated into the BCR calculation to be submitted in the Phase 2 Application for activities that would not have occurred on that specific segment.
 - 2. Explain how the utility ensures that historical averages are not skewed by data from segments that have already been undergrounded, converted to covered conductor, or otherwise hardened.

3. Explain how the utility determines that historical data from prior GRC periods is representative of the specific segments in this application, given their unique vegetation conditions, maintenance needs, and operating environments.
4. If the utility is unable to track recorded O&M Savings as incorporated into the BCR calculation to be submitted in the Phase 2 Application at the project or subproject level post-construction, explain how the Commission can verify that the BCR is calculated accurately with reasonable O&M Savings post-construction.

Q3. Topic: Ingress/Egress Risk

- (a) How does the utility define “ingress/egress risk” for purposes of mitigation selection (e.g., evacuation route availability, road capacity, fire behavior constraints, population mobility, warning time, or other) in the Phase 2 Application?
- (b) What is the unit of analysis for ingress/egress risk (segment, circuit, community, polygon, or other), and what specific indicators are used in the Phase 2 Application?
- (c) The Joint IOUs Application states ingress/egress is “not captured directly” in wildfire risk models. (Joint IOUs Application at 37.) Are any elements of ingress/egress captured indirectly and used to calculate risk reduction in the BCR calculation to be submitted in the Phase 2 Application?
- (d) The Joint IOUs Application also states that utilities conduct a detailed ingress/egress risk assessment outside of the risk model specific to individual circuit segments. (Joint IOUs Application at 37.) Why is detailed ingress/egress risk not incorporated explicitly into the risk model and BCR calculations to be submitted in the Phase 2 Application? Explain how utility avoids double counting ingress/egress-related impacts by (1) capturing them indirectly in the risk model used for BCR calculations to be submitted in the Phase 2 Application, while also (2) using ingress/egress as a separate consideration in mitigations selection that may be inconsistent with the BCR results.
- (e) What does an “ingress/egress risk assessment outside of the risk model” produce (score, category, narrative finding, or other)? (Joint IOUs Application at 37.) Are these ingress/egress risk assessments translated into a quantitative adjustment or are they used only qualitatively to prioritize undergrounding in the Phase 2 Application?
- (f) Under what conditions can ingress/egress considerations justify selecting a project with a lower BCR than alternatives?

Q4. Topic: Tree-Strike Risk

- (a) How does the utility define tree-strike risk for purposes of mitigation selection (e.g., likelihood of contact, likelihood of conductor failure given contact, ignition probability, or modeled consequence severity, or other) in the Phase 2 Application?
- (b) What is the unit of analysis for tree-strike risk (e.g., span, segment, circuit, polygon, or other), and what specific indicators/data elements are used? Identify any thresholds used to classify high tree-strike risk in the Phase 2 Application.
- (c) The Joint IOUs Application states tree-strike risk in the utilities' risk models used to calculate risk reduction in the BCR calculations to be submitted in the Phase 2 Application is "high-level, aggregated" and a "snapshot in time." The utilities state they supplement the risk model with the most recent LiDAR and satellite imagery to obtain a more granular, up-to-date view of tree-strike risk. (Joint IOUs Application at 38.) Why is this data not incorporated into the risk model and the BCR calculation in the Phase 2 Application rather than being applied as a separate consideration performed outside-the-model? Explain how the utility avoids double counting tree-strike impacts by (1) capturing them at a high level in the modeled risk/BCR in the Phase 2 Application and (2) using updated tree-strike information as a consideration that can result in outcomes that are inconsistent with the BCR results.
- (d) Under what conditions can tree-strike considerations justify selecting a project with a lower BCR than alternatives?

Q5. Topic: Additional Consideration PSPS

The utilities state that circuit-segment-level analysis can "obscure localized risks" (Joint IOUs Application at 38) and that they perform sub-circuit segment assessments using the most current PSPS lookback data (including weather polygons) to identify where undergrounding would reduce PSPS risk. Given that utilities indicate they have actionable, more granular risk information, provide clarification on the following:

- (a) Why do the utilities not incorporate sub-circuit/sub-project-level PSPS risk inputs into the risk model as incorporated into the BCR calculation to be submitted in the Phase 2 Application used for project selection?

If BCRs are to be presented in the Phase 2 Application at an aggregated project level rather than at the sub-project level, explain why utilities make prioritization

decisions within a circuit segment at the sub-project-level while BCRs used to justify those decisions are reported at a higher level of aggregation?