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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 (Filed February 9, 2026)

MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39-E) TO AMEND THE PROCEDURAL SCHEDULE TO ALLOW COMMENTS ON THE CUMULATIVE IMPACTS OF THE OCTOBER 16, 2026 PROPOSED DECISION ON PACIFIC GAS AND ELECTRIC COMPANY'S 10-YEAR ELECTRICAL UNDERGROUNDING PLAN (EUP) AND FUTURE EUPS

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OF THE STATE OF CALIFORNIA

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MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39-E) TO AMEND THE PROCEDURAL SCHEDULE TO ALLOW COMMENTS ON THE CUMULATIVE IMPACTS OF THE OCTOBER 16, 2026 PROPOSED DECISION ON PACIFIC GAS AND ELECTRIC COMPANY'S 10-YEAR ELECTRICAL UNDERGROUNDING PLAN (EUP) AND OTHER FUTURE EUPS

I. INTRODUCTION

Pursuant to California Public Utilities Commission (Commission or CPUC) Rule of Practice and Procedure 11.1, Pacific Gas and Electric Company (PG&E) submits this Motion to Amend the Procedural Schedule to Allow Comments on the Cumulative Impacts of the October 16, 2026 Proposed Decision (Proposed Decision) on PG&E's 10-year Electrical Undergrounding Plan (EUP) and Other Future EUPs. Senate Bill (SB) 884 requires that EUPs submitted to the Office of Energy Infrastructure Safety (Energy Safety) substantially reduce wildfire risk and improve electrical reliability.[1]

Sixteen days prior to issuance of the Proposed Decision, PG&E filed its EUP with Energy Safety, proposing to satisfy SB 884's mandate and protect communities throughout the state by undergrounding 5,000 miles of electric distribution lines (of approximately 11,000 EUP-eligible miles) in the highest-risk areas over ten years, permanently reducing wildfire risk by approximately 98 percent and outages by approximately 90 percent in areas where

[1]/ Public Utilities (Pub. Util.) Code § 8388.5(d)(2).

undergrounding will take place.[2] The EUP is currently being reviewed by Energy Safety and interested parties.

In the Proposed Decision, the Commission rejects the framework that PG&E, Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) (collectively the Joint IOUs) included in their Application. If adopted, the Proposed Decision would result in EUP cost recovery guidelines that severely limit the utilities' ability to submit undergrounding plans that meet SB 884's objectives to substantially reduce wildfire risk, improve system reliability, and achieve economies of scale to reduce costs. If applied to PG&E's EUP, PG&E estimates that less than 1,300 miles would be eligible for consideration, excluding significant mileage in the highest-wildfire threat areas with the highest potential consequences. If adopted, the Proposed Decision would disallow funding for undergrounding miles necessary to substantially reduce wildfire risk across PG&E's service territory and improve system reliability.

While the parties have commented on individual issues in this proceeding, they have not developed a record to show the impact of the Proposed Decision—in its totality—on the utilities' ability to reduce wildfire risk and improve reliability through undergrounding, and specifically on PG&E's EUP. Without this evidence, the Commission lacks a full record to evaluate whether the Proposed Decision proceeds in the manner required by law.

For these reasons, PG&E respectfully requests that the Commission amend the schedule to allow parties an opportunity to provide opening and reply comments on the cumulative impacts of the Proposed Decision before a Commission vote to develop an evidentiary record. PG&E provides a proposed schedule in Section II.E. Concurrent with this Motion, PG&E submits a Motion to Shorten Time for an Order Modifying the Procedural Schedule and respectfully asks the Commission to shorten the time for responses to this Motion to October 29, 2026, and to rule on this Motion by October 30, 2026.

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[2]/ PG&E's 10-Year (2028-2037) Electrical Undergrounding Plan, p. 3, available at: <https://www.pge.com/assets/pge/docs/outages-and-safety/safety/09-30-2026-pge-eup-vol1-r0.pdf> (accessed Oct. 26, 2026). PG&E is concurrently filing a Notice of Availability with this Motion.

II. BACKGROUND

A. Senate Bill 884 Establishes a Phased Approach for EUP Evaluation with Defined Agency Roles

Senate Bill 884 directed the Commission to establish an expedited utility distribution infrastructure undergrounding program, which commences when a large electrical corporation submits an EUP to Energy Safety during Phase 1 of the process. As the Proposed Decision recognizes, Energy Safety may only approve an EUP if it finds the EUP will substantially increase reliability and substantially reduce the risk of wildfire. After Energy Safety approves an EUP, the large electrical corporation submits the EUP to the Commission for review and conditional approval of the EUP's costs, in Phase 2. In enacting SB 884, the Legislature designed a sequential process and delineated clear roles for Energy Safety and the Commission.

B. The Commission Directed the Joint IOUs to Prepare an Application Consistent with Resolution SPD-37 and the RDF Aligned with Energy Safety's EUP Evaluation

In December 2025, the Commission directed the Joint IOUs to file the instant Application to resolve three issues impacting future EUPs: (1) how the Benefit Cost Ratio (BCR) used for alternative mitigation comparisons—e.g. undergrounding, overhead hardening, remote grid—and cost recovery should be calculated; (2) whether the large electrical corporations' proposed audit methodology is adequate; and (3) whether any additional conditions should be placed on the costs to be recovered through the one-way balancing account adopted for recovery of costs to implement the plan approved by Energy Safety.[3] The Commission emphasized that the Joint IOU Application methodology needed to align with the guidelines set forth in D.24-05-064 Appendix A, or the most recent decision from the Risk-Based Decision Making Framework (RDF).[4]

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[3]/ Resolution (Res.) SPD-37, p. 25.

[4]/ Rulemaking (R.) 20-07-013; see also SPD-37, p. 7, fn. 13.

The Joint IOUs filed the instant Application in which they proposed a (1) BCR methodology consistent with the RDF proceeding, (2) a detailed audit methodology for reviewing an EUP portfolio, and (3) additional cost recovery conditions.[5]

On March 27, 2026, the parties participated in a Prehearing Conference with Administrative Law Judge Regina DeAngelis and Commission President John Reynolds. During the hearing, President Reynolds urged PG&E to file its EUP noting that "this … proceeding did not create a gating step that must be resolved before a plan can be filed with Energy Safety" and that it "has no bearing on the Energy Safety evaluation."[6] He emphasized that the prior RDF provided the relevant foundation for the Joint IOU Application and this proceeding should build on that framework.[7] Finally, he committed to working with PG&E to ensure review of its EUP in 2027 so that the EUP could go into effect in 2028.[8]

C. PG&E Filed Its EUP With Energy Safety Using the Joint IOU Methodology

PG&E filed its EUP with Energy Safety on September 30, 2026.[9] In the EUP, PG&E commits to undergrounding 5,000 miles of electric distribution lines in the highest-risk areas of its service territory, permanently reducing wildfire risk by approximately 98 percent where undergrounding has taken place and lowering total Wildfire and Outage Program Risk by approximately $117 billion over the life of the assets.[10] PG&E explains that undergrounding can eliminate the need for Public Safety Power Shutoffs (PSPS) and Enhanced Powerline Safety Settings (EPSS) on underground lines, and that undergrounding has been shown to reduce

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[5]/ Application 26-02-005, Sections II-V.

[6]/ Prehearing Conference transcript p. 8:12-14, 24-25.

[7]/ Prehearing Conference transcript p. 9:12-13.

[8]/ Prehearing Conference transcript, p. 9:17-21.

[9]/ See PG&E's EUP located at: <https://www.pge.com/en/outages-and-safety/safety/community-wildfire-safety-program/electrical-undergrounding-plan.html> (accessed Oct. 26, 2026).

[10]/ EUP, p. 3. $117 billion is the present value of the combined measure of Ignition Risk and Outage Program Risk over the 55-year underground asset life. This measure applies a risk scaling factor and is based on unmitigated wildfire risk, which assumes operational mitigations such as EPSS and PSPS are not in place.

outages by approximately 90 percent where completed.[11] Further, the EUP will help reduce undergrounding costs over time by leveraging economies of scale and innovation through long-term planning and program development, including new installation methods and more efficient sourcing and contracting.[12]

PG&E prepared the EUP in accordance with Energy Safety's EUP guidelines[13] and used the methodology proposed in the Joint IOU Application consistent with the RDF, as directed by the Commission. This involved a BCR methodology that included O&M cost savings in the denominator of the BCR formula, risk scaling reflecting each utility's risk attitude, an uncertainty factor that allows utilities to consider other elements beyond the BCR when comparing mitigation alternatives, and value of service (VOS) calculations made at the level of granularity to match the original intent and functionality of the ICE Calculator.[14]

III. ARGUMENT

A. The Commission Should Afford Parties the Opportunity to Supplement the Record with Evidence Concerning How the Proposed Decision in Totality Would Impact Risk Reduction and Reliability Improvements

In the Proposed Decision, the Commission rejects most of the Joint IOU proposals in the Application to structure the final EUP Guidelines for the Phase 2 cost recovery application. More specifically, the Commission finds that:

- O&M savings realized through undergrounding should be categorized as benefits in the numerator of the BCR calculation rather than as cost offsets in the denominator even though benefits are narrowly defined as monetized *risk reduction* in the RDF;[15]

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[11]/ EUP, p. 3.

[12]/ EUP, p. 3.

[13]/ Energy Safety's 10-Year Electric Undergrounding Plan Guidelines, available at: <https://efiling.energysafety.ca.gov/eFiling/Getfile.aspx?fileid=58006&shareable=true> (accessed Oct. 26, 2026).

[14]/ See e.g. Application 26-02-005 at pp. 6-7, 35-38.

[15]/ See Proposed Decision pp. 28-29.

- Risk scaling may not be used by utilities when calculating BCRs for undergrounding projects and alternative mitigations even though it is allowed in the RDF;[16]

- Utilities should not be permitted to consider factors outside the BCR calculations like tree strike and PSPS risk when deciding whether to underground, as permitted by the RDF, even when BCR calculations are close and risk models do not capture all the benefits of undergrounding;[17]

- Utlities must calculate VOS by distinguishing between HFTD and non-HFTD customers, despite the fact that this approach can result in unequal treatment of customers that are similarly situated and requires more granularity than the tools used for this calculation were meant to capture;[18] and

- All costs for an undergrounding project must be associated with a project whose forecasted undergrounding BCR (as presented in the Phase 2 Application proceeding before the CPUC) was at least as high as the forecasted BCR (as presented during the Phase 2 Application proceeding) of the best-performing alternative mitigation.[19]

In its comments on the Proposed Decision, PG&E will explain how many of these items in isolation deviate from the established RDF framework or are otherwise legally or factually erroneous based on the record. However, given the parties' focus on individual elements, the record lacks evidence concerning how the decisions made in the Proposed Decision, as a whole, restrict the IOUs' ability to submit EUPs that substantially reduce wildfire risk and increase reliability by severely reducing cost recovery. For purposes of this Motion, PG&E highlights the combined impact of each of these decisions on PG&E's EUP filed with Energy Safety by comparing PG&E's proposal in its EUP with what PG&E's proposal would have been had it applied the parameters in the Proposed Decision. While the analysis is ongoing, PG&E believes that the Proposed Decision would:

- Reduce EUP-eligible miles from approximately 11,000 to less than 1,300;

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[16]/ See Proposed Decision, p. 42.

[17]/ See Proposed Decision p. 120.

[18]/ See Proposed Decision p. 129, Findings of Fact 35-37.

[19]/ Proposed Decision p. 154, Conclusion of Law (COL) 62. In practice, this creates a threshold eligibility gate based on preliminary project information, making a desktop BCR comparison binding before utilities can refine projects through detailed engineering and scoping.

- Reduce wildfire risk reduction through the EUP by approximately 83%, assuming 1,150 miles[20] of undergrounding, rather than 5,000 miles as originally proposed; and
- Reduce the reliability improvement by approximately 27%, assuming 1,150 miles of undergrounding rather than 5,000 miles as originally proposed.

Additionally, under the Proposed Decision, PG&E estimates that only 19% of the 250 highest wildfire risk circuit segment miles would be eligible for inclusion in PG&E's EUP, as opposed to 62% using the Joint IOU approach. For miles 250-500 of the highest wildfire risk circuit segments, approximately 7% would be eligible for undergrounding under the Proposed Decision, as opposed to 64% under the Joint IOU proposal. Finally, by introducing new, additional cost recovery conditions for post-construction BCR calculations, the Commission has introduced significant cost recovery uncertainty into the process.[21] In short, the Proposed Decision would result in a pre-determination that most of the critical wildfire-mitigating and reliability-improving work that PG&E proposed in its EUP would be ineligible for cost recovery. As a result, it would constitute the precise "gating step" that Commissioner President Reynolds stated the Commission aimed to avoid.

B. The Commission Should Amend the Procedural Schedule to Allow for Evidence Concerning How the Proposed Decision Limits Utility Prudent Decision-making to Reduce Wildfire Risk Safety Options and Alters the SB 884 Framework

If the Proposed Decision is adopted, the Commission will significantly limit utility options to meaningfully protect customers and communities throughout the state from the risk of catastrophic wildfire. Without undergrounding as a realistic system hardening option, utilities will be required to rely more heavily on operational mitigations like EPSS and PSPS to prevent ignitions from occurring during severe weather events. However, this is inconsistent with SB 884; and these mitigations interrupt system reliability, which is especially critical for vulnerable

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[20]/ The estimated reduction of 150 miles from approximately 1,300 eligible miles represents a conservative estimate of miles likely to be deemed infeasible through the detailed engineering and scoping process.

[21]/ Proposed Decision p. 154, COL 62.

customers in high fire risk areas who may be subject to multiple outages during fire season. In addition, by keeping lines overhead, utilities will be required to spend significant customer dollars performing costly vegetation management work each year in forested areas, in perpetuity. This expense is funded annually by customers in the year the costs are incurred. In short, when taken as a whole, the Proposed Decision would eliminate undergrounding as a viable system hardening method in most instances, contrary to SB 884 and the long-term safety and financial interests of customers.

Finally, because the Proposed Decision eliminates nearly all overhead miles in PG&E's service territory from EUP consideration, adoption of the Proposed Decision would effectively arrogate responsibilities the Legislature conferred on Energy Safety. SB 884 is plain that Energy Safety is responsible for approving a large electrical corporation's plan for prioritizing undergrounding projects and comparing them to alternative mitigations to determine whether the utility has presented a plan that will substantially reduce wildfire risk and improve system reliability.[22] Energy Safety also must evaluate project costs, including identified economies of scale necessary to reduce wildfire risk and mitigation costs and establish a sustainable supply chain.[23] The Commission considers whether to approve project costs in light of alternative mitigations, with an eye toward ensuring a utility has proposed a strategy for lowering unit costs over time.[24] By eliminating nearly all overhead miles from initial EUP eligibility on the stated basis of cost recovery guidelines, the Proposed Decision would severely infringe on Energy Safety's statutory responsibilities to consider a wider range of undergrounding projects vs. alternative mitigations. Additionally, the Proposed Decision would essentially preclude the utilities from submitting EUPs that demonstrate substantial wildfire risk reduction and reliability improvement, or to achieve economies of scale, by denying in advance the opportunity to obtain cost recovery for most of that necessary work. Parties should be afforded the opportunity to

[22]/ See Pub. Util. Code, § 8388.5(c).

[23]/ Pub. Util. Code, §8388.5(c)(6).

[24]/ See Pub. Util. Code §8388.5(e).

submit evidence to aid the Commission in determining whether the Proposed Decision is consistent with SB 884.

C. The Proposed Schedule Will Allow for a More Complete Record

To provide the Commission with a more complete evidentiary record on which to base its decision, PG&E requests that the procedural schedule be amended as follows:

Event	Current Date	Proposed Date
Opening Comments on Impact of Proposed Decision on PG&E's EUP	N/A	November 6, 2026
Reply Comments on Impact of Proposed Decision on PG&E's EUP	N/A	November 12, 2026
Opening Comments on Proposed Decision	November 5, 2026	November 18, 2026
Reply Comments on Proposed Decision	November 10, 2026	November 24, 2026
Commission Vote	November 19, 2026	TBD

As noted above, PG&E has also submitted a Motion to Shorten Time for an Order Modifying the Procedural Schedule concurrent with this Motion, asking for comments on this Motion by October 29, 2026 and for a Commission ruling on the Motion by October 30, 2026.

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IV. CONCLUSION

The Legislature enacted Senate Bill 884 to expedite undergrounding and reduce wildfire risk, creating a division of responsibility between Energy Safety and the CPUC. The Proposed Decision, however, will have a significant impact on the Joint IOUs' ability to submit EUPs to Energy Safety that substantially reduce wildfire risk and improve reliability—including PG&E's pending EUP—impeding undergrounding and infringing on the role that the Legislature gave to Energy Safety. It is essential for the Commission to hear from the parties regarding this cumulative impact. Accordingly, PG&E requests that the procedural schedule be modified as described herein to allow parties a brief comment period to address these impacts prior to finalizing comments on the Proposed Decision and before a Commission vote.

Respectfully Submitted,

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