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Date of Issuance
February 6, 2026

Decision 26-02-026

February 5, 2026

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

ORDER MODIFYING RESOLUTION SPD-37 AND DENYING REHEARING OF THE RESOLUTION, AS MODIFIED

I. INTRODUCTION

Senate Bill (SB) 884 (Stats. 2022, ch. 819) requires the Commission to establish an expedited utility distribution infrastructure undergrounding program for the state's large electrical corporations. Under SB 884, the Office of Energy Infrastructure Safety reviews and approves utilities' ten-year electrical undergrounding plans, while the Commission is responsible for reviewing applications seeking conditional approval of undergrounding costs and ensuring that ratepayer-funded expenditures are reasonable and consistent with statutory and Commission requirements.

The Commission initially implemented the SB 884 program in Resolution SPD-15. In Resolution SPD-37 (Resolution), the Commission updated the process and requirements for the SB 884 cost applications that the large electrical corporations will submit to the Commission for review and conditional approval.

Among other things, the Resolution established a "Phase 1 Application" process to resolve issues not addressed by the Resolution, including: how Cost-Benefit Ratios 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. (Resolution at 2.) The Resolution directs large electrical

corporations to file a joint Phase 1 Application within 60 days of the effective date of the Resolution. (*Id.* at 37, Ordering Paragraph 12.) The Resolution also permits responses to the application as follows: “Parties to the Phase 1 Application may respond to each of the large electrical corporations’ proposals and make counter proposals within 15 calendar days of the large electrical corporations’ filing(s).” (*Id.* at 30.)

On January 9, 2026, the Public Advocates Office, The Utility Reform Network, and Mussey Grade Road Alliance (collectively, Joint Applicants) filed a rehearing application of the Resolution (Rehg. App.). The Joint Applicants allege the adopted Phase 1 Application process is unlawful because the process: (1) fails to comply with rules governing applications in the Commission’s Rules of Practice and Procedure,¹ and (2) fails to provide prospective parties with a fair opportunity to be heard and violates their due process rights.

On January 26, 2026, the Energy Producers and Users Coalition filed a response in support of the rehearing application. The same day, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company filed a joint response opposing the rehearing application.

We have reviewed each of the allegations raised in the rehearing application and find that modification to the Resolution is warranted to conform the Phase 1 Application process to the procedures set forth in the Commission’s Rules. With this modification, the remainder of the Joint Applicants’ allegations are moot. Therefore, we deny rehearing of the Resolution, as modified.

II. DISCUSSION

The Joint Applicants allege that the adopted Phase 1 Application process is inconsistent with the Commission’s Rules in the following ways: (1) the Resolution requires “parties” to the Phase 1 Application to act before any mechanism exists for stakeholders to become a party under the Rules, and (2) the 15-day period for responses

¹ All references to a Rule or Rules are to the Commission’s Rules of Practice and Procedure.

to the Phase 1 Application conflicts with the time period for protests and responses set forth in Rule 2.6. (Rehg. App. at 6, 7.)

Joint Applicants are correct that the response time provided for in the Resolution is inconsistent with the response time generally permitted pursuant to Rule 2.6. The Resolution provides that “Parties to the Phase 1 Application” may file a response within 15 days of the filing of the application. (Resolution at 30.) Pursuant to the Commission’s Rules, at the time an application is filed, there are no parties to the application proceeding other than the applicant(s). (See Rule 1.4(a)(1).) Rule 1.4 specifies how a person may become a party to a Commission proceeding. One avenue for a person to become a party is by filing a protest or response to an application. (Rule 1.4(a)(2).) Protests and responses to applications are governed by Rule 2.6, which generally provides that any person may file a protest or response to an application within 30 days of the date the notice of the filing of the application first appears in the Commission’s Daily Calendar.

Although an interested stakeholder may become a party to the Phase 1 Application by filing a protest or response, the 15-day response period provided for in the Resolution is inconsistent with the time period set forth in Rule 2.6. The Resolution did not discuss good cause to deviate from the standard response time set forth in Rule 2.6. (See Rule 1.2.)

Therefore, we modify the Resolution to delete the statement providing for a 15-day response period to the Phase 1 Application. We clarify that any person may file a protest or response to the Phase 1 Application pursuant to Rule 2.6 and thereby obtain party status in that proceeding. We also confirm that, as is the case with all formal proceedings, the procedures set forth in our Rules apply to the Phase 1 Application.

III. CONCLUSION

For the reasons stated above, we modify Resolution SPD-37 to conform the Phase 1 Application process to the procedures set forth in the Commission’s Rules. Rehearing of the Resolution, as modified, is denied.

THEREFORE, IT IS ORDERED that:

1. The last sentence in section 3.5.3 of Resolution SPD-37, beginning with “Parties to the Phase 1 Application may respond...” is deleted and replaced with the following: “Any person may file a protest or response to the Phase 1 Application pursuant to Rule 2.6 of the Commission’s Rules of Practice and Procedure.”
2. The application for rehearing of Resolution SPD-37, as modified, is denied.
3. Application 26-01-006 is closed.

This order is effective today.

Dated February 5, 2026, at Sacramento, California.

ALICE REYNOLDS
President
DARCIE L. HOUCK
JOHN REYNOLDS
KAREN DOUGLAS
MATTHEW BAKER
Commissioners