

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-5427

February 5, 2026

R E S O L U T I O N

Resolution E-5427. Pacific Gas and Electric requests approval for the relocation agreement with Doheny-Vidovich Partners.

PROPOSED OUTCOME:

- Approves the Tier 3 Advice Letter 7685-E filed by Pacific Gas and Electric (PG&E), which includes an agreement to relocate electric transmission and distribution facilities to accommodate Doheny-Vidovich Partners' (Developer) proposed mixed-use commercial and residential condominium development at 4896 El Camino Real in Los Altos, CA (Mixed-Use Project)¹ and identified as Assessor's Parcel Number 170-02-026 in Santa Clara County (Property).
- Approves the agreement, referred to as the Actual Cost Contract (ACC), which memorializes the terms and conditions governing the relocation of PG&E's facilities in conflict with the Mixed-Use Project.

SAFETY CONSIDERATIONS:

- Work to relocate overhead electric utility facilities will conform to all current and applicable laws, California Public Utilities Commission (CPUC or Commission) regulations, industry and PG&E safety requirements as discussed in this Resolution and documented in the agreement.

ESTIMATED COST:

- Under the ACC, the Developer is requesting to pay for the work on an actual cost basis. The Developer will pay the estimated cost upfront, but after the relocation is completed. PG&E will true-up the final costs in a final invoice. The final invoice will reflect the full actual cost of the relocation work, with appropriate credit for the initial payment received from the Developer.

By Advice Letter Filed 7685-E on August 25, 2025.

¹ 4896 El Camino Real Mixed-Use Project, <https://ceqanet.lci.ca.gov/2024120054>.

SUMMARY

This Resolution approves the PG&E relocation agreement with Doheny-Vidovich Partners to accommodate the Mixed-Use Project. The ACC governs the terms and conditions between the Developer and PG&E regarding the relocation of PG&E's facilities that conflict with the Mixed-Use Project in Santa Clara County. PG&E requests approval under Electric Rule No. 15.I.3 for the proposed ACC. The CPUC has previously approved other relocation agreements such as those with California Department of Water Resources (CDWR)² and Wal-Mart Real Estate Business Trust and Walmart Inc.³

BACKGROUND

Relocation work is governed by Electric Rule 15.I.1, which states that any relocation or rearrangement of PG&E's existing facilities, at the request of, or to meet the convenience of an applicant or customer, and agreed upon by PG&E, normally shall be performed by PG&E. In addition, the applicant or customer shall be responsible for the costs of all related relocation, rearrangement and removal work.

For a typical relocation project, PG&E would use its form agreement on file with the CPUC, Electric Form No. 62-4527, Agreement to Perform Tariff Schedule Related Work (Work Performance Agreement). Under the Work Performance Agreement, the applicant agrees to pay a set contract price based on the estimated cost of the work to be performed by PG&E, in accordance with Rule 15.G. The cost is collected at the time the Work Performance Agreement is entered into, in advance of the work.

The ACC with the Developer entails a substantial scope of work for the Mixed-Use Project. Performing such a large-scale relocation project on an estimated cost basis creates a risk that the cost estimate may not accurately capture the cost that will be incurred during the Mixed-Use Project. For example, should the cost estimate later be determined to be lower than the actual costs incurred, PG&E would bear those additional costs that exceeded the cost estimate. Alternatively, should the cost estimate

² See Resolution Number E-5149,

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M393/K356/393356912.PDF>

³ See Resolution Number E-5393,

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M570/K089/570089360.PDF>

be higher than the actual costs, the Developer would bear more than the amount PG&E actually incurred to perform the work.

Under the ACC, PG&E is accommodating the Developer's request to pay for the work on an actual cost basis. The Developer will pay the estimated cost upfront, similar to the Work Performance Agreement, but after the relocation work is completed, PG&E will true-up the final costs in a final invoice. The final invoice will reflect the full actual cost of the relocation work, with appropriate credit for the initial payment received from the Developer.

SCOPE OF THE PROJECT

The Developer submitted a utility relocation request to relocate PG&E's Cooley Landing – Los Altos 60kV electric transmission facilities with Los Altos 1105 12kV electric distribution underbuild facilities, to accommodate the Developer's Mixed-Use Project. To accommodate the Developer's Mixed-Use Project, PG&E will replace one wood pole and remove the anchors within the public right-of-way and install an additional new steel pole within the public right-of-way to accommodate the relocation of PG&E's facilities. The estimated cost to replace one wood pole and remove the anchors within the public right-of-way and install an additional new steel pole also within Jordan Avenue under the ACC is \$390,898.00. The Income Tax Component of Contributions (ITCC), which is 24% of the estimated cost of the work comes out to \$93,815.52. The estimated cost and the ITCC is to be paid by the Developer. The estimated cost and the ITCC is \$484,713.52.

The Developer has already paid \$150,000.00 in engineering advances that will be subtracted from the current estimated cost of the work. The remainder of the current, estimated cost and the ITCC is to be paid by the Developer when the ACC is executed. The Project is anticipated to start December 2025, but the Developer and PG&E recognize that the ACC is subject to Commission approval before starting construction.

DISCUSSION

- 1. A Relocation Agreement has been executed for PG&E facilities relocation work required to accommodate Doheny-Vidovich Partners' Mixed-Use Project.** The Relocation Agreement establishes Doheny-Vidovich Partners and PG&E obligations

regarding the relocation of PG&E facilities. PG&E, and its contractors or subcontractors, will be responsible for the design and engineering, procurement of supplies, construction, and removal of the utility facilities.

Doheny-Vidovich Partners is responsible for acquiring, at no cost to PG&E and in a form satisfactory to PG&E, all governmental approvals and permits required for PG&E to undertake the work necessary to relocate or rearrange PG&E's facilities.

Doheny-Vidovich Partners is also responsible for securing PG&E all necessary land rights in a form satisfactory to both parties to allow PG&E to perform the work.

PG&E will convey or quitclaim to Doheny-Vidovich Partners its land or land rights occupied by facilities to be abandoned or removed within the land or rights or way required by Doheny-Vidovich Partners for the construction of the Mixed-Use Project.

- 2. Doheny-Vidovich Partners has requested the relocation work to be performed by PG&E be invoiced at actual cost.** This request deviates from the payment structure outlined in the Work Performance Agreement used for regular relocation projects and is reflected in the Relocation Agreement. As defined in the Relocation Agreement, "Actual Costs" will be determined in accordance with the uniform system of accounts prescribed for utility companies by the Public Utilities Commission of the State of California and PG&E's regularly established accounting practices and will include, but shall not be limited to, the following charges: survey costs, acquisition of land rights, labor and payroll taxes, materials and supplies, transportation, stores and tool expense, supervision and overheads, including allowance for funds used during construction, and an allowance for worker's compensation and public liability and property damage insurance, and estimated federal and state taxes.
- 3. The billing arrangements specified in the Relocation Agreement are appropriate for the work required to accommodate Doheny-Vidovich Partners' Mixed-Use Project.** Providing a cost estimate that becomes a set contract price is common practice in fee for service arrangements. However, developing a set price cost estimate for large-scale construction carries inherent risk that, even if accurate within a few percentage points over or under actual cost, the equivalent dollar amount under or over actual expense may be significant. If developing a contracted

price that accounts for this uncertainty and protects against cost overruns typical to large construction projects, PG&E's estimated cost would likely need to be set conservatively high--as any prudent organization would do when performing projects of this magnitude. Despite this precaution, over the course of work actual costs may still exceed the cost estimate.

It is reasonable that Doheny-Vidovich Partners should pay what it costs to relocate PG&E's facilities to accommodate its own work, and no more. The risk of Doheny-Vidovich Partners overpaying if contracting with PG&E to perform the work at a set price is significant, and the payment terms for large projects with greater cost impacts than normal relocation work should be considered carefully.

Within a reasonable time after completion of the work, PG&E shall submit an invoice to Doheny-Vidovich Partners for the actual net cost. Doheny-Vidovich Partners will reimburse PG&E for the actual net cost which PG&E has incurred in effecting the rearrangement of PG&E's facilities. Within thirty (30) days after receipt of PG&E's invoice for any additional amount due, Doheny-Vidovich Partners shall reimburse PG&E for the amount billed. If it is determined that the actual net cost is less than any amount previously paid by Doheny-Vidovich Partners under this relocation agreement, PG&E shall reimburse Doheny-Vidovich Partners for the difference between the amount paid and the actual net cost, without interest.

The Relocation Agreement requirements stipulate detailed accounting of project costs by PG&E and reporting through an itemized invoice. This serves to appropriately document expenses and aid in transparency.

4. **The performance of relocation work on an actual cost basis has been approved by the Commission in other matters.** As PG&E notes in its advice letter, Resolution E-5149 approved relocation agreements to accommodate the California Department of Water Resources' (CDWR) levee projects. PG&E accommodated CDWR's request to pay for the relocation work on actual costs. The relocation agreements allowed for progress billing throughout the course of work.

Also, Commission Resolution G-3498 approved relocation agreements for work performed at the request of the California High-Speed Rail Authority, with deviations to utility-company Rules allowing reimbursement on actual costs as

required by the California High Speed Rail Act. Like Resolution E-5149, invoicing was on a progress bill basis for actual costs incurred.

Additionally, the Commission also approved Resolution G-3574, which approved relocation agreements for work performed at the request of the Santa Clara County Valley Transportation Authority. PG&E entered into two master agreements to address the billing procedures and allocation of costs associated with the relocation of PG&E's facilities to accommodate rail and rapid transit projects. The responsibility for utility relocation costs varied depending on the property rights for PG&E's facilities, and progressive billing was structured to proportionally share costs on an actual cost basis.

5. Terms of the Relocation Agreement

Under the ACC, PG&E is responsible for the design, procurement of supplies, and construction of the utility facilities. The Developer shall acquire all governmental approvals and permits for PG&E to undertake the work necessary to relocate or rearrange PG&E's facilities. The replacement of PG&E's facilities may require the acquisition of additional land rights on the Property or third-party property. Additional land rights may be required, for example, to accommodate a change in the location where the facility will overhang onto private property. In these cases, the Developer is required to obtain satisfactory replacement land rights, at no cost to PG&E, that correspond to PG&E's existing rights-of-way and that are in a form acceptable to PG&E. All designs and specifications produced will conform to all current and applicable Commission, industry and Company safety requirements and will be performed by PG&E or its contractors or subcontractors.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. On August 25, 2024, PG&E Filed AL 7685-E, a tier 3 Advice Letter seeking approval of a Relocation Agreement executed for PG&E facilities relocation work required to accommodate Doheny-Vidovich Partners' Mixed-Use Project.
2. Doheny-Vidovich Partners has requested the relocation work to be performed by PG&E be invoiced at actual cost.
3. The billing arrangements specified in the Relocation Agreements are appropriate for the work required to accommodate Doheny-Vidovich Partners' Mixed-Use Project.
4. The performance of relocation work on an actual cost basis has been approved by the Commission on other matters.

THEREFORE IT IS ORDERED THAT:

1. The relocation agreement, Actual Cost Contract, for the Mixed-Use Project submitted by PG&E in Advice Letter 7685-E is approved in accordance with Electric Rule No 15.I.3, the Exceptional Cases Provision.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on February 5, 2026, the following Commissioners voting favorably thereon:

/s/ LEUWAM TESFAI

Leuwam Tesfai
Executive Director

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

MATTHEW BAKER

Commissioners

Dated February 5, 2026, at Sacramento, California.