

PACIFIC GAS AND ELECTRIC COMPANY
Wildfire Mitigations Plans Discovery 2026-2028
Data Response

PG&E Data Request No.:	SPD_004-Q037
PG&E File Name:	WMP-Discovery2026-2028_DR_SPD_004-Q037
Request Date:	May 1, 2025
Requester DR No.:	CONF-SPD-PGE-WMP2026-004
Requesting Party:	Safety Policy Division
Requester:	Edwin Schmitt
Date Sent:	May 9, 2025

SUBJECT: MITIGATION COST EFFICIENCY ASSESSMENT (SPD-PGE-WMP2026-004)

QUESTION 037

On page 135 in the 2026-2028 Base WMP, PG&E states “Over time, undergrounding also has lower operations and maintenance expenses.” Provide documentation that corroborates this statement.

- a. What is the time scale of the analysis that led to this statement? Why was that timescale used?
- b. How would the results of the analysis be different if an alternative time scale was used? Consider the possible results of the analysis if the following time scales were used:
 - i. Annual,
 - ii. Decadal,
 - iii. Multi-decadal (this must include the decommissioning and replacement costs)

ANSWER 037

- a. PG&E recognizes that the term “time scale” in the question could be interpreted in multiple ways. In our response, we address two possible interpretations: (1) the timeframe of the data used to develop the analysis and (2) the timeframe associated with the application of the results of the analysis.
 - 1) The average annual cost considers between 1 to 5 years of historical or forecast data for the O&M activity. The timescales considered in the underlying data vary due to the availability of data for each of the O&M cost types (e.g., some cost types leverage yearly historical costs, whereas other cost types are based on the 2023-2026 GRC forecast). Undergrounding can reduce some O&M costs, such as routine maintenance, vegetation management costs, patrols and inspections, Enhanced Power Safety Settings (EPSS) and Public Safety Power Shutoffs (PSPS).

- 2) The time scale of the analysis that led to this statement is one year. This statement is based on an expected average annual cost per mile for operations and maintenance (O&M) activities. The assumption is that the average annual cost per mile would be applicable for the useful life of the asset (i.e., 55 years for undergrounding).

Please see “*WMP-Discovery2026-2028_DR_SPD_004-Q037Atch01.xlsx*”, which outlines examples of expected O&M costs as an average annual cost for a mile of undergrounding primary lines compared to an unhardened baseline scenario. The lower operations and maintenance costs are assumed to be relative to a hypothetical baseline assumption for the cost of operations and maintenance for an unhardened mile in the current system. As more of the system is undergrounded, the average annual avoided costs will increase. This cumulative effect leads to long-term benefits. Further information on the cost assumptions and underlying data will be included in the final Wildfire Benefit Cost Analysis (WBCA).

- b. The total O&M avoided costs are not effected by the time period considered.
- i. It is assumed that any avoided costs are on an average annual cost per mile basis and would not be significantly impacted by the time-scale considered.
 - ii. It is assumed that any avoided costs are on an average annual cost per mile basis and would not be significantly impacted by the time-scale considered.
 - iii. It is assumed that any avoided costs are on an average annual cost per mile basis and would not be significantly impacted by the time-scale considered. This analysis does not consider time scaled degradation of assets but does consider aspects of O&M capital replacement over time including conductor and cable replacement, where relevant, and as based on historic averages.