



November 12, 2024

Caroline Thomas Jacobs  
Director, Office of Energy Infrastructure Safety  
California Natural Resources Agency

**Re: Letter of California Broadband & Video Association on the September 13, 2024  
Revised Draft 10-Year Electrical Undergrounding Plan Guidelines**

Dear Director Jacobs:

The California Broadband & Video Association (“CalBroadband”)<sup>1</sup> respectfully requests revisions to the Revised Draft 10-Year Electrical Undergrounding Plan Guidelines (“Draft Guidelines”) issued by the Office of Energy Infrastructure Safety (“OEIS”) on September 13, 2024. State law and policy allows OEIS to consider the massive impacts that electric undergrounding would have on communications service providers and Californians at large. At a minimum, the Draft Guidelines should acknowledge the omission of reference to potential impact of electric undergrounding on communications service providers and clarify the basis for the omission.

As currently conceived, the electric utilities’ undergrounding program could have a potentially massive impact on communications service providers, which may be forced to underground thousands of miles of facilities as a result of undergrounding efforts. At an estimated cost of \$1 million per mile,<sup>2</sup> the financial burden could reach \$10 billion in PG&E’s territory alone, which significantly exceeds the approximately \$7 billion that California is currently investing to encourage broadband deployment in unserved and underserved areas.<sup>3</sup> Without properly and adequately accounting for the exorbitant costs that would be imposed on communications service providers, enacting the undergrounding program in its current form could deter much-needed

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<sup>1</sup> CalBroadband is a trade association consisting of cable companies that have invested over \$45 billion in California infrastructure since 1996 to provide video, voice, and Internet service to millions of customers statewide.

<sup>2</sup> See CPUC, Application 21-06-021, Application of Pacific Gas and Electric Company (“PG&E”) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2023, Opening Brief of Pacific Bell Telephone Company d/b/a AT&T California at 7-9 (Nov. 4, 2022).

<sup>3</sup> Funding for the Federal Funding Account program is \$2 billion (<https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/last-mile-federal-funding-account>); funding for the Broadband Equity, Access, and Deployment Program is \$1.86 billion (<https://www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california/broadband-caseworkers/broadband-funding-and-programs>); and funding for the California Middle Mile program is \$3.25 billion (<https://middle-mile-broadband-initiative.cdt.ca.gov>).

broadband deployment, adversely impact customer rates and affordability, particularly in vulnerable areas, and adversely impact the state’s public policy goals.

State law affords OEIS the authority to consider these impacts. Senate Bill (“SB”) 884 (2022, McGuire), which established OEIS and enacted the electric utilities’ undergrounding program, requires participating utilities to include in their plans, among other things:

- The “undergrounding projects that will be constructed as part of the program, including a means of prioritizing undergrounding projects based on wildfire risk reduction, public safety, *cost efficiency*, and reliability benefits”;<sup>4</sup>
- The “unit cost targets” for the projects;<sup>5</sup>
- A comparison of the projects and alternative mitigation strategies, along with evaluations of “the scope, *cost*, extent, and risk reduction of each activity,” along with “an analysis of the *cost* of each activity for reducing wildfire risk, separately and collectively, over the duration of the plan”;<sup>6</sup> and
- An “evaluation of project costs, projected economic benefits over the life of the assets, and any cost containment assumptions.”<sup>7</sup>

While SB 884 primarily tasks the California Public Utilities Commission (“CPUC”) with reviewing costs,<sup>8</sup> it does require that the plans approved by OEIS must be the same plans submitted to the CPUC.<sup>9</sup> The CPUC’s guidelines require undergrounding applications to include information related to impacts on telecommunications facilities,<sup>10</sup> and it is important for the Draft Guidelines to be consistent with the CPUC’s guidelines to (1) facilitate an efficient review process overall, (2) ensure timely effective implementation of the undergrounding program, and (3) avoid any inadvertent appearance of the OEIS establishing competing application standards on fundamental issues such as cost evaluation. Addressing such costs would better align those guidelines with those established by the CPUC and reduce confusion for applicants and stakeholders alike.

To the extent the Draft Guidelines omit reference of potential impact of electric undergrounding on communications providers, then at a minimum, the OEIS should acknowledge such omission and clarify the basis for the omission. CalBroadband assumes the following to be the case, but to

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<sup>4</sup> Pub. Util. Code § 8388.5(c)(2) (emphasis added).

<sup>5</sup> *Id.* § 8388.5(c)(3).

<sup>6</sup> *Id.* § 8388.5(c)(4) (emphasis added).

<sup>7</sup> *Id.* § 8388.5(c)(6).

<sup>8</sup> *Id.* § 8388.5(e)(1). OEIS is required to review plans for effectiveness regarding electrical reliability and wildfire risk, but it is not prohibited from reviewing for application completeness—which the Draft Guidelines have a process for—or undergrounding plan impacts more generally. *See Id.* § 8388.5(d)(2).

<sup>9</sup> *See id.* (“Upon [OEIS] approving a plan..., the large electrical corporation shall, within 60 days, submit to the [CPUC] a copy of the plan...”) (emphasis added).

<sup>10</sup> *See* CPUC Resolution SPD-15, Attachment 1 at 10 (“The Application shall include a plan of how and when the large electrical corporation will remove poles from its rate base whose ownership is transferred to a communications company.”).

avoid any confusion, the Draft Guidelines should clarify that silence on communications issues does not signal any position on:

- Whether a cost-benefit analysis should be performed that considers the costs overall, which include costs of undergrounding communications lines; or
- Whether electric utilities should provide extensive information to communications providers.

To implement these recommendations, the Draft Guidelines should be revised as follows, with *blue underline and italics* indicating additions.

## **1.2 Purpose and Scope**

Pursuant to Public Utilities Code section 8388.5, a Large Electrical Corporation can prepare and submit a 10-year plan for undergrounding electrical distribution infrastructure to Energy Safety for review and approval. The plan must satisfy the requirements of section 8388.5(d)(2) and contain all required components.

These EUP Guidelines (Guidelines) set forth substantive and procedural requirements for Large Electrical Corporations to prepare and submit plans. The Guidelines apply to Large Electrical Corporations in the State of California.

*While these Guidelines do not address the impacts of the plans on other entities, Energy Safety acknowledges that undergrounding electrical distribution infrastructure may impact communications infrastructure. Energy Safety takes no position on whether a cost-benefit analysis should be performed that considers the costs overall—including costs of undergrounding communications lines—and whether the Large Electrical Corporations should provide detailed, granular information about their circuits planned for undergrounding to communications providers.*

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For these reasons, CalBroadband respectfully requests that OEIS revise the Draft Guidelines to explicitly require electric utilities to include discussion of cost impacts on communications service providers in their undergrounding plans or at a minimum acknowledge and explain the basis for the omission.

Sincerely,

/s/ Janus L. Norman

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Service List for Energy Safety Electrical Undergrounding Proceeding