

July 19, 2002

**Advice 2260-E
(Pacific Gas and Electric Company ID U 39 E)**

Public Utilities Commission of the State of California

**Subject: Revisions to Electric Rule 20 - Replacement of Overhead with
Underground Electric Facilities, Compliance Filing**

Pacific Gas and Electric Company (PG&E) hereby submits revisions to its electric Rule 20 - *Replacement of Overhead with Underground Electric Facilities*. The affected tariff sheets are listed on the enclosed Attachment I.¹

Purpose

The purpose of this filing is to comply with Resolutions E-3757 and E-3767, and Decision (D.) 02-06-027.

Background

On March 6, 2002, the California Public Utilities Commission (Commission) issued Resolution E-3757. This resolution denied Advice 2134-E, which was filed to clarify Rule 20, Section B and the payment of costs associated with the removal of overhead facilities for underground facilities. However, the Commission also required that electric Rule 20 be modified to indicate that PG&E is responsible for payment of the removal of the overhead facilities and that the payment for removal will be made from the underground conversion allocation.

On April 6, 2002, PG&E filed Advice 2217-E, to comply with resolution E-3757, regarding the allocation of funds for Rule 20B projects. PG&E was concerned about the possible misinterpretation of where the allocation of electric Rule 20B funding would occur.

Though PG&E filed a petition for rehearing seeking clarification about the

¹ PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

allocation of funds, it was denied. With D. 02-06-027, the Commission modified Resolution E-3757 and the modified language is included in the attached tariffs.

During the same time period, on June 27, 2002, the Commission issued Resolution E-3767, which denied Advice 2188-E. Advice 2188-E was compliance filing to D. 01-12-009 and also dealt with allocation of Rule 20A funds and its implication for Rule 20B projects.

Since both resolutions dealt with allocation of funds for both Rule 20, Sections A and B, PG&E is submitting one filing, which complies with both (resolutions).

Tariff Modification - Allocation of Overhead Removal Costs

PG&E has revised electric Rule 21 with the language in Resolution E-3757, Ordering Paragraph 2 and in Resolution E-3767, Findings Paragraph 2.

However, in Resolution E-3767, Findings Paragraph 2, under the description for Rule 20A(2)(e), PG&E realized that the word "additional" was inadvertently omitted. The practical implementation of the phrase "maximum five year allocation" is directed to additional participation that a city or county may choose, rather than the existing participation. As such, the Rule 20, Section A, Subsection 2e now reads, "Upon request by a city or county, the amounts allocated may be exceeded for each city or county by an amount up to a maximum of five years' allocation at then-current levels where PG&E establishes **additional** participation on a project is warranted and resources are available. Given the nature of the allocation of funds for a city or county and its impact on PG&E's availability to provide the undergrounding/overhead facilities work."

No cost information is required for this advice filing.

This filing will not increase any rate or charge, nor cause the withdrawal of service, or conflict with any other schedule or rule.

Protests

Anyone wishing to protest this filing should do so by sending a letter via postal mail and facsimile by, **August 8, 2002**, which is 20 days after the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, California 94102
Facsimile: (415) 703-2200

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Les Guliasi
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226

Effective Date

This filing is in compliance with Resolutions E-3757 and E-3767 and with Decision 02-06027. PG&E is requests that this advice filing be effective on **July 19, 2002**.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list, and the service list parties for Rulemaking 00-01-005. Address changes should be directed to Rose Abao (415) 973-2218. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

Attachments

cc: Service List R. 00-01-005



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES

- A. PG&E will, at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-ways satisfactory to PG&E have been obtained by PG&E, provided that:
 - 1. The governing body of the city or county in which such electric facilities are and will be located has:
 - a. Determined, after consultation with PG&E and after holding public hearings on the subject, that such undergrounding is in the general public interest for one or more of the following reasons:
 - 1) Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
 - 2) The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic;
 - 3) The street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public; and (T)
 - 4) The street or road or right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines. (N)
|
(N)
 - b. Adopted an ordinance creating an underground district in the area in which both the existing and new facilities are and will be located requiring, among other things, (1) that all existing overhead communication and electric distribution facilities in such district shall be removed, (2) that each property served from such electric overhead facilities shall have installed in accordance with PG&E's rules for underground service, all electrical facility changes on the premises necessary to receive service from the underground facilities of PG&E as soon as it is available, and (3) authorizing PG&E to discontinue its overhead service.

(Continued)



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

A. (Cont'd.)

2. (Cont'd.)

d. However, Section 2 a, b, and c shall not apply to PG&E where the total amount available for allocation under Rule 20-A is equal to or greater than 1.5 times the previous year's statewide average on a per customer basis. In such cases, PG&E's total annual budgeted amount for undergrounding within any city or the unincorporated area of any county shall be allocated in the same ratio that the number of overhead meters in the city or unincorporated area of any county bears to the total system overhead meters.

e. Upon request by a city or county, the amounts allocated may be exceeded (N)
for each city or county by an amount up to a maximum of five years'
allocation at then-current levels where PG&E establishes participation on a
project is warranted and resources are available. Such allocated amounts (N)
may be carried over for a reasonable period of time in communities with
active undergrounding programs. In order to qualify as a community with an
active undergrounding program the governing body must have adopted an
ordinance or ordinances creating an underground district and/or districts as
set forth in Section A.1.b. of this Rule. Where there is a carry-over or (T)
additional requested participation, as discussed above, PG&E has the right (T)
to set, as determined by its capability, reasonable limits on the rate of
performance of the work to be financed by the funds carried over. When
amounts are not expended or carried over for the community to which they
are initially allocated they shall be assigned when additional participation on
a project is warranted or be reallocated to communities with active
undergrounding programs.

(Continued)



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

- B. In circumstances other than those covered by A above, PG&E will replace its existing overhead electric facilities with underground electric facilities along public streets and roads or other locations mutually agreed upon when requested by an applicant or applicants when all of the following conditions are met:
1. a. All property owners served from the overhead facilities to be removed first agree in writing to have the wiring changes made on their premises so that service may be furnished from the underground distribution system in accordance with PG&E's rules and that PG&E may discontinue its overhead service upon completion of the underground facilities; or
 - b. Suitable legislation is in effect requiring such necessary wiring changes to be made and authorizing PG&E to discontinue its overhead service.
 2. The applicant has:
 - a. Furnished and installed the pads and vaults for transformers and associated equipment, conduits, ducts, boxes, pole bases and performed other work related to structures and substructures including breaking of pavement, trenching, backfilling, and repaving required in connection with the installation of the underground system, all in accordance with PG&E's specifications, or, in lieu thereof, paid PG&E to do so;
 - b. Transferred ownership of such facilities, in good condition, to PG&E; and
 - c. Paid a nonrefundable sum equal to the excess, if any, of the estimated costs, of completing the underground system and building a new equivalent overhead system.
 3. The area to be undergrounded includes both sides of a street for at least one block or 600 feet, whichever is the lesser, and all existing overhead communication and electric distribution facilities within the area will be removed.

(Continued)



RULE 20—REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES
(Continued)

B. (Cont'd.)

4. PG&E may, when requested by the city or county and mutually agreed upon by such government entity and PG&E, initially fund any required engineering/design costs for conversion projects under this section. In the event such a project proceeds, the requesting city or county shall reimburse PG&E for such engineering/design costs before PG&E shall be required to commence further work on the project. In the event the project is not approved to proceed within two and one-half years of PG&E's delivery of such engineering/design study, the requesting city or county shall reimburse PG&E for its costs of such engineering/design study within 90 days of a demand by PG&E. In the event payment is not received PG&E shall expense such costs as an operational cost and shall reduce the city or county's allocations provided under Section A of this Schedule by the like amount.

(N)

5. The costs of removal of the overhead poles, lines, and facilities are the responsibility of PG&E and will be paid by PG&E. Such payments shall not operate to reduce Rule 20-A allocations.

(N)

C. In circumstances other than those covered by A or B above, when mutually agreed upon by PG&E and an applicant, overhead electric facilities may be replaced with underground electric facilities, provided the applicant requesting the change pays, in advance, a nonrefundable sum equal to the estimated cost of the underground facilities less the estimated net salvage value and depreciation of the replaced overhead facilities. Underground services will be installed and maintained as provided in PG&E's rules applicable thereto.

D. The term "underground electric system" means an electric system with all wires installed underground, except those wires in surface mounted equipment enclosures.



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