

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 5914E**  
**As of March 23, 2021**

Subject: Rule 20A Tariff Deviations and Cost Overruns

Division Assigned: Energy

Date Filed: 12-02-2020

Date to Calendar: 12-04-2020

Authorizing Documents: E-4001

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>01-01-2021</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Annie Ho

(415) 973-8794

[PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**



December 2, 2020

**Advice 5914-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Rule 20A Tariff Deviations and Cost Overruns**

**Purpose**

This submittal is made pursuant to California Public Utilities Commission (CPUC or Commission) Resolution E-4001, which established CPUC policy with regard to Rule 20A project cost over-runs and allocation borrowing.

Pacific Gas and Electric Company (PG&E or the Company) requests approval on a retroactive basis for the following three Rule 20A projects that have already been completed.

- Lemoore: Lemoore Ave Project
- Colma: El Camino Real Project
- Trinidad: Main St/Westhaven Dr Project

**Background**

Under Rule 20A, utilities such as PG&E annually allocate work credits to communities – either cities or unincorporated areas of counties – to convert overhead electric facilities to underground. The communities may either bank (accumulate) their annual allocations or borrow (mortgage) future allocations. Upon completion of an undergrounding project, the utility records its costs in its electric plant account for inclusion in its rate base. (Res. E-4001, pp. 1-2.)

In 2000, the CPUC opened Rulemaking (R.) 00-01-005 to develop a uniform Rule 20A borrowing policy among utilities. The CPUC ordered the IOUs submit a model Tariff Rule 20 that, among other things, authorized that once a city has established a master undergrounding plan and identified specific projects, it may spend its accumulated allocations plus an amount equal to its estimated allocations for the next five years.

(Decision (D.) 01-12-009, at p.22 and Ordering Paragraph 2.) PG&E has previously submitted advice letters for authority to exceed the 5-year borrowing limit.<sup>1</sup>

On August 26, 2006, the CPUC issued Resolution E-4001, which adopted policies related to Electric Rule 20 advice letter submittals. Among other things, Resolution E-4001 provided (at p. 9, Ordering Paragraphs 1 and 2):

1. Electric utilities shall not commit ratepayers to the costs of an Electric Rule 20 overhead conversion project that requires borrowing more than five years of a community's Electric Rule 20A allocations without Commission's approval. Excess costs not approved by the Commission, will be paid either by pre-arranged community funds or by the utility shareholders. An exception may be made for excess costs resulting from unanticipated conditions encountered during construction.
2. Electric utilities shall file Advice Letters for exemption from the 5-year cap no later than three months before the date construction begins except where the excess costs result from unanticipated conditions encountered during construction.

### **PG&E Discovered Errors and Requests Retroactive Approval**

In the process of providing data for the Rule 20 Order Instituting Ratemaking R. 17-05-010 proceeding, PG&E discovered three projects mentioned above have exceeded their 5-year borrowing limit. The excess costs or tariff deviation for these projects did not receive prior CPUC approval. The details of these individual projects are summarized as follows:

#### **1. Lemoore: Lemoore Ave Project**

City of Lemoore was one of the six communities identified in the 2011 GRC that was allowed to borrow at the pre-2011 annual allocation level (i.e., "grandfathered") and therefore was not included in Advice Letter 4553-E. However, in our review of "grandfathered" communities, it has come to our attention the City was allowed to borrow beyond the presumed intent of the 2011 GRC Settlement Agreement<sup>2</sup>. Assuming that "grandfathered" meant specifically, to be allowed to borrow out the equivalent value of a 5-year borrow at the pre-2011 rate, the City's maximum borrow should have been capped at 506,420 work credits. Because the Rule 20A Program at the time interpreted "grandfathered" to mean allowed to borrow unlimited future credits, the City was permitted to borrow 853,842.44 work credits which exceeded the assumed cap by 347,422.44 work credits.

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<sup>1</sup> Advice 2426-E (Mill Valley/East Blithedale Blvd.); Advice 2445-E (San Francisco/Octavia Avenue); Advice 4553-E (multiple Rule 20A cost overrun projects).

<sup>2</sup> D.11-05-018, Finding of Fact 18.

**2. Colma: El Camino Real Project**

The El Camino Real Project spanned across the communities of the Town of Colma, Daly City, and unincorporated portions of San Mateo County. These three sponsors agreed that Colma's contribution to the project would be 225,557 work credits which was 100% of Colma's accumulated work credits and expected 5-year borrow at the time of the agreement. However, the annual work credit allocation was reduced in 2011 which reduced Colma's total available work credits (inclusive of their 5-year borrow) to 222,407. The agreement between Colma, Daly City, and San Mateo County was not updated to reflect this change and the original agreed upon amount of 225,557 was deducted at the conclusion of the project in 2011, exceeding Colma's 5-year borrow by 3,150 work credits.

**3. Trinidad: Main St/Westhaven Dr Project**

The Main St/Westhaven Dr project was deducted in 2009 from the City of Trinidad's available work credits. At that time, the City had available work credits (including their 5-year borrow) of 97,933. The deduction was for 124,877 putting 26,884 in excess of Trinidad's 5-year borrow.

After the project closed, PG&E reached out to Humboldt County, who in 2002 had originally contributed 125,000 of work credits toward the project, to request an additional contribution of 26,884 work credits to cover the overrun. Humboldt County subsequently passed a resolution that provided 25,000 work credits. As a result, Trinidad has exceeded its 5-year borrow by 1,884 credits.

By this advice letter, PG&E requests retroactive approval for these three undergrounding projects that have already been completed at a cost in excess of the affected community's Rule 20A accumulated allocations plus 5-years' borrowing.

Approval of PG&E's request is in the public interest and is consistent with the policies underlying Resolution E-4001. In Resolution E-4001, the CPUC recognized that project costs may grow for a variety of reasons, both within and outside the control of the utility. (Res. E-4001, p. 3.)

**PG&E Shareholders Will Bear the Cost Associated with the Three Rule 20A Projects Described in this Advice Letter**

As described above, the Commission in Resolution E-4001, Paragraph 2, stated:

Excess costs not approved by the Commission, will be paid either by prearranged community funds or by the utility shareholders. An exception may be made for excess costs resulting from unanticipated conditions encountered during construction.

The completed projects are forecast to "overrun" by approximately \$352,456.44. Although the existing pool of unused Rule 20A work credits is adequate to fund the

three Rule 20A overrun projects described in this advice letter, PG&E has decided to use shareholder funds to pay for these costs for two reasons: first, to reflect the fact that the overruns occurred as a result of PG&E's own errors, however inadvertent; and second, to ensure that other customers are unaffected by the errors. This would also apply the same treatment to these Rule 20A projects as other Rule 20A projects described in Advice Letter 4553-E that overran the 5-year borrow limits.

### **Protests**

**\*\*\*Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com\*\*\***

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than December 22, 2020 which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-3582  
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

### **Effective Date**

PG&E requests that this Tier 1 advice submittal become effective on regular notice, January 1, 2021, which is 30 calendar days after the date of submittal.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

\_\_\_\_\_/S/

Erik Jacobson  
Director, Regulatory Relations

cc: Anne Kim - [anne.kim@cpuc.ca.gov](mailto:anne.kim@cpuc.ca.gov)  
Jonathan Frost - [jonathan.frost@cpuc.ca.gov](mailto:jonathan.frost@cpuc.ca.gov)  
Tamon Norimoto - [tamon.norimoto@pge.com](mailto:tamon.norimoto@pge.com)  
Grant Guerra - [grant.guerra@pge.com](mailto:grant.guerra@pge.com)  
Nathan Olson - [citymanager@lemoore.com](mailto:citymanager@lemoore.com)  
Frank Rivera - [frivera@lemoore.com](mailto:frivera@lemoore.com)  
Brad Donohue - [brad.donohue@colma.ca.gov](mailto:brad.donohue@colma.ca.gov)  
Brian Dossey - [city.manager@colma.ca.gov](mailto:city.manager@colma.ca.gov)  
Eli Naffah - [citymanager@trinidad.ca.gov](mailto:citymanager@trinidad.ca.gov)



# ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39 E)

Utility type:

☒ ELC ☐ GAS ☐ WATER  
☐ PLC ☐ HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: AMHP@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5914-E

Tier Designation: 2

Subject of AL: Rule 20A Tariff Deviations and Cost Overruns

Keywords (choose from CPUC listing): Compliance, Rules

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: E-4001

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☒ No

Requested effective date: 1/1/21

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.



**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Erik Jacobson, c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility Name: Pacific Gas and Electric Company  
Address: 77 Beale Street, Mail Code B13U  
City: San Francisco, CA 94177  
State: California Zip: 94177  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: District of Columbia Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Clear Form

**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
California Cotton Ginners & Growers Assn  
California Energy Commission

California Hub for Energy Efficiency  
Financing

California Alternative Energy and  
Advanced Transportation Financing  
Authority  
California Public Utilities Commission  
Calpine

Cameron-Daniel, P.C.  
Casner, Steve  
Cenergy Power  
Center for Biological Diversity

Chevron Pipeline and Power  
City of Palo Alto

City of San Jose  
Clean Power Research  
Coast Economic Consulting  
Commercial Energy  
Crossborder Energy  
Crown Road Energy, LLC  
Davis Wright Tremaine LLP  
Day Carter Murphy

Dept of General Services  
Don Pickett & Associates, Inc.  
Douglass & Liddell

Downey & Brand  
East Bay Community Energy  
Ellison Schneider & Harris LLP  
Energy Management Service  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie  
Green Power Institute  
Hanna & Morton  
ICF  
IGS Energy  
International Power Technology  
Intestate Gas Services, Inc.  
Kelly Group  
Ken Bohn Consulting  
Keyes & Fox LLP  
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated  
Waste Management Task Force  
MRW & Associates  
Manatt Phelps Phillips  
Marin Energy Authority  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

Office of Ratepayer Advocates  
OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority  
Regulatory & Cogeneration Service, Inc.  
SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR  
San Francisco Water Power and Sewer  
Semptra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Tecogen, Inc.  
TerraVerde Renewable Partners  
Tiger Natural Gas, Inc.

TransCanada  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy