

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 21, 2023

Advice Letter 6886-E

Sidney Bob Dietz II
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
San Francisco, California 94177

SUBJECT: Application of Rule 20A Tariff to Realignment of McKinley Avenue In Accordance with General Order 96-B, Section 9.2.3

Dear Mr. Dietz,

This disposition letter rejects Pacific Gas and Electric's (PG&E) Advice Letter (AL) 6886-E.

Attachment 1 contains a discussion of PG&E's Advice Letter, Public Advocates Office's (PAO) Protest to PG&E's Advice Letter, PG&E's Reply to PAO, and staff's determination to reject the Advice Letter.

Please contact Energy Division staff Messay Betru at messay.betru@cpuc.ca.gov if you have any questions.

Sincerely,

Handwritten signature of Leuwam Tesfai, followed by the word 'FOR'.

Leuwam Tesfai
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division
California Public Utilities Commission

cc:

Service List for R.17-05-010

Simon Baker, Director of Distributed Energy Resources, Natural Gas and Retail Rates, simon.baker@cpuc.ca.gov

Matthew Coldwell, Program Manager, Energy Division, matthew.coldwell@cpuc.ca.gov

Jason Ortego, Program and Project Supervisor, Energy Division, jason.ortego@cpuc.ca.gov

Julian Enis, Utilities Engineer, Energy Division, julian.enis@cpuc.ca.gov

Messay Betru, Analyst, Energy Division, messay.betru@cpuc.ca.gov

Tariff Unit, Energy Division, EDTariffUnit@cpuc.ca.gov

Chloe Lukins, Public Advocates Office, chloe.lukins@cpuc.ca.gov

Attachment 1

Background

On May 11, 2017, the Commission issued Order Instituting Rulemaking (R.) 17-05-010 to consider revisions to Electric Rule 20 and related matters.¹ Rule 20A is a subprogram of Rule 20 that allocates ratepayer-funded work credits to cities and unincorporated counties for projects that meet eligibility criteria focused on aesthetic purposes.² When it established the Rule 20A undergrounding program, the Commission required that any such projects to be in the public interest for one or more of the following reasons:³

- Undergrounding will avoid or eliminate an unusual heavy concentration of overhead electric facilities;
- 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;
- 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
- 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 Guidelines.

On June 3, 2021, the Commission approved Decision (D.) 21-06-013 revising Rule 20 and enhancing program oversight.⁴ D.21-06-013 Ordering Paragraph (OP) 2 ordered electric utilities to not allocate any Rule 20 work credits after December 31, 2022.⁵ On June 13, 2023, the Commission approved D.23-06-008 revising Rule 20 and establishing local and tribal government consultation requirements.⁶

On March 22, 2023, PG&E filed Advice Letter (AL) 6886-E. This AL addresses an undergrounding project within the realigned portion of McKinley Avenue in the city of Manteca.⁷ Initially designated as a Rule 20B project, Manteca's McKinley Avenue project is ongoing and the existing overhead lines stand on the current location of McKinley Ave. PG&E is now proposing that the undergrounding be a conversion project to take place on a realigned segment of road on a newly constructed, separate McKinley Ave.⁸ The conversion project will bury lines under the future McKinley Ave location, east of the current McKinley Ave, between Woodward Avenue and West Atherton Drive. The new thoroughfare is to carry the same street name and traffic flow. PG&E typically encounters conversion of overhead assets to underground in place, in its existing location. This scope is pursuing a relocation change and request to use Rule 20A credits, and thus, PG&E is requesting permission from the Commission via this AL to complete the project after reclassification.

¹ [Order Instituting Rulemaking to Consider Revisions to Electric Rule 20 and Related Matters](#)

² [D.21-06-013](#): Phase 1 Decision Revising Electric Rule 20 and Enhancing Program Oversight

³ [Order Instituting Rulemaking to Consider Revisions to Electric Rule 20 and Related Matters](#)

⁴ [D.21-06-013](#): Phase 1 Decision Revising Electric Rule 20 and Enhancing Program Oversight

⁵ [D.21-06-013](#): Phase 1 Decision Revising Electric Rule 20 and Enhancing Program Oversight

⁶ [D. 23-06-008](#): Phase 2 Decision Revising Rule 20 and Establishing Local and Tribal Government Consultation Requirements

⁷ AL 6886-E at p. 1

⁸ AL 6886-E at p. 1

Protest

On April 12, 2023, the Public Advocates Office (PAO) filed a protest. PAO's protest asserted the following:

AL Tier Designation: PAO asserted that Tier 1 advice letters are intended for matters that are non-substantive and administrative in nature.⁹ PAO further asserted that the request is a substantive change to the project, and it is accordingly inappropriate for the Commission to review it as a Tier 1 advice letter.¹⁰

Public Interest Criteria Eligibility: PAO asserted that the amendment of Rule 20 public interest criteria to include arterial or major collector streets according to CalTrans' road classification system is not supported in this AL, and that PG&E merely states the project may connect to regional arterials.¹¹ PAO also asserted that it is unclear if the electrical component work of the project would qualify for Rule 20A classification, noting that PG&E cannot apply Rule 20A work credits for the removal of overhead electrical equipment.¹²

City of Manteca Project Role: PAO asserted that PG&E attached no written request from the City to provide evidence that the City is aware of or agrees with PG&E's request to reclassify the project as a Rule 20A project.¹³ Rule 20B projects require a mutual agreement between the electric utility and the applicant.

GO 131-D Eligibility: GO 131-D establishes the review process for all transmission applications at the Commission for all electrical equipment with voltages above 50 kV. PAO noted that PG&E may be required to file a Permit to Construct application at the Commission if the voltages in this project are above 50 kV; however, PG&E has not specified the voltages of the equipment it plans to underground.¹⁴

PG&E Reply

On April 20, 2023, PG&E filed a timely reply to PAO's protest. Below Staff discusses PG&E's Response to PAO's protest:

AL Tier Designation: In its Response, PG&E stated that it believes while on the surface details of the project may appear unique, the nature of the project involves a conventional realignment of an existing city street.¹⁵ PG&E stated that it does not believe the Advice Letter contains content substantive enough to warrant a classification other than a Tier 1.¹⁶

Public Interest Criteria Eligibility: In its Response, PG&E alleged that the McKinley Avenue relocation was started initially as a 20B project, and Manteca paused later to reassess classification and establish an underground utility district for McKinley Avenue between Woodward Road and Bronzan Road.¹⁷ PG&E alleged that it satisfied the public interest criteria requirement, as the criteria include an allowance for a street or road or right-of-way that is considered an arterial street or major collector as defined by the

⁹ PAO Protest at p. 4

¹⁰ PAO Protest at p. 4

¹¹ PAO Protest at p. 7

¹² PAO Protest at p. 6

¹³ PAO Protest at p. 7-8

¹⁴ PAO Protest at p. 9

¹⁵ PG&E Reply at p. 1

¹⁶ PG&E Reply at p. 1

¹⁷ PG&E Reply at p. 2

California Department of Transportation's California Road System functional classification system.¹⁸ Manteca's McKinley Avenue is functionally classified as a "Major Collector."¹⁹

City of Manteca Project Role: In its Response, PG&E alleged that it is in agreement with Manteca's proposed project reclassification and has determined that requirements have been met to justify a Rule 20A designation. PG&E noted that the City of Manteca is aware and supportive of PG&E's effort to transition the McKinley Avenue relocation to a 20A project.²⁰

GO 131-D Eligibility: In its Response, PG&E alleged that the applicable infrastructure rating remains under the General Order 131-D listed threshold of 50 kV.²¹ Project diagrams indicate this is a conversion of the existing 17 kV overhead circuit to an underground 17 kV circuit.²² PG&E claimed that neither a Permit to Construct application nor an exemption for Commission review is therefore necessary.²³

Discussion

Energy Division staff has reviewed PG&E AL 6886-E, PAO's Protest, and PG&E's Response to PAO's Protest. Below, Staff discusses each facet of the protest.

AL Tier Designation: Staff agrees with PAO that a reclassification request for an undergrounding project from 20B to 20A is indeed a major constituted change, and that it is not appropriate for staff to review the request as a Tier I AL. PG&E's Response that it is not a substantive change is unsatisfactory, as PG&E provides no further explanation to justify this claim. In fact, staff contends that converting from 20B to 20A project is a substantive change, as such a conversion is unprecedented in the Rule 20 program, and it would mean that ratepayers would cover 100% of the cost of the project, rather than the average range of 20% - 40%.

City of Manteca Project Role: Staff agrees with PAO that the public interest criteria is not satisfied with this conversion request, and therefore the project does not meet the threshold for Rule 20A reclassification. PG&E acknowledged that the traditional public interest criteria set forth in Rule 20A does not refer to realigned road segments.²⁴ PG&E in its Response did not specify if the new relocation is within a Major Collector, nor if it satisfies any other public interest criteria. Staff finds that PG&E fails to demonstrate that the conversion project will serve the general public that may commute in the area.

Public Interest Criteria Eligibility: Staff agrees with PG&E that the City of Manteca is aware and consented to the reclassification of project, as an undergrounding utility district was passed as a signed resolution on December 7th, 2021.²⁵ Staff finds PAO's argument on this point moot.

GO 131-D Eligibility: Applicable infrastructure rating remains under the General Order 131-D listed threshold of 50 kV. Staff agrees with PG&E that because the electric circuit to be undergrounded is

¹⁸ PG&E Reply at p. 2

¹⁹ PG&E Reply at p. 2

²⁰ PG&E Reply at p. 2

²¹ PG&E Reply at p. 2

²² PG&E Reply at p. 2

²³ PG&E Reply at p. 2

²⁴ PG&E AL 6886 at p. 2

²⁵ [City of Manteca Council Meeting, December 7, 2021](#)

17 kV, neither a Permit to Construct application nor an exemption for Commission review is necessary.²⁶ Staff finds PAO's argument on this point moot.

Staff reiterates that the intent of the Rule 20 Program is to underground electrical lines and facilities in the *same location* as the original overhead electrical assets.²⁷ The McKinley Avenue project aims to underground the same assets on a newly constructed section of a different road, in a different location. Relocations in general are not the intent of the Rule 20 program. Staff finds there is no precedent for interpreting that reclassification request such as PG&E proposes are compliant with the Rule 20 program.

In sum, PG&E's request constitutes a substantial change, which is not appropriate for a Tier I AL; the public interest criteria is not satisfied by the new relocation request; and PG&E provides insufficient explanation for why the project was not initially a Rule 20A project. Based on the above factors, it is reasonable to reject the request of PG&E's request to reclassify the City of Manteca's McKinley Avenue Rule 20B project to a Rule 20A project. AL 6886-E is rejected.

²⁶ PG&E Response at p. 3

²⁷ D. 73078 at p. 14

March 22, 2023

Advice 6886-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Application of Rule 20A Tariff to Realignment of McKinley Avenue
In Accordance with General Order 96-B, Section 9.2.3**

Purpose

Pacific Gas and Electric Company (PG&E) submits this advice letter pursuant to California Public Utilities Commission (CPUC or Commission) General Order 96-B, Section 9.2.3.¹ This Advice Letter relates to an undergrounding project within the realigned portion of McKinley Avenue in the city of Manteca. The McKinley Avenue undergrounding project adheres to the Rule 20A guidelines approach, though we recognize that the traditional public interest criteria set forth in Rule 20A does not refer to realigned road segments.

Background

To qualify for full ratepayer funding, pursuant to Rule 20A, a proposed project must meet certain public interest criteria detailed in Electric Rule 20. A proposed underground project area must include streets with an unusual concentration of overhead lines (i.e., through circuits or over-built circuits), arterial or major collector streets as identified in the community's general plan, or streets that pass through or adjoin parks or other areas of unique scenic or public interest.² PG&E typically encounters conversion of overhead assets to underground in place, in its existing location.

Details Specific to Manteca's McKinley Avenue Rule 20 Undergrounding Project

Existing overhead lines stand on the current location of McKinley Ave; the

¹ See CPUC General Order 96-B, Rule 9.2.3 ("At all times, a utility other than a telephone corporation may provide service (other than resale service) to a government agency for free, or at reduced rates and charges, or under terms and conditions otherwise deviating from its tariffs then in effect. The utility may begin such service without prior Commission approval, but the utility shall promptly submit an advice letter to the appropriate Industry Division to notify the Commission of the utility's provision of such service and of the rates, charges, terms and conditions under which the service is provided. Although the advice letter may be effective pending disposition under General Rule 7.5.3, the Commission may determine, in an appropriate proceeding, the reasonableness of such service.")

² See Electric Tariff Rule 20, Section A.1.a.

undergrounding project presents a situation where conversion will take place on a realigned segment of road. This street is to be eliminated entirely to make room for 1265 residential units in the new Oakwood Landing, Cerri and Denali Subdivisions, housing developments in addition to commercial use and open recreation and parkland. The project includes expansion of the existing vehicular and non-vehicular circulation systems, utility improvements, rezoning, and includes a General Plan Amendment to change the site land use designations.³ City of Manteca has planned for an undergrounded new line under the future McKinley Ave location, east of – and in close proximity to – the current McKinley Ave. The new thoroughfare is to carry the same street name and traffic flow. The project is characterized by road infrastructure relocation rather than construction of a new street altogether.

Initially designated a Rule 20B project, Manteca's McKinley Avenue effort is ongoing with much work both complete and locally paid for. PG&E is of the opinion that the plan details qualify as a 20A project and therefore hold an allowable use of work credits to cover only electric components of the work. The applicant is completing all civil work providing conduit, trenching, and infrastructure. At this stage, PG&E intends to enter into the project to conduct work on existing infrastructure. City of Manteca will continue to fund civil work, leaving PG&E's electrical work portion to be funded by available credits.

Rule 20 project considerations

The McKinley Avenue undergrounding project adheres to the Rule 20A guidelines approach, though we recognize that the traditional public interest criteria set forth in Rule 20A does not refer to realigned road segments. Given project specifics listed above, and in accordance with Electric Rule 20 perimeters as set forth by the California Public Utility Commission and ALJ Ruling, PG&E deems it appropriate to classify City of Manteca's project within the Electric Rule 20A category, applying available credits to fund electrical portions of existing work.

Public interest category number 5 of the 2020 ALJ Ruling Issuing and Entering into the Record an Energy Division Staff Proposal for Improving the Electric Tariff Rule 20 Undergrounding Program allows Rule 20A criteria to include a street or road or right-of-way that is considered an arterial street or major collector as defined by the California Department of Transportation's California Road System functional classification system⁴. In accordance with this definition, City of Manteca's McKinley Avenue project "provides a high degree of mobility and can also provide mobility through rural areas."⁵ The related

³ See State of California Governor's Office of Planning and Research CEQA Notice of Determination, SCH Number 2016082046

⁴ See Administrative Law Judge's Ruling (1) Issuing and Entering into the Record an Energy Division Staff Proposal for Improving the Electric Tariff Rule 20 Undergrounding Program; (2) Requesting Comments on the Pacific Gas and Electric Company's Rule 20A Audit Report; and (3) Setting a Schedule for Comment, p. 23.

⁵ See U.S> Department of Transportation Federal Highway Administration's Highway Functional Classification Concepts, Criteria and procedures

City of Manteca route 120/McKinley Avenue interchange project purpose statement indicates a connection of Route 120 with regional arterials, specifically McKinley Avenue.⁶

Attachments

Attachment 1: Project map providing old and new location of McKinley Avenue

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than [date], which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
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 and 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

This advice letter is submitted with a Tier 1 designation. PG&E requests that this Tier 1 advice submittal become effective upon date of submittal, which is March 22, 2023.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for R.17-05-010. 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

⁶ See California State Caltrans description of the Route 120-McKinley Avenue Interchange Project



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) #: 6886-E

Tier Designation: 1

Subject of AL: Application of Rule 20A Tariff to Realignment of McKinley Avenue In Accordance with General Order 96-B, Section 9.2.3

Keywords (choose from CPUC listing): Tariff

AL Type: Monthly Quarterly Annual One-Time Other:

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

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

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: 3/22/23

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: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

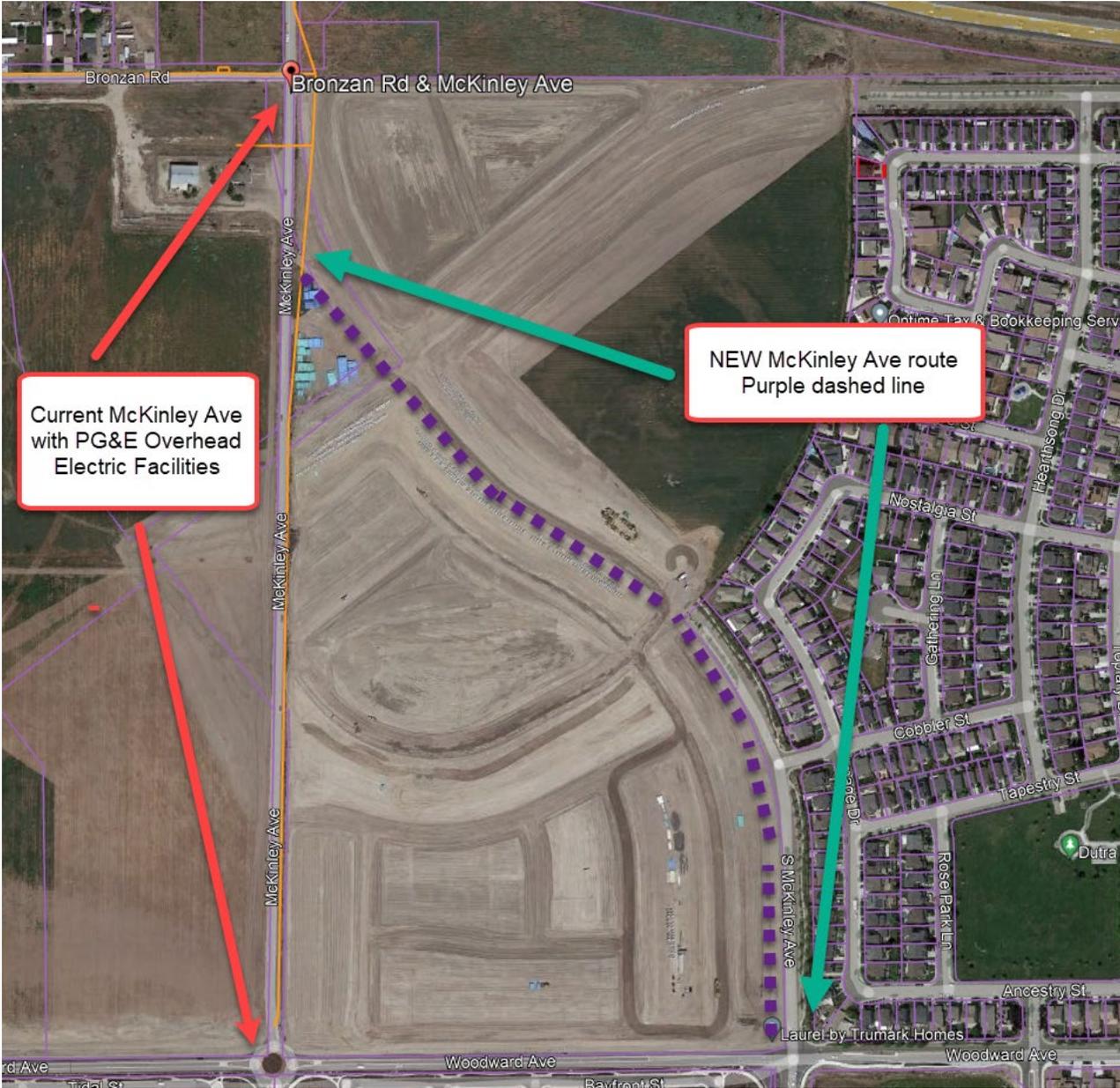
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

Attachment A

Project map providing old and new location of McKinley Avenue



**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.
Braun Blaising Smith Wynne, P.C.
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
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 LLP
Dish Wireless L.L.C.

East Bay Community Energy Ellison
Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
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
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

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