

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Revise and Clarify Commission Regulations Relating to the Safety of Electric Utility and Communications Infrastructure Provider Facilities

Rulemaking 08-11-005
(Filed November 6, 2008)

**REPLY COMMENTS OF THE UTILITY REFORM NETWORK ON
ADMINISTRATIVE LAW JUDGE KENNEY'S RULING ON
UNDERGROUNDING IN TARIFF RULE 20**



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May 21, 2010

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Pursuant to Administrative Law Judge (ALJ) Kenney's Ruling of April 6, 2010,¹ The Utility Reform Network respectfully submits the following reply comments regarding undergrounding under Rule 20. TURN's opening comments clarified why undergrounding projects for purposes of minimizing fire risk are fundamentally different from undergrounding for aesthetic purposes, as included in Rule 20A.

- Rule 20 procedures and timelines do not accommodate the urgency that may be needed for fire risk projects.
- Undergrounding does not mitigate fire risk in all parts of the state.
- Distribution of fire risk is not equal among geographic areas and a distribution funding formula such as Rule 20 is likely to favor cities (with less risk) over rural areas (with more fire risk).
- Some features of Rule 20 projects, such as undergrounding communication lines and service laterals, are probably not necessary for fire risk projects.

With these distinctions clearly in mind, the Commission can see that TURN's proposal to have electric utilities present their candidate projects for undergrounding due to fire risk prevention in General Rate Cases will accommodate many issues raised by parties in their opening comments:

¹ Administrative Law Judge's Ruling Granting the Motion to Exclude Tariff Rule 20 from the Scope of the Proceeding, April 6, 2010, p. 4.

- CIP representatives raise issues regarding the complexity of a cost recovery mechanism that would need to be designed for undergrounding conversion to be competitively neutral among communications providers.² Under TURN's proposal this issue is sidestepped because an electric utility would present a proposed undergrounding project for fire risk in its GRC rather than through Rule 20. If the project is approved, a communication provider could chose to underground their lines along with the electric utility lines, but they would be under no obligation to do so.
- Facilities Management urges the Commission to protect consumers by opening a proceeding to add "fire risk" to the list of reasons for undergrounding under Rule 20.³ TURN's proposal leaves the decision to pursue undergrounding for this purpose up to each utility, to pursue in its GRC, which could provide a speedier implementation of undergrounding, if needed for fire risk.
- SDG&E proposes to open a new proceeding for SDG&E to present a rule 20D and eventually request funding in its GRC.⁴ Under TURN's proposal SDG&E could present its urgent undergrounding projects in its upcoming GRC, and implement undergrounding conversions, if needed, more expeditiously and cost-effectively.

Facilities Management urges the Commission in its efforts to reduce fire hazards to leave no stone unturned (Facilities Management, p.5). Several factors need to be remembered to temper this viewpoint:

1. Ratepayers do not have infinite resources, and undergrounding is the most expensive method to prevent fires. Resources for undergrounding to

² Opening Comments of CCTA, Comcast, Time Warner Cable, tw telecom, and Verizon on Opening a new Proceeding Related to the Undergrounding Conversion Program, May 7, 2010, p.7.

³ Facilities Management Specialists LLC, Comments in Support of Opening a New Proceeding to Consider if Tariff Rule 20 Should be Revised to add "Fire Risk" to the list of Reasons to Permit Undergrounding under Tariff Rule 20," May 7, 2010, p. 12-13.

⁴ "Comments of SDG&E to ALJ Ruling granting the Motion to exclude Tariff Rule 20 from the Scope of this Proceeding," May 7, 2010, p.2.

prevent fires need to be balanced with resources needed to meet other goals, such as system reliability, providing service at reasonable rates, as well as fire prevention using other (less expensive) methods.

2. Even if all utility lines were undergrounded, there would still be wildfires, caused by human factors, accidents, lightning, etc. The Commission cannot prevent all wildfires. Some stones will be left unturned.
3. The weighing of the costs and benefits of any given remedy (undergrounding), as well as a consideration of the overall priorities for ratepayer spending, is best done in a General Rate Case.

Thus TURN reiterates its proposal that consideration of undergrounding projects for fire risk be presented in General Rate Cases. This proposal can accommodate the issues raised in opening comments by other parties. TURN's proposal is preferable to pursuing changes in Rule 20, which is not an optimal regulatory vehicle for undergrounding fire risk projects.

May 21, 2010

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Larry Wong, certify under penalty of perjury under the laws of the State of California that the following is true and correct:

On May 21, 2010, I served the attached:

**REPLY COMMENTS OF THE UTILITY REFORM NETWORK ON
ADMINISTRATIVE LAW JUDGE KENNEY'S RULING ON UNDERGROUNDING IN
TARIFF RULE 20**

on all eligible parties on the attached lists **R.08-11-005** by sending said document by electronic mail to each of the parties via electronic mail, as reflected on the attached Service List.

Executed this May 21, 2010, at San Francisco, California.

/S/
Larry Wong

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