

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

Agenda ID 15602
RESOLUTION E-4830
April 27, 2017

R E S O L U T I O N

Resolution E-4830. Pacific Gas and Electric Company (PG&E) requests approval of two Supplements to a Master Agreement for work required to interconnect PG&E's transmission system with Caltrain Peninsula Corridor Electrification Project facilities.

PROPOSED OUTCOME:

- Approve PG&E's Tier 3 Advice Letter 4985-E, which includes: Supplement #2 and Supplement #5 to their Master Agreement with Caltrain's Peninsula Corridor Joint Powers Board (Caltrain or JPB) for transmission system interconnection work required for the Caltrain Peninsula Corridor Electrification Project (the Caltrain Project or the Project).

SAFETY CONSIDERATIONS:

- All work required to interconnect PG&E's transmission system with Caltrain facilities will conform to all current and applicable laws, Commission regulations, and industry and PG&E safety requirements as discussed in this Resolution and documented in the Master Agreement.
- This Resolution addresses contractual agreements for the work required to complete the utility system upgrades necessary to interconnect PG&E transmission system facilities with Caltrain Project facilities. Specific rail safety requirements and work required to relocate PG&E electric and gas utility facilities (relocation work) are not addressed in Advice Letter 4985-E and are outside the scope of this Resolution.

ESTIMATED COST:

- All PG&E costs identified in Supplement #2 and Supplement #5 to the Master Agreement will be paid in full by Caltrain.

- Costs that may be allocated to PG&E ratepayers for the interconnection work have not yet been determined and will be the subject of future filings to the Commission.

By Advice Letter 4985-E, filed on December 20, 2016.

SUMMARY

With Advice Letter 4985-E, PG&E requests approval of Supplement #2 and Supplement #5 to their Master Agreement with Caltrain. This Resolution approves PG&E's request. Supplement #2 to the Master Agreement governs PG&E's monitoring and assistance in connection with Caltrain's design, engineering, procurement, construction, and system tie-in of 115-kV powerline segments (intertie lines) from two PG&E substations to Caltrain's two traction power substations, including the scope of environmental review, permit responsibility, and land rights. Under Supplement #5, PG&E would install temporary improvements within PG&E's FMC Substation in San Jose, California, that are required to power Caltrain testing activities. Caltrain will pay 100 percent of costs incurred by PG&E for all work associated with Supplement #2 and Supplement #5.

BACKGROUND

The Caltrain Project is part of the Caltrain Modernization Program, which will electrify and upgrade the performance, efficiency, capacity, safety, and reliability of the Caltrain commuter rail service. Project information is provided at: <http://www.caltrain.com/projectsplans/CaltrainModernization/Modernization/PeninsulaCorridorElectrificationProject.html>

A Master Agreement that describes the overall relationship between PG&E and Caltrain for transmission system interconnection work required for the Project was approved by Resolution E-4811 on December 15, 2016. Supplement #1 to the Master Agreement and an Amendment to Supplement #1 were also approved by Resolution E-4811. No costs to ratepayers were identified in the agreement approved by Resolution E-4811.

At this time, PG&E anticipates that five Supplements to the Master Agreement will be filed that cover contractual arrangements for discrete aspects of the

Project, but negotiations with Caltrain are still in progress at this time. Supplement #3 and Supplement #4 have not yet been filed.

NOTICE

Notice of PG&E Advice Letter 4985-E was made by publication in the Commission's Daily Calendar. PG&E stated that copies of their advice letter were distributed in accordance with Section 4 of General Order 96-B to parties shown on a distribution list attached to Advice Letter 4985-E.

PROTESTS

The advice letter was not protested.

DISCUSSION

Resolution E-4811 approved the Master Agreement, Supplement #1 to the Master Agreement, and an Amendment to Supplement #1 between PG&E and Caltrain on December 15, 2016. The Master Agreement describes the overall relationship between PG&E and Caltrain for transmission system interconnection work required for the Project. The Supplements set forth discrete scopes of work, authorized dollar amounts, and various milestones, deliverables, and respective responsibilities. Supplement #1 to the Master Agreement authorizes PG&E to complete preliminary design and engineering work. The Amendment to Supplement #1 increased the authorized amount for Supplement #1 work activities from \$900,000 to \$2.9 million. No costs to ratepayers were identified in the agreements approved by Resolution E-4811.

Resolution E-4811 ordered that Supplements to the Master Agreement proposed by PG&E be filed by Tier 3 advice letter pursuant General Order 96-B requirements. Advice Letter 4985-E complies with Resolution E-4811. PG&E anticipates that five Supplements to the Master Agreement will be filed that cover contractual arrangements for discrete aspects of the Project, but negotiations with Caltrain are still in progress. Supplement #3 and Supplement #4 have not yet been filed. Supplement #2 and Supplement #5 to the Master Agreement are further discussed on the following sections.

Supplement #2 to the Master Agreement is reasonable. Supplement #2 to the Master Agreement governs PG&E's monitoring and assistance in connection with Caltrain's design, engineering, and construction of 115-kV intertie lines and

all appurtenant facilities from PG&E substations to Caltrain's two traction power substations, including the scope of environmental review, permit responsibility and land rights. PG&E would not construct any of the facilities described in Supplement #2. Caltrain will pay 100 percent of costs incurred by PG&E for the work associated with Supplement #2. Caltrain will construct the 115-kV intertie lines and is responsible for fully analyzing environmental impacts of the construction work associated with Supplement #2 pursuant to the California Environmental Quality Act (CEQA). General Order 131-D would not apply to construction work associated with Supplement #2 because Caltrain will be responsible for the design, engineering, procurement, construction, and system tie-in to PG&E facilities.

Supplement #5 to the Master Agreement is reasonable. Under Supplement #5, PG&E would install temporary improvements within PG&E's FMC Substation required to power Caltrain testing activities. The improvements would allow for a temporary connection to the 115-kV intertie line constructed by Caltrain under Supplement #2. Caltrain requested that temporary electric service be available by June 2018 in San Jose to allow for testing. Up to \$3,500,000 of temporary improvements are authorized in Supplement #5, and Caltrain will pay 100 percent of costs incurred by PG&E. All PG&E construction activities associated with Supplement #5 would occur within the property boundary of PG&E's existing substation. Environmental review and CEQA compliance for the PG&E work described in Supplement #5 will be achieved by Caltrain.

It is reasonable to approve PG&E's request for an effective date of December 15, 2016 for Advice Letter 4985-E. General Order 96-B, Section 8.2.3 allows a utility to begin service for a government agency without prior Commission approval, but the utility must promptly submit an advice letter. PG&E submitted the Advice Letter five days after the requested December 15, 2016 effective date.

COMMENTS

PU Code Section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. Resolution E-4811 approved the Master Agreement, Supplement #1 to the Master Agreement, and an Amendment to Supplement #1 between PG&E and Caltrain on December 15, 2016.
2. Resolution E-4811 ordered that Supplements to the Master Agreement proposed by PG&E be filed by Tier 3 advice letter pursuant to General Order 96-B requirements.
3. Advice Letter 4985-E complies with Resolution E-4811.
4. General Order 131-D would not apply to Supplement #2 because Caltrain will be responsible for the design, engineering, procurement, construction, and system tie-in to PG&E facilities.
5. Supplement #2 and Supplement #5 to the Master Agreement are reasonable and do not include costs to ratepayers.
6. Environmental review of the construction work associated with Supplement #2 and Supplement #5 pursuant to CEQA would be completed by Caltrain.
7. It is reasonable to approve PG&E's request for a December 15, 2016 effective date for Advice Letter 4985-E pursuant to General Order 96-B, Section 8.2.3.

THEREFORE IT IS ORDERED THAT:

1. Supplement #2 and Supplement #5 to the Master Agreement between PG&E and Caltrain's Peninsula Corridor Joint Powers Board submitted with Advice Letter 4985-E are approved as requested.
2. Advice Letter 4985-E is effective as of December 15, 2016.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on April 27, 2017; the following Commissioners voting favorably thereon:

TIMOTHY J. SULLIVAN
Executive Director