

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION E-4872
August 10, 2017**

R E S O L U T I O N

Resolution E-4872. Pacific Gas and Electric Company Request for Reciprocal Use Agreement with the Bay Area Rapid Transit District pursuant to Advice Letter 5067-E.

PROPOSED OUTCOME:

- This Resolution approves Pacific Gas & Electric Company's (PG&E) Advice Letter (AL) 5067-E with an effective date of today. PG&E proposes to enter into a reciprocal use agreement (Agreement) with the Bay Area Rapid Transit District (BART) (Parties) to permit the joint use of existing installed fiber optic communications equipment.

SAFETY CONSIDERATIONS:

- Effective administration of PG&E's fee property is part of the responsibility of PG&E to meet their obligations under Public Utilities Code Section 451 to provide services that promote the safety, health, comfort, and convenience of their patrons, employees and the public.
- There are no specific safety concerns with this transaction.
- This approval of AL 5067-E will assist the two Parties to enhance route diversity at critical locations and support the functions of safe and reliable service delivery, business continuity, and disaster mitigation and recovery efforts.

ESTIMATED COST:

- A request for authority to enter into transactions pursuant to General Order (GO) 173 requires the filing of cost information. PG&E estimates the cost of implementing the Agreement to be roughly \$93,800. No money or property rights will be exchanged pursuant to this Agreement.
- Under the terms of the Agreement, PG&E and BART will make in-kind exchanges of property. PG&E estimates that significant cost savings will result for the utility (on the order of at least \$3.7 million) as it

allows them to avoid constructing a separate fiber optic system providing comparable bandwidth.

By Advice Letter 5067-E, filed on May 5, 2017.

SUMMARY

This Resolution approves PG&E's AL 5067-E, with an effective date of today. On May 5, 2017, PG&E filed Advice Letter 5067-E requesting approval under GO 173 and Public Utilities Code Section 851 to enter into a reciprocal agreement with the Bay Area Rapid Transit District. The reciprocal agreement will allow the Parties to make joint use of existing fiber optic communications facilities and relieve both Parties from having to construct duplicative facilities at great cost.

BACKGROUND

This Agreement establishes a framework under which PG&E and BART make their respective existing fiber optic cable and other communication facilities available to each other on a reciprocal use basis. The Parties agree that no property will change ownership under the Agreement.

The Agreement provides PG&E with critical communications infrastructure to support its Concord Distribution Control Center (DCC), Richmond Service Center, and Richmond Substation R. The Agreement also provides PG&E with an optical communications link between the East and the Peninsula. In exchange, PG&E will provide BART with access to PG&E-owned communication facilities extending from BART's Richmond yard and BART's Santa Paula Substation. The Concord DCC performs a critical role in supporting PG&E's electrical operations and PG&E requires new fiber optic connectivity to provide backup routing for the Concord DCC to further integrate it within the PG&E network.

Under the terms of the Agreement, PG&E and BART will make in-kind exchanges of property. PG&E and its customers receive financial benefit from the transaction through avoided construction costs of its own communications facilities in support of the DCC. BART benefits from the immediate expansion of its bandwidth service for its operations, as well as avoiding significant construction costs to install its own communications facilities. The Agreement

will provide PG&E with route diversity at critical locations, which will support the functions of safe and reliable energy delivery, business continuity, and disaster mitigation and recovery efforts.

PG&E estimates that the Agreement will result in significant cost savings for the utility (on the order of at least \$3.7 million) as it allows them to avoid constructing a separate fiber optic system providing comparable bandwidth. PG&E estimates the cost of implementing the Agreement to be roughly \$93,800. No money or property rights will be exchanged pursuant to this Agreement.

NOTICE

Notice of AL 5067-E was made by publication in the Commission's Daily Calendar. PG&E states that AL5067-E was filed in accordance with the noticing requirements of General Order 173. In addition, PG&E provided notice in accordance with General Order 96-B.

PROTESTS

There were no protests to PG&E Advice Letter 5067-E.

DISCUSSION

The Commission has reviewed PG&E AL 5067-E and the attached materials relating to the reciprocal use agreement with BART for existing fiber optic communications facilities. This Agreement will allow for the maximum use of existing facilities; relieve the Parties from having to construct duplicative facilities at great cost; and enhance the Parties' ability to provide safe, reliable, and cost-effective service.

The Commission has determined that this transaction is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301(b)¹. This is consistent with Commission precedent and practice.² The

¹ CEQA Guidelines Section 15301(b) -- Class 1: Existing Facilities "Consists of the operation, repair, maintenance, permitting, leasing, licensing or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical

Footnote continued on next page

Commission finds that PG&E's AL 5067-E request for approval was made in accordance with the streamlined procedure adopted by the Commission in General Order 173 and Public Utilities Code Section 851. The Commission finds that the relief requested in AL 5067-E is not adverse to the public interest and should be granted.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. On May 5, 2017, PG&E filed Advice Letter 5067-E to enter into a reciprocal use agreement for the joint use of existing installed fiber optic communications equipment with the Bay Area Rapid Transit District under General Order 173 and Public Utilities Code Section 851.
2. There are no specific safety concerns with this transaction.
3. No money or property rights will be exchanged pursuant to this Agreement. Under the terms of the Agreement, PG&E and BART will make in-kind exchanges of property.
4. PG&E estimates the cost of implementing the Agreement to be roughly \$93,800.
5. PG&E estimates that significant cost savings will result for the utility (on the order of at least \$3.7 million) as it allows them to avoid constructing a separate fiber optic system providing comparable bandwidth.
6. The Agreement provides PG&E with critical communications infrastructure and route diversity at critical locations and will support the functions of safe

features, involving negligible or no expansion in use beyond that existing at the time ..."

² D.92-07-007 (1992) 45 CPUC 2nd 24, 34 – approval of shared use between PG&E and MCI; and D.96-07-038 (1996) 67 CPUC 2d 39, 41 – approval of lease agreement between Southern California Edison and Linkatel.

and reliable service delivery, business continuity, and disaster mitigation and recovery efforts.

7. This Agreement will allow for the maximum use of existing facilities; relieve the Parties from having to construct duplicative facilities at great cost; and enhance the Parties' ability to provide safe, reliable, and cost-effective service.
8. Consistent with precedent and practice, the Commission has determined that this transaction is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301(b).
9. PG&E Advice Letter 5067-E complies with the streamlined procedures adopted by the Commission in General Order 173.
10. PG&E states that the Agreement will not interfere with PG&E's operations or PG&E's ability to provide safe and reliable utility services to its customers.
11. Approval of this transaction will not impair PG&E's provision of utility service.
12. The Commission finds that the relief requested in AL 5067-E is not adverse to the public interest and should be granted.

THEREFORE IT IS ORDERED THAT:

1. The request of Pacific Gas and Electric Company in AL 5067-E for approval to enter into a reciprocal use agreement for communications facilities with the Bay Area Rapid Transit District is approved.

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 August 10, 2017; the following Commissioners voting favorably thereon:

/s/TIMOTHY J. SULLIVAN

TIMOTHY J. SULLIVAN
Executive Director

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners