



**FILED**

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

Application of PACIFIC GAS AND  
ELECTRIC COMPANY (U-39-E) for  
Authority to Increase Revenue  
Requirements to Recover the Costs to  
Implement a Program to Improve the  
Reliability of Its Electric Distribution  
System.

Application No. 08-05-023

**COMMENTS OF  
THE CITY AND COUNTY OF SAN FRANCISCO  
ON THE PROPOSED DECISION OF ALJ FUKUTOME**

The City and County of San Francisco (“CCSF”) submits these opening comments on the Proposed Decision (“PD”) of Administrative Law Judge Fukutome regarding the application of Pacific Gas and Electric Company (“PG&E”) seeking approval of its proposed Cornerstone Improvement Program (“CIP”). CCSF supports the PD, with the clarification that the worst-performing circuits that are eligible for distribution automation (“DA”) upgrades should include circuits of all voltage levels, including 4 kilovolt (“kV”) circuits.

**I. CCSF SUPPORTS THE PROPOSED DECISION**

In its testimony and briefs, CCSF has explained that its position on PG&E’s application is to support efforts to improve the reliability and safety of PG&E’s electric system, provided that PG&E demonstrates that the costs of such improvements are reasonable. CCSF, like The Utility Reform Network (“TURN”), the Division of Ratepayer Advocates (“DRA”) and other parties, showed that PG&E was unable to demonstrate the reasonableness of its proposed CIP because PG&E failed to show the

cost-effectiveness of its proposed programs compared to other alternatives. The PD agrees with CCSF's analysis and correctly rejects the broad CIP proposed by PG&E. Most importantly, the PD wisely requires PG&E to justify future requests for distribution reliability improvements by considering all reasonable alternatives and demonstrating the cost-effectiveness of the proposed programs or projects. (PD, pp. 20-21, 39 fn. 20).

**II. THE PD SHOULD BE CLARIFIED TO INDICATE THAT CIRCUITS OF ALL VOLTAGE LEVELS SHOULD BE CONSIDERED WHEN PG&E DETERMINES THE 400 WORST PERFORMING CIRCUITS THAT WILL BENEFIT FROM DISTRIBUTION AUTOMATION**

In its application, PG&E proposed to automate all of its 21 and 17 kV urban and suburban circuits and 800 of its 12 kV urban and suburban circuits, a total of approximately 1,200 circuits. The PD authorizes automation of only the 400 "worst performing" circuits and uses that concept as the basis on which to base a distribution automation budget. (Conclusion of Law ("COL") 7, p. 49). The PD directs PG&E to "prioritize its program so that it obtains the most reliability benefit for the least cost" (*id.*) and "to optimize the funds authorized by this decision" by considering "the severity of the problems, options available, cost-effectiveness analysis, and non-quantifiable benefits." (COL 17, p. 50).

Even though PG&E did not include 4 kV circuits in its proposed list of circuits to automate, the PD's directive to obtain the most reliability benefit for the least cost and to optimize the authorized funds suggests that 4 kV circuits should be included in the analysis to determine the worst performing circuits. Four kV circuits are common in older distribution systems such as those in San Francisco and the East Bay and can be used to serve significant numbers of customers. If a cost-effectiveness analysis shows that some 4 kV circuits are consistently among the top 400 circuits in SAIDI values,

those circuits should be automated.<sup>1</sup> As the PD states, “it is important that the needs of customers who continually receive significantly poorer service be addressed.” (PD, p. 23). The fact that customers who may be receiving such poor service happen to be located on a 4 kV circuit that may serve fewer customers than a higher voltage circuit is not a reason to continue to subject the 4 kV customers to inferior service.

While the PD already implicitly requires PG&E to consider 4 kV circuits when it determines the 400 worst performing circuits, the Commission can prevent unnecessary confusion or controversy by making explicit, in the text of the decision, that PG&E is to automate the 400 worst performing circuits, *regardless of voltage level*.

### III. CONCLUSION

The Commission should approve the PD, with the clarification that PG&E’s analysis of the 400 worst performing circuits should include circuits of all voltage levels, including 4 kV circuits.

Dated: June 14, 2010

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<sup>1</sup>The fact that, *on average*, 4 kV circuits have lower SAIDI values than other circuits (Ex. 2/PG&E, p. 3-3), does not mean that there are no 4 kV circuits among the top 400 in SAIDI.

CERTIFICATE OF SERVICE

I, PAULA FERNANDEZ, declare that:

I am employed in the City and County of San Francisco, State of California. I am over the age of eighteen years and not a party to the within action. My business address is City Attorney's Office, City Hall, Room 234, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102; telephone (415) 554-4623.

On June 14, 2010, I served the **COMMENTS OF THE CITY AND COUNTY OF SAN FRANCISCO ON THE PROPOSED DECISION OF ALJ FUKUTOME** by electronic mail on all parties on the service list in Proceeding No. A. 08-05-023.

The following addressee(s) without an email address were served:

- BY UNITED STATES MAIL:** Following ordinary business practices, I sealed true and correct copies of the above documents in addressed envelope(s) and placed them at my workplace for collection and mailing with the United States Postal Service. I am readily familiar with the practices of the San Francisco City Attorney's Office for collecting and processing mail. In the ordinary course of business, the sealed envelope(s) that I placed for collection would be deposited, postage prepaid, with the United States Postal Service that same day.

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I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on June 14, 2010, at San Francisco, California.

/S/  
\_\_\_\_\_  
PAULA FERNANDEZ



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**TOP OF PAGE**  
**BACK TO INDEX OF SERVICE LISTS**