

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

ENERGY DIVISION

RESOLUTION E-4100

June 21, 2007

**R E S O L U T I O N**

Resolution E-4100. Pacific Gas & Electric Company (PG&E). This resolution approves PG&E's Advice Letter 2971-E. This resolution has been prepared pursuant to a pilot program specified in Resolution ALJ-186 granting expedited treatment to utility proposals meeting certain requirements.

By Advice Letter 2971-E. Filed on January 19, 2007.

---

**SUMMARY**

This resolution approves PG&E's Advice Letter 2971-E requesting California Public Utilities Commission ("Commission" or "CPUC") approval under Public Utilities ("PU") Code Section 851 to allow PG&E to relocate its existing overhead electric facilities from a non-exclusive easement to an underground location in a franchise area in accordance with Electric Rule 20 for the replacement of overhead with underground electric facilities. Advice Letter 2971-E was processed pursuant to Resolution ALJ-186, Appendix B, Section III.A.1.b, providing for expedited action for transactions subject to statutory or categorical exemption from CEQA.

This Resolution is effective immediately.

**BACKGROUND**

Utilities proposing to sell, lease, dispose of, or otherwise encumber property must comply with PU Code Section 851. Under recent amendments to PU Code Section 851, for certain transactions valued at \$5,000,000 or less, the utility can file an advice letter and obtain a resolution from the Commission authorizing the transaction. The Commission has initiated a pilot program per Resolution ALJ-186 that provides certain criteria required for a PU Code Section 851 transaction to qualify for advice letter treatment.

On January 19, 2007, PG&E filed Advice Letter 2971-E requesting approval under PU Code Section 851 to allow PG&E to relocate its existing overhead electric facilities from a non-exclusive easement to an underground location in a franchise area in accordance with Electric Rule 20 for the replacement of overhead with underground electric facilities. Protests or comments were due to the Commission on February 19, 2007; no protests or comments were filed.

Gualala is an unincorporated community located along State Highway One ("the Highway") at the southwestern tip of Mendocino County (the "County") on the coastline near the mouth of the Gualala River. In August 2000, at the request of the residents of Gualala, the County Board of Supervisors adopted a resolution to underground utility facilities in Gualala under Electric Rule 20A and Telecommunications Rule 32a2 programs. A copy of the County's Resolution No. 00-145 was provided. The Gualala rule 20A project was authorized by PG&E in November of 2001. Since then, however, numerous issues involving the location of facilities, installation of sidewalks and streetlights have delayed construction of the project. On October 24, 2006, the County Board of Supervisors issued Resolution No. 06-206 adopting an expansion of the project boundaries.

The electric lines serving the community of Gualala consist of 12 kV overhead distribution facilities ("Facilities") constructed in a rear-lot easement. The telephone lines were constructed on separate poles in the franchise area along the Highway. To underground both sets of overhead lines and save money by digging only one trench, the parties proposed a single joint trench for installation of both utility lines. As designed by SBC Communications (now AT&T, Inc.) the joint trench is to be located within the County's franchise area along the east side of the Highway. (The term "underground electric system" means an electric system with all wires installed underground, except those wires in surface mounted equipment enclosures.)

Under the current undergrounding proposal the electric lines would be relocated to the street front and the existing electric line easement would be vacated. In addition, PG&E and SBC Communications (now AT&T Inc.) will share the franchise area and have been working with the community of Gualala to arrive at an amenable solution for all interested parties. The relocation to franchise will result in greater efficiency and cost savings, since PG&E facilities will be relocated alongside AT&T facilities in a single trench, rather than in separate trenches in separate areas. Further, the relocation to a joint trench in the franchise area will avoid disruptions in residential backyard areas, which would occur if

the facilities were relocated in a separate underground in the current easement area.

The property is located in the unincorporated community of Gualala, extending from Center Street northerly to Hubert Avenue, located along State Highway One at the southwestern tip of Mendocino County on the coastline near the mouth of the Gualala River. PG&E currently owns twelve easements acquired for the construction and operation of 12 kV overhead electric distribution facilities constructed in a rear-lot easement area serving the community of Gualala. With the exception of PG&E's electric lines, the Property is currently occupied by a residential community. Copies of PG&E's non-exclusive easements that will be vacated to relocate its overhead electric facilities to the proposed joint utility trench were provided. A list of the Mendocino County Assessors Parcels encumbered by the easements was provided as well as an aerial-view map of the project area.

PG&E requests Commission approval to relocate approximately 4,000 feet of its existing overhead electric facilities from a non-exclusive easement to an underground location in the franchise area in accordance with Electric Rule 20 for the replacement of overhead lines with underground electric facilities.

As a Rule 20 project, PG&E will vacate its non-exclusive easements and relocate its overhead electric facilities to the proposed joint utility trench located adjacent to a roadway. The road surface will be restored to a condition comparable to that which existed before the project.

According to Rule 20 – Replacement of overhead with underground electric facilities, PG&E will, at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-ways satisfactory to PG&E have been obtained by PG&E. Each year, PG&E allocates certain underground conversion credits to every city and county in their service territory. Mendocino County has sufficient Rule 20A allocation credits available to complete this work.

PG&E has provided information in this advice letter to meet the eligibility criteria under the advice letter pilot program. The activity proposed in the transaction will not require the CPUC to perform environmental review under CEQA because it is categorically exempt from CEQA. The proposed transaction

will not have an adverse effect on the public interest. In fact, the proposed transaction will serve the public interest because under PG&E's Rule 20, the Commission determined, after consultation with PG&E and after holding public hearings on the subject that such undergrounding is in the general public interest. Finally, the transaction does not involve the transfer or change in ownership of facilities currently used in utility operations.

The project is categorically exempt under section 15302(d) of the CEQA Guidelines, (Code of California Regulations, Title 14, §§15000, et seq.), which exempts: "[c]onversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines where the surface is restored to the condition existing prior t the undergrounding." The Board of Supervisors for the County of Mendocino found this project is a Class 2 project categorically exempt from CEQA. The proposed joint utility trench will be located adjacent to a roadway. The road surface will be restored to a condition comparable to that which existed before the project.

### **NOTICE**

Notice of Advice Letter 2971-E was made by publication in the Commission's Daily Calendar. PG&E states in 2971-E that a copy of the Advice Letter was mailed and distributed in accordance with Section III, G of General Order 96-A.

### **PROTESTS**

No protests or comments to PG&E Advice Letter 2971-E were filed.

### **DISCUSSION**

PG&E has provided information in this advice letter to meet the eligibility criteria under the advice letter program. Under the CEQA Checklist, the activity proposed in the transaction will not require independent environmental review by the CPUC because the project is categorically exempt under section 15302(d) of the CEQA Guidelines, (Code of California Regulations, Title 14, §§15000, et seq.), which exempts: "[c]onversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines where the surface is restored to the condition existing prior t the undergrounding." The Board of Supervisors for the County of

Mendocino found this project is a Class 2 project categorically exempt from CEQA. The Commission determined, after consultation with PG&E and after holding public hearings on the subject that such undergrounding is in the general public interest. The proposed transaction meets the financial threshold of \$5 million.

PG&E requested approval of Advice Letter 2971-E under Section 851, or as an Exemption under Section 853(b). The Commission found that the relocation issue falls within the scope of Section 851 Pilot Program advice letter process. According to the Section 851 Eligible transaction checklist the activity proposed in the transaction is categorically exempt from CEQA, will not have an adverse effect on the public interest, and involves no financial proceeds.

If the Commission were to explore the option of Exemption under Section 853(b), this would require further review and discussion regarding applicability to not only the current Advice Letter 2971-E, but to future Advice Letters filed throughout the Commission. It is not in PG&E's interest to pursue this route at this time due to time constraints and current needs. The Commission will investigate expanding Section 853(b) separately from this current Advice Letter.

## **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 January 19, 2007, PG&E filed Advice Letter 2971-E requesting approval under PU Code Section 851 to allow PG&E to relocate its existing overhead electric facilities from a non-exclusive easement to an underground location in a franchise area in accordance with Electric Rule 20 for the replacement of overhead with underground electric facilities.
2. Protests or comments were due to the Commission on February 19, 2007; no protests or comments were filed.
3. Gualala is an unincorporated community located along State Highway One ("the Highway") at the southwestern tip of Mendocino County (the "County") on the coastline near the mouth of the Gualala River.

4. In August 2000, at the request of the residents of Gualala, the County Board of Supervisors adopted a resolution to underground utility facilities in Gualala under Electric Rule 20A and Telecommunications Rule 32a2 programs.
5. The Board of Supervisors for the County of Mendocino found this project is a Class 2 project categorically exempt from CEQA.
6. The Gualala rule 20A project was authorized by PG&E in November of 2001.
7. On October 24, 2006, the County Board of Supervisors issued Resolution No. 06-206 adopting an expansion of the project boundaries.
8. The electric lines serving the community of Gualala consist of 12 kV overhead distribution facilities ("Facilities") constructed in a rear-lot easement. The telephone lines were constructed on separate poles in the franchise area along the highway.
9. To underground both sets of overhead lines and save money by digging only one trench, the parties proposed a single joint trench for installation of both utility lines.
10. As designed by SBC Communications (now AT&T, Inc.) the joint trench is to be located within the County's franchise area along the east side of the Highway.
11. The term "underground electric system" means an electric system with all wires installed underground, except those wires in surface mounted equipment enclosures.
12. The relocation to the franchise area will result in greater efficiency and cost savings, since PG&E facilities will be relocated alongside AT&T facilities in a single trench, rather than in separate trenches in separate areas.
13. The relocation to a joint trench in the franchise area will avoid disruptions in residential backyard areas, which would occur if the facilities were relocated in a separate underground in the current easement area.
14. PG&E currently owns twelve easements acquired for the construction and operation of 12 kV overhead electric distribution facilities constructed in a rear-lot easement area serving the community of Gualala.
15. With the exception of PG&E's electric lines, the Property is currently occupied by a residential community.
16. Copies of PG&E's non-exclusive easements that will be vacated to relocate its overhead electric facilities to the proposed joint utility trench were provided.
17. A list of the Mendocino County Assessors Parcels encumbered by the easements was provided as well as an aerial-view map of the project area.

18. PG&E requests Commission approval to relocate approximately 4,000 feet of its existing overhead electric facilities from a non-exclusive easement to an underground location in the franchise area in accordance with Electric Rule 20 for the replacement of overhead with underground electric facilities.
19. As a Rule 20 project, PG&E will vacate its non-exclusive easements and relocate its overhead electric facilities to the proposed joint utility trench located adjacent to a roadway. The road surface will be restored to a condition comparable to that which existed before the project.
20. According to Rule 20 – Replacement of Overhead with underground electric facilities, PG&E will, at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-ways satisfactory to PG&E have been obtained by PG&E.
21. Each year, PG&E allocates certain underground conversion credits to every city and county in their service territory.
22. Mendocino County has sufficient Rule 20A allocation credits available to complete this work.
23. PG&E has provided information in this advice letter to meet the eligibility criteria under the advice letter pilot program.
24. The activity proposed in the transaction will not require the CPUC to perform environmental review under CEQA because it is categorically exempt from CEQA.
25. The proposed transaction will not have an adverse effect on the public interest.
26. The proposed transaction will serve the public interest because under PG&E's Rule 20, the Commission determined, after consultation with PG&E and after holding public hearings on the subject that such undergrounding is in the general public interest.
27. The transaction does not involve the transfer or change in ownership of facilities currently used in utility operations.
28. The project is categorically exempt under section 15302(d) of the CEQA Guidelines, (Code of California Regulations, Title 14, §§15000, et seq.), which exempts: "[c]onversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines where the surface is restored to the condition existing prior t the undergrounding."
29. The proposed joint utility trench will be located adjacent to a roadway.

30. The road surface will be restored to a condition comparable to that which existed before the project.
31. PG&E requested approval of Advice Letter 2971-E under Section 851, or as an Exemption under Section 853(b).
32. The Commission found that relocation issue falls within the scope of Section 851 Pilot Program advice letter process. According to the Section 851 Eligible transaction checklist the activity proposed in the transaction is categorically exempt from CEQA, will not have an adverse effect on the public interest, and involves no financial proceeds.
33. If the Commission were to explore the option of Exemption under Section 853(b), this would require further review and discussion regarding applicability to not only the current Advice Letter 2971-E, but to future Advice Letters filed throughout the Commission.
34. It is not in PG&E's interest to pursue this route at this time due to time constraints and current needs.
35. The Commission will investigate expanding Section 853(b) separately from this current Advice Letter.

**THEREFORE IT IS ORDERED THAT:**

1. The request of PG&E requesting Commission approval under PU Code Section 851 to allow PG&E to relocate its existing overhead electric facilities from a non-exclusive easement to an underground location in a franchise area in accordance with Electric Rule 20 for the replacement of overhead with underground electric facilities per Advice Letter 2971-E 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 on June 21, 2007; the following Commissioners voting favorably thereon:

---

Paul Clanon  
Executive Director

MICHAEL R. PEEVEY  
PRESIDENT  
DIAN M.GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
TIMOTHY ALAN SIMON  
Commissioners