

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: August 26, 2021

Approved



Date

08/27/21

INFORMATION

SUBJECT: UPDATE ON IMPACTS TO THE RULE 20A AND RULE 20B (IN-LIEU FEE) UNDERGROUND UTILITY PROGRAM WORKPLAN BASED ON THE CALIFORNIA PUBLIC UTILITIES COMMISSION PHASE 1 DECISION REVISING ELECTRIC RULE 20 AND ENHANCING PROGRAM OVERSIGHT

The purpose of this memorandum is to provide the City Council with an update on the key changes to the Electric Rule 20 program as ordered by the California Public Utilities Commission (CPUC) Phase 1 Decision Revising Electric Rule 20 and Enhancing Program Oversight made on June 7, 2021 in response to the Order Instituting Rulemaking (OIR) 17-05-010 issued on May 11, 2017.

BACKGROUND

A memorandum dated May 17, 2021 was forwarded to City Council for the June 8, 2021 Council meeting to approve the Fiscal Year 2020/21 – 2025/26 Workplan for the Rule 20A and Rule 20B (In-Lieu Fee) Undergrounding Utility Program (the “Workplan”). The approved memorandum is presented in **Exhibit A**.

On May 11, 2017, the CPUC commenced OIR 17-05-010 (the “Rulemaking”), a proceeding that is supposed to completely reevaluate the Rule 20 program and its objectives. The initial scope of the Rulemaking analyzed many issues of concern for the City including, allocation of Rule 20A work credits, the appropriate uses of Rule 20A work credits, project cost overruns, program management, etc. As a party to the Rulemaking, City staff have provided written comments to the CPUC expressing the City’s concerns regarding the implementation of the Rule 20 program. Additional information on the Rulemaking is presented on Page 7 of **Exhibit A**.

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ANALYSIS

On June 7, 2021, the CPUC issued the Phase 1 Decision 21-06-013, dated June 3, 2021 (the “Decision”) in the Rulemaking, shown in **Exhibit B**.

RULE 20A PROGRAM - The CPUC decided not to sunset the Rule 20A program, but it will no longer authorize new Rule 20A work credits for allocation after December 31, 2022. While the CPUC will direct the investor-owned utilities to reallocate work credits from communities with inactive Rule 20A programs to those who need additional funding to complete projects, the City’s \$36 million of work credits will not be reallocated to another community since our underground utility program is active. The Decision does not set a deadline for the use of existing Work Credits, which a community may continue to use after December 31, 2022.

The Decision will not affect the Workplan this fiscal year and will continue to guide Public Works staff and utility companies until June of 2022. At that time, staff will modify the Workplan to reflect the Decision for the Council’s annual review and proposed approval. This Proposed Workplan would reflect the Decision for fiscal years 2021/22 – 2026/27 and guide Public Works staff and utility companies to program funds, assign project priorities, and establish, design, and construct the proposed overhead-to-underground utility conversion projects.

The CPUC still intends to open a second phase of the proceedings to discuss issues such as using Rule 20A work credits towards wildfire mitigation, how to fund incomplete active projects, and how the program can be restructured to be equitable for disadvantaged communities. The deadline for completion of Phase 2 proceedings is currently June 2022, approximately 12 months from the Phase 1 Decision.

RULE 20B (IN-LIEU FEE) PROGRAM - The Decision will not modify the Rule 20B program at this time.

RULE 20C PROGRAM - The Decision will not modify the Rule 20C program at this time.

CONCLUSION

Rule 20A work credits will no longer be allocated after December 31, 2022. However, the City is not subject to reallocation of its current Work Credit balance of approximately \$36 million. Staff will continue utilizing the Workplan until a Proposed Workplan is submitted for the Council’s annual review and approval in June of 2022. The Proposed Fiscal Year 2021/22 – 2026/27 Workplan will reflect the Decision and would provide City staff and utilities guidance on utility undergrounding to prioritize the proposed project construction schedules.

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COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

/s/

MATT CANO

Director of Public Works

For questions, please contact Mathew Nguyen, Interim Deputy Director, at (408) 535-8300.

Exhibit A: Approved Fiscal Year 2020/21 – 2025/26 Workplan for the Undergrounding Utility Program.

Exhibit B: Decision 21-06-013 Phase 1 Decision Revising Electric Rule 20 and Enhancing Program Oversight



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Cano

SUBJECT: SEE BELOW

DATE: May 17, 2021

Approved

Date

5/27/2021

SUBJECT: ACTIONS RELATED TO THE RULE 20A AND RULE 20B (IN-LIEU FEE) UNDERGROUND UTILITY PROGRAM INCLUDING APPROVAL OF THE PROGRAM WORKPLAN AND THE RULE 20B (IN LIEU FEE) UNDERGROUNDING MASTER PLAN

RECOMMENDATION

- (a) Approve the proposed Fiscal Year 2020/21- 2025/26 Workplan for the Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program.
- (b) Approve the Fiscal Year 2019-2020 Rule 20B (In-Lieu Fee) Undergrounding Master Plan.

OUTCOME

Approval of the proposed Fiscal Year 2020/21- 2025/26 Workplan for the Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program and the Fiscal Year 2019-2020 Rule 20B (In-Lieu Fee) Undergrounding Master Plan will guide Public Works staff and utility companies to program funds, assign project priorities, and establish, design and construct the proposed overhead-to-underground utility conversion projects.

EXECUTIVE SUMMARY

City staff recommends approval of the Report on the Rule 20A and 20B (In-Lieu Fee) Underground Utility Program which provides information pertaining to the City’s utility undergrounding program and projects. The report includes the proposed Program Workplan and the Rule 20B Undergrounding Master Plan that will guide Public Works staff and utility companies to program funds, assign project priorities, and establish, design and construct

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overhead-to-underground utility conversion projects. The Workplan reflects the Council's policy regarding undergrounding as set forth in the City's General Plan "Envision San José 2040". It also focuses on the timely delivery of projects allowing more aggressive draw-down of the City's current \$36 million Rule 20A allocation balance. Staff continues to meet with all utility companies on a quarterly basis to monitor schedules and address issues and concerns as they arise.

BACKGROUND

Three programs are used to fulfill the General Plan goal of converting overhead utilities to underground systems. These programs are described as follows:

RULE 20A PROGRAM – In 1968, the California Public Utilities Commission (CPUC) and utility companies established a program to underground utilities across the State. Under Rule 20A, PG&E allocates work credits on a calendar year basis, to convert existing overhead electrical facilities to underground electrical facilities within the communities it serves. The work credits are allocated based on a CPUC approved calculation that considers the amount of all electric meters, both overhead and underground, in the City in relation to those in PG&E's service territory. Cities and counties use Rule 20A allocations as a tool to evaluate and prioritize undergrounding projects within their respective jurisdictions. These allocations accumulate until there are sufficient credits to complete a project and/or PG&E resources are available for undergrounding projects. PG&E uses its own funds to design and construct Rule 20A projects, and once the projects are completed, the cost is recovered through incremental utility rate increases which are borne by the ratepayers.

Other CPUC rules, tariffs and legislation require other utility companies including AT&T to convert its facilities in a manner similar to the Rule 20A Program. Comcast also budgets its own funds for the conversion of its facilities within the districts legislated for Rule 20A funding.

The 2021 calendar year allocation (work credits) of PG&E funds for the City is \$2.3 million, which is lower than the average annual allocation of \$4.2 million the City received prior to 2010. Initially, PG&E sought a reduction of the allocation from the CPUC in 2011 due to over allocation by PG&E during previous years. The annual allocation amount for San José was expected to remain at \$2.2 million until calendar year 2015, the end of PG&E's 3-year General Rate Case. However, in 2015, PG&E obtained an extension from the CPUC of the lower annual allocation amount in subsequent General Rate Cases until calendar year 2019. PG&E's stated reason for the extension request was to prevent agencies from building up excessively large allocation balances which would allow PG&E to reduce its backlog of projects. PG&E recently informed the City that the CPUC is proposing to discontinue authorization of new Rule 20A allocation and electric utilities should not allocate new Rule 20A work credits after December 31, 2022. The City filed comments with the CPUC in its pending "Order Instituting Rulemaking

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(OIR) 17-05-010" proceedings (discussed further below) on April 27, 2021 opposing the proposal regarding the discontinuance of work credits.

Although the funds for this program are never actually transferred to the City for use by the City, City staff programs the money toward conversions on arterial and major collector streets as specified in the Rule 20A Tariff. The current accumulated allocation totals approximately \$36 million.

RULE 20B (IN-LIEU FEE) PROGRAM – Undergrounding may be accomplished through the City's In-Lieu Fee Program which allows the City to accumulate funds from developers to underground large aggregated projects rather than requiring developers to perform the undergrounding themselves on a project-by-project basis. This results in the more efficient use of engineering staff, construction crews, and utility company resources, thus lowering unit costs for design and construction.

Chapter 15.26 of the San José Municipal Code (Undergrounding Utility Fee Ordinance) requires that developers either: 1) pay a fee, per foot of frontage, in-lieu of performing the overhead-to-underground conversions along the street frontage where their development is occurring; or 2) as a condition of development, underground the overhead utility facilities on the street or streets adjacent to the project. For the latter option, the Undergrounding Utility Fee Ordinance allows the use of previous fee payments collected within the limits of undergrounding to partially offset developer construction costs for completing underground utility projects. Only those projects that develop adjacent to designated streets as defined in the Undergrounding Utility Fee Ordinance (streets identified in the General Plan as a “major collector or arterial” and adjacent to property which is zoned for uses other than residential, agricultural, or open space), are subject to the undergrounding in-lieu fee conditions. Fees are collected from developments on each side of the street regardless of the side which has the actual overhead facility.

In 2009, the City Council approved an amendment to the Undergrounding Utility Fee Ordinance that allows: 1) automatic annual adjustment of the Undergrounding Utility Fee based on Engineering News Record (ENR) 20-City Average Construction Cost Index or its equivalent; 2) reimbursement to developers for completion of underground utility projects; and 3) other technical changes. Based on latest ENR data, effective January 31, 2021, the Underground Utility Fee was adjusted from \$515 to \$532 per linear foot frontage on each side of the street. The fee is intended to represent one-half of the cost to relocate overhead utilities underground. Total cost to complete undergrounding conversion projects on both sides of the street is approximately \$1,064 per linear foot.

This fee was established on an average actual cost from previous undergrounding projects and adjusted annually. The total fees collected for Fiscal Year 2019-2020 was \$1.5 million.

In-Lieu fees are programmed to be expended only in project areas identified the In-Lieu Fee Undergrounding Masterplan. As long as these fees are committed to projects in the approved

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Master Plan, the fees are considered programmed and not subject to refund. The In-Lieu Fee Undergrounding Master Plan was included with the Annual Development In-Lieu Fee Report that the City Council considered and accepted April 6, 2021. The Annual Development In-Lieu Fee Report provides an annual report on in-lieu fee program activity as required by the Mitigation Fee Act. (Government Code Section 66000 et seq.)

In-Lieu Fee (Rule 20B) projects identified on the In-Lieu Fee Undergrounding Master Plan may take several years before they can be constructed. Projects are selected based on the amount of In-Lieu Fees collected for a project area. Since some proposed projects on the In-Lieu Fee Undergrounding Master Plan are small infill projects, these projects may take decades to be constructed through this program. In some cases, these small infill proposed projects may be included within larger Rule 20A projects depending on whether they meet Rule 20A criteria. In addition, Rule 20B funds are leveraged against 20A allocations to construct larger projects, combined Rule 20A and Rule 20B project, which provide a greater economy of scale. The aforementioned options allow the flexibility to complete projects in the In-Lieu Fee Undergrounding Masterplan as opportunities arise.

RULE 20C PROGRAM – In some instances, developers, neighborhood and business associations, or other agencies may pursue completing underground conversions themselves. These conversions do not meet the criteria for Rule 20A or 20B, are typically less than 600 feet long, and are coordinated directly between the utility companies and the interested party.

UNDERGROUND UTILITY PROGRAM ACTIVITY

Since 1968, the City has legislated 140 Underground Utility Districts (UUD), of which:

- 136 projects have been completed
- 1 project is in construction (Delmas/Park)
- 1 project is in design (Monterey Road)
- 2 projects are in planning (Lincoln Park and Kirk Park Rule 20A UUDs)

The Rule 20A and 20B Underground Utility Programs are currently administered in accordance with the Rule 20A 2019/20 – 2024/25 Workplan approved by Council on June 23, 2020. The current status of the Rule 20A and Rule 20B programs and the implementation of the Workplan are presented in **Attachment A**.

Other attachments to this memorandum related to the Rules 20A and 20B Programs include:

- 2020/21- 2025/26 Workplan (**Attachment B**)
- Summary of Changes since the Last Report (**Attachment C**)
- Proposed Future Rule 20A Underground Utility Projects (**Attachment D**)
- Criteria for Evaluating Rule 20A & 20B (In-Lieu Fee) Underground Utility Projects (**Attachment E**).

- In-Lieu Fee Master Plan (**Attachment F**)

The Workplan provides guidance to Public Works staff regarding the establishment, design, and construction of the proposed overhead-to-underground utility conversion projects.

CPUC APPROVED TARIFF AGREEMENTS

In August 2018 the CPUC approved the revised “Electric Sample Form 79-1127 Agreement to Perform Tariff Scheduled Related Work, Rule 20A General Conditions,” (Tariff) which is required for PG&E to perform Rule 20A work. The Tariff identifies the work that PG&E will perform, manage, and pay for (using the City’s Rule 20A allocation) in relation to Rule 20A projects. The Tariff also includes terms that set forth what the City is required to pay for (with City funds) and manage in preparation and construction of Rule 20A projects.

Since the CPUC’s approval of the 2018 Tariff, the City is now responsible for costs related to remediation of *contaminated soil* (hazardous material) and *discovery of cultural resources* if either of these conditions are encountered during the design or construction phases of the project. This poses a financial risk for the City because the costs are unknown. The project could also be halted until remediation is completed or terminated altogether. *In order to mitigate these risks, staff will require PG&E to perform thorough site investigations during the project planning phase to ensure that these conditions are avoided.* The Tariff provides that Rule 20A funds can be used to perform preliminary investigation work through core samples which, if done, should minimize the possibility of encountering environmental issues during construction.

The City is also responsible for one-time maintenance costs associated with installation of PG&E’s *subsurface equipment*, if the City chooses this option. PG&E has made pad-mounted (aboveground) equipment (transformers and switches) its design standard for residential and non-residential applications. In the event that pad-mounted aboveground equipment cannot be installed due to field conditions, the City will not be charged the one-time maintenance fee. However, if the City requests the installation of subsurface equipment in the public right-of-way where pad-mounted equipment is feasible, the Tariff requires that the City pay an “appropriate one-time maintenance charge”. The one-time maintenance charge could be up to \$30,000 for each subsurface installation depending on the type of facility.

ANALYSIS

WORKPLAN

The proposed Workplan, shown in **Attachment B**, reflects scheduling changes resulting from reprioritization of projects to address utility company resources challenges, other jurisdiction requests and coordination with City’s roadway paving projects. The proposed Workplan is presented on a fiscal year basis and summarizes program expenditures, preliminary project cost

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estimates, Rule 20A allocations, and Rule 20B (In-Lieu Fee) Fund balances. The proposed projects are listed in sequence of the target start dates for proposed, legislation and construction of the underground utility districts. Overall, the projects in this program are reprioritized in accordance with the Council approved criteria, available resources and focus on completing the Workplan. A summary of the changes that have occurred since the last report is presented in **Attachment C**.

The Workplan identifies the City's Utility Undergrounding projects for 5 years; as those projects are completed, potential projects are added to the 5-year Workplan. There are approximately 1500 miles of existing overhead utilities in San Jose and it will cost approximately \$8.4B to place them underground. A listing of potential Rule 20A project areas are identified in **Attachment D**, and a summary of the Criteria for Evaluating Underground Utility Projects is presented in **Attachment E**. These criteria provide a process for the selection of projects presented in the proposed Workplan. The criteria used for evaluating underground utility projects has been developed over many years and was last updated in 2002. Among the other things, the Council approved criteria requiring a geographically equitable distribution (by Council District) of projects.

The 2021 beginning balance of accumulated Rule 20A allocations for the City is nearly \$36 million. Approximately \$3 million is allocated to be spent in FY 2020-2021 and \$9.6 million in FY 2021-2022. It is anticipated that the City will be drawing down an average of approximately \$6-\$8 million per year for remaining 3 years from the City's Rule 20A allocation which will be used to implement the Workplan.

A total of five previously legislated Rule 20A projects remain on the Workplan. The White Road project began construction in July 2018 and was completed in fall 2020. Construction of the Monterey Road project was scheduled to begin in February 2019 with completion scheduled for summer 2021. However, this project has been delayed until 2022 because PG&E's resources have been allocated to deal with fire recovery.

The Coleman Avenue Rule 20A project, which was legislated for the proposed Coleman Avenue Road widening project, has been postponed until the proposed roadway widening project obtains funding. PG&E will proceed with the design and construction of the remaining two legislated projects, Lincoln Avenue and Kirk Park (\$9.6 million of work credits).

In addition, the Delmas/Park Rule 20A project started construction in October 2013 and the majority of overhead lines and poles have been removed. Segments of poles and overhead utilities remain until the Delmas/Park 20B has been completed. Utility substructure installation is expected be completed summer 2021 and transfer of service to underground system and pole removal is expected to be completed by Summer of 2022. Tully Road Rule 20A project was completed in summer 2020. Additional details are provided in **Attachment A**.

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Historically, the City had experienced challenges in implementing the approved Workplan due to a shortfall in utility company staff resources and funding. Compounding these difficulties is the CPUC mandate that PG&E's top priority be the maintenance of system reliability without compromising safety. The CPUC has taken the position that Rule 20A utility undergrounding services for existing customers is secondary to storm and heat related repairs, general system maintenance, electrical connections for new customers and system upgrades to improve capacity. In addition, unforeseen circumstances such as weather-related emergencies and the resources necessary to address deficiencies in the high-pressure gas transmission program may divert utility company resources and delay Rule 20A projects.

To monitor schedule and ensure timely delivery of projects, staff continues to meet with utility companies regularly to address issues and concerns as they arise. To date, utility companies are collaborating with the City and with each other to maintain the agreed upon schedules with the resources available. One of the challenges has been coordinating all three major utility companies' internal approval processes and timelines. Each utility company has various stages of internal review, design approval, construction, and funding allocation. To streamline and simplify the process, staff worked closely with these companies and developed a Best Practices guideline.

ORDER INSTITUTING RULEMAKING (OIR 17-05-010)

In May 2017, the CPUC commenced Order Instituting Rulemaking (OIR) 17-05-010, a proceeding that is supposed to completely reevaluate the Rule 20 program and its objectives. The initial scope of the Rulemaking analyzed many issues of concern for the City including, allocation of Rule 20A work credits, the appropriate uses of Rule 20A work credits, project cost overruns, program management, etc. Other issues such as use of the Rule 20 program for wildfire prevention, telecommunication costs, impacts on 5G roll out, etc. will also be examined. The City joined the Rulemaking process as a party to the proceeding. As a party to the Rulemaking City staff have provided written comments and testimony before the CPUC expressing the City's concerns and comments regarding the implementation of the Rule 20 program.

The CPUC originally thought the process would need approximately one year to complete. The OIR 17-05-010 was started in May 2017 and has only had one public hearing, three workshops and one conference call as of this date. The CPUC recently extended the completion date to August 2021 to "allow time for parties to provide more input on these issues, and to deliberate and issue a decision these issues".

In addition to the Rulemaking proceedings, the CPUC required that an audit of the Rule 20A Program be conducted by a third-party auditor AzP Consulting LLP. The audit was issued in January 2020. The audit indicates that PG&E has not been diligent in dedicating resources to the

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Rule 20A program and diverted funds from the program to uses other than undergrounding. The CPUC requested initial comments on the audit which several cities including San José provided.

Following the receipt of the audit, the CPUC issued a Staff Proposal that recommends sunsetting the Rule 20A program over a 10-year period. The Staff Proposal also suggests changing the program, if it is continued, whereby cities and counties would contribute anywhere from 80 to 50 percent of the costs. The City filed comments regarding the Staff Proposal on May 5, 2020 in which the City has requested, among other things, that the Rule 20A program continues in its current framework, and that the CPUC taking a greater role in administering the program in order to ensure that project funds, which are paid by ratepayers, are appropriately spent on Rule 20A projects and that the utilities be held accountable for timely project delivery.

The City recently received notice from PG&E and the CPUC that CPUC has decided not to sunset the Rule 20A program or make any modifications to the 20B or 20C programs at this time. However, the CPUC is proposing to prohibit the utilities from allocating any new work credits after December 31, 2022. The CPUC is also proposing to implement accountability measures suggested by the independent auditor for the Rule 20 program, requiring utilities to develop a Rule 20 Program guidebook, and expand project eligibility criteria to include additional safety, reliability and emergency related criteria, and wheelchair access standards. The City filed comments before the CPUC's comment due date of April 27, 2021. In addition, the CPUC intends to open a second phase of the proceedings to discuss issues regarding whether Rule 20A credits can be used for wildfire mitigation and how to make the program more equitable for disadvantaged communities, among other things.

FISCAL YEAR 2019-2020 RULE 20B (IN-LIEU FEE) MASTER PLAN

The 2021 beginning balance of Rule 20B funds for the City is nearly \$11 million. Approximately \$2.5 million is anticipated to be spent in FY 2020-2021 and \$2.7 million in FY 2021-2022. It is anticipated that the City will be drawing down an average of approximately \$2-\$3 million per year for remaining 3 years from the City's Rule 20B funds which will be used to implement the Workplan.

The following information is included in **Attachment F**, FY 19-20 Rule 20B (In-Lieu Fee) Undergrounding Master Plan:

- The fee estimates and fees collected to date for each of the underground utility projects
- An identification of completed underground utility projects
- An estimate date of anticipated full funding collected that aligns with the City's 2040 General Plan

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2040 is the furthest milestone because it aligns with City's 2040 General Plan. The date will change as development projects continue and In-Lieu fees are collected. There is no restriction on the use of In-Lieu fees as long as fees are expended only in project location areas in the In-Lieu Fee Undergrounding Masterplan.

In addition, staff continues to seek ways to leverage funds and is also considering bonding options to accelerate undergrounding. As opportunities arise, staff will combine Rule 20B projects with Rule 20A undergrounding projects to construct a larger project, thereby encouraging developers to complete projects themselves with the reimbursement incentive. In contrast to leveraging combined Rule 20A and 20B projects, a bond funding option needs to be further evaluated in terms of overall cost, investment value, and responsibility. As noted above, an estimated \$480M is required to underground all the projects listed on the Rule 20B (In-Lieu Fee) Undergrounding Masterplan, approximately 180 miles of existing overhead utilities. City debt of this magnitude needs to be considered within the context that undergrounding is the responsibility of the utility companies to operate and maintain their own facilities and assets.

The Mitigation Fee Act (Government Code Section 66000 *et seq.*) requires public agencies to account for and make findings regarding fees collected by an agency as a condition of development approval. The law also requires that the agency annually review and make available to the public a report accounting for the development fees held by the agency.

In-lieu fees are programmed to be expended in these areas as shown in **Attachment F**, FY 19-20 Rule 20B (In-Lieu Fee) Undergrounding Master Plan as required by the Mitigation Fee Act. As long as these fees are committed to projects in the approved Master Plan, they are considered non-refundable. This program is reported annually and was submitted to the City Council for review on April 6, 2021 as part of the Fiscal Year 2019-2020 Annual Development in Lieu Fee Report.

Two Rule 20B projects are in the process for construction, Delmas/Park Rule 20B is currently in construction and expected to be completed in July 2021. The McKee/Jose Figueres Rule 20B project is in design with an expected construction start date of January 2022. These two projects final costs will be used to update the Utility Undergrounding In-Lieu Fee upon their completion. Attachment B of this report provides expected construction dates for some of the proposed Master Plan projects based on the 5-year workplan's schedule. These dates are subject to change based on the level of funding, staff and PG&E resources availability and will be updated annually with the 5-year workplan.

CONCLUSION

The Report and Workplan provides City staff and the utilities guidance on utility undergrounding and provides priorities to proposed project construction schedules.

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EVALUATION AND FOLLOW-UP

The Office of the City Auditor conducted an Audit of Street and Utility In-Lieu Fees Program in March 2019 to provide recommendations supporting process improvements and efficiencies in the administration of Street and Utility In-Lieu Fees. In regard to the Rule 20B, the City Auditor had several recommendations that are relevant to this report.

The audits recommendations included consistency and transparency in fee calculation by creating digital tools, improved tracking and coordination to ensure the utility undergrounding fee is a fair estimate of the actual cost to underground, clarify expectations of the underground in-lieu fee program to describe clearly the long term nature of the program and provide better schedules for construction of projects on the Development In-Lieu Fee Masterplan.

The Utility Undergrounding GIS map has been completed, providing transparency and an accurate resource to coordinate projects and update timeframes for anticipated funding and construction.

CLIMATE SMART SAN JOSE

The recommendation has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH/INTEREST

This memorandum will be posted on the City's website for the June 8, 2021, Council agenda.

COORDINATION

This report has been coordinated with the Departments of Transportation and Planning, Building and Code Enforcement, the City Manager's Budget Office, and the City Attorney's Office. The Workplan has been coordinated with PG&E, AT&T and Comcast.

COMMISSION RECOMMENDATION

No Commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

The Rule 20A and 20B programs and the Workplan reflect the Council’s policy regarding undergrounding as set forth in the City’s General Plan “Envision San José 2040”.

COST SUMMARY/IMPLICATIONS

RULE 20A PROGRAM - The cost of the overhead-to-underground conversion of PG&E facilities in the public right-of-way within underground utility districts is funded through the PG&E Rule 20A allocation to the City. It includes up to \$1,500 per service entrance for private service panel conversions. The total cost for conversion work varies project-by-project. Other utility companies underground their facilities at their own cost.

The administrative costs of the Rule 20A program have been funded by In-Lieu fees since FY 2003-2004 and staff recommends the continued use of In-Lieu Fee Funds, averaging approximately \$300,000 over the next five years to support the administration of the Rule 20A program.

Additionally, the City is responsible for the conversion of its facilities within the Rule 20A underground utility districts, including streetlights, traffic signals, and other City facilities in the public right of way. Funding for the conversion of City facilities is budgeted in the 5-year Traffic CIP Program at \$576,000 for the current fiscal year, \$200,000 for Fiscal Years 2021-22 and \$100,000 for the remaining three years ending with Fiscal Year 2025-2026.

The cost associated with items to be performed by the City under the Tariff is unknown at this time and there is no funding identified at this time for these costs. The cost for managing hazardous materials is dependent on the amount of hazardous material found and the severity of the contamination. If cultural resources are found within the project area, costs would vary based upon the type of resources found. The one-time maintenance cost can vary, up to \$30,000, per each type of equipment the City requests to be placed subsurface. The type of equipment varies by location and these costs can be determined after completion of the design phase for each individual project. While the type of funding source would vary based on the project delivered, potential sources include the Construction Excise Tax Fund, the General-Purpose Parking Fund, and the General Fund.

RULE 20B (IN-LIEU FEE) PROGRAM – The cost for the undergrounding of utilities is funded through the In-Lieu Underground Utility Fund. In addition, staff estimates a funding need of approximately \$25,500 for private service conversions, or \$1,500 per service entrance from funds typically used for Public Works non-personal/equipment

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CEQA

Not a Project, File No. 17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/

MATT CANO

Director of Public Works

For questions, please contact Mathew Nguyen, Interim Deputy Director, at (408) 535-8300.

Attachments: A-F

STATUS OF THE 2019/20 - 2024/25 RULE 20A & RULE 20B (IN-LIEU FEE) WORKPLAN

1. RULE 20A UNDERGROUND UTILITY PROGRAM

Delmas/Park Rule 20A/B UUD (In Construction): This project was legislated in February 2008 and is being funded by Rule 20A and Rule 20B (In-Lieu Fee) funds. PG&E is lead on the Rule 20A portion of the project. In coordination with the City's Bike Lane Project on San Fernando Street, PG&E installed the substructure in advance of the City's project in November 2013. PG&E completed the installation of the substructure in December 2014. Pole removal along West San Fernando will be completed after the completion of the Rule 20B portion of the work.

The City is the lead on the Rule 20B portion of the project. Due to right-of-way issues, proposed widening of Park Ave, congested right of way with existing utilities and resource issues with PG&E, the Rule 20B portion of the project was delayed. The Delmas portion of work between Santa Clara Street and San Fernando Street was deleted from the project due to right of way issues. However, overhead utilities along Delmas Avenue will be undergrounded as part of a new development. The project was awarded on June 23, 2020 and construction began on October 30, 2020.

Coleman Avenue Rule 20A UUD: This project was developed in close coordination with the proposed Coleman Avenue Widening Project and the Autumn Street Extension Project. PG&E and City staff agreed to split this project into two phases to accommodate two projects: State of California's Family Courthouse and potential widening of Coleman Avenue.

Phase I (Completed):

The Phase I project is located along Devine Street, between San Pedro and 1st Streets and along Market Street, between Julian and St. James Streets. This phase of the project was constructed independently from the Phase II project in coordination with State of California's Family Courthouse. The City coordinated the design of the undergrounding with the State's construction schedule to minimize impact on both projects and traffic. This phase of the project was completed February 2016.

Phase II (On Hold):

The Phase II project is located on Coleman Avenue, from Hedding to Empire Streets. This phase of the project cannot begin design until rights of way for the proposed widening of Coleman Avenue have been obtained and a preliminary design for the widening is available. The rights of way and preliminary design of the roadway will minimize any potential relocations or changes in grade for the equipment installed by the undergrounding. The start of construction for Phase II cannot be determined until the City obtains the rights of way necessary for the widening.

Tully Road Rule 20A UUD (Completed): This project was legislated May 2009 to complement the Tully Road Ball Field and Community Center. The project is along Tully Road, from Kenoga to 720 feet west of Senter Road and Senter Road, from Parrott and 170 feet south of Tully Road. The project began construction November 2014 and was completed in April 2020. In addition, the City completed traffic signal modification at Fire Station 26 and removed facilities from one of the last remaining poles within the Rule 20A project area in Fall 2020.

Monterey Road Rule 20A UUD (In Design): This project was legislated in May 1989. The project is located on Monterey Road from Willow Road to Curtner Avenue including Cadwaller Plaza. The project is in design and investigating the location of existing utilities to find a clear path for the trenches and substructure. It was expected to start construction in winter 2019, but due to PG&E resources being devoted to fire recovery from last summers wildfires, the construction start has been postponed until summer 2022.

White Road Rule 20A UUD (Completed): This project was legislated in September 2008 to complement the Dr. Roberto Cruz Branch Library. The project will underground White Road from Rose Avenue to 150 feet north of Alum Rock Avenue. PG&E started construction on the project in July 2018. PG&E has completed installing all substructures. Both AT&T and Comcast have completed installation of equipment and wires in the substructure and the project was completed January 2021.

Almaden Road Rule 20A UUD (Scoping): This proposed project will be legislated September 2021, assuming an agreement can be reached on the General Conditions for this particular project, in coordination with the County of Santa Clara's Utility District No. 22 along Almaden Expressway. This proposed project will underground Almaden Road, from Mesa Drive to Via Monte and Coleman Road, from Almaden Expressway to Alamitos Creek. The County will underground the remaining poles along Almaden Expressway, from Via Monte to Coleman Road. Right of way issues have delayed the legislation of this project.

Lincoln Avenue Rule 20A UUD (Planning): This project was required to submit a General Conditions Agreement (Tariff) which was executed in November 2019. PG&E is awaiting resources to become available to begin design. This project will underground Lincoln Avenue from West San Carlos Street to approximately 160 northwest of Coe Avenue, Auzerais Avenue approximately 190 feet west of Lincoln Avenue to approximately 280 feet west of Northrup Street, and Paula Street approximately 210 feet west of Lincoln Avenue. Construction is expected to start summer 2022.

2. RULE 20B (IN-LIEU FEE) UNDERGROUND UTILITY PROGRAM

Fruitdale Avenue UUD – This UUD was legislated in 1996. Design and construction of this project has been postponed because of uncertainty with the adjacent development project.

Delmas/Park Rule 20A/B UUD – See Above

McKee/Jose Figueres UUD (In Design) – This project was legislated in January 2018 and will underground McKee Road from Jose Figueres Street to North Jackson Avenue. This project will complete the undergrounding of McKee Road from Checkers Avenue on the west and Capitol Avenue on the east. The project is tentatively scheduled to start construction in January 2022.

Meridian Ave UUD (In Scoping) – This project is expected to be legislated in April 2021 and will underground Meridian Avenue from Park Avenue to Auzerais Avenue. This project is tentatively scheduled to start construction in June 2023.

Pearl/Hillsdale UUD (In Planning) – This project is expected to be legislated in March 2022 and will underground Pearl Avenue from Capitol Expressway to Hillsdale Avenue and Hillsdale Avenue from Pearl Avenue to Summer Creek Drive. The project is expected to start construction in April 2024.

Los Gatos/Almaden Road UUD (In Planning) – This project is expected to be legislated in July 2023 and will underground Los Gatos/Almaden Road from Union Avenue to Warwick Road. The project is expected to start construction in May 2025.

Canoas Garden UUD (In Planning) – This project is expected to be legislated in May 2024 and will underground Canoas Garden Avenue from Almaden Road to Masonic Drive. The project is expected to start construction in June 2026.

**RULE 20A and RULE 20B (IN-LIEU FEE)
UNDERGROUND UTILITY PROGRAM
2020/21 - 2025/2026 WORKPLAN**

PROPOSED PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	ADOPTED OR PROPOSED LEGISLATION DATE	PROPOSED CONST-RUCTION START	IN-LIEU FEE PROGRAM EXPENDITURES (Estimated)	RULE 20A PROGRAM EXPENDITURES (Estimated)
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FY 2020/2021

BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$10,980,917	\$31,636,193
REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$650,000	\$2,290,519
ANTICIPATED REVENUE - INTEREST INCOME					\$75,617	
2020/2021 ANTICIPATED REVENUE-PG&E/PRIVATE SERVICE CONVERSION					\$0	
2020/2021 ANTICIPATED EXPENDITURE-PG&E/PRIVATE SERVICE CONVERSION					\$0	
PROJECTS:						
WHITE ROAD at Alum Rock Avenue (Alum Rock Library) (Completed)	20A	5	9/5/08	Jul-18		(\$1,500,000)
DELMAS/PARK 20A: Delmas, Cahill, Auzerais & Park Ave (San Fernando St completed in coordination w/ Bike-Ped Enhancement) (Completed)	20A	3	2/29/08	Oct-13		(\$4,700,000)
DELMAS/PARK 20B: Delmas, San Fernando, & Park Ave (Construction)	20B	3	2/29/08	10/26/20	(\$1,750,000)	
Anticipated In-Lieu Fee Undergrouding Utility Riembursement & Design	20B	CW			(250,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$84,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$250,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$95,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$8,000)	
SUBTOTAL (EXPENDITURES)					(\$2,437,000)	(\$6,200,000)
ENDING FUND BALANCE					\$9,269,534	\$27,726,712

FY 2021/2022

BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$9,269,534	\$27,726,712
REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$700,000	\$2,300,000
ANTICIPATED REVENUE - INTEREST INCOME					\$35,000	
2021/2022 ANTICIPATED REVENUE-PG&E/PRIVATE SERVICE CONVERSION					\$0	
2021/2022 ANTICIPATED EXPENDITURE-PG&E/PRIVATE SERVICE CONVERSION					\$0	
PROJECTS:						
MONTEREY RD. - Willow to Curtner, inc. Cadwaller Plaza (In Design)	20A	3,7	7/28/89	Jun-22		(\$6,000,000)
LINCOLN AVENUE - San Carlos to Coe	20A	6	7/23/10	Jun-22		(\$2,100,000)
McKEE ROAD - Jackson to Jose Figueres	20B	5	1/23/18	Jan-22	(\$1,125,000)	
Anticipated In-Lieu Fee Undergrouding Utility Reimbursement & Design	20B	CW			(250,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$87,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$300,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$20,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$8,000)	
SUBTOTAL (EXPENDITURES)					(\$1,790,000)	(\$8,100,000)
ENDING FUND BALANCE					\$8,214,534	\$21,926,712

**RULE 20A and RULE 20B (IN-LIEU FEE)
UNDERGROUND UTILITY PROGRAM
2020/21 - 2025/2026 WORKPLAN**

PROPOSED PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	ADOPTED OR PROPOSED LEGISLATION DATE	PROPOSED CONST-RUCTION START	IN-LIEU FEE PROGRAM EXPENDITURES (Estimated)	RULE 20A PROGRAM EXPENDITURES (Estimated)
FY 2022/2023						
BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$8,214,534	\$21,926,712
REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$750,000	\$4,400,000
ANTICIPATED REVENUE - INTEREST INCOME					\$37,000	
2022/2023 ANTICIPATED REVENUE-PG&E/PRIVATE SERVICE CONVERSION					\$148,500	
2022/2023 ANTICIPATED EXPENDITURE-PG&E/PRIVATE SERVICE CONVERSION					(\$148,500)	
PROJECTS:						
KIRK PARK, Foxworthy - Yucca to Briarwood	20A	9	01/25/11	Sep-22		(\$2,000,000)
CROPLEY/MORILL - Cropley - I-680 to Treewood Ln, Morill - Junewood to Tobin	20A	4	Oct-21	Jun-23		(\$2,200,000)
MERIDIAN AVENUE - Park to Auzerais	20B	6	Apr-21	Jun-23	(\$1,957,000)	
Anticipated In-Lieu Fee Undergrounding Utility Reimbursement & Design	20B	CW			(250,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$90,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$310,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$16,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$8,000)	
SUBTOTAL (EXPENDITURES)					(\$2,779,500)	(\$4,200,000)
ENDING FUND BALANCE					\$6,370,534	\$22,126,712

FY 2023/2024						
BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$6,370,534	\$22,126,712
REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$800,000	\$4,400,000
ANTICIPATED REVENUE - INTEREST INCOME					\$39,000	
2023/2024 ANTICIPATED REVENUE-PG&E/PRIVATE SERVICE CONVERSION					\$9,000	
2023/2024 ANTICIPATED EXPENDITURE-PG&E/PRIVATE SERVICE CONVERSION					(\$9,000)	
PROJECTS:						
ALMADEN ROAD, ALMADEN RD-Mesa to Via Monte, COLEMAN RD-Almaden Expwy to Alamos Creek	20A	9	May-21	Nov-23		(\$1,200,000)
DeAnza Blvd - Rainbow to Prospect	20A	1	Sep-21	Nov-23		(\$2,000,000)
NORTH 4TH ST - St. John St to St. James St, and JULIAN ST, 4th St to 2nd St.	20A	3	Oct-21	Jun-24		(\$2,700,000)
NORTH 5TH ST, St. John Street to Japan Town	20A	3	Oct-21	Jun-24		(\$2,500,000)
PEARL/HILLSDALE - Capitol to Hillsdale to Summer Creek	20B	6	Mar-22	Apr-24	(\$2,287,000)	
Anticipated In-Lieu Fee Undergrounding Utility Reimbursement & Design	20B	CW			(250,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$92,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$320,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$16,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$8,000)	
SUBTOTAL (EXPENDITURES)					(\$2,982,000)	(\$8,400,000)
ENDING FUND BALANCE					\$4,236,534	\$18,126,712

**RULE 20A and RULE 20B (IN-LIEU FEE)
UNDERGROUND UTILITY PROGRAM
2020/21 - 2025/2026 WORKPLAN**

PROPOSED PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	ADOPTED OR PROPOSED LEGISLATION DATE	PROPOSED CONST-RUCTION START	IN-LIEU FEE PROGRAM EXPENDITURES (Estimated)	RULE 20A PROGRAM EXPENDITURES (Estimated)
FY 2024/2025						
BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$4,236,534	\$18,126,712
REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$850,000	\$4,400,000
ANTICIPATED REVENUE - INTEREST INCOME					\$41,000	
2024/2025 ANTICIPATED REVENUE-PG&E/PRIVATE SERVICE CONVERSION					\$270,000	
2024/2025 ANTICIPATED EXPENDITURE-PG&E/PRIVATE SERVICE CONVERSION					(\$270,000)	
PROJECTS:						
MINNESOTA AVE. - Lincoln to Iris	20A	6	Nov-22	Apr-25		(\$2,000,000)
BLOSSOM HILL, SNELL AVE - Judith to Snell, Giuffrida to Cheyenne	20A	2	Mar-23	Jun-25		(\$2,700,000)
MUNICIPAL GOLF COURSE - Lundy/Old Oakland Rd./Murphy	20A	4	May-23	Jun-25		(\$2,000,000)
LOS GATOS/ALMADEN ROAD - Union to Warwick	20B	9	Jul-23	May-25	(\$855,000)	
Anticipated In-Lieu Fee Undergrounding Utility Reimbursement & Design	20B	CW			(250,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$95,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$330,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$16,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$8,000)	
SUBTOTAL (EXPENDITURES)					(\$1,824,000)	(\$6,700,000)
ENDING FUND BALANCE					\$3,573,534	\$15,826,712

FY 2025/2026						
BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$3,573,534	\$15,826,712
REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$900,000	\$4,400,000
ANTICIPATED REVENUE - INTEREST INCOME					\$43,000	
2025/2026 ANTICIPATED REVENUE-PG&E/PRIVATE SERVICE CONVERSION					\$27,000	
2025/2026 ANTICIPATED EXPENDITURE-PG&E/PRIVATE SERVICE CONVERSION					(\$27,000)	
PROJECTS:						
GROSBECK PARK, Klien Rd. - Grosbeck Hill to Norwood	20A	8	Sep-23	Jan-26		(\$1,700,000)
McABEE ROAD - Camden to Juli-Lynn	20A	10	Nov-23	Apr-26		(\$1,700,000)
N. First St/N. Taylor St-Nortech Pkwy to Liberty St, Liberty St to El Dorado St	20A	4	Mar-24	Jun-26		(\$2,800,000)
CANOAS GARDEN, Almaden to Masonic	20B	6	May-24	Jun-26	(\$979,000)	
Anticipated In-Lieu Fee Undergrounding Utility Reimbursement & Design	20B	CW			(200,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$98,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$340,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$16,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$11,000)	
SUBTOTAL (EXPENDITURES)					(\$1,671,000)	(\$6,200,000)
ENDING FUND BALANCE					\$2,872,534	\$14,026,712

DEFERRED PROPOSED PROJECTS						
COLEMAN - Phase II (Hedding to Autumn)	20A	3				(\$3,200,000)
White Road/Quimby - Capitol Expwy to Ruby Ave, White Rd to D'Amico Dr	20A	8				(\$3,000,000)
MONTGOMERY ST - Santa Clara Street to Park Avenue	20A	3				(\$1,500,000)
PROSPECT ROAD - Saratoga to De Anza	20A	1				(\$2,500,000)
LUNDY AVE - Murphy to Old Hostetter	20B	4			(\$800,000)	
JULIAN STREET, The Alameda to Cinnabar	20B	6			(\$800,000)	

Notes:

1. Construction of Rule 20A Undergrounding projects are funded by utility companies.
2. Rule 20A Program administration cost is borne by the City.

**RULE 20A AND 20B (IN-LIEU FEE) UNDERGROUND UTILITY PROGRAM
SUMMARY OF CHANGES SINCE LAST REPORT**

PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	2019/20-2024/25 WORKPLAN (approved by Council in 2020)		2020/21 - 2025/26 WORKPLAN (PROPOSED)		NOTES
			LEGISLATION ADOPTION DATE	CONSTRUCTION START	LEGISLATION ADOPTION DATE	CONSTRUCTION START	
ABORN ROAD - Pumpherston Wy to White Rd (Evergreen Library)(In Construction)	20A	8	Legislated	Completed	Legislated	Completed	
ALMADEN ROAD - Almaden Rd. - Mesa to Vista Montana, Coleman Rd. -Almaden Expwy to Alamos Creek	20A	9	2021	2023	2021	2023	J
BLOSSOM HILL, SNELL AVE - Judith to Snell, Giuffrida to Cheyenne	20A	2	2019	2024	2021	2024	D
CAMDEN AVENUE, Bascom to Leigh (In Construction)	20A	9	Legislated	Completed	Legislated	Completed	
CANOAS GARDEN, Almaden to Masonic	20B	6			2022	2025	G
COLEMAN AVENUE - Phase II, Hedding St to Autumn St	20A	3	Legislated		Legislated		B
CROPLEY/MORILL, Cropley - I680 to Treewood Ln, Morill - Junewood to Tobin	20A	4	2020	2023	2020	2022	D
De ANZA BLVD. - Rainbow to Prospect	20A	1	2019	2022	2020	2023	D
DELMAS/PARK 20A: Delmas, San Fernando, Cahill, Auzeais & Park Ave	20A	3	Legislated	In Construction	Legislated	In Construction	H
DELMAS/PARK 20B: Delmas, San Fernando, & Park Ave	20B	3	Legislated	2020	Legislated	2020	A, H
GROSBECK PARK, Klien Rd. - Grosbeck Hill to Norwood	20A	8			2021	2025	D
JULIAN STREET, The Alameda to Cinnabar	20B	6					G
KIRK PARK, Foxworthy - Yucca to Briarwood	20A	9	Legislated	2022	Legislated	2022	D
LINCOLN AVENUE - San Carlos to Coe	20A	6	Legislated	2021	Legislated	2021	F, D
LOS GATOS/ALMADEN ROAD - Union to Warwick	20B	9			2021	2024	G
LUNDY AVE - Murphy to Old Hostetter	20B	4					G
McABEE ROAD - Camden to Juli-Lynn	20A	10			2021	2025	D
McKEE ROAD - Jackson to Jose Figueres	20B	5	Legislated	2021	Legislated	2021	A
MERIDIAN AVENUE - Park to Auzeais	20B	6	2020	2022	2020	2022	G
MINNESOTA AVE. - Lincoln to Iris	20A	6	2019	2024	2020	2024	D
MONTEREY RD. - Willow to Curtner, inc. Cadwallier Plaza	20A	3, 7	Legislated	2021	Legislated	2021	A
Montgomery Street - Santa Clara Street to Park Avenue	20A	3					F, D
MUNICIPAL GOLF COURSE - Lundy/Old Oakland Rd./Murphy	20A	4	2020	2024	2021	2024	D
North 1st St./N. Taylor ST-Nortech Pkwy to Liberty St to El Dorado St.	20A	4			2022	2025	D
NORTH 4TH ST - St. John St to St. James St, and JULIAN ST, 4th St to 2nd St.	20A	3	2019	2023	2020	2022	F, D
North 5th Street, St. John Street to Japan Town	20A	3	2019	2023	2020	2023	F, D
PARK/NAGLEE - Park, Naglee to Shasta & Naglee, Park to Bascom	20A	6	Legislated	Completed	Legislated	Completed	
PEARL/HILLSDALE - Capitol to Hillsdale to Summer Creek	20B	6	2021	2023	2021	2023	G
PROSPECT ROAD - Saratoga to De Anza	20A	1					I
TULLY ROAD, Kenoga Dr to Senter Rd	20A	7	Legislated	In Construction	Legislated	Completed	
VASONA LRT: FRUITDALE AVENUE - Southwest to Meridian	20B	6	Legislated		Legislated		E
WHITE ROAD at Alum Rock Avenue	20A	5	Legislated	In Construction	Legislated	Completed	K
White Road/Quimby - Capitol Expwy to Ruby Ave, White Rd to D'Amico Dr	20A	8					D

BOLD PRINT indicates changes since last report.

**RULE 20A AND 20B (IN-LIEU FEE) UNDERGROUND UTILITY PROGRAM
SUMMARY OF CHANGES SINCE LAST REPORT**

PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	2019/20-2024/25 WORKPLAN (approved by Council in 2020)		2020/21 - 2025/26 WORKPLAN (PROPOSED)		NOTES
			LEGISLATION ADOPTION DATE	CONSTRUCTION START	LEGISLATION ADOPTION DATE	CONSTRUCTION START	

NOTE: REASON FOR CHANGES

- A. Project in design
- B. Project in coordination with proposed Coleman Avenue widening project. The UG project will proceed once the ultimate right-of-way is established.
- C. Project in coordination with the new courthouse on Market St and Devine St.
- D. Work plan reflects rescheduled estimated target dates which are subject to approval of PG&E's Agreement to Perform Tariff Schedule Related Work, Rule 20A General Conditions.
- E. Within the limits of the project, a section of overhead utility lines has been undergrounded. Project will be reprioritized once remaining fees have been collected.
- F. Project complements DOT projects.
- G. Rule 20B projects reprioritized because of lower revenue predictions. Funding will be evaluated on yearly basis and projects will be reprioritized accordingly.
- H. Project was legislated as combination Rule20A and 20B project. However, design and construction responsibilities are being split between PG&E and City. PG&E has completed the Rule 20A portion of the project and AT&T can complete when theCity constructs the Rule 20B portion of the project.
- I. Prospect Road is within two jurisdictions. City of Saratoga is currently not interested in proceeding with this project.
- J. Project is in coordination with County of Santa Clara
- K. Complement City Facility (Park, Library, Community Center)

AREAS IDENTIFIED FOR CONSIDERATION AS FUTURE RULE 20A UNDERGROUND UTILITY PROJECTS

PROPOSED PROJECT AREA

These proposed projects will replace existing projects on the 5-Year Workplan as projects are completed.

1. COUNCIL MEMBER REQUESTS

- White Road, McKee Road to Eastside Drive
- White Road, Park Lane to Ocala/Martin Avenue

2. GREATER DOWNTOWN PRIORITY AREAS

- Post St. - Almaden Blvd. to San Pedro - Almaden Ave. - Post St. to Santa Clara
- St. John - Almaden Blvd. to Terainne/Almaden Ave.; Almaden Ave./ Terraine St.; - Carlysle to St. James
- St. John - Montgomery. to 87; Almaden Blvd. - Julian St. to Carysle St.
- Autumn Ave. - Julian to St. John; Montgomery – Julian to Cinnebar
- Julian & St James - 4th to 7th St.; Sixth and Seventh – Santa Clara to Julian
- Stockton Ave. - Santa Clara to Julian St; Julian St. – Stockton to Montgomery St.
- St. Teresa – Coleman to Ryland; Ryland – St Teresa to North San Pedro
- San Salvador - 4th St. to 10th St.
- Stockton Ave. – Julian to Taylor; Taylor – Stockton to Coleman Ave.; Montgomery – Julian to Cinnebar
- Julian/St. James - Notre Dame to 1st St. (Rule 20C project were to be funded by the former Agency and housing developers). Completed
- St. James to Basset - 87 to San Pedro (Rule 20C project were to be funded by the former Agency and housing developers). Completed?
- Grant St – Autumn Ave. to Locus St.
- N. 2nd Street – Jackson St to Bassett, N. 3rd Street – Jackson to St. James Streets, N. 4th Street – Taylor to Julian Streets, E. Julian Street – 4th to 7th Streets, E. St. James Street – 4th to 7th Streets. (Hensley District)

NEIGHBORHOOD BUSINESS DISTRICT PRIORITY AREAS AND OFFICE OF ECONOMIC DEVELOPMENT

- Willow Street, South Almaden Ave. to Highway 87
- King Road, Beverly Blvd. to E. San Fernando St.

3. CITIZEN REQUESTS

- Meridian Ave., Fruitdale to Hamilton, extend to Lenn.

- White Road/Quimby
 - Branham Lane east of Camden Ave.
 - Story Road from King to McLaughlin, include Felipe Avenue from Story to Olinder Court.
 - San Felipe from Silver Creek to Villages Parkway
 - Cross Creek Road from Crossless to Silver Creek Road
 - Meridian from San Carlos to Parkmoor.
 - Race Street from The Alameda to Auzerais Street
 - Minnesota Street from Lincoln Avenue to Route 87.
 - Harwood Road, Gemini Dr. to Little Branham Lane
 - Piedmont Road, Sierra Road to Flanders Drive.
4. **SOUTH CAMPUS NEIGHBORHOOD:** – Streets requested for consideration by the Planning Department on behalf of the South Campus Neighborhood Revitalization Plan Advisory Group and the residents of the area. Streets requested are as follows:
- Reed Street, 2nd St. to 4th St. Completed
 - William Street, 2nd St. to William Street Park
 - 7th Street, I-280 to SJSU Campus
 - 10th & 11th Streets, I-280 to E. Santa Clara Street
5. **PROJECTS THAT WILL COMPLEMENT CIP PROJECTS** - Streets requested by the Department of Transportation that will complement CIP projects. Streets/area requested as follows:
- Taylor Street - Guadalupe Gardens to Japantown (coordinate with Taylor/First project and close gap between other undergrounding projects on Taylor) (Completed as part of Jackson/Taylor and Guadalupe Gardens Rule 20A/B project)
 - Julian/St. James Couplet Corridor - remove conflicts from signal conversions
 - 5th Street Corridor - create attractive pedestrian corridor from SJSU/City Hall to Japantown (relates to HIP grant)
 - 3rd/4th Street Couplet Corridor - enhance Hensley Historic District
 - Hamilton Avenue between Meridian Ave. and Hamilton Way
 - Empire/Hensley - 2nd St. to 4th St.; Second, Third and Fourth Streets – Railroad tracks to Empire
 - St. John Street Phase I– Market Street to Guadalupe River.
 - St. John Street Phase II – Guadalupe River to Montgomery Street.

**SUMMARY OF CRITERIA FOR EVALUATING
UNDERGROUND UTILITY PROJECTS**

RULE 20A UNDERGROUNDING UTILITY PROJECTS

Approved by CPUC, 1968, revised 2002.

The governing body of the City or County in which such electric facility are and will be located has determined, after consultation with the Utility and after holding public hearings on the subject, that such undergrounding is in the public interest for one or more of the following reasons:

- a. Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electrical facilities.
- b. The street or road right-of-way is intensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.
- c. The street or road right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.
- d. The street or road or right-of-way is considered an arterial or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines.

**ADDITIONAL CRITERIA FOR PROJECT PRIORITIZATION ESTABLISHED BY THE
CITY COUNCIL OF SAN JOSE:**

1. Projects that complement City capital improvement projects (1978).
2. Completion of undergrounding adjacent to undergrounding accomplished by other projects (1978).
3. Projects that front city facilities, such as: parks, libraries, and fire stations (1978).
4. Projects in the Core (Downtown) Area (1978).
5. Projects that minimize costs to single family residences (1978).
6. Projects that are done in conjunction with light rail transit projects (1985).
7. Projects that are on gateway streets to the downtown area (1985).
8. Twenty percent (20%) of Rule 20A funds will be designated for projects adjacent to city parks (1986).
9. Projects in Redevelopment or Neighborhood Business District areas (1987).

RULE 20B (IN-LIEU FEE) UNDERGROUNDING UTILITY PROJECTS

(Approved June 1989)

The criteria and procedures to create underground utility districts are specified in the San José Municipal Code. Proposed districts must be determined to be in the general public interest for one or more of the following reasons:

ATTACHMENT E

SUMMARY OF CRITERIA FOR EVALUATING UNDERGROND UTILITY PROJECTS

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- a. Such removal and replacement underground will eliminate an unusually heavy concentration of poles and overhead wires within said area;
- b. The public streets or rights-of-way within said area are extensively used by the general public and carry a heavy volume of pedestrian or vehicular traffic;
- c. The public streets or rights-of-way within said area adjoin or pass through a civic area or public recreation area or an area of unusual scenic interest to the general public.

GENERAL CRITERIA

The purpose of the General Criteria is to ensure that all projects included in the Workplan provide opportunities for cost effectiveness due to lower unit costs resulting from large aggregated projects, and are in areas where in-lieu fees have been paid. Since 1989 in-lieu fees have been paid for 701 private development projects throughout the City. The Undergrounding Master Plan, listing 342 proposed project areas that meet the General Criteria, has been developed by staff and was included in the In-Lieu Fee Undergrounding Master plan. The Undergrounding Master Plan is developed through consideration of the following General Criteria:

1. A minimum 600 feet of overhead facilities to be replaced. Projects that meet this criterion are eligible for certain credits from utility companies resulting in a lower cost per foot to complete the project.
2. Percentage of proposed project frontage for which in-lieu fees have been paid. The higher the percentage of frontage length paid to date, the higher the priority.
3. Development frontages where undergrounding in-lieu fees have been paid and held by the City for five or more years. As long as fees are committed to projects in the approved Master Plan, they are considered programmed and not subject to refund.

SPECIFIC CRITERIA

(Revised March 16, 1993)

The purpose of the Specific Criteria is to provide specific guidelines for staff in selecting project areas for the Workplan. The Specific Criteria ensure that actions required of the City by executed agreements are implemented and also provide the flexibility to coordinate with other scheduled projects and programs. The proposed workplan, presented in Attachment B, has been developed through an evaluation of the Specific Criteria applicable to the listing of proposed project areas identified in the Undergrounding Master Plan.

- a. Projects for which agreements with the Utility Companies have been executed or approved for execution.
- b. Projects for which Legislation (City Ordinance) establishing an underground utility district have been adopted.
- c. Projects proposed in the last approved workplan for which review, field investigation and coordination with the utility company representative have begun.
- d. Projects requiring completion by specific dates to avoid return of fees paid per executed agreements (Improvement District Projects).

ATTACHMENT E

SUMMARY OF CRITERIA FOR EVALUATING UNDERGROND UTILITY PROJECTS

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- e. Projects that can be constructed in conjunction with other planned improvements by the City (CIP Projects).
- f. Projects that can be implemented in conjunction with private development construction activities.
- g. Projects that were proposed in the last approved workplan for which coordination with utility companies has not begun.
- h. Distribution among Council Districts in as equitable manner as possible.

FY 19-20 RULE 20B (IN-LIEU FEE) UNDERGROUNDING MASTER PLAN
 Proposed Project Areas that meet General Criteria

PROJECT LOCATION	COUNCIL DISTRICT	LENGTH OF PROJECT (FT)	#	IN-LIEU FEES PAID TO DATE			PROJECT COST	ANTICIPATED FULL FUNDING COLLECTION
				COLLECTED THIS FY 2019-2020 (\$)	Total (\$)	% PROJECT COST		
PROJECTS COMPLETED TO DATE								
Saratoga Av - Blackford Av to I-280; Moorpark Av - Saratoga Av to 200' e/o (Completed 2003)	1	1300	2		\$65,371	4%	\$1,550,000 (act.)	2040
Saratoga Av - I-280 to 180' n/o Kiely Bl; Kiely Bl - Saratoga Av to 400' w/o (Completed 2006)	1	1760	3		\$42,399	3%	\$1,500,000 (act.)	2040
Stevens Creek Bl - Casa View to Albany	1	600	1		\$1,150	0.2%	(\$586,800)	2040
*Stevens Creek - Stern Av to Calvert Dr (Completed 2012)	1	800	1		\$55,347	7%	N/A	2040
Winchester Bl - Riddle Rd to Neal Av	1	1300	4		\$172,619	14%	(\$1,271,400)	2040
Chynoweth Av - Poston Dr to Lean Av (Completed 1995)	2	1600	3		\$87,694	8%	\$165,000 (act.)	2040
Monterey HWY - Blossom Hill Rd to Ford Rd (Completed 2000)	2	2400	1		\$134,390	20%	\$670,000 (act.)	2040
*Auzerais Av - Josefa St to Illinois Av (Completed 2016)	3	400	1		\$4,480	1%	N/A	2040
Balbach St - S Almaden to S Market St (Completed 2013)	3	900	1		\$201,211	23%	(\$880,200)	2040
*Fourth St (S) - E Santa Clara St to E San Fernando St (Completed 2006)	3	700	2		\$12,364	96%	\$12,900 (act.)	2020
Hedding and Coleman (SW/c) (Completed)	3	800	1		\$59,425	8%	(\$782,400)	2040
Julian St (W) - Guadalupe River to Hwy 87	3	700	1		\$8,663	1%	(\$684,600)	2040
Julian St (W) - N Market St to N 1st St (Completed 1999)	3	650	2		\$117,349	56%	\$210,110 (act.)	2040
Julian St (W) - Pleasant St to Autumn St	3	1100	2		\$69,812	6%	(\$1,075,800)	2040
Market St (S) - Balbach St (Completed 2011)	3	600	1	\$156,969	\$156,969	27%	(\$586,800)	2040
*Pierce Av - S Market St to Almaden Av	3	2000	1		\$10,856	1%	\$1,890,000 (act.)	2040
*Reed St (W) - S Market St to Almaden Av (Completed 2011)	3	132.7	1		\$62,238	48%	(\$129,781)	2030
Reed St (E) - S. First street to 132.7' (Completed)	3	1000	2		\$57,730	5.9%	(\$978,000)	2040
San Carlos St (E) - N Market St to 200' e/o S 3rd St (Completed)	3	700	1		\$63,352	9%	(\$684,600)	2040
N San Pedro St - Julian St to W St James St	3	1500	4	\$159,903	\$193,216	13%	(\$1,467,000)	2040
W St James St - N San Pedro St to Terraine St	3	1000	3		\$240,285	25%	(\$978,000)	2040
Second St (S) - E Reed St to E San Salvador St	3	700	1		\$1,186	0.4%	\$315,000 (act.)	2040
San Salvador St (E) - S 2nd St to 100' east (Completed)	3	2100	5		\$311,278	20%	\$1,550,000 (act.)	2040
Second St (S) - E San Carlos St to E San Salvador St	3	500	1		\$63,961	13%	(\$489,000)	2040
Third St (S) - E San Carlos St to E San Salvador St (Completed)	3	1100	1		\$26,432	2%	(\$1,075,800)	2040
*Sixth St (S) - S Santa Clara St to E San Fernando St (Completed 2006)	3	1400	1		\$39,043	3%	(\$1,369,200)	2040
Taylor St (E) - N 4th St to 150' e/o N 9th St (Completed 2012)	3	600	2		\$27,992	5%	(\$586,800)	2040
Jackson Ave - 7th St to 9th St	3	1200	2		\$63,783	5%	(\$1,173,600)	2040
*Williams and 3rd (NE/c) - 200' on 3rd	3	1600	5		\$191,990	24%	\$800,000	2040
Woz Way - Almaden Blvd. To Market St. (Completed 2013)	3	800	7		\$207,109	48%	\$436,000 (act.)	2030
Junction - Brokaw to Rogers	4	1800	1		\$44,871	3%	(\$1,760,400)	2040
*Capitol Ave - Battaglia Circle to Battaglia Circle (300' North)	4	600	1		\$20,194	3%	(\$586,800)	2040
*Capitol Av (N) - Moorbrook Dr to McKee Rd (Completed 2001)	4	800	2		\$67,021	9%	(\$782,400)	2040
*Capitol Av - Northwood to Autumnvale Dr (Completed 2002)	4	320	1		\$39,300	13%	(\$312,960)	2040
*Capitol Av - Sierra Rd to Bataglia Cir (Completed 2002)	4	700	2		\$90,132	51%	\$178,000 (act.)	2030
Fox Av - Old Oakland to Fox Dr (Completed)	4	1000	1		\$22,600	2%	(\$978,000)	2040
*Capitol Av - Trimble to Northwood (Completed 2002)	4	600	1		\$6,944	1%	(\$586,800)	2040
*Capitol Av and Hostetter Rd (Completed 2002)	4	800	2		\$22,280	3%	(\$782,400)	2040
*Capitol Av (N) - Trade Zone Blvd to I-680 ramp (Completed as part of Capitol Av light rail project 2002)	4	600	1		\$48,434	8%	(\$586,800)	2040
Capitol Av (N) and Berryessa Rd (Completed 1992)	4	600	1		\$3,681	1%	(\$586,800)	2040
Junction - Charcot to Brokaw	4	600	1		\$59,229	10%	(\$586,800)	2040
Lundy - Berryessa to 600' North (Completed)	4	1200	2		\$101,906	9%	(\$1,173,600)	2040
Lundy - Murphy to Old Hostetter	4	800	1					
Murphy Av - 220' w/o Oyama Dr to 540' w/o Oyama Dr	4	800	2					
Murphy Av - Ringwood Av to Lundy Av (Completed 1993)	4	600	1					
N 1st St - Brokaw to Karina Ct (Completed)	4	600	1					
Old Oakland Rd - Cile Artis to 600' South	4	800	2					
Old Oakland Rd - Wayne to Mackay	4	600	1					
River Oaks Parkway - First St to 600 feet Westerly (Completed)	4	600	1					
Rogers Av - E Brokaw Rd to 600' South	4	600	1					
Ringwood - Mckay to 400' South	4	600	1					
Trimble Rd - First to Orchard Parkway (Completed)	4	600	1					

FY 19-20 RULE 20B (IN-LIEU FEE) UNDERGROUNDING MASTER PLAN
 Proposed Project Areas that meet General Criteria

PROJECT LOCATION	COUNCIL DISTRICT	LENGTH OF PROJECT (FT)	IN-LIEU FEES PAID TO DATE			PROJECT COST	ANTICIPATED FULL FUNDING COLLECTION	
			#	COLLECTED THIS FY 2019-2020 (\$)	Total (\$)			% PROJECT COST
*Capitol Ave. - Capitol Exp. to Wilbur (Completed 2002)	5	800	2		\$40,153	5%	(\$782,400)	2040
*Capitol Ave - Mckee Road (Completed as part of Capitol Av light rail project 2002)	5	N/A	1		\$35,020	N/A	N/A	2040
*Capitol Ave. - Rose to Florence (Completed 2002)	5	600	1		\$16,100	3%	(\$586,800)	2040
McKee Rd - Kirk Av to 900' East; Toyon Av - McKee Rd to Cortese Cr (Completed 2004)	5	1400	2		\$92,509	10%	\$972,000 (act.)	2040
*Story Rd - Capitol Exwy to McGinness Av (Completed 2003)	5	1000	2		\$43,918	7%	\$600,000	2040
*Story Rd - Capitol Exwy to Galahad Av (Completed 2003)	5	700	2		\$29,137	6%	\$500,000	2040
*Story Rd - McCreery (Completed 1997)	5	N/A	1		\$92,825	N/A	N/A	2040
*Story Rd - S King Rd to Galahad Av; King Rd (S) - Story Rd to Marsh St (Completed 1997)	5 & 7	6300	8		\$342,765	23%	\$1,500,000	2040
Harmon Court - Meridian to end of street	6	400	1		\$40,471	10%	(\$391,200)	2040
*Naglee - Park to Dana (Completed 2017)	6	1000	3		\$69,817	7%	(\$978,000)	2040
*Park Ave. - Naglee to Calaveras (Completed 2017)	6	1700	2		\$58,360	4%	N/A	2040
Payne Av - Winchester Blvd to Castlemont Av (Completed 1994)	6	1050	4		\$53,109	23%	\$229,000 (act.)	2040
W. San Carlos St - Royal Av to Railroad Tracks	6	270	1		\$28,434	11%	(\$264,060)	2040
*San Fernando St (W) - White St to Wilson Av	6	600	2		\$98,887	17%	(\$586,800)	2040
Almaden Rd - W Alma Av to Sears Rd (priv rd) (Completed 2003)	7	1300	2		\$228,231	39%	\$582,400 (act.)	2040
Curtner Ave. - Monterey Highway to 500 ft. West of Little Orchard (Completed)	7	2500	3		\$59,808	2%	(\$2,445,000)	2040
King Rd. - Tully Rd. to Burdette Dr. (Completed)	7	600	1		\$9,837	2%	(\$586,800)	2040
McLaughlin Av - Story Rd to Panoche Av (Completed 2004)	7	1500	5		\$80,446	9%	\$868,000 (act.)	2040
*Senter Rd - Balfour Dr to Southside Dr (Completed 2003)	7	2800	8		\$155,228	13%	\$1,235,000 (act.)	2040
Senter Rd - Burke to Needles (Completed)	7	2200	3		\$58,952	3%	(\$2,151,600)	2040
Senter Rd - Needles Dr to Phelan Av (Completed)	7	1000	1		\$6,720	1%	(\$978,000)	2040
*Senter Rd - Parrot to Tully (Completed 2017)	7	600	1		\$38,725	7%	(\$586,800)	2040
Tenth St - Burke St to Parrott St; Burke St; Senter Rd - Wool Creek Dr to Quinn Av (Completed 1998)	7	2650	5		\$288,074	36%	\$795,000 (act.)	2040
*Aborn Rd - Pumpherson Wy to White Rd	8	2800	5		\$171,680	6%	(\$2,738,400)	2040
White Rd - 200' n/o Aborn Rd (Completed 2018)	8	1600	2		\$141,904	30%	\$478,655 (act.)	2040
Quimby Rd and White Rd (Completed 1999)	8	320	1		\$9,000	19%	\$48,000 (act.)	2040
Quimby Rd - Burdick Wy to Akino Ct (Completed 1996)	8	800	1		\$6,900	1%	(\$782,400)	2040
San Felipe Rd - Keaton Loop to Keaton Loop (Completed)	8	2050	2		\$52,968	3%	N/A	2040
*San Felipe Rd - Park Estates to Autumn Estates (Completed)	8	1200	3		\$155,536	71%	\$220,000 (act.)	2035
San Felipe Rd - Silver Estates south to Thompson Creek (Completed 1998)	9	1400	2		\$55,490	4%	N/A	2040
*Camden Ave. - Bercaw Ln to Leigh Av	9	1400	2		\$55,490	4%	N/A	2040
*Bercaw Ln - 100' s/o Camden Av (Completed 2017)	10	1800	4		\$250,611	90%	\$280,000 (act.)	2020
Almaden Rd - Grimley Ln to Viewpoint Ln (Completed 1997)	10	600	4		\$54,585	9%	(\$586,800)	2040
Blossom Hill - Hillview to Santa Teresa (Completed)	10	1400	1		\$65,907	5%	(\$1,369,200)	2040
Winfield - Thornwood to Blossom Hill (Completed)	6,1	1400	1		\$15,150	1%	(\$1,369,200)	2040
Winchester - Payne to David Ave (Completed)	6,1	2100	1		\$15,120	1%	(\$2,053,800)	2040
Winchester - Tisch to Stevens Creek (Completed)	6,1	2100	1		\$15,120	1%	(\$2,053,800)	2040

* Completed as part of a 20A Project.

PROJECT CANDIDATES

Bollinger Rd - S De Anza Bl to Arlington Ln	1	1600	2		\$44,912	3%	(\$1,564,800)	2040
Bollinger Rd - Miller Av to Hyde Av	1	800	1		\$35,160	4%	(\$782,400)	2040
Boynton Av - Stevens Creek Bl to Kiely Bl	1	1100	2		\$48,067	4%	(\$1,075,800)	2040
Campbell Av (W) - Anthony Dr to Kim Louise Dr	1	500	1		\$25,764	5%	(\$489,000)	2040
Campbell Av (W) - Saratoga Av to Hamilton Av	1	500	2		\$74,203	15%	(\$489,000)	2040
Cypress Av (S) - Stevens Creek Bl to Judro Wy	1	1100	1		\$17,940	2%	(\$1,075,800)	2040

FY 19-20 RULE 20B (IN-LIEU FEE) UNDERGROUNDING MASTER PLAN

Proposed Project Areas that meet General Criteria

PROJECT LOCATION	COUNCIL DISTRICT	LENGTH OF PROJECT (FT)	#	IN-LIEU FEES PAID TO DATE			PROJECT COST	ANTICIPATED FULL FUNDING COLLECTION
				COLLECTED THIS FY 2019-2020 (\$)	Total (\$)	% PROJECT COST		
De Anza Bl - Coronado Dr to Wild Flower Wy	1	1400	2		\$49,284	4%	(\$1,369,200)	2040
Fruitdale Av - Bascom Av to Princess Anne Dr	1	1200	1		\$2,024	0.2%	(\$1,173,600)	2040
Kiely Bl - Saratoga Av to Stevens Creek Bl	1	1700	3		\$33,708	2%	(\$1,662,600)	2040
Moorpark Av - I-280 to Winchester Boulevard	1	2800	1		\$53,350	2%	(\$2,738,400)	2040
Moorpark Av - Boynton Av to Shadow Glen	1	4400	3		\$189,730	4%	(\$4,303,200)	2040
Moorpark Av - Williams Rd to Lawrence Ex	1	900	2		\$11,772	1%	(\$880,200)	2040
Payne Av - San Tomas Ex to Klamath Dr	1	2200	3		\$45,128	2%	(\$2,151,600)	2040
Payne Av - Essex Wy to Winchester Bl	1	1700	5		\$54,819	3%	(\$1,662,600)	2040
Prospect Rd - Lawrence Ex to Saratoga Av	1	1600	5		\$96,484	6%	(\$1,564,800)	2040
Prospect Rd - Miller Av to Provincetown Dr	1	1200	1		\$21,280	2%	(\$1,173,600)	2040
Quito Rd - Elmwood Dr to Northlawn Dr	1	600	2		\$156,469	27%	(\$586,800)	2040
Rainbow Dr - Arlington Ln to Blaney Av	1	1000	1		\$12,963	1%	(\$978,000)	2040
Richfield Dr - Stevens Creek Bl to Albany Dr	1	600	1		\$58,800	10%	(\$586,800)	2040
Rosewood Av - Stevens Creek Bl to 600' south	1	600	1		\$7,840	1%	(\$586,800)	2040
San Tomas Aquino Rd - Bucknall Rd to Rincon Av	1	600	1		\$63,504	11%	(\$586,800)	2040
Saratoga Av - Blackford Av to Belvedere Dr	1	800	3		\$222,096	28%	(\$782,400)	2040
Saratoga Av - Venice Wy to Manzanita Dr	1	2400	6		\$98,233	4%	(\$2,347,200)	2040
Saratoga Av - Graves Av to Prospect Rd	1	1200	1		\$47,488	4%	(\$1,173,600)	2040
Saratoga Av - Latimer Av to Los Felice Dr	1	800	2		\$48,243	6%	(\$782,400)	2040
Saratoga Av - Kiely Bl to Stevens Creek Bl	1	1200	3		\$42,399	4%	(\$1,173,600)	2040
Saratoga Av - Quito Rd to Campbell Av	1	1000	2		\$128,277	13%	(\$978,000)	2040
Sharon Dr - S De Anza Blvd to end	1	1300	3		\$177,129	14%	(\$1,271,400)	2040
Taylor St - Stockton Av to Coleman Av	1	800	1		\$7,891	1%	(\$782,400)	2040
Williams Rd - Saratoga Rd to 200' e/of Oakmont Pl	1	2300	3		\$44,770	2%	(\$2,249,400)	2040
Winchester Bl - E. Hamilton Av to Colonial Wy	1	700	1		\$22,000	3%	(\$684,600)	2040
Winchester Bl - Williams Rd to Fruitdale Av	1	400	1		\$42,576	11%	(\$391,200)	2040
Bailey Av - Santa Teresa Bl to IBM Driveway	2	4100	1		\$29,013	1%	(\$4,009,800)	2040
Blossom Hill Rd - Judith St to Snell Av	2	1600	2		\$30,828	2%	(\$1,564,800)	2040
Edenvale Av - Sadlebrook Dr to Red River Wy	2	1400	1		\$275,994	20%	(\$1,369,200)	2040
Monterey Rd - Las Colinas Ln to Bernal Wy	2	2800	3		\$122,738	4%	(\$2,738,400)	2040
Monterey Rd - Bernal Wy to Forsum Rd	2	3800	1		\$44,620	1%	(\$3,716,400)	2040
Senter Rd - Monterey Hwy to Seven Trees Bl	2	800	2		\$121,098	15%	(\$782,400)	2040
Senter Rd - Coyote Road to Nokomis Drive/El Cajon	2	1000	1		\$89,203	9%	(\$978,000)	2040
Snell Av - Avenida del Roble to Avenida Arboles	2	830	1		\$46,638	6%	(\$811,740)	2040
Snell Av - Blossom Hill to Avenida Del Roble	2	1200	1		\$71,306	6%	(\$1,173,600)	2040
Alma Av (W) - S 1st St to Almaden Av	3	1800	4		\$156,599	9%	(\$1,760,400)	2040
Almaden Av to 200' n/o W Alma Av	3	1600	6		\$45,439	3%	(\$1,564,800)	2040
Almaden Av - Sutter to Willow	3	1050	1		\$23,450	2%	(\$1,026,900)	2040
Almaden Av & Willow St (NW/c) - Willow St to Goodyear Av	3	900	2		\$62,334	7%	(\$880,200)	2040
Charles St - Thirteenth - Old Oakland	3	1850	3		\$397,934	22%	(\$1,809,300)	2040
Clinton Pl - westerly terminus to Stockton Av	3	400	1		\$11,329	3%	(\$391,200)	2040
Coleman Av - W. Taylor St to Seymour St.	3	600	1		\$22,026	4%	(\$586,800)	2040
Commercial St - N 7th St to N 10th St	3	1700	2		\$69,009	4%	(\$1,662,600)	2040
Seventh St (N)- N 5th St to Commercial St	3	1000	2		\$156,693	16%	(\$978,000)	2040
Delmas Av - W Santa Clara St to W San Fernando St	3	1000	2		\$6,720	1%	(\$586,800)	2040
San Fernando St (W) - Delmas Av to Rte 87	3	600	1		\$12,650	2%	(\$782,400)	2040
Eleventh St (S) - E San Carlos St to E San Antonio St	3	800	1		\$12,649	2%	(\$586,800)	2040
Fifth St (N) - Jackson St to E Taylor St	3	600	1		\$12,649	2%	(\$586,800)	2040
Fifth St (N) - 600' S/o Jackson St	3	850	2		\$12,992	2%	(\$831,300)	2040
Fourth St (N) - E Empire St to Washington St	3	850	2		\$12,992	2%	(\$831,300)	2040

FY 19-20 RULE 20B (IN-LIEU FEE) UNDERGROUNDING MASTER PLAN
 Proposed Project Areas that meet General Criteria

PROJECT LOCATION	COUNCIL DISTRICT	LENGTH OF PROJECT (FT)	#	IN-LIEU FEES PAID TO DATE			PROJECT COST	ANTICIPATED FULL FUNDING COLLECTION
				COLLECTED THIS FY 2019-2020 (\$)	Total (\$)	% PROJECT COST		
Fourth St (N) - E Gish Rd to Rte 880	3	1100	5		\$86,477	8%	(\$1,075,800)	2040
Fourth St (N) - Rte 880 to Commercial	3	700	1		\$66,000	10%	(\$684,600)	2040
Fourth St (N) - Archer St to 101 (S) on-ramp	3	1000	4		\$137,155	14%	(\$978,000)	2040
Fourth St (N) - Jackson St to E Empire St	3	800	1		\$8,249	1%	(\$782,400)	2040
Fourth St (N) - E Taylor St to 600' S/o Jackson St	3	1100	2		\$13,395	1%	(\$1,075,800)	2040
Gish Rd (E) - I-880 to Vander Wy	3	1600	1	\$28,780	\$28,780	2%	(\$1,564,800)	2040
Hedding St (E) - N 8th St to N 10th St	3	800	2		\$158,848	20%	(\$782,400)	2040
Hedding St (E) - N 12th St to N 16th St	3	1200	2		\$38,424	3%	(\$1,173,600)	2040
Horning St - N 10th St to Oakland Rd	3	1300	1	\$178,485	\$178,485	14%	(\$1,271,400)	2040
Industrial Ave - (E) Gish Rd to terminus	3	1300	1	\$61,831	\$61,831	5%	(\$1,271,400)	2040
Julian St (E) - East Ct to N 24th St	3	1800	1		\$7,728	0%	(\$1,760,400)	2040
Julian St (E) - Peruka Pl to Coyote River	3	600	1		\$14,357	2%	(\$586,800)	2040
Julian St (E) - N 11th St to N 14th St	3	900	1		\$17,371	2%	(\$880,200)	2040
Julian St (E) - N 1st St to N 5th St to N 8th St to N 9th St	3	2800	6		\$93,607	3%	(\$2,738,400)	2040
Kerley Dr - Archer St to E Gish Rd	3	1400	2	\$399,161	\$415,961	30%	(\$1,369,200)	2040
Keyes St - S 5th St to S 6th St to S 7th St	3	2000	3		\$218,614	11%	(\$1,956,000)	2040
Keyes St - S 3rd to S 2nd	3	350	1		\$62,143	18%	(\$342,300)	2040
King Road (N) - Las Plumas Ave to Dobbin Drive	3	1900	1		\$131,876	7%	(\$1,858,200)	2040
Las Plumas Ave - N King to Lenfest Rd	3	850	1		\$152,929	18%	(\$831,300)	2040
Lenfest Rd - Mabury Rd to Nicora Av	3	1200	2		\$37,053	3%	(\$1,173,600)	2040
Nicora Av - Alley	3	1846	1		\$814,412	45%	(\$1,805,388)	2030
Matrix Blvd - N 1st to N 4th	3	2000	3		\$165,543	8%	(\$1,956,000)	2040
McKee Rd - N King Rd to US 101	3	700	1		\$4,103	1%	(\$684,600)	2040
Miller St - W Taylor St to W Mission St	3	600	1		\$4,480	1%	(\$586,800)	2040
Monterey Rd - Willow St to Goodyear St	3	600	1		\$9,508	2%	(\$586,800)	2040
Nineteenth St (N) - E St James St to E Julian St	3	600	1		\$61,869	8%	(\$782,400)	2040
Ninth St (N) - Jackson St to E Empire St	3	800	1		\$130,867	45%	(\$293,400)	2040
Norte Dame Ave. - St. John St to Carlisle St	3	300	1		\$178,752	18%	(\$978,000)	2040
Old Oakland Rd - Hwy 101 to E Hedding St	3	1000	1		\$287,243	9%	(\$3,031,800)	2040
Old Oakland Rd - Hwy 101 to E Gish Rd	3	3100	1	\$287,243	\$287,243	9%	(\$3,031,800)	2040
Park Av - Gifford Av to Josefa St	3	600	1		\$43,955	7%	(\$586,800)	2040
San Antonio St (E) - N 24th St to HWY 101	3	1800	3		\$18,241	1%	(\$1,760,400)	2040
San Jose Av - Almaden Exwy to Little Orchard St	3	800	1		\$13,800	2%	(\$782,400)	2040
San Salvador St (E) - S 8th St to S 10th St	3	600	1		\$39,536	7%	(\$586,800)	2040
Second St (S) - Martha St to E Virginia St	3	600	1		\$30,876	5%	(\$586,800)	2040
Second St (S) - Martha St to Keyes St	3	1200	1		\$17,588	1%	(\$1,173,600)	2040
Second St (N) - Hensley St to Bassett St	3	800	2		\$46,194	6%	(\$782,400)	2040
Seventh St (N) - E Hedding St to E Younger Av	3	700	2		\$18,717	3%	(\$684,600)	2040
Seventh St (S) - I-280 to S/O Virginia	3	400	1	\$176,130	\$176,130	45%	(\$391,200)	2040
St John St (W) - Almaden Av to N San Pedro St	3	370	1		\$74,951	21%	(\$361,860)	2040
San Pedro St (N) - W St John St to 53' south	3	2980	1		\$77,628	3%	(\$2,914,440)	2040
St John St (E) - S 13th St to S 17th St and S 13th St, S 14th St, and S 17th St from E St John St to E Santa Clara St	3	1000	1		\$26,708	3%	(\$978,000)	2040
Stockton Av - Harding Av to W Taylor St	3	1100	1		\$62,161	6%	(\$1,075,800)	2040
Taylor St (E) - N 10th St to N 13th St	3	600	2		\$117,213	20%	(\$586,800)	2040
Taylor St (E) - N 21st St to N 23rd St	3	1300	1		\$8,165	1%	(\$1,271,400)	2040
Tenth St (N) - HWY 101 to Horning St	3	800	1		\$293,855	38%	(\$782,400)	2040
Tenth St (N) - Horning St to E Hedding St	3	600	2		\$99,672	17%	(\$586,800)	2040
Tenth St (S) - E William St to 600' North	3	600	2		\$20,898	4%	(\$586,800)	2040
Third St (N) & Fifth St (N) south of Jackson	3	600	1		\$34,124	6%	(\$586,800)	2040
Third St (N) - E Julian St to Railroad tracks	3	600	1					

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Third St (N) - 600' S/o Jackson St	3	600	2		\$11,945	2%	(\$586,800)	2040
Third Street (S) - Martha St to Keyes St	3	100	1		\$44,140	45%	(\$97,800)	2030
Third St (S) - Keyes St to E Humboldt St	3	450	1		\$27,060	6%	(\$440,100)	2040
Thirteenth St - Hedding to Mission	3	800	2		\$91,391	12%	(\$782,400)	2040
Thirteenth St - Jackson to Empire	3	800	1		\$4,227	1%	(\$782,400)	2040
Thirteenth St - Julian to St James	3	600	1		\$12,579	2%	(\$586,800)	2040
Thirteenth St - Mission to Taylor	3	800	2		\$80,815	10%	(\$782,400)	2040
Twelfth - Santa Clara to San Fernando	3	700	1		\$3,215	0%	(\$684,600)	2040
Twelfth St. (N) - Madera Ave to Horning St.	3	600	1		\$20,295	3%	(\$586,800)	2040
Twenty-fourth St - San Fernando to Santa Clara	3	700	1		\$8,852	1%	(\$684,600)	2040
Twenty-seventh St - Santa Clara St to St James St	3	1800	1		\$8,586	0%	(\$1,760,400)	2040
Vine St. - Floyd St to Alma Ave	3	550	1		\$39,500		(\$537,900)	2040
Vine St. - Grant to Virginia	3	1000	1		\$4,172	0%	(\$978,000)	2040
Virginia St. - Bird Ave to Delmas Ave	3	1400	1		\$23,038	2%	(\$1,369,200)	2040
Virginia St. - Almaden Ave. to Locust St.	3	700	1		\$7,952	1%	(\$684,600)	2040
Virginia St - State St to S 6th St	3	2200	4		\$180,516	8%	(\$2,151,600)	2040
William St - 7th to 8th, & 8th - William to Reed	3	800	1		\$2,458	0.3%	(\$782,400)	2040
William St. - McLaughlin to 19th	3	1600	4		\$202,173	13%	(\$1,564,800)	2040
Williams St - Brookwood to 19th	3	600	1		\$15,452	3%	(\$586,800)	2040
Willow St - Lick to Locust	3	600	1		\$3,036	1%	(\$586,800)	2040
Berryessa Rd - Pembroke to Flickinger	4	1300	3		\$581,608	46%	(\$1,271,400)	2030
Berryessa Rd - US 101 to RR crossing	4	4000	3		\$154,724	4%	(\$3,912,000)	2040
Commercial St - Oakland Rd to Commercial Ct	4	2300	4		\$184,506	8%	(\$2,249,400)	2040
Commercial St - Berryessa to Commercial Ct	4	1300	2		\$84,942	7%	(\$1,271,400)	2040
Fifteenth St - Commercial to Charles	4	600	1		\$21,168	4%	(\$586,800)	2040
First St - Nortech to Michigan	4	3000	5		\$762,391	26%	(\$2,934,000)	2040
Flickinger - Nunez to Doxey	4	800	1		\$152,219	19%	(\$782,400)	2040
Gish Rd - Keoncrest to Kerly	4	800	2		\$53,760	7%	(\$782,400)	2040
E Gish Rd - 880 (N) offramp to 200' e/o Vander Wy	4	1500	4		\$184,419	13%	(\$1,467,000)	2040
Grand Blvd. - First St to Wilson Way	4	1100	4		\$79,960	7%	(\$1,075,800)	2040
Hostetter - Rue Avati to Flickinger	4	900	1		\$1,612	0%	(\$880,200)	2040
King Rd - 300' n/o Mabury Rd to Dobbin Dr	4	1500	3		\$141,253	10%	(\$1,467,000)	2040
Mabury Rd - King Rd to 200' east	4	1500	2		\$136,341	9%	(\$1,467,000)	2040
King Rd (Lundy) - Berryessa to Penitencia Creek to 400' south	4	1500	2		\$136,341	9%	(\$1,467,000)	2040
Mabury Rd - Coyote Creek to Lenfest	4	1000	1		\$49,840	5%	(\$978,000)	2040
McKee - Challenger to Capitol Ave.	4	2000	4		\$57,368	3%	(\$1,956,000)	2040
Morrill - Croypley to Tobin	4	1300	2		\$80,473	6%	(\$1,271,400)	2040
Old Bayshore Rd - Terminal Ave to Zanker Rd	4	1200	1		\$21,504	2%	(\$1,173,600)	2040
Old Oakland Rd - Gish Rd. to Berger Dr.	4	700	1		\$45,029	7%	(\$684,600)	2040
Old Oakland Rd. -Commercial to Service	4	2064	3		\$69,534	3%	(\$2,018,592)	2040
O'toole Ave - I-880 to Rincon Dr	4	1400	1		\$51,484	4%	(\$1,369,200)	2040
Piedmont - Maxey to Fleur de Lis	4	500	1		\$36,867	8%	(\$489,000)	2040
Piedmont Rd - Sierra Rd to Berryessa/Suncrest	4	1200	3		\$168,565	14%	(\$1,173,600)	2040
Queens - Bayshore to Rogers	4	2300	2		\$48,798	2%	(\$2,249,400)	2040
Rogers - Queens to Junction	4	1800	4		\$126,181	7%	(\$1,760,400)	2040
Sierra - Piedmont to Sabal	4	1800	4		\$126,181	7%	(\$1,760,400)	2040
Third St -Martha to Keyes	4	1200	1		\$36,400	3%	(\$1,173,600)	2040
Trade Zone - Ringwood to Lundy	4	1400	1		\$49,910	4%	(\$1,369,200)	2040
Cinnabar St - Autumn to 500' east of Stockton Av	5	1600	2		\$89,053	6%	(\$1,564,800)	2040
Clayton Rd - Hickerson to Story Rd.	5	1000	3		\$151,467	15%	(\$978,000)	2040

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Fleming Av - Neves Way to Whipple Ct	5	900	1		\$22,592	3%	(\$880,200)	2040
Fleming Av - Palomino to Rosemar	5	1100	2		\$32,802	3%	(\$1,075,800)	2040
Jackson - Alexian Rd to McKee Rd	5	2000	2		\$86,240	4%	(\$1,956,000)	2040
Jackson - Alexian Rd to Alum Rock	5	1000	1		\$17,878	2%	(\$978,000)	2040
King Rd - E San Antonio St to E San Fernando St	5	615	1		\$91,195	15%	(\$601,470)	2040
King Rd - Las Plumas to Railroad Las Plumas - King Rd to 800' east	5	1400	2		\$40,934	3%	(\$1,369,200)	2040
King Rd - Margaret to Lavonne	5	1000	5		\$50,023	5%	(\$978,000)	2040
King Rd. - McKee to 700' s/o Alum Rock	5	3200	7		\$130,128	4%	(\$3,129,600)	2040
McKee Rd - Challenger Av to Eastside Dr	5	1000	1		\$16,800	2%	(\$978,000)	2040
McKee Rd - Jackson to Jose Figueres to Madden	5	2700	3		\$456,723	17%	(\$2,640,600)	2040
Mt. Pleasant Rd - Mt Pleasant Ct to Marten Ave	5	500	2		\$70,456	14%	(\$489,000)	2040
Story Rd - Clayton to 1000' East	5	1000	1		\$22,064	2%	(\$978,000)	2040
Sunset - Alum Rock to Kammerer	5	900	1		\$11,684	1%	(\$880,200)	2040
White Rd. - Easthills to S/s Story	5	2900	4		\$203,401	7%	(\$2,836,200)	2040
White Rd. - Hobart to Easthills	5	600	1		\$16,483	3%	(\$586,800)	2040
White Rd. - McKee to Eastside	5	900	4		\$106,840	12%	(\$880,200)	2040
White Rd. - Mt. Vista to Park Ln.	5	2400	4		\$101,023	4%	(\$2,347,200)	2040
White Rd. - Rocky Mountain to Sylvan Dr.	5	1800	2		\$44,800	3%	(\$1,760,400)	2040
Alma - Locust to Lick	6	600	1		\$12,185	2%	(\$586,800)	2040
Alma Ave. - Christina to Capruso	6	1650	2		\$65,828	4%	(\$1,613,700)	2040
Almaden Rd - Canoas Garden to Curtner Av	6	1600	2		\$34,048	2%	(\$1,564,800)	2040
Almaden Rd. - Willow Glen Wy to Malone Rd to Canoas Garden Av	6	2500	5		\$351,718	14%	(\$2,445,000)	2040
Auzerais Av - Race to Sunol	6	1500	1		\$102,995	7%	(\$1,467,000)	2040
Bascom - Belair to University	6	900	1		\$10,276	1%	(\$880,200)	2040
Bascom - Heatherdale to Cherrystone	6	700	1		\$15,525	2%	(\$684,600)	2040
Bascom Ave. - San Carlos to Naglee	6	1800	6		\$128,218	7%	(\$1,760,400)	2040
Baywood - Stevens Creek to Hemlock	6	700	1		\$12,714	2%	(\$684,600)	2040
Belmont Way - W Alma to Belmont Ave	6	400	1		\$52,708	13%	(\$391,200)	2040
Canoas Garden - Almaden Expwy to Masonic Dr	6	1700	5		\$113,106	7%	(\$1,662,600)	2040
Canoas Garden - Curtner to south terminus	6	1400	1		\$19,248	1%	(\$1,369,200)	2040
Chestnut - Emory to Asbury	6	600	1		\$8,960	2%	(\$586,800)	2040
Ciro Av - Forest to Bailey	6	800	2		\$85,120	11%	(\$782,400)	2040
Clinton Place - Clinton Place to Stockton Av (REFUND)	6	200	1		\$0	0%	(\$195,600)	2040
Curtner Ave. - Booksin to Cherry	6	2000	1		\$5,409	0.3%	(\$1,956,000)	2040
Curtner Ave. - Lincoln to 800' E/of	6	800	1		\$14,784	2%	(\$782,400)	2040
Curtner Ave. - Westgate to Cherry	6	1000	1		\$8,306	1%	(\$978,000)	2040
Del Mar Ave - Leon Dr. to Lynhaven Dr	6	800	1		\$6,661	1%	(\$782,400)	2040
Elm St. - Newhall to Hamline	6	400	1		\$1,597	0.4%	(\$391,200)	2040
Forest - Ciro Ave to 110' w/o Bellrose	6	325	2		\$18,646	6%	(\$317,850)	2040
Fruitdale - Menker to Southwest Exp.	6	1000	1		\$8,159	1%	(\$978,000)	2040
Fruitdale - Southwest Exp to Meridian	6	1000	2		\$187,356	19%	(\$978,000)	2040
Fruitdale - Meridian Av to Cherry Av	6	850	1		\$54,688	7%	(\$831,300)	2040
Hamilton Av - Meridian to Hamilton Wy	6	1000	3		\$76,947	8%	(\$978,000)	2040
Hamilton Av - Meridian to Hurst Ave.	6	1300	2		\$16,800	1%	(\$1,271,400)	2040
Hedding - Chapman to Park	6	600	1		\$20,240	3%	(\$586,800)	2040
Hillsdale - Pearl Ave. to Summer Creek Drive	6	1200	3		\$192,127	16%	(\$1,173,600)	2040
Julian St. - The Alameda to Cinnabar	6	1000	2		\$279,918	29%	(\$978,000)	2040
Julian St. - Morrison Av to Stockton av	6	600	1		\$66,360	11%	(\$586,800)	2040

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Lenzen Av - The Alameda to 600' to Stockton	6	600	1		\$6,384	1%	(\$586,800)	2040
Lincoln (at Auzerais) - 290 Feet	6	290	1		\$210,382	74%	(\$283,620)	2035
Lincoln - Lonus to Coe	6	1000	3		\$31,976	3%	(\$978,000)	2040
Lincoln - Savaker St. to I280	6	600	1		\$25,312	4%	(\$586,800)	2040
Little Orchard - Alma to San Jose	6	1800	1		\$7,360	0.4%	(\$1,760,400)	2040
MacArthur - Stevens Creek to Scott St.	6	1300	1		\$9,381	1%	(\$1,271,400)	2040
McLaughlin Ave - Peach Ct to Sunny Ct	6	1000	1		\$100,615	10%	(\$978,000)	2040
Meridian - Alta Glen to Hamilton	6	850	2		\$20,810	3%	(\$831,300)	2040
Meridian Av - Curci Dr to Westwood Dr	6	1900	5		\$92,387	5%	(\$1,858,200)	2040
Meridian Av - Curci Dr to Fruitdale Av	6	1070	2		\$97,858	9%	(\$1,046,460)	2040
Meridian - Willowbrae to 200' s/o Hamilton	6	1400	4		\$49,574	4%	(\$1,369,200)	2040
Meridian Ave. - Parkmoor to Auzerais	6	1400	5		\$199,862	15%	(\$1,369,200)	2040
Meridian Ave. -Park to Auzerais	6	1700	4		\$124,825	8%	(\$1,662,600)	2040
Minnesota - W Alma to Belmont Ave	6	500	1		\$94,440	19%	(\$489,000)	2040
Minnesota - Cherry to Iris Ct	6	2200	5	\$55,599	\$86,642	4%	(\$2,151,600)	2040
Minnesota - Cherry to Weaver	6	2100	2		\$9,660	0%	(\$2,053,800)	2040
Minnesota - Bird to Lincoln	6	2050	1		\$69,179	3%	(\$2,004,900)	2040
Monroe (S) - Stevens Creek to Scott St	6	1250	1		\$34,398	3%	(\$1,222,500)	2040
Moorpark Av - Winchester to Clover	6	1500	4		\$38,714	3%	(\$1,467,000)	2040
Morrison Av - The Alameda to W Julian St	6	600	1		\$33,600	6%	(\$586,800)	2040
Old W. Taylor - The Alameda to Myrtle	6	500	1		\$18,676	4%	(\$489,000)	2040
Park Ave. - Hedding to Naglee	6	1600	3		\$110,913	7%	(\$1,564,800)	2040
Park Av - Meridian Av to Race St	6	650	1		\$9,633	2%	(\$635,700)	2040
Pearl - Capitol Expwy to Hillsdale	6	2300	2		\$162,502	7%	(\$2,249,400)	2040
Hillsdale - Pearl to Summer Creek Dr	6	600	1		\$11,788	2%	(\$586,800)	2040
Pine - Cherry to Lupton	6	3300	6		\$200,182	6%	(\$3,227,400)	2040
Race St - San Carlos to Parkmoor	6	1100	1		\$4,267	0.4%	(\$1,075,800)	2040
Auzerais - Race to Lincoln	6	1100	3		\$41,415	4%	(\$1,075,800)	2040
Race St. - Fruitdale to Pedro	6	600	1		\$0	0%	(\$586,800)	2040
Royal - San Carlos to Auzerais	6	600	1		\$2,645	0%	(\$586,800)	2040
Auzerais - Bird to RxR Tracks	6	1700	1		\$44,541	3%	(\$1,662,600)	2040
Stockton Av - Clinton Place to The Alameda (REFUND)	6	500	1		\$61,957	13%	(\$489,000)	2040
Stone Ave. - Curtner to Perrymont	6	600	1		\$82,908	14%	(\$586,800)	2040
Sunol Street - San Carlos to Savaker	6	1000	1		\$134,195	14%	(\$978,000)	2040
Taylor - Elm St to Laurel St	6	800	1		\$71,680	9%	(\$782,400)	2040
Thorton Wy - Maywood Av to Enborg Ln	6	600	1		\$111,622	11%	(\$1,026,900)	2040
William Street (E) - S 22nd St to 400' e/o McLaughlin Ave	6	1400	1		\$16,061	1%	(\$1,369,200)	2040
Willow - Delmas Av to Minnesota Av	6	700	1		\$13,306	2%	(\$684,600)	2040
Willow - Lick to HWY 87	6	1300	1		\$9,200	1%	(\$1,271,400)	2040
Willow - Lincoln to Curtiss	6	600	3		\$67,752	12%	(\$586,800)	2040
Winchester Blvd - Boxwood Dr to Tulip Rd	6	600	1		\$33,165	6%	(\$586,800)	2040
Winchester Blvd - Fruitdale to Williams	6	800	1		\$71,680	9%	(\$782,400)	2040
Aborn Rd. - Silver Creek Rd to Towers Ln	7	1050	1		\$111,622	11%	(\$1,026,900)	2040
Alma Ave. - Pamono Av to Monterey rd/ S. 1st St	7	800	1		\$36,512	5%	(\$782,400)	2040
Curtner Ave. - Stone Ave to Little Orchard	7	800	2		\$36,512	5%	(\$782,400)	2040
Daylight Way - Monterey to Pullman	7	1100	1		\$10,908	1%	(\$1,075,800)	2040
Hillcap - Hillsdale to Granite Rock	7	1900	3		\$34,136	2%	(\$1,858,200)	2040
Hillsdale Av - Mountain Spring Dr to 600' E/of Vistapk./CommHill Bl	7	2500	5		\$249,780	10%	(\$2,445,000)	2040
Lewis - Monterey to Garden	7	1900	5		\$96,969	5%	(\$1,858,200)	2040
Lucretia - Story Rd to Walnut Woods Dr	7	1500	6		\$156,776	11%	(\$1,467,000)	2040
McLaughlin - Bendmill to Loupe	7	1100	1		\$7,084	1%	(\$1,075,800)	2040

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PROJECT LOCATION	COUNCIL DISTRICT	LENGTH OF PROJECT (FT)	#	IN-LIEU FEES PAID TO DATE			PROJECT COST	ANTICIPATED FULL FUNDING COLLECTION
				COLLECTED THIS FY 2019-2020 (\$)	Total (\$)	% PROJECT COST		
McLaughlin - Tully to Candia to Quamme Dr	7	2500	2		\$70,526	3%	(\$2,445,000)	2040
McLaughlin - Turtlerock to Fair	7	2000	3		\$69,068	4%	(\$1,956,000)	2040
McLaughlin- Panoche to Algiers	7	1500	3		\$163,073	11%	(\$1,467,000)	2040
Monterey Rd. - Phelan to UPRR track s/o Costa Ave	7	2300	6		\$181,911	8%	(\$2,249,400)	2040
Monterey Rd. - Phelan to Alma	7	900	3		\$657,755	75%	(\$880,200)	2030
Monterey Rd - Tully Rd to UPRR tracks s/o Costa Av	7	1300	1		\$34,944	3%	(\$1,271,400)	2040
Old Tully Rd - entire length Monterey to Tully	7	1400	2		\$30,508	2%	(\$1,369,200)	2040
Phelan Ave. - Senter Rd. to east terminus	7	900	1		\$41,584	5%	(\$880,200)	2040
Pomona - Barnard Av to San Jose Av	7	600	1		\$11,648	2%	(\$586,800)	2040
Senter Rd - Singleton to Capitol Expwy.	7	1000	2		\$47,405	4.8%	(\$978,000)	2040
Senter Rd - Feldspar to Umbarger	7	700	2		\$65,393	10%	(\$684,600)	2040
Senter Rd - Forestbrook to Coyote	7	1600	3		\$69,899	4%	(\$1,564,800)	2040
Senter Rd - Southside to Capitol Expwy.	7	700	1		\$62,374	9%	(\$684,600)	2040
Seventh - Leo to 700' South	7	700	1		\$8,956	1%	(\$684,600)	2040
Seventh St. - Alma to Phelan	7	1950	4		\$105,640	6%	(\$1,907,100)	2040
Smith Ave. - Phelan to 500 feet southerly	7	500	1		\$13,440	3%	(\$489,000)	2040
Snell-Capitol Expwy. to Hillsdale	7	2200	1		\$35,432	2%	(\$2,151,600)	2040
Story Rd - McLaughlin to Olinder Ct.	7	800	1		\$22,400	3%	(\$782,400)	2040
Tully Rd - Monterey Rd to 7th St	7	1600	3		\$206,275	13%	(\$1,564,800)	2040
Tully Rd - Kenoga Dr to McLaughlin Av	7	1800	1		\$150,744	9%	(\$1,760,400)	2040
Umbarger - Monterey Hwy to Cramer Circle	7	3000	3		\$232,906	8%	(\$2,934,000)	2040
King Rd - Flanigan Dr to Barberry Ln	8	2700	2		\$36,783	1%	(\$2,640,600)	2040
Quimby Rd - White Rd to Burdick	8	1200	2		\$105,308	9%	(\$1,173,600)	2040
Ruby Av - Holderman Dr to Tully Rd	8	2000	3		\$86,716	4%	(\$1,956,000)	2040
San Felipe Rd - 700' north of Yerba Buena to Delta Rd	8	2300	5		\$218,111	10%	(\$2,249,400)	2040
San Felipe Rd - Delta to Fowler	8	2000	2		\$131,591	7%	(\$1,956,000)	2040
San Felipe Rd - Fowler to Riedel	8	1800	2		\$227,572	13%	(\$1,760,400)	2040
Silver Creek - Daniel Maloney to Ravens Pl.	8	1700	1		\$21,477	1%	(\$1,662,600)	2040
White Rd. - Quimby to Sturla	8	700	1		\$18,138	3%	(\$684,600)	2040
Almaden-Los Gatos - Selinda to Harwood	9	1600	1		\$1,840	0.1%	(\$1,564,800)	2040
Blossom Hill - Harlow Way to Harwood Rd	9	800	1		\$15,682	2%	(\$782,400)	2040
Blossom Hill - Croydon Av to Seifert Av	9	500	1		\$32,654	7%	(\$489,000)	2040
Branham - Cherry to Bald Eagle Wy	9	800	2		\$65,627	8%	(\$782,400)	2040
Branham - Jarvis to Meridian	9	2700	2		\$37,097	1%	(\$2,640,600)	2040
Branham Ln. - 85 Offramp to Tupolo Dr.	9	1000	1		\$41,388	4%	(\$978,000)	2040
Branham Ln. - Tupolo Dr. to Meridian	9	2400	1		\$68,985	3%	(\$2,347,200)	2040
Branham Ln. - Glenmont Dr. to Pearl Av	9	1200	1		\$60,349	5%	(\$1,173,600)	2040
Camden Ave. - Bascom Ave to White Oaks Rd	9	2000	1		\$71,056	4%	(\$1,956,000)	2040
Camden Ave. - Vista Loop to Coleman Ave	9	600	1		\$19,900	3%	(\$586,800)	2040
Curtner - Coit to Leigh	9	900	1		\$21,773	2%	(\$880,200)	2040
Leigh - Curtner to Cody	9	900	1		\$21,773	2%	(\$880,200)	2040
Curtner Ave - Bascom to 1500' W/o Joseph	9	1500	4		\$132,592	9%	(\$1,467,000)	2040
Foxworthy Av - Yucca Av to Arroba Wy	9	1600	2		\$43,009	3%	(\$1,564,800)	2040
Harwood - Branham to Albert	9	600	1		\$12,880	2%	(\$586,800)	2040
Kooser - Gatewood to Camden	9	2400	3		\$124,681	5%	(\$2,347,200)	2040
Kooser - Gatewood to Meridian	9	1400	1		\$13,064	1%	(\$1,369,200)	2040
Los Gatos-Almaden - Escobar (L.G.) to Rosswood	9	1600	2		\$55,770	4%	(\$1,564,800)	2040
Los Gatos-Almaden Rd. - Union to Warwick	9	1400	3		\$88,395	6%	(\$1,369,200)	2040
Union - L. G.-AlmadenRd. to 300' s/o L.G. Almaden(SJ border)	9	1400	3		\$88,395	6%	(\$1,369,200)	2040
Old Almaden Rd. - Foxworthy to Capitol Exp.	9	1000	1		\$2,235	0.2%	(\$978,000)	2040
Kell - Old Almaden Rd. to Almaden Exp.	9	1000	1		\$2,235	0.2%	(\$978,000)	2040

FY 19-20 RULE 20B (IN-LIEU FEE) UNDERGROUNDING MASTER PLAN
 Proposed Project Areas that meet General Criteria

PROJECT LOCATION	COUNCIL DISTRICT	LENGTH OF PROJECT (FT)	#	IN-LIEU FEES PAID TO DATE			PROJECT COST	ANTICIPATED FULL FUNDING COLLECTION
				COLLECTED THIS FY 2019-2020 (\$)	Total (\$)	% PROJECT COST		
Pearl Ave. - Kozera Dr. to Adamo Dr.	9	700	1		\$44,638	6.5%	(\$684,600)	2040
Ross - Hillsdale to Brighton	9	1000	1		\$18,036	2%	(\$978,000)	2040
Saratoga Ave - Gas Station (Refund)	9	177			\$0	0%	(\$173,106)	2040
Sataroga Av - Gas Station	9	177	1		\$7,968	5%	(\$173,106)	2040
Union - Bascom to Curtner	9	500	2		\$52,325	11%	(\$489,000)	2040
Union - Ronda to Rosswood	9	1000	2		\$56,337	6%	(\$978,000)	2040
Union - Samaritan Ln. to Barrett Ave.	9	1950	1		\$60,104	3%	(\$1,907,100)	2040
Union Ave - Camden to Cirone Way	9	2400	3		\$87,333	4%	(\$2,347,200)	2040
Almaden Road - corner of Almaden Expwy	10	140	1		\$59,820	44%	(\$136,920)	2030
Almaden Road - Viewpoint Ln to Almaden Expwy	10	280	1		\$51,313	19%	(\$273,840)	2040
Almaden Road - Big Sur Dr to McKean Rd	10	150	1		\$63,268	43%	(\$146,700)	2040
Baroni Ave - Snell Ave to cul-de-sac	10	650	1	\$32,543	\$32,543	5%	(\$635,700)	2040
Blossom Hill - Hoffman Ct to Croydon Av	10	900	1		\$26,204	3%	(\$880,200)	2040
Blossom Hill Rd - Cahalan Av to Chesbro Av	10	1100	5		\$219,533	20%	(\$1,075,800)	2040
McAbee Rd. - Juli Lynn to Peralta	10	1000	3		\$41,629	4%	(\$978,000)	2040
McKean Rd & Almaden Rd. to Cahen Dr.	10	1500	4		\$314,619	21%	(\$1,467,000)	2040
Pearl Av - Capitol Expwy to Edenbury Dr	10	1000	3		\$31,360	3%	(\$978,000)	2040
Redmond - Almaden Expwy. to the Golf Creek	10	2000	1		\$124,222	6%	(\$1,956,000)	2040
El Paseo Dr. - Redmond to 800' s/o Redmond	2,10	1500	1		\$19,320	1%	(\$1,467,000)	2040
Snell - Chynoweth to Tradewinds	2,10	700	2		\$18,859	3%	(\$684,600)	2040
Mabury Rd. - Berryessa to Mabury O.C.	4,5	3200	3		\$34,849	1%	(\$3,129,600)	2040
McKee - Capitol Ave. to Sorge Park Pl.	4,5	1400	3		\$70,345	5%	(\$1,369,200)	2040
White Rd. - Cunningham Ave. to Ocala	5, 8	1200	2		\$46,200	4%	(\$1,173,600)	2040
Story Rd. - Knox Av to S King Rd	5,7	1000	4		\$100,843	10%	(\$978,000)	2040
King Rd. - Story Rd to 100' north	6,10	1600	1		\$3,312	0.2%	(\$1,564,800)	2040
Hillsdale Ave. - Pearl to Gaudalupe River	6,3	2400	5		\$113,846	5%	(\$2,347,200)	2040
Willow St. - Curtiss to Delmas to Minnesota	9,10	3400	11		\$112,399	3%	(\$3,325,200)	2040
Blossom Hill Rd. - Blossom River to Russo	9,10	1300	2		\$32,285	3%	(\$1,271,400)	2040
Branham - Almaden Expressway to Silvera	9,10	1600	1		\$8,845	1%	(\$1,564,800)	2040
Pearl - Branham to Kozera Dr.								
TOTAL IN-LIEU FEES COLLECTED THIS FY 2019-2020				\$1,536,644				

LEGEND:

BOLD TEXT REPRESENTS PROJECTS COMPLETED DURING FISCAL YEAR 2019-2020

BOLD ITALIC TEXT REPRESENT FEES COLLECTED DURING FISCAL YEAR 2019-2020

BOLD ITALIC (REFUND) TEXT REPRESENT REFUND ISSUED DURING FISCAL YEAR 2019-2020

FEES PAID REPRESENT A BASE FEE OF \$92 (BEFORE 7/1/96), \$112 (BETWEEN 7/1/96 AND 9/8/2002), \$224 (BETWEEN 9/9 2002 AND 8/14/2009), \$395 (BETWEEN 8/14/09 AND 12/31/09), \$393 (BETWEEN 1/1/10 AND 12/31/10), \$409 (BETWEEN 1/1/11 AND 1/30/2012), \$412 (BETWEEN 1/31/2012 AND 1/30/2013), \$418 (BETWEEN 1/31/13 AND 1/30/14), \$441 (BETWEEN 1/31/14 AND 1/30/15), \$441 (1/31/15 AND 1/30/16) \$451 (BETWEEN 1/31/16 AND 1/30/17), \$469 (BETWEEN 1/31/17 AND 1/30/18), \$489 (BETWEEN 1/31/18 AND 1/30/19), AND \$515 (AFTER 1/31/19) PER LINEAR FOOT OF FRONTAGE FEES ARE COLLECTED ON BOTH SIDES OF THE STREET.

COM/MBL/mph

Date of Issuance 6/7/2021

Decision 21-06-013 June 3, 2021

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Consider Revisions to Electric Rule 20
and Related Matters.

Rulemaking 17-05-010

**PHASE 1 DECISION REVISING ELECTRIC RULE 20 AND
ENHANCING PROGRAM OVERSIGHT**

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PHASE 1 DECISION REVISING ELECTRIC RULE 20 AND ENHANCING PROGRAM OVERSIGHT

Summary

Electric Rule 20 defines policies and procedures for electric utilities to convert overhead power lines and other equipment to underground facilities at the request of a city, unincorporated county, or private applicant. Electric Rule 20A is a subprogram of Electric Rule 20 that allocates ratepayer-funded work credits to cities and unincorporated counties for projects that meet specific project eligibility criteria.

This Phase 1 decision revises Electric Rule 20 as follows: (a) discontinues new work credit allocations for Electric Rule 20A projects, (b) clarifies Electric Rule 20A project eligibility criteria and work credit transfer rules, and (c) enhances program oversight. This decision also extends the statutory deadline to consider additional changes to the Electric Rule 20 program.

1. Procedural Background

On May 11, 2017, the California Public Utilities Commission (Commission) issued the Order Instituting Rulemaking to Consider Revisions to Electric Rule 20 and Related Matters (OIR). The OIR named certain electric utilities and communications providers as respondents to the rulemaking.¹ The OIR

¹ Electric utility respondents: Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Bear Valley Electric Service Company (BVES), Liberty Utilities (Liberty), and PacifiCorp. Facilities-based communications provider respondents: Incumbent Local Exchange Carriers, AT&T California, Cal-Ore Telephone Company, Calaveras Telephone Company, Citizens Telecommunications Company of California, Ducor Telephone Company, Foresthill Telephone Company, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Company, Pinnacles Telephone Company, Ponderosa Telephone Company, Sierra Telephone Company, Siskiyou Telephone Company, Frontier California, Volcano Telephone Company, Consolidated Communications of California, Winterhaven Telephone Company, and other facilities based communication providers.

described the long procedural history of the program, dating back to 1967. The Commission received 16 sets of comments in response to the OIR.²

The assigned Administrative Law Judge (ALJ) held a prehearing conference (PHC) on September 11, 2017, to discuss the issues and the schedule for resolving the rulemaking. On November 9, 2018, the assigned Commissioner issued a scoping memo and ruling outlining the issues and schedule for the first phase of the proceeding, noting that an additional phase of the proceeding may be required. Parties filed comments and proposals in response to the scoping memo on January 11, 2019.³

On March 6, 2019, the assigned ALJ issued a ruling to address comments on the scope of issues, notice a workshop, and direct certain electric utilities⁴ to serve the latest version of their guidebooks or any other guiding documents for their Electric Rule 20 (Rule 20) programs.

² The following parties filed comments on the OIR: SCE, PG&E, SDG&E, BVES, PacifiCorp, Liberty, The Utility Reform Network (TURN), The Office of Ratepayer Advocates (now known as the Public Advocates Office or Cal Advocates), The City of Laguna Beach, the City and County of San Francisco (CCSF), AT&T, Consolidated Communications (Consolidated), Small Local Exchange Carriers (Small LECs), California Cable & Telecommunications Association (CCTA), and California Association of Competitive Telecommunications Companies (CALTEL).

³ TURN, PacifiCorp, SCE, SDG&E, PG&E, County of Mendocino, County of Napa, CTIA, CCTA, City of San Jose, Town of Woodside, Frontier California Inc., AT&T Mobility Wireless Operations Holdings, Inc., Santa Barbara Cellular Systems, Ltd, Citizens Telecommunications Company of California Inc., California Association of Competitive Telecommunications Companies, New Cingular Wireless PCS, LLC, Pacific Bell Telephone Company, and Frontier Communications of the Southwest Inc.

⁴ Southern California Edison Company, San Diego Gas & Electric Company, Pacific Gas and Electric Company, Bear Valley Electric Service Company, Liberty Utilities, and PacifiCorp.

On April 22 and 23, 2019, the Commission's staff hosted two days of workshops on the Rule 20 programs to present and review data and findings from staff's data request to the utilities on program outcomes and performance.⁵

On June 6, 2019, the assigned ALJ issued a ruling to suspend the electric utility audit requirements of Ordering Paragraph 4 of the OIR. This ruling did not modify the audit requirements for Pacific Gas & Electric Company (PG&E) established in Decision (D.) 17-05-013.

On October 3, 2019, the assigned ALJ issued a ruling to enter into the record responses of PG&E to data requests by the Commission's Energy Division. On December 16, 2019, the assigned ALJ issued a ruling to direct electric utilities to serve updated data request responses. Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) filed updated data request responses in April 2020.

On December 20, 2019, the assigned ALJ issued a ruling to enter the audit report of PG&E's Rule 20A program (PG&E Audit Report) into the record.

On February 13, 2020, the assigned ALJ issued a ruling to enter a staff proposal for improving the Rule 20 program (February Staff Proposal) into the record and request comments.⁶

On March 3, 2020, the Commission's Energy Division hosted a workshop to discuss the February Staff Proposal.⁷

⁵ The Commission's Business and Community Outreach team contacted 4,382 local government officials and staff to invite them to attend the April 22-23, 2019 workshop.

⁶ The Commission's Business and Community Outreach team contacted 1,747 local government officials and staff to share the February Staff Proposal.

⁷ The Commission's Business and Community Outreach team contacted 818 local government officials and staff to invite them to attend the March 2020 workshop.

Parties⁸ filed comments on the February Staff Proposal and the PG&E Audit Report in March and April 2020, and parties⁹ filed reply comments in May 2020.

On May 7, 2020, the Commission issued D.20-05-026 to extend the statutory deadline for the proceeding until April 10, 2021.

On September 3, 2020, the assigned ALJ issued a ruling to request comments on certain policy questions, a supplement to the PG&E Audit Report (PG&E Audit Supplement), and a staff proposal for winding down the Rule 20A program and establishing budgets for Rule 20B and Rule 20C (September Staff Proposal).¹⁰ Parties filed comments¹¹ and reply comments¹² in October 2020.

⁸ San Francisco Coalition to Underground Utilities, City of Hayward, City of Laguna Beach, Southern California Edison Company, City of Orinda, City of Hayward, Town of Los Altos Hills, City of Santa Barbara, City of El Cerrito, The City of Berkeley, The City of Berkeley, City of Burlingame, League of California Cities, TURN, County of Tuolumne, City of Chula Vista, Golden State Water Company, City of Napa, SDG&E, County of Napa, County of Marin, County of Sonoma, PG&E, City of San Jose, California State Association of Counties, Clean Power Alliance of Southern California, City of Newport Beach, Los Angeles County, City of Anaheim Public Utilities Department, California Municipal Utilities Association, PacifiCorp, California Cable & Telecommunications Association, AT&T Services Inc., Cal Advocates, The County of San Diego, City and County of San Francisco, City of Del Mar, City of Fresno, City of Culver City, and City of El Cajon.

⁹ California Cable & Telecommunications Association, AT&T Services Inc., Liberty Utilities, Cal Advocates, SDG&E, PG&E, PacifiCorp, SCE, California Municipal Utilities Association, City of Anaheim Public Utilities Department, City and County of San Francisco, and City of San Jose.

¹⁰ The Commission's Business and Community Outreach team reached out to 4,124 local government officials and staff to share the September ruling.

¹¹ City of Menlo Park, California State Association of Counties, PG&E, PacifiCorp, California Municipal Utilities Association, City of Anaheim Public Utilities Department, SCE, TURN, SDG&E, City of San Jose, County of Tuolumne, Los Angeles County, League of California Cities, California Cable & Telecommunications Association, AT&T California and Bear Valley Electric Service, Inc.

¹² City of San Jose, California Municipal Utilities Association, City of Anaheim Public Utilities Department, PG&E, SCE, Los Angeles County, TURN, County of Marin, County of Sonoma, California Cable & Telecommunications Association, AT&T California, City of Whittier and California State Association of Counties.

On May 24, 2021, the Commission issued D.21-03-046 to extend the statutory deadline for the proceeding to August 10, 2021.

2. Program Background

2.1. History and Program Design

Since the late 1960s, most new electric distribution facilities have been designed and installed underground. For communities developed prior to the late 1960s, most electric distribution infrastructure is overhead. Converting an overhead system to underground, known as “undergrounding,” is typically more expensive than maintaining overhead lines, so most existing overhead systems in California remain above ground.¹³

In 1967, the Commission issued D.73078, which adopted the Rule 20 program primarily for aesthetic purposes. The Rule 20 program facilitates municipality-driven and private applicant-driven underground conversion projects in a consistent manner throughout the territories of California’s electric investor-owned utilities. Electric utilities under the Commission’s jurisdiction manage and perform underground conversion projects under electric tariffs filed with the Commission.

In 2001, the Commission issued D.01-12-009, noting that “with very few exceptions, the public favors undergrounding for safety, reliability, aesthetic benefits, and property value increases.” The Commission authorized incremental updates to the Rule 20 program in D.01-12-009, including expanding Rule 20A criteria to include arterial streets and major collectors, and allowing cities to “mortgage” Rule 20A allocations for up to five years (instead of the then-current three years).

¹³ February Staff Proposal.

The Rule 20 program is currently divided into four subprograms that provide diminishing levels of ratepayer contributions to projects, as follows:

- **Rule 20A** projects are 100 percent ratepayer-funded but must meet public interest criteria. The utilities annually allocate Rule 20A work credits (or “work credits”) to cities and unincorporated counties (hereafter, “communities”) to redeem for their undergrounding project costs. Under Rule 20A Section 2, 50 percent of the work credit allocation is based on the ratio of overhead meters in a community relative to the total utility overhead meters. The other 50 percent is based on the ratio of total meters (both overhead and underground-served meters) relative to the utility total system meters.¹⁴ Rule 20A work credit allocations are established through the electric utilities’ General Rate Cases.¹⁵ A community may “borrow” up to five years of future work credits to fund an undergrounding project.
- **Rule 20B** projects may be for any undergrounding purpose but must consist of a minimum of 600 feet. Ratepayers fund around 20 to 40 percent of the costs of these projects. The applicant bears the balance of the project cost. Local government applicants may request the utility initially fund their Rule 20B project's engineering and design costs and reimburse the utility later provided that the project goes forward.¹⁶
- For **Rule 20C** projects, the applicant – often an individual property owner or developer – pays for the full cost of undergrounding, less the cost of the estimated salvage value and depreciation of the removed overhead electrical facilities.¹⁷

¹⁴ February Staff Proposal.

¹⁵ Rule 20 Tariffs of PG&E, SCE, and SDG&E.

¹⁶ Rule 20 Tariffs of PG&E, SCE, and SDG&E.

¹⁷ February Staff Proposal.

- **Rule 20D** is currently only available in SDG&E's service territory. It applies specifically to undergrounding where it is deemed by SDG&E to be a preferred method for wildfire mitigation. Rule 20D has been in existence since 2014 and SDG&E has not started or completed a single project to date through this program.¹⁸

Related to the Rule 20 program, telecommunications entities have a program that closely resembles the Rule 20 program. The telecommunications programs are specific to the undergrounding of telecommunications facilities. The telecommunications undergrounding program is not ratepayer funded.

The City of San Diego also has a separate undergrounding program in partnership with SDG&E that is not subsidized by the general ratepayer. For that program, SDG&E submits semi-annual reports to the Commission. In December 2002, the Commission issued Resolution E-3788 to authorize SDG&E to collect a 3.53 percent franchise fee surcharge within the City of San Diego for undergrounding work separate from Rule 20. By using this surcharge program to augment the Rule 20 program, the City of San Diego converted 429 miles of overhead electrical facilities to underground facilities and 1,238 miles remain as of July 2019.¹⁹

In comparison, since 1967, the February Staff Proposal estimates that the Rule 20A program has funded conversion of around 2,500 out of 147,000 miles (0.017%) of overhead utility lines in California. In recent years, the utilities have collectively completed on average 50 projects per year, equal to approximately 20-25 miles in length under Rule 20A at a cost ranging from \$1.85 million to \$6.1 million per mile. The Rule 20B and 20C programs together facilitate

¹⁸ February Staff Proposal.

¹⁹ February Staff Proposal.

undergrounding of 15 to 20 miles of lines per year.²⁰ From 1968 to 2015, the Rule 20 undergrounding program spent approximately \$3.4 billion in all service territories.²¹

In D.17-05-013, the Commission identified \$153 million in unspent and unaccounted for PG&E Rule 20A funds and ordered an audit of PG&E's Rule 20A program.²² The Commission adopted criteria for this audit in D.18-03-022.

In D.17-05-013, the Commission also directed PG&E to establish a Rule 20A one-way balancing account.²³ In D.20-12-005, the Commission continued the authorization of the one-way balancing account for PG&E's Rule 20A program.²⁴

2.2. Program Challenges

The February Staff Proposal identified a number of significant challenges with the existing Rule 20 program, including the following:

- **Inequitable Usage of Ratepayer Funds.** The February Staff Proposal flags the inequitable distribution of Rule 20A funds. A handful of communities have completed projects worth hundreds of millions of dollars funded by ratepayer contributions. On the other hand, 82 out of 503 communities have not completed a single project since 2005. The program's design challenges coupled with the different sizes of communities hinders program participation and project completion.
- **Outdated Program Eligibility Criteria.** Numerous communities expressed eagerness to update Rule 20A

²⁰ February Staff Proposal.

²¹ PG&E Audit Report at 9.

²² D.17-05-013 at 72. Unspent funds were defined as the difference between PG&E's authorized annual budget and its recorded expenditures for each year.

²³ D.17-05-013 at 75-77.

²⁴ D.20-12-005 at 114.

so that they can leverage the program to support wildfire mitigation and meet other community safety and reliability objectives rather than maintain the program's focus on aesthetic enhancement.

- **Flawed Work Credits System.** The February Staff Proposal describes the numerous flaws of the program's system of allocating ratepayer-funded "work credits" to communities. Insufficient work credits and ever-increasing project cost estimates prevents communities from starting and completing projects. In the February Staff Proposal, staff estimated that at least \$489 million in unused and un-committed Rule 20A work credits remain outstanding among the communities served by the electric utilities. After reviewing additional data, the Commission's Energy Division determined that the value of unused and un-committed Rule 20A work credits across all electric utility service territories is over \$1.56 billion as of January 2021. Except for PG&E and SCE, the utilities do not currently have one-way balancing accounts to ensure that any funds collected from ratepayers for Rule 20 programs will exclusively be available for future projects on which communities seek to use their work credit balance. Additionally, 58 communities completed undergrounding projects using work credits borrowed beyond the tariff specified 5-year forward limit, placing them in "work credit debt." At least 20 of these 58 communities have "work credit debt" that exceeds 9 years, including San Francisco (14 years), Napa County (74 years), La Canada-Flintridge (45 years), Laguna Hills (21 years), and San Marcos (47 years). Further, through an unsanctioned secondary work credit marketplace, some communities sell, trade, or donate their unused work credits to other communities. The electric utilities have facilitated these unsanctioned work credit transfers.

- **High Project Costs and Project Delays.** Communities shared many instances where project costs exceeded design cost estimates and project timelines have been drawn out seven years or longer. Further, project costs have increased in real terms by 33 percent and 44 percent in PG&E's and SCE's territories since 2005. Insufficient program oversight resulted in higher project costs, longer project timelines, and fewer completed projects.

In D.17-015-013, the Commission ordered an audit of PG&E as a result of a party identifying \$153 million in unspent and unaccounted for Rule 20A funds. The Commission retained AzP Consulting, LLC to conduct the audit in compliance with D.17-05-013 and D.18-03-022. The PG&E Audit Report uncovered additional major concerns with PG&E's administration of the Rule 20A program, which are discussed further in Section 4 below.

3. Issues Before the Commission

The scoping memo of this proceeding set forth an expectation that this proceeding would be conducted in phases. This decision addresses the Phase 1 issues set forth in Section 2 of the scoping memo regarding Rule 20 program operations, management, and near-term improvements.

The Phase 1 issues before the Commission are as follows.

- a. How can the Rule 20A Program be improved within its current structure in the near future? Should the Commission modify, replace, or discontinue the Rule 20A program at this time?
- b. Is the recent and current management (utility and Commission) of the electric IOUs' Rule 20A programs reasonable? Should the Commission modify Rule 20 program management requirements or enhance oversight of the Rule 20 program?

4. Whether to Modify, Replace or Discontinue the Rule 20A Program

4.1 Project Eligibility Criteria

Projects that meet the Rule 20A “public interest criteria” for eligibility may underground electric facilities at ratepayers’ expense. The current Rule 20A public interest criteria focus on aesthetics. In the February Staff Proposal, the Commission’s staff recommended expansions to the Rule 20A public interest criteria to include additional safety, reliability and emergency-related criteria. Many parties strongly supported the addition of wildfire and emergency-related criteria.²⁵

On September 3, 2020, ALJ Wang requested comments on whether it remains reasonable to continue to commit ratepayer funds to a Rule 20A program focused on enhancing aesthetics. In October 2020 comments, the vast majority of commenters agreed that the Commission should continue to authorize ratepayer funding for Rule 20A projects with a greater focus on safety, reliability, and emergency-related purposes. The City of Menlo Park asserted that first responders benefit from not having equipment overhead. The County of Los Angeles urged the Commission to add new project eligibility criteria focusing on safety and reliability, including wildfire mitigation, emergency evacuation routes and visibility. County of Tuolumne, California Municipal Utilities Association (CMUA) and City of Anaheim similarly urged the

²⁵ In April 2020 comments, the following parties specifically supported inclusion of wildfire safety, reliability and emergency related criteria: City of Laguna Beach, City of Berkeley, Counties of Mendocino, Napa, and Sonoma, Town of Los Altos Hills, City of Santa Barbara, City of El Cerritto, City of Menlo Park, City of Burlingame, League of California Cities, Tuolumne County, Golden State Water Company on behalf of Bear Valley Electric Service Division, City of Napa, California State Association of Counties, San Diego County, Culver City, Liberty CalPeco, PacifiCorp.

Commission to continue the Rule 20A program for wildfire safety and reliability purposes.

The Utility Reform Network (TURN) and SCE each filed comments in support of sunseting the Rule 20A program. TURN argued in its October 2020 comments and reply comments that given the pandemic and the associated economic crisis, continuing a program primarily for aesthetics purposes at this time is not reasonable.

TURN and the investor-owned utilities also raised concerns that expansion of the Rule 20A program for wildfire mitigation purposes would be impractical and an inefficient use of ratepayer funds. In January 2019 comments, SCE, PG&E and SDG&E commented that undergrounding for public safety is considered by each investor-owned utility as part of its overall system hardening efforts. PacifiCorp commented in January 2019 that there would be insufficient funds available in PacifiCorp's Rule 20A program to have a significant risk mitigation impact.

Whether the Rule 20A program should promote wildfire safety and emergency-related undergrounding requires further consideration. We will continue to deliberate on whether to make these changes to project eligibility criteria for Rule 20A in Phase 2 of this proceeding.

The February Staff Proposal also included recommendations to clarify project eligibility criteria. Under current Rule 20A criteria, applicants may propose projects that consist of a minimum of 600 feet or one block (whichever is less) and meet one or more of the five listed criteria.

The February Staff Proposal recommended clarifying the existing Rule 20A project criteria as follows:

- i) Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities. This is defined as poles that serve circuits in addition to a single primary and secondary circuit.
- ii) The street or road or right-of-way ~~is extensively used by~~ serves as a major thoroughfare for the general public and carries a heavy volume of pedestrian, bicycle, rail, vehicular, or other traffic. Heavy traffic volume means a minimum of 5,000 average trips per day among all personal and public transportation forms collectively.
- iii) Wheelchair access is limited or impeded by existing above ground electric and/or telecommunications infrastructure including pad mounted facilities on sidewalks or in other areas in the pedestrian right-of-way that is otherwise not compliant with the Americans with Disabilities Act.²⁶
- iv) The street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of ~~unusual~~ significant scenic, cultural, and/or historic interest to the general public; or
- v) The street or road or right-of way is considered an arterial street or major collector as defined ~~in the Governor's Office of Planning and Research General Plan Guidelines by the California Department of Transportation's California Road System functional classification system.~~

Local governments generally opposed refinements to project eligibility criteria that would reduce flexibility for how Rule 20A funds may be used. The City of Brisbane and City of Orinda argued that defining heavy traffic volume as 5,000 vehicle trips per day is too high.²⁷ City of Laguna Beach objected to defining heavy concentration of wires without considering the overhead

²⁶ The SDG&E tariff is currently the only Rule 20A tariff that includes a criterion for limited or impeded wheelchair access. The February Staff Proposal recommended clarifying this criterion and expanding application to other utilities' tariffs.

²⁷ City of Brisbane's and City of Orinda' April 2020 comments.

communications lines.²⁸ The City of Newport Beach similarly argued that the proposed refinements to the first three criteria would create roadblocks to projects.²⁹

Most parties did not oppose the proposed modifications to the fourth or fifth criteria. On the other hand, PG&E supports each of the proposed modifications to existing project eligibility criteria listed above, except for the proposed modifications to the fourth criterion, which it asserts remains too vague.³⁰ While we recognize that the proposed standard of “significant scenic, cultural, and/or historic interest” remains broad, the proposed standard provides more direction than the current standard of “unusual scenic interest.”

SCE proposes a different modification to the first criterion and argues against defining “heavy traffic volume” as proposed for the second criterion since it does not account for traffic levels varying by community. SCE disagrees with limited or impeded wheelchair access as a standalone qualifying criterion for Rule 20A but recommends instead that wheelchair access be considered when defining the boundaries of projects that otherwise qualify for Rule 20A under one of the qualifying criteria.

In light of our plan to address Rule 20A project eligibility criteria more broadly in Phase 2, we are inclined to avoid unnecessary changes to the existing project eligibility criteria at this time. Based on party comments, we decline to implement the February Staff Proposal’s recommended modifications to the first two project eligibility criteria.

²⁸ City of Laguna Beach’s April 2020 comments.

²⁹ City of Newport Beach’s April 2020 comments.

³⁰ PG&E’s April 2020 comments.

However, we will adopt modifications to the Rule 20A program to implement the recommended modifications to the fourth and fifth project eligibility criteria. To enhance consistency across utility service territories, we will also direct all utilities to include a criterion regarding limited or impeded wheelchair access that is not compliant with the Americans with Disabilities Act.

4.2 Inequitable Usage of Ratepayer Funds

In February 2019, the Commission adopted an Environmental and Social Justice (ESJ) Action Plan. The ESJ Action Plan includes nine goals, including the goal of consistently integrating equity and access considerations throughout Commission proceedings and other efforts.

The February Staff Proposal identified the inequitable usage of Rule 20A funds. A handful of the 503 communities that pay into the program have completed projects worth hundreds of millions of dollars funded by ratepayer contributions. On the other hand, 82 eligible communities have not completed a single project since 2005. It is unknown how many of these 82 communities may have completed projects prior to 2005.

In the February Staff Proposal, the Commission's staff recommends reducing ratepayer contributions to Rule 20 projects in light of these funding disparities. The February Staff Proposal outlined a plan to sunset the Rule 20A program and increase ratepayer contributions for certain Rule 20B and Rule 20C projects to up to 50 percent. The proposal aimed provide a moderate amount of funding to Rule 20 projects, moving away from the current approach of funding 100 percent of Rule 20A project costs while funding only 20-40 percent of eligible Rule 20B project costs. In the September 3, 2020 ruling, ALJ Wang requested comments on whether underserved and disadvantaged communities would participate in the Rule 20A program in light of the recession. The

September 2020 ruling also attached a staff proposal (September Staff Proposal) proposing budget limits for Rule 20B and Rule 20C ratepayer contributions.

Many parties opposed the staff proposals to sunset Rule 20A and increase ratepayer contributions and capping funding for Rule 20B and Rule 20C. Several parties argued that underserved and disadvantaged communities would be less likely to participate in the Rule 20 program if they are required to contribute a portion of project costs.³¹ Multiple parties argued that any additional Rule 20B and Rule 20C funding will primarily benefit wealthy communities and private developers.³²

After review of party comments, we decline to sunset the Rule 20A program or modify the Rule 20B or Rule 20C programs at this time. We will consider in Phase 2 of this proceeding whether to further modify the Rule 20A program to support projects located in underserved or disadvantaged communities.

4.3 Rule 20A Work Credit System

The February Staff Proposal highlighted major problems with the Rule 20A work credit system.

- The February Staff Proposal estimates that at least \$489 million in unused and un-committed Rule 20A work credits remain outstanding. The Commission's Energy Division confirms that the value of unused and un-committed Rule 20A work credits across all electric utility service territories is over \$1.56 billion as of January 2021.
- Through an unsanctioned secondary work credit marketplace, some communities sell, trade, or donate their unused work

³¹ October 2020 opening comments of City of Menlo Park, California State Association of Counties (CSAC), PG&E, SDG&E.

³² October 2020 opening comments of City of Hayward, City of Menlo Park, League of California Cities, City of Tuolumne, City of San Jose, and CSAC.

credits to other communities that need them to complete a project.

- As of March 2019, 57 communities borrowed beyond the 5-year forward limit permitted under Rule 20A program rules, placing them in “work credit debt”.
- The work credit system lacks transparency and is hard to regulate.

In comments, parties highlighted an additional problem with the work credit system. Many communities cannot accrue enough work credits for a single project.³³ Other communities have a higher demand for work credits than the allocation system can satisfy.

In light of these and other challenges, the February Staff Proposal recommends winding down the use of work credits over 10 years and banning work credit trading. Similarly, the PG&E Audit Report recommended that the Commission modify the Rule 20A program to prevent work credit trading and to limit ratepayer obligations to contribute to the program to communities that participate in the program.³⁴

Multiple parties filed comments opposing the September Staff Proposal to wind down the use of Rule 20A work credits over 10 years, including requirements for communities to prove that they will be active in the program to use the funds.³⁵

³³ SCE, PG&E and SDG&E jointly commented on January 11, 2019: “Given the current annual budget for Rule 20A and the current allocation methodology, a number of municipalities may receive an allocation of less than \$15,000 per year. Therefore, it is not likely that many cities will be able to accumulate enough allocations for even a small Rule 20A project. To illustrate, in constant dollars, it may take these municipalities 30 years or more to accumulate enough allocations to fund a small project.”

³⁴ PG&E Audit Report recommendations at Exhibit A.

³⁵ October 2020 opening comments by City of Hayward, City of Menlo Park, League of California Cities, PG&E, CMUA & City of Anaheim, SDG&E, and County of Los Angeles.

We recognize the importance of providing stability and certainty to local governments who plan to use accrued Rule 20A work credits to complete projects. Accordingly, we will not establish a wind down period for the use of existing work credits at this time.

However, in light of the myriad problems with the work credit system on the record of this proceeding, we will discontinue approval of new work credits for allocation by electric utilities after December 31, 2022. Electric utilities shall not allocate new Rule 20A work credits after December 31, 2022. We will also clarify that utilities shall not have the discretion to allow communities to borrow work credits from future allocations beyond any 2022 allocation.

This decision does not set a deadline for the use of work credits created on or before December 31, 2022. Communities may continue to use existing work credits on Rule 20A projects after December 31, 2022. Many Rule 20A proponents opposed the February Staff Proposal's suggestion of authorizing a grant program as an alternative to the existing work credit system without proposing a preferred alternative.³⁶ We recognize the potential for the suspension of new work credit allocations to strand some active projects. In Phase 2 of this proceeding, we will consider opportunities for supporting active Rule 20A projects.

In comments on the proposed decision, several parties requested clarifications to this decision to support active Rule 20A projects before Phase 2 of this proceeding. We clarify that this decision does not modify two existing pathways for completing projects. First, local governments may contribute funds

³⁶ April 2020 comments by County of Santa Cruz, City of Orinda, League of California Cities, City of Burlingame, PG&E, SDG&E, CSAC, City of Chula Vista, City of Newport Beach, City of Fresno, and City of San Jose.

to their Rule 20A projects. Second, electric utilities continue to have authority to reallocate unused work credits to active Rule 20A projects in accordance with their respective tariffs.

In Resolution E-4971, the Commission explained the work credit reallocation policy that “Rule 20A allows for reallocation of work credits from inactive communities to communities in need.”³⁷ The Commission further explained the implications of Rule 20A Section 2.c, as follows: “When amounts are not expended or carried over for the community to which they are initially allocated, they shall be assigned when additional participation on a project is warranted or be reallocated to communities with active undergrounding programs.”³⁸ The Commission further noted:

... The reallocation provision in Rule 20A is only to be invoked for communities with projects already underway, within existing undergrounding districts, that experience unforeseen funding shortfalls, and have demonstrated that all alternatives for obtaining funding for the project have been exhausted. This provision does not allow for unrestricted reallocation of work credits to active communities.³⁹

In order to facilitate reallocations of unused work credits, we will direct each electric utility to take the following steps to provide an accounting of unused work credits available for reallocation and active projects in need of additional funding:

1. Notify each community within 30 days of this decision of the community’s status (active or inactive), the community’s current work credit balance, and if applicable, how to change its status from inactive to active;

³⁷ Resolution E-4971 at 10.

³⁸ *Id.* at 11.

³⁹ *Ibid.*

2. Serve on the service list of this proceeding by February 1, 2022, a list of currently inactive communities, as defined in Resolution E-4971, and the unused work credit balances of these currently inactive communities;
3. Serve on the service list of this proceeding by February 1, 2022, a list of currently active communities, as defined in Resolution E-4971, with current work credit balances, projected work credit balances (as of December 31, 2022), all Rule 20A projects (proposed and under construction) per community, current Rule 20A project cost estimates, and projected work credit shortfall (the difference between projected work credit balances and total Rule 20A estimated project costs).

In comments on the proposed decision, SDG&E asserts that since it does not have a reserve of unused credits, active projects in progress that had expected to borrow up to 5 years of credits will be forced to stop. We plan to address this issue for communities across all utilities at the beginning of Phase 2 of this proceeding. We expect communities across all utilities to have similarly situated active Rule 20A projects that cannot reach completion without either reallocated work credits or additional program funding of some kind. We encourage the utilities to continue to work with Rule 20A active communities to advance undergrounding projects to the extent feasible, and we will prioritize addressing these active projects in Phase 2 of this rulemaking.

We also clarify that the unregulated practice of work credit trading in secondary markets is banned effective immediately, including the practice of donating or bartering work credits. Electric utilities shall not facilitate unauthorized trades of work credits between communities executed after the effective date of this decision.

We will provide exceptions for intra-county donations of work credits from a county government to cities and towns within the county or from a city or

town to its county government, and to allow credit pooling amongst two or more adjoining municipalities for a project with community benefit for the adjoining municipalities. In April 2020 comments, the following parties supported this approach: City of Berkeley, SCE, Clean Power Alliance of Southern California, Cal Advocates, Counties of Marin, Napa and Sonoma, County of San Diego, and City of Napa. The utilities will maintain documentation pertaining to, and report on to the Commission, any intra-county donations of work credits. This information will be included in utility annual reports to the Commission.

Many parties opposed the staff recommendation to ban work credit trading between communities.⁴⁰ Several of these parties argued that work credit trading is necessary to ensure that communities who do not have the resources to advance Rule 20A projects still benefit from the program.

We do not find this argument compelling. The existing practice of work credit trading has been conducted outside the oversight of the Commission. The investor-owned utilities should not have the discretion to facilitate and recognize these unauthorized transfers of work credits. As the PG&E Audit Report points out, unregulated work credit trading exacerbates the inequitable distribution of ratepayer-funded services through the Rule 20A program.⁴¹ Further, there is no statutory or other legal basis for communities to engage in unauthorized work credit transactions.

⁴⁰ See April 2020 comments by City of Brisbane, City of Tracy, City of Laguna Beach, County of Santa Cruz, City of Orinda, League of California Cities, City of Burlingame, Bear Valley Electric Service, CSAC, TURN, City of Chula Vista, City of Newport Beach, City of San Jose, Culver City, City of Fresno, and City of Del Mar.

⁴¹ PG&E Audit Report at 106-107.

5. Whether to Modify Program Management Requirements or Enhance Oversight of the Rule 20A Program.

5.1 PG&E Audit Report

For the period of January 1, 2007 through December 31, 2016, the PG&E Audit Report found th