

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



FILED

04/24/17  
04:59 PM

Application of Pacific Gas and Electric  
Company for Authority, Among Other  
Things, to Increase Rates and Charges  
for Electric and Gas Service Effective  
on January 1, 2017 (U39M)  
Application No. 15-09-001

Application 15-09-001

(Filed September 1, 2015)

CITY OF HAYWARD'S SECOND AMENDED NOTICE OF WRITTEN  
EX PARTE COMMUNICATIONS (Rule 8.4)

The City of Hayward provides notice of the following Ex Parte Communications in  
accordance with Rule 8.4.:

1. Requirements of Rule 8.4(a)(The date, time, and location of the communication, and whether it was oral, written, or a combination): **Written communication was transmitted to commissioners on April 19, 2017.**
2. Requirements of Rule 8.4(b)(The identities of each decisionmaker (or Commissioner's personal advisor) involved, the person initiating the communication, and any persons present during such communication): **The written communication was directed to: Commissioner Randolph; Commissioner Aceves; Commissioner Rechtschaffen; and Commissioner Peterman. The written communication was initiated by Morad Fakhrai on behalf of the City of Hayward.**
3. Requirements of Rule 8.4(c)(A description of the interested person's, but not the decisionmaker's Commissioner's personal advisor's), communication and its content, to which description shall be attached a copy of any written, audiovisual, or other material used for or during the communication): **Attached as Exhibit A are true and correct copies of the Ex Parte Communications transmitted to the commissioners identified above.**

Respectfully submitted,

/s/ Joseph Brick

Joseph Brick, Assistant City Attorney  
City of Hayward

City Attorney's Office 777 B Street,  
4<sup>th</sup> Floor Hayward, CA 94541

Telephone: (510) 583-4450

E-Mail: joseph.brick@hayward-ca.gov

# EXHIBIT A

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April 19, 2017

Dear Commissioner Randolph:

As you are aware, Administrative Law Judge, Stephen Roscow, rendered a proposed decision for PG&E's 2017 General Rate Case. That decision contains three items related to the Rule 20A program. President, Michael Picker, has provided a proposed alternate decision that supports two of those three items. We are writing to you today regarding the one item where the ALJ and President differ in their proposals.

President Picker's proposal is a continuation of the reduced (since 2011) allocation of work credits to communities, while ALJ Roscow's proposal is to restore the work credits to the pre-2011 level following tariff guidelines.

California Cities and Counties support ALJ Roscow's proposed decision. ALJ Roscow spent considerable time and effort to thoroughly research the history of Rule 20A, including requests for Program financial data, a detailed review of that data, and a thoughtful evaluation of the evolution of the Program.

- CAUSE has stated that there are no objections to the Proposed Decision written by ALJ Roscow.
- The Proposed Decision is consistent with the policy of the Commission to encourage undergrounding, and simply reinstates the credits to the proper level per Rule 20A.

The level of concern that many Cities and Counties have regarding this program and PG&E's failure to properly manage it and their similar concern with this Alternate Proposed Decision, can be seen in the comment on page 65 of the Alternate Proposed Decision:

- "...approximately half of the September 1, 2016 evidentiary hearing time devoted to examination of the Settlement Agreement was devoted to the Rule 20A issue."

The 2011 GRC and 2014 GRC decisions reduced work credit allocations to roughly one half of the amounts outlined in the Rule 20A tariff. Any continuation of the reduced annual work credit allocation rates will only serve to:

- **Reward PG&E for their mismanagement of the Program.**
- **Punish communities, residents, and ratepayers.**

PG&E has made no progress on the backlog of outstanding work credit allocations that have been reduced by approximately \$240 million over six years.

- PG&E isn't accepting several projects in the planning phase, specifically due to this reduction in available credits.
- Projects in the engineering phase or "shovel ready" aren't moving forward due to concerns that the reduced allocations may not cover the project costs.



- Many other recently completed projects have had scope reductions, which has resulted in compromises from original designs, and less-than-ideal results for the communities.
- Fewer miles of overhead facilities have been converted to underground.
- Underground systems are:
  - safer, more reliable, and aesthetic.
  - much less prone to outages, from winter storms, high winds, dust, vehicle collisions with poles, tree branches, fires, mylar balloons.
  - safer for the public and public safety responders, who encounter fewer exposed electrical components, such as overhead or downed poles and wires. This is a special concern for fire safety personnel working on ladders, in confined spaces, and/or in a wet environment.
- PG&E has consistently underspent their approved Rule 20A budget amounts.
  - In late 2013, PG&E reduced staff for the Program by approximately 50%, and refocused the remaining personnel to track/forecast financial data, rather than educate communities, promote the Program, and facilitate projects.
- PG&E has used partial information regarding its efforts to decrease its Rule 20A backlog.
  - Its four full-time employees dedicated as "liaisons" to focus on customer requirements are a significant reduction in staffing from previous years. In 2012 there were six liaisons, a dedicated Principal Program Manager, and a full-time administrative assistant to promote the Program.
  - The "single contract" method (essentially design-build) has been used for several years for this Program with no appreciable impact, is not a new methodology, and has no effect on the overall amount of work performed.
  - The establishment "of a single contractor to create service lateral books and perform service lateral work" is not a new approach, has been utilized for many years, and has no effect on the overall amount of work performed.

We do not believe that the goal should be to continue with these artificially low annual work credit allocations, as has been the case for the last six years. With each year of reduced allocations, our communities, residents and ratepayers have experienced increased impacts to safety, system reliability and aesthetics. The Proposed Decision written by ALJ Roscow is an appropriate first step towards a reinvigorated Rule 20A Program. We believe that the Decision should be clarified to include restoration of allocation credits for the periods covered by the 2011 and 2014 GRC's to the full value of the 2010 level, plus increases as described by the Rule.

We implore you as a Commissioner to thoughtfully consider the work of ALJ Roscow and vote in favor of his proposal, not that of President Picker. Our belief is that the results of the audit will shed light on the true issues behind PG&E's inability to perform this work, and will support the decision you make when voting.

Kind Regards,  


MORAD FAKHRAI  
Director of Public Works

Department of Public Works  
Engineering and Transportation  
777 B Street, Hayward, CA 94541

T: 510.583.4730  
F: 510.583.3620

TTD: 510.247.3340  
[www.hayward-ca.gov](http://www.hayward-ca.gov)







April 19, 2017

Dear Commissioner Aceves:

As you are aware, Administrative Law Judge, Stephen Roscow, rendered a proposed decision for PG&E's 2017 General Rate Case. That decision contains three items related to the Rule 20A program. President, Michael Picker, has provided a proposed alternate decision that supports two of those three items. We are writing to you today regarding the one item where the ALJ and President differ in their proposals.

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April 19, 2017

Dear Commissioner Rechtschaffen:

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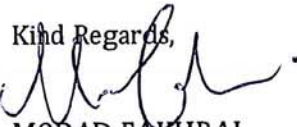
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