


From: Marvin Snow marvin.snow@gmail.com 
Subject: Submittal of Questions to be answered at: "QUESTION AND ANSWER SESSION ON THE AUDIT OF PACIFIC GAS AND ELECTRIC COMPANY RULE 20A UNDERGROUNDING PROGRAM" scheduled for 13 January 2020
Date: January 7, 2020 at 12:48 PM
To: Jonathan Frost Jonathan.Frost@cpuc.ca.gov
Cc: Susan Wengraf swengraf@cityofberkeley.info



Hi Jonathan,

Thank you for the opportunity to submit questions prior to the scheduled January 13 "Question and Answer Session". Regarding the subject audit, I request answers to the 10 questions listed below.

Wishing you all the best,
Marvin Snow

Question 1:

The recognized lack of transparency identified by the audit is a major issue needing correction. The audit recommendations are useful; but not sufficient, regarding the scope, schedule, and budget if each 20A project. *Why is PG&E not required to divulge all construction bids, each award bid, as well as subsequent change orders for "hard costs"? Why is PG&E not required to divulge all project direct "soft costs" like design, engineering, construction management costs both in-house and outsourced? Why is PG&E not required to divulge all management and other overhead costs associated with the 20A project?* Without these measures the Project Cost is essentially whatever PG&E says it is.

Question 2:

Projecting costs based on past performance and inflating them at CPI or other recognized index is only as good as the past performance basis. *What is going to be done to prevent CPI being the floor of automatic cost increases instead of the ceiling? What penalties will be invoked to prod actual cost to budget performance?*

Question 3:

20A projects require teamwork between local government and the utilities. Is there a report system that would signal when the necessary teamwork has definitively broken-down? This could be as simple as every quarter each party lists the items the other party is deficient in providing/performing. All posted publicly on the project web site and emailed to all parcel owners in the UUD..

Question 4:

Each parcel owner in a recognized 20A Utility Undergrounding District (UUD) is a de facto member of the 20A project team. Some of these 20A projects are around for decades. Parcels are bought and sold and the new owners are not even aware that the parcel is within an ongoing 20A UUD. *Can the parcel owners be proactively given an annual report on the scope, schedule, and budget progress of the 20A project?* This would go a long way to maintaining transparency and stimulating better performance on the part of all parties in the project.

Question 5:

Some Cities like the City of Berkeley suspended new 20A project applications during much of the period covered by the audit. It appears that other municipalities continued to process applications, develop 20A project plans, and now have a considerable "backlog" of projects awaiting credit allocations. *What is the solution to the apparent inequity should any reallocation of WCA occur based on current projects in the pipeline?*

Question 6:

Regarding reinstating an escalation factor for WCAs currently on the books, will that action be only forward looking or will it address current credit balances? Many of these WCA balances have taken years to accumulate and should be expressed in current dollars.

Question 7:

Who is in charge of Complete Project Close Out? What can be done to make it happen in a timely manner?

According to the audit report PG&E considers 20A projects complete when powerlines are removed and utility poles are topped. Unfortunately this is NOT project completion for the communities involved. They are left with pole stumps, double poles supporting various and sundry telecommunication cables and equipments. Comcast, AT&T, Verizon, Sonic etc are all notorious for years long, slow and/or incomplete pole removal. The poster child for this is the Marin Avenue 20A Utility Undergrounding District in Albany CA.



Typical segment of Marin Ave, in Albany California showing PG&E "topped" poles with telecom cables left behind. Note Red arrows. Is this a complete 20A Project?

A second local example of PG&E and Telecoms at cross purposes, is UUD 48 in Berkeley CA. This project was authorized almost 30 years ago. Apparently construction is about to start now in 2020, but the telecom Sonic Inc. was inadvertently permitted to hang cables and equipment during the course of the last 2 years (2018/19) while the UUD48 design was being finalized. Sonic has stated that they will not provide service to areas where utilities are underground. Sonic apparently will not be participating in the UUD48 undergrounding because they claim it will be too expensive for the "little guy" Sonic and they can not compete with the "big guys" AT&T and Comcast. Making no judgement about that, what motivation will the installed

AT&T and Comcast. Making no judgement about that, what motivation will the installed Telecoms, including Sonic, have to remove their cables and equipment from the utility poles when UUD48 is complete? Who will enforce the timely removal?



Utility Poles in UUD48, Berkeley CA January 2020

Question 8:

The audit makes recommendations for the disposition of poles at the end of a 20A project, but what is to prevent PG&E from simply deeding the "left behind poles" to one or more telecoms and leaving the "legacy" poles in place? Who is in responsible charge to have them removed in a timely manner consistent with the conclusion of 20A undergrounding project which encompasses telecom equipment?

Question 9:

In Exhibit Q of the Audit Report, the column titled "Project Completion Year" is totally incorrect as it contains only apparent "Project Order Number" data.

Question 10:

Exhibit Q, line 165 addresses the "Miller/Stevenson" 20A Project in Berkeley. The line further indicates that the final project cost was \$5,118,222. The "Miles of Overhead Converted to Underground" is shown as 0.54. This 0.54 number appears to be incorrect and as a result so is the "Cost per Mile of Overhead (nominal)" which is shown as \$9,478,189.

The project is described on the City of Berkeley Website as follows:

RESOLUTION NO. 56,237 - N.S.

"ESTABLISHING UNDERGROUND UTILITY DISTRICT NO. 47 GRIZZLY PEAK BLVD. BETWEEN ARCADE AVENUE AND LATHAM; SHASTA ROAD BETWEEN GRIZZLY PEAK AND MILLER AVENUE; MILLER AVENUE BETWEEN SHASTA ROAD AND LATHAM; STEVENSON AVENUE BETWEEN MILLER AVENUE AND GRIZZLY PEAK BLVD.; WHITAKER AVENUE BETWEEN STERLING AVENUE AND MILLER AVENUE; STERLING AVENUE BETWEEN TWAIN AVENUE AND APPROXIMATELY 300 FEET SOUTH OF WHITAKER AVENUE; STODDARD WAY; AND MUIR WAY BETWEEN GRIZZLY PEAK BLVD. AND PARK HILLS ROAD IN THE CITY OF BERKELEY"

The title of the project "Miller/Stevenson" may have been misleading to a data analyst as the project included many more additional feet (perhaps more than a mile) on Grizzly Peak Blvd alone; as well as, other streets described in the resolution above. It seems inconceivable that 2,851 feet on residential streets "Miller" and "Stevenson" would, alone, remotely qualify the project as a 20A project. The actual total miles converted is probably in the range of 1.54 or greater miles and the nominal cost per mile is closer to \$3,323,521. Note these are back of the envelop numbers based on visual inspection of the project site.

The data, as currently presented in the audit, gives the appearance that PG&E does not know the scope or final cost of the 20A project UUD 47 in Berkeley. I will not conjecture further as to the voracity of data in other 20A Projects. I can say that, as a Berkeley resident, I witnessed this UUD47 project being constructed and find the actual project not in accordance with the description or accounting presented in the audit report at least as I read and understand it.

This definitely bears checking and subsequent revision, as the correction will roll through other data displayed in the Audit. Not correcting this data could significantly impact future 20A undergrounding planning in Berkeley among other adverse effects.

Please refer to <https://www.berkeleyundergrounding.com> for added info on UUD47 Miller/Stevenson available on the website under the tab "Completed Projects"; as well, info available at https://www.cityofberkeley.info/Public_Works/Sidewalks-Streets-Utility/Resolution_for_Underground_Utility_District_47.aspx
