BEFORE THE STATE OF CALIFORNIA
OFFICE OF ENERGY INFRASTRUCTURE SAFETY

VIA E-FILE

May 29, 2024

Kristin Ralff Douglas
Program Manager, Electrical Undergrounding Division
Office of Energy Infrastructure Safety
California Natural Resources Agency
Sacramento, CA 95814

Re: Docket Number 2023-UPS - 2023 Undergrounding Plans
Opening Comments of AT&T California; the California Broadband & Video Association; Crown Castle Fiber LLC; and Sonic Telecom, LLC on the May 8, 2024 Draft 10-Year Electrical Undergrounding Plan Guidelines

Dear Ms. Ralff Douglas:

Pursuant to the May 8, 2024 notice memorandum, AT&T California; the California Broadband & Video Association ("CalBroadband");[1] Crown Castle Fiber LLC; and Sonic Telecom, LLC (collectively, the "Communications Providers") respectfully submit these comments on the Draft 10-Year Electrical Undergrounding Plan Guidelines ("Draft Guidelines") issued by the Office of Energy Infrastructure Safety ("Energy Safety").

The Draft Guidelines Should be Revised to Require 10-Year Undergrounding Plans Submitted to Energy Safety Include *All* Relevant Costs – Including Those Imposed on Customers and Pole Attachers.

The Communications Providers respectfully request that Energy Safety revise the Draft Guidelines to ensure that any 10-Year Undergrounding Plans submitted to Energy Safety include all the cost data necessary for Energy Safety and the California Public Utilities Commission ("Commission") to comply with their Senate Bill ("SB") 884 obligations. Specifically, SB 884 requires that 10-year undergrounding plans include:

- "[i]dentification of the undergrounding projects that will be constructed as part of the program, *including a means of prioritizing undergrounding projects* based on wildfire risk reduction, public safety, *cost efficiency,* and reliability benefits.";[2]

[1] CalBroadband, formerly known as "CCTA," is a trade association consisting of cable companies that have invested over $45 billion in California infrastructure since 1996 to provide video, voice, and Internet service to millions of customers statewide.
[2] Pub. Util. Code Sec. 8388.5(c)(2) (emphasis added).

- "unit cost targets"[3] for undergrounding projects;

- a comparison of mitigation strategies "evaluating the scope, *cost*, extent, and risk reduction of each activity, separately and collectively, over the duration of the plan. The comparison shall emphasize risk reduction and *include an analysis of the cost of each activity* for reducing wildfire risk, separately and collectively, over the duration of the plan."[4]; and

- "[a]n evaluation of project costs, projected economic benefits over the life of the assets, and any cost containment assumptions, including the economies of scale necessary to reduce wildfire risk and mitigation costs and establish a sustainable supply chain."[5]

If Energy Safety approves the plan, the electric corporation must "submit to the commission a copy of the plan and an application requesting review and conditional approval *of the plan's costs*…."[6] Thus, SB 884 requires that the plan approved by Energy Safety must be the same plan submitted to the Commission, and that plan must include the cost data necessary for the Commission to review several cost-related showings.[7]

While the Draft Guidelines do require the submission of cost data, they do not specify that the electric corporation must include consideration of the costs imposed on the general public and third parties. As discussed in more detail below, undergrounding may impose significant costs directly on the electric utility's customers by requiring them to pay for the undergrounding of facilities on their premises. And when communications providers share utility poles with an electric company, undergrounding can impose significant costs on those communications providers, particularly for undergrounding projects where utility poles would be removed.[8] In the aggregate, the costs would be very significant and likely would be passed on to customers in the form of increased charges for communications service.

The high cost of undergrounding may also impair California's ability to meet public policy goals. Costs to underground may increase the cost of broadband deployment, thus requiring more funding to meet the State's goal of "Broadband for All." Additionally, because certain communications

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[3] *Id*. at Sec. 8388.5(c)(3).
[4] *Id*. at Sec. 8388.5(c)(4) (emphasis added).
[5] *Id*. at Sec. 8388.5(c)(6).
[6] *Id*. at Sec. 8388.5(e)(1).
[7] *See id.* at Sec. 8388.5(e)(1)(A)-(D) (The electrical corporation shall submit a copy of the plan and plan's costs to the Commission, including: "(A) Any substantial improvements in safety risk and reduction in costs compared to other hardening and risk mitigation measures over the duration of the plan. (B) The cost targets, at a minimum, that result in feasible and attainable cost reductions as compared to the large electrical corporation's historical undergrounding costs. (C) How the cost targets are expected to decline over time due to cost efficiencies and economies of scale. (D) A strategy for achieving cost reductions over time.").
[8] *See* Communications Providers' Comments on Staff Proposal at p. 3 (Sept. 27, 2023) ("The Communications Providers' costs could exceed $1 million per mile of undergrounding.").

equipment such as Wi-Fi devices, cellular radios, and antennas cannot operate below ground, undergrounding efforts could result in the disruption of and/or delay in the provision of certain communications services, including broadband.

As noted above, SB 884 requires a showing of "cost efficiency." Since the risk reduction to the public at large is included on the benefit side of that analysis, the cost to the public at large should be included on the cost side. A valid cost efficiency analysis cannot compare the benefits to the general public against the costs to only one affected party (the electric utility). Both the benefit side and the cost side of that equation must include all those affected.

The Draft Guidelines Should be Revised to Require 10-Year Undergrounding Plans to Specify Whether Service Lines are Proposed for Undergrounding

The Draft Guidelines require electric corporations to specify the "classification of line asset" only as either "transmission," "primary distribution," or "secondary distribution."[9] However, for the reasons set out below, this classification should be expanded to include "service lines."

First, whether the electric corporation is proposing to underground service lines will have a significant impact on the electric corporation's cost of undergrounding but will yield little risk reduction. Pacific Gas and Electric Company's ("PG&E") 2024 Risk Assessment and Mitigation Phase ("RAMP") filing indicates that overhead primary distribution lines pose significantly greater risk than secondary and service lines.[10] PG&E considered an alternative plan "that only mitigates Primary cable risk through Undergrounding, with Secondary and Service cable risk being mitigated through [overhead] Hardening," which would "*lower[] the total cost of the program* …."[11] PG&E's RAMP workpapers appear to indicate primary line undergrounding costs of $2.9 million in 2027 and secondary and service line undergrounding costs of an ***additional $2.1 million per mile***, which would nearly double the cost, just to PG&E (and, ultimately, its ratepayers).[12]

Second, if service lines are undergrounded, there likely will be substantial costs imposed on electric corporation customers. PG&E's current undergrounding tariff requires its customers to install "all electrical facility changes on the premises necessary to receive service from the underground facilities of PG&E as soon as it is available …."[13] Undergrounding service lines also

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[9] *See, e.g.*, Table C.14., Field Name "line_class."

[10] PG&E RAMP Application, p. 1-24 ("The majority of PG&E's Wildfire Risk lies within its primary distribution lines (76 percent) in HFTD/HFRA locations, which encompasses only 12 percent of our system line miles. PG&E's transmission OH in HFTD/HFRA locations poses the second highest risk, accounting for 13 percent of our Wildfire Risk over 3 percent of our system miles. Service lines on our distribution system poses the third highest risk at 4 percent (5 percent of our line system), followed by our secondary lines in HFTD/HFRA locations. *HFTD/HFRA Primary distribution lines poses 10X greater risk than our secondary and service drops combined*.") (emphasis added).

[11] *Id*. at 1-98. (emphasis added).

[12] PG&E RAMP Application, Workpaper "EO-WLDFR-M022_Undergrounding" tabs "IN5_Primary_Per_Mile_UG_Cost" and "IN6_S&S_Per_Mile_UG_Cost." (emphasis added).

[13] PG&E Electric Rule No. 20, Sec. A.1.b (*available at* https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_RULES_20.pdf).

may require individual households and businesses to bear the costs, inconvenience, and burden of trenching across their property. These costs can be substantial and must be included in any cost-benefit analysis.

Finally, if secondary and service lines are undergrounded, there is a greater likelihood that communications providers and any other pole attachers will be required to underground as well.

Therefore, to ensure more fulsome analysis of the costs and benefits of undergrounding, Energy Safety should modify the Draft Guidelines to require electric corporations to specify whether service lines are proposed for undergrounding.

Conclusion

For these reasons, the Communications Providers respectfully request that the Draft Guidelines be revised to require (i) 10-year undergrounding plans to include *all* relevant costs, and (ii) to specify whether service lines are included in the proposed undergrounding plan.

Very truly yours,

Jerome F. Candelaria
Jerome F. Candelaria
Vice President & General Counsel, Regulatory Affairs, CalBroadband
For the Communications Providers[14]

[14] The signatory has been authorized to submit these comments on behalf of all the Communications Providers.