



Clay Faber
Regulatory Affairs
8330 Century Park Court
San Diego, CA 92123-1548
CFaber@sdge.com

April 1, 2025

Executive Director, Rachel Peterson
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

RE: San Diego Gas & Electric Company 2024 Annual Report of Rule 20 Conversions to Comply with Decision 21-06-013, Phase 1 Decision Revising Electric Rule 20 and Enhancing Program Oversight

Dear Executive Director Peterson:

Pursuant to California Public Utilities Commission ("CPUC") Decision ("D.") 21-06-013, Ordering Paragraph ("OP") 14 (i), OP 14 (ii) and OP 15, San Diego Gas & Electric ("SDG&E") hereby submits a full report on its overhead to underground conversion work completed during the year 2024 ("Report"). The Report includes comprehensive information on project and community level data, a corresponding shape file, as well as confidential files regarding project cost information for Rule 20A, 20B, and 20C projects.

SDG&E hereby submits a confidential version of the completed Report to the CPUC. This submission includes detailed reporting information on project and community-level data, a corresponding shape file, and confidential files pertaining to project cost information. SDG&E is also serving a redacted version of the Report for public access, which protects the confidential information from public disclosure. This redacted version will be posted on SDG&E's Rule 20 website. The redacted version of the Report is attached hereto. Furthermore, as part of this year's report, SDG&E has updated its calculation methodology for the "Centerline Footage of Primary Overhead (OH)" data field. The application of the new calculations provides more accurate numbers than the previous methodology. Consequently, this update affects projects reported in the 2023 report, impacting data for years 2022-2023. This revised methodology is also applied to the 2024 data and will be utilized in future reports to ensure the provision of more accurate data going forward.

Information Related to the Termination of Rule 20 A

D.21-06-013 ("Phase 1 decision") and D.23-06-008 ("Phase 2 decision") provide for the termination of the Commission's Rule 20 A program, and address some issues relating to the orderly transition out of Rule 20 A. The following summarizes how SDG&E intends to wind down the Rule 20 A program.

Electric Rule 20 sets policies and procedures for electric utilities to convert overhead power lines and other equipment to underground facilities at the request of a local government, or private applicant. Electric Rule 20A is a subprogram of Electric Rule 20 that allocates ratepayer-funded work credits to local governments and cities for projects that meet specific project eligibility criteria. The Phase 1 decision revises Electric Rule 20A to (a) discontinue new work credit allocations for Rule 20A projects after December 1, 2022, and (b) clarify Rule 20A project eligibility criteria and work credit transfer rules. The Phase 2 decision permanently discontinues Rule 20A and addresses some transition issues related to work credit allocations. There are also transition issues not addressed directly by these CPUC decisions, and this summary discusses SDG&E's proposed treatment of such issues.

Work credits were allocated to communities on an annual basis.¹ The CPUC has previously permitted local governments to borrow from up to five years of future work credit allocations. The CPUC also permits, in limited circumstances, reallocation of work credit balances from "inactive" communities to communities actively pursuing projects. As the Report indicates, several communities served by SDG&E have negative work credit balances, what the Commission calls work credit debt.² Other communities have a positive work credit balance, and are proceeding with projects, or have indicated their intent to doing so. There are two basic transition issues implicated by the discontinuation of work credit allocations discussed in this summary: (a) projects in active construction budgeted based on allocations properly borrowed or available under the rules in effect at the time allocations were discontinued, and (b) reallocation of work credits as permitted by the CPUC.

With respect to item (a), for projects budgeted and undertaken based on allocations properly borrowed or available at the time the projects commenced construction, SDG&E expects to complete those projects based on the work credit balances in place prior to the discontinuation of allocations. With respect to item (b), SDG&E submitted an advice letter on December 6, 2024, as ordered by D. 23-06-008, notifying the CPUC that SDGE will not make any reallocations of the Electric Rule 20A Work Credits during the remainder of the program.³

While SDG&E submits that the foregoing complies with the CPUC's requirements for ratepayer funding under Rule 20A, SDG&E may choose to seek additional guidance from the CPUC regarding these transition issues.

Sincerely,

/s/ Clay Faber

Clay Faber

Director – Regulatory Affairs

cc: Service List R.17-05-010
Julian Enis, Energy Division, CPUC
Messay Betru, Energy Division, CPUC

¹ Allocations are based on SDG&E's Rule 20 tariff and as determined by the CPUC in SDG&E's general rate case.

² D.21-06-013, pp. 10 and finding of fact 7, p. 33.

³ Advice 4560-E, San Diego Gas & Electric Notification of no Reallocations of Electric Rule 20A Work Credits



California Public Utilities Commission

Annual Report Electric Rule 20 Programs (A-C)

GENERAL

BACKGROUND: As directed in Decision 21-06-013, electric utilities shall annually report to the Commission information about all of the projects, expenditures, and work credit balances for all communities in their service territories. This annual report template is designed for reporting all Rule 20A, 20B, and 20C projects in the reporting period. The first sheet is for project level data and the second sheet is for community level data.

The utilities shall meet with Energy Division or vice versa upon request to further refine the template prior to the annual submission deadline of April 1. Therefore, this template may be subject to change.

INSTRUCTIONS: Complete the spreadsheet, listing all Electric Rule 20 programs' project and community level data from January 1, 2022 to December 31, 2024. Please include all projects from planning phase to close out phase. The annual report is split into three tranches in order of importance of the data. Staff requests that the utilities make data available as they complete each tranche. Data provided should include everything up to December 31st, 2024 (i.e., data recorded after this data should NOT be included in this year's report). Do not leave cells blank; if a column is not applicable to a specific project please indicate this using "N/A" and if a value for a column is unknown indicate this using "Unknown."

Additionally, the utilities shall work with staff regarding the availability of project files in GIS format. GIS data should be provided in a shape file and should include project boundary, path of overhead infrastructure to be converted to underground, and path of trench where underground equipment is to be placed. The attribute table for each project should include all data in the project tab.

If the report contains confidential information, provide two separate versions via through KiteWorks: a redacted version for public distribution and an unredacted version. The files must be searchable and filterable.

If you have questions, contact Julian Enis at Julian.Enis@cpuc.ca.gov and Messay Betru at Messay.Betru@cpuc.ca.gov.

This is the current template as of 11/02/2023.

DEFINITIONS

Definitions of urban areas, urban clusters, and rural areas are per the US Census Bureau's 2010 definitions, which can be found here: <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural/2010-urban-rural.html>

Urban Area: Areas meeting minimum population density requirements and encompassing more than 50,000 people.

Urban Cluster: Areas meeting minimum population density requirements and encompassing more than 2,500 people and less than 50,000 people.

Rural Area: All areas not defined as either urban areas or urban clusters.

