

TO: TOWN COUNCIL

FROM: TOWN MANAGER



RE: CONSENT ITEM  
PGE RULE 20 FUNDS

**ISSUE**

Through State law the Town receives funding for underground utility projects that is based on PGE revenue within the Town.

**RECOMMENDATION**

Receive and file.

**MONEY**

This is a notification of the Town's current credit balance (\$772,498) in Rule 20 funds.

**CEQA**

There are no CEQA issues because it is self evident that information on funding availability will not impact the environment.

**DISCUSSION**

The Rule 20 funds are collected by PGE within Town pursuant to State law and can only be used for utility (electric) underground projects. The money is not cash that the Town can take and use for other purposes. Though expressed in dollar terms it is really a credit the Town can take when doing an underground project. Putting utilities underground is very expensive and the current balance would likely not be enough to do two downtown blocks.



RECEIVED

May 13, 2010

MAY 17 2010

TOWN OF LOOMIS

Town Manager  
Town of Loomis  
6140 Horseshoe Bar Rd, Suite K  
Loomis, CA 95650

Subject: 2010 Rule 20A Allocation & Work Credit Status

Dear Town Manager,

The purpose of this letter is to update you on your community's Rule 20A Electric Underground Work Credit Balance. The table below shows your Rule 20A Work Credit Balance as of January 1, 2010. This balance reflects closed projects and amounts committed for projects with an underground conversion resolution adopted prior to January 1, 2010.

<u>Work Credit Status</u>	
<b>Account Balance as of 07/01/2009</b>	<b>\$729,240</b>
Projects Closed (7/1/09 through 12/31/09)	\$ 0
<b>Account Balance as of 12/31/2009</b>	<b>\$729,240</b>
2010 Allocation	\$43,258
Adjustments	\$ 0
<b>Account Balance as of 01/01/2010</b>	<b>\$772,498</b>
Committed Amounts	\$ 0
<b>Adjusted Balance as of 01/01/2010</b>	<b>\$772,498</b>

Expressed in dollars, the amounts listed above represent the value of work credits that apply only to qualified, public interest underground conversion projects pursuant to Rule 20A. However, notwithstanding the limitations on Rule 20A projects, these work credits may also be used as collateral to begin a Rule 20B neighborhood underground project design. If citizens in your community are interested in discussing a possible Rule 20B, please contact me for more information.

As with all major capital projects, when your community passes a resolution approving an underground district, it is categorized with other Rule 20A projects in the queue. At a company level, the actual budget and resources to do this work is prioritized with all other PG&E work. PG&E's first priority is maintaining overall electric system reliability to serve our customers. For example, customer service reliability projects receive higher priority and include repairing damaged lines and poles caused by storms, upgrading the electric capacity of the system, and connecting new customers. This means that while your underground project is important, we may not immediately be able to begin work after you have passed a resolution. For this reason, advance project planning is important. Also, Rule 20A underground conversion projects are complex, involving coordination with the community, PG&E, and other utilities, and includes complicated engineering to ensure that existing overhead systems remain operable until the moment of cut-over. Again, advance planning with the community and all affected utilities is critical to success.

PG&E values its partnership with the communities and we look forward to developing a plan that works for both of us. If you have any questions regarding your Rule 20A Work Credit Status, or if your community wants to discuss pending Rule 20A projects or potential future projects, please contact me at 707.577.7101.

Sincerely,

SINDY MIKKELSEN  
Principal Program Manager - Rule 20A Program

cc: Public Works Director