



Eugene "Mitch" Mitchell
Vice President
State Government Affairs & External Affairs
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December 22, 2020

Jay Goldstone
Interim Chief Operating Officer
City of San Diego
202 C Street
San Diego, CA 92101

RE: City of San Diego Utility Undergrounding Program (UUP)

Dear Mr. Goldstone,

San Diego Gas & Electric (SDG&E) takes great pride in the work that we have accomplished with the City as part of the accelerated Utility Undergrounding Program (UUP) over the last 20 years. As you are aware, this special program became possible through amendments made to the electric Franchise Agreement between the City of San Diego and SDG&E that were approved in 2002, including the December 11, 2001 Memorandum of Understanding (MOU) between the parties governing the payment of the undergrounding surcharge to the City and the management of the UUP.

SDG&E's gas and electric franchise agreements with the City of San Diego are set to expire on January 17, 2021. As the electric franchise agreement lays out the specific terms under which the surcharge is applied to customers' bills and the management of the UUP under the associated MOU, SDG&E will lack authority to both collect the surcharge from customers and continue accelerated undergrounding work under the UUP after that date, unless a franchise agreement is in effect.

SDG&E has elevated this issue multiple times over the last few years to both senior level City staff and elected officials. Recently, in October, SDG&E informed City leadership, including Mr. McFadden and Mr. Perkins, that SDG&E was suspending long-term projects slated to be completed after the expiration of the electric franchise agreement because of the pending expiration. SDG&E met regularly with City staff throughout the fall to provide additional updates on these issues.

In light of the upcoming expiration of the electric franchise agreement, and to ensure the safety and reliability of our system, SDG&E plans to finalize work on all ongoing UUP projects, including design and construction, by January 15, 2021, unless a franchise agreement is in effect. SDG&E may perform minor, limited work after that date to close out projects or secure work

areas for the safety of our customers and workers. If the City would prefer SDG&E halt work at an earlier date, please let us know as soon as possible.

Attached is a list of open and incomplete UUP projects with details regarding each project's progression and their projected status in mid-January 2021. There are twenty-three (23) City-requested and City-approved projects in flight.

For clarity, the expiration of SDG&E's electric franchise agreement will have no effect upon SDG&E's performance of any ongoing or planned SDG&E Rule 20A undergrounding projects.

Please let us know if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Eugene Mitchell". The signature is written in a cursive style with a large initial "E" and a stylized "M".

Eugene "Mitch" Mitchell
Vice President - State Government & External Affairs

cc: Hon. Todd Gloria, Mayor, City of San Diego
Hon. Mara Elliott, City Attorney, City of San Diego
Paola Avila, Chief of Staff, Mayor Todd Gloria, City of San Diego
Leslie Fitzgerald, Assistant City Attorney, City of San Diego
Will Speer, Vice President, Electric Engineering & Construction, SDG&E
Erika Schimmel-Guiles, Director, Design & Project Management, SDG&E
Warren R. Ruis, Director, Regional Public Affairs, SDG&E

Active Projects In Construction

Phase	Current Status	District	Project Name	Miles	Customers	Status at Jan 15 Suspension
Construction	Active	1	Muirlands La Jolla 1M-J1	1.77	121	Underground energized; cut-overs partially complete
Construction	Active	1	La Jolla 1J Ph2	1.57	88	Underground energized; cut-overs partially complete
Construction	Active	2	Clairemont Mesa 6DD1	3.13	431	Overhead removals completed; still need pole removal; comms still on poles
Construction	Active	2	Clairemont Mesa Blk 6H	3.14	379	Underground energized; cut-overs partially complete
Construction	Active	2	S Mission Beach 2S1	2.17	399	Underground energized; cut-overs partially complete; overhead removals partially complete
Construction	Active	3	Golden Hills 8C	2.44	352	Underground energized; cut-overs partially complete
Construction	Active	9	Talmadge Block 3HH	3.65	415	Overhead removals completed; pole removal partially complete; Comms off poles
		TOTALS	7	17.9	2185	

Active Projects In Construction Suspended in October

Phase	Current Status	District	Project Name	Miles	Customers	Status at Jan 15 Suspension
Construction	Suspended	1	La Jolla 1J	1.51	163	Trench & Conduit 60% complete when suspended for summer beach moratorium; remains suspended
Construction	Suspended	1	La Jolla 1M1	2.48	154	Customer panel mods complete; Trench & conduit contractor selected but suspended at direction of City
Construction	Suspended	2	Crown Point 2BB J2	3.53	225	City in process performing panel mods; SDG&E trench & conduit on hold
Construction	Suspended	2	S Mission Beach 2S2	1.66	275	Some panel mods complete; project delays ongoing due to delays in getting easement from City; was attempting April Start
Construction	Suspended	3	Normal Heights 3DD	3.02	416	Panel mods and trench & conduit previously started but suspended at direction of City
Construction	Suspended	4	Chollas 4J1	2.68	311	Trench & Conduit complete; underground cable not started
Construction	Suspended	4	Lomita Block 4Y	3.48	477	City in process performing panel mods and trench & conduit; SDG&E underground cabling on hold
Construction	Suspended	7	Navajo Blk 7T	3.18	390	Some customer panel work done but previously suspended due to redesign; was scheduled for May start
Construction	Suspended	8	Palm City Blk 8R	2.93	233	City in process performing panel mods and trench & conduit; SDG&E underground cabling on hold
Construction	Suspended	9	Rolondo 7G2	2.58	249	City completed panel mods and trench & conduit; SDG&E underground cabling on hold
		TOTALS	10	27.1	2893	

Active Projects In Design

Phase	Current Status	District	Project Name	Miles	Customers	Status at Jan 15 Suspension
Design	Active	1	Del Mar Hts 1Y	2.64	86	Design on hold
Design	On Hold	2	Crown Point 2BB J1		193	Design on hold/ Coordination with City water/ sewer work; mileage incl. w/ 2BB J2
Design	Active	4	Jamacha Lomita 4Y1	2.32	312	Design on hold
Design	Active	6	N Clairemont 6K1	2.81	464	Design on hold
Design	Active	6	Clairemont BLK 6K2			Design on hold; Miles and customer data not yet available
Design	Active	7	Allied Grdns East 7R1	2.78	418	Design on hold
Design	Active	9	Kensington BLK 3AA			Design on hold; Miles and customer data not yet available
		TOTALS	7	10.6	1473	

Note: 2BB J1 and 2BB J2 are two halves of the same project split to accommodate City water/ sewer projects