



# COUNTY OF HUMBOLDT

For the meeting of: 11/8/2022

---

File #: 22-1447

---

**To:** Board of Supervisors

**From:** Public Works

**Agenda Section:** Consent

**SUBJECT:**

Report of Pacific Gas & Electric Rule 20A Work Credits and Status of Undergrounding Projects

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Receive and file the 2022 Rule 20A Allocation and Work Credit Balance Report from Pacific Gas and Electric (PG&E).

**SOURCE OF FUNDING:**

Rule 20A Utility Underground Fund/General Fund

**DISCUSSION:**

The County of Humboldt currently has \$2,542,652 in work credits available through PG&E for undergrounding of overhead utility lines (Attachment 1). The funds are derived from tariffs that are calculated based upon 50% of the number of PG&E's overhead electric meters and 50% of the total electric meters within each community. The funds can only be used for the purpose of undergrounding utilities and only when meeting criteria established by the California Public Utilities Commission.

In 2013, the Board of Supervisors revised the County's Utility Conversion Plan (Attachment 2). The plan identifies future undergrounding projects and prioritizes them. Since that time, one project has been completed. In 2016, the School Road (East) undergrounding project was constructed. A second project is currently in the works. PG&E is in the process of engineering the Garberville Underground project. PG&E anticipated that construction for the Garberville project would commence in 2021. Due to COVID-19, this did not happen. PG&E has not provided the Public Works Department with an updated timeline.

The Public Utility Commission is sunsetting the Rule 20A program. This is the last year that the County will be receiving work credits. It is anticipated that there will be sufficient work credits to construct the Garberville project. Because the Garberville project is underway, it will not be cancelled. It is not known what the successor program to the Rule 20A program will be.

In addition, in 2014, \$600,000 in work credits were borrowed by the City of San Carlos and \$700,000 in work credits would be repaid to Humboldt County. Each installment of the repayment plan was supposed to be made by PG&E. Public Works' accounting shows that three (3) payments were made: \$130,000 in 2015; \$130,000 in 2016; and \$49,000 in 2022. This leaves an outstanding balance of \$391,000 work credits owed to Humboldt County. Public Works has reached out to both the City of San Carlos and PG&E to see if their accounting matches the County's accounting for the loan. With the sunseting of the Rule 20A program, the County and the city will need to come to an agreement of how the County will be repaid as the original agreement requiring repayment in PG&E work credits may no longer be feasible. Public Works staff will continue to work towards resolution in regard to this loan of work credits.

FINANCIAL IMPACT:

This report on the status of the Rule 20A program does not impact the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by providing for and maintaining infrastructure.

OTHER AGENCY INVOLVEMENT:

PG&E  
City of San Carlos

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board of Supervisors may direct Public Works to move forward with one or more projects and provide General Fund revenue to cover Public Work's costs. This alternative is not recommended.

ATTACHMENTS:

Attachment 1 - PG&E Rule 20A credit summary dated October 18, 2022  
Attachment 2 - Utility Conversion Plan

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-27  
Meeting of: 8/10/2021  
File No.: 21-960