

RESOLUTION NO. R-251119

R. 80-1330

FEB 4 1980

WHEREAS, the Public Utilities Commission (PUC) in 1967 issued Decision No. 73078 (Case No. 8209) which required all the utility companies to provide funding for conversion of overhead facilities to underground locations; and

WHEREAS, negotiations with San Diego Gas & Electric Company (SDG&E) for the 50-year franchise concluded in December of 1970 and provided as a part of the consideration for granting the franchise that SDG&E would annually increase its budget for underground utilities until it achieved a rate of 4 1/2% of the total system gross receipts multiplied by the allocation ratio and continue this level; and

WHEREAS, in accordance with the aforementioned formula, the budget reached a level of \$4.6 million for calendar year 1979; and

WHEREAS, the increasing budget amount each year has created certain impacts upon the ratepayer, taxpayer and property owner, and it appears that these impacts will be exacerbated with the continued further growth in the program; and

WHEREAS, as the program level was the result of negotiations, the Council considered alternative system or program improvements which could be incorporated as a trade-off to the reduction in the program commitment; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

1. That the Council agrees in concept to the reduction of the utility program from its current level to a reduced level, such reduction would be accomplished in two stages:

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(a) Approve SDG&E's request to the PUC for calendar year 1980 allocation for The City of San Diego at \$4.6 million providing that SDG&E will fund from the above allocation conversion of street lights and traffic signals, which cost would otherwise be funded by the City.

(b) Council approves in concept the following allocation amounts for calendar year 1981 through 1984:

\$4.6 million	1981
\$3.3 million	1982
\$3.7 million	1983
\$4.2 million	1984

The above allocations would serve as a staged reduction to a 2% of gross receipts formula level but would require subsequent Council resolutions to the PUC or a franchise amendment. Further, these reductions would be contingent upon SDG&E providing:

(1) Funding of conversion of street lights and traffic signals as required by the conversion projects from the annual allocation.

(2) Funding for the conversion of approximately 10,000 SDG&E-owned and approximately 2,000 City-owned mercury vapor street lights to high-pressure sodium vapor lamps. This program could commence in 1982.

(3) Funding for the conversion of approximately 3,000 series-circuited City-owned street lights to parallel-circuited systems with new

standards and high-pressure sodium vapor lamps. This program could commence in 1982, but it will be contingent on further investigation and the possible convening of assessment district hearings prior to actual conversion.

2. That the City Manager and City Attorney are hereby directed to develop draft modifications to the franchise to provide:

(a) A reduced formula for the determination of the annual allocation for undergrounding, reflecting the schedule shown in 1(b) above and 2% of gross receipts beyond calendar year 1984;

(b) SDG&E funding of the conversion costs of street lights and traffic signals as required by the conversion projects; and

(c) Gradual assumption by SDG&E of the energy and maintenance costs of the street light system, to begin in 1984.

The public hearing on the franchise amendment would be convened at the time that the appropriate language covering SDG&E's assumption of the energy and maintenance costs had been drafted and the California Public Utilities Commission had completed its review.

APPROVED: JOHN W. WITT, City Attorney

By Janis Sammartino Gardner  
Janis Sammartino Gardner  
Deputy City Attorney

JSG:vl:460  
1/25/80  
Or. Dept.: Manager

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Passed and adopted by the Council of The City of San Diego on \_\_\_\_\_  
by the following vote:

**FEB 4 1980**

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bill Lowery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fred Schnaubelt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larry Stirling	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lucy Killea	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON

Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

(Seal)

By Ellen Board, Deputy.

Office of the City Clerk, San Diego, California

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