

Transportation Department

Overview of the Undergrounding MOU

Presentation to the Franchise Compliance Review Committee

May 7, 2025



Overview

What is UUP?

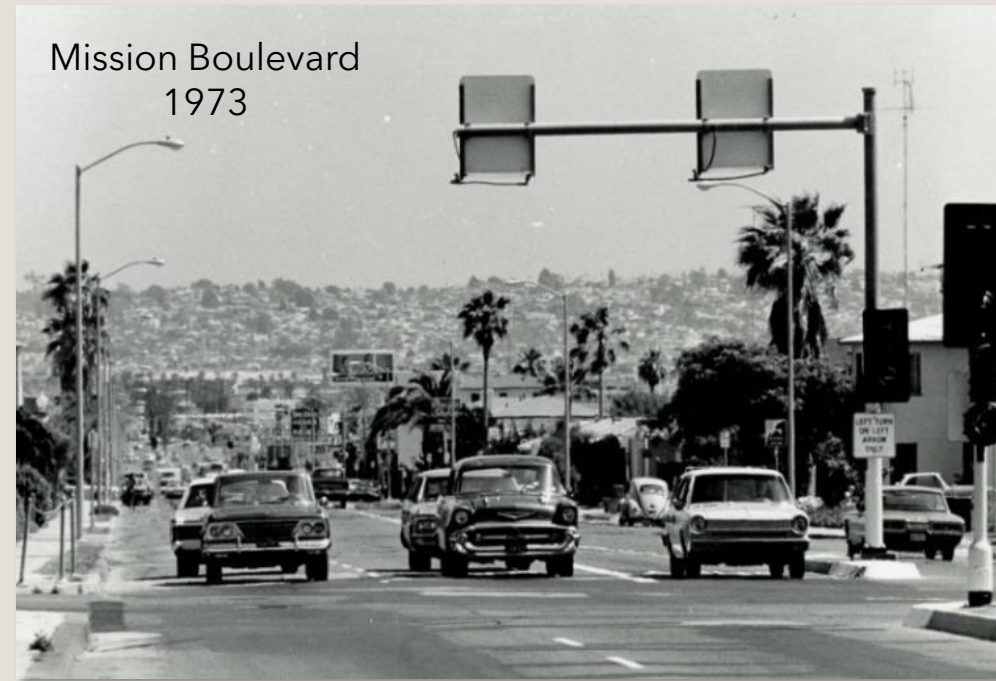
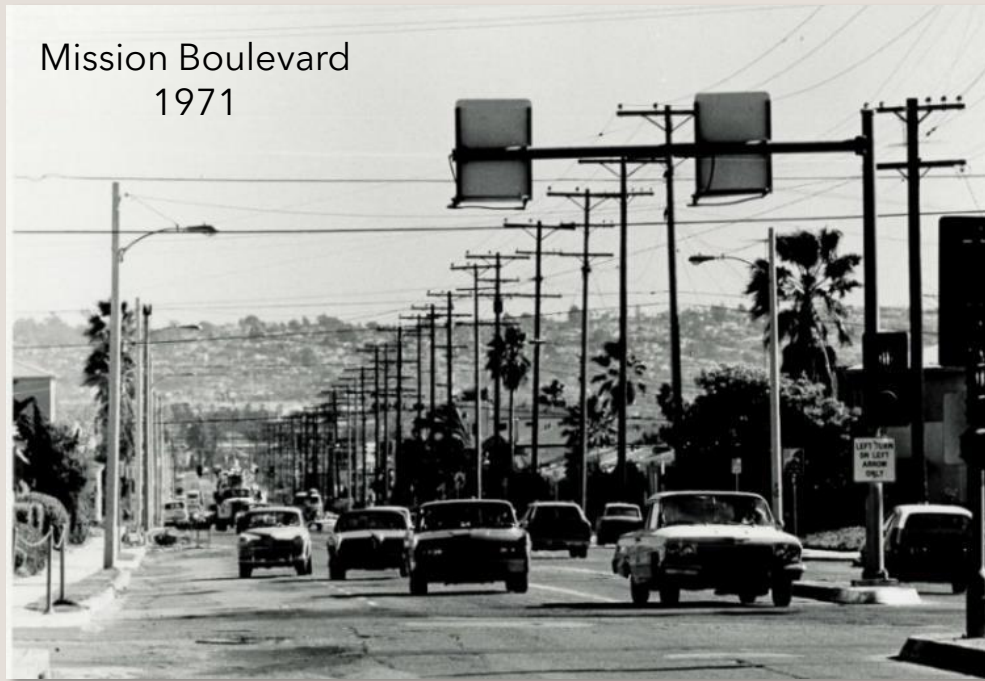
UUP works with SDG&E to underground overhead utility lines. The City oversees the projects, which are delivered either directly by SDG&E through the franchise agreement or jointly with the City.



Our Goal:

To convert every residential overhead utility line within all city streets and alleys to underground service, currently estimated at over 1,000 future project miles.

23 project miles are currently assigned to SDG&E to deliver.



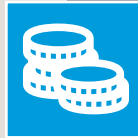
History

RULE 20A PROGRAM:

Established by the CPUC in 1967 to fund undergrounding



SDG&E allocated work credits to pay for undergrounding projects



12/31/2022: end of 20A funding for new projects - can use existing work credit balances only

SURCHARGE PROGRAM:



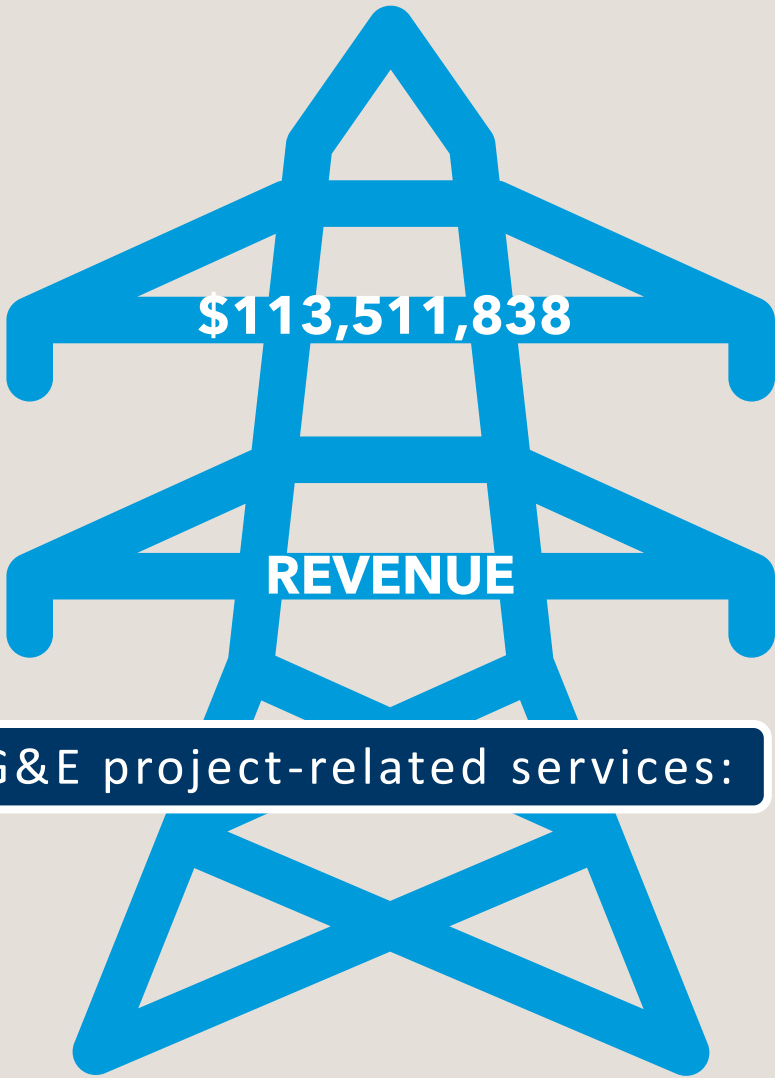
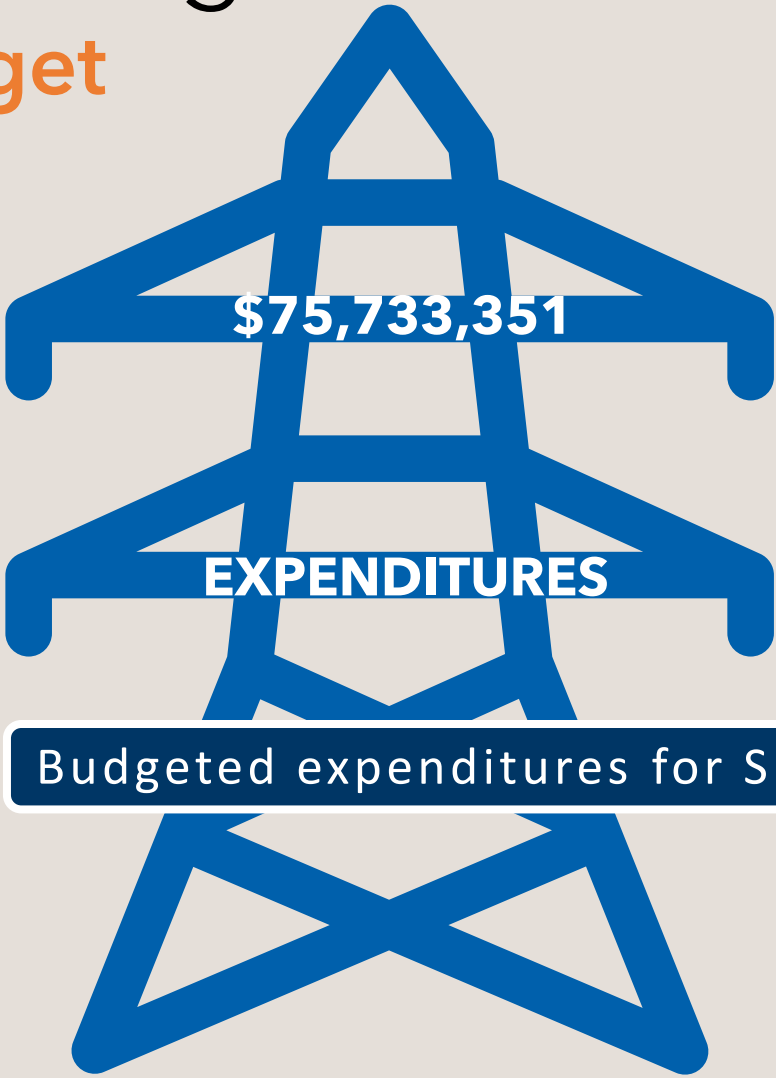
CPUC approved collection of a Surcharge fee through electric utility bills in 2002



City sets budget each fiscal year for the Underground Surcharge Fund

Project Funding & Cost:

FY2025 Budget



Budgeted expenditures for SDG&E project-related services:

\$50
million

Undergrounding Process

Preliminary Studies
→ District Creation



1

Undergrounding
Construction



3

Undergrounded
Community



5

Design



2

Post-Undergrounding
Improvements



4

Phases of Construction

1. Trench & Conduit



SDG&E

- Trenching & place conduit
- Private property conversion

Other Utilities

- Deliver materials to job site

3. Remove Overhead



SDG&E and Other Utilities

- Remove electrical overhead and poles

2. Cabling & Connection



City of San Diego

- Install streetlights

SDG&E

- Pull cables, place transformers, connect homes, energize streetlights
- Private property conversion

Other Utilities

- Pull cables and install utility boxes

4. Post-Undergrounding Improvements



SDG&E

- Energize remaining streetlights

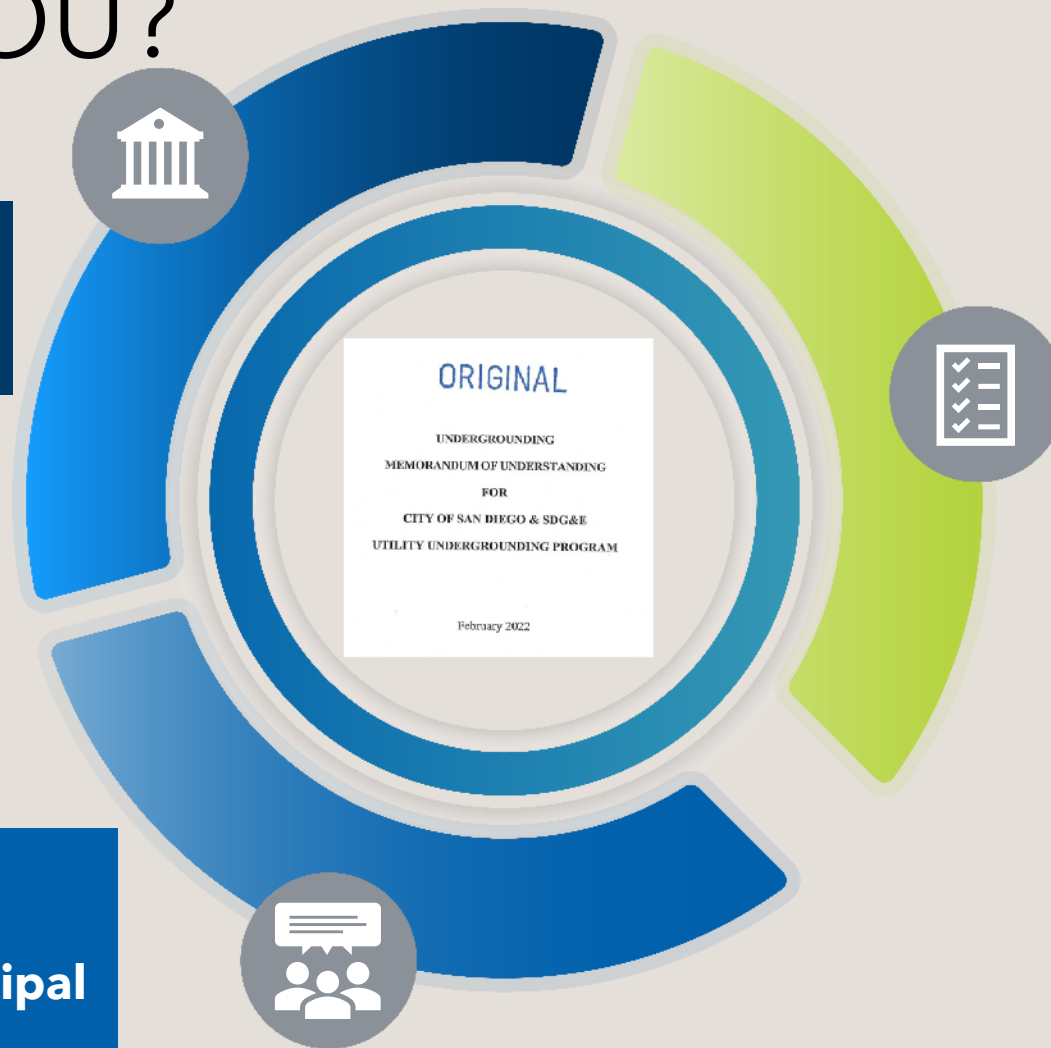
City of San Diego

- Tree planting
- Install remaining streetlights, pedestrian ramps
- Street pavement restoration

What is the MOU?

City owns and is responsible for managing the Surcharge Program

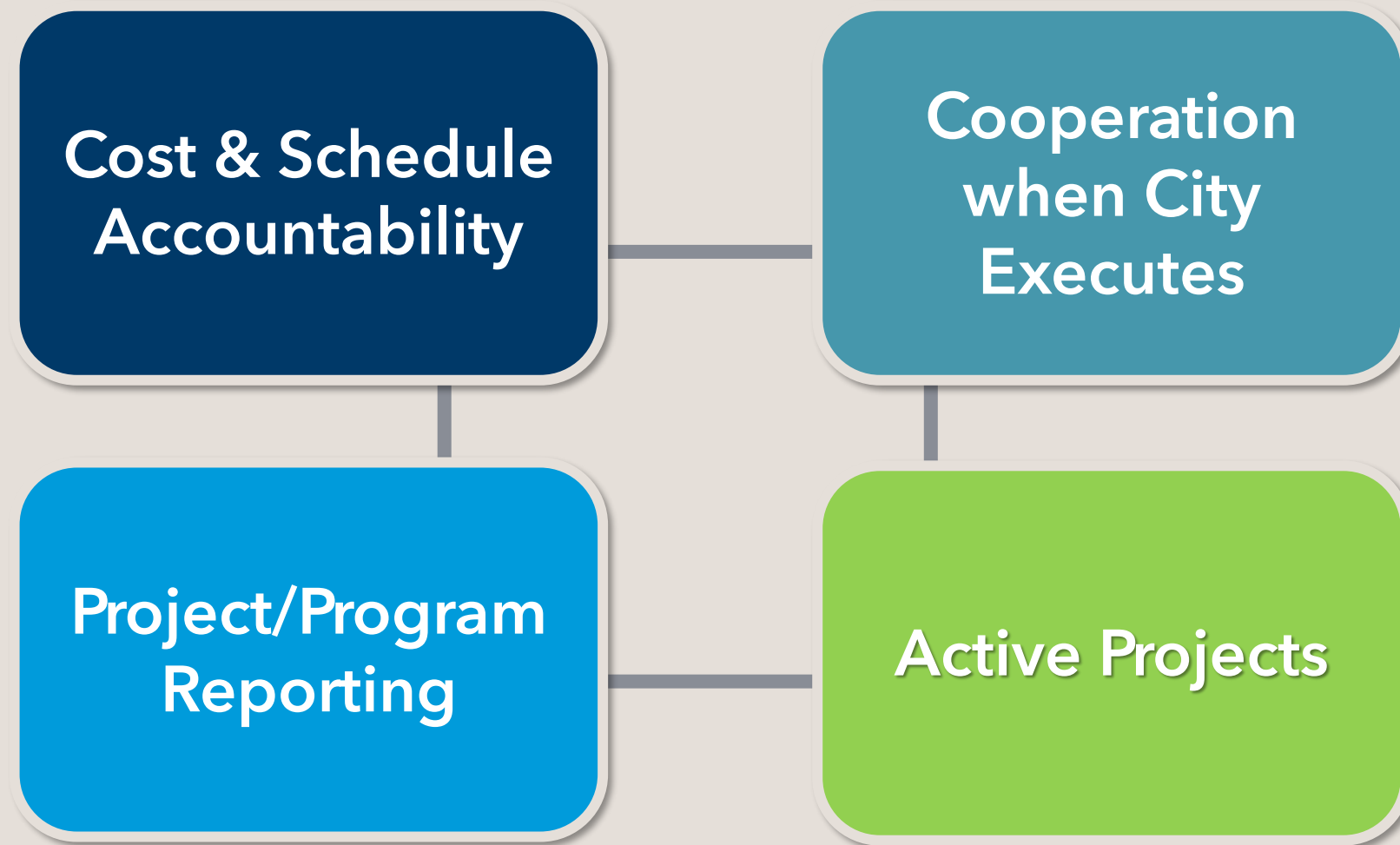
Provides for the coordination and execution of the Municipal Undergrounding Surcharge Program



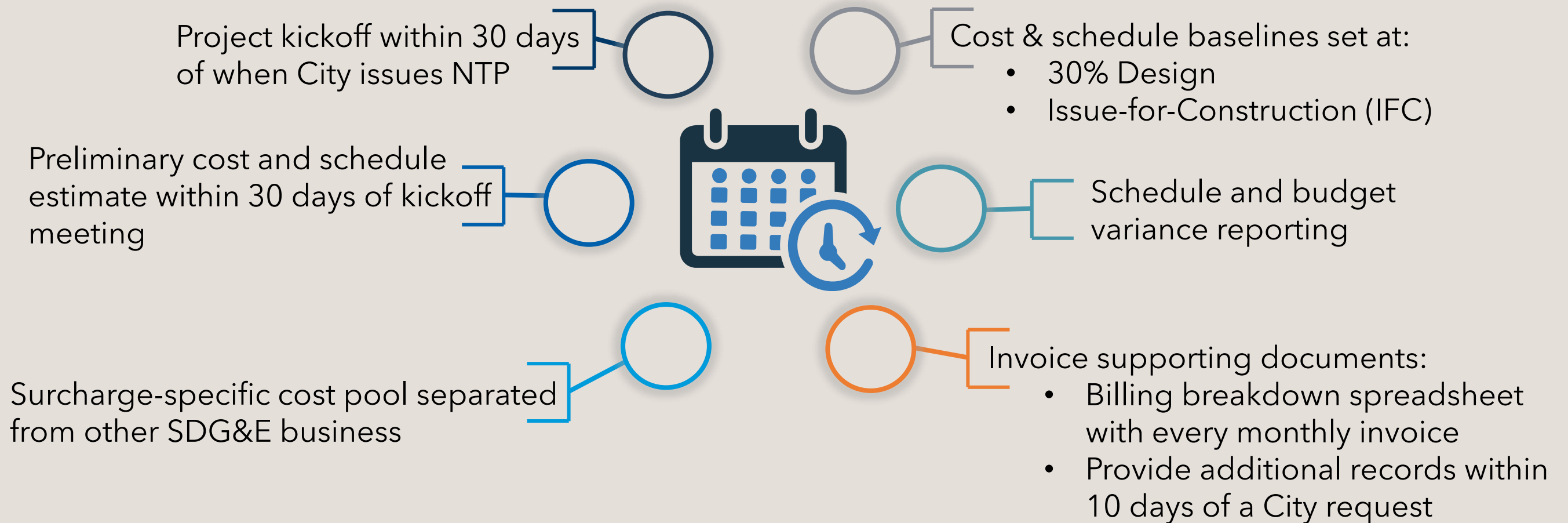
Goal of MOU is to maximize the value of the Surcharge Program by:

- Ensuring projects are cost effective
- Striving for expeditious delivery and plan for a minimum number of days streets are impacted by construction
- Actively pursuing best practices to reduce impacts
- Meet safety, quality, and reliability standards
- Inform stakeholders
- Inform communities

Key Elements of the MOU



Cost and Schedule Accountability



Cooperation when City Executes

SDG&E acceptance of work



- SDG&E will review design submittals in a timely manner following timeline in Appendix C
- SDG&E provides inspections and acceptance of construction
- SDG&E provides acceptance letter for completed SDG&E infrastructure

Joint Project coordination



- City coordinates easements & negotiations with property owners
- SDG&E prepares/executes easements; City funds them
- City performs construction work, electrical service conversions, and streetlight installations
- SDG&E wires to service points and energizes streetlights

Project/Program Reporting

For all projects that the City has granted a Notice to Proceed, SDG&E must provide:



Changes to "Estimated Cost at Completion"



Monthly Milestone Reporting

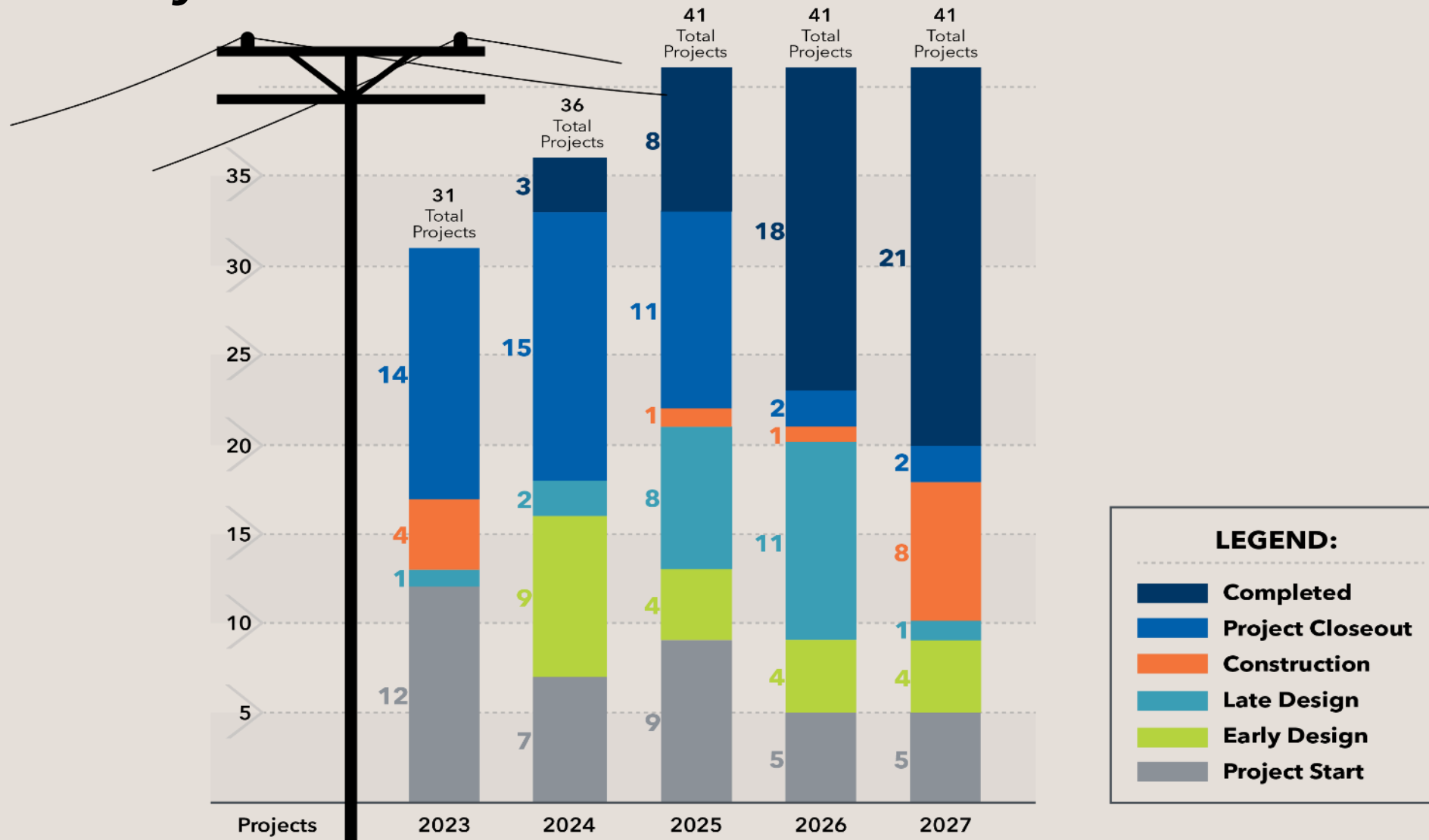


Forecasted Monthly Cashflow Estimate



Average cost per mile reported annually

Active Projects under MOU



Thank You

Jim Nabong, Assistant Deputy Director
Jennifer Reynolds, Program Manager

Learn more at: www.sandiego.gov/transportation

