

1 [PG&E Master Agreement]

2 APPROVING TWO LETTER AGREEMENTS BETWEEN PACIFIC GAS AND ELECTRIC
3 COMPANY (PG&E) AND THE CITY; CONFIRMING THAT THE MASTER AGREEMENT
4 BETWEEN THE CITY AND PG&E APPROVED BY THIS BOARD ON JULY 28, 1997
5 (MASTER AGREEMENT) AUTHORIZES THE SAN FRANCISCO PUBLIC UTILITIES
6 COMMISSION (PUC), THE DEPARTMENT OF TELECOMMUNICATIONS AND
7 INFORMATION SERVICES (DTIS), AND THE DEPARTMENT OF REAL ESTATE (DRE) TO
8 NEGOTIATE AND EXECUTE LETTER AGREEMENTS WITH PG&E TO ESTABLISH
9 OPERATING RULES AND PROCEDURES TO IMPLEMENT THE MASTER AGREEMENT;
10 AND CONFIRMING THAT THE PUC, DTIS, AND DRE MAY ALSO ENTER LICENSE
11 AGREEMENTS AND GRANT EXTENSIONS OF TIME TO IMPLEMENT THE MASTER
12 AGREEMENT.

13 WHEREAS, This Board approved a Master Agreement between the City of San
14 Francisco (City) and Pacific Gas and Electric Company (PG&E) on July 28, 1997, which
15 settled a number of outstanding disputes between the parties (Master Agreement); and

16 WHEREAS, Section 4.a. of the Master Agreement provides: "PG&E and the City shall
17 cooperate in the implementation of this Master Agreement and shall, wherever appropriate,
18 provide such assistance and cooperation as reasonably may be necessary to secure the
19 benefits and bargains of this Master Agreement and to effectuate its terms"; and

20 WHEREAS, Section 4.j. of the Master Agreement provides: "The Parties shall agree
21 upon and put into effect, from time to time as deemed necessary by the Parties, such rules
22 and procedures as may be required in order to establish the methods and operations to be
23 followed in the performance of this Master Agreement"; and

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1 WHEREAS, The San Francisco Public Utilities Commission (PUC), the Department of
2 Telecommunications and Information Services (DTIS), and the Department of Real Estate
3 (DRE) are each charged with implementing various portions of the Master Agreement; and

4 WHEREAS, It is critical for the PUC, DTIS, and DRE to be able to act in a timely and
5 pro-active manner to implement the technical details of the Master Agreement; and

6 WHEREAS, The PUC and DTIS have found it necessary, from time to time, to adopt
7 operating rules and procedures of a primarily technical nature to govern the implementation of
8 the Master Agreement; and

9 WHEREAS, The PUC, DTIS, and DRE seek confirmation from this Board that they
10 have the authority under the Master Agreement to adopt such operating rules and procedures
11 to implement the Master Agreement and obtain the full value of the benefits due the City
12 under the Master Agreement; and

13 WHEREAS, The PUC, DTIS and DRE also seek clarification that they have the
14 authority to grant reasonable extensions of time, such as those contemplated under Section
15 1.c.i.b. of the Master Agreement, which are necessary for the City to realize the benefits of the
16 Master Agreement; and

17 WHEREAS, The PUC, DTIS and DRE also seek clarification that they have the
18 authority to enter into revocable license agreements to implement the Master Agreement; and

19 WHEREAS, Appendix F of the Master Agreement adopts a method of valuing energy
20 delivered to Assigned Customers called the "ECAC-proxy" and provides that a "substitute
21 ECAC-proxy" may be adopted if necessary to preserve the benefits of the Agreement; and

22 WHEREAS, this mechanism has proven difficult to implement due to changes resulting
23 from the restructuring of the electric industry in California; and

24 WHEREAS, Consistent with Sections 4.a. and 4.j. and Appendix F of the Master
25 Agreement, the PUC has entered into a letter agreement with PG&E to adopt a substitute

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1 "ECAC-proxy" consistent with Appendix F of the Master Agreement (ECAC-Proxy Letter)
2 which is available in Board of Supervisors File No. 990783; and

3 WHEREAS, the ECAC-Proxy Letter is in the public interest because it allows the City to
4 receive the value bargained for in the Master Agreement despite intervening changes in the
5 electric industry; and

6 WHEREAS, Consistent with Sections 4.a. and 4.j. of the Master Agreement, DTIS has
7 entered into a letter agreement with PG&E to establish operating rules and procedures for the
8 City's installation of fiber optic facilities into PG&E conduit pursuant to Appendix J of the
9 Master Agreement (Conduit Rules and Procedures Letter) which is available in Board of
10 Supervisors File No. 990783; and

11 WHEREAS, The Conduit Rules and Procedures Letter is in the public interest because,
12 among other things, it establishes time frames by which PG&E must provide technical
13 information and cost estimates to DTIS so that DTIS can schedule installation of fiber optic
14 facilities in PG&E conduit according to the requirements of City projects; now, therefore, be it

15 RESOLVED, That, consistent with Sections 4.a. and 4.j. of the Master Agreement, the
16 PUC properly entered into the ECAC-Proxy Letter and DTIS properly entered into the Conduit
17 Rules and Procedures Letter; and be it

18 FURTHER RESOLVED, That the ECAC-Proxy Letter and the Conduit Rules and
19 Procedures Letter are therefore approved by this Board; and be it

20 FURTHER RESOLVED, That Sections 4.a. and 4.j. of the Master Agreement authorize
21 the PUC, DTIS, and DRE to enter into letter agreements with PG&E to establish operating
22 rules and procedures that are consistent with the intent of the Master Agreement in order to
23 implement its provisions; and be it

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1 FURTHER RESOLVED, That Sections 4.a. and 4.j. of the Master Agreement authorize
2 the PUC, DTIS, and DRE to grant reasonable extensions of time that are consistent with the
3 intent of the Master Agreement in order to implement its provisions; and be it

4 FURTHER RESOLVED, That Sections 4.a. and 4.j. of the Master Agreement
5 authorize the PUC, DTIS, and DRE to enter into revocable license agreements that are
6 consistent with the intent of the Master Agreement in order to implement its provisions.
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PUBLIC UTILITIES COMMISSION AND DEPARTMENT OF
TELECOMMUNICATIONS AND INFORMATION SERVICES



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 990783

Date Passed:

Resolution approving two letter agreements between Pacific Gas and Electric Company (PG&E) and the City; confirming that the Master Agreement between the City and PG&E approved by this Board on July 28, 1997 (Master Agreement) authorizes the San Francisco Public Utilities Commission (PUC), the Department of Telecommunications and Information Services (DTIS), and the Department of Real Estate (DRE) to negotiate and execute letter agreements with PG&E to establish operating rules and procedures to implement the Master Agreement; and confirming that the PUC, DTIS, and DRE may also enter license agreements and grant extensions of time to implement the Master Agreement.

May 22, 2000 Board of Supervisors — ADOPTED

Ayes: 10 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Teng,
Yaki, Yee

Absent: 1 - Newsom

File No. 990783

I hereby certify that the foregoing Resolution was ADOPTED on May 22, 2000 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

JUN - 2 2000

Date Approved



Mayor Willie L. Brown Jr.