

# **PG&E Gas Transmission Encroachment Issues and Customer Outreach Plan**

Meeting with CPUC CPSD 6.19.12

## **Purpose of meeting**

1. To present the results of a recent survey of 20 miles of Lines 132 and 153 to identify possible encroachments over the pipeline or within the easement area.
2. To describe our customer outreach plan to address the identified encroachments and discuss ways to assist with potential customer outreach to the CPUC.
3. To lay out next steps to take this approach systemwide.

## **I. Background**

Transmission lines typically are located within utility easements on private property or within public rights of way adjoining private property. PG&E has a right and responsibility to maintain its facilities within easements; property owners are required to provide access and to comply with easement terms and conditions. PG&E's easements expressly restrict the property owner from constructing any building or structure within the easement area. In addition, the easements would prevent the owner from unreasonably interfering with PG&E's pipeline operations, including the placement of any incompatible vegetation over the pipeline.

Not surprisingly, Class OII patrol data review and pipeline hydrotesting work have revealed several instances of encroachment within PG&E easements. For purposes of this review, encroachments include structures (overbuilds) and incompatible vegetation located within the easement boundaries. PG&E's ability to readily and easily access transmission lines to perform regular maintenance, testing and monitoring on an ongoing basis is a critical part of our safety integrity management program.

## II. Pilot Program

To assess the scope of encroachments, PG&E conducted a pilot study on two 10-mile segments of Bay Area transmission along Lines 132 and 153 to identify possible encroachments over the pipeline or within the easement. The Line 132 review included 10 miles in Santa Clara, Sunnyvale, Mountain View and Palo Alto. The Line 153 review covered 10 miles in Union City, Hayward, San Lorenzo and Oakland. Both areas are highly developed and have 15' easements; neither of these sections is scheduled for replacement in the next 3 years. Google Earth and field reviews were used to assess locations and confirm easement boundaries.

**Results of Pilot Program:** The 20 mile section review identified 85 private properties (customers) with 143 easement encroachments that need to be addressed, including structures and incompatible vegetation and large trees.

Encroachments are being categorized as difficult, moderate, or simple. A habited residential or commercial structure, for example, would be in the “difficult” category; outbuildings, sheds, decks, incompatible vegetation might be “medium”; and landscaping or parking areas might be “simple.”

Of 16 properties identified as priority and potentially “difficult” by aerial photography, we have confirmed one single family home addition that was built over Line 132. The majority of encroachments are sheds, patios, decks, awnings. There are also a few garages, playhouses, pools, industrial facilities, and a mobile home.

***No gas leaks or other immediate safety issues have been identified in the pilot.***

We are currently conducting initial customer outreach to the 85 properties and expect to conclude that by the end of July. Initial outreach includes letters, phone calls, and/or in-person meetings. (Copies of customer materials are provided in a separate document.)

We have had two meetings so far with the customer whose home is over the pipeline at 740 Borregas Ave. in Sunnyvale, and plans are in development to remove the home addition over the pipeline and remodel the home to meet the customer’s needs and stay out of the easement.

***Estimate of system wide impact:*** Extrapolating the pilot results to the rest of the PG&E territory, our initial estimate is that there may be 4,000 – 5,600 customers on whose property encroachments will be identified. Of these, 700-1,000 customer properties may have encroachments requiring difficult work, 3,500 – 4,700 customer properties may require moderate work, and 1,000 – 1,500 customer properties may have incompatible vegetation. These numbers are truly rough estimates based on the pilot.

### **III. Customer Outreach**

Addressing encroachments presents a series of unique challenges in communicating and resolving access issues, abatement needs, operational needs, and customer safety. Each case will require personalized customer communication and resolution. We anticipate that some customers will contact the CPUC during this process.

We have already begun work with the customer whose home addition is over a transmission line, and have notified 84 other customers. Outreach is personalized, and thus is a labor-intensive and time consuming process.

A core team is assigned to each property owner, with staff from Land and Customer Support taking the lead, and technical support from Gas Operations. Third party turnkey contractors are involved as needed.

The core team representatives meet with customers to discuss the encroachment specific to their property and provide information about the pipeline. In most cases, leaving the encroachment in place will not be allowed; in other cases additional approval and/or agreements may be required to allow an encroachment to be left in place.

***Options being offered to customers:*** PG&E will provide turnkey third party contractor service options to remove difficult encroachments, including movement, replacement, and compensation for removal. For habited or occupied structures, turnkey remodel/removal and/or landscaping, in kind, will be offered. Optional temporary relocation during remodeling also will be provided. We will

offer compensation for loss of square footage or improvements, loss of rental income, if tenant occupied, and we will provide a price ceiling for reimbursement to the property owner for self-remodeling, subject to and based on market value.

PG&E also will provide an option to allow customers to handle the removal if they desire with a financial offering.

For moderately difficult encroachments (non-occupied), PG&E will offer turnkey removal, turnkey rebuilding/replacement in kind, and compensation for loss based on replacement cost. Turnkey landscaping/restoration in kind also will be provided.

**Guiding Principles:** To summarize, we have adopted the following **guiding principles** as we go forward to abate encroachments in the pilot area:

- Our main concern is for the safety of customers, employees, and the community, while ensuring gas pipeline integrity
- We will work cooperatively with property owners, tenants, businesses and other key stakeholders, and we will treat each customer equitably
- We will take financial responsibility for addressing difficult and moderate encroachments that have been present within the easement for more than one year, provided that previous communications and instructions have not transpired
- We recognize and respect customers' private property and will leave the property in condition that is as good as it was or better, in compliance with code and permitting guidelines
- We will not replace structures that are not up to code, not permitted, considered a safety risk for our customers, employees, and the community, or that will negatively impact the integrity of the gas pipeline
- We will be sensitive to the needs of all residents and businesses and will minimize disruption and inconvenience
- Turnkey services will be provided, if the customers so elect, for removal/movement of encroachments; customers will have the option to handle abatement on their own

- If the customer is unwilling to participate, PG&E will enforce its easement rights, as necessary, to ensure public safety and integrity of the pipeline
- If imminent hazards are identified, PG&E will take immediate action to resolve the safety issue
- We will learn from the pilot program outreach and resolution and will adjust the operational plan as appropriate
- All encroachments and incompatible vegetation identified in the pilot program will be addressed, and will require customer notification and encroachment removal
- The pilot operational plan may differ from past practices and also may differ from PG&E's future plans that will be developed to address system-wide encroachments

#### **IV. Beyond the Pilot Program: Next Steps**

We will address encroachments system-wide, with a multi-year approach to conduct a thorough line-by-line review and ensure that all transmission lines have been patrolled on a quarterly basis. Dedicated teams will conduct site-specific reviews and address the difficult and moderate encroachments identified in the pilot. A longer term abatement program will address system-wide encroachments through a Land Program Manager and a process that will train field personnel in identifying and reporting encroachments.

We are developing customer notification and education materials, and will be adding information to our website about private structures on pipeline easements. We would like to work with the CPUC to identify materials and contact points that can be mutually beneficial in responding to customer concerns.