

**PACIFIC GAS AND ELECTRIC COMPANY**  
**Wildfire Mitigation Plans**  
**Rulemaking 18-10-007**  
**Data Response**

PG&E Data Request No.:	CalAdvocates_057-Q07		
PG&E File Name:	WildfireMitigationPlans_DR_CalAdvocates_057-Q07		
Request Date:	June 10, 2021	Requester DR No.:	CalAdvocates-PGE-2021WMP-23
Date Sent:	June 15, 2021	Requesting Party:	Public Advocates Office
PG&E Witness:		Requester:	Alan Wehrman

The following questions relate to PG&E's 2021 Wildfire Mitigation Plan – Revised, submitted June 3, 2021.

**QUESTION 07**

In response to Remedy 3 of Critical Issue PGE-05, PG&E states,

The CWSP Program Management Office (PMO) team coordinated with the Finance, Risk, and Investment Planning teams to prepare the numbers in Table 12 for the 2021 WMP filing,<sup>1</sup>

And,

PG&E's Finance team leverages recorded source data from our system of record SAP. For future year forecasts, Finance leverages the investment planning tools that capture forecasts for the various programs in the 2021 WMP.<sup>2</sup>

- a) In addition to the above processes, did PG&E utilize a formal internal financial audit process to verify the expenditures it reported in its 2021 WMP (February 5, 2021) or its Revised 2021 WMP (June 3, 2021)?
- b) If the answer to part (a) is yes, please describe this process.
- c) If the answer to part (a) is no, please explain why not.
- d) Please provide meeting minutes, presentations, or other documentation of the meetings between the CWSP PMO team and the Finance, Risk, and Investment Planning teams described above.
- e) Please describe what internal and external controls exist on SAP to ensure accurate reporting of expenditure.
- f) Please list and describe the investment planning tools mentioned in PG&E's response.
- g) Please describe what internal and external controls exist on the investment planning tools to ensure accurate reporting of expenditure.

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<sup>1</sup> PG&E's 2021 Wildfire Mitigation Plan – Revised, p. 416.

<sup>2</sup> PG&E's 2021 Wildfire Mitigation Plan – Revised, p. 416.

## ANSWER 07

- a) As explained in response to Remedy 3 of Critical Issue PGE-05, Business Finance performs an audit of the Wildfire Mitigation Plan financials by reviewing, in detail, the various data sources that flow into the financial tables through inspection of the excel based formulas that link to the various data sources (SAP, investment planning tools housing the long-range forecasts).

PG&E's Internal Audit department did not perform an additional audit of the Wildfire Mitigation Plan because PG&E uses various methods to disaggregate our work related to wildfire mitigation activities into the various tiers (Tier 1, Zone 1, Tier 2, Tier 3) and track it down to the initiative level as laid out in the WSD table templates. PG&E has, for many years, managed work relating to wildfire mitigation activities using MAT codes that roll up into our other regulatory filings (e.g. General Rate Case). Other regulatory filing such as the General Rate Case, do not utilize the same wildfire mitigation initiative structure as the WMP. Without this level of detail for a number of the initiatives in the WMP, PG&E has used assumptions to break down the work described in the Wildfire Mitigation Plan into this level of detail. Performing this action requires in depth analysis and alignment with subject matter experts.

- b) Please see the response to question 7a, above.
- c) Please see the response to question 7a, above.
- d) PG&E objects to this request on the grounds that it is overbroad and unduly burdensome. PG&E objects to this request to the extent it calls for information in violation of the attorney-client privilege or work product doctrine. PG&E objects to this request to the extent it request proprietary or otherwise confidential information. (See, e.g. Civil Code § 3426; Govt. Code § 6254.)

Subject to and without waiving these objections, PG&E responds as follows: As discussed in response to Critical Issue PGE-05 in the Revised 2021 WMP, the CWSP Program Management Office (PMO) team coordinated with the Finance, Risk, and Investment Planning teams to prepare the numbers in Table 12 for the 2021 WMP filing. These meetings often took place over MS Teams or consisted of one-on-one discussions where changes and validations were completed live on spreadsheets. Accordingly, PG&E does not have formal minutes for such meetings. During the 2021 WMP planning process, the CWSP PMO core team met on a daily basis to discuss changes in the narrative portions for initiatives throughout the WMP. If narrative changes were needed, the PMO Team Leader coordinated these changes with the Finance, Risk, and Investment Planning teams to ensure consistency on the scope and assumptions used for each initiative.

- e) See: WildfireMitigationPlans\_DR\_CalAdvocates\_057-Q07Atch01CONF.pdf for Sarbanes-Oxley (SOX) Internal Controls Over Financial Reporting Standard.

PG&E follows established Sarbanes-Oxley (SOX) internal controls to ensure financial reporting is accurate and sound within SAP. In tandem with SOX controls, PG&E has internal enterprise financial reporting processes that ensure spending compared to budget is accurate from a project, program, and line of business view. From the external perspective, PG&E follows external Generally Accepted

Accounting Principles and SEC/Financial Accounting Standards Board guidelines and is subject to audits of our financials.

- f) The main investment planning tool utilized to provide forecasted data for the 2021 WMP is called the PLC Planning & Compliance Tracker. This database is a sequel server–based spreadsheet repository, where PG&E’s electric operations investment planning team compiles financial forecast, and where applicable or available, unit information related to PG&E’s electric operations Capital Expenditure and Operations and Maintenance Expense forecasts. This tool does not directly capture “line miles treated” as is requested in the WMP. Line miles treated are calculated based on the plans as described in the WMP narrative sections, and capital and expense plans are aligned according to the commitments established in the WMP and are captured in an excel spreadsheet database that is used as the basis for reports in the WMP, and are not captured in any other tool.
- g) There are no external controls on the investment planning PLC Tracker tool accuracy. Internal controls of the PLC are established by review of the cost forecast plans by electric operations execution/budget owners, asset management planners, and business finance. Controls on calculated line miles treated are established by the process step of review of calculations compared to the WMP narrative write-up by Investment Planning, Business Finance, and Electric Regulatory Strategy.