

March 29, 2002

Advice 2139-E-A
(Pacific Gas and Electric Company ID U 39 E)

Subject: Vegetation Management Balancing Account
REVISIED 2000 Balance

Public Utilities Commission of the State of California

In accordance with Preliminary Statement, Part BU--*Vegetation Management Balancing Account (VMBA)*, Pacific Gas and Electric Company (PG&E) submits for filing a revised summary of the entries made to the VMBA for the period January 1, 2000, through December 31, 2000. Also, as authorized in D. 02-02-043, dated February 21, 2002, in PG&E's Attrition Rate Adjustment (Attrition) proceeding, PG&E is transferring the year-end 2000 balance to the Transition Revenue Account (TRA). This filing supplements Advice 2139-E dated July 13, 2001.¹

Background

In PG&E's 1999 General Rate Case (GRC) decision (D. 00-02-046), the Commission adopted a one-way balancing account mechanism to track vegetation management expenditures during the time the 1999 GRC revenue requirement is in effect. The VMBA provides that PG&E will file an annual advice letter summarizing the entries to the VMBA for that year and a proposal for the disposition of any credit balance in the account.

On January 10, 2001, Administrative Law Judge Robert Barnett issued a ruling in PG&E's 2001 Attrition proceeding that bifurcated the proceeding into two phases and adopted the review of PG&E's vegetation management expenditures for 1999 and 2000 under Phase 1 of the proceeding. In D. 02-02-043, the Commission authorized PG&E to transfer the 1999 and 2000 VMBA balances to the TRA, as

¹ PG&E reserves all legal rights to challenge the decisions or statutes under which it has been required to make this advice filing, and nothing in this advice filing constitutes a waiver of such rights. In particular, PG&E's implementation in this advice letter of the downward adjustment to its vegetation management expense ordered in Decision 01-10-031 (PG&E's 1999 GRC Rehearing Decision) should not be construed as a waiver or implied waiver of any arguments made in its petition for writ of review of Decision 01-10-031, which is currently pending before the California Court of Appeals, First Appellate District. Also, PG&E reserves any additional legal rights to challenge the requirement to make this advice filing by reason of its status as a debtor under Chapter 11 of the U.S. Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

requested in Advice 2016-E and Advice 2139-E, respectively.

2000 VMBA Balance

Entries made to the VMBA for the period January 1, 2000, through December 31, 2000, are shown in Table 1 below. The recorded expenses for 2000 totaled \$115,979,847. In accordance with VMBA accounting procedures, this amount excludes expenses relating to the vegetation management quality assurance program, shareholder-funded expenses as defined in D. 99-07-029 (Tree Trimming OII Settlement), and vegetation management expenses allocated to Federal Energy Regulatory Commission (FERC) jurisdiction.

Decision 00-02-046 adopted an estimated vegetation management expense of \$121,070,000 (in constant 1996 dollars) (\$130,518,843 in 1999 dollars). However, GRC Rehearing D. 01-10-031, dated October 10, 2001, modified the adopted amount to \$118,019,000 (in 1996 dollars) (\$127,229,729 in 1999 dollars).² Excluding the vegetation management quality assurance program and the allocated FERC jurisdiction amounts, the net adopted 1999 expense is \$125,209,110 (in 1999 dollars). Since the Commission denied an attrition increase for 2000, authorized expense for 2000 is equal to authorized expense for 1999.

The difference between the amount adopted in D. 00-02-046 and the amount recorded for 2000 is \$9,229,263. This amount represents an overcollection, or credit balance, to the VMBA. Decision 02-02-043 authorizes PG&E to transfer this overcollection, including interest, to the TRA.

This filing will not increase any rate or charge, cause the withdrawal of service or conflict with any other rate schedule or rule.

Protests

Anyone wishing to protest this filing may do so by sending a letter by **April 18, 2002**, which is 20 days after the date of this filing. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. Protests should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
Facsimile: (415) 703-2200

² D. 01-10-031 changed the adopted Tree Removal expense from \$20.384 million to \$17.333 million, resulting in a reduction of \$3.051 million from the original adopted vegetation management expense.

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Les Guliasi
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
Facsimile: (415) 973-7226

Effective Date

PG&E requests that this supplemental advice filing become effective on **August 22, 2001**, as originally requested in Advice 2139-E.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list, and the parties on the service list for Application (A.) 00-07-043. Address changes should be directed to Rose Abao at (415) 973-2218. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

cc: Service List – Attrition A. 00-07-043

Table 1
(REVISED per Decision 01-10-031)

Vegetation Management
Balancing Account Summary

January 1, 2000, through December 31, 2000

1999 GRC Adopted Estimate	\$ 127,229,729
Less VMQABA*	(\$1,163,368)
Less FERC Allocation	(\$857,251)
TOTAL	<u>\$ 125,209,110</u>
2000 Recorded Expenses	\$ 117,668,237
Less VMQABA*	(\$894,327)
Less FERC Allocation	(\$794,063)
TOTAL	<u>\$ 115,979,847</u>
Over (Under) Expenditure	(\$9,229,263)
Interest (through February 2002)	(\$504,416)
TOTAL	<u>(\$9,733,679)</u>

* Vegetation Management Quality Assurance Balancing Account