

July 13, 2001

Advice 2139-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Submits Vegetation Management Balancing Account Summary for 2000

Purpose

In accordance with Preliminary Statement, Part BU -- *Vegetation Management Balancing Account* (VMBA), Pacific Gas and Electric Company (PG&E): 1) submits for filing a summary of the entries made to the VMBA for the period January 1 through December 31, 2000, and 2) requests approval to transfer the year-end 2000 balance to the Transition Revenue Account (TRA).¹

Background

PG&E's 1999 General Rate Case (GRC) Decision (D.) 00-02-046 adopted a one-way balancing account mechanism to track vegetation management expenditures during the time the [1999] GRC revenue requirement is in effect. Advice 1977-E, filed March 14, 2000, and accepted by the Energy Division on June 13, 2000, submitted the one-way VMBA under Preliminary Statement, Part BU in compliance with the decision. This preliminary statement includes the provision for PG&E to file an annual advice letter, which shall include a summary of the entries to this account and a proposal for the disposition of any credit balance in the account.

On January 10, 2001, Administrative Law Judge Robert Barnett issued his ruling "Re-Scheduling and Other Matters" on PG&E's 2001 Attrition Rate Adjustment proceeding (A. 00-07-043). The ruling 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. It also included the consideration of PG&E's request to transfer the 1999 year-end balance of the VMBA to the TRA in Advice 2016-E. As of the date of this filing, no decision has been issued. A decision in this proceeding is expected no later than January 2002 (A. 00-07-043,

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. 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 Bankruptcy Code, and nothing in this advice filing constitutes a waiver of such rights.

Assigned Commissioner Ruling, October 17, 2000, p. 2). Thus, in the absence of a decision by the Commission, PG&E continues to file an annual advice letter in accordance with the existing preliminary statement requirements previously approved by the Energy Division.

Attachment I is a summary of the entries made to the VMBA for the period January 1 through December 31, 2000. The recorded expenses for 2000 totaled \$115,979,847. In accordance with the accounting procedure specified in the preliminary statement, 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.

D. 00-02-046 adopted an estimated vegetation management expense of \$121,070,000 (in constant 1996 dollars), or \$130,518,843 in 1999 dollars. However, excluding the vegetation management quality assurance program and the allocated FERC jurisdiction amounts, the net adopted 1999 expense is \$128,475,857 (in 1999 dollars).

The difference between the amount adopted in D. 00-02-046 and the amount recorded for 2000 is \$12,496,010. This amount represents an overcollection, or credit balance, to the VMBA. PG&E requests approval to transfer this overcollection, including interest as required by the preliminary statement, to the TRA, consistent with the treatment proposed in Advice 2016-E and A. 00-07-043.

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 within 20 days of 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

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, Mailcode B10C
P.O. Box 770000
San Francisco, CA 94177
Facsimile: (415) 973-7226

Effective Date

PG&E requests that this advice filing become effective on August 22, 2001, which is 40 days after the date of this filing.

Notice

In accordance with Section III, Paragraph G, of General Order 96-A, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list, and interested parties in A. 97-12-020. Address changes should be directed to Nelia Avendano at (415) 973-3529.

Vice President - Regulatory Relations

cc: Service List A. 97-12-020