

September 17, 2001

**Advice 2162-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject:     **Vegetation Management Quality Assurance Balancing Account****

In accordance with Preliminary Statement Part BN – *Vegetation Management Quality Assurance Balancing Account (VMQABA)*, Pacific Gas and Electric Company (PG&E): (1) submits for filing a summary of the entries made to the VMQABA for the period August 19, 2000, through August 18, 2001, and (2) requests approval to transfer the program year-end balance to the Transition Revenue Account (TRA).<sup>1</sup>

**Background**

Preliminary Statement Part BN--*Vegetation Management Quality Assurance Balancing Account (VMQABA)*, requires PG&E to record the difference between the recorded and adopted costs for the Vegetation Management Quality Assurance Program to allow for reconciliation to PG&E's adopted spending from the Tree Trimming OII Settlement (D. 99-07-029). The preliminary statement also requires 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.

Attachment I to this filing is a summary of the entries made to the VMQABA for the period August 19, 2000, to August 18, 2001 (second program year). The recorded expenses for this period total \$758,349. In accordance with the accounting procedure of the preliminary statement, this amount excludes expenses allocated to Federal Energy Regulatory Commission (FERC) jurisdiction.

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<sup>1</sup> 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.

Decision 99-07-029 adopted an estimated vegetation management quality assurance spending program year amount of \$1,067,780 (in constant 1996 dollars), or \$1,163,368<sup>2</sup> in 1999 dollars plus an additional \$700,000 to be funded by shareholders in the second program year. However, excluding the FERC jurisdiction amount, the net adopted amount for the second program year is \$1,855,457 (in 1999 dollars).

The difference between the amount adopted in D. 99-07-029 and the amount recorded for the second program year is \$1,097,108. This amount represents an overcollection, or credit balance, in the VMQABA. PG&E requests approval to transfer this overcollection, including interest as required by the preliminary statement, to the Transition Revenue Account or its successor distribution-related account authorized by the Commission, consistent with the treatment proposed in Advice 2035-E filed September 18, 2000.

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 **October 7, 2001**, 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 sent by U.S. mail and via facsimile to:

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

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, 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 at the address shown below, on the same date it is mailed or delivered to the Commission:

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<sup>2</sup> This amount is a correction to the amount previously reported in Advice 2035-E, dated September 18, 2000. The correction was submitted to the Commission in PG&E's "Errata to 2001 Attrition Rate Adjustment and 1999 and 2000 Vegetation Management Testimony of March 15, 2001," dated May 29, 2001 (A. 00-07-043).

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

**Effective Date**

PG&E requests that this advice filing become effective on **October 27, 2001**, which is 40 days after the date of this filing.

**Notice**

In accordance with Section III, Paragraph G of General Order 96-A, PG&E is electronically and postal mailing copies of this advice filing to the utilities and interested parties shown on the attached mailing list. Address change requests should be directed to Nelia Avendano at (415) 973-3529. Advice letter filings can also be accessed electronically at:

[http://www.pge.com/customer\\_services/business/tariffs/](http://www.pge.com/customer_services/business/tariffs/)

Vice President - Regulatory Relations

Attachments

**Advice 2162-E**  
**Attachment I**

**Vegetation Management Quality Assurance  
Balancing Account Summary**

**Second Program Year**

**August 19, 2000 to August 18, 2001**

Tree Trimming Oll Settlement Adopted Estimate		\$1,163,368
Less 0.68% FERC allocation		(\$7,911)
Shareholder Funded Amount		\$700,000
	<b>TOTAL</b>	<u>\$1,855,457</u>
Recorded Expenses		\$763,541
Less 0.68% FERC allocation		(\$5,192)
	<b>TOTAL</b>	<u>\$758,349</u>
Over (Under) Expenditure		(\$1,097,108)
Interest (through August 18, 2001) *		(\$26,651)
	<b>TOTAL</b>	<u>(\$1,123,759)</u>

\* The interest reported does not include the accumulated interest from the First Program Year.