

September 13, 2002

Advice 2283-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, 2001, through August 18, 2002, and (2) requests approval to transfer the program year-end balance to the Transition Revenue Account (TRA).¹

This program period is the third and final year of the program as specified by the Tree Trimming Oil Settlement (D. 99-07-029). Effective August 19, 2002, the Vegetation Management Quality Assurance Program expenses were no longer recorded in the VMQABA.

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 Oil 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, 2001, to August 18, 2002 (third program year). The recorded expenses for this period total \$1,093,910. In accordance with the

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.

accounting procedure of the preliminary statement, this amount excludes expenses allocated to Federal Energy Regulatory Commission (FERC) jurisdiction.

The Tree Trimming OII Settlement (D. 99-07-029) adopted two credits to the VMQABA for program year three: (1) \$700,000 for shareholder funding and (2) the 1999 GRC vegetation management quality assurance (VMQA) expense estimate. Decision 00-02-046 adopted the 1999 GRC VMQA expense estimate of \$1,163,368 in 1999 dollars or \$1,201,643² in 2001 dollars. The net amount of these credits to the VMQABA is \$1,893,472 in 2001 dollars excluding the FERC jurisdiction amount of \$8,171.

The difference between the amount adopted in D. 99-07-029 and the amount recorded for the third program year is \$807,581. 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 2162-E filed September 17, 2001 and approved by the Commission by letter dated May 10, 2002.

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 3, 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 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
E-mail: jjr@cpuc.ca.gov

Protest also should be sent by e-mail and facsimile to Mr. Jerry Royer, Energy Division, as shown above, and by U.S. mail to Mr. Royer at the above address.

² Decision 02-02-043, 2001 Attrition Rate Adjustment, adopted escalation of 3.29%.

The protest should be sent via both e-mail and facsimile to PG&E 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, California 94177

Facsimile: (415) 973-7226
E-mail: RxDd@pge.com

Effective Date

PG&E requests that this advice filing become effective on **October 23, 2002**, 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 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

Attachments

**Advice 2283-E
Attachment I**

**Vegetation Management Quality Assurance
Balancing Account Summary**

Third Program Year

August 19, 2001 to August 18, 2002

1999 GRC Adopted Estimate (D. 00-02-046)		\$1,201,643
Less 0.68% FERC allocation		(\$8,171)
Shareholder Funded Amount (OII Settlement)		\$700,000
TOTAL		<u>\$1,893,472</u>
Recorded Expenses		\$1,101,399
Less 0.68% FERC allocation		(\$7,489)
TOTAL		<u>\$1,093,910</u>
Over (Under) Expenditure		(\$799,562)
Interest (through August 18, 2002) *		(\$8,019)
TOTAL		<u>(\$807,581)</u>

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