

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



May 16, 2008

Advice Letter 3249-E

Brian K. Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

Subject: 2007 Vegetation Management Balancing Account

Dear Mr. Cherry:

Advice Letter 3249-E is effective May 18, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division



**Brian K. Cherry**  
Vice President  
Regulatory Relations

77 Beale Street, Room 1087  
San Francisco, CA 94105

*Mailing Address*  
Mail Code B10C  
Pacific Gas and Electric Company  
P.O. Box 770000  
San Francisco, CA 94177

415.973.4977

April 18, 2008

**Advice 3249-E**

(Pacific Gas and Electric Company ID U 39 E)

**Subject: 2007 Vegetation Management Balancing Account**

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 summary of the entries made to the VMBA for the period from January 1, 2007, through December 31, 2007. In 2007, the VMBA expense exceeded the amount adopted in the 2007 GRC decision. Since the account is a one-way balancing account, the 2007 VMBA undercollected balance is shareholder funded and no account disposition is required.

**Background**

In PG&E's 1999 General Rate Case (GRC) 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. D. 04-05-055 in PG&E's 2003 GRC continued the VMBA through the 2003 GRC cycle.

In PG&E's 2007 GRC (A. 05-12-002), the Commission adopted a Settlement Agreement regarding the distribution revenue requirement (see D. 07-03-044). Under the Settlement, PG&E is to continue using the one-way balancing account for Vegetation Management. In this agreement, \$148.4 million (in 2007 dollars) was adopted as a reasonable forecast of Vegetation Management expense. This amount includes funding for the Vegetation Management Quality Assurance

Program (VMQAP).

### **2007 VMBA Balance**

Entries made to the VMBA for the period January 1, 2007, through December 31, 2007, are shown in Table 1, below. The recorded expenses for 2007 totaled \$147,781,759. In accordance with VMBA accounting procedures, this amount excludes Vegetation Management expenses allocated to Federal Energy Regulatory Commission (FERC) jurisdiction.

The adopted vegetation management expense for 2007 totaled \$148,380,000 (in 2007 dollars). Excluding the allocated FERC jurisdiction amounts, the net adopted 2007 expense is \$147,608,424 (in 2007 dollars).

The difference between the amount adopted in D. 07-03-044 and the recorded expense for 2007 is an over spending of \$105,150. This amount represents an undercollection, or debit balance, to the VMBA. Since the account is a one-way balancing account, this debit balance is not recoverable from customers.

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

### **Effective Date**

PG&E requests that this advice filing become effective on **May 18, 2008**, which is 30 days from the date of this filing. PG&E submits this as a Tier 2 filing.

### **Protests**

Anyone wishing to protest this filing may do so by sending a letter by **May 08, 2008**, 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:

CPUC Energy Division  
Attention: Tariff Unit, 4<sup>th</sup> Floor  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov) or [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

Protests also should be sent by e-mail and facsimile to Mr. Honesto Gatchalian, Energy Division, as shown above, and by U.S. mail to Mr. Gatchalian at the above

address.

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.

Brian K. Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-7226  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

The protest shall set forth grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may file a protest.

### **Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Rose De La Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>



Vice Presidents - Regulatory Relations

Attachments

**Table 1**  
**Vegetation Management**  
**Balancing Account Summary**

**January 1, 2007, through December 31, 2007**

2007 GRC Adopted Estimate	\$148,380,000
Less FERC Allocation (0.52%)	(\$771,576)
<b>TOTAL</b>	\$147,608,424
2007 Recorded Expenses	\$148,554,241
Less FERC Allocation (0.52%)	(\$772,482)
<b>TOTAL</b>	\$147,781,759
Over (Under) Expenditure	\$173,335
Accrued Interest (through December 31, 2007)	(\$68,185)
<b>TOTAL</b>	\$105,150

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. Pacific Gas and Electric Company (ID39E)

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: David Poster

Phone #: (415) 973- 1082

E-mail: dxpu@pge.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
PLC = Pipeline      HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3249-E**

Subject of AL: 2006 Vegetation Management Balancing Account Balance

Keywords (choose from CPUC listing): Vegetation Management

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.00-02-046

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL: \_\_\_\_\_

Resolution Required?  Yes  No

Requested effective date: **05-18-08**

No. of tariff sheets: 0

Estimated system annual revenue effect: (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**[mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)**

**Utility Info (including e-mail)**

**Attn: Brian K. Cherry**

**Vice President, Regulatory Relations**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)**

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	PITCO
Agnews Developmental Center	Duke Energy North America	Plurimi, Inc.
Ahmed, Ali	Duncan, Virgil E.	PPL EnergyPlus, LLC
Alcantar & Kahl	Dutcher, John	Praxair, Inc.
Ancillary Services Coalition	Dynergy Inc.	Price, Roy
Anderson Donovan & Poole P.C.	Ellison Schneider	Product Development Dept
Applied Power Technologies	Energy Law Group LLP	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Management Services, LLC	R. W. Beck & Associates
Arter & Hadden LLP	Exelon Energy Ohio, Inc	Recon Research
Avista Corp	Exeter Associates	Regional Cogeneration Service
Barkovich & Yap, Inc.	Foster Farms	RMC Lonestar
BART	Foster, Wheeler, Martinez	Sacramento Municipal Utility District
Bartle Wells Associates	Franciscan Mobilehome	SCD Energy Solutions
Blue Ridge Gas	Future Resources Associates, Inc	Seattle City Light
Bohannon Development Co	G. A. Krause & Assoc	Sempra
BP Energy Company	Gas Transmission Northwest Corporation	Sempra Energy
Braun & Associates	GLJ Energy Publications	Sequoia Union HS Dist
C & H Sugar Co.	Goodin, MacBride, Squeri, Schlotz &	SESCO
CA Bldg Industry Association	Hanna & Morton	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Heeg, Peggy A.	Silicon Valley Power
CA League of Food Processors	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
CA Water Service Group	Hogan Manufacturing, Inc	Southern California Edison
California Energy Commission	House, Lon	SPURR
California Farm Bureau Federation	Imperial Irrigation District	St. Paul Assoc
California Gas Acquisition Svcs	Integrated Utility Consulting Group	Sutherland, Asbill & Brennan
California ISO	International Power Technology	Tabors Caramanis & Associates
Calpine	Interstate Gas Services, Inc.	Tecogen, Inc
Calpine Corp	IUCG/Sunshine Design LLC	TFS Energy
Calpine Gilroy Cogen	J. R. Wood, Inc	Transcanada
Cambridge Energy Research Assoc	JTM, Inc	Turlock Irrigation District
Cameron McKenna	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Cardinal Cogen	Manatt, Phelps & Phillips	United Cogen Inc.
Cellnet Data Systems	Marcus, David	URM Groups
Chevron Texaco	Matthew V. Brady & Associates	Utility Resource Network
Chevron USA Production Co.	Maynor, Donald H.	Wellhead Electric Company
City of Glendale	MBMC, Inc.	White & Case
City of Healdsburg	McKenzie & Assoc	WMA
City of Palo Alto	McKenzie & Associates	
City of Redding	Meek, Daniel W.	
CLECA Law Office	Mirant California, LLC	
Commerce Energy	Modesto Irrigation Dist	
Constellation New Energy	Morrison & Foerster	
CPUC	Morse Richard Weisenmiller & Assoc.	
Cross Border Inc	Navigant Consulting	
Crossborder Inc	New United Motor Mfg, Inc	
CSC Energy Services	Norris & Wong Associates	
Davis, Wright, Tremaine LLP	North Coast Solar Resources	
Defense Fuel Support Center	Northern California Power Agency	
Department of the Army	Office of Energy Assessments	
Department of Water & Power City	OnGrid Solar	
DGS Natural Gas Services	Palo Alto Muni Utilities	