



**Brian K. Cherry**  
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September 22, 2009

**Advice 3046-G/3530-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Approval of Wildfire Expense Memorandum Account**

Pacific Gas and Electric Company (PG&E) hereby submits revisions to its gas and electric tariffs. The affected tariff sheets are listed on the enclosed Attachment 1.

**Purpose**

The purpose of this advice letter is to request Commission approval to create a Wildfire Expense Memorandum Account (WEMA).

**Background**

On August 31, 2009, PG&E along with Southern California Edison Company, San Diego Gas & Electric Company, Southern California Gas Company, and Pacific Gas and Electric Company (Utilities) filed Joint Application (A.) 09-08-020, requesting approval to establish a Wildfire Expense Balancing Account (WEBA) to enable the Utilities to recover primarily the cost of uninsured wildfire claims to the extent that such claims would have been covered by insurance policies the Utilities historically have been able to purchase. PG&E seeks to establish the WEMA to record these same-type costs prior to a final decision in A.09-08-020 and the establishment of the WEBA, should any costs be incurred.

Consistent with the Utilities' request in A.09-08-020, PG&E proposes to record for future recovery wildfire-related costs including (1) payments to satisfy wildfire claims,<sup>1</sup>

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<sup>1</sup> Wildfire claims means amounts paid by PG&E to a third party in respect of a claim by such third party for damage or loss resulting from a wildfire, including claims by a governmental entity for the reimbursement of fire suppression costs, damages to environmental resources and other governmental claims against PG&E arising from a wildfire.

including any co-insurance and deductible expense paid by the PG&E, but excluding costs already authorized for recovery in rates, (2) outside legal expenses incurred in the defense of wildfire claims, (3) increases or decreases in wildfire insurance premiums from amounts authorized in the General Rate Case (GRC), and (4) the cost of financing the WEMA balance. Insurance proceeds, as well as any payments received from third parties will be credited to the WEMA as they are received.

Similar to other Commission-approved memorandum accounts, the WEMA will protect against retroactive ratemaking concerns but will not guarantee recovery in rates of any of the recorded costs prior to Commission review and approval. PG&E proposes to only use this interim ratemaking (i.e. the WEMA) until such time as the Commission authorizes the establishment of the WEBA. Once the WEBA has been established, PG&E proposes to transfer, upon Commission approval, any balance recorded in the WEMA to the WEBA and will seek recovery of the amounts recorded in the WEBA consistent with the Commission's decision.

### **Tariff Revisions**

PG&E proposes two new memorandum accounts: the *Wildfire Expense Memorandum Account – Gas* (WEMA-G) and the *Wildfire Expense Memorandum Account – Electric* (WEMA-E).

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **October 13, 2009**, which is 21 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov) and [mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

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

### **Effective Date**

PG&E requests that this advice filing become effective on regular notice, **October 22, 2009**, which is 30 calendar days after the date of filing. PG&E submits this request as a **Tier 3** advice letter.

### **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 and the parties on the service list for A.09-08-020, A.05-12-002, and R.08-11-005. Address changes to the General Order 96-B service list should be directed to San Heng at (415) 973-2640. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at ProcessOffice@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>.



Vice President, Regulatory Relations

Attachments

cc: Service Lists – A.09-08-020, A.05-12-002, R.08-11-005

# 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 (ID U39 M)**

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@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) #: **3046-G/3530-E**

Tier: 3

Subject of AL: **Approval of Wildfire Expense Memorandum Account**

Keywords (choose from CPUC listing): Memorandum Account

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement:  Yes  No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information:

Resolution Required?  Yes  No

Requested effective date: **October 22, 2009**

No. of tariff sheets: 6

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: Gas Preliminary Statement BX, Electric Preliminary Statement FC

Service affected and changes proposed<sup>1</sup>: N/A

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

Protests, dispositions, 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**

**Tariff Files, Room 4005**

**DMS Branch**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**jnj@cpuc.ca.gov and mas@cpuc.ca.gov**

**Pacific Gas and Electric Company**

**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**

**ATTACHMENT 1  
Advice 3046-G**

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

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27806-G      GAS PRELIMINARY STATEMENT PART BX  
                 WILDFIRE EXPENSE MEMORANDUM ACCOUNT  
                 Sheet 1

27807-G      GAS TABLE OF CONTENTS  
                 Sheet 1

27804-G

27808-G      GAS TABLE OF CONTENTS  
                 Sheet 5

27421-G



**GAS PRELIMINARY STATEMENT PART BX**  
**WILDFIRE EXPENSE MEMORANDUM ACCOUNT**

Sheet 1

1. **PURPOSE:** The purpose of the Wildfire Expense Memorandum Account (WEMA-G) is to record for later recovery the costs of third-party claims resulting from wildfires prior to the approval of PG&E's Wildfire Insurance Application (A.09-08-020) that would have been covered by insurance, as well as costs that would not have been incurred if insurance were available, including: (1) payments to satisfy wildfire claims, including any deductibles, co-insurance and other insurance expense paid by PG&E, but excluding costs that have already been authorized in the PG&E's General Rate Case (GRC); (2) outside legal costs incurred in the defense of wildfire claims; (3) premium costs not in rates; and (4) the cost of financing these amounts. Insurance proceeds, as well as any payments received from third parties, will be credited to the WEMA-G as they are received. (N)
2. **APPLICABILITY:** The WEMA-G applies to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATE:** PG&E will request disposition of this account balance in a future advice filing.
4. **RATES:** The WEMA-G does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall maintain the WEMA-G by making entries to this account at the end of each month as follows:
  - a. A debit entry each month equal to the gas portion of PG&E's payments incurred prior to the approval of A.09-08-020 to satisfy wildfire claims, including any deductibles, co-insurance and other insurance expense paid by PG&E, premium costs not included in PG&E's general rate case, and outside legal costs incurred in the defense of wildfire claims, but excluding costs that have already been authorized in PG&E's GRCs.
  - b. A credit entry each month equal to the gas portion of reimbursement by insurance companies or other third parties.
  - c. A credit entry to transfer the amounts approved by the Commission for recovery in rates.
  - d. An entry each month equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the account after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor, or at a different rate as may be authorized by the Commission. (N)



**GAS TABLE OF CONTENTS**

Sheet 1

<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>	
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Preliminary Statements .....	27802,27808-G	(T)
Rules .....	27625-G	
Maps, Contracts and Deviations.....	23208-G	
Sample Forms .....	27715,27626,27262,27113,25059-G	

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Sheet 5

<b>PART</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>
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Part AE	Core Pipeline Demand Charge Account.....	23301-G
Part AG	Core Firm Storage Account.....	23280-G
Part AN	Hazardous Substance Mechanism.....	23281-23283,16693-16694-G
Part AW	Self-Generation Program Memorandum Account .....	24767-G
Part BA	Public Purpose Program-Energy Efficiency.....	23360-23361-G
Part BB	Public Purpose Program Memorandum Account .....	23362-23363-G
Part BH	Public Purpose Program Surcharge-Low Income Energy Efficiency Balancing Account.....	23364-G
Part BI	Public Purpose Program Surcharge-Research, Development and Demonstration Balancing Account.....	23365,23366-G
Part BK	Advanced Metering Infrastructure Memorandum Account-Gas.....	23152-23153-G
Part BL	Noncore Distribution Fixed Cost Account.....	24740-G
Part BM	Gas Advanced Metering Account.....	23406-23407-G
Part BP	SmartMeter Project Balancing Account-Gas .....	24123-24124-G
Part BQ	Pension Contribution Balancing Account .....	24853,24224-G
Part BS	Climate Balancing Account .....	24741-G
Part BT	Non-Tariffed Products and Services Balancing Account.....	26710-G
Part BV	California Institute for Climate Solutions Balancing Account.....	27145-G
Part BW	Energy Efficiency 2009 – 2011 Memorandum Account.....	27418,27419-G
Part BX	Wildfire Expense Memorandum Account.....	27806-G (N)

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART FC**  
**WILDIRE EXPENSE MEMORANDUM ACCOUNT**

Sheet 1

1. **PURPOSE:** The purpose of the Wildfire Expense Memorandum Account (WEMA-E) is to record for later recovery the costs of third-party claims resulting from wildfires prior to the approval of PG&E's Wildfire Insurance Application (A.09-08-020) that would have been covered by insurance, as well as costs that would not have been incurred if insurance were available, including: (1) payments to satisfy wildfire claims, including any deductibles, co-insurance and other insurance expense paid by PG&E, but excluding costs that have already been authorized in the PG&E's General Rate Case (GRC); (2) outside legal costs incurred in the defense of wildfire claims; (3) premium costs not in rates; and (4) the cost of financing these amounts. Insurance proceeds, as well as any payments received from third parties, will be credited to the WEMA-E as they are received. (N)
2. **APPLICABILITY:** The WEMA-E applies to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATE:** PG&E will request disposition of this account balance in a future advice filing
4. **RATES:** The WEMA-E does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall maintain the WEMA-E by making entries to this account at the end of each month as follows:
  - a. A debit entry each month equal to the electric portion of PG&E's payments incurred prior to the approval of A.09-08-020 to satisfy wildfire claims, including any deductibles, co-insurance and other insurance expense paid by PG&E, premium costs not included in PG&E's general rate case, and outside legal costs incurred in the defense of wildfire claims, but excluding costs that have already been authorized in PG&E's GRCs.
  - b. A credit entry each month equal to the electric portion of reimbursement by insurance companies or other third parties.
  - c. A credit entry each month equal to amounts received through FERC authorized transmission rates for the recovery of costs related to wildfire claims.
  - d. A credit entry to transfer the amounts approved by the Commission for recovery in rates.
  - e. An entry each month equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the account after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor, or at a different rate as may be authorized by the Commission. (N)

Advice Letter No: 3530-E  
 Decision No.

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

Date Filed September 22, 2009  
 Effective  
 Resolution No. E-4311



**ELECTRIC TABLE OF CONTENTS**

Sheet 1

**TABLE OF CONTENTS**

<b>SCHEDULE</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>	
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	Preliminary Statements .....	28175,28047,27858,28427-E	(T)
	Rules .....	28359-E	
	Sample Forms .....	28385,28360,28261,27639,28299,27230-E	

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**PRELIMINARY STATEMENT**

Sheet 9

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Part EA	Internal Combustion Conversion Incentives Balancing Account.....	23642-E
Part EC	Demand Response Expenditures Balancing Account (DREBA).....	27867, 27868-E
Part ED	Demand Response Revenue Balancing Account (DRRBA).....	27869-E
Part EF	Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM) .....	25392-E
Part EH	Negative Indifference Amount Memorandum Account (NIAMA).....	25088-E
Part EI	SmartMeter Project Balancing Account - Electric .....	28231,28232-E
Part EJ	Pension Contribution Balancing Account.....	26297,25228-E
Part EK	Land Conservation Plan Implementation Account (LCPIA) .....	26324-E
Part EL	Renewables Portfolio Standard Cost Memorandum Account.....	27643-E
Part EM	ClimateSmart Balancing Account .....	26098-E
Part EN	British Columbia Renewable Study Balancing Account.....	28041-E
Part EO	California Solar Initiative Balancing Account .....	26211-26213-E
Part EP	Market Redesign and Technology Upgrade Memorandum Account .....	27623, 27624-E
Part EQ	Humboldt Bay Power Plant Memorandum Account.....	26307,26308-E
Part ER	Air Conditioning Tracking Memorandum Account .....	26721 -E
Part EV	Air Conditioning Expenditures Balancing Account.....	27297-E
Part EW	Long-Term Procurement Plan Technical Assistance Memorandum Account.....	27311-E
Part EX	Dynamic Pricing Memorandum Account.....	27667-27669-E
Part EY	Energy Efficiency 2009-2011 Memorandum Account.....	28022-28023-E
Part EZ	Land Conservation Plan Environmental Remediation Memorandum Account .....	27881-E
Part FA	Gateway Settlement Balancing Account.....	28019-E
Part FB	Fire Hazard Prevention Memorandum Account.....	28410-E
Part FC	Wildfire Expense Memorandum Account.....	28425-E (N)

(Continued)

**ATTACHMENT 1  
Advice 3530-E**

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

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28425-E      ELECTRIC PRELIMINARY STATEMENT PART  
FC  
WILDIRE EXPENSE MEMORANDUM ACCOUNT  
Sheet 1

28426-E      ELECTRIC TABLE OF CONTENTS  
Sheet 1

28388-E

28427-E      ELECTRIC TABLE OF CONTENTS  
PRELIMINARY STATEMENT  
Sheet 9

28412-E

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

Aglet	Day Carter Murphy	Norris & Wong Associates
Alcantar & Kahl	Defense Energy Support Center	North Coast SolarResources
Ameresco	Department of Water Resources	Occidental Energy Marketing, Inc.
Anderson & Poole	Department of the Army	OnGrid Solar
Arizona Public Service Company	Dept of General Services	Praxair
BART	Division of Business Advisory Services	R. W. Beck & Associates
BP Energy Company	Douglas & Liddell	RCS, Inc.
Barkovich & Yap, Inc.	Douglass & Liddell	Recon Research
Bartle Wells Associates	Downey & Brand	SCD Energy Solutions
C & H Sugar Co.	Duke Energy	SCE
CA Bldg Industry Association	Dutcher, John	SMUD
CAISO	Ellison Schneider & Harris LLP	SPURR
CLECA Law Office	FPL Energy Project Management, Inc.	Santa Fe Jets
CSC Energy Services	Foster Farms	Seattle City Light
California Cotton Ginners & Growers Assn	G. A. Krause & Assoc.	Sempra Utilities
California Energy Commission	GLJ Publications	Sierra Pacific Power Company
California League of Food Processors	Goodin, MacBride, Squeri, Schlotz & Ritchie	Silicon Valley Power
California Public Utilities Commission	Green Power Institute	Southern California Edison Company
Calpine	Hanna & Morton	Sunshine Design
Cameron McKenna	International Power Technology	Sutherland, Asbill & Brennan
Casner, Steve	Intestate Gas Services, Inc.	Tabors Caramanis & Associates
Chamberlain, Eric	Los Angeles Dept of Water & Power	Tecogen, Inc.
Chevron Company	Luce, Forward, Hamilton & Scripps LLP	Tiger Natural Gas, Inc.
Chris, King	MBMC, Inc.	Tioga Energy
City of Glendale	MRW & Associates	TransCanada
City of Palo Alto	Manatt Phelps Phillips	Turlock Irrigation District
Clean Energy Fuels	Matthew V. Brady & Associates	U S Borax, Inc.
Coast Economic Consulting	McKenzie & Associates	United Cogen
Commerce Energy	Merced Irrigation District	Utility Cost Management
Commercial Energy	Mirant	Utility Specialists
Consumer Federation of California	Modesto Irrigation District	Verizon
Crossborder Energy	Morgan Stanley	Wellhead Electric Company
Davis Wright Tremaine LLP	Morrison & Foerster	Western Manufactured Housing Communities Association (WMA)
	New United Motor Mfg., Inc.	eMeter Corporation