May 20, 2011

Jane K. Yura  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, CA  94177

Subject: 2010 Vegetation Management Balancing Account

Dear Ms. Yura:

Advice Letter 3834-E is effective May 23, 2011.

Sincerely,

Julie A. Fitch, Director  
Energy Division
April 21, 2011

Advice 3834-E
(Pacific Gas and Electric Company ID U 39 E)
Public Utilities Commission of the State of California

Subject: 2010 Vegetation Management Balancing Account

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, 2010, through December 31, 2010. In 2010, the VMBA expense exceeded the amount adopted in the 2007 GRC decision. Since the account is a one-way balancing account, the 2010 VMBA under-collected balance is shareholder funded and no account disposition is required.

Background

In PG&E’s 1999 General Rate Case (“GRC”) Decision (“D.”) 00-02-046, the California Public Utilities Commission (“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 (Application 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 2009 dollars) was adopted as a reasonable forecast of Vegetation Management expense. Excluding the allocated FERC jurisdiction amounts, the net adopted 2010 expense is $147,608,424 (in 2010 dollars).

2010 VMBA Balance

Entries made to the VMBA for the period January 1, 2010, through December 31, 2010, are shown in Table 1. The recorded expenses for 2010 totaled $147,623,475. In accordance with VMBA accounting procedures, this amount excludes Vegetation
Management expenses allocated to Federal Energy Regulatory Commission ("FERC") jurisdiction.

The difference between the amount adopted in D.07-03-044 and the recorded expense for 2010 is an over-spending of $11,384. This amount represents an under-collection, 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.

**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 **May 11, 2011**, which is 20 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: mas@cpuc.ca.gov or jnj@cpuc.ca.gov

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

The protest 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, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California  94177

Facsimile: (415) 973-6520  
E-mail: PGETariffs@pge.com
Effective Date

PG&E requests that this advice filing become effective on May 23, 2011, which is 32 days from the date of this filing.

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 and all electronic approvals should be sent to e-mail PGETariffs@pge.com. For changes to any other service list, please contact the Commission’s Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Advice letter filings can also be accessed electronically at http://www.pge.com/tariffs.

Brian Cheng
Vice President – Regulation and Rates

Attachments
<table>
<thead>
<tr>
<th>MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company name/CPUC Utility No.</strong> Pacific Gas and Electric Company (ID U39 M)</td>
</tr>
<tr>
<td><strong>Utility type:</strong></td>
</tr>
<tr>
<td>☑ ELC ☑ GAS</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
</tr>
<tr>
<td><strong>EXPLANATION OF UTILITY TYPE</strong></td>
</tr>
<tr>
<td>ELC = Electric</td>
</tr>
<tr>
<td>PLC = Pipeline</td>
</tr>
<tr>
<td>WATER = Water</td>
</tr>
<tr>
<td><strong>Advice Letter (AL) #:</strong> 3834-E</td>
</tr>
<tr>
<td><strong>Subject of AL:</strong> 2010 Vegetation Management Balancing Account</td>
</tr>
<tr>
<td><strong>Keywords (choose from CPUC listing):</strong> Compliance, Balancing Account</td>
</tr>
<tr>
<td><strong>AL filing type:</strong> ☑ Monthly ☐ Quarterly ☑ Annual ☐ One-Time ☐ Other</td>
</tr>
<tr>
<td>If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.07-03-044</td>
</tr>
<tr>
<td>Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No</td>
</tr>
<tr>
<td>Summarize differences between the AL and the prior withdrawn or rejected AL:</td>
</tr>
<tr>
<td>Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:</td>
</tr>
<tr>
<td>Confidential information will be made available to those who have executed a nondisclosure agreement: ☐ Yes ☐ No</td>
</tr>
<tr>
<td>Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information:</td>
</tr>
<tr>
<td>Resolution Required? Yes ☑ No</td>
</tr>
<tr>
<td>Requested effective date: May 23, 2011</td>
</tr>
<tr>
<td>Estimated system annual revenue effect (%): N/A</td>
</tr>
<tr>
<td>Estimated system average rate effect (%): N/A</td>
</tr>
<tr>
<td>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).</td>
</tr>
<tr>
<td>Tariff schedules affected:</td>
</tr>
<tr>
<td>Service affected and changes proposed: N/A</td>
</tr>
<tr>
<td>Pending advice letters that revise the same tariff sheets: N/A</td>
</tr>
<tr>
<td>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:</td>
</tr>
<tr>
<td>CPUC, Energy Division</td>
</tr>
<tr>
<td>Tariff Files, Room 4005</td>
</tr>
<tr>
<td>DMS Branch</td>
</tr>
<tr>
<td>505 Van Ness Ave.,</td>
</tr>
<tr>
<td>San Francisco, CA 94102</td>
</tr>
<tr>
<td><a href="mailto:jnj@cpuc.ca.gov">jnj@cpuc.ca.gov</a> and <a href="mailto:mas@cpuc.ca.gov">mas@cpuc.ca.gov</a></td>
</tr>
<tr>
<td>E-mail: <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
</tr>
</tbody>
</table>
# Table 1

## Vegetation Management

**Balancing Account Summary**

**January 1, 2010, Through December 31, 2010**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 GRC Adopted Estimate</td>
<td>$148,380,000</td>
</tr>
<tr>
<td>Less FERC Allocation (0.52%)</td>
<td>($771,576)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$147,608,424</strong></td>
</tr>
<tr>
<td>2010 Recorded Expenses</td>
<td>$148,398,789</td>
</tr>
<tr>
<td>Less FERC Allocation (0.52%)</td>
<td>($775,314)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$147,623,475</strong></td>
</tr>
<tr>
<td>Over (Under) Expenditure</td>
<td>$15,051</td>
</tr>
<tr>
<td>Accrued Interest (through December 31, 2009)</td>
<td>($3,667)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$11,384</strong></td>
</tr>
</tbody>
</table>
PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV

AT&T
Alcantar & Kahl LLP
Ameresco
Anderson & Poole
Arizona Public Service Company
BART
Barkovich & Yap, Inc.
Bartle Wells Associates
Bloomberg
Bloomberg New Energy Finance
Boston Properties

Braun Blaising McLaughlin, P.C.
Brookfield Renewable Power
CA Bldg Industry Association
CLECA Law Office
CSC Energy Services
California Cotton Ginners & Growers Assn
California Energy Commission
California League of Food Processors
California Public Utilities Commission
Calpine
Cardinal Cogen
Casner, Steve
Chris, King
City of Palo Alto
City of Palo Alto Utilities
Clean Energy Fuels
Coast Economic Consulting
Commercial Energy
Consumer Federation of California
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy
Defense Energy Support Center
Department of Water Resources

Dept of General Services
Douglass & Liddell
Downey & Brand
Duke Energy
Dutcher, John
Economic Sciences Corporation
Ellison Schneider & Harris LLP
Foster Farms
G. A. Krause & Assoc.
GLJ Publications
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
Hitachi
In House Energy
International Power Technology
Intestate Gas Services, Inc.
Lawrence Berkeley National Lab
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP
MAC Lighting Consulting
MBMC, Inc.
MRW & Associates
Manatt Phelps Phillips
McKenzie & Associates
Merced Irrigation District
Modesto Irrigation District
Morgan Stanley
Morrison & Foerster
NLine Energy, Inc.
NRG West
Navigant Consulting
Norris & Wong Associates
North America Power Partners
North Coast SolarResources

Northern California Power Association
Occidental Energy Marketing, Inc.
OnGrid Solar
Praxair
R. W. Beck & Associates
RCS, Inc.
Recurrent Energy
SCD Energy Solutions
SCE
SMUD
SPURR
San Francisco Public Utilities Commission
Santa Fe Jets
Seattle City Light
Sempra Utilities
Sierra Pacific Power Company
Silicon Valley Power
Silo Energy LLC
Southern California Edison Company
Spark Energy, L.P.
Sun Light & Power
Sunshine Design
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tecogen, Inc.
Tiger Natural Gas, Inc.
TransCanada
Turlock Irrigation District
United Cogen
Utility Cost Management
Utility Specialists
Verizon
Wellhead Electric Company
Western Manufactured Housing
Communities Association (WMA)
eMeter Corporation