

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 10, 2013

Advice Letter 4222-E

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, CA 94177

SUBJECT: 2012 Vegetation Management Balancing Account

Dear Mr. Cherry:

Advice Letter 4222-E is effective as of June 6, 2013.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



Brian K. Cherry
Vice President
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.7226

May 7, 2013

Advice 4222-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: 2012 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, 2012, through December 31, 2012. In 2012, the VMBA expense was less than the amount adopted in the 2011 General Rate Case (GRC) decision. Since the account is a one-way balancing account, the 2012 VMBA over-collected balance will be returned to customers. Upon approval of this filing, PG&E will transfer the year-end 2012 balance, including accrued interest, to the Distribution Revenue Adjustment Mechanism (DRAM). This is consistent with treatment of the 2006 year-end VMBA balance approved in the Resolution adopting Advice 3057-E.

Background

In PG&E's 1999 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 was 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 and D.07-03-044 in PG&E's 2007 GRC continued the VMBA balancing account mechanism through the 2003 and 2007 GRC cycles.

In PG&E's 2011 GRC (A.09-12-020), the Commission adopted a Settlement Agreement regarding the distribution revenue requirement (see D.11-05-018). Under the Settlement, PG&E is to continue using the one-way balancing account for vegetation management. In this agreement, \$161.5 million was adopted as a reasonable forecast of vegetation management expense for 2012. Excluding the allocated Federal Energy Regulatory Commission (FERC) jurisdiction amounts, the net adopted 2012 expense is \$160,696,215.

2012 VMBA Balance

Entries made to the VMBA for the period January 1, 2012, through December 31, 2012, are shown in Table 1. The recorded expenses for 2012 totaled \$160,656,341. In accordance with VMBA accounting procedures, this amount excludes vegetation management expenses allocated to FERC jurisdictional activities. In addition to the direct VMBA expenses, the reduced interest expense associated with the overall over-collections totaled an under-spend of \$2,649.

The difference between the amount adopted in D.11-05-018 and the recorded expenses for 2012 is an under-spending of \$42,523. This amount represents an overcollection, or credit balance, to the VMBA. PG&E proposes to transfer the overcollection, including additional interest accrued, to the DRAM consistent with the treatment of the 2006 VMBA overcollection approved in the Resolution adopting Advice 3057-E.

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, facsimile or E-mail, no later than May 28, 2013, which is 21¹ days after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@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 shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

¹ The 20-day protest period concludes on a holiday, therefore, PG&E is moving this date to the following business day.

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

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 2 advice filing become effective on June 6, 2013, which is 30 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 to the General Order 96-B service list should be directed to PG&E at email address 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. 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

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 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Igor Grinberg

Phone #: (415) 973-8580

E-mail: ixg8@pge.com and PGETariffs@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) #: **4222-E**

Tier: 2

Subject of AL: **2012 Vegetation Management Balancing Account**

Keywords (choose from CPUC listing): Balancing Account and Power Lines

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: No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

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: **June 6, 2013**

No. of tariff sheets: N/A

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: N/A

Service affected and changes proposed: 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 21¹ days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Brian Cherry
Vice President, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

¹ The 20-day protest period concludes on a holiday, therefore, PG&E is moving this date to the following business day.

Advice 4222-E

Table 1

Vegetation Management Balancing Account Summary

January 1, 2012, through December 31, 2012

| | |
|--|----------------------|
| 2011 GRC Adopted Estimate | \$161,500,000 |
| Less FERC Allocation (0.50%) | <u>(803,785)</u> |
| TOTAL | \$160,696,215 |
| 2012 Recorded Expenses | \$ 161,459,927 |
| Less FERC Allocation (0.50%) | <u>(803,586)</u> |
| TOTAL | \$160,656,341 |
| Over (Under) Expenditure | (\$39,874) |
| Accrued Interest (through December 31, 2012) | (2,649) |
| TOTAL | \$(42,523) |

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

| | | |
|--|---|--|
| 1st Light Energy | Downey & Brand | OnGrid Solar |
| AT&T | Ellison Schneider & Harris LLP | Pacific Gas and Electric Company |
| Alcantar & Kahl LLP | G. A. Krause & Assoc. | Praxair |
| Anderson & Poole | GenOn Energy Inc. | Regulatory & Cogeneration Service, Inc. |
| BART | GenOn Energy, Inc. | SCD Energy Solutions |
| Barkovich & Yap, Inc. | Goodin, MacBride, Squeri, Schlotz & Ritchie | SCE |
| Bartle Wells Associates | Green Power Institute | SDG&E and SoCalGas |
| Bear Valley Electric Service | Hanna & Morton | SPURR |
| Braun Blasing McLaughlin, P.C. | In House Energy | San Francisco Public Utilities Commission |
| CENERGY POWER | International Power Technology | Seattle City Light |
| California Cotton Ginners & Growers Assn | Intestate Gas Services, Inc. | Sempra Utilities |
| California Energy Commission | Kelly Group | SoCalGas |
| California Public Utilities Commission | Lawrence Berkeley National Lab | Southern California Edison Company |
| Calpine | Linde | Spark Energy |
| Casner, Steve | Los Angeles Dept of Water & Power | Sun Light & Power |
| Center for Biological Diversity | MAC Lighting Consulting | Sunshine Design |
| City of Palo Alto | MRW & Associates | Tecogen, Inc. |
| City of San Jose | Manatt Phelps Phillips | Tiger Natural Gas, Inc. |
| Clean Power | Marin Energy Authority | TransCanada |
| Coast Economic Consulting | McKenna Long & Aldridge LLP | Utility Cost Management |
| Commercial Energy | McKenzie & Associates | Utility Power Solutions |
| Consumer Federation of California | Modesto Irrigation District | Utility Specialists |
| Crossborder Energy | Morgan Stanley | Verizon |
| Davis Wright Tremaine LLP | NLine Energy, Inc. | Water and Energy Consulting |
| Day Carter Murphy | NRG Solar | Wellhead Electric Company |
| Defense Energy Support Center | Nexant, Inc. | Western Manufactured Housing Communities Association (WMA) |
| Dept of General Services | North America Power Partners | |
| Douglass & Liddell | Occidental Energy Marketing, Inc. | |