

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



REVISED

September 19, 2013

Advice Letter 4277-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: Request to Update the Fire Hazard Prevention Memorandum
Account (FHPMA) Preliminary Statement, Pursuant to D.12-01-032 in
Phase 2 of R.08-11-005**

Dear Mr. Cherry:

Advice Letters 4277-E is effective August 28, 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

August 28, 2013

Advice 4277-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Request to Update the Fire Hazard Prevention Memorandum Account (“FHPMA”) Preliminary Statement, Pursuant to Decision 12-01-032 in Phase 2 of Rulemaking 08-11-005

Pacific Gas and Electric Company (“PG&E”) hereby submit for approval revisions to its electric tariffs. The FHPMA Preliminary Statement is updated and provided herein as Attachment 1.

Purpose

The purpose of this advice filing is to update the existing Fire Hazard Prevention Memorandum Account (“FHPMA”) to comply with Ordering Paragraph 14 of Decision (“D.”) 12-01-032, to record costs incurred to implement the requirements and regulations adopted in Rulemaking 08-11-005. The function of the FHPMA is to record costs that are not being recovered elsewhere in order to avoid retroactive ratemaking.

Background

On November 6, 2008, the Commission initiated the Order Instituting Rulemaking (“OIR”) 08-11-005, to consider revising and clarifying the Commission’s regulations designed to protect the public from potential hazards, including fires, which may be caused by electric utility transmission or distribution lines or communications infrastructure providers’ facilities in proximity to overhead electric lines. Originally, the proceeding was divided into two phases, Phase 1 was to adopt measures that could be implemented in time for the 2009 autumn fire season in Southern California, and Phase 2 was to adopt measures that required more time to consider and implement.

On August 25, 2009, the Commission issued its decision in Phase 1, D.09-08-029, which, among other things, directed “each cost of service regulated utility to file an advice letter establishing a memorandum account and to record its costs related to implementing these measures in a memorandum account to avoid retroactive ratemaking.” (D. 09-08-029 at p.54, and Ordering Paragraph 7). The Commission noted that it will “address costs more fully in phase 2 and expect cost-of-service regulated

utilities to provide cost data[,] ... decide the appropriate forum for seeking recovery of these costs in phase 2[,] ... [and] also develop an appropriate tracking mechanism for these additional costs and decide how to incorporate these costs into each utility's general rate case." (D. 09-08-029 at p.43).

On September 10, 2009, PG&E filed Advice Letter 3523-E to establish the FHPMA in compliance with Ordering Paragraph 7 of D. 09-08-029. The Advice Letter was approved on October 5, 2009 and the FHPMA was effective August 20, 2009.

On January 18, 2012, the Commission issued its decision in Phase 2, D. 12-01-032, which, among other things, established a new Phase 3 of the proceeding to consider a number of additional issues including potential new fire threat maps, revising Section IV of GO 95 to incorporate a new high fire threat District, and potential additional new fire safety standards for the new high fire threat district.

In the Phase 2 Decision (D.12-01-032), the Commission also reaffirmed that the electric investor owned utilities ("IOU") shall continue to track and record their costs to implement the regulations adopted in the proceeding in the FHPMAs that have been established pursuant to the Phase 1 Decision. Ordering Paragraph 14 of the Phase 2 Decision directed that the electric IOUs may file one or more applications to recover the costs recorded in its FHPMA and the number and timing of the applications will be at the discretion of the electric IOU. In addition, the electric IOU may continue to record authorized costs in its FHPMA until the first general rate case ("GRC") that occurs after the close of the proceeding, at which time the FHPMA shall be closed. The electric IOU may then use the GRC mechanism to request recovery of the costs it incurs from that point forward to comply with the regulations adopted in the rulemaking. The electric IOU may seek to recover the ending balance in its FHPMA, if any, by filing an application.

Tariff Revisions: Update of the FHPMA Preliminary Statement Pursuant to D. 12-01-032

PG&E is simplifying the "Purpose" section of the tariff to incorporate future decisions to avoid the need to file another advice letter and revising the disposition of the account in the outdated "Revision Date" section. The FHPMA does not have a rate component and there are no substantive changes to the "Accounting Procedures" section.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than September 17, 2013, which is 20 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:

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 submits this advice letter as a Tier 1 filing. PG&E requests that this advice letter become effective on **August 28, 2013**, date of 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 and the parties on the service list for R.08-11-005. 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>

Brian Cherry /KHC

Vice President, Regulatory Relations

Attachments

cc: Service List 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 E)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Kingsley Cheng

Phone #: (415) 973-5265

E-mail: PGETariffs@pge.com and k2c0@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) #: **4277-E**

Tier: **1**

Subject of AL: **Request to Update the Fire Hazard Prevention Memorandum Account ("FHPMA") Preliminary Statement, Pursuant to Decision 12-01-032 in Phase 2 of Rulemaking 08-11-005**

Keywords (choose from CPUC listing): Compliance, Memorandum Account

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.12-01-032

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:

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: **August 28, 2013**

No. of tariff sheets: 3

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: Electric Preliminary Statement FB

Service affected and changes proposed: Update language in tariff sheet

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:

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

**ATTACHMENT 1
Advice 4277-E**

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

Title of Sheet

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

32781-E	ELECTRIC PRELIMINARY STATEMENT PART FB FIRE HAZARD PREVENTION MEMORANDUM ACCOUNT Sheet 1	28410-E
32782-E	ELECTRIC TABLE OF CONTENTS Sheet 1	32779-E
32783-E	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 17	32757-E



ELECTRIC PRELIMINARY STATEMENT PART FB
FIRE HAZARD PREVENTION MEMORANDUM ACCOUNT

Sheet 1

1. **PURPOSE:** The purpose of the FHPMA is to track and record costs associated with the implementation of regulations and requirements adopted in Rulemaking 08-11-005 that have not been previously authorized for recovery in PG&E's General Rate Case (GRC) or any other regulatory proceedings. (T)
 |
 |
 (T)
2. **APPLICABILITY:** The FHPMA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATE:** The disposition of this account shall be addressed in a separate application or in PG&E's GRC application after the close of Rulemaking 08-11-005. (T)
 |
 (T)
4. **FHPMA RATES:** The FHPMA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall make the following entries to the FHPMA:
 - a. A monthly debit entry equal to PG&E's expenses associated with the implementation of fire hazard prevention measures adopted in Rulemaking 08-11-005 governed by GO 95;
 - b. A monthly debit entry equal to PG&E's expenses associated with the implementation of fire hazard prevention measures adopted in Rulemaking 08-11-005 governed by GO 165;
 - c. A monthly debit entry equal to PG&E's expenses associated with any other implementation of regulations and requirements adopted by the Commission in Rulemaking 08-11-005; (T)
 - d. A credit entry to transfer the balance plus interest in this FHPMA to other accounts for future rate recovery, as authorized by the CPUC in this Rulemaking; and (T)
 - e. A monthly debit entry equal to interest on the average balance in the FHPMA at the beginning of the month and the balance at the end of the month, at a rate equal to one-twelfth the interest rate on a three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.



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Sheet 1

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	Preliminary Statements	32397, 32706, 30376, 32544, 32398, 30846, 32783 , 32645-E	(T)
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	Maps, Contracts and Deviations	32780-E	
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Part FE	On-Bill Financing Balancing Account (OBFBA).....	30840-E
Part FF	Electric Disconnection Memorandum Account.....	28933-E
Part FG	CARE/TANF Balancing Account.....	28950-E
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Part FK	Fuel Cell Project Memorandum Account (FCPMA).....	29551,29552-E
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Part FS	New System Generation Balancing Account.....	32211,32212-E
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Part FU	Electric Program Investment Charge Revenue Adjustment Mechanism Balancing Account	31670-E
Part FV	Agricultural Account Aggregation Study Memorandum Account (AAASMA).....	30868-E
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(Continued)

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

1st Light Energy	Division of Ratepayer Advocates	Occidental Energy Marketing, Inc.
AT&T	Douglass & Liddell	OnGrid Solar
Alcantar & Kahl LLP	Downey & Brand	Pacific Gas and Electric Company
Anderson & Poole	Ellison Schneider & Harris LLP	Praxair
BART	G. A. Krause & Assoc.	Regulatory & Cogeneration Service, Inc.
Barkovich & Yap, Inc.	GenOn Energy Inc.	SCD Energy Solutions
Bartle Wells Associates	GenOn Energy, Inc.	SCE
Bear Valley Electric Service	Goodin, MacBride, Squeri, Schlotz & Ritchie	SDG&E and SoCalGas
Braun Blaising McLaughlin, P.C.	Green Power Institute	SPURR
CENERGY POWER	Hanna & Morton	San Francisco Public Utilities Commission
California Cotton Ginners & Growers Assn	In House Energy	Seattle City Light
California Energy Commission	International Power Technology	Sempra Utilities
California Public Utilities Commission	Intestate Gas Services, Inc.	SoCalGas
California State Association of Counties	Kelly Group	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
County of Tehama - Department of Public Works	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	