

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



June 10, 2014

**Advice Letter 4404-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: 2013 Vegetation Management Balancing Account**

Dear Mr. Cherry:

Advice Letter 4404-E is effective May 30, 2014.

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

April 30, 2014

**Advice 4404-E**  
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: 2013 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, 2013, through December 31, 2013. In 2013, the recorded expenses to the VMBA exceeded the amount adopted in the 2011 General Rate Case (GRC) decision. Since the account is a one-way balancing account, the 2013 VMBA under-collected balance is shareholder funded and no account disposition is required.

**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. 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. The VMBA provides that PG&E will file an annual advice letter summarizing the entries to the VMBA for the prior year and a proposal for the disposition of any credit balance in the account.

In PG&E's 2011 GRC (A.09-12-020), the Commission adopted a Settlement Agreement (Agreement) regarding the distribution revenue requirement (see D.11-05-018). Under the Agreement, PG&E is to continue using the one-way balancing account for vegetation management. In the Agreement, \$161.5 million was adopted as a reasonable forecast of vegetation management expense for 2013. Excluding the allocated Federal Energy Regulatory Commission (FERC) jurisdiction amounts, the net adopted 2013 expense is \$160,696,215.

**2013 VMBA Balance**

Entries made to the VMBA for the period January 1, 2013, through December 31, 2013, are shown in Table 1. The recorded expenses for 2013 totaled \$160,729,387. In

accordance with VMBA accounting procedures, this amount excludes vegetation management expenses allocated to FERC jurisdictional activities. The direct VMBA expenses were partially offset by a reduction in interest expense associated with over-collections in the early months of 2013 that totaled an interest credit of \$4,252.

The difference between the amount adopted in D.11-05-018 and the recorded expenses for 2013 is an over-spending of \$28,920. 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, facsimile or E-mail, no later than May 20, 2014, 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, 4<sup>th</sup> 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 requests that this Tier 2 advice filing become effective on **May 30, 2014**, 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>

Handwritten signature of Brian Cherry / IG in cursive script.

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) #: **4404-E**

Tier: **2**

Subject of AL: **2013 Vegetation Management Balancing Account**

Keywords (choose from CPUC listing): Balancing Account

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: **May 30, 2014**

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 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., 4<sup>th</sup> 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**

## Advice 4404-E

Table 1

### Vegetation Management Balancing Account Summary

January 1, 2013, through December 31, 2013

2011 GRC Adopted Estimate	\$161,500,000
Less FERC Allocation (0.50%)	<u>(803,785)</u>
<b>TOTAL</b>	<b>\$160,696,215</b>
2013 Recorded Expenses	\$ 161,533,338
Less FERC Allocation (0.50%)	<u>(803,951)</u>
<b>TOTAL</b>	<b>\$160,729,387</b>
Over (Under) Expenditure	\$33,172
Accrued Interest (through December 31, 2013)	<u>(4,252)</u>
<b>TOTAL</b>	<b>\$28,920</b>

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

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