

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 10, 2014

Advice Letter: 4410-E

Brian Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

**SUBJECT: REVISIONS TO VEGETATION MANAGEMENT BALANCING ACCOUNT -
ELECTRIC PRELIMINARY STATEMENT PART BU**

Dear Mr. Cherry:

Advice Letter 4410-E is effective as of June 1, 2014.

Sincerely,

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

Edward 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 2, 2014

Advice 4410-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Revisions to Vegetation Management Balancing Account (VMBA) –
Electric Preliminary Statement Part BU**

Pacific Gas and Electric Company (PG&E) submits for filing revisions to its electric tariff. The affected electric tariff sheets are included in the enclosed Attachment 1.

Purpose

The purpose of this Advice letter is to revise the language of PG&E's Preliminary Statement Part BU - *Vegetation Management Balancing Account*, to include expenses and revenues associated with the removal of usable timber from public and third-party private land.

This filing does not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Background

In the aftermath of recent forest fires and drought conditions, PG&E's Vegetation Management Program is being called upon to remove large trees from public and private lands to ensure the safety and reliability of PG&E's electric transmission and distribution systems. Since these large trees have value as usable lumber, PG&E enters into agreements with public (e.g. the US Forest Service) and private land owners to remove the trees and compensate the land owners for the value of the timber; with logging companies to cut down and remove the trees and to deliver logs to lumber mills; and with lumber mills to process the logs into usable lumber. PG&E pays the land owners a fee, called stumpage value, for the right to remove and sell the trees; the lumber mills pay for the delivered logs, sending a portion of the payment to the logging contractors for their work and the remainder of the payment to PG&E. This payment to PG&E is then used to offset the stumpage value and other expenses related to the logging such as road use fees, timber yield tax, and disposal of woody debris. PG&E expects that the payments from the lumber mills will be approximately equal to the expenses, providing a benefit to PG&E's customers without additional net expense.

Although different from the usual trimming of trees near PG&E's transmission and distribution lines, the removal of these trees as part of PG&E's Vegetation Management Program is required to maintain the safety and reliability of PG&E's electric transmission and distribution systems. Also, these tree removal activities are different from the sale of timber from PG&E owned land.

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 22, 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, 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 requests that this Tier 2 advice filing become effective on regular notice, June 1, 2014, which is 30 calendar days after the 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 A.12-11-009. 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

cc: Service List A.12-11-009

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: k2c0@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) #: **4410-E**

Tier: **2**

Subject of AL: **Revisions to Vegetation Management Balancing Account (VMBA) – Electric Preliminary Statement Part BU**

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 #:

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: N/A

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 1, 2014**

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: Preliminary Statement Part BU - Vegetation Management Balancing Account

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., 4th Flr.

San Francisco, CA 94102

E-mail: EDTariffUnit@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 4410-E**

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

Title of Sheet

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

33880-E	ELECTRIC PRELIMINARY STATEMENT PART BU VEGETATION MANAGEMENT BALANCING ACCOUNT Sheet 1	30373-E*
33881-E	ELECTRIC TABLE OF CONTENTS Sheet 1	33832-E
33882-E	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 13	32525-E



ELECTRIC PRELIMINARY STATEMENT PART BU
VEGETATION MANAGEMENT BALANCING ACCOUNT

Sheet 1

BU. VEGETATION MANAGEMENT BALANCING ACCOUNT (VMBA)

1. PURPOSE

The purpose of the VMBA is to record the difference between the vegetation management expense adopted in PG&E's General Rate Case (GRC) or other base revenue proceeding, and PG&E's recorded vegetation management expense. The VMBA is created in compliance with Decision 00-02-046, and will record the differences between revenues and expenses beginning January 1, 1999. The incremental inspection and removal costs tracking account is created in compliance with D.07-03-044 and will record costs of incremental work required by the California Department of Forestry and Fire Protection (CDF).

2. APPLICABILITY

The VMBA is applicable to all rate schedules, except those expressly authorized by the Commission.

3. VMBA RATES

The VMBA does not have a rate component.

4. VMBA ACCOUNTING PROCEDURE

Beginning January 1, 2011, PG&E shall maintain the VMBA by making entries at the end of each month as follows:

- a. A debit entry equal to PG&E's fully burdened recorded vegetation management expense for the month, less the vegetation management expenses allocated to Federal Energy Regulatory Commission (FERC) jurisdiction. FERC jurisdiction allocation is determined by multiplying the fully burdened recorded vegetation management expense by the ratio of FERC to total electric distribution revenues as adopted in PG&E's GRC or other base revenue proceeding. The recorded vegetation management expense for the month shall include a debit amount equal to payments to the US Forest Service and private land owners for the right to remove trees plus expenses related to tree removals, and a credit amount equal to payments received from lumber mills for usable timber. (N)
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|
|
(N)
- b. A credit entry equal to one-twelfth of the fully burdened amount adopted in PG&E's GRC or other base revenue proceeding for vegetation management expense, less the vegetation management expenses allocated to FERC Jurisdiction.
- c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entries 4.a and 4.b above, 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, G.13 or its successor.

The VMBA is a one-way balancing account. PG&E shall file an annual advice letter which shall include a summary of the entries to this account and a proposal for the disposition of any credit balance in the account.

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Sheet 1

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SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.	
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	Preliminary Statements	33840,32706, 33882 ,32544,32398,30846,33670,33138-E	(T)
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PRELIMINARY STATEMENT

Sheet 13

PART	TITLE OF SHEET	CAL P.U.C. SHEET NO.
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Part BB	Competition Transition Charge Responsibility for All Customers and CTC Procedure for Departing Loads	24070,19906,19907,16400,14960,14961,16229-16231,24071,14964-14969,16401,16402-E
Part BK	Transmission Revenue Requirement Reclassification Memorandum Account.....	16761-E
Part BO	Real Property Gain/Loss on Sale Memorandum Account.....	16651-E
Part BU	Vegetation Management Balancing Account	33880 ,30374-E* (T)
Part BY	Self-Generation Program Memorandum Account.....	26209-E

(Continued)

**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 Blaising 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	