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**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 25, 2017

**Advice Letter 5036-E**

Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

**SUBJECT: 2016 Vegetation Management Balancing Account**

Dear Mr. Jacobson:

Advice Letter 5036-E is effective as of April 28, 2017.

Sincerely,

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

Edward Randolph  
Director, Energy Division



**Erik Jacobson**  
Director  
Regulatory Relations

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

Fax: 415-973-1448

March 29, 2017

**Advice 5036-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: 2016 Vegetation Management Balancing Account**

**Purpose**

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, 2016, through December 31, 2016. In 2016, the VMBA expense was less than the amount adopted in the 2014 General Rate Case (GRC) decision. Since the account is a one-way balancing account, the 2016 VMBA over-collected balance will be returned to customers. Upon approval of this filing, PG&E will transfer the overcollected year-end 2016 balance, including accrued interest, to the Distribution Revenue Adjustment Mechanism (DRAM). This is consistent with treatment of the 2015 year-end VMBA balance approved by the Commission in Advice 4827-E.

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

**Background**

In PG&E's 1999 GRC Decision (D.) 00-02-046, the California Public Utilities Commission (Commission or CPUC) 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, D.07-03-044 in PG&E's 2007 GRC, and D.11-05-018 in PG&E's 2011 GRC continued the VMBA balancing account mechanism through the 2003, 2007, and 2011 GRC cycles. 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.

In PG&E's 2014 GRC Decision (D.14-08-032) (Decision), PG&E is to continue using the one-way balancing account for vegetation management. In the Decision, \$190.0 million

was adopted as a reasonable forecast of vegetation management expense for 2014. Escalated for attrition, the 2016 adopted vegetation expense amount is \$198,813,000 million. Excluding the Federal Energy Regulatory Commission (FERC) jurisdiction amount, the net adopted 2016 expense is \$198,160,893.

### **2016 VMBA Balance**

Entries made to the VMBA for the period January 1, 2016, through December 31, 2016, are shown in Table 1. The recorded expenses for 2016 totaled \$198,083,726. In accordance with VMBA accounting procedures, this amount excludes vegetation management expenses allocated to FERC jurisdictional activities. The direct VMBA expenses were increased by interest income associated with the annual accumulated over-spending in the amount of \$15,114.

The difference between the amount adopted in D.14-08-032 and the recorded expenses for 2016 is an under-spending of \$62,053. This amount represents an overcollection, or credit balance, to the VMBA. PG&E proposes to transfer the overcollection, less interest income earned, to the DRAM consistent with the treatment of the 2015 VMBA overcollection approved by the Commission in Advice 4827-E.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than April 18, 2017, 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:

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company

77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-1448  
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, April 28, 2017 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/>.

\_\_\_\_\_/S/

Erik Jacobson  
Director, 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: Annie Ho

Phone #: (415) 973-8794

E-mail: AMHP@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Advice Letter (AL) #: **5036-E**

**Tier: 2**

Subject of AL: **2016 Vegetation Management Balancing Account**

Keywords (choose from CPUC listing): Compliance, 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. 14-08-032

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: 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: **April 28, 2017**

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: Erik Jacobson**

**Director, Regulatory Relations**

**c/o Megan Lawson**

**77 Beale Street, Mail Code B10C**

**P.O. Box 770000**

**San Francisco, CA 94177**

**E-mail: PGETariffs@pge.com**

## Advice 5036-E

Table 1

### Vegetation Management Balancing Account Summary

January 1, 2016, through December 31, 2016

2016 GRC Adopted Estimate	\$198,813,000
Less FERC Allocation (0.328%)	<u>(652,107)</u>
<b>TOTAL</b>	\$198,160,893
2016 Recorded Expenses	\$ 198,735,579
Less FERC Allocation (0.328%)	<u>(651,853)</u>
<b>TOTAL</b>	\$198,083,726
Over (Under) Expenditure	(77,167)
Accrued Interest (through December 31, 2016)	15,114
<b>TOTAL</b>	\$(62,053)

## PG&E Gas and Electric Advice Filing List

AT&T	Don Pickett & Associates, Inc.	OnGrid Solar
Albion Power Company	Douglass & Liddell	Pacific Gas and Electric Company
Alcantar & Kahl LLP	Downey & Brand	Praxair
Anderson & Poole	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
Atlas ReFuel	Evaluation + Strategy for Social Innovation	SCD Energy Solutions
BART	G. A. Krause & Assoc.	SCE
Barkovich & Yap, Inc.	GenOn Energy Inc.	SDG&E and SoCalGas
Bartle Wells Associates	GenOn Energy, Inc.	SPURR
Braun Blaising McLaughlin & Smith, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Water Power and Sewer
Braun Blaising McLaughlin, P.C.	Green Charge Networks	Seattle City Light
CENERGY POWER	Green Power Institute	Sempra Energy (Socal Gas)
CPUC	Hanna & Morton	Sempra Utilities
California Cotton Ginners & Growers Assn	ICF	SoCalGas
California Energy Commission	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Gas Company (SoCalGas)
California State Association of Counties	Kelly Group	Spark Energy
Calpine	Ken Bohn Consulting	Sun Light & Power
Casner, Steve	Leviton Manufacturing Co., Inc.	Sunshine Design
Center for Biological Diversity	Linde	Tecogen, Inc.
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	TerraVerde Renewable Partners
City of San Jose	Los Angeles Dept of Water & Power	TerraVerde Renewable Partners, LLC
Clean Power	MRW & Associates	Tiger Natural Gas, Inc.
Clean Power Research	Manatt Phelps Phillips	TransCanada
Coast Economic Consulting	Marin Energy Authority	Troutman Sanders LLP
Commercial Energy	McKenna Long & Aldridge LLP	Utility Cost Management
Cool Earth Solar, Inc.	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Crown Road Energy, LLC	NLine Energy, Inc.	Water and Energy Consulting
Davis Wright Tremaine LLP	NRG Solar	Wellhead Electric Company
Day Carter Murphy	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Defense Energy Support Center	ORA	YEP Energy
Dept of General Services	Office of Ratepayer Advocates	Yelp Energy
Division of Ratepayer Advocates	Office of Ratepayer Advocates, Electricity Planning and Policy B	