

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 black ink that reads "Edward Randolph".

Edward Randolph
Director, Energy Division



**Pacific Gas and
Electric Company®**

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, 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:

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: Contact Person: Annie Ho

ELC GAS Phone #: (415) 973-8794

PLC HEAT WATER E-mail: AMHP@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) #: **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., 4th 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> |
| TOTAL | \$198,160,893 |
| 2016 Recorded Expenses | \$ 198,735,579 |
| Less FERC Allocation (0.328%) | <u>(651,853)</u> |
| TOTAL | \$198,083,726 |
| Over (Under) Expenditure | (77,167) |
| Accrued Interest (through December 31, 2016) | 15,114 |
| TOTAL | \$ (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 Blasing McLaughlin & Smith, P.C. | Goodin, MacBride, Squeri, Schlotz & Ritchie | San Francisco Water Power and Sewer |
| | | |
| Braun Blasing 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 | |