

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



August 8, 2019

Advice Letter 5555-E

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

**SUBJECT: Wildfire Plan Memorandum Account Pursuant to Senate Bill 901 and
CPUC Decision 19-05-037**

Dear Mr. Jacobson:

Advice Letter 5555-E is effective as of June 05, 2019.

Sincerely,

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

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division

June 5, 2019

Advice 5555-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Wildfire Mitigation Plan Memorandum Account Pursuant to Senate Bill 901 and CPUC Decision 19-05-037

Purpose

Pursuant to Senate Bill (SB) 901 and California Public Utilities Commission (CPUC or Commission) Decision (D.) 19-05-037, dated June 4, 2019, Pacific Gas and Electric Company (PG&E) submits this advice letter to establish the Wildfire Mitigation Plan Memorandum Account (WMPMA) effective May 30, 2019.¹ The purpose of the WMPMA is to track costs incurred to implement PG&E's Wildfire Safety Plan (Plan), as required by SB 901.²

Background

Governor Edmund G. Brown Jr. signed SB 901 on September 21, 2018. The legislation sets in motion activities to strengthen California's ability to prevent and recover from catastrophic wildfires. In addition to measures directed at other entities, SB 901 mandates additional requirements for utility operations, maintenance, and infrastructure improvements to address wildfire risk, including the implementation of comprehensive wildfire mitigation plans.

SB 901 describes the requirements of the annual wildfire mitigation plans to be submitted by California electrical corporations to the CPUC and sets forth the timing and cost recovery related to those plans.³ The CPUC opened a rulemaking on October 25, 2018,⁴

¹ Section 5.1 of General Order 96-B states that the advice letter process is appropriate "to review a utility's request to change its tariffs in a manner previously authorized by statute or Commission order."

² Public Utilities (PU) Code § 8386.4 (a)

³ PU Code § 8386.

⁴ Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901, R. 18-10-007 (2018).

to implement provisions of SB 901, and PG&E submitted its first Plan on February 6, 2019.

The legislation includes two memorandum accounts to record costs incurred to mitigate wildfire risk. One memorandum account (Fire Risk Reduction Memorandum Account or FRMMA), which PG&E submitted in Advice Letter (AL) 5419-E, is intended to “track costs incurred for fire risk mitigation that are not otherwise covered in the electrical corporation’s revenue requirement.”⁵ The second account, WMPMA, which PG&E requests in this AL, is required to be established upon approval of a utility’s wildfire mitigation plan “. . . to track costs incurred to implement the plan.”⁶ Upon approval of the memorandum account in conjunction with the Commission’s approval of the Plan, PG&E would stop recording costs for work approved in its Plan to the FRMMA and, instead, would record any costs not included in rates to the WMPMA. The FRMMA would remain open to record costs of any additional wildfire mitigation activities not included in an approved wildfire mitigation plan.

PG&E anticipates that the recovery of the costs recorded to the WMPMA would occur through a general rate case or future application at which time the Commission would review the costs for reasonableness as required by SB 901.⁷

Tariff Revisions

Attachment 1 is a proposed Electric Preliminary Statement Part HX that describes the purpose of and accounting procedures for the WMPMA.

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

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than June 25, 2019, which is 20 days after the date of this submittal. 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

⁵ PU Code § 8386 (j).

⁶ PU Code § 8386.4 (a).

⁷ PU Code § 8386 (g).

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 B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
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 1 advice submittal become effective on May 30, 2019, the approval date of PG&E's Plan.

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.18-10-007. 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 submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Service List R.18-10-007



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Yvonne Yang

Phone #: (415)973-2094

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: Yvonne.Yang@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5555-E

Tier Designation: 1

Subject of AL: Wildfire Mitigation Plan Memorandum Account Pursuant to Senate Bill 901 and CPUC Decision 19-05-037

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

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.19-05-037

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:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 5/30/19

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 Part HX - Wildfire Mitigation Plan Memorandum Account

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
State: California Zip: 94177
Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
44450-E*	ELECTRIC PRELIMINARY STATEMENT PART HX WILDFIRE MITIGATION PLAN MEMORANDUM ACCOUNT (WMPMA) Sheet 1	
44451-E*	ELECTRIC TABLE OF CONTENTS Sheet 1	44170-E*
44452-E*	ELECTRIC TABLE OF CONTENTS Sheet 17	44218-E



ELECTRIC PRELIMINARY STATEMENT PART HX
WILDFIRE MITIGATION PLAN MEMORANDUM ACCOUNT (WMPMA)

Sheet 1

(N)

(N)

HX. Wildfire Mitigation Plan Memorandum Account (WMPMA)

(N)

1. **PURPOSE:** The purpose of the Wildfire Mitigation Plan Memorandum Account (WMPMA) is to record, pursuant to Senate Bill (SB) 901 (Public Utilities Code Section 8386.4 (a)) and the Wildfire Mitigation Plan (also known as the Wildfire Safety Plan) approved by the Commission, incremental costs incurred to implement an approved wildfire mitigation plan that are not otherwise recovered in PG&E's adopted revenue requirements. Such costs may include expense and capital expenditures for activities including but not limited to: operational practices, inspection programs, system hardening, enhanced vegetation management, enhanced situational awareness, public safety power shutoffs, and alternative technologies. Costs recorded to the WMPMA will not include costs approved for recovery in PG&E General Rate Cases (GRCs) or recovered through PG&E's Catastrophic Event Memorandum Account (CEMA), Fire Hazard Prevention Memorandum Account (FHPMA), Fire Risk Mitigation Memorandum Account (FRMMA), or other cost recovery mechanisms.
2. **APPLICABILITY:** The WMPMA applies to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account will be established by a Commission decision through a GRC application or through other appropriate filing as otherwise authorized by the Commission.
4. **RATES:** The WMPMA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall maintain the WMPMA by making entries to this account at the end of each month, or as applicable, as follows:
 - a. A debit entry equal to the expenses, net of RF&U, incurred related to implementation of an approved wildfire mitigation plan.
 - b. A debit or credit entry equal to the revenue requirement based on the recorded capital costs, net of RF&U, associated with the incremental costs of plant related to wildfire reduction work. Capital revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment.
 - c. A credit entry to transfer all or a portion of the balance in this WMPMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.
 - d. An entry equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the account after the above entries, 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, H.15, or its successor.

(N)



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Part GE	Statewide Marketing, Education and Outreach Expenditure Balancing Account.....	37728-E
Part GF	Customer Data Access Balancing Account – Electric.....	33136-E
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(Continued)

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

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