
PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



December 19, 2019

Advice Letter 5678-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: 2018 Vegetation Management Balancing Account.

Dear Mr. Jacobson:

Advice Letter 5678-E is effective as of November 30, 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

October 31, 2019

Advice 5678-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: 2018 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, 2018, through December 31, 2018. In 2018, the recorded expenses to the VMBA exceeded the amount adopted in the 2017 General Rate Case (GRC) Decision (D.) 17-05-013. Since the account is a one-way balancing account, no account disposition is required for the 2018 VMBA under-collected balance.

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

Background

In PG&E's 1999 GRC D.00-02-046, the California Public Utilities Commission (Commission or CPUC) adopted a one-way balancing account mechanism to track vegetation management expenditures. Various Commission decisions, including D.17-05-013, have continued the VMBA balancing account mechanism through the GRC cycles. The VMBA provides that PG&E will submit 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 2017 GRC (A.15-09-001), the Commission adopted a Settlement Agreement (Agreement) regarding the distribution revenue requirement (see D.17-05-013). Under the Agreement, PG&E is to continue using the one-way balancing account for vegetation management. In the Agreement, \$201,033,000¹ was adopted as a reasonable forecast of vegetation management expenses for 2017. Adjusted for attrition, the 2018 adopted vegetation management expense amount is \$213,371,000. Excluding the allocated Federal Energy Regulatory Commission (FERC) jurisdiction

¹ For this advice letter, PG&E has translated the 2017 GRC imputed adopted regulatory value (Agreement, Appendix A) to reflect PG&E's new cost allocation methodology, which was implemented in 2016.

amounts, the net adopted 2018 expense is \$212,303,801.

2018 VMBA Balance

Entries made to the VMBA for the period January 1, 2018, through December 31, 2018, are shown in Table 1. The recorded expenses for 2018 totaled \$259,157,337, an amount that excludes expenses allocated to FERC jurisdictional activities. These expenses were increased by interest income associated with under-collections in 2018 that totaled an interest debit of \$35,843.

The difference between the amount adopted in D.17-05-013 and the recorded expenses for 2018 is an over-spending of \$46,889,378. 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.

Protests

Anyone wishing to protest this advice letter may do so by letter sent via U.S. mail, facsimile or E-mail, no later than November 20, 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

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 2 advice submittal become effective on regular notice, November 30, 2019, which is 30 days from the date of this submittal.

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 the parties on the service list for A.15-09-001. 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 A.15-09-001



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: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@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) #: 5678-E

Tier Designation: 2

Subject of AL: 2018 Vegetation Management Balancing Account

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

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.17-05-013

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: 11/30/19

No. of tariff sheets: 0

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 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:

Advice 5678-E
October 31, 2019

Attachment 1

Vegetation Management Balancing Account Summary

Advice 5678-E

Table 1

Vegetation Management Balancing Account Summary

January 1, 2018, through December 31, 2018

2018 GRC Adopted Estimate	\$213,371,000
Less FERC Allocation (0.50%)	<u>(1,067,199)</u>
TOTAL	\$212,303,801
2018 Recorded Expenses	\$260,460,057
Less FERC Allocation (0.50%)	<u>(1,302,720)</u>
TOTAL	\$259,157,337
Over (Under) Expenditure	\$46,853,536
Accrued Interest (through December 31, 2018)	35,842
TOTAL	\$46,889,378

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