

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 5873E
As of October 2, 2020

Subject: 2019 Vegetation Management Balancing Account

Division Assigned: Energy

Date Filed: 08-31-2020

Date to Calendar: 09-04-2020

Authorizing Documents: D1705013

Disposition:	Accepted
Effective Date:	09-30-2020

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

(415)973-4587

PGETariffs@pge.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov

August 31, 2020

Advice 5873-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: 2019 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, 2019, through December 31, 2019. In 2019, 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 2019 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 2019 adopted vegetation management expense amount is \$223,172,000.

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.

Excluding the allocated Federal Energy Regulatory Commission (FERC) jurisdiction amounts, the net adopted 2019 expense is \$222,055,781.

2019 VMBA Balance

Entries made to the VMBA for the period January 1, 2019, through December 31, 2019, are shown in Table 1. The recorded expenses for 2019 totaled \$373,271,774, an amount that excludes expenses allocated to FERC jurisdictional activities. These expenses were increased by interest income associated with under-collections in 2019 that totaled an interest debit of \$662,301.

The difference between the amount adopted in D.17-05-013 and the recorded expenses for 2019 is an over-spending of \$151,878,294. 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.

Recent cost transfers between Catastrophic Event Memorandum Account (CEMA) and VMBA

As provided in PG&E's 2019 Risk Spending Accountability Report (RSAR) filed on March 30, 2020, the reported amount to the VMBA (Expense MWC HN) was \$363,266,645. Subsequent to that filing, and during which time PG&E was preparing this submittal, PG&E identified errors in the VM CEMA incrementality calculations and cost transfers between CEMA and VMBA, thereby affecting the 2019 recorded amounts for these accounts.² As a result of this error, the 2019 recorded amount for MWC HN should have been \$375,148,118³ instead of \$363,266,645 as reported in the 2019 RSAR.⁴

PG&E will submit a separate advice letter by the end of September to amend the recorded amounts impacted by this transfer of CEMA costs to the VMBA in previous years (2016-2018) corresponding spending reports.⁵

² PG&E identified errors in the incrementality methodology used to determine the baseline spend for Facility Protect Trees (FPT) work. This baseline serves as the threshold for FPT work charged to Routine Regulatory Compliance work (tracked in the VMBA). Any charges over and above the baseline are charged to CEMA. The correction to the incrementality methodology resulted in adjustments to 2019 VMBA/CEMA and impacted prior year calculations as well. PG&E amended its 2018 CEMA Application (A.) 18-03-015 on May 4, 2020 to remove approximately \$11.9M of 2019 CEMA Tree Mortality costs that should have been recorded in the 2019 VMBA.

³ The recorded amount for MWC HN reported in the 2019 RSAR includes expenses allocated to FERC jurisdictional activities of \$1,876,344.

⁴ PG&E's 2019 RSAR, Table 3-1, Line 18 and Table 3-3, Line 67.

⁵ VMBA advice letter submittals affected include 5036-E, 5402-E and 5678-E. Corresponding spending reports affected include PG&E's 2016 Budget Report, 2017 Spending Accountability Report (SAR) and 2018 SAR; these adjustments do not change the variance explanation provided in the reports.

Protests

*****Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com*****

Anyone wishing to protest this advice letter may do so by letter sent via U.S. mail, facsimile or E-mail, no later than September 21, 2020, which is 21 days⁶ 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

⁶ The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

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

Pursuant to General Order (GO) 96-B, Rule 5.2, this advice letter is submitted with a Tier 2 designation PG&E requests that this Tier 2 advice submittal become effective on regular notice, September 30, 2020, 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) #: 5873-E

Tier Designation: 2

Subject of AL: 2019 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: 9/30/20

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:

Clear Form

Attachment 1

Vegetation Management Balancing Account Summary

Advice 5873-E

Table 1

Vegetation Management Balancing Account Summary

January 1, 2019, through December 31, 2019

2019 GRC Adopted Estimate	\$223,172,000
Less FERC Allocation (0.50%)	<u>(1,116,219)</u>
TOTAL	\$222,055,781
2019 Recorded Expenses	\$375,148,118
Less FERC Allocation (0.50%)	<u>(1,876,344)</u>
TOTAL	\$373,271,774
Over (Under) Expenditure	\$151,215,993
Accrued Interest (through December 31, 2019)	662,301
TOTAL	\$151,878,294

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