

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 5951E
As of October 20, 2020

Subject: California Public Utilities Code 8386.3(d) Vegetation Management Revenue Requirements

Division Assigned: Energy

Date Filed: 09-16-2020

Date to Calendar: 09-18-2020

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	09-16-2020

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

September 16, 2020

Advice 5951-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: California Public Utilities Code § 8386.3(d) Vegetation Management Revenue Requirements

Purpose

The purpose of this Advice Letter is to notify the California Public Utilities Commission (Commission) that PG&E has incurred costs exceeding its annual revenue requirement for its Enhanced Vegetation Management (EVM) Program¹ described in its 2020 Wildfire Mitigation Plan (WMP).

Background

The Legislature amended California Public Utilities Code Section 8386.3(d) through Senate Bill 247 in October 2019 to require an electrical corporation to notify the Commission by advice letter 30 days before the date when it projects that it will spend, or incur obligations to spend, its entire annual revenue requirement for vegetation management in its WMP. This new statute also establishes qualifications for line clearance tree trimmers and a prevailing wage requirement for those workers.

Summary

PG&E does not have an approved revenue requirement for the EVM program. The multi-party settlement of PG&E's 2020 General Rate Case (GRC), A.18-12-009, includes an adopted expense amount of \$548M^{2,3} for both EVM and Routine Vegetation Management (Routine VM) in 2020. PG&E has already incurred costs for vegetation management

¹ EVM focuses on reducing the risk of trees and branches contacting power lines and equipment to help keep customers and communities safe. EVM is performed on all overhead distribution lines in Tier 2 and Tier 3 High-Fire Threat District Areas.

² Joint Motion For Approval of Settlement Agreement, A.18-12-009, Settlement Agreement, § 2.3.3. (Dec. 20, 2019).

³ This amount represents the activities of both the Routine Distribution Vegetation Management program and the EVM program.

activities exceeding this amount. In addition, PG&E has incurred costs exceeding the revenue requirement for Routine VM of approximately \$222M⁴ currently reflected in 2020 revenue requirements and rates.

2020 Vegetation Management Expenses yet to be adopted (Revenue Requirement)

The GRC Settlement Agreement, if approved, would adopt an expense amount of \$548M for Vegetation Management costs in 2020, including both Routine VM⁵ and EVM activities:

Routine VM	\$ 229M
EVM	\$ 319M
	<u>\$ 548M</u>

The Legislature approved SB 247 after PG&E submitted its 2020 GRC forecast for vegetation management programs. PG&E's vegetation management forecasts accordingly did not reflect increases in wages for line clearance tree trimmers included in SB 247. These requirements have increased PG&E's recorded vegetation management costs for 2020. PG&E's recorded expense through August 2020 are \$416M for EVM and \$494M for Routine VM.

Updated 2020 Wildfire Mitigation Plan (WMP) Report

In the Updated 2020 WMP, filed February 28, 2020, PG&E's Targeted Spend for EVM is \$495M. PG&E continues to monitor the EVM year-end spend projection of \$500M, which, if incurred as forecasted, would also exceed the estimate for EVM in the WMP of \$495M.

PG&E's forecast for EVM in the 2020 WMP does not include the following additional vegetation management workstreams:

1. Routine VM, recorded in the Vegetation Management Balancing Account (VMBA).
2. Dead and Dying Tree Removal, work resulting from catastrophic events and recorded in Catastrophic Events Memorandum Account (CEMA).
3. Transmission Line Vegetation Management work that is part of the FERC Transmission Owner rate case.

⁴ This amount represents the 2019 Vegetation Management Balancing Account (VMBA) adopted amount for Routine Distribution Vegetation Management activities.

⁵ The Routine Distribution Vegetation Management Program is designed and implemented to ensure safe and reliable operation of distribution facilities and to prevent foreseeable vegetation outages. In addition, the Routine Distribution VM Program is designed to monitor compliance with state and federal laws and regulations including: CPUC General Order 95, Rule 35, Public Resource Codes §4292 and §4293.

4. Substation vegetation maintenance activities performed by a different workforce, often focused on herbicide application and tied to substation maintenance activities rather than tree trimming or removals.

Revenue Requirements

If the CPUC adopts the terms of the 2020 GRC Settlement Agreement, costs incurred to implement EVM will be tracked and recorded, along with Routine VM, in a two-way VMBA. As noted above, because there is no decision on PG&E's 2020 GRC, PG&E does not have an approved revenue requirement for EVM in current rates.⁶ PG&E's vegetation management revenue requirement in current rates is the 2019 adopted expense amount for the VMBA⁷ of \$222,055,781.

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 submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than October 6, 2020, 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.

⁶ In AL 5555-E, the Commission authorized PG&E to establish WMPMA, a memorandum account to track costs incurred to implement its WMP. 2020 EVM expenses are currently tracked in WMPMA.

⁷ In PG&E's 2017 GRC (A.15-09-001), the Commission adopted a Settlement Agreement regarding the distribution revenue requirement (see D.17-05-013). Adjusted for attrition, the 2019 Vegetation Management Balancing Account (VMBA) adopted amount is \$223,172,000. Excluding the allocated Federal Energy Regulatory Commission jurisdiction amounts, the net adopted 2019 expense is \$222,055,781. Absent a final decision in A.18-12-009, this figure represents the 2019 adopted amount, with no escalation for 2020.

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

Pursuant to General Order (GO) 96-B, Rule 5.1, this advice letter is submitted with a Tier 1 designation. PG&E requests that this Tier 1 advice submittal become effective upon date of submittal, which is September 16, 2020.

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. 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



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) #: 5951-E

Tier Designation: 1

Subject of AL: California Public Utilities Code § 8386.3(d) Vegetation Management Revenue Requirements

Keywords (choose from CPUC listing): Compliance

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

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: 9/16/20

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

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