

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 5976E**  
**As of November 20, 2020**

Subject: 2016-2018 Vegetation Management Balancing Account

Division Assigned: Energy

Date Filed: 10-15-2020

Date to Calendar: 10-19-2020

Authorizing Documents: None

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>11-14-2020</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

Kimberly Loo

(415)973-4587

[PGETariffs@pge.com](mailto: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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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](mailto:edtariffunit@cpuc.ca.gov)**

October 15, 2020

**Advice 5976-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: 2016-2018 Vegetation Management Balancing Account**

To correct the reported amount to the Vegetation Management Balancing Account (VMBA) for years 2016, 2017, and 2018<sup>1</sup>.

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

**Background**

The VMBA is a one-way balancing account mechanism to track vegetation management expenditures established in PG&E's 1999 GRC Decision (D.) 00-02-046. The purpose of the VMBA is to record the difference between the vegetation management expense adopted in PG&E's General Rate Case (GRC) and PG&E's recorded vegetation management expense (Major Work Category (MWC) HN). PG&E submits an annual advice letter that includes a summary of the entries to this account and a proposal for the disposition of any credit balance in the account.

When PG&E was preparing Advice 5873-E, submitted August 31, 2020, PG&E identified errors in the Vegetation Management Catastrophic Events Memorandum Account (CEMA) incrementality calculations and cost transfers between CEMA and VMBA, thereby affecting the recorded amounts for these accounts.<sup>2</sup>

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<sup>1</sup> VMBA advice letter submittals affected include 5402-E, submitted March 29, 2017, 5036-E, submitted October 8, 2018, and 5678-E, submitted October 31, 2019. 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.

<sup>2</sup> 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.

As directed in a revised scoping memo issued February 2020, PG&E filed an amendment to its 2018 CEMA Application (A.) 18-03-015 on May 4, 2020 to include 2019 CEMA Tree Mortality costs. As part of this amended application, some 2019 CEMA Tree Mortality costs were reclassified from CEMA to the 2019 VMBA, affecting the prior year VMBA recorded costs. PG&E then submitted Advice 5873-E where it reported its 2019 VMBA recorded expenses, and committed to submit a separate advice letter by the end of September to amend the prior year VMBA recorded amounts impacted by these adjustments between CEMA and the VMBA.

### **Adjustments to the previously reported 2016, 2017, and 2018 VMBA**

The corrections to the incrementality calculations resulted in the following prior period adjustments to VMBA recorded costs:

- 2018 reclassified approximately \$3M from the CEMA into the VMBA.
- 2017 reclassified approximately \$610K from the VMBA into the CEMA.
- 2016 reclassified approximately \$5.3M from the VMBA into the CEMA

In Table 1 below, PG&E provides the adjustments made to the VMBA and the amended under- or over-collections as a result of the reclassifications.

**Table 1**

	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>As originally reported</b>	Advice 5678-E	Advice 5402-E	Advice 5036-E
Under/(Over) Collection as originally reported <sup>3</sup>	\$ 46,889,378	\$ 395,607	\$ (62,053)
<b>Adjustments</b>			
Increase/(Decrease) to VMBA	\$ 2,953,910	\$ (609,669)	\$ (5,325,645)
Adjustment due to FERC allocation and Interest	\$ (8,773)	\$ 2,402	\$ 14,725
<b>Amended Under/(Over) collection</b>	<b>\$ 49,834,515</b>	<b>\$ (211,660)</b>	<b>\$ (5,372,973)</b>

These reclassifications also change the recorded costs for MWC HN previously reported in PG&E's 2016 Budget Report, 2017 Spending Accountability Report (SAR), and 2018 SAR.<sup>4</sup> The recorded costs for MWC HN as originally reported in the budget and spending accountability reports and recorded costs as amended, are shown in Table 2.

<sup>3</sup> In accordance with VMBA accounting procedures, amounts as originally reported exclude vegetation management expenses allocated to FERC jurisdictional activities (for 2016 of 0.328%; for 2017 and 2018 of 0.500161%) and accrued interest associated with the overall under/overcollections.

<sup>4</sup> PG&E's 2016 Budget Report, Table 3-1, Line 16 and Table 3-3, Line 16, 2017 Spending Accountability Report (SAR), Table 3-1, Line 16 and Table 3-3, Line 51, and 2018 SAR, Table 3-1, Line 19 and Table 3-3, Line 69.

**Table 2**

	<b>2018 SAR</b>	<b>2017 SAR</b>	<b>2016 Budget Report</b>
MWC HN costs as originally reported <sup>5</sup>	\$260,460,057	\$201,456,193	\$198,735,579
As amended MWC HN costs	\$263,413,967	\$200,846,524	\$193,409,934

Summaries of the amended entries made to the VMBA for the periods January 1 through December 31, for each of the years 2016, 2017, and 2018 are shown in Attachment 1.

### **Disposition**

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 was returned to customers. The 2016 reclassification increased the 2016 over-collected VMBA balance by \$5,325,645. PG&E proposes to transfer the increased overcollection amount, or credit balance, plus interest, to the Distribution Revenue Adjustment Mechanism (DRAM) consistent with the treatment of the 2016 VMBA overcollection approved by the Commission in Advice 5036-E.

The 2017 reclassification also resulted in an over-collected 2017 VMBA balance. Accordingly, PG&E proposes to transfer the new credit balance including interest, of \$211,660 to the DRAM for 2017.

The 2018 reclassification resulted in an increase of \$2,953,910 to the under-collected balance of \$46,889,378. Since the account is a one-way balancing account, no account disposition is required for the 2018 VMBA under-collected balance.

### **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 November 4, 2020, which is 20 days after the date of this submittal. Protests must be submitted to:

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<sup>5</sup> The recorded amount for MWC HN reported in 2016, 2017 and 2018 includes expenses allocated to FERC jurisdictional activities of \$634,385, \$1,004,556, and \$1,317,494 respectively.

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> 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](mailto: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 5.2, this advice letter is submitted with a Tier 2 designation PG&E requests that this Tier 2 advice submittal become effective on regular notice, November 14, 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](mailto: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](mailto:Process_Office@cpuc.ca.gov). Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs>

/S/

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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) #: 5976-E

Tier Designation: 2

Subject of AL: 2016-2018 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 #:

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: 11/14/20

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 proposed<sup>1</sup>: N/A

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

<sup>1</sup>Discuss 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](mailto: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](mailto: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 as Amended**

## ATTACHMENT 1

### Vegetation Management Balancing Account Summary as Amended

January 1, 2016, through December 31, 2016

2016 GRC Adopted Estimate	\$198,813,000
Less FERC Allocation (0.32%)	<u>(652,107)</u>
<b>TOTAL</b>	\$198,160,893
2016 Recorded Expenses	\$ 193,409,934
Less FERC Allocation (0.32%)	<u>(634,385)</u>
<b>TOTAL</b>	\$192,775,549
Over (Under) Expenditure	<b>(\$5,385,344)</b>
Accrued Interest (through December 31, 2016)	12,371
<b>TOTAL</b>	<b>(\$5,372,973)</b>

January 1, 2017, through December 31, 2017

2017 GRC Adopted Estimate	\$201,033,000
Less FERC Allocation (0.50%)	<u>(1,005,489)</u>
<b>TOTAL</b>	\$200,027,511
2017 Recorded Expenses	\$200,846,524
Less FERC Allocation (0.50%)	<u>(1,004,556)</u>
<b>TOTAL</b>	\$199,841,968
Over (Under) Expenditure	<b>(\$185,543)</b>
Accrued Interest (through December 31, 2017)	(26,117)
<b>TOTAL</b>	<b>(\$211,660)</b>

January 1, 2018, through December 31, 2018

2018 GRC Adopted Estimate	\$213,371,000
Less FERC Allocation (0.50%)	<u>(1,067,199)</u>
<b>TOTAL</b>	\$212,303,801
2018 Recorded Expenses	\$263,413,967
Less FERC Allocation (0.50%)	<u>(1,317,494)</u>
<b>TOTAL</b>	\$262,096,473
Over (Under) Expenditure	\$49,792,672
Accrued Interest (through December 31, 2018)	41,843
<b>TOTAL</b>	\$49,834,515

**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	