

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 6296E**  
**As of October 4, 2021**

Subject: PG&E's Final Financial and Tax Information for the Sale of Chili Bar Hydroelectric Project to the Sacramento Municipal Utility District

Division Assigned: Energy

Date Filed: 08-16-2021

Date to Calendar: 08-18-2021

Authorizing Documents: D2011024

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>08-16-2021</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:

Stuart Rubio

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



**Sidney Bob Dietz II**  
Director  
Regulatory Relations

Pacific Gas and Electric Company  
77 Beale St., Mail Code B13U  
P.O. Box 770000  
San Francisco, CA 94177

Fax: 415-973-3582

August 16, 2021

**Advice 6296-E**

(Pacific Gas and Electric Company U 39 E)

Public Utilities Commission of the State of California

**Subject: PG&E's Final Financial and Tax Information for the Sale of Chili Bar Hydroelectric Project to the Sacramento Municipal Utility District**

**Purpose**

Pacific Gas and Electric Company (PG&E) submits this advice letter in compliance with Ordering Paragraph (OP) 3 of Decision (D.) 20-11-024, which requires PG&E to true-up the final financial and tax information within 60 days of the closing of the sale of the Chili Bar Hydroelectric Project (Chili Bar Project) to Sacramento Municipal Utility District (SMUD). The sale of the Chili Bar Project to SMUD was completed on June 16, 2021.

**Background**

On March 27, 2020, PG&E filed Application (A.) 20-03-015 requesting that the California Public Utilities Commission (Commission or CPUC) authorize the sale by PG&E of the Chili Bar Project to SMUD as set forth in the Purchase and Sale Agreement (PSA), dated February 12, 2020. The PSA was included as Attachment A to A.20-03-015.

On November 19, 2020, the Commission adopted D.20-11-024, which authorized the sale of the Chili Bar Project to SMUD, approved PG&E's proposed ratemaking, and ordered PG&E to submit a Tier 1 advice letter within 60 days following closing of the sale to true-up the final financial and tax information related to the transaction.

**Final Gain/Loss on Sale Allocation and Tax Information**

In compliance with D.20-11-024, the below Table 1 represents the final financial information for the Chili Bar Project sale to SMUD. The final tax information is included as Attachment 1 to this advice letter.

**Table 1**  
**Allocation of Loss on Sale**  
**Cost Update through June 16, 2021**  
**(shown in \$)**

	<b>Loss on Sale (as of December 31, 2019)<sup>1</sup></b>	<b>Final Loss on Sale (as of June 16, 2021)</b>
<b><u>Net Book Value</u></b>		
Net Plant: Land	138,541	138,541
Net Plant: Non-Land	19,823,058	18,560,639
Net Plant	19,961,599	18,699,180
Construction Work in Progress (CWIP)	-	451,859
Net Book Value	19,961,599	19,151,039
<b>Net Sales Proceeds</b>	9,450,000	9,477,464
<b>Total Pre-Tax Loss</b>	(10,511,599)	(9,673,575)
<b><u>Allocation of Loss Per Sale Decision:</u></b>		
<b>Depreciable Assets (Net Plant Non-Land and CWIP)</b>		
	(10,424,965)	(9,586,172)
100% to Ratepayers		
<b>Non-Depreciable Assets (Land)</b>		
67% to Ratepayers	(51,447)	(51,904)
33% to Shareholders	(25,340)	(25,565)
Taxing Jurisdiction Allocation	(9,847)	(9,934)

<sup>1</sup> Note that these numbers differ from that provided in Table 3-1 of PG&E's Direct Testimony. An error was discovered in Table 3-1, which was corrected in Attachment C to PG&E's data response to Public Advocates (Data Request No: PubAdv-PG&E-STA-1). This table reflects that correction.

**Attachments**

Attachment 1: Facility Sales – Chili Bar Hydro Facility

**Protests**

**\*\*\*Due to the COVID-19 pandemic, 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 **September 6, 2021**, which is 21<sup>2</sup> days after the date of this submittal. Protests must be submitted to:

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 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:

David T. Kraska  
Attorney, Law Department  
Pacific Gas and Electric Company  
P.O. Box 7442  
San Francisco, California 94120

Facsimile: (415) 973-0516

Sidney Bob Dietz II  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company

---

<sup>2</sup> The 20-day protest period concludes on a weekend; therefore, PG&E is moving this date to the following business day.





# 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 (U 39 E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@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) #: 6296-E

Tier Designation: 1

Subject of AL: PG&E's Final Financial and Tax Information for the Sale of Chili Bar Hydroelectric Project to the Sacramento Municipal Utility District

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 #: D. 20-11-024

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: N/A

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: 8/16/21

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: Sidney Bob Dietz II, 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:

Advice 6296-E  
August 16, 2021

# **Attachment 1**

**Facility Sales – Chili Hydro Facility**

**Attachment 1 Table Showing Sales Price, Expenses, and Tax Effects  
Facility Sale - Chili Bar Hydro Facility  
(Dollars)**

**Pacific Gas and Electric  
Facility Sales - Chili Hydro Facility  
(DOLLARS)**

**1 SALES PROCEEDS**

Sales Price	10,400,000
Deduct Cost of Ownership from Sales Price	<u>(447,556)</u>
Gross Proceeds	9,952,444
Net Escrow Costs	<u>(2,748)</u>
Cash to PG&E	9,949,695
Less Broker's Fee	(5,000)
Less: Improvement Costs related to the sale (actual)	(68,153)
Less: Improve. Costs related to the sale (forecasted)*	<u>(399,078)</u>
Net Sale Proceeds	<u>9,477,464</u>

\*This is an estimated value and does not reflect actual interconnection cost.

**2 ALLOCATION OF SALES PROCEEDS BASED ON THE HISTORICAL COST OF PROPERTY**

	Historical Cost	Proportional %
Non-Depreciable Property (Land)	138,541	0.54%
Depreciable Property	25,085,772	97.70%
CWIP	451,859	1.76%
	<u>25,676,172</u>	<u>100.00%</u>

**3 GROSS GAIN/(LOSS) ON SALE**

	Historical Cost	Net Book Value	Sales Proceeds	Pre-Tax Gain/(Loss)	Book NBV	
Non-Depreciable Property (Land)	138,541	138,541	51,138	(87,403)		
Depreciable Property	25,085,772	18,560,639	9,259,538	(9,301,101)	18,560,639	
CWIP	451,859	451,859	166,788	(285,071)		
	<u>25,676,172</u>	<u>19,151,039</u>	<u>9,477,464</u>	<u>(9,673,575)</u>	<u>18,560,639</u>	Depreciable Net Book Value

**4 TAX GAIN/(LOSS) ON SALE**

	Historical Cost	Net Tax Value	Sales Proceeds	Pre-Tax Gain/(Loss)	Depreciable Net Tax Value	
Non-Depreciable Property (Land)	138,541	138,541	51,138	(87,403)		
Depreciable Property	25,085,772	8,457,499	9,259,538	802,040	8,457,499	
CWIP	451,859	451,859	166,788	(285,071)		
	<u>25,676,172</u>	<u>9,047,899</u>	<u>9,477,464</u>	<u>429,565</u>	<u>8,457,499</u>	Depreciable Net Tax Value
					10,103,140	Depr Net Book Value less Depr Net Ta
					2,827,263	Deferred Tax Liability / (Asset)

**5 GAIN/(LOSS) ALLOCATION**

	Operating System	Other Depreciable Assets	Land (Pre-Tax Allocation)	Sharing Allocation	Taxes 27.984%	After Tax Gain / (Loss)
Ratepayers - 100% of Loss (Pre-Tax and After-Tax)	0%	100%	59%	(9,638,076)	2,697,119 *	(6,940,957)
Ratepayers Pass-thru - 100% of Loss (Pre-Tax and After-Tax)				9,638,076	(2,697,119) *	6,940,957
Shareholder	100%	0%	41%	(35,499)	9,934	(25,565)
Total Gain/(Loss) Allocation	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>(35,499)</u>	<u>9,934</u>	<u>(25,565)</u>

\* No tax impact as the ratepayer contribution / distribution will net the tax impact to zero.

**Attachment 1 Table Showing Sales Price, Expenses, and Tax Effects  
Facility Sale - Chili Bar Hydro Facility  
(Dollars)**

**6 TAXES ON PROPERTY**

	Net Tax Value	Sales Proceeds	Before Tax Gain/ (Loss)		Depreciable Property and CWIP
Non-Depreciable Property (Land)	138,541	51,138	(87,403)		
Depreciable Property	8,457,499	9,259,538	802,040		
CWIP	451,859	166,788	(285,071)		
<b>Totals</b>	<b>9,047,899</b>	<b>9,477,464</b>	<b>429,565</b>		
			<b>Land</b>		
Taxable Gain / (Loss)			(87,403) a		(9,586,172) a
Ratepayer Contribution / (Distribution)			51,905 b		9,586,172 b
Net Taxable Gain / (Loss)			(35,499) c=a-b		- c=a-b
Tax Rate			27.984% d		27.984% d
Net Federal and State Income Tax			(9,934) e=c*d		- e=c*d
After Tax Gain / (Loss)			(77,469) f=a-e		(9,586,172) f=a-e
After-Tax Ratepayers Allocation		67%	(51,905) g=f*67%	100%	(9,586,172) g=f*100%
After-Tax Shareholder Allocation		33%	(25,565) h=f*33%	0%	- h=f*0%
Taxing Jurisdiction Allocation (Shareholder)			(9,934) i=e		- i=e
Total Gain / (Loss) Allocation			(87,403) j=g+h+i		(9,586,172) j=g+h+i

**7 RATE BASE CHANGES**

	Beginning	Changes	Ending
Gross Plant	25,224,313	(25,224,313)	-
Depreciation Reserve (Book Accumulated Depreciation)	(6,525,133)	25,224,313	18,699,180
Property Sale Proceeds credited to Depreciation Reserve		(9,310,676)	(9,310,676)
<b>Net Plant</b>	<b>18,699,180</b>	<b>(9,310,676)</b>	<b>9,388,504</b>
Deferred Taxes	(2,827,263)	2,827,263	-
<b>Total Rate Base of Assets Sold</b>	<b>15,871,917</b>	<b>(6,483,413)</b>	<b>9,388,504</b>

**8 REGULATORY ASSET CALCULATION**

Ending Rate Base after Asset Sale	9,388,504
Loss Associated with CWIP	285,071
Tax Impact on Asset Sale	(9,934)
After Tax Loss allocated to Shareholders	(25,565)
<b>Regulatory Asset / (Liability) to Collect / (Refund) in Rates</b>	<b>9,638,076</b>

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

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
California Cotton Ginners & Growers Assn  
California Energy Commission

California Hub for Energy Efficiency  
Financing

California Alternative Energy and  
Advanced Transportation Financing  
Authority  
California Public Utilities Commission  
Calpine

Cameron-Daniel, P.C.  
Casner, Steve  
Cenergy Power  
Center for Biological Diversity

Chevron Pipeline and Power  
City of Palo Alto

City of San Jose  
Clean Power Research  
Coast Economic Consulting  
Commercial Energy  
Crossborder Energy  
Crown Road Energy, LLC  
Davis Wright Tremaine LLP  
Day Carter Murphy

Dept of General Services  
Don Pickett & Associates, Inc.  
Douglass & Liddell

East Bay Community Energy Ellison  
Schneider & Harris LLP Energy  
Management Service  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie

Green Power Institute  
Hanna & Morton  
ICF

IGS Energy

International Power Technology  
Intestate Gas Services, Inc.  
Kelly Group  
Ken Bohn Consulting  
Keyes & Fox LLP  
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated  
Waste Management Task Force  
MRW & Associates  
Manatt Phelps Phillips  
Marin Energy Authority  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority  
Regulatory & Cogeneration Service, Inc.  
SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR  
San Francisco Water Power and Sewer  
Sempra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Tecogen, Inc.  
TerraVerde Renewable Partners  
Tiger Natural Gas, Inc.

TransCanada  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy