

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

Disposition:	Accepted
Effective Date:	08-16-2021

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



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 \$)

	Loss on Sale (as of December 31, 2019)¹	Final Loss on Sale (as of June 16, 2021)
<u>Net Book Value</u>		
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
Net Sales Proceeds	9,450,000	9,477,464
Total Pre-Tax Loss	(10,511,599)	(9,673,575)
<u>Allocation of Loss Per Sale Decision:</u>		
Depreciable Assets (Net Plant Non-Land and CWIP)		
	(10,424,965)	(9,586,172)
100% to Ratepayers		
Non-Depreciable Assets (Land)		
67% to Ratepayers	(51,447)	(51,904)
33% to Shareholders	(25,340)	(25,565)
Taxing Jurisdiction Allocation	(9,847)	(9,934)

¹ 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 21² 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 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

² 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 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: 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

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)		
Totals	9,047,899	9,477,464	429,565		
			Land		
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)
Net Plant	18,699,180	(9,310,676)	9,388,504
Deferred Taxes	(2,827,263)	2,827,263	-
Total Rate Base of Assets Sold	15,871,917	(6,483,413)	9,388,504

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)
Regulatory Asset / (Liability) to Collect / (Refund) in Rates	9,638,076

**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
Semptra 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