

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



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 4529G/6407E**  
**As of December 13, 2021**

Subject: Implementation of WEMA Revenue Requirement and Customer Credit

Division Assigned: Energy

Date Filed: 11-12-2021

Date to Calendar: 11-17-2021

Authorizing Documents: D2110022

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>12-12-2021</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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

November 12, 2021

**Advice 4529-G/6407-E**

(Pacific Gas and Electric Company U 39 M)

Public Utilities Commission of the State of California

**Subject: Implementation of WEMA Revenue Requirement and Customer Credit**

**Purpose**

Pacific Gas and Electric Company (PG&E) submits this advice letter as directed by D.21-10-022 related to Application 20-02-004 to: (1) describe how PG&E will implement recovery of the \$445.4 million revenue requirement to recover wildfire insurance related costs from July 26, 2017 through December 31, 2019; and (2) propose its plan to implement a customer credit to refund insurance payments for excess liability insurance coverage for the period covered by Application 20-02-004.

**Background**

Decision (D.) 18-06-029 authorized PG&E to establish a Wildfire Expense Memorandum Account (WEMA) to record costs associated with wildfire-related expenses that are not otherwise already authorized to be recovered in rates, including wildfire insurance premium costs. PG&E established its WEMA pursuant to D.18-06-029, with an effective date of July 26, 2017, to record any excess costs associated with wildfire-related liabilities, including incremental insurance premiums. On February 7, 2020, PG&E filed A.20-02-004 seeking authority to recover wildfire-related incremental insurance costs of \$498.7 million tracked in its WEMA for the period July 26, 2017 through December 31, 2019.

On June 30, 2021, PG&E, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) and The Utility Reform Network (TURN) (collectively referred to as the Joint Settling Parties) filed a motion for the adoption of a settlement agreement proposing that PG&E recover \$445.4 million in rates related to the insurance costs tracked in its WEMA over a 12-month period from its various rate classes, based on the functional cost allocations adopted in its 2017 GRC (D.17-05-013). The Joint Settling Parties also identified a refund of insurance payments for excess liability insurance coverage for the period covered by the application that would result in a net

credit to customers totaling approximately \$500,000.<sup>1</sup> D.21-10-022 directed PG&E to file a Tier 2 implementation advice letter describing how it will implement recovery of the authorized revenue requirement over a 12-month period and to propose a mechanism to provide the customer credit.<sup>2</sup>

### **Recovery of Revenue Requirement**

The \$445.4 million revenue requirement shall be recovered over a 12-month period through the Annual Electric True-Up (AET) and Annual Gas True-Up (AGT) advice letters, or next available rate change.

PG&E will recover the approved revenue requirement as follows:

1. The Electric Distribution portion of the WEMA amounts shall be recovered through the Distribution Revenue Adjustment Mechanism (DRAM);
2. The Electric Generation portion of the WEMA amounts shall be recovered through the Portfolio Allocation Balancing Account;
3. The Gas Distribution portion of the WEMA amounts shall be recovered via the Core Fixed Cost Account (CFCA)/Noncore Customer Class Charge Account (NCA) distribution subaccount using the Distribution Level Based Revenue allocation factor adopted in D.17-05-013;
4. The Gas Transmission and Storage portion of the WEMA amounts shall be recovered via the CFCA/NCA customer class subaccount using the adopted equal cents per therm methodology for all customer classes; and
5. The Nuclear Decommissioning Cost Triennial Proceeding – Safe Storage portion of the WEMA amounts shall be recovered via the Nuclear Decommissioning Adjustment Mechanism.

Refer to Attachment 1, page 1 for summary of recovery amounts by each mechanism.

### **Customer Credit**

PG&E's application addressed excess liability insurance costs incurred from July 26, 2017 to December 31, 2019.<sup>3</sup> A relatively small amount of 2019 excess liability insurance premiums were paid by the company or refunded to the company after that time and were not included in the application.

Attachment 1, page 2 shows the calculation of the net credit due to customers. As shown in the attachment, the late payments and refunds associated with 2019 coverage were: (1) fees paid totaling approximately \$600,000; and (2) reimbursements received totaling approximately \$1,174,490. The total net reimbursement received by PG&E was

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<sup>1</sup> D.21-10-022, p. 16.

<sup>2</sup> D.21-10-022, OP 1.

<sup>3</sup> A.20-02-004, Application of Pacific Gas and Electric Company (U 39 M) to Recover Insurance Costs Recorded in the Wildfire Expense Memorandum Account, p. 2.

\$574,190. The CPUC jurisdictional portion of the net reimbursement received it is \$522,388.

PG&E proposes to refund the entire \$522,388 CPUC jurisdictional portion of the net reimbursement to customers in rates through the process described in this Advice Letter. To do so, PG&E proposes to refund the customer credit over a 12-month period and through the same process as described for collection of the revenue requirement above. The non-CPUC jurisdictional portion of the net reimbursement will be addressed through the appropriate Federal Energy Regulatory Commission ratemaking processes.

### 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 **December 2, 2021**, 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, 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:

Sidney Bob Dietz II  
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**

PG&E requests that this **Tier 2** advice submittal become effective on regular notice, **December 12, 2021**, which is 30 calendar days after the date of submittal in order for the revenue requirement to be in rates by **January 1, 2022**.

### **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 and the parties on the service list for **A.20-02-004**. 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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Sidney Bob Dietz II  
Director, Regulatory Relations

Attachments

cc: Service List A.20-02-004



# 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 M)

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) #: 4529-G/6407-E

Tier Designation: 2

Subject of AL: Implementation of WEMA Revenue Requirement and Customer Credit

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.21-10-022

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: 12/12/21

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 4529-G/6407-E  
November 12, 2021

## **Attachment 1**

**WEMA Revenue Requirement by Funding Source**  
**July 26, 2017 - December 31, 2019**

Line No.	Funding Source	(a) Requested Revenue Requirement	(b) Adjustment for updated cost allocation factor	(c) = (a) + (b) Adjusted Requested Revenue Requirement	(d) Negotiated Reduction in Revenue Requirement	(e) = (c) + (d) Adopted Settlement Revenue Requirement
1						
2	<b><u>Incremental Expense-related Revenue</u></b>					
3	Electric Generation	126,031,890	(1,630,450)	124,401,440	(11,796,292)	112,605,148
4	Electric Distribution	185,037,497	(2,388,127)	182,649,370	(17,319,080)	165,330,290
5	Gas Distribution	121,485,138	(1,569,038)	119,916,100	(11,370,727)	108,545,373
6	Gas Transmission and Storage	45,876,221	(594,269)	45,281,953	(4,293,908)	40,988,045
7	Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) - SAFSTOR	613,045	(14,212)	598,834	(57,380)	541,454
8		<u>479,043,791</u>	<u>(6,196,095)</u>	<u>472,847,696</u>	<u>(44,837,385)</u>	<u>428,010,311</u>
9						
10	<b><u>Interest</u></b>					
11	Electric Generation	3,585,996	(81,553)	3,504,443	(335,641)	3,168,802
12	Electric Distribution	5,264,887	(119,450)	5,145,436	(492,781)	4,652,655
13	Gas Distribution	3,456,627	(78,482)	3,378,145	(323,532)	3,054,613
14	Gas Transmission and Storage	1,305,320	(29,725)	1,275,595	(122,175)	1,153,420
15	Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) - SAFSTOR	17,443	(711)	16,732	(1,633)	15,099
16		<u>13,630,273</u>	<u>(309,921)</u>	<u>13,320,353</u>	<u>(1,275,762)</u>	<u>12,044,591</u>
17						
18						
19	<b><u>Revenue Fees and Uncollectibles (RF&amp;U)</u></b>					
20	Electric Generation	1,473,690	(19,429)	1,454,261	(137,934)	1,316,327
21	Electric Distribution	2,163,642	(28,458)	2,135,184	(202,512)	1,932,672
22	Gas Distribution	1,707,271	(22,027)	1,685,244	(159,797)	1,525,447
23	Gas Transmission and Storage	631,801	(8,342)	623,459	(59,135)	564,324
24	Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) - SAFSTOR	7,168	(169)	6,999	(671)	6,328
25		<u>5,983,572</u>	<u>(78,427)</u>	<u>5,905,146</u>	<u>(560,049)</u>	<u>5,345,099</u>
26						
27						
28	<b><u>TOTAL Incremental Expense-related Revenue (including Interest and RF&amp;U)</u></b>					
29	Electric Generation	131,091,577	(1,731,432)	129,360,145	(12,269,867)	117,090,278
30	Electric Distribution	192,466,026	(2,536,036)	189,929,990	(18,014,373)	171,915,618
31	Gas Distribution	126,649,036	(1,669,547)	124,979,489	(11,854,055)	113,125,434
32	Gas Transmission and Storage	47,813,342	(632,335)	47,181,007	(4,475,218)	42,705,789
33	Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) - SAFSTOR	637,657	(15,092)	622,565	(59,683)	562,881
34		<u>498,657,638</u>	<u>(6,584,442)</u>	<u>492,073,196</u>	<u>(46,673,196)</u>	<u>445,400,000</u>
35						
36						
37						
38						
39						
40						

**Computation of refundable insurance payments for excess liability insurance coverage for the period covered by the application**

**(1) Determine population of refundable net expenses applicable to period covered by application (\$574,190)**

600,000	Fees Paid
(1,174,190)	Net Return of Reimbursements Received
<u>(574,190)</u>	Total Company refundable insurance payments

**(2) Compute CPUC jurisdictional portion of refundable net expenses (\$522,388)**

2019 CPUC %	
90.98%	(522,388) CPUC Jurisdictional Portion

**(3) Allocate amount subject to refund to various funding sources utilizing related settlement RRQ (\$445.4M) ratio.**

Ratio	Settlement RRQ	
26.29%	117,090,278	Electric Generation
38.60%	171,915,618	Electric Distribution
25.40%	113,125,434	Gas Distribution
9.59%	42,705,789	Gas Transmission and Storage
0.13%	562,881	Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) - SAFSTOR
<u>100.00%</u>	<u>445,400,000</u>	

**Refundable Cost**

137,330	Electric Generation
201,633	Electric Distribution
132,680	Gas Distribution
50,088	Gas Transmission and Storage
660	Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) - SAFSTOR
<u>522,388</u>	

**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

Intertie

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