

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6781E
As of January 30, 2023

Subject: Tier 2 Advice Letter Seeking Approval of Quarterly Estimated Tax Payment Process for the Customer Credit Trust in Compliance with D.21-04-030

Division Assigned: Energy

Date Filed: 12-09-2022

Date to Calendar: 12-14-2022

Authorizing Documents: D2104030

Disposition:	Accepted
Effective Date:	01-08-2023

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

December 9, 2022

Advice 6781-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Tier 2 Advice Letter Seeking Approval of Quarterly Estimated Tax Payment Process for the Customer Credit Trust in Compliance with D.21-04-030

Purpose

Consistent with Decision (D.) 21-04-030 (the Decision) and the terms of the Customer Credit Trust Agreement as approved in Advice Letter 6271-E/E-A, Pacific Gas and Electric Company's (PG&E or Company) respectfully submits this advice letter seeking approval of a quarterly process for making estimated tax payments between the PG&E Utility to the Customer Credit Trust (Trust).

Background

On April 23, 2021, the Commission issued the Decision, finding that \$7.5 billion of PG&E's 2017 catastrophic wildfire costs and expenses are Stress Test Costs that may be financed through the issuance of recovery bonds pursuant to Public Utilities Code section 850 et seq. The Decision directed PG&E to establish the Trust, which will be funded by PG&E shareholders. The Trust will fund a monthly Customer Credit that is expected to equal the Fixed Recovery Charge (FRC) that will be imposed on customers to pay the costs and expenses of the recovery bonds authorized by the Commission in D.21-05-015.¹

By this filing, PG&E requests Commission approval for a quarterly process of making estimated tax payments between the Utility and the Customer Credit Trust for the life of the Trust until termination. PG&E's proposed quarterly process is detailed in Attachment 1 and 2 of this Advice Letter. Should a material change in the proposed process occur, PG&E will subsequently seek Commission approval via a Tier 2 advice letter.

¹ Id. at 91 ¶ 8 (Ordering Paragraph 8); see also D.21-05-015 (Financing Order Authorizing the Issuance of Recovery Bonds Pursuant to Article 5.8 of the California Public Utilities Code).

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than December 29, 2022, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
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 and 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, January 8, 2023, which is 30 calendar days after the date of submittal.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list A.20-04-023. 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/

Sidney Bob Dietz II
Director, Regulatory Relations

Attachments

Attachment 1: Proposed Process for Estimated Tax Payments – PUBLIC

Attachment 2: Proposed Process for Estimated Tax Payments - CONFIDENTIAL

Attachment 3: Confidential Declaration of Ashley Mawhorter

cc: Service List A.20-04-023



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 U39 E)

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) #: 6781-E

Tier Designation: 2

Subject of AL: Tier 2 Advice Letter Seeking Approval of Quarterly Estimated Tax Payment Process for the Customer Credit Trust in Compliance with D.21-04-030

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.21-04-030

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: See Attachment 3

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: Ashley Mawhorter, Ashley.Mawhorter@pge.com

Resolution required? Yes No

Requested effective date: 1/8/23

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 correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

Attachment 1

Proposed Process for Estimated Tax Payments

Public

Trust Description

The Customer Credit Trust (the Trust), as authorized by the CPUC, is setup as a grantor trust with PG&E as the grantor and, as such, any income earned in the trust is reported on PG&E’s consolidated tax return. The Trust does not file its own tax return.

Description of the Proposed Process for Estimated Tax Payments

Following the end of each quarter, the Trustee shall promptly deliver a custom report¹ to PG&E with quarter and year-to-date income, realized and unrealized gains and losses, contributions, and expenses in addition to any other Trust data pertinent to compute the quarterly tax liability. PG&E’s Tax department will review the report each quarter end and will calculate the quarterly tax liability using the annual income installment method as shown below in Table 1 while also aligning payment with Internal Revenue Service (IRS) quarterly due dates (i.e., 4/15, 6/15, 9/15 and 12/15).²

Table 1

Quarter	IRS Due Date	Estimated Tax Calculation
Q1	4/15	Based on 25% of current year’s 3 months of annualized income or 25% of prior year’s taxable income, plus prior year’s adjustment (if any).
Q2	6/15	Based on 50% of current year 3 months annualized income (less amount paid in Q1)
Q3	9/15	Based on 75% of 6 months of current year annualized income less amounts paid in Q1 and Q2
Q4	12/15	Based on 100% of 9 months of current year annualized income less amounts paid in Q1-Q3

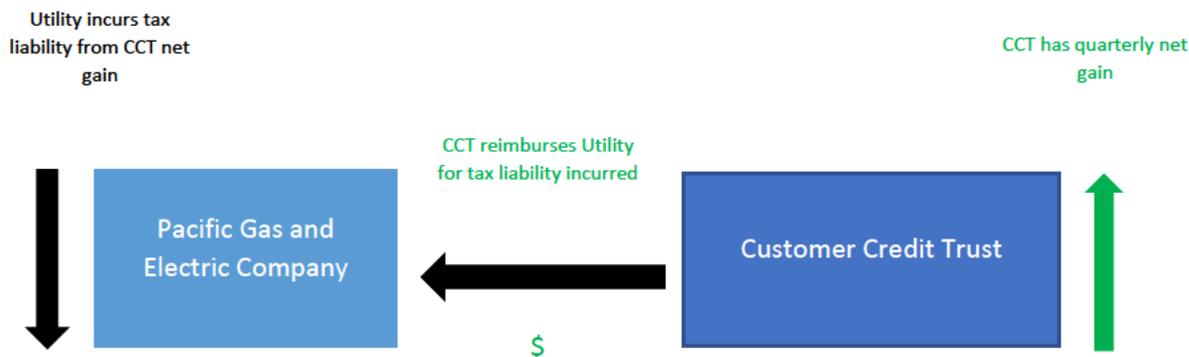
During the first quarter of the following year after the full year estimated payments are made and going forward, to the extent that prior year estimates deviate from the full year actuals received, the Tax department will compute any necessary adjustment, which will be accounted for as an adjustment to the first quarter payment. Payments between the Trust and the Utility will be reported in the PG&E Customer Credit Trust Report that is submitted quarterly to the CPUC as required by D.21-04-030.

Description of the Estimated Quarterly Tax Payment

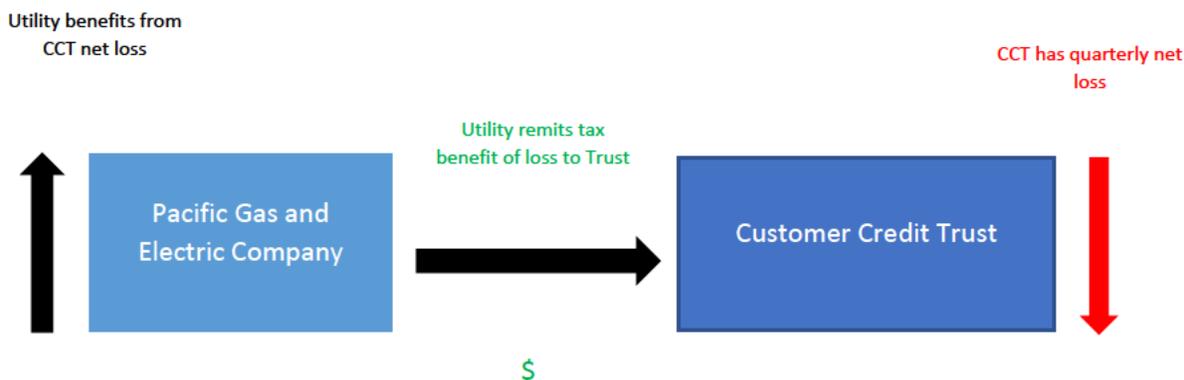
If the quarterly tax calculation results in the Trust having a net taxable gain for the quarter, following the approval of the computed quarterly tax liability from the Tax Department, the Trust will, within 30 days, reimburse the Utility for any tax liability resulting from its earnings.

¹ Creation of the custom report will result in an estimated [REDACTED], payable from the Trust to the Trustee, Bank of New York Mellon.

² Extenuating circumstances may cause a slight delay in payments between the Utility and the Trust, though PG&E expects payments to occur within 30 days of IRS due dates.



Conversely, if the quarterly tax calculation results in the Customer Credit Trust having a net loss for the quarter, following the approval of the computed quarterly tax liability, the Utility will remit the tax benefit of the loss to the Trust within 30 days.



The Trust will make or receive quarterly payments in an amount equal to the estimated computed tax liability or tax benefit, respectively, in respect of taxable income or loss generated by the investments of the Trust relating to the quarter³, calculated using the highest combined federal and California state tax rate applicable to "sub-chapter C" corporations. These transactions will occur quarterly until the Trust is terminated.

Record Retention

Records of the calculations and payments of the quarterly tax transactions shall be maintained by PG&E's Investments and Benefit Finance team and shall be kept until the 5th year after the year in which the Trust is terminated.

³ The first quarter estimated tax payment, aligned with the IRS payment date of 4/15, will be computed using 3 months of annualized income and will incorporate any adjustments related to the prior year to the extent that prior year estimates deviate from full year actuals received.

Attachment 2

Proposed Process for Estimated Tax Payments

CONFIDENTIAL

Attachment 3

Confidential Declaration of Ashley Mawhorter

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

**DECLARATION SUPPORTING CONFIDENTIAL DESIGNATION
ON BEHALF OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

1. I, Ashley Mawhorter, am the Director of Investments and Benefit Finance of Pacific Gas and Electric Company (“PG&E”), a California corporation. Mari Becker, the Vice President and Treasurer of PG&E, delegated authority to me to sign this declaration. I am currently working remotely as PG&E transitions from its prior location at 77 Beale Street, San Francisco, California to 300 Lakeside Drive, Oakland, California.

2. PG&E will produce the information identified in Paragraph 3 of this Declaration to the California Public Utilities Commission (“CPUC”) or departments within or contractors retained by the CPUC in response to a CPUC audit, data request, proceeding, or other CPUC request.

Name or Docket No. of CPUC Proceeding (if applicable): A.20-04-023: In the Matter of the Application of Pacific Gas and Electric Company for (1) Administration of Stress Test Methodology Developed Pursuant to Public Utilities Code Section 451.2(b) and (2) Determination That \$7.5 Billion of 2017 Catastrophic Wildfire Costs and Expenses Are Stress Test Costs That May Be Financed Through Issuance of Recovery Bonds Pursuant to Section 451.2(c) and Section 850 et seq. (U39E).

3. Title and description of document(s): Attachment 2: Proposed Process for Estimated Tax Payments

4. These documents contain confidential information that, based on my information and belief, has not been publicly disclosed. These documents have been marked as confidential, and the basis for confidential treatment and where the confidential information is located on the documents are identified on the following chart:

Check	Basis for Confidential Treatment	Where Confidential Information is Located on the Documents
<input type="checkbox"/>	<p>Customer-specific data, which may include demand, loads, names, addresses, and billing data.</p> <p>(Protected under PUC § 8380; Civ. Code §§ 1798 <i>et seq.</i>; Govt. Code § 6254; Public Util. Code § 8380; Decisions (D.) 14-05-016, 04-08-055, 06-12-029)</p>	
<input type="checkbox"/>	<p>Personal information that identifies or describes an individual (including employees), which may include home address or phone number; SSN, driver’s license, or passport numbers; education; financial matters; medical or employment history (not including PG&E job titles); and statements attributed to the individual.</p> <p>(Protected under Civ. Code §§ 1798 <i>et seq.</i>; Govt. Code § 6254; 42 U.S.C. § 1320d-6; and General Order (G.O.) 77-M)</p>	
<input type="checkbox"/>	<p>Physical facility, cyber-security sensitive, or critical infrastructure data, including without limitation critical energy infrastructure information (CEII) as defined by the regulations of the Federal Energy Regulatory Commission at 18 C.F.R. § 388.113 and/or General Order 66-D (“The subject information: (1) is not customarily in the public domain by providing a declaration in compliance with Section 3.2(c) stating that the subject information is not related to the location of a physical structure that is visible with the naked eye or is available publicly online or in print; and (2) the subject information either: could allow a bad actor to attack, compromise or incapacitate physically or electronically a facility providing critical utility service; or discusses vulnerabilities of a facility providing critical utility service”).</p> <p>(Protected under Govt. Code § 6254(k), (ab); 6 U.S.C. § 131; 6 CFR § 29.2)</p>	
<input checked="" type="checkbox"/>	<p>Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data.</p> <p>(Protected under Civ. Code §§3426 <i>et seq.</i>; Govt. Code §§ 6254, <i>et seq.</i>, e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code §1060; D.11-01-036)</p>	Attachment 2 – Footnote 1
<input type="checkbox"/>	<p>Corporate financial records.</p> <p>(Protected under Govt. Code §§ 6254(k), 6254.15)</p>	

<input type="checkbox"/>	Third-Party information subject to non-disclosure or confidentiality agreements or obligations. (Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)
<input type="checkbox"/>	Other categories where disclosure would be against the public interest (Govt. Code § 6255(a)):

5. The importance of maintaining the confidentiality of this information outweighs any public interest in disclosure of this information. This information should be exempt from the public disclosure requirements under the Public Records Act and should be withheld from disclosure.
6. I declare under penalty of perjury that the foregoing is true, correct, and complete to the best of my knowledge.
7. Executed on this 7th day of December, 2022 at Pacifica, California.

/s/ Ashley Mawhorter
 Ashley Mawhorter

Director of Investments & Benefit Finance
 Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

A.20-04-023: In the Matter of the Application of Pacific Gas and Electric Company for (1) Administration of Stress Test Methodology Developed Pursuant to Public Utilities Code Section 451.2(b) and (2) Determination That \$7.5 Billion of 2017 Catastrophic Wildfire Costs and Expenses Are Stress Test Costs That May Be Financed Through Issuance of Recovery Bonds Pursuant to Section 451.2(c) and Section 850 et seq. (U39E)

ATTACHMENT TO DECLARATION

12/07/2022

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
Attachment 2: Proposed Process for Estimated Tax Payments	Attachment 2: Proposed Process for Estimated Tax Payments	Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data. (Protected under Civ. Code §§3426 et seq.; Govt. Code §§ 6254, et seq., e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code §1060; D.11-01-036)	Footnote 1

**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.
Braun Blaising Smith Wynne, P.C.
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
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
Dish Wireless L.L.C.

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

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
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
McClintock IP
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.

Resource Innovations

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
Stoel Rives LLP

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