

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



**Pacific Gas & Electric Company  
ELC (Corp ID 39)  
Status of Advice Letter 6997E  
As of December 28, 2023**

Subject: PG&E's Final Financial and Tax Information for the Sale of Tule River Hydroelectric Project to Tule Hydro LLC

Division Assigned: Energy

Date Filed: 07-24-2023

Date to Calendar: 08-02-2023

Authorizing Documents: D2211002

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>07-24-2023</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

279-789-6210

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

July 24, 2023

**Advice 6997-E**

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: PG&E's Final Financial and Tax Information for the Sale of Tule River Hydroelectric Project to Tule Hydro LLC**

**Purpose**

Pacific Gas and Electric Company (PG&E) submits this advice letter in compliance with Ordering Paragraph (OP) 2 of Decision (D.) 22-11-002, which requires PG&E to true-up the final financial and tax information within 60 days of the closing of the sale of the Tule River Hydroelectric Project (Tule Project) to Tule Hydro LLC (Tule LLC). The sale of the Tule Project to Tule LLC was completed on May 25, 2023.

**Background**

On February 24, 2022, PG&E filed Application (A.) 22-02-010 requesting that the California Public Utilities Commission (Commission or CPUC) authorize the sale by PG&E of the Tule Project to Tule LLC as set forth in the Purchase and Sale Agreement (PSA), dated December 1, 2021 and amended January 26, 2022. The PSA was included as Attachment A to A.22-02-010.

On November 3, 2022, the Commission adopted D.22-11-002, which authorized the sale of the Tule Project to Tule LLC, 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. This Tier 1 advice letter is intended to true-up the final financial and tax information related to the transaction.

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

Table 1 below represents the final financial information for the sale. The final tax information is included as Attachment 1 to this advice letter.

**Table 1**  
**Allocation of Loss on Sale**  
**Cost Update through [Date]**  
**(shown in \$)**

	<b>Forecast Loss on Sale</b>	<b>Final Loss on Sale</b>
<b><u>Net Book Value</u></b>	<b>[01/31/2022]</b>	<b>[05/31/2023]</b>
Net Plant: Land <sup>1</sup>	\$24,553	\$0
Net Plant: Non-Land	\$2,721,703	\$2,792,769
Net Plant	\$2,746,256	\$2,792,769
Construction Work in Progress (CWIP)	\$0	\$0
Net Book Value	\$2,746,256	\$2,792,769
<b>Net Sales Proceeds</b>	<b>(\$5,422,979)</b>	<b>(\$5,623,026)</b>
<b>Total Pre-Tax Loss</b>	<b>(\$8,169,235)</b>	<b>(\$8,415,795)</b>
<b><u>Allocation of Loss Per Sale Decision:</u></b>		
<b>Depreciable Assets (Net Plant Non-Land and CWIP)</b>		
100% to Ratepayers	(\$8,138,338)	(\$8,415,795)
<b>Non-Depreciable Assets (Land)</b>		
67% to Ratepayers	(\$18,348)	\$0
33% to Shareholders	(\$9,037)	\$0
Taxing Jurisdiction Allocation	(\$3,512)	\$0

### **Attachments**

Attachment 1: Facility Sales – Tule Hydro Facility

<sup>1</sup> Upon implementation of the Tule sale, it was discovered that the land value used in the 851 Application pertained to another hydro powerhouse. After reviewing PG&E's financial system records, there is no accounting record associated with the Tule land. As a result, the final NBV and loss calculation show \$0 for land.

**Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than August 14, 2023, which is 21<sup>2</sup> 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 5.1, and OP 2 of D.22-11-002, this advice letter is submitted with a Tier 1 designation. PG&E requests that this Tier 1 advice submittal become effective upon date of submittal, which is July 24, 2023.

**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 and the parties on the service list for A.22-02-010. 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/>.

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

/S/

Sidney Bob Dietz II  
Director, Regulatory Relations  
CPUC Communications

cc: Mark Pocta, California Public Advocates  
Stacey Hunter, California Public Advocates  
Service List A.22-02-010



# 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 #: 279-789-6210

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: stuart.rubio@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) #: 6997-E

Tier Designation: 1

Subject of AL: PG&E's Final Financial and Tax Information for the Sale of Tule River Hydroelectric Project to Tule Hydro LLC

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.22-11-002

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: 7/24/23

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 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 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](mailto: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: (415)973-2093  
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**

Facility Sales – Tule Hydro Facility

**1 SALES PROCEEDS**

Transfer Payment	(5,347,979)
Battery Side Payment	(12,688)
Storm Damage Side Payment	(145,000)
Transaction Closing Costs	(117,359)
Net Sales Proceeds	<u>(5,623,026)</u>

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

	Historical Cost	Proportional %
Non-Depreciable Property (Land)	-	0.00%
Depreciable Property	20,807,228	100.00%
CWIP	-	0.00%
	<u>20,807,228</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)	-	-	-	-	-	
Depreciable Property	20,807,228	2,792,769	(5,623,026)	(8,415,795)	2,792,769	
CWIP	-	-	-	-	-	
	<u>20,807,228</u>	<u>2,792,769</u>	<u>(5,623,026)</u>	<u>(8,415,795)</u>	<u>2,792,769</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)	-	-	-	-	-	
Depreciable Property	20,807,228	5,182,135	(5,623,026)	(10,805,161)	5,182,135	
CWIP	-	-	-	-	-	
	<u>20,807,228</u>	<u>5,182,135</u>	<u>(5,623,026)</u>	<u>(10,805,161)</u>	<u>5,182,135</u>	Depreciable Net Tax Value
					(2,389,366)	Depr Net Book Value less Depr Net Tax Value
					(668,640)	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%	(8,415,795)	2,355,076 *	(6,060,719)
Ratepayers Pass-thru - 100% of Loss (Pre-Tax and After-Tax)				8,415,795	(2,355,076) *	6,060,719
Shareholder	100%	0%	41%	-	-	-
Total Gain/(Loss) Allocation	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

**6 TAXES ON PROPERTY**

	Net Tax Value	Sales Proceeds	Before Tax Gain / (Loss)	Depreciable Property and CWIP
Non-Depreciable Property (Land)	-	-	-	(8,415,795) a
Depreciable Property	5,182,135	(5,623,026)	(10,805,161)	8,415,795 b
CWIP	-	-	-	- c=a-b
Totals	<u>5,182,135</u>	<u>(5,623,026)</u>	<u>(10,805,161)</u>	27.984% d
Taxable Gain / (Loss)			- a	(8,415,795) a
Ratepayer Contribution / (Distribution)			- b	8,415,795 b
Net Taxable Gain / (Loss)			- c=a-b	- c=a-b
Tax Rate			27.984% d	27.984% d
Net Federal and State Income Tax			- e=c*d	- e=c*d
After Tax Gain / (Loss)			- f=a-e	(8,415,795) f=a-e
After-Tax Ratepayers Allocation		67%	- g=f*67%	100% (8,415,795) g=f*100%
After-Tax Shareholder Allocation		33%	- h=f*33%	0% - h=f*0%
Taxing Jurisdiction Allocation (Shareholder)		-	- i=e	- i=e
Total Gain / (Loss) Allocation		-	- j=g+h+i	(8,415,795) j=g+h+i

**7 RATE BASE CHANGES**

	Beginning	Changes	Ending
Gross Plant	20,807,228	(20,807,228)	-
Depreciation Reserve (Book Accumulated Depreciation)	(18,014,459)	20,807,228	2,792,769
Property Sale Proceeds credited to Depreciation Reserve		5,623,026	5,623,026
Net Plant	2,792,769	5,623,026	8,415,795
Deferred Taxes	668,640	(668,640)	-
Total Rate Base of Assets Sold	<u>3,461,409</u>	<u>4,954,385</u>	<u>8,415,795</u>

**8 REGULATORY ASSET CALCULATION**

Ending Rate Base after Asset Sale	8,415,795
Loss Associated with CWIP	-
Tax Impact on Asset Sale	-
After Tax Loss allocated to Shareholders	-
Regulatory Asset / (Liability) to Collect / (Refund) in Rates	<u>8,415,795</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.  
Braun Blaising Smith Wynne, P.C.  
California Community Choice Association  
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  
Downey Brand LLP  
Dish Wireless L.L.C.

East Bay Community Energy Ellison

Electrical Power Systems, Inc.  
Fresno

Schneider & Harris LLP  
Engineers and Scientists of California

GenOn Energy, Inc.  
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  
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