

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

Disposition:	Accepted
Effective Date:	12-12-2021

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

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 \$500,000.¹ 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.²

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, 2019.³ 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

¹ D.21-10-022, p. 16.

² D.21-10-022, OP 1.

³ 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, 4th 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. 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

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 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:

Clear Form

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	<u>Incremental Expense-related Revenue</u>					
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	<u>Interest</u>					
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	<u>Revenue Fees and Uncollectibles (RF&U)</u>					
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	<u>TOTAL Incremental Expense-related Revenue (including Interest and RF&U)</u>					
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
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