

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



Pacific Gas & Electric Company
GAS (Corp ID 39)
Status of Advice Letter 4547G
As of February 8, 2022

Subject: Status of Los Medanos Storage Field in Compliance with Ordering Paragraph 43 and 49 of Decision 19-09-025

Division Assigned: Energy

Date Filed: 01-07-2022

Date to Calendar: 01-12-2022

Authorizing Documents: D1909025

Disposition:	Accepted
Effective Date:	02-07-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Annie Ho

415-973-8794

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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

January 7, 2022

Advice 4547-G

(Pacific Gas and Electric Company ID U 39 G)

Public Utilities Commission of the State of California

Subject: Status of Los Medanos Storage Field in Compliance with Ordering Paragraph 43 and 49 of Decision 19-09-025

Purpose

This advice letter complies with Ordering Paragraphs (OP) 43 and 49 in Pacific Gas and Electric's (PG&E) 2019 Gas Transmission and Storage (GT&S) Rate Case Decision (D.) 19-09-025 (the Decision).

Background

On November 17, 2017, PG&E filed an application at the California Public Utilities Commission (CPUC or Commission) requesting that the Commission adopt its proposed GT&S revenue requirement, cost allocation, and rate design for the period of 2019-2022. On September 23, 2019, the CPUC issued the Decision. PG&E submits this Advice Letter in compliance with OP 43 and 49 which directed PG&E to file Tier 2 Advice Letters related to the proposal to sell or decommission the Los Medanos Storage field.

Prior to selling or decommissioning the field, OP 43 directed PG&E to "file a Tier 2 Advice Letter on December 31, 2021 or later demonstrating that PG&E has the requisite storage capacity to operate without the storage field.." Separately, if PG&E chose to not decommission the Los Medanos storage field, OP 49 directed PG&E to "file a Tier 2 Advice Letter, within 60 days of the Energy Division's response to PG&E's Tier 2 Advice Letter required in OP 35, proposing a methodology to remove the decommissioning costs from rates, update the depreciation parameters for Los Medanos, and refund ratepayers for the associated excess decommissioning and depreciation expense that PG&E recovered."¹

¹ While OP 49 cites the Advice Letter ordered pursuant to OP 35, a revised proposed decision was issued that changed the numbering of the OPs such that OP 35 was updated to OP 43. The numbering was not updated when the final decision was issued.

2023 General Rate Case

On June 30, 2021, PG&E filed its 2023 General Rate Case (GRC).² As directed by OP 4 in the Rate Case Plan Decision (*i.e.*, D.20-01-002), the 2023 GRC incorporated the revenue requirement request related to GT&S assets. In Exhibit PG&E-3: Gas Operations Prepared Testimony, Chapter 7, Asset Family – Storage, PG&E submitted testimony updating the Peak Day Supply Standard and an analysis of the best set of investments needed for PG&E to have adequate natural gas storage supply resources to meet the peak day standard.³ As PG&E explained in detail in its 2023 GRC testimony and workpapers, retaining Los Medanos as a gas storage facility is now part of the least cost investment alternative.⁴

Separately, in Exhibit PG&E-10: Results of Operations Prepared Testimony, Chapter 11, Depreciation Reserve and Expense, PG&E provided testimony and workpapers requesting to remove decommissioning costs from rates, update the depreciation parameters for Los Medanos, and refund customers the excess amounts of decommissioning and depreciation expense that PG&E recovered. In compliance with D.19-09-025, PG&E's 2023 GRC depreciation proposal for Los Medanos is to recalculate depreciation in years 2019-2022 and refund the excess depreciation in 2023. PG&E's 2023 GRC decommissioning proposal is to refund the decommissioning amounts for Los Medanos in year 2023.⁵ Details related to PG&E's request are provided in the following Exhibit (PG&E-10), Chapter 11 testimony and workpapers:

Testimony:

- Section C.10.b – Proposal to Retain Los Medanos and Refund Some Depreciation and Decommissioning in Compliance with D.19-09-025;
- Section E.8.a. – Proposal to Retain Los Medanos and Refund Decommissioning consistent with D.19-09-025.

Workpapers:

- Depreciation refund of \$51.962 million in year 2023:

² 2023 GRC Application (A.) 21-06-021

³ 2023 GRC Exhibit PG&E-03 Chapter 7 Section D.2.

⁴ Updated Natural Gas Storage Strategy Peak Day Supply Standard Capacity Shortfall Alternatives Analysis Report at 2023 GRC Exhibit PG&E-03 Chapter 7, Workpaper (WP) 7-48 to 7-68.

⁵ Past decommission rate case precedent is to update decommissioning forecasts and to calculate updated collection/refund amounts. These updated amounts are collected or refunded over the rate case cycle. In the 2023 GRC, in the interest of affordability, PG&E proposed to refund the decommissioning costs for Los Medanos over one year, 2023.

- Workpaper Table 11-67, Los Medanos Refund Calculation, provides calculation details for PG&E's proposed \$51.962 million refund methodology requested for year 2023, and includes the depreciation rates used in that calculation.
- Decommissioning refund of \$51.912 million in year 2023:
 - Workpaper Table 11-43, Gas Storage Decommissioning Cost Forecast and Annual Accrual, provides the calculation of PG&E's request to refund \$51.922 million of Los Medanos decommissioning in year 2023.

PG&E's 2023 GRC is the proper venue to continue the discussion regarding the future operation of the Los Medanos storage facility and the return of any funds already collected.

Protests

*****Due to the COVID-19 pandemic and the shelter at home orders, 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 January 27, 2022, 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:



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 G)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: AMHP@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) #: 4547-G

Tier Designation: 2

Subject of AL: Status of Los Medanos Storage Field in Compliance with Ordering Paragraph 43 and 49 of Decision 19-09-025

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.19-09-025

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:

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: 2/7/22

No. of tariff sheets: N/A

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:

**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
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
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