



June 21, 2011

Mr. Honesto Gatchalian  
California Public Utilities Commission  
Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
San Francisco, CA 94102

**Re: Substitute Sheets – PG&E’s Advice 3849-E, Implementation of Electric Tariff  
Changes Resulting From Decision 11-05-018 in PG&E’s 2011 General Rate Case  
(GRC) Phase I**

Dear Mr. Gatchalian:

Enclosed are original and 4 copies of substitute sheets for Advice 3849-E, “Implementation of Electric Tariff Changes Resulting From Decision 11-05-018 in PG&E’s 2011 General Rate Case Phase I.”

PG&E submits these substitute sheets to change the requested effective date of the advice letter from January 1, 2011, to May 31, 2011, on page 5 of the advice letter and the summary sheet. The Electric Preliminary Statement Part BU is also revised to reflect the May 31, 2011, effective date and to add “Beginning January 1, 2011” to the beginning of the first sentence of Section 4.

Pursuant to the 2011 GRC Decision 11-05-018, the effective date of the Preliminary Statement will be as of the May 31, 2011 filing date. However, the recovery of costs and revenue requirements will begin January 1, 2011, consistent with the 2011 GRC Decision and with Decision 10-11-018, which ordered that PG&E’s “general rate case revenue requirement for the 2011 test year, as determined in this proceeding, shall be effective as of January 1, 2011, even if the Commission issues a final decision in this proceeding after that date” (page 5).

Please telephone me at (415) 973-4612 should you have any questions regarding these substitute sheets.

/S/ LINDA TOM-MARTINEZ

Linda Tom-Martinez  
Operations Proceedings

cc: Service List A.09-12-020  
Don Lafrenz, CPUC Energy Division

Attachments

The protest also should be sent via U.S. Mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Brian Cherry  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-6520  
E-mail: PGETariffs@pge.com

### **Effective Date**

PG&E requests that this Tier 1 advice filing become effective on **May 31, 2011**.

### **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 service list for PG&E's 2011 GRC A.09-12-020. Address changes to the General Order 96-B service list and all electronic approvals should be directed to 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. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs/>.



Vice President – Regulation and Rates

cc: Service List A.09-12-020

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING 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 M)**

Utility type:

ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
 PLC = Pipeline      HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3849-E**

Tier: **1**

Subject of AL: **Implementation of Electric Tariff Changes Resulting From Decision 11-05-018 in PG&E's 2011 General Rate Case Phase I**

Keywords (choose from CPUC listing): GRC/General Rate Case, Compliance

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.11-05-018

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<sup>1</sup>: \_\_\_\_\_

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement:  Yes  No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: \_\_\_\_\_

Resolution Required? Yes   No

Requested effective date: **May 31, 2011**

No. of tariff sheets: 5

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: Electric Preliminary Statement Parts BU and EA

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

**CPUC, Energy Division**  
**Tariff Files, Room 4005**  
**DMS Branch**  
**505 Van Ness Ave.,**  
**San Francisco, CA 94102**  
**jnj@cpuc.ca.gov and mas@cpuc.ca.gov**

**Pacific Gas and Electric Company**  
**Attn: Brian Cherry**  
**Vice President, Regulation and Rates**  
**77 Beale Street, Mail Code B10C**  
**P.O. Box 770000**  
**San Francisco, CA 94177**  
**E-mail: PGETariffs@pge.com**

**ATTACHMENT 1  
Advice 3849-E**

**Cal P.U.C.  
Sheet No.**

**Title of Sheet**

**Cancelling Cal  
P.U.C. Sheet No.**

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30373-E*	ELECTRIC PRELIMINARY STATEMENT PART BU VEGETATION MANAGEMENT BALANCING ACCOUNT Sheet 1	26221-E
30374-E*	ELECTRIC PRELIMINARY STATEMENT PART BU VEGETATION MANAGEMENT BALANCING ACCOUNT Sheet 2	26222-E
30375-E*	ELECTRIC TABLE OF CONTENTS Sheet 1	30350-E
30376-E*	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 13	29901-E
30377-E*	ELECTRIC TABLE OF CONTENTS PRELIMINARY STATEMENT Sheet 16	29949-E



**ELECTRIC PRELIMINARY STATEMENT PART BU**  
**VEGETATION MANAGEMENT BALANCING ACCOUNT**

Sheet 1

**BU. VEGETATION MANAGEMENT BALANCING ACCOUNT (VMBA)**

1. PURPOSE

The purpose of the VMBA is to record the difference between the vegetation management expense adopted in PG&E's General Rate Case (GRC) or other base revenue proceeding, and PG&E's recorded vegetation management expense. The VMBA is created in compliance with Decision 00-02-046, and will record the differences between revenues and expenses beginning January 1, 1999. The incremental inspection and removal costs tracking account is created in compliance with D.07-03-044 and will record costs of incremental work required by the California Department of Forestry and Fire Protection (CDF).

2. APPLICABILITY

The VMBA is applicable to all rate schedules, except those expressly authorized by the Commission.

3. VMBA RATES

The VMBA does not have a rate component.

4. VMBA ACCOUNTING PROCEDURE

Beginning January 1, 2011, PG&E shall maintain the VMBA by making entries at the end of each month as follows: (N)

a. A debit entry equal to PG&E's fully burdened recorded vegetation management expense for the month, less the vegetation management expenses allocated to Federal Energy Regulatory Commission (FERC) jurisdiction. FERC jurisdiction allocation is determined by multiplying the fully burdened recorded vegetation management expense by the ratio of FERC to total electric distribution revenues as adopted in PG&E's GRC or other base revenue proceeding. (N)

b. A credit entry equal to one-twelfth of the fully burdened amount adopted in PG&E's GRC or other base revenue proceeding for vegetation management expense, less the vegetation management expenses allocated to FERC Jurisdiction. (N)

c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entries 4.a and 4.b above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13 or its successor.

The VMBA is a one-way balancing account. PG&E shall file an annual advice letter which shall include a summary of the entries to this account and a proposal for the disposition of any credit balance in the account.

(Continued)

Advice Letter No: 3849-E  
 Decision No. 11-05-018

Issued by  
**Brian K. Cherry**  
 Vice President  
 Regulation and Rates

Date Filed May 31, 2011  
 Effective May 31, 2011  
 Resolution No. \_\_\_\_\_



**ELECTRIC PRELIMINARY STATEMENT PART BU**  
**VEGETATION MANAGEMENT BALANCING ACCOUNT**

Sheet 2

BU. VEGETATION MANAGEMENT BALANCING ACCOUNT (VMBA) (Cont'd.)

INCREMENTAL INSPECTION AND REMOVAL COST TRACKING ACCOUNT  
ACCOUNTING PROCEDURE

PG&E shall maintain a separate tracking account to record incremental inspection and removal costs PG&E incurs due to CDF required work.

- a. A debit entry equal to recorded incremental inspection and removal costs PG&E incurs due to:
  - 1) New CDF rules and/or requirements that increase hazard tree inspections or removals;
  - 2) Re-interpretation by CDF of its existing rules and/or requirements that increase hazard tree inspections or removals;
  - 3) Changes in CDF enforcement approach that require PG&E to significantly increase the scope of its Vegetation Management program, either through significantly increased inspections or tree mitigation activities; and
  - 4) New incremental work related to so-called major woody stems, including removal of the major woody stems, adding tree wire to existing lines if appropriate, or relocating power lines further away from major woody stems.
- b. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entries 5.a above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13 or its successor.

If the costs in the Incremental Inspection and Removal Cost Tracking account exceed \$5 million in any calendar year, and if PG&E's overall expenses for Vegetation Management exceed \$161.5 million, as adjusted for attrition, PG&E shall be authorized to recover through an advice filing all costs appropriately recorded in this tracking account for that calendar year through the Distribution Revenue Adjustment Mechanism (DRAM), or subsequently established mechanism by the Commission, subject to DRA audit of those costs showing compliance with the provisions above.

(T)/(D)

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Sheet 1

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**PRELIMINARY STATEMENT**

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