From: Sullivan, Timothy J.
Sent: 3/31/2014 12:03:53 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: RE:

Brian,
Thanks for the note. I am out of the office today.

Thanks for the Bark Beetle resolution.

As you probably know, ALJ Division does not do resolutions, so your call to Cynthia was the right first step. Did Cynthia get a copy of the old resolution?

ALJ can modify a decision on its own motion. But which one? Can you tell me the most appropriate?

Is SED aware of the ED response?

Tim

From: Cherry, Brian K [BKC7@pge.com]
Sent: Monday, March 31, 2014 9:14 AM
To: Sullivan, Timothy J.
Subject: FW:

Tim – Attached for your information is a copy of a letter from SED to PG&E asking us to step up our fire prevention efforts as a result of the drought emergency declared by the Governor (and I believe the other electric utilities received similar letters) and associated supporting material.   Also below, is a link to the Bark Beatle Resolution that was passed by the Commission in 2003 that allowed the utilities to incur additional expenses under CEMA.

SED asked if we would begin mitigation upon issuance of their letter. We asked SED if we could implement CEMA to capture the additional expenses (since tree trimming is a one-way balancing account approved every GRC cycle). SED asked us to contact Energy Division about that. We contacted Cynthia Walker of ED and she suggested we contact you. So there you have it.

We would like to see the Commission issue a resolution similar in content to that of the Bark Beatle resolution so that we have certainty of incremental recovery. Why ? Because if we have to Petition and go through that process we aren't likely to have anything approved until mid-summer. If the Commission did it on its own motion, we could have something voted out in early May and begin our additional mitigation work in advance of the fire season. My question to you is – is this is something you are interested in doing and if not, what would you recommend as next steps ? Let me know what you think.

From: Redacted
Date: March 19, 2014 at 10:47:53 AM PDT
To: "Allen, Meredith" <MEAe@pge.com
Subject: Resolution ordering CEMA for bark beetle

I found a resolution issued 4/3/03 (see link below) which ordered SCE, Bear Valley Electric, and San Diego Gas & Electric (SDG&E) to work with the California Department of Forestry and Fire Protection and other appropriate agencies to "take all reasonable and necessary actions to implement the applicable provisions of the Governor's State of Emergency Proclamation to mitigate the increased fire hazard by removing dead, dying or diseased trees falling or contacting distribution and transmission lines within their rights of way… ." The Commission also directed the utilities to invoke their CEMA "for fund accounting."

http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_RESOLUTION/25024.PDF

Under the declared State of Emergency, the utilities can invoke their Catastrophic Event Memo Account (CEMA) for fund accounting, and comply

with their CEMA tariff requirements. The utilities should maintain appropriate documentation of expenditures and justification of actions taken, which are subject to reasonableness review, to comply with the provisions of the Governor's Proclamation. The utilities are authorized to make annual advice letter filings requesting recovery of the costs of removal and incremental

support costs recorded during a specified period in their CEMAs to allow rate recovery of the amounts determined to have been reasonably incurred.

Would we consider pursuing a resolution here to order us to undertake the additional veg mgmt. work so that we have a bit more certainty that we can use CEMA for later cost recovery?

Thx,

Redacted

Redacted

Principal Case Manager

Operational and Financial Proceedings | Regulatory Affairs

Redacted

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