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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company to Recover Costs Recorded in the Catastrophic Event Memorandum Account Pursuant to Public Utilities Code Section 454.9 Associated with Governor Brown's January 17, 2014 State of Emergency Proclamation for the Drought and California Public Utilities Commission Resolution ESRB-4

A1505016

Application No. 15-05-____
(filed May 28, 2015)

(U 39 E)

APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U39E)

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Dated: May 28, 2015

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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Application of Pacific Gas and Electric Company to Recover Costs Recorded in the Catastrophic Event Memorandum Account Pursuant to Public Utilities Code Section 454.9 Associated with Governor Brown's January 17, 2014, State of Emergency Proclamation for the Drought and California Public Utilities Commission Resolution ESRB-4

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Pursuant to Public Utilities Code Section 454.9,^{1/} Resolution E-3238,^{2/} Resolution ESRB-4,^{3/} and the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission), Pacific Gas and Electric Company (PG&E)

1/ Public Utilities Code Section 454.9 states:

- (a) The commission shall authorize public utilities to establish catastrophic event memorandum accounts and to record in those accounts the costs of the following:
 - (1) Restoring utility services to customers.
 - (2) Repairing, replacing, or restoring damaged utility facilities.
 - (3) Complying with governmental agency orders in connection with events declared disasters by competent state or federal authorities.
- (b) The costs, including capital costs, recorded in the accounts set forth in subdivision (a) shall be recoverable in rates following a request by the affected utility, a commission finding of their reasonableness, and approval by the commission. The commission shall hold expedited proceedings in response to utility applications to recover costs associated with catastrophic events.

2/ Resolution E-3238, adopted July 24, 1991, predated the 1994 enactment of Public Utilities Code Section 454.9, and originally authorized the establishment of the CEMA and the requirement to file an application to seek recovery of reasonable costs recorded in the CEMA.

3/ Resolution ESRB-4, adopted June 12, 2014, authorized utilities to recover incremental costs for drought-mitigation efforts through the CEMA after February 18, 2014.

submits this Application to recover incremental electric costs recorded in its Catastrophic Event Memorandum Account (CEMA) that were incurred in 2014 responding to the impacts of the drought, as directed by Governor Brown's Proclamation of a State of Emergency for the drought (Drought Emergency Proclamation); the February 18, 2014, letter from CPUC Safety and Enforcement Division (SED) Acting Director to PG&E's Electric Operations Vice President of Asset Management; the Governor's April 25, 2014, Proclamation of the Continuation of a State of Emergency (Drought Emergency Proclamation Continuation); and Commission Resolution ESRB-4, which ordered utilities to undertake practicable measures necessary to reduce the likelihood of fires associated with their facilities (hereinafter, "the CEMA Directives").⁴

I. INTRODUCTION

PG&E requests authorization to recover \$26.6 million in electric revenue requirements that are associated with the expenses incurred in 2014 in responding to the drought and the CEMA Directives. In order to comply with the CEMA Directives and mitigate impacts of the drought, PG&E initiated six new Vegetation Management activities to reduce the likelihood of fires associated with PG&E's electric distribution facilities^{5/} (hereinafter "CEMA Activity" or "CEMA Activities"). As the drought has affected all of California per Governor Brown's Drought Emergency Proclamation, PG&E has implemented its CEMA Activities across its service territory, focusing efforts in the areas with the highest risk of fire ignition. Consistent with past CEMA applications and Commission decisions, PG&E has adjusted its CEMA-eligible costs to exclude employee benefits associated with labor expense.

^{4/} The CEMA Directives are attached to Chapter 1 of the Testimony accompanying this Application as Attachments A, B, C, and D.

^{5/} PG&E is not seeking recovery of vegetation management costs associated with its electric transmission facilities since these facilities are not subject for cost recovery under CPUC jurisdiction.

Table 1-1 provides a summary of CEMA-eligible costs by 2014 CEMA Activity recorded between April 15, 2014, and March 27, 2015. Some costs were recorded in 2015 as a result of invoice and payment processing delays; all costs were incurred with regard to work that was performed in 2014.

**TABLE 1-1
PACIFIC GAS AND ELECTRIC COMPANY
INCREMENTAL VEGETATION MANAGEMENT COSTS
BY CEMA ACTIVITY
(IN THOUSANDS OF DOLLARS)**

Line No.	CEMA Activity	CEMA-Eligible Costs
1	Enhanced Vegetation Inspection and Mitigation	\$9,223
2	Wild Land Urban Interface Protection	942
3	High Fire Risk Tree Identification and Mitigation	8,410
4	Fuel Reduction and Emergency Response Access	5,765
5	Early Detection of Forest Disease/Infection	100
6	Early Detection and Response to Wildfires	1,913
7	Total	\$26,354

Table 1-2 lists all CEMA eligible activities by 2014 CEMA Activity and further provides a breakdown of each cost type associated with the 2014 CEMA Activity. PG&E has reviewed in detail the amounts recorded to all specific expense orders created as a result of the CEMA Activity. PG&E has excluded \$0.1 million in employee benefit costs associated with PG&E’s incremental labor expense incurred for the CEMA Activities as these costs have been recovered through PG&E’s 2014 GRC. Table 1-2, column “Non-Incremental: Employee Benefits,” shows the total amount of CEMA-eligible expenses and costs excluded from PG&E’s request.

TABLE 1-2
PACIFIC GAS AND ELECTRIC COMPANY
INCREMENTAL ADJUSTED VEGETATION MANAGEMENT COSTS
BY CEMA ACTIVITY
(IN THOUSANDS OF DOLLARS)

Line No.	Initiative	Activity Type Expenses	Contract Services	Funding and Materials	Cash Discounts	Other	Sub-Total	Non-Incremental Employee Benefits	Total
1	Early Detect Forest Disease/Infection	\$21	\$10	–	–	\$69	\$100	\$(3)	\$97
2	Early Detection and Response to Wildfires	114	711	1,089	–	–	1,913	(23)	1,890
3	Enhanced Vegetation Inspection and Mitigation	312	8,828	–	–	83	9,223	(58)	9,166
4	Fuel Reduction and Emergency Response Access	167	314	5,285	–	–	5,765	(26)	5,740
5	High Fire Risk Tree Identification and Mitigation	127	8,470	–	(188)	–	8,410	(15)	8,394
6	Wild Land Urban Interface Protection	57	885	–	–	–	942	(9)	933
7		\$797	\$19,218	\$6,374	\$(188)	\$153	\$26,354	\$(134)	\$26,220

PG&E is requesting recovery of \$26.6 million in revenue requirements associated with the electric distribution CEMA-eligible incremental costs incurred as a result of the 2014 CEMA Activities plus the associated interest and franchise fees and uncollectibles (FF&U). Table 1-3 provides a breakdown of PG&E's total revenue requirement request.

TABLE 1-3
PACIFIC GAS AND ELECTRIC COMPANY
2015 CEMA APPLICATION REVENUE REQUIREMENT
(IN THOUSANDS OF DOLLARS)

Line No.	Type of Work	CEMA-Eligible Costs
1	2014 CEMA Activity Eligible Adjusted ^(a)	\$26,220
2	2014 CEMA Activity Interest (April 2014 – February 2016)	38
3	FF&U	310
4	2015 CEMA Application Revenue Requirement	\$26,568

(a) Excludes PG&E Labor benefits.

PG&E proposes to recover the 2015 CEMA revenue requirement through the Distribution Revenue Adjustment Mechanism (DRAM), which will be consolidated in the next available consolidated electric rate change following a final decision in this proceeding. The revenue requirement associated with the CEMA Activity will be recorded monthly into the CEMA. Interest will be calculated in the account on a monthly basis, based on 3-month commercial paper interest rates. The annual amount PG&E proposes to recover in rates will consist of the CEMA Activity account balance as of March 27, 2015, plus interest and FF&U, in order to approximate a zero balance by year's end for the 2014 CEMA Activity.

Rates set to recover CEMA costs will be determined in the same manner as rates set to recover other electric distribution costs, using adopted methodologies for revenue allocation and rate design. The change in rates for approved recovery of CEMA costs will affect total charges for bundled service customers and for customers who purchase energy from other suppliers (*i.e.*, direct access and community choice aggregation customers). The revenue requirement has been calculated to conform to this proposal and is presented in the work papers accompanying the prepared Testimony.

II. OVERVIEW OF TESTIMONY

PG&E's CEMA Application is supported by prepared Testimony. Chapter 1 of the Testimony (Introduction and Policy) provides a summary of PG&E's dollar request, an overview of the other chapters of testimony, background information about the establishment of the CEMA, a description of the CEMA Directives, a discussion of the CPUC independent audit of costs associated with the CEMA Activities, and an explanation of the adjustment of CEMA costs. Chapter 2 (Vegetation Management Drought-Mitigation Activities and Costs) describes PG&E's CEMA Activities in greater detail, including PG&E's incurred expense-related costs. Chapter 3 (Cost Recovery and

Revenue Requirement) describes PG&E's methodology in determining which CEMA costs are eligible for cost recovery and the revenue requirements associated with the incremental CEMA-eligible costs.

In total, PG&E seeks recovery of \$26.6 million in electric revenue requirements incurred as a result of the CEMA Activities, to be collected in rates beginning with the next available consolidated rate change following a final decision in this proceeding.

III. AUTHORIZATION TO ESTABLISH THE CEMA

In response to the Loma Prieta earthquake that struck northern California in October 1989, the Commission adopted Resolution E-3238, which authorized regulated public utilities to establish catastrophic event memorandum accounts and to record in those accounts the costs of: “(a) restoring utility service to its customers; (b) repairing, replacing or restoring damaged utility facilities; and (c) complying with government agency orders resulting from declared disasters.”^{6/} Pursuant to Resolution E-3238, Ordering Paragraph 2, should a declared disaster occur, each affected utility that has previously established a CEMA shall, if possible, inform the Executive Director by letter within 30 days after the catastrophic event if it has started booking costs in the CEMA. In addition to direct expenses, Resolution E-3238 authorizes utilities to record “capital-related costs such as depreciation and return on capitalized [plant] additions” resulting from the restoration activities into such memorandum accounts.^{7/}

Section 454.9 of the Public Utilities Code established the statutory authority for public utilities to establish catastrophic event memorandum accounts and to recover any reasonable costs incurred when responding to catastrophic events. Pursuant to Section 454.9, PG&E is allowed to seek cost recovery for all direct expenses and capital-related costs for “restoring utility service to customers” and “repairing, replacing, or restoring

^{6/} Resolution E-3238, pp. 1 and 5, OP 1.

^{7/} Resolution E-3238, p. 2.

damaged utility facilities.”^{8/} Direct expenses include straight-time labor, overtime labor, contract labor, and materials and supplies expenses. Capital-related expenditures result when the utility spends funds on capital projects that are necessary to replace, augment, or support its existing utility plant.

Consistent with this regulatory and statutory authority, PG&E established its CEMA (Electric Preliminary Statement Part G and Gas Preliminary Statement Part AC) to “recover the costs associated with the restoration of service and PG&E facilities affected by a catastrophic event declared a disaster or state of emergency by competent federal or state authorities.” PG&E’s CEMA authorizes PG&E to record Operations and Maintenance and Administrative and General expenses and capital costs to the CEMA associated with the restoration of service and PG&E facilities affected by a declared disaster. Insurance proceeds received as a result of the disaster are to be credited to the CEMA. Interest accrues on the average monthly CEMA balance at a rate equal to 1/12 the annual interest rate on a 3-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13, or its successor.

IV. DESCRIPTION OF THE CEMA ACTIVITIES AT ISSUE IN THIS APPLICATION

The following section briefly describes the CEMA Activities that are the subject of this CEMA Application and Testimony. Greater detail about these CEMA Activities is provided in the accompanying Testimony.

Over the last several years, the state of California has received significantly lower than average rainfall and snowpack, putting the state in a severe drought. In January 2014, manual and electronic readings recorded the snowpack’s statewide water content at about 20 percent of normal average for that time of year. As a result of the lack of rainfall and snowpack, the entire state has been facing urgent problems associated with

^{8/} P.U.C. Section 454.9(a).

the drought: Drinking water supplies have become at risk in many California communities; fewer crops have been cultivated and farmers' long-term investments have been put at risk; low-income communities heavily dependent on agricultural employment have suffered from heightened unemployment and economic hardship; animals and plants that rely on California's rivers, including many species in danger of extinction, have been threatened; and the risk of wildfires across the state has been greatly increased.^{9/}

As a result of these severe drought-related impacts, on January 17, 2014, Governor Brown proclaimed a State of Emergency (Drought Emergency Proclamation) directing state officials to take actions to mitigate against conditions that could result from California's severe drought. These activities included the creation of a statewide water conservation campaign to make all Californians aware of the drought and to encourage personal actions to reduce water usage; implementation of water use reduction plans for all state agencies; and directing the California Department of Forestry and Fire Protection (Cal Fire) to hire additional seasonal firefighters to suppress wildfires and take other needed action to protect public safety during this time of elevated fire risk.^{10/}

On February 18, 2014, in response to Governor Brown's Drought Emergency Proclamation and specifically to the concern regarding the increased risk of fires in both urban and rural areas, CPUC SED Acting Director, Denise Tyrell sent a letter to PG&E's Electric Operations Vice President of Asset Management, Patrick M. Hogan. Among other activities, Acting Director Tyrell directed PG&E to "take all practicable measures necessary to reduce the likelihood of fires started by [its] facilities," which included but

^{9/} California Governor Brown's January 17, 2014 State of Emergency Proclamation for California Drought, <http://gov.ca.gov/news.php?id=18379>.

^{10/} *Id.*

was not limited to “increased inspections in fire threat areas, re-prioritization of corrective action items, and modification to protective schemes.”^{11/}

On April 25, 2014, stressing the emergency conditions being presented by the drought, Governor Brown issued the Drought Emergency Proclamation Continuation ordering, among other things, additional water conservation measures to be taken across the state and provided assistance to landowners to meet their responsibilities for removing dead, dying and diseased trees to mitigate against the heightened fire risk.^{12/}

On June 12, 2014, in response to the ongoing drought and Governor Brown’s drought proclamations, the CPUC approved Resolution ESRB-4, which ordered all California Investor Owned Utilities (IOU) to “take practicable measures to reduce the likelihood of fires associated with their facilities”^{13/} specifying the following measures, among others, to be undertaken:

- Increasing vegetation inspections and removing hazardous, dead and sick trees and other vegetation near the IOUs’ electric power lines and poles.
- Sharing resources with Cal Fire to staff lookouts adjacent to the IOUs’ property.
- Clearing access roads under power lines for fire truck access.
- Examining and creating public-private partnerships during the state of emergency that they find necessary to reduce the likelihood of fires associated with their facilities or mitigate the impact of fires on their facilities.^{14/}

In Resolution ESRB-4 OP 4, the CPUC also ordered that, “to the extent that additional funding is reasonable, and not already included or recoverable in the Investor owned Electric Utilities accounts, incremental cost recovery through the Catastrophic

^{11/} Acting Director Tyrell February 18, 2014 Letter to PG&E Electric Operations Vice President of Asset Management, Patrick Hogan.

^{12/} California Governor Brown’s April 25, 2015 State of Emergency Proclamation Continuation for California Drought, <http://gov.ca.gov/news.php?id=18496>.

^{13/} CPUC Res. ESRB-4, OP 2.

^{14/} *Id.*

Event Memorandum Accounts (CEMAs) may be sought by the IOUs after the February 18, 2014 letter from SED.”¹⁵

In response to the CEMA Directives, on June 12, 2014, PG&E’s Vice-President of Regulatory Relations sent a letter to the Executive Director of the CPUC.¹⁶ The June 12, 2014, letter provided notice that PG&E would record the incremental costs of complying with the CEMA Directives in PG&E’s electric CEMA. PG&E estimated that it would incur approximately \$28 million of incremental expense related costs through the end of 2014 due to the incremental measures to reduce the likelihood of fires associated with or threatening its facilities.

In response to the heightened fire risk and in accordance with the CEMA Directives outlined above, PG&E’s Electric Distribution Vegetation Management (VM) Team has undertaken six major fire risk mitigation initiatives. The six initiatives are as follows:

- **Enhanced Vegetation Inspection and Mitigation** – Additional ground and air inspection on selected circuits in high fire threat areas to provide increased assurance that changing forest conditions will not result in vegetation and power line conflicts.
- **Wild Land Urban Interface Protection** – Additional VM inspections in Local Reliability Areas (LRA) and providing greater clearance of poles in high fire danger LRAs.
- **High Fire Risk Tree Identification and Mitigation** – Using remote sensing technologies to identify (and then abate) drought-caused declining and deceased trees.
- **Fuel Reduction and Emergency Response Access** – Funding Fire Safe Councils to support fuel reduction in high fire danger areas around PG&E’s electric distribution facilities.

^{15/} *Id.*, OP 4.

^{16/} See Attachment E of Chapter 1 of the Testimony accompanying this Application.

- **Early Detection of Forest Disease/Infection** – Forming cooperative information sharing with universities, Cal Fire and the United States Forest Service on forest health.
- **Early Detection and Response to Wildfires** – Funding fire lookouts, aerial patrols, and fire detection cameras located near PG&E’s electric distribution facilities.

These six initiatives reduced the likelihood of fires being ignited by or damaging PG&E electric distribution facilities by identifying and removing dry vegetation near PG&E facilities and in high fire risk areas or by supporting fire monitoring and other measures to assist emergency personnel in responding quickly to contain fires.

V. CPUC AUDIT OF CEMA COSTS

In addition to directing PG&E to reduce the likelihood of fires associated with its facilities, Resolution ESRB-4 also requires that the Commission select an independent auditor to review the costs associated with PG&E’s 2014 CEMA Activities, with the audit costs to be reimbursed by PG&E through ratepayer-funding.^{17/} To allow the proceeding to continue as efficiently as possible, PG&E respectfully requests that (1) within 30 days of this application being noticed on the CPUC Daily Calendar, the CPUC assign an independent auditor to review the 2014 CEMA Activities costs; and (2) within 60 days thereafter, the final results of the independent audit be made available to all parties to this proceeding.

PG&E also requests that the independent audit proceed on an independent track simultaneously alongside the regular proceeding schedule.

^{17/} CPUC Res. ESRB-4, OP 4.

VI. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Statutory Authority

This application is made pursuant to Public Utilities Code Section 454.9, Commission Resolution E-3238, and Commission Resolution ESRB-4.

B. Categorization, Hearings, and Issues to be Considered (Rules 2.1(c), 7.1)

1. Proposed Category

The purpose of this Application is to request authorization to recover \$26.6 million in electric distribution revenue requirements that are associated with the expenses incurred as a result of its 2014 electric distribution drought-mitigation Vegetation Management activities. PG&E proposes that this Application be categorized as rate-setting.

2. Need for Hearing

PG&E anticipates that hearings may be requested by other parties to this proceeding.

3. Issues to be Considered

The issues presented in this Application are:

- a. Whether PG&E's request to recover \$26.6 million in electric revenue requirements that is associated with the expenses incurred as a result of its 2014 electric distribution drought-mitigation Vegetation Management activities is reasonable;
- b. Whether PG&E's proposal to collect the authorized CEMA expenses in rates beginning with the next available consolidated rate change following a final decision in this proceeding, should be adopted.

C. Proposed Schedule

PG&E proposes the following schedule for processing this Application:

Activity	Proposed Date
Application filed and Testimony served	May 28, 2015
Selection of Auditors by Commission	July 3, 2015
Protests or Responses	~July 3, 2015 (+30 days from Notice of Application in Daily Calendar)
Reply to Protests or Responses	~July 13, 2015 (+ 10 days)
Prehearing Conference	Between July 21-28, 2015
Intervenor Testimony	August 20, 2015
Audit completed	September 1, 2015
Rebuttal Testimony	September 11, 2015
Hearings	September 22-23, 2015
Concurrent Opening Briefs Due	Oct. 14, 2015
Concurrent Reply Briefs Due	Oct. 28, 2015
Proposed Decision Issued	December 2015
Final Decision Issued	February 2016

D. Legal Name and Principal Place of Business (Rule 2.1(a))

Since October 10, 1905, PG&E has been an operating public utility corporation, organized under California law. It is engaged principally in the business of furnishing electric and gas service in northern and central California. Its principal place of business is in San Francisco, California. Its mailing address for this matter is Post Office Box 7442, San Francisco, California 94120. Its attorney for this matter is Alyssa Koo (415-973-3386).

E. Correspondence and Communications Regarding this Application (Rule 2.1(b))

Communications regarding this application should be addressed to:

Alyssa T. Koo
Pacific Gas and Electric Company
Law Department B30A
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77 Beale Street, Room 3135

San Francisco, CA 94120
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and

J. Conor Doyle
Case Manager
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Regulatory Affairs B10A
P.O. Box 7442
San Francisco, CA 94120
Telephone: (415) 973-7817
Facsimile: (415) 973-7226
E-mail: JC Dt@pge.com

F. Article of Incorporation (Rule 2.2)

A certified copy of PG&E's Restated Articles of Incorporation, effective April 12, 2004, was filed with the Commission on May 3, 2004, in A.04-05-005. These Articles are incorporated herein by reference.

G. Balance Sheet and Income Statement (Rule 3.2(a)(1))

PG&E's most recent balance sheet and income statement are contained in Exhibit A of this Application.

H. Statement of Presently Effective/Proposed Rates (Rule 3.2(a)(2), (3))

PG&E's presently effective electric rates are set forth in Exhibit B of this Application. PG&E's current rates and charges for electric service are in its electric tariffs and schedules on file with the Commission. These tariffs and schedules are filed with and made effective by the Commission in its decisions, orders, resolutions, and approvals of advice letter filings pursuant to Commission General Order 96-A. The proposed increase in revenue is less than one percent.

I. Summary of Earnings (Rules 3.2(a)(5))

A summary of recorded 2013 revenues, expenses, rate cases and rate of return for PG&E's Electric and Gas Departments was filed with the Commission on February 9, 2015, in A.15-02-009 and is incorporated herein by reference.

J. Exhibit List and Statement of Readiness

Attached to this Application are the following exhibits:

Exhibit A: Balance Sheet and Income Statement

Exhibit B: Present Rates

Exhibit C: Proxy Statement

Exhibit D: Affected Governmental Entities

PG&E is contemporaneously serving its prepared direct Testimony on the parties to PG&E's last CEMA application, and on the Chief Administrative Law Judge. PG&E's work papers will be provided to the Office of Ratepayer Advocates, and will be provided to any other interested parties upon request.

PG&E is ready to proceed with this case based on the testimony of the witnesses regarding the facts and data contained in the testimony, work papers, and exhibits in support of the revenue request set forth in this Application.

K. Most Recent Proxy Statement (Rule 3.2(a)(8))

PG&E's most recent proxy statement, dated March 25, 2015, is attached as Exhibit C to this Application. Although this Commission's Rules do not require that a copy of the Proxy Statement be attached to this Application, because it is not a general rate application, PG&E is doing so because it is the first Application to be filed after the Proxy Statement has become available.

L. Type of Rate Change Requested (Rule 3.2(a)(10))

The rate change sought in this Application passes through to customers increased costs to the utility of (1) Restoring utility services to customers; (2) Repairing,

replacing, or restoring damaged utility facilities; (3) Complying with governmental agency orders in connection with events declared disasters by competent state or federal authorities.

M. Service and Notice of Application (Rule 3.2(b-d))

A list of the cities and counties affected by the rate changes resulting from this Application is attached as Exhibit D. The State of California is also a customer of PG&E whose rates would be affected by the proposed revisions. As provided in Rule 3.2(b), a notice describing in general terms the proposed revenue increases and rate changes will be mailed to the officials identified in Exhibit D. The notice will state that a copy of this Application and related attachments will be furnished by PG&E upon written request.

Within twenty days after the filing of this Application, PG&E will publish a notice of the proposed increases in rates in a newspaper of general circulation in each county in its service territory. That notice will state that a copy of this Application and related attachments may be examined at the Commission's offices and such offices of PG&E as specified in the notice. A similar notice will be included in the regular bills mailed to PG&E's customers within 45 days of the filing date of this Application.

PG&E will e-mail a copy of this Application and the Testimony being served concurrently with the Application on the service list for A.11-09-014, PG&E's 2011 CEMA application.

VII. CONCLUSION

WHEREFORE, PG&E respectfully requests that the Commission take the following actions:

1. Assign an independent auditor to review the CEMA Activities costs recorded to PG&E's Electric CEMA within 30 days of the application being noticed on the Commission's Daily Calendar;

2. Make the final results of the independent audit available to all parties to this proceeding within 60 days of the assignment of the auditor; and
3. Issue a final decision
 - a. Approving PG&E's request to recover \$26.6 million in electric revenue requirements that are associated with the expenses incurred as a result of its 2014 electric distribution drought-mitigation Vegetation Management activities as reasonable;
 - b. Adopting PG&E's proposal to collect the authorized CEMA expenses in rates beginning with the next available consolidated rate change following a final decision in this proceeding; and
 - c. Granting such other and further relief as the Commission deems appropriate.

Respectfully Submitted,

By: _____ /s/
PATRICK HOGAN
Vice President, Electric Operations Asset
Management

ALYSSA T. KOO

By: _____ /s/
ALYSSA T. KOO

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Dated: May 28, 2015

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

VERIFICATION

I, undersigned, say:

I am an officer of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, and am authorized to make this verification for that reason.

I have read the foregoing “Application Of Pacific Gas And Electric Company To Recover Costs Recorded In The Catastrophic Event Memorandum Account Pursuant To Public Utilities Code Section 454.9 Associated with Governor Brown’s January 17, 2014, State of Emergency Proclamation for the Drought and California Public Utilities Commission Resolution ESRB-4,” and I am informed and believe the matters therein are true and on that ground I allege that the matters stated therein are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at San Francisco, California this ____ day of May, 2015.

/s/

PATRICK HOGAN
Vice President, Electric Operations Asset
Management