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

Application of Pacific Gas and Electric
Company for Recovery of Recorded
Expenditures Related to Wildfire Mitigation,
Catastrophic Events, and Other Recorded
Costs.

(U39M)

Application No. 21-09-008

NOT CONSOLIDATED

Application of Pacific Gas and Electric
Company for Recovery of Recorded
Expenditures Related to Wildfire Mitigation,
Catastrophic Events, and Other Recorded
Costs.

(U39M)

Application No. 22-12-009

NOT CONSOLIDATED

Application of Pacific Gas and Electric
Company for Recovery of Recorded Costs in
Memorandum and Balancing Accounts
Related to Wildfire and Gas Safety

(U39M).

Application No. 23-06-008

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 M) RESPONSES TO
ADMINISTRATIVE LAW JUDGE'S RULING**

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Dated: October 27, 2023

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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ADMINISTRATIVE LAW JUDGE'S RULING**

Pursuant to Administrative Law Judge (ALJ) Camille Watts-Zagha's October 17, 2023 Ruling Seeking Responses to Questions (Ruling), Pacific Gas and Electric (PG&E) respectfully submits this response addressing questions regarding the above-captioned dockets:

(1) Application (A.) 21-09-008 (referred to as the 2021 Wildfire Mitigation Catastrophic Event (WMCE) proceeding; (2) A.22-12-009 (referred to as the 2022 WMCE); and (3) A.23-06-008 (referred to as the Wildfire and Gas Safety Costs (WGSC) proceeding). Attachment 1 provides

PG&E's responses to the questions posed in the Ruling.¹ PG&E will agree to make a witness panel available during evidentiary hearings to address questions the ALJ and parties may have about this response and the issues raised in the Ruling.

PG&E's responses include four attachments:

- Attachment 1 – PG&E's Responses to Ruling Questions 1-6;
- Attachment A – Additional information responsive to Question 2;
- Attachment B – Additional information responsive to Question 5;
- Attachment C – List of additional documents referred to in PG&E's responses;
- Attachment D – EY Responses to Ruling Questions 1-4.²

Respectfully Submitted,

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Dated: October 27, 2023

¹ The Ruling requires PG&E to attach documents referenced in the response that are otherwise not in the record. Due to the volume and size of the documents requested, PG&E is providing links and making the documents available on an external website as specified in the service e-mail. See Attachment C for a list of documents referenced in this response.

² PG&E requested EY to review and provide an independent assessment of Ruling Questions 1-4.

ATTACHMENT 1

PG&E'S RESPONSE TO RULING QUESTIONS

I. INTRODUCTION AND OVERVIEW

PG&E appreciates the opportunity to provide additional information to assist the Commission with respect to PG&E's applications referenced in Administrative Law Judge (ALJ) Camille Watts-Zagha's October 17, 2023 Ruling Seeking Responses to Questions (Ruling). The Ruling states the applications could benefit from more detailed explanations regarding: "(1) how each wildfire mitigation activity relates to other wildfire mitigation activities being performed in the same year; as well as (2) how each wildfire mitigation activity in any one year is similar or different to any similarly titled activities performed the year before and / or the year after."¹ In addition, the Ruling seeks information regarding the cost drivers for the activities tracked in the balancing and memorandum accounts under review² and the delineators PG&E uses to record costs to these accounts.³ The Ruling asks several questions meant to obtain these explanations.

Before addressing each question individually in the responses provided in Section II, PG&E provides additional overview of the accounts at issue, reiterating material presented in its 2020 General Rate Case (GRC) and testimony supporting the pending applications. This response generally does not provide new information.

We begin with a general overview of PG&E's wildfire mitigation programs presented in the 2020 GRC; the relationship between and among mitigation activities; general reasons for variations year-by-year including the expansion and creation of additional activities in PG&E's annual wildfire mitigation plan (WMP); and the delineators for tracking of costs in the accounts under review.

A. **Wildfire Mitigation and Vegetation Management Activity Categories**

PG&E's wildfire risk mitigation activities are managed through its Community Wildfire Safety Program (CWSP) Project Management Organization (PMO). PG&E first proposed the CWSP in its 2020 GRC. The purpose of the CWSP is to reduce the risk of catastrophic wildfires from electric utility infrastructure in PG&E's service territory through wildfire mitigation

¹ Ruling, p. 5.

² Ruling, pp. 4-5.

³ Ruling, p. 3.

programs presented and explained in PG&E's GRCs and subsequent WMPs. In the 2020 GRC, PG&E's CWSP wildfire mitigation programs included: (1) system hardening; (2) enhanced operational practices, such as Public Safety Power Shut-Off (PSPS); (3) enhanced situational awareness, such as Advanced Fire Modeling (AFM), and (4) other support programs.⁴ PG&E described its CWSP programs in greater detail in its 2020 GRC Testimony, Exhibit 4, Chapter 2A (Wildfire Risk Policy and Overview).⁵

PG&E's vegetation management (VM) program supports public safety, service reliability, and regulatory compliance for vegetation near PG&E's electric distribution facilities. The program complies with General Order (GO) 95 Rules 35 and 37 and California Public Resources Code (PRC) 7 Sections 4292 and 4293.⁶ In the 2020 GRC, VM forecast activities included routine VM and enhanced VM (EVM).⁷ PG&E described its VM activities in greater detail in its 2020 GRC Testimony, Exhibit 4, Chapter 7 (Vegetation Management).

D.20-12-005 (2020 GRC decision) approved the proposed work activities and established two separate two-way balancing accounts to track costs: (1) the Wildfire Mitigation Balancing Account (WMBA) to track CWSP expense and capital expenditures, except for EVM costs,⁸ and (2) the Vegetation Management Balancing Account (VMBA) to track EVM costs along with costs for routine vegetation management⁹ and tree mortality.¹⁰ The specific activities (MATs/MWCs) and costs recorded to the WMBA and VMBA under review in A.21-09-008 (2021 WMCE) and A.22-12-009 (2022 WMCE) proceedings generally fall within these CWSP and VM categories, respectively.

⁴ A.22-12-009, PG&E Updated Testimony (Oct. 26 2023), Exhibit PG&E-1, p. 2-1, lines 23-26. PG&E discussed its CWSP wildfire mitigation programs in the 2020 GRC; PG&E's proposed including enhanced vegetation management in the CWSP to be recorded in the WMBA, but the final GRC decision moved this program to the VMBA. See A.18-12-009, Hearing Exhibit (HE)-16: Exhibit PG&E-4, Chapter 2A (Wildfire Risk Policy and Overview) (p. 2A-25, Table 2A-3 lists CWSP wildfire mitigation programs). See also Decision (D.) 20-12-005, pp. 53-59, 318.

⁵ PG&E provides a copy of its 2020 GRC Testimony, Exhibit 4 Chapter 2A in Attachment C.

⁶ A.18-12-009, HE-16: Exhibit PGE-4, p. 7-4, lines 3-7.

⁷ A.18-12-009, HE-16: Exhibit PGE-4, p. 7-1, lines 14-19.

⁸ D.20-12-005, p. 60 and p. 396, Conclusion of Law (COL) 29.

⁹ Routine vegetation management is identified as a wildfire risk control in the 2020 GRC. A.18-12-009, HE-16: Exhibit PG&E-4, p. 2A-9, lines 5-10, and Table 2A-1.

¹⁰ D.20-12-005, pp. 73, 77-78, 318, 350-351 at Finding of Fact 53, and p. 395 at COL 17.

B. Wildfire Mitigation Activities in the Wildfire Mitigation Plan

After the 2020 GRC final decision was adopted, the California legislature enacted Senate Bill (Sen. Bill or SB) No. 901 (2017-2018 Reg. Sess.), effective January 1, 2019, and its successors Assembly Bill (Assem. Bill or AB) Nos. 1054 (2019-2020 Reg. Sess.) and 111 (2019-2020 Reg. Sess.), that required all electrical corporations to submit WMPs for review and approval by the Wildfire Safety Division, with ratification by the Commission.¹¹ The goal of the WMPs is to further minimize the risk of catastrophic wildfires posed by electrical lines and equipment.¹² The WGSC application and testimony discusses in detail the expanded and additional mitigation activities that were required under the WMP, including for example, expanded inspection and maintenance and replacement, automation, enhanced technology, and mapping, among others. As authorized by the legislature and Commission, PG&E recorded those costs in the Fire Risk Mitigation Memorandum Account (FRMMA) and the Wildfire Mitigation Plan Memorandum Account (WMPMA), with the exception that expanded existing VM or CWSP activities were recorded in the WMBA and VMBA accounts. PG&E is seeking recovery of the costs recorded in the WMPMA and FRMMA in the WGSC proceeding, and the costs above the adopted threshold recorded in the WMBA and VMBA accounts in the WMCE proceedings.¹³ As detailed in PG&E's response to Question 3, costs for these activities cannot be recorded in multiple accounts.

C. Relation Between Wildfire Mitigation Activities

In regard to the Ruling's question of "how each wildfire mitigation activity relates to other wildfire mitigation activities being performed in the same year," the suite of wildfire activities are the result of the evolution of mitigation work the legislature and Commission required electric corporations to take in order to address the ever increasing risk of catastrophic wildfires. While each wildfire mitigation activity has a distinct scope and purpose from other

¹¹ AB 111 (2019-2020 Reg. Sess.); Pub. Util. Code, § 326(a). The Wildfire Safety Division transitioned from the Commission to the Office of Energy Infrastructure Safety (OEIS) on July 1, 2021, pursuant to California Public Utilities Code (Pub. Util. Code), § 326(b).

¹² Pub. Util. Code, § 8386(a)-(b).

¹³ For administrative and resource efficiencies of the CPUC and intervenors, PG&E includes additional gas, customer, and non wildfire-related accounts in the WGSC and WMCE proceedings for just and reasonableness review.

activities, the activities are intended to complement each other as a suite of activities¹⁴ for reducing wildfire risk. For example, EVM completed in connection with overhead system hardening reduced wildfire risk more than what would otherwise be achieved by overhead system hardening alone. Table 1 provided in PG&E's response to Question 1 describes each account, the supporting programs, and where PG&E seeks recovery of each year of costs.

D. Variation In Wildfire Mitigation and VM Costs And Cost Tracking

Regarding “how each wildfire mitigation activity in any one year is similar or different to any similarly titled activities performed the year before and/or the year after,” it is important to recognize that PG&E's CWSP and WMPs continue to improve and evolve in response to new information, lessons learned, and evolving conditions and requirements, including those of the state legislature, Commission, and OEIS.¹⁵ Indeed, PG&E's 2020 GRC merely reflected PG&E's wildfire mitigation planning as of 2018, when PG&E filed its GRC application. Those plans continued to evolve in 2020-2022. As such, the specific wildfire mitigation and VM activities PG&E planned and completed from 2020-2022 in almost every case either: (1) changed in scope and timing, or were subject to unforeseeable cost drivers, in comparison to the activities identified in 2020 GRC;¹⁶ or (2) were emergent/incremental activities not addressed in the 2020 GRC that were added and discussed in subsequent WMPs.¹⁷

As stated above, costs associated with CWSP and VM activities discussed in the 2020 GRC are recorded to the WMBA and VMBA. Costs recorded in these accounts may exceed GRC adopted amounts depending upon the scope and timing of the activities ultimately implemented by PG&E and other unforeseen cost drivers, or because PG&E did not forecast costs for certain activities.¹⁸ Costs exceeding a certain threshold in the WMBA and VMBA are

¹⁴ A.18-12-009, HE-16: Exhibit PG&E-4, p. 2A-49, lines 2-5.

¹⁵ A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), Exhibit PG&E-1, p. 2-1 line 20 to p. 2-2 line 3.

¹⁶ A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), Exhibit PG&E-1, p. 2-1, line 16 to p. 2-3, line 11; and p. 3-1, line 20 to p. 3-2, line 6 and Table 3-1. A.23-06-008, PG&E's WGSC Testimony (June 15, 2023), Exhibit PG&E-1, p. 15-5, lines 29-33.

¹⁷ A.23-06-008, PG&E's WGSC Testimony (June 15, 2023), Exhibit PG&E-1, p. 15-6, line 15 to p. 15-11, Table 15-1 (discussing incrementality of costs recorded to the WMPMA and FRMMA).

¹⁸ A.21-09-008, PG&E's Updated Testimony (May 13, 2022), Exhibit PG&E-1, p. 2-7, line 1 to p. 2-8, line 9, p. 2-11, line 4 to p. 2-15, line 23, p. 2-17, line 29 to p. 2-31, line 12, p. 2-33, line 5 to p. 2-37, line

subject to reasonableness review.¹⁹ PG&E has sought recovery of such costs in the 2021 and 2022 WMCEs.

As explained in detail in the WGSC proceeding, the costs associated with emergent/incremental wildfire activities required outside of the CWSP and VM activities identified in the 2020 GRC (i.e., outside of A.18-12-008, Exhibit PG&E-4, Chapter 2A and Chapter 7) are recorded to the Fire Risk Mitigation Memorandum Account (FRMMA) or the Wildfire Mitigation Plan Memorandum Account (WMPMA).²⁰ For example, and one possible area of confusion, some programs approved in the WMP and recorded in the WMPMA or FRMMA involved supplemental vegetation work for access clearance, distribution substations, and Enhanced Powerline Safety Settings (EPSS).²¹ None of these costs were “double-booked” in multiple accounts as explained in PG&E’s response to Question 3. PG&E has sought recovery of costs recorded in the FRMMA and WMPMA in the WGSC.

7, p. 2-40, lines 14-19, p. 3-13, line 18 to p. 3-19, line 24, p. 3-23, line 16 to p. 3-27, line 9, p. 3-31, lines 2-4; A.22-12-009, PG&E’s Updated Testimony (Oct. 26, 2023), Exhibit PG&E-1, p. 2-7, p. 2-10, line 2 to p. 2-14, line 15, p. 2-16, line 15 to p. 2-31, line 12, p. 2-34, line 1 to p. 2-38, line 28, p. 2-40, line 17 to p. 2-41, line 28, p. 3-14, line 11 to p. 3-23, 20, p. 3-28, line 28 to p. 3-33, line 16, p. 3-37, lines 12-14, p. 3-39, lines 12-14.

¹⁹ D.20-12-005, pp. 78, 121.

²⁰ A.23-06-008, PG&E’s WGSC Testimony (June 15, 2023), Exhibit PG&E-1, p. 1-5, lines 3-29; p. 15-6, line 15 to p. 15-11, Table 15-1.

²¹ A.23-06-008, PG&E’s WGSC Testimony (June 15, 2023), Exhibit PG&E-1, p. 2-14, line 25 to p. 2-15, line 16; p. 6-7, lines 1-24; p. 7-5, lines 2-29; and p. 8-20, line 16 to p. 8-21, line 29.

II. RULING QUESTIONS AND PG&E'S RESPONSE

1. **Do the WMBA and VMBA contain costs other than those planned for, forecast, and adopted in PG&E's 2020 GRC A.18-12-009 by D.20-12-005? Provide all citations to where in the record(s) this is explained, discussed and supported.**

a. **Explain the basis for the revenue authorized to be collected in D.20-12-005 for the WMBA and VMBA.**

b. **Additionally, expand upon and explain PG&E's characterization of its "general and risk-related forecast assumptions included used [sic] in PG&E's then-pending 2020 GRC," as reported in PG&E's 2020 Risk Spending Accountability Report at 1-2 and 1-3 filed in A.20-06-012 / A.15-05-002 et al. / A.18-12-009, included in Attachment D to this Ruling, and explain how these assumptions relate to the relevant remaining issues in each of the three captioned proceedings.**

PG&E uses the WMBA, VMBA, WMPMA, and FRMMA to record costs associated with its wildfire activities. PG&E uses the WMBA and VMBA to record CWSP and VM activities identified in the 2020 GRC (2020 GRC Exhibit PG&E-4, Chapter 2A and Chapter 7). The costs associated with emergent/incremental wildfire activities required outside of the CWSP and VM activities identified in the 2020 GRC (i.e., outside of A.18-12-008, Exhibit PG&E-4, Chapter 2A and Chapter 7) are recorded to the WMPMA or FRMMA. In particular, PG&E utilizes the WMPMA to track incremental costs for activities approved in the 2020-2022 WMP that have not otherwise been recovered in revenue requirements approved in the 2020 GRC or any other proceeding. PG&E utilizes the FRMMA to track incremental costs for activities not specified in a WMP and that have not otherwise been recovered in revenue requirements approved in the 2020 GRC or any other proceeding.²²

As an example, substation maintenance is a 2020 GRC activity that mostly includes activities unrelated to wildfire mitigation. PG&E's 2020-2022 WMP, however, included wildfire mitigation activities to be completed at substations beyond the general substation maintenance activities described in the 2020 GRC. Because these additional activities were not

²² PG&E's 2023 GRC proposed that wildfire mitigation activities recorded in the FRMMA and WMPMA from 2020-2022 be incorporated into its CWSP activities and tracked in the WMBA going forward 2023-2026. Both the pending Proposed and Alternate Proposed Decisions in the 2023 GRC authorize this proposal, with certain funding reductions. Thus, 2020-2022 activities previously recorded to the FRMMA and WMPMA will be recorded to the WMBA going forward 2023-2026. The FRMMA and WMPMA will be utilized to track any 2023-2026 wildfire mitigation costs not contemplated in the 2023 GRC.

included in the 2020 GRC and were identified in the WMPs, substation wildfire mitigation costs were recorded to the WMPMA. None of these costs were recorded in the WMBA or VMBA. As an additional example, EPSS is a wildfire mitigation program initiated by PG&E in the summer of 2021, and described in PG&E's 2022 WMP. The program did not exist prior to 2021 and was therefore not planned for, forecast, or adopted in PG&E's 2020 GRC revenue requirement. 2021 EPSS costs were recorded to the FRMMA because the activities were not identified in the 2020 GRC or 2020 WMP, 2021 WMP, and 2022 EPSS costs were recorded to the WMPMA because by this time the activities had been identified in the WMP. None of these costs were recorded in the WMBA or VMBA.

Table 1 below further describes each account, the supporting programs, and where PG&E seeks recovery of each year of costs.

**Table 1
Balancing and Memorandum Accounts for Tracking Wildfire Mitigation and VM Costs**

Account	Description	Programs Under Review	Year of Costs		
			2020	2021	2022
WMBA	Costs included and approved in 2020 GRC Exhibit PG&E-4, Chapters 2A (Wildfire Risk Policy and Overview)	2021 WMCE includes amounts above 115% of GRC adopted for: PSPS Events, PSPS Program, Advanced Fire Modeling (Meteorology Weather Station Monitoring, WSOC, Live Fuel Moisture Sampling and Observation Program) 2022 WMCE includes amounts above 115% of GRC adopted for: PSPS Events, PSPS Program, Advanced Fire Modeling (Meteorology Weather Station Monitoring, WSOC, Live Fuel Moisture Sampling and Observation Program), SOPP, SIPT	2021 WMCE	2022 WMCE	TBD
VMBA	Costs included and approved in 2020 GRC Exhibit PG&E-4, Chapter 7 (Vegetation Management)	Amounts above 120% of GRC adopted for: Routine VM Tree Mortality (including PG Tree Mortality) Enhanced VM	2021 WMCE	2022 WMCE	TBD
WMPMA	New or emergent wildfire mitigation activities that were not contemplated in PG&E's 2020 GRC but in Wildfire Mitigation Plan. Includes certain 2020 GRC programs that were subsequently expanded with increased scope and speed specifically to address wildfire risk.	Overhead Electric Asset Inspection, Emergency Repairs and Replacements, Pole Assessments & Replacements, Line Repairs and Replacements, Substation Repairs and Replacements, Data Management & Analytics and Mapping, Wildfire Support (e.g. Ignition Investigation, Wildfire Risk Analysis and Research)	WGSC	WGSC	WGSC
FRMMA	New or emergent wildfire mitigation activities that were not contemplated in PG&E's 2020 GRC but not included in Wildfire Mitigation Plan. Includes certain 2020 GRC programs that were subsequently expanded with increased scope and speed specifically to address wildfire risk.	Pole Loading and Wind Loading Program, Temporary Generation, PSPS Impact Mitigations, Supplemental Substation Inspection and Repairs, Power Generation (e.g. Supplemental Switchyard Inspection & Repair), EPSS, Enhanced Automation and Remote Grid (e.g. DTS Fast, Sensor IQ), Wildfire Support including Sourcing, Land & Environmental Management, IT Support, Wildfire Communication Support	WGSC	WGSC	WGSC

a. Basis In D.20-12-005 For Revenue Authorized To Be Collected for the WMBA and VMBA

The revenue authorized to be collected in D.20-12-005 was based upon PG&E’s 2020 GRC forecast for WMBA (i.e. CWSP activities) and VMBA (VM, EVM, and tree mortality activities) subject to a multiparty settlement and the Commission’s final approved adopted amounts for these accounts. The tables below show the amounts adopted by the Commission for the WMBA and the VMBA.

**Table 2
2020-2022 WMBA Amounts Authorized in PG&E’s 2020 GRC Decision**

	(\$ Millions)		
WMBA (CWSP) Amounts ^(a)	2020 Authorized	2021 Authorized	2022 Authorized
Expense	\$53.371	\$55.292	\$57.448
Capital	\$603.341	\$930.859	\$1,151.108
(a) D.20-12-005, Section 7.4, p. 119.			

**Table 3
2020-2022 VMBA Amounts Authorized in PG&E’s 2020 GRC Decision**

	(\$ Millions)		
VMBA Amounts ^(a)	2020 Authorized	2021 Authorized	2022 Authorized
Expense	\$548.013	\$602.814	\$663.096
(a) D.20-12-005, Section 7.2.5.1, p. 74.			

Table 2 above shows the annual total expense and capital amounts authorized in the 2020 GRC for PG&E’s CWSP work. PG&E has not exceeded its authorized capital amounts for the WMBA in any year. As presented in the 2021 WMCE, PG&E’s 2020 WMBA expenses exceeded the 115% reasonableness review threshold, and the Commission approved a partial settlement authorizing \$132.233 million of WMBA expenses under review in that proceeding.²⁵ As presented in the 2022 WMCE, PG&E’s 2021 WMBA expenses exceeded the 115% reasonableness review threshold due to five activities: (1) Public Safety Power Shutoff (PSPS) Events, (2) PSPS Program, (3) Storm Outage Prediction Project (SOPP) Model Automation, (4)

²⁵ D.23-08-027, p. 2.

Advanced Fire Modeling,²⁶ and (5) Safety Infrastructure Protection Teams (SIPT).²⁷ Any 2022 WMBA expenses exceeding the 115% threshold will be addressed in a future proceeding yet to be filed by PG&E at this time.

Table 3 above shows the annual total expense amounts authorized in the 2020 GRC for PG&E's VM work. As presented in the 2021 WMCE, PG&E's 2020 VMBA expenses exceeded the 120% reasonableness review threshold, and a decision on these expenses remains pending. As presented in the 2022 WMCE, PG&E's 2021 VMBA expenses exceeded the reasonableness review threshold due to various reasons explained in PG&E's 2022 WMCE testimony. Any 2022 VMBA expenses exceeding the 120% threshold will be addressed in a future proceeding yet to be filed by PG&E at this time.

b. General and Risk-Related Forecast Assumptions

The phrase "general and risk-related forecast" PG&E used in its 2020 Risk Spending Accountability Report (RSAR) described the basic assumptions PG&E used to develop its 2020 GRC forecast. All of this material is included in the 2020 GRC proceeding.²⁸

The basis of PG&E's 2020 GRC forecast was the output from its Integrated Planning Process (IPP) that consisted of three "sessions" (or workstreams): (1) Session D, (2) Session 1, and (3) Session 2. Session D focused on identifying PG&E's top risks and the resources needed to implement proposed mitigation plans to address these top risks. Session D leveraged the outputs from the Risk Assessment and Mitigation Phase (RAMP) process. During Sessions 1 and 2, PG&E developed its 5-year strategic operating plan and detailed workplans and budgets.²⁹

The primary issues in the WMCE proceedings relate to PG&E's spending to mitigate wildfire risk for activities recorded to the WMBA and VMBA. PG&E's 2020 GRC forecast for the activities recorded to these accounts was based on its understanding of wildfire risk and risk

²⁶ Advanced Fire Modeling includes four activities: Technosylva Fire Spread Modeling; Meteorology Weather Station Modeling; Wildfire Safety Operations Center; and Live Fuel Moisture Sampling and Observation Program.

²⁷ The Safety and Infrastructure Protection Teams are also referred to as the Wildfire and Infrastructure Protection Teams or WIPT.

²⁸ A.18-12-009, 2020 RSAR, p. 1-2 (March 31, 2021).

²⁹ A.18-12-009, HE-16: Exhibit (PG&E-4), p. 2-1, line 1 to p. 2-7, line 4.

mitigation measures when it developed its 2020 GRC in 2018. Given the dynamic nature of risk, mitigation measures must necessarily evolve as well.

In 2020 and 2021, California had its 5th and 2nd driest water years, respectively, in the last century. PG&E's entire service area experienced extreme and severe drought conditions through much of 2021 prior to the rainstorms that occurred in the latter part of the year. California experienced unprecedented increases in the wildfire risk as a result of drought and the ongoing impacts of climate change. For example, on non-Red Flag Warning (RFW) days in 2021, there was a more than 500 percent increase in acreage burned, as compared to the average acreage in the prior four years.³⁰

PG&E responded to these climate-driven increases in wildfire risk by aggressively pursuing its comprehensive wildfire mitigation strategy, resulting in incremental costs addressed in the 2021 WMCE, 2022 WMCE, and WGSC. Examples of PG&E's response to this changing risk include:

- PG&E incurred costs in 2021 and 2022 for PSPS events and for the PSPS program. PG&E did not forecast PSPS in its 2020 GRC because when the forecast was developed, PG&E had never executed a PSPS event.³¹ The PSPS program was designed and executed solely in response to changing climate conditions that increased the number and intensity of wildfires occurring in PG&E's service area.
- In 2021, PG&E conducted more Routine Vegetation Management (VM) work than forecast in the 2020 GRC. In 2020, PG&E prioritized reducing wildfire risk in the HFTD through its Enhanced VM program. As a result, certain Routine VM work was not completed until the following year. Routine VM is important compliance work, but it does not reduce wildfire risk in the HFTD.³²
- PG&E's process for identifying which trees should be removed under the Enhanced VM program changed from when PG&E filed its GRC in 2018 to when Enhanced VM work was conducted in 2021. In 2018, Enhanced VM work was based on removing branches overhanging electric power lines, identifying and working on specific tree species adjacent to power lines that may have a higher potential to fail, and reducing vegetative fuels near power lines.³³ But in 2021, PG&E's understanding of risk and analytical risk tools had evolved and Enhanced VM work was conducted

³⁰ PG&E's 2022 Wildfire Mitigation Plan - Final Revision Notice Responses ([Docket #2022-WMPs](#)), (July 26, 2022), p. 2.

³¹ A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), p. 2-5, lines 12-16

³² A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), p. 3-17, lines 2-32.

³³ A.18-12-009, HE-16: Exhibit (PG&E-4), p. 7-23, lines 3-11.

according to the results of the wildfire risk model. The risk model determined that for 2021 the highest risk work was located in dense forests which resulted in more trees being removed than forecast in 2020 GRC.³⁴

- In 2019, PG&E began the Wildfire Safety Inspection Program (WSIP) to proactively expand inspections of poles and associated equipment in HFTD areas on an accelerated and enhanced basis to mitigate the risk of initiating fires.³⁵ The WSIP inspections generated vegetation corrective notifications related to wildfire risk that were not contemplated in the 2020 GRC forecast, but were addressed through its VM work in 2020.³⁶

c. Other Issues Relevant To Response

The Ruling broadly seeks additional information regarding the operation of the WMBA and VMBA, and explanation of cost drivers for those accounts. The sections below provide this information.

(1) Regulatory Background For WMBA and VMBA

PG&E's testimony in the 2022 WMCE provides a general overview of the WMBA and VMBA and discusses the costs under reasonableness review. For purposes of providing additional context for the response to Question 1, this section provides additional background regarding the establishment of the WMBA and VMBA.

(a) WMBA

As explained in 2022 WMCE testimony, the costs recorded to the WMBA include operations and maintenance (O&M) expenses and capital expenditures incurred for certain wildfire mitigation activities outlined (i.e., planned for, forecast, and adopted) in PG&E's 2020 GRC. These activities may also be included in PG&E's WMP. D.20-12-005 authorizes PG&E to recover WMBA expenses exceeding the GRC-authorized amount up to 115% percent, through a Tier 2 advice letter.³⁷ D.20-12-005 requires PG&E to submit a reasonableness review application for amounts exceeding the 115% threshold.³⁸

³⁴ A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), p. 3-30, lines 4-26.

³⁵ A.18-12-009, HE-16: Exhibit (PG&E-4), p. 10-5, lines 7-12.

³⁶ A.21-09-008, PG&E Updated Testimony (May 13, 2022), p. 3-17, lines 4-11.

³⁷ D.20-12-005, p. 121.

³⁸ D.20-12-005, p. 410, Ordering Paragraph 1.b.

D.20-12-005 provides important context regarding the operation of the WMBA, acknowledging several times the uncertainty justifying the establishment of a two-way balancing account:

[W]e agree with PG&E and the settling parties that the expanded mitigation activities and capital projects under CWSP are new and costs are difficult to predict. Even PG&E admits that the scope and specifics for some programs and projects are [] still uncertain, especially those relating to system hardening. We thus find that a two-way balancing account addresses both under and over-spending that has a high likelihood of occurring. A two-way balancing account allows PG&E to spend more than the authorized amount in cases where the authorized forecast is below what is necessary to conduct necessary and important safety-related mitigations against wildfire risks. At the same time, the mechanism adopted in the Settlement affords the Commission some degree of reasonableness review if expenditures exceed a certain level above the authorized forecast. At the same time, if planned projects are not able to be completed or if actual expenditures end up lower than forecast, a two-way WMBA also allows PG&E to return unused amounts to ratepayers.³⁹

D.20-12-005 also acknowledges that PG&E may adjust priorities and spend above the base amounts authorized:

While PG&E has finite funds to meet capital and operational needs, PG&E is not restricted to spending only up to the forecast adopted in a GRC. . . . PG&E bears the responsibility – and has discretion – to adjust priorities to accommodate changing conditions after test year forecasts are adopted.⁴⁰

Thus, D.20-12-005 expressly acknowledges that PG&E may: (1) exceed costs planned for, forecast, and adopted in the 2020 GRC; and (2) record those costs to the WMBA, with amounts exceeding a certain threshold being subject to reasonableness review.

(b) VMBA

As explained in PG&E’s 2022 WMCE testimony, D.20-12-005 modified PG&E’s VMBA. Starting in 2020, the VMBA became a two-way balancing account that records PG&E’s vegetation management (VM) costs for: (1) Routine VM, (2) Enhanced Vegetation Management (EVM), (3) Tree Mortality, which was formerly recorded to the Catastrophic Event Memorandum Account (CEMA), and (4) Power Generation (PG) Tree Mortality, which was also formerly recorded to CEMA.⁴¹ Like the WMBA, these activities may also be included in

³⁹ D.20-12-005, p. 120 (emphasis added). For example, PG&E had never conducted a Public Safety Power Shutoff (PSPS) prior to its 2020 GRC forecast. A.21-09-008, PG&E Updated Testimony (May 13, 2022), p. 2-7, lines 4-8.

⁴⁰ D.20-12-005, pp. 324-325 (discussing deferred work principles).

⁴¹ A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), p. 3-1, lines 11-16.

PG&E's WMP, but are recorded solely to the VMBA. D.20-12-005 authorizes PG&E to recover VMBA expenses exceeding the GRC-authorized amount up to 120% percent, through a Tier 2 advice letter. D.20-12-005 requires PG&E to submit a reasonableness review application for amounts exceeding the 120% threshold.⁴²

As it did for the WMBA, D.20-12-005 provides important context regarding the operation of the VMBA, acknowledging several times the uncertainty justifying the establishment of a two-way balancing account:

With respect to the proposed two-way treatment of costs, we agree with this approach in light of the settlement reduction of more than \$59 million to VM activities discussed in the preceding section. As stated in the preceding section, the enhanced VM program is new and so a proper forecast that balances both affordability and necessary work that needs to be performed is difficult to determine. In addition, the scope of activities continues to be refined but we find that a more conservative estimate for VM costs is more prudent at this point given the other incremental activities being proposed under PG&E's CWSP. However, because of enhanced wildfire risk, we find that it may be necessary for PG&E to conduct additional VM activities that are difficult to predict at this time. A two-way balancing account will enable PG&E to act with less delay in case further mitigation activities and additional costs above the authorized level become necessary to mitigate wildfire risk. At the same time, the two-way treatment of costs allows PG&E to return excess funds not utilized to ratepayers.⁴³

Again, D.20-12-005 also acknowledges that PG&E may adjust priorities and spend above the base amounts authorized.

Thus, D.20-12-005 expressly acknowledges that PG&E may: (1) exceed costs planned for, forecast, and adopted in the 2020 GRC; and (2) record those costs to the VMBA, with amounts exceeding a certain threshold being subject to reasonableness review.

(2) Cost Drivers For WMBA and VMBA Costs At Issue In the 2021 and 2022 WMCEs

As noted above, PG&E's WMBA and VMBA costs include the broad categories of programs and activities that were forecast and for which the Commission adopted spending amounts in D.20-12-005, subject to a two-way balancing account allowing PG&E to exceed those adopted amounts as necessary to address wildfire risks. There are various drivers that caused variances between the Commission's adopted amounts for WMBA and VMBA activities

⁴² A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), p. 3-1, lines 16-19.

⁴³ D.20-12-005, p. 78 (emphasis added).

and the costs for completed activities recorded to these accounts. (To take one example, PG&E’s WMBA forecast for PSPS was developed before PG&E had any experience with PSPS events and did not include various activities that became necessary to implement actual PSPS events.) The following section summarizes these drivers of increased costs discussed in further detail in PG&E’s 2022 WMCE testimony.

(a) WMBA

The tables⁴⁴ below summarize (by WMCE proceeding) the programs for which PG&E incurred costs that caused PG&E to exceed the reasonableness review threshold for the WMBA each year, in comparison to the Commission’s adopted amounts for those programs. As is apparent from the tables, the largest driver of PG&E’s costs above the reasonableness review threshold is that PG&E did not forecast PSPS Event costs in the 2020 GRC, because PG&E had never conducted a PSPS Event at that time and therefore had no basis for a forecast. Similarly, PG&E’s PSPS Program costs have exceeded its forecast in part because its PSPS Program was new at the time of the 2020 GRC forecast.

Table 4⁴⁵
2021 WMCE (A.21-09-008)
WMBA Programs Subject to Reasonableness Review
Reviewing 2020 Recorded Expenses
(\$ Thousands)

Line No.	WMBA Activity	Adopted Amount	Adopted at 115%	2020 Recorded Expenses	Amount over 115%
1	PSPS Events	–	–	\$80,536	80,536
2	PSPS Program	6,095	7,009	77,499	70,490
3	Advanced Fire Modeling	1,154	1,327	5,542	4,215
4	Total	\$7,249	\$8,336	\$163,577	\$155,241

⁴⁴ The same tables also are provided in PG&E’s supporting testimony for each WMCE proceeding.

⁴⁵ A.21-09-008, PG&E Updated Testimony (May 13, 2022), p. 2-3, Table 2-2.

Table 5⁴⁶
2022 WMCE (A.22-12-009)
WMBA Programs Subject to Reasonableness Review
Reviewing 2021 Recorded Expenses
(\$ Thousands)

Line No.	WMBA Activity	Adopted Amount	Adopted at 115%	2021 Recorded Expenses	Subject to Review
1	PSPS Events	–	–	\$35,301	\$35,301
2	PSPS Program	\$6,314	\$7,261	66,762	59,501
3	SOPP	303	349	1,977	1,628
4	AFM	1,196	1,375	4,833	3,458
5	SIPT	13,806	15,877	17,112	1,235
6	Total	\$21,619	\$24,862	\$125,985	\$101,123

PG&E’s testimony in the 2021 and 2022 WMCEs further describes other factors that drove its WMBA costs above its forecast and the Commission’s adopted amount.⁴⁷

(b) VMBA

The table below shows the programs for which PG&E has incurred costs recorded to the VMBA in comparison with the programs contemplated by the Commission’s adopted amounts for 2020 and 2021:

Table 6⁴⁸
2020 Recorded VMBA Expense
(\$ Thousands)

Line No.	Program	Imputed Adopted Amount ^(a)	Adopted at 120%	2020 Recorded Adj. Expenses ^(b)	Subject to Review
1	Routine VM	\$229,270	\$275,124	\$699,084	\$423,960
2	Enhanced VM	318,742	382,491	451,562	69,071
3	Tree Mortality	–	–	98,131	98,131
4	Power Generation (PG) Tree Mortality	–	–	1,448	1,448
5	Sub Total ^(c)	\$548,013	\$657,615	\$1,250,225	\$592,610
6	EY adjustment ^(d)	–	–	\$(720)	\$(720)
7	Total	–	–	\$1,249,505	\$591,890

⁴⁶ A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), p. 2-3, Table 2-2.

⁴⁷ A.21-09-008, PG&E Updated Testimony (May 13, 2022), p. 2-7, line 1 to p. 2-8, line 9, p. 2-11, line 4 to p. 2-15, line 23, p. 2-17, line 29 to p. 2-31, line 3, p. 2-33, line 5 to p. 2-37, line , p. 2-40; A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), p. 2-7, lines 3-14; p. 2-10, line 2 to p. 2-14, line 15; p. 2-16, line 15 to p. 2-31, line 21; p. 2-34, line 1 to p. 2-38, line 28, p. 2-40, line 17 to p. 2-41, line 28.

⁴⁸ A.21-09-008, PG&E Updated Testimony (May 13, 2022), p. 3-2, Table 3-1.

Table 7⁴⁹
2021 Recorded VMBA Expense
(\$ Thousands)

Line No.	Program	Imputed Adopted Amount ^(a)	Adopted at 120%	2021 Recorded Adj. Expenses ^(b)	EY Adjustment ^(d)	2021 Rec. Adj. Expenses Less EY Adjustment	Subject to Review ^(b)
1	Routine VM	\$252,198	\$302,638	\$682,525	\$(1,337)	\$681,188	\$378,550
2	EVM	350,616	420,739	770,435	(608)	769,827	349,087
3	Tree Mortality	–	–	87,022	(779)	86,243	86,243
4	PG Tree Mortality	–	–	844	-	844	844
5	Total ^(c)	\$602,814	\$723,377	\$1,540,825	\$(2,724)	\$1,538,101	\$814,724

(a) D.20-12-005, Section 7.2.5.1, p. 74 for Routine VM; Section 7.2.5.3, p. 77 for EVM.ec

(b) See Section C below.

(c) Differences due to rounding.

(d) The EY adjustment set forth in Appendix A is provided in total. PG&E has further divided the adjustment into the individual programs.

PG&E’s VMBA costs were driven above its forecast and the Commission’s adopted amount by several factors. For example, the Commission’s 2020 GRC adopted amount for the VMBA did not include Tree Mortality costs. PG&E’s forecast also did not include costs associated with the passage of SB 247, which occurred after the forecast was developed. PG&E’s testimony further describes other factors that drove its VMBA costs above its forecast and the Commission’s adopted amount.⁵⁰ The cost drivers for PG&E’s VMBA costs above the 2020 GRC adopted amounts are described in more detail in PG&E’s testimony in the 2021 and 2022 WMCEs.⁵¹

⁴⁹ A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), p. 3-2, Table 3-1.

⁵⁰ The Legislature amended Pub. Util. Code, § 8386.6(b) through SB 247 effective January 2020 to establish qualifications for line clearance tree trimmers and a prevailing wage requirement. As amended, § 8386.6(b) requires all qualified line clearance tree trimmers to be paid no less than the prevailing wage rate for a first period apprentice electrical utility lineman. PG&E’s 2020 GRC forecast did not account for the costs required to comply with this new legislation, and PG&E did not recover costs for this increased labor in any other proceeding. A.21-09-008, PG&E Updated Testimony (May 13, 2022), p. 3-17, lines 22-23; A.22-12-009 PG&E Updated Testimony (Oct. 26, 2023), p. 3-18, lines 17-19.

⁵¹ A.21-09-008, PG&E Updated Testimony (May 13, 2022), p. 3-13, line 18 to p. 3-19, line 13, p. 3-23, line 16 to p. 3-27, line 9, p. 3-31, lines 2-4; A.22-12-009, PG&E Updated Testimony (Oct. 26, 2023), p. 3-14, line 11 to p. 3-23, line 20, p. 3-28, line 28 to p. 3-33, line 16, p. 3-37, lines 12-14, p. 3-39, lines 12-14; A.22-12-009 PG&E Rebuttal Testimony (Oct. 6, 2023), p. 3-16, line 2 to p. 3-24, line 10.

2. Is any of the wildfire mitigation work that (i) has been implemented to comply with any WMP, (ii) ties to costs at issue in any of the three captioned proceedings, and (iii) is claimed, by PG&E, to be additional to the wildfire mitigation work approved in the 2020 GRC location-constrained? For example, does any wildfire mitigation work that (i) has been implemented to comply with any WMP, (ii) ties to costs at issue in any of the three captioned proceedings, and (iii) is claimed, by PG&E, to be additional to the wildfire mitigation work approved in the 2020 GRC occur only in High Fire Threat Districts (HFTD) as defined by the Commission in D.17-12-024? Or in the High Fire Risk Areas defined by PG&E? Please identify, by type of work/activity, the location to which it is constrained or cite to where in the record or other proceeding such information is provided.

Please see Attachment A, which lists all of PG&E’s wildfire mitigation activities at issue in these proceedings, indicates what filing they are included in, and notes whether they are location-constrained, with a citation for where this information is provided in testimony.

Please see A.23-06-008, WGSC Exhibit (PG&E-1), Chapter 1, page 1-9 line 29 through page 1-11, line 1 for a description and map of HFTDs and High Fire Risk Areas (HFRA), as used in PG&E’s testimony.

3. What document(s) best track in granular fashion the correspondence between the wildfire mitigation work approved in the GRC and wildfire mitigation work that PG&E claims is additional to the wildfire mitigation work approved in the 2020 GRC?

- a. If they are not already in the record, attach the document(s) to your response.

The following table identifies various documents in which PG&E discusses wildfire work completed in addition to what was approved in the 2020 GRC.

**Table 8
References to PG&E’s Documents Where PG&E Describes Costs Incurred for
Wildfire and Vegetation Management Activities**

Proceeding/Document	Type of Costs
A. 21-09-008, PG&E’s 2021 WMCE	
Opening Testimony, Chapter 2 (Wildfire Mitigation Balancing Account) and Chapter 11 (Incrementality)	2020 CWSP costs exceeding 115% reasonableness review threshold for WMBA
Opening Testimony, Chapter 3 (Vegetation Management Balancing Account) and Chapter 11 (Incrementality)	2020 VM costs exceeding 120% reasonableness review threshold for VMBA
Rebuttal Testimony Chapter 2 (Wildfire Mitigation Balancing Account) and Chapter 11 (Incrementality)	2020 CWSP costs exceeding 115% reasonableness review threshold for WMBA
Opening Testimony, Chapter 3 (Vegetation Management Balancing Account) and Chapter 11 (Incrementality)	2020 VM costs exceeding 120% reasonableness review threshold for VMBA

Proceeding/Document	Type of Costs
Opening Testimony Appendix A (EY Report)	WMBA and VMBA costs included in PG&E's 2021 WMCE Cost Recovery Application
A.2-12-009, PG&E's 2022 WMCE	
Opening Testimony, Chapter 2 (Wildfire Mitigation Balancing Account) and Chapter 10 (Incrementality)	2021 CWSP costs exceeding 115% reasonableness review threshold for WMBA
Opening Testimony, Chapter 3 (Vegetation Management Balancing Account) and Chapter 10 (Incrementality)	2021 VM costs exceeding 120% reasonableness review threshold for VMBA
Rebuttal Testimony, Chapter 2 (Wildfire Mitigation Balancing Account) and Chapter 10 (Incrementality)	2021 CWSP costs exceeding 115% reasonableness review threshold for WMBA
Opening Testimony Appendix A (EY Report)	WMBA and VMBA costs included in PG&E's WMCE Cost Recovery Application
Rebuttal Testimony of Jake Van Reen (EY)	WMBA and VMBA costs included in PG&E's 2022 WMCE Cost Recovery Application
A.23-06-008, PG&E's WGSC Testimony	
Opening Testimony, Chapters 2-14 (Covering Various Wildfire Mitigation Activities) and Chapter 15 (Incrementality)	2020-2022 WMPMA and FRMMA costs
D.19-04-020, D.22-10-002, Risk Spending Accountability Report (RSAR)	
Section 3 (Electric Distribution Imputed Adopted vs. Recorded Comparison)	Comparisons of PG&E's 2020 imputed adopted and recorded costs for safety, reliability, and maintenance work which includes costs recorded to the WMBA, VMBA, WMPMA, and FRMMA
Section 3 (Electric Distribution Imputed Adopted vs. Recorded Comparison)	Comparisons of PG&E's 2021 imputed adopted and recorded costs for safety, reliability, and maintenance work which includes costs recorded to the WMBA, VMBA, WMPMA, and FRMMA
Section 3 (Electric Distribution Imputed Adopted vs. Recorded Comparison)	Comparisons of PG&E's 2022 imputed adopted and recorded costs for safety, reliability, and maintenance work which includes costs recorded to the WMBA, VMBA, WMPMA, and FRMMA

Each volume of PG&E testimony in the 2021 WMCE, 2022 WMCE, and WGSC proceedings demonstrates the reasonableness of the recorded costs for each separate activity by chapter. In addition, PG&E provides a separate chapter demonstrating that requested amounts are incremental to amounts authorized in the 2020 GRC.

For each proceeding referenced in the Ruling, PG&E's testimony is supported by audit reports completed by EY. PG&E retained EY to analyze the orders for each wildfire mitigation-related account, and EY concluded that the wildfire mitigation costs in question were incremental and in addition to GRC adopted amounts and that there was no evidence of costs being recorded in more than one account.

PG&E also submits to the Commission an annual Risk Spending Accountability Report (RSAR), the purpose of which is to assist the Commission in tracking utility risk spending in comparison to GRC adopted spending. PG&E's RSAR's for 2020, 2021, 2022 show that it substantially overspent 2020 GRC adopted amounts for Electric Distribution, driven in large measure by its spending on wildfire mitigation activities. Each RSAR includes adopted and actual expenditure amounts broken out by activity.

As requested in Question 4, the incrementality chapters identified in the tables above also include information regarding PG&E's tracking of costs in the accounts under review. As detailed there, PG&E uses specific fields in its accounting software (SAP) to track order costs and direct them into specific accounts for recovery. Each order is assigned to a specific account like FRMMA, WMPMA, GRC, and all other base, balancing, and memorandum accounts. Each order can only be assigned to *one* account, and each account is recovered in a specific cost recovery proceeding. In preparing each cost recovery application, PG&E pulls the data from SAP for costs associated with the rate case being prepared. PG&E then conducts quality assurance at the order level to check the data set and ensure the work in each order is appropriate for the rate case being prepared. In addition, PG&E also analyzed our GRC base-level spend vs. imputed amount with the expectation of removing from this application any underspend. We determined we had overspent the imputed amount in every year for both capital and expense.

- 4. What document(s) best track in granular fashion the correspondence between wildfire mitigation work for which you seek cost recovery in these proceedings and the cost tracking of the activity?**
 - a. If they are not already in the record, attach the document(s) to your response.**

Please see the response to Question 3.

- 5. List all documents produced by any entity or party other than PG&E (e.g. Commission or other governmental agency reports, audits, investigations, independent 3rd party reports) that provide ex post analysis of wildfire mitigation work executed for which PG&E seeks recovery in this proceeding. Cite to where in the record that document is contained and if it is not in the record, attach it to your response. Use the table in Attachment B to provide this information and add additional rows and columns as necessary.**

Please see Attachment B.

6. Provide the date, if any, on which PG&E closed the Fire Hazard Prevention Memorandum Account.⁵²

In A.20-09-019 (2020 WMCE), PG&E stated: “PG&E no longer books costs to the FHPMA as of December 31, 2019, so the resolution of this application will close out this account.”⁵³ D.23-02-017 (the decision adopting the settlement of the 2020 WMCE) determined:

In D.12-01-032 the Commission ordered recorded costs in the FHPMA shall not be recovered elsewhere and the memorandum account shall close in the first general rate case (GRC) that occurs after the close of the proceeding.⁵⁴

PG&E administratively will close the FHPMA once the collection of revenue requirements authorized in D.23-02-017 is complete.

⁵² D.20-12-005 p. 318. A.20-09-019 PG&E Testimony (Sept. 30, 2020), Exhibit PG&E-1, p. 2-11, lines 3-5.

⁵³ A.20-09-019, PG&E Testimony (Sept. 30, 2020), Exhibit PG&E-1, p. 1-8, lines 4-6.

⁵⁴ D.23-02-017, p. 7; D.12-01-032, p. 180, OP 14.

Attachment A

Attachment A - Response to Question 2

Wildfire Mitigation Activities	Account	WMP References (A)	MWC/MAT	Location	Opening Testimony Citation A.21-09-008 (Exhibit PG&E-1)	Opening Testimony Citation A.22-12-009
Public Safety Power Shutoff (M13)	WMBA	2020 WMP - Section 5.6.2 2021 WMP - Section 8 2022 WMP - Section 8	21 (Capital) and AB (Expense)	HFTD, HFRA, Buffer Zone	Chapter 2, pp. 2-6 to 2-32	Chapter 2, pp. 2-4 to 2-33
SOPP Model Automation (M20)	WMBA	2020 WMP - Section 5.3.2.6 2021 WMP - Section 7.3.2.6 2022 WMP - Section 7.3.2.6	AB (Expense)	HFTD, HFRA, Buffer Zone	N/A	Chapter 2, pp. 2-39 to 2-43
Advanced Fire Modeling (M21)						
Technosylva Fire Spread Modeling	WMBA	2020 WMP - Section 4.2.B 2021 WMP - Section 4.5.1, 7.3.1.5 2022 WMP - Section 4.5.1, 7.3.1.3, 7.3.1.5, 8.2.3	AB (Expense)	HFTD, HFRA	Chapter 2, pp. 2-33 to 2-36	Chapter 2, pp. 2-34 to 2-35
Meteorology Weather Station Modeling	WMBA	2020 WMP - Section 5.3.2.1.3 2021 WMP - Section 7.3.2.1.3 2022 WMP - Section 7.3.2.1.3	AB (Expense)	HFTD, HFRA	N/A	Chapter 2, p. 2-36
Wildfire Safety Operations Center (WSOC) (M18)	WMBA	2020 WMP - Section 5.3.2.7 2021 WMP - Section 7.3.2.7 2022 WMP - Section 7.3.2.7	AB (Expense)	HFTD, HFRA	Chapter 2, pp. 2-37 to 2-38	Chapter 2, pp. 2-37 to 2-38
Live Fuel Moisture Sampling and Observation Program	WMBA	2020 WMP - Section 4.2.B, 5.3.2.1.6 2021 WMP - Section 4.2.B, 7.3.2.1.2 2022 WMP - Section 4.2.B, 7.3.2.1.2	AB (Expense)	HFTD, HFRA	Chapter 2, pp. 2-38 to 2-40	Chapter 2, pp. 2-38 to 2-39
Wildfire & Infrastructure Protection Teams (M25)	WMBA	2020 WMP - Section 5.3.2.5.1 2021 WMP - Section 7.3.2.5, 7.3.6.2, 2022 WMP - Section 7.3.2.5, 7.3.6.2	21 (Capital) and AB (Expense)	HFTD, HFRA	N/A	Chapter 2, pp. 2-41 to 2-42
Routine Vegetation Management	VMBA	2020 WMP - Section 5.3.5.1 2021 WMP - Section 7.3.5.2 2022 WMP - Section 7.3.5.2	HN (Expense)	HFTD and Non-HFTD	Chapter 3, pp. 3-6 to 3-19	Chapter 3, pp. 3-7 to 3-23
Tree Mortality Vegetation Management	VMBA	2020 WMP - Section 5.3.5.9 2021 WMP - Section 7.3.5.2 2022 WMP - Section 7.3.5.2	IGI (Expense)	HFTD, HFRA, Buffer Zone, Ad-Hoc Patrols of Areas Subject to Red Flag Wind Warnings	Chapter 3, pp. 3-20 to 3-26	Chapter 3, pp. 3-23 to 3-33
Enhanced Vegetation Management	VMBA	2020 WMP - Section 5.3.5 2021 WMP - Section 7.3.5.2 2022 WMP - Section 7.3.5.2	IGJ (Expense)	HFTD, HFRA, Sate Responsibility Area, Federal Responsibility Area	Chapter 3, pp. 3-27 to 3-31	Chapter 3, pp. 3-33 to 3-37

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Notes:

(A) The WMPs referenced in this table are: PG&E's 2022 Wildfire Mitigation Plan - Final Revision Notice Responses (Docket #2022-WMPs), July 26, 2022

2020: Pacific Gas and Electric Company, 2021 Wildfire Mitigation Plan - Revised, Rulemaking 18-10-007, June 3, 2020

2021: Pacific Gas and Electric Company, 2021 Wildfire Mitigation Plan - Revised, Rulemaking 18-10-007, June 3, 2021

2022: PG&E's 2022 Wildfire Mitigation Plan - Final Revision Notice Responses (Docket #2022-WMPs), July 26, 2022

Attachment A - Response to Question 2

Wildfire Mitigation Activities	Account	WMP References (A)	MWC/MAT	Location	Testimony Citation A. 23-06-008
Overhead (OH) Electric Distribution Asset Inspections	WMPMA	2020 WMP - Section 5.3.4.1, 5.3.4.4, 5.3.4.11 2021 WMP - Section 7.3.4.1, 7.3.4.4, 7.3.4.11 2022 WMP - Section 7.3.4.1, 7.3.4.4, 7.3.4.11	BFA (OH Patrols, Expense) BFB (OH Inspections, Expense) BFC (Infrared Inspections, Expense) BFH, BF#, IG (Support Costs, Expense)	HFTD, HFRA	Chapter 2
Emergency Repair & Replacement of Damaged Facilities	WMPMA	There is no stand-alone section in the WMP for emergency repair and/or replacement activities. Rather, they are part of the other asset management sections.	BHB (Emergency Repairs, Expense) 17B, 17P (Emergency Replacement, Capital)	HFTD	Chapter 3
Pole Assessments and Replacements	WMPMA/FRMMA	2020 WMP - Section 5.1.D.3.17, 5.3.3.6, 5.3.3.16, 5.3.4.6 2021 WMP - Section 7.1.D.3.16, 7.3.3.6, 7.3.3.13, 7.3.4.6, 7.3.4.13 2022 WMP - Section 7.3.3.6, 7.3.3.13, 7.3.4.6, 7.3.4.13, 7.3.7.5	BFH (Miscellaneous Special Projects, Expense) GAA (Intrusive Inspection, Expense) GAC, AB# (Pole Loading, Expense) GAD, IG# (Pole Restoration, Expense) GA# (Joint Pole Credits, Expense) 07C, 07D (Pole Replacement, Capital) 21A (Pole Loading, Capital)	HFTD	Chapter 4
Distribution Line Repairs and Replacements	WMPMA/FRMMA	2020 WMP - Section 5.3.3.1, 5.3.3.5, 5.3.3.6, 5.3.3.12, 5.3.3.14 2021 WMP - Section 7.3.3.1, 7.3.3.5, 7.3.3.6, 7.3.3.12.4, 7.3.3.14 2022 WMP - Section 7.3.3.1, 7.3.3.5, 7.3.3.6, 7.3.3.12.4, 7.3.3.14	AB# (Support, Expense) KAA (OH Corrective, Expense) KAC (Bird Safe Retrofit, Expense) KAD (Bird Safety Retrofit, Annual, Expense) KAF (Overhead Critical Operating Equipment, Expense) KAQ (Wood Pole Bridge Bonding, Expense) KA# (Maintenance Support, Expense) 2AA (OH General Maintenance, Capital) 2AB (Bird Safety Installation, Replacement, Capital) 2AE (Overhead Critical Operating Equipment, Capital) 2AF (Overhead Idle Facilities Removal, Capital) 21# (Miscellaneous, Capital)	HFTD, HFRA	Chapter 5
Substation Repairs and Replacements, and Temporary Generation	WMPMA	2020 WMP - Section 5.3.3.12, 5.3.4.15, 5.3.5.17, 5.3.5.18 2021 WMP - Section 7.3.3.11.1, 7.3.3.11.2, 7.3.3.12.1, 7.3.4.15, 7.3.5.18.1 2022 WMP - Section 7.3.3.11.1, 7.3.3.11.2, 7.3.3.12.1, 7.3.4.15, 7.3.5.18.1	GC2 (Substation Major Emergency Corrective Maintenance, Expense) GC5 (Distribution Supplemental Substation Inspections and Repair, Expense) GCG (Defensible Space/Substation Vegetation Management, Expense) GCJ (Distribution Substation Corrective Maintenance, Expense) IG# (Miscellaneous, Expense) 48A (Distribution Substation, Other Equipment Replacement, Capital) 48D (Distribution Substation Circuit Break Replacement, Capital) 48L (Distribution Substation Line Work Support, Capital) 48X (Animal Abatement, Capital) 59F (Distribution Substation Other Emergency Equipment, Capital)	HFTD	Chapter 6
Power Generation	WMPMA/FRMMA	2020 WMP - 5.3.4.15 2021 WMP - 7.3.4.15 2022 WMP - 7.3.4.16	IG (Defensible Space Management, Expense) IG (Supplemental Switchyard Inspection and Repair, Expense) IG (Switchyard Wildfire Tools Box, Expense) IG (Animal Abatement, Expense) 2L (Animal Abatement, Capital) 2L (Supplemental Switchyard Inspection and Repair, Capital)	HFTD	Chapter 7
EPSS	WMPMA/FRMMA	2020 WMP - N/A 2021 WMP - N/A 2022 WMP - Section 7.3.3.9.2, 7.3.3.11.1, 7.3.6.4, 7.3.6.8	BAF (General Operations, Expense) BAH (Power Quality and Distribution Operations Engineers, Expense) BFJ (OH Patrol Outage Review Team, Expense) BHE (Additional Outage Patrols) DD# (Customer Field Service Work, Expense) FZA (General Engineering, Expense) FZE (Troublemens Field Work, Expense) GC2 (Substation Major Emergency Corrective Maintenance, Capital) HXA (System Automation and Protection Support, Expense) HGD (Distribution Operational Technology, Expense) IG# (Miscellaneous, Expense) 09B (Distribution Substation SCADA/RTU Replacement, Capital) 48D (Distribution Substation Circuit Breaker Replacement, Capital) 49A (Distribution Line Automation, Capital) 49X (Emerging Electric Distribution Reliability Improvements, Capital)	HFTD, HFRA, Buffer Zone	Chapter 8

Attachment A - Response to Question 2

Wildfire Mitigation Activities	Account	WMP References (A)	MWC/MAT	Location	Testimony Citation A. 23-06-008
Enhanced Automation	WMPMA/FRMMA	2020 WMP - Section 5.1.D.3.6, 5.1.D.3.7, 5.3.2.2.6, 5.3.2.2.7, 5.3.6.1 2021 WMP - Section 7.1.D.3.4, 7.3.2.2.3, 7.3.2.2.4, 7.3.2.2.5, 7.3.3.17.4, 7.3.3.17.5, 7.3.6.1 2022 WMP - Section 7.1.D.3.4, 7.3.2.2.3, 7.3.2.2.4, 7.3.2.2.5, 7.3.3.17.4, 7.3.3.17.5, 7.3.6.1	AB# (Sensor IQ Pilot, Expense) AB# (Remote Grid - Miscellaneous, Expense) FZA (Line Sensors, DFA, EFD - General Engineering, Expense) KAT (Remote Grid Maintenance, Expense) 21A (, Sensor IQ Pilot, Capital) 21# (Remote Grid - Miscellaneous, Capital) 21# (DTS-FAST, Capital) 49A (Distribution Line Automation, Capital) 49I (Line Sensors, DFA, EFD - General Engineering, Capital) 49R (Grid Modernization Technology, Capital)	HFTD	Chapter 9
Data Management and Analytics and Mapping	WMPMA/FRMMA	2020 WMP - Section 5.3.7.1, 5.3.7.3 2021 WMP - Section 7.3.1, 7.3.4, 7.3.4.1, 7.3.7.1, 7.3.7.3 2022 WMP - Section 7.3.1, 7.3.4, 7.3.4.1, 7.3.7.1, 7.3.7.3	GEO (Mapping, Expense) GEP (Records Management, Expense)	HFTD and Non-HFTD	Chapter 10
Wildfire Support	WMPMA/FRMMA	2020 WMP-Section 5.2, 5.3.7.2 2021 WMP-Section 4.4, 7.1.D, 7.3.7.2 2021 WMP-Section 4.4, 7.1.E, 7.3.7.2	AB6 (Operational Management and Operational Support, Expense) AB6 (Governance/PMO -Management Support, Expense) AB6 (Wildfire Risk Mitigation Enablement - Management Support, Expense) AB6 (Wildfire Risk Analysis and Research - Management Support, Expense) AB# (Regulatory Compliance and Support, Expense) AB# (Governance/PMO - Support, Expense) AB# (Ignition Investigations - Support, Expense) AB# (Wildfire Risk Mitigation Enablement - Support, Expense) AB# (Wildfire Risk Analysis and Research - Support, Expense) BAF (Wildfire Risk Mitigation Enablement - General Operations, Expense) IG# (Wildfire Risk Mitigation Enablement - Miscellaneous, Expense) IG# (Ignition Investigations -Miscellaneous, Expense) IG# (Wildfire Risk Analysis and Research - Miscellaneous, Expense) 10J (Wildfire Risk Mitigation Enablement - Work Requested by Others, Capital) 21# (Wildfire Risk Analysis and Research - Miscellaneous, Capital)	HFTD and Non-HFTD	Chapter 11
Shared Services	WMPMA/FRMMA	N/A	IG (Enterprise Health and Safety, Expense) IG (Land and Environmental Management, Expense) IG (CRESS, Expense) JL (Sourcing, Expense) 23 (CRESS, Capital)	HFTD and Non-HFTD	Chapter 12
Information Technology	WMPMA/FRMMA	2020 WMP - N/A 2021 WMP - Section 7.3.7 2022 WMP - Section 7.3.7	IG (Information Technology, Expense) 2F (Information Technology, Capital)	HFTD and Non-HFTD	Chapter 13
Customer and Communications	WMPMA/FRMMA	2020 WMP - Section 5.3.9.2, 5.3.9.3, 5.3.10, 5.6.2.1.2, 5.6.2.4 2021 WMP - Section 7.3.9.2, 8.1, 8.2.1, 8.2.4 2022 WMP - Section 7.3.3.11, 7.3.9.2, 7.3.9.3, 8.2.2, 8.2.5, 8.4	IG (Wildfire Communications, EPSS Education and Outreach, PBP, Generator and Battery Rebate Program (GBRP), Wildfire Communications, Disability Disaster Access and Resources (DDAR), 211 Partnership, Electric Vehicle Charging Network (EVCN) Support, BPTM, Expense)	HFTD and Non-HFTD	Chapter 14

Notes:

(A) The WMPs referenced in this table are: PG&E's 2022 Wildfire Mitigation Plan - Final Revision Notice Responses (Docket #2022-WMPs), July 26, 2022
 2020: Pacific Gas and Electric Company, 2021 Wildfire Mitigation Plan - Revised, Rulemaking 18-10-007, June 3, 2020
 2021: Pacific Gas and Electric Company, 2021 Wildfire Mitigation Plan - Revised, Rulemaking 18-10-007, June 3, 2021
 2022: PG&E's 2022 Wildfire Mitigation Plan - Final Revision Notice Responses (Docket #2022-WMPs), July 26, 2022

Attachment B

Attachment B
Response to Question 5
Documents Providing Analysis of Wildfire Mitigation Work for Which PG&E Seeks Recovery in this Proceeding¹

Name of Document	Entity Performing Review and Producing Report	Regulatory or statutory mandate for document	Report/Review Objective	In Record (Y/N)
<ul style="list-style-type: none"> • Annual Report on Compliance for 2021 WMP (Submitted 3/31/22) • Annual Report on Compliance for 2022 WMP (Submitted 3/31/23) 	Energy Safety reviews PG&E’s Annual Compliance Report and the Independent Evaluator Compliance Report and issues its own final report on PG&E’s compliance with the WMP. To date, PG&E has only received an annual compliance report from Energy Safety for its 2020 WMP.	WSD-012 Resolution M-4860, Resolution SPD-7	Determine if PG&E substantially complied with its WMP. Energy Safety evaluates whether PG&E funded and performed the work stated for each WMP initiative.	No

¹ The sample table provided in Attachment B included a column titled, “In Record, by Subject Application.” In place of this column, PG&E is providing links and making documents available on an external website as specified in the service e-mail. The “in record” column identifies whether the list documents are in an evidentiary record as of October 27, 2023. See Attachment C for a list of documents referenced in this response.

Name of Document	Entity Performing Review and Producing Report	Regulatory or statutory mandate for document	Report/Review Objective	In Record (Y/N)
<ul style="list-style-type: none"> • Final Independent Evaluator Annual Report on Compliance (PG&E’s 2021 WMP, Issued 7/15/22) • Final Independent Evaluator Annual Report on Compliance (PG&E’s 2022 WMP (Issued 6/30/23) 	Bureau Veritas North America	Public Utilities Code 8386.3(c)(2) (B)(i)	Evaluate PG&E’s compliance with the initiatives in its WMP.	No
2021 and 2022 WMP Quarterly Notification (QN)	Energy Safety does not provide a formal review or report.	Public Utilities Code Section 8389(e)(7)	Quarterly status update related to WMP initiatives.	No
2021 and 2022 WMP Quarterly Data Report (QDR)	Energy Safety does not provide a formal review or report.	Public Utilities Code Section 8389(e)(7)	Quarterly status update related to WMP initiatives.	No
Substantial Vegetation Management Audit	Office of Energy Infrastructure and Safety	Public Utilities Code Section 8386.3(c)(5)(A)	Determine if PG&E completed a substantial portion of the vegetation management requirements in its 2021 WMP Update.	No
Wildfire Incident Reports and Staff Investigation Reports	CPUC Safety Enforcement Division (SED)	Public Utilities Code Section 701	SED conducts investigations of wildfires involving electric IOU equipment to assess utility compliance with applicable rules and regulations.	No

Name of Document	Entity Performing Review and Producing Report	Regulatory or statutory mandate for document	Report/Review Objective	In Record (Y/N)
Crowe Audit	Crowe	The Office of Energy Infrastructure Safety engaged Crowe to conduct an independent audit.	Determine if PG&E complied with the GRC requirements and to determine whether any costs in the 2019 and 2020 WMPs are duplicative of expenditures approved in the previous GRCs.	No
Ernst & Young Audit	Ernst & Young	Ernst & Young was hired by PG&E to audit memorandum and balancing account costs.	2019-2022 WMPMA/FRMMA & FHPMA, 2020-2022 WMBA, VMBA, and CEMA	Yes 2021 WMCE (Exh. PGE-01) 2022 WMCE (Exh. PGE-01) WGSC (Exh. PGE-01)
Grant Thornton Audit	Grant Thornton	D. 20-05-019 in I.19-06-015	Independent evaluation of PG&E's completion of System Enhancement Initiatives.	No
Risk Spend Accountability Report	PG&E prepares the annual RSAR and Energy Division reviews it.	D.19-04-020, D.21-11-009, and D.22-10-002	An annual report that compares an IOU's actual spend to its imputed adopted amounts for Functional Areas funded through its GRC. The RSAR focuses on reviewing spending to imputed adopted variances for safety, reliability, and maintenance (SRM) programs at the MWC, MAT Code, and RAMP mitigation and control levels.	No
Energy Division's Review of PG&E's Risk Spending Accountability Report	PG&E prepares the annual RSAR and Energy Division reviews it.	D.19-04-020, D.21-11-009, and D.22-10-002	Evaluation of PG&E's compliance with the RSAR filing requirements.	No

Name of Document	Entity Performing Review and Producing Report	Regulatory or statutory mandate for document	Report/Review Objective	In Record (Y/N)
Annual Vegetation Management Report	There is no formal review of PG&E's annual system hardening report	Section 2.3.4.5 of Settlement Agreement of the 2020 GRC as approved with modifications by Decision 20-12-005 Ordering Paragraph 1 and in accordance with the equipment of subpart A.2. of Attachment 1 of the Settlement agreement in PG&E Wildfire Mitigation and Catastrophic Events (WMCE) Application (A.) 20-09-019 as approved in D.23-02-017	N/A	No
Community Wildfire Safety Program (CWSP) System Hardening Annual Report	There is no formal review of PG&E's annual system hardening report	Section 2.3.2.3.1 of Settlement Agreement of the 2020 GRC as approved with modifications by Decision 20-12-005 Ordering Paragraph 1 and in accordance with the equipment of subpart A.1. of Attachment 1 of the Settlement agreement in PG&E Wildfire Mitigation and Catastrophic Events (WMCE) Application (A.) 20-09-019 as approved in D.23-02-017	N/A	No

Name of Document	Entity Performing Review and Producing Report	Regulatory or statutory mandate for document	Report/Review Objective	In Record (Y/N)
Corrective Action Plan Reports	PG&E prepares Corrective Action Plan 90-Day Reports that are reviewed by the CPUC	Resolution M-4852 Placing PG&E into Step 1 of the “Enhanced Oversight and Enforcement Process” Adopted in Decision 20-05-053 in I. 19-06-016	To determine if the CPUC’s enhanced oversight and enforcement of PG&E’s 2020 vegetation management practices has resulted in its completing required actions.	Yes, partially in 2021 WMCE and 2022 WMCE 2021 WMCE (Exh. TURN-05; Exh. PGE-02 Ch 3 Atch 03) 2022 WMCE (Exh. PGE-02 Ch 3 Atch 04-06)
Federal Monitor Reports	Federal Monitor Team, Kirkland and Ellis	Case 3:14-cr-00175 Order Adopting New Conditions of Probation, April 3, 2019.	Ensure PG&E fully complies with all applicable laws concerning vegetation management; specific targets and metrics in its WMPs; maintain traceable, verifiable, accurate, and complete records of VM efforts; ensure sufficient resources are allocated.	Yes, partially 2021 WMCE 2021 WMCE (Exh TURN 001 Appendix 3)
Independent Safety Monitor	Filsinger Energy Partners, Inc.	As a condition of approving PG&E’s plan for exiting bankruptcy in May 2020, the CPUC required PG&E’s shareholders to fund an Independent Safety Monitor (ISM) to succeed the Court Appointed Federal Monitor, which was an element of PG&E’s criminal probation.	To ensure PG&E prioritizes and executes effective risk reduction. The ISM also monitors PG&E’s safety-related recordkeeping and record management systems to ensure modernization efforts are informed by prior failures and support safety in PG&E’s electric and Gas operations.	No

Attachment C

Attachment C
List of Additional Documents Referred to in PG&E’s Responses

Attachment C is a list of additional documents referred to in PG&E’s response. Instructions on how to access documents located on PG&E’s Azure website are provided below. All other documents can be accessed via the link provided in the “Location” column.

Accessing Documents on PG&E’s Azure Website

- 1) Search for Public Case Documents: <https://pgera.azurewebsites.net/Regulation/search>
- 2) Select “Wildfire Mitigation and Catastrophic Events 2022 [A.22-12-009]” from the dropdown menu
- 3) Select "PG&E" as the party to narrow the search criteria
- 4) Input the date from “10/27/2023 to 10/27/2023”
- 5) Click Search

List of Additional Documents Referred to in PG&E’s Responses

No.	Document	Location
1	D. 19-04-020 and D.22-10-002. PG&E’s 2020, 2021, and 2022 Risk Spending Accountability Reports	https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/risk-spending-accountability-reports
2	Energy Division’s Review of PG&E’s Risk Spending Accountability Reports	https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/risk-spending-accountability-reports
3	PG&E’s 2020, 2021, and 2022 Wildfire Mitigation Plan Reports	https://www.pge.com/en_US/safety/emergency-preparedness/natural-disaster/wildfires/wildfire-mitigation-plan.page
4	Annual Report on Compliance for PG&E’s 2021 WMP	PG&E’s Azure Website
5	Annual Report on Compliance for PG&E’s 2022 WMP	PG&E’s Azure Website
6	Independent Evaluator Report on PG&E’s 2021 WMP Annual Report on Compliance	PG&E’s Azure Website
7	Independent Evaluator Report on PG&E’s 2022 WMP Annual Report on Compliance	PG&E’s Azure Website
8	2020, 2021, and 2022 WMP Quarterly Notifications (QNs)	https://www.pge.com/en_US/safety/emergency-preparedness/natural-disaster/wildfires/wildfire-mitigation-plan.page
9	2020, 2021, and 2022 WMP Quarterly Data Reports (QDRs)	https://www.pge.com/en_US/safety/emergency-preparedness/natural-disaster/wildfires/wildfire-mitigation-plan.page
10	PG&E’s 2020, 2021, and 2022 Annual System Hardening Reports	PG&E’s Azure Website

No.	Document	Location
11	PG&E's 2020, 2021 and 2022 Annual Vegetation Management Report	PG&E's Azure Website
12	Crowe Audit	https://energysafety.ca.gov/wp-content/uploads/docs/audits/pge-wmp-expenditures-performance-audit_20211011.pdf
13	Grant Thorton Audits	PG&E's Azure Website
14	2021 Audit on Substantial Vegetation Management Work	PG&E's Azure Website
15	Wildfire Incident Reports and Staff Investigation Reports	https://www.cpuc.ca.gov/industries-and-topics/wildfires/wildfires-staff-investigations
16	Corrective Action Reports	https://www.cpuc.ca.gov/industries-and-topics/pge/pge-oversight-and-enforcement
17	Federal Monitor Reports	PG&E's Azure Website
18	Independent Safety Monitor Reports	https://www.cpuc.ca.gov/industries-and-topics/pge/independent-safety-monitor
19	A.18-12-009, Exhibit 4, Chapter 2A PG&E's 2020 GRC Wildfire Risk and Policy Testimony	PG&E's Azure Website

Attachment D

ALJ Questions Related to 2021 WMCE, 2022 WMCE and WGSC

PG&E requested EY to provide an independent assessment for responses to Qs 1-4 of the October 17, 2023 Ruling's questions regarding the above-referenced proceedings. The following are EY's answers to these questions.

- 1) Do the WMBA and VMBA contain costs other than those planned for, forecast, and adopted in PG&E's 2020 GRC A.18-12-009 by D.20-12-005? Provide all citations to where in the record(s) this is explained, discussed and supported.**
 - a. Explain the basis for the revenue authorized to be collected in D.20-12-005 for the WMBA and VMBA.**
 - b. Additionally, expand upon and explain PG&E's characterization of its "general and risk-related forecast assumptions included used [sic] in PG&E's then-pending 2020 GRC," as reported in PG&E's 2020 Risk Spending Accountability Report at 1-2 and 1-3 filed in A.20-06-012/A.15-05-002 et. Al/A.18-12-009, included in Attachment D to this Ruling, and explain how these assumptions relate to the relevant remaining issues in each of the three captioned proceedings.**

Response:

The WMBA and VMBA include activities contemplated in PG&E's 2020 GRC but allow for the recording of costs exceeding the amounts planned for, forecast, and adopted for these accounts in the 2020 GRC. These accounts are two-way balancing accounts, which are mechanisms which track and compare the company's authorized budget to actual costs incurred and allows over-collections to be refunded to ratepayers and under-collections to be recoverable through rates. According to Decision 20-12-005 (pg. 120), "A two-way balancing account allows PG&E to spend more than the authorized amount in cases where the authorized forecast is below what is necessary to conduct necessary and important safety-related mitigations against wildfire risks. At the same time, the mechanism adopted in the Settlement affords the Commission some degree of reasonableness review if expenditures exceed a certain level above the authorized forecast." PG&E would not be filing for recovery if all costs were precisely planned for, forecasted, and adopted within the GRC. PG&E retained the accounting firm Ernst & Young (EY) to test costs within these accounts to analyze whether costs were sufficiently supported, reasonable, and whether the costs incurred were directly attributable to the WMCE Accounts. EY developed testing procedures to address the specific rules and uses for each account included in WMCE. The allowability of costs varies by account. EY analyzed information from the general rate case, advice letters, internal accounting guidance, among other regulatory filings and documents to determine eligible activities and costs specific to each account included in the analysis. EY tested costs using these procedures and reported their findings within their reports. Please refer to EY's "Wildfire Mitigation & Catastrophic Events Cost Analysis" reports dated July 2021, December 2022 and September 2023.

- 2) Is any of the wildfire mitigation work that (i) has been implemented to comply with any WMP, (ii) ties to costs at issue in any of the three captioned proceedings, and (iii) is claimed, by PG&E, to be additional to the wildfire mitigation work approved in the 2020 GRC location-constrained? For example, does any wildfire mitigation work that (i) has been implemented to comply with any WMP, (ii) ties to costs at issue in any of the three captioned proceedings, and**

(iii) is claimed, by PG&E, to be additional to the wildfire mitigation work approved in the 2020 GRC occur only in High Fire Threat Districts (HFTD) as defined by the Commission in D.17-12-024? Or in the High Fire Risk Areas defined by PG&E? Please identify, by type of work/activity, the location to which it is constrained or cite to where in the record or other proceeding such information is provided.

Response:

Part of EY's testing procedures included assessing locations of costs (i.e., HFTD versus non-HFTD areas) to determine whether costs appeared related to account activities. If a location was not specified in the supporting documentation, EY followed up to understand the purpose of the charge and how it relates to the relevant accounts. As stated above, EY's testing procedures varied by account. During EY's analysis of the Wildfire Mitigation Plan Memorandum Account ("WMPMA") and Fire Risk Mitigation Memorandum Account ("FRMMA"), EY identified costs that were incurred outside of HFTD. EY performed additional procedures to understand the nature and purpose of these costs and in some instances, EY recommended adjusting costs out of the filing.¹ During EY's WMCE analysis, EY did identify some costs that fell outside the HFTD areas. However, since the WMBA and VMBA became two-way balancing accounts in 2020, these accounts record and track more activities, some of which are located outside of HFTD areas.² In those instances, EY followed up and performed additional procedures to gain a better understanding of how those costs related to the balancing accounts.

- 3) What document(s) best track in granular fashion the correspondence between the wildfire mitigation work approved in the GRC and wildfire mitigation work that PG&E claims is additional to the wildfire mitigation work approved in the 2020 GRC?**
- a. If they are not already in the record, attach the document(s) to your response.**

Response:

PG&E uses the fields contained within their SAP accounting system to identify and track wildfire mitigation work. PG&E sets up orders for specific purposes, projects and locations, and those orders are aligned to MWC and MAT codes, which help identify and track the types of activities performed and records those specific activities to the applicable balancing and/or memorandum account.

EY performed a statistical sample of the SAP data described above. EY performed detailed transaction testing designed to analyze whether wildfire mitigation costs, including the costs in addition to the wildfire mitigation work approved in the GRC, were sufficiently supported, reasonable, prudent, and directly attributable to the appropriate accounts. Amounts identified for exclusion in the statistical sample were extrapolated to the entire population of data. Please refer to Appendix A of EY's reports for more information on their sampling methodology and extrapolation calculation.

¹ Please refer to the EY's report "Wildfire Risk Memorandum Account Cost Analysis," dated June 2023.

² After becoming two-way balancing accounts, the WMBA now includes all CWSP activities and the VMBA includes both routine and enhanced vegetation management activities (Decision 20-12-005, pg. 60 & pg. 77).

- 4) What document(s) best track in granular fashion the correspondence between wildfire mitigation work for which you seek cost recovery in these proceedings and the cost tracking of the activity?**
- a. **If they are not already in the record, attach the document(s) to your response.**

Response:

See response to #3 above.