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Energy Division Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

**Re: Reply to Protest of Advice Letter 3629-E: San Diego Gas & Electric Company
Vegetation Management Revenue Requirements Pursuant to California Public Utilities Code
§ 8386.3(d)**

Dear ED Tariff Unit:

Pursuant to General Order (GO) 96-B, San Diego Gas & Electric Company (SDG&E) hereby replies to the protest of Protect Our Communities Foundation (POC or PCF) to SDG&E's Advice Letter (AL) 3629-E: *San Diego Gas & Electric Company Vegetation Management Revenue Requirements Pursuant to California Public Utilities Code § 8386.3(d)*.

BACKGROUND

In January 2020, amended California Public Utilities Code Section 8386.3(d) went into effect through Senate Bill (SB) 247. In addition to establishing a prevailing wage rate for qualified line tree trimmers, SB 247 requires electrical corporations to notify the California Public Utilities Commission (Commission) by advice letter when it projects to spend, or has incurred obligations to spend, its entire annual revenue requirement for vegetation management activities in its Wildfire Mitigation Plan (WMP).

On October 8, 2020, SDG&E submitted AL 3629-E to the Commission as notification that, while SDG&E does not have an approved annual revenue requirement for vegetation management in its WMP, SDG&E has incurred costs exceeding its annual revenue requirement for vegetation management for fiscal year 2020, as approved in SDG&E's General Rate Case (GRC).¹ The vegetation management costs include expenditures incurred in implementing the SDG&E Enhanced Vegetation Management (EVM) Program described in its 2020 WMP.

On October 28, 2020, SDG&E received a protest to AL 3629-E from POC.

¹ D.19-09-051.

SUMMARY OF POC PROTEST

POC's protest requests that the Commission reject SDG&E's advice letter because SDG&E's EVM program—and associated costs—are allegedly unauthorized. POC argues that SDG&E should not be spending any money on enhanced vegetation management practices because the program purportedly does not comply with D.19-05-039. Moreover, POC claims that SDG&E's EVM program does not comply with, and is not exempt from, the California Environmental Quality Act (CEQA). POC further states that SDG&E did not serve the advice letter on the service list for SDG&E's 2019 GRC, A.17-10-007, which it asserts is relevant to the claims made in the advice letter. POC insists that SDG&E's WMP costs must be considered in a formal proceeding, and SDG&E has not yet filed for such cost recovery. POC further states that, even if SDG&E seeks cost recovery for its WMP programs, any costs associated with SDG&E's EVM program should ultimately be excluded as unjustified and unauthorized by the Commission. POC also alleges that if SDG&E has comingled its wildfire-related vegetation management practices with vegetation management unrelated to wildfires, then according to Resolution WSD-002, the Commission should decline to approve SDG&E's wildfire-related vegetation management costs.

SDG&E'S REPLY TO POC PROTEST

POC's assertions are misguided in all respects. Contrary to POC's contention that SDG&E is attempting to address issues relating to costs via advice letter, SDG&E filed AL 3269-E for informational purposes to comply with the new statutory requirements established by SB 247. AL 3269-E does not seek any relief for POC to protest.² Electric utilities are now required by statute to notify the Commission "by advice letter of the date when it projects that it will have spent, or incurred obligations to spend, its entire annual revenue requirement for vegetation management in its wildfire mitigation plan not less than 30 days before that date."³ But as SDG&E notes in AL 3269-E, SDG&E's revenue requirement for vegetation management activities is established by the decision approving its GRC, and there is no annual revenue requirement separately approved for vegetation management in the WMP. SDG&E's 2020 approved annual revenue requirement for all tree trimming activities, including work in the High Fire Threat District (HFTD), Enhanced Vegetation Management, and other WMP-related activities is \$24.8M. SDG&E has already recorded expenses in excess of the annual revenue requirement, and projects a potential \$35 million of expenses recorded in its Tree Trimming Balancing Account (TTBA) in excess of the approved revenue requirement. SDG&E notified the Commission of this expense level to comply with the spirit of SB 247's requirements.

AL 3269-E seeks neither cost recovery for any of the TTBA expenses, nor does it seek approval of any vegetation management activities. The informational advice letter submittal seeks no relief at all. As previously noted, SDG&E will file a subsequent advice letter or application to address cost recovery for any expenses recorded to the TTBA in excess of the approved revenue requirement, as required by D.19-09-051. SDG&E will also address issues of WMP cost recovery in a future general rate case or a separate application, consistent with statutory and Commission requirements.

Finally, SDG&E properly served AL 3269-E. General Order (GO) 96-B requires utilities to service an advice letter "(1) on the utility's advice letter service list, and (2) on any other third parties as

² Because AL 3269-E does not seek any relief, much of POC's protest does not comply with the grounds for protest established in GO 96-B, § 7.4.2.

³ Pub. Util. Code § 8386.3(d).

specified by statute or other Commission Order.”⁴ SB 247 does not specify any particular service list for the notification; it simply requires notification to the Commission by advice letter. By serving AL 3269-E on SDG&E’s advice letter service list, SDG&E met the necessary service requirements. SDG&E further attempted to notify potentially interested parties by serving AL 3269-E on the service lists for R.18-10-007 (WMP Rulemaking) and A.20-07-003 (SDG&E’s 2019 TTBA Recovery Application).

CONCLUSION

For the reasons discussed above, SDG&E respectfully requests that the Commission reject Protect Our Communities Foundation’s protest and approve AL 3629-E as filed.

/s/ Clay Faber

CLAY FABER
Director – Regulatory Affairs

cc: Edward Randolph, Energy Division
CPUC Service Lists R.18-10-007 and A.20-07-003
Malinda Dickenson, Protect Our Communities Foundation
Wildfire Safety Division

⁴ GO 96-B § 7.2.