

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 7031E
As of November 16, 2023

Subject: PG&E's Updated Final Financial and Tax Information for the Sale of Chili Bar Hydroelectric Project to the Sacramento Municipal Utility District

Division Assigned: Energy

Date Filed: 09-20-2023

Date to Calendar: 09-25-2023

Authorizing Documents: D2011024

Disposition:	Accepted
Effective Date:	09-20-2023

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

279-789-6210

PGETariffs@pge.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov

September 20, 2023

Advice 7031-E

(Pacific Gas and Electric Company U 39-E)

Public Utilities Commission of the State of California

Subject: PG&E's Updated Final Financial and Tax Information for the Sale of Chili Bar Hydroelectric Project to the Sacramento Municipal Utility District

Purpose

Pacific Gas and Electric Company (PG&E) submits this advice letter to update interconnections costs submitted in advice letter (AL) 6296-E filed on August 16, 2021 in compliance with Ordering Paragraph (OP) 3 of Decision (D.) 20-11-024, which requires PG&E to true-up the final financial and tax information for the sale of the Chili Bar Hydroelectric Project (Chili Bar Project) to Sacramento Municipal Utility District (SMUD). The sale of the Chili Bar Project to SMUD was completed on June 16, 2021. PG&E filed AL 6296-E on August 16, 2021, but actual costs were not yet available. On September 3, 2021, PG&E submitted substitute sheets for AL 6296-E to clarify that the values were estimates and that PG&E would file an update to AL 6296-E when actual costs were final.

Background

On March 27, 2020, PG&E filed Application (A.) 20-03-015 requesting that the California Public Utilities Commission (Commission or CPUC) authorize the sale by PG&E of the Chili Bar Project to SMUD as set forth in the Purchase and Sale Agreement (PSA), dated February 12, 2020. The PSA was included as Attachment A to A.20-03-015.

On November 19, 2020, the Commission adopted D.20-11-024, which authorized the sale of the Chili Bar Project to SMUD, approved PG&E's proposed ratemaking, and ordered PG&E to submit a Tier 1 advice letter within 60 days following closing of the sale to true up- the final financial and tax information related to the transaction.

On August 16, 2021, PG&E submitted AL 6296-E to provide the final financial and tax information for the sale of the Chili Bar Project. The item "Less: Improve. Costs related to the sale (forecasted)" in Attachment 1 to this Advice Letter was an estimated value and did not reflect actual interconnection costs for work not yet incurred. On September 3, 2021, PG&E submitted a substitute sheet to clarify that the value was an estimated value and did not reflect actual interconnection costs. Additionally, PG&E stated that that it would supplement Advice 6296-E when the work was complete, and the line item was

final. Advice Letter 6296-E was made effective August 16, 2021. The final interconnection activities were completed in July 2023.

Final Gain/Loss on Sale Allocation and Tax Information

In compliance with D.20-11-024, Table 1 below represents the final financial information for the Chili Bar Project sale to SMUD. The final tax information is included as Attachment 1 to this advice letter.

Table 1
Final Loss on Sale with actual Interconnection Cost July 31st, 2023
(shown in \$)

	Loss on Sale (as of December 31, 2019)¹	Estimated Final Loss on Sale (as of June 16, 2021)	Final Loss on Sale (as of July 31, 2023)
<u>Net Book Value</u>			
Net Plant: Land	138,541	138,541	138,541
Net Plant: Non-Land	19,823,058	18,560,639	18,560,639
Net Plant	19,961,599	18,699,180	18,699,180
Construction Work in Progress (CWIP)	-	451,859	451,859
Net Book Value	19,961,599	19,151,039	19,151,039
Net Sales Proceeds	9,450,000	9,477,464	9,368,665
Total Pre-Tax Loss	(10,511,599)	(9,673,575)	(9,782,374)

¹ Note that these numbers differ from that provided in Table 3-1 of PG&E's Direct Testimony. An error was discovered in Table 3-1, which was corrected in Attachment C to PG&E's data response to Public Advocates (Data Request No: PubAdv-PG&E-STA-1). This table reflects that correction.

<u>Allocation of Loss Per Sale Decision:</u>			
Depreciable Assets (Net Plant Non-Land and CWIP)	(10,424,965)	(9,586,172)	(9,694,384)
100% to Ratepayers			
Non-Depreciable Assets (Land)			
67% to Ratepayers	(51,447)	(51,904)	(52,253)
33% to Shareholders	(25,340)	(25,565)	(25,737)
Taxing Jurisdiction Allocation	(9,847)	(9,934)	(10,001)

Attachments

Attachment 1: Facility Sales – Chili Bar Hydro Facility

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than October 10th, 2023, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and

statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

Pursuant to General Order (GO) 96-B, Rule 5.1, (and OP 3 of D. 20-11-024), this advice letter is submitted with a Tier 1 designation. PG&E requests that this Tier 1 advice submittal become effective upon date of submittal, which is September 20, 2023.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for A.20-03-015. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process.Officer@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations
CPUC Communications

cc: Mark Pocta, California Public Advocates, rmp@cpuc.ca.gov.
Stacey Hunter, California Public Advocates, sta@cpuc.ca.gov.
Service List A.20-03-015



ADVICE LETTER SUMMARY



ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Stuart Rubio

Phone #: 279-789-6210

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: stuart.rubio@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 7031-E

Tier Designation: 1

Subject of AL: PG&E's Updated Final Financial and Tax Information for the Sale of Chili Bar Hydroelectric Project to the Sacramento Municipal Utility District

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.20-11-024

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 9/20/23

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

Attachment 1

Facility Sales – Chili Bar Hydro Facility

**Attachment 1 Table Showing Sales Price, Expenses, and Tax Effects
Facility Sale - Chili Bar Hydro Facility
(Dollars)**

1 SALES PROCEEDS

Sales Price	10,400,000
Deduct Cost of Ownership from Sales Price	<u>(447,556)</u>
Gross Proceeds	9,952,444
Net Escrow Costs	<u>(2,748)</u>
Cash to PG&E	9,949,695
Less Broker's Fee	(5,000)
Less: Improvement Costs related to the sale	(576,030)
	<u> </u>
Net Sale Proceeds	<u>9,368,665</u>

2 ALLOCATION OF SALES PROCEEDS BASED ON THE HISTORICAL COST OF PROPERTY

	Historical <u>Cost</u>	Proportional <u>%</u>
Non-Depreciable Property (Land)	138,541	0.54%
Depreciable Property	25,085,772	97.70%
CWIP	451,859	1.76%
	<u>25,676,172</u>	<u>100.00%</u>

3 GROSS GAIN/(LOSS) ON SALE

	Historical <u>Cost</u>	Net <u>Book Value</u>	Sales <u>Proceeds</u>	Pre-Tax <u>Gain/(Loss)</u>	Book <u>NBV</u>	
Non-Depreciable Property (Land)	138,541	138,541	50,551	(87,990)		
Depreciable Property	25,085,772	18,560,639	9,153,241	(9,407,398)	18,560,639	
CWIP	451,859	451,859	164,873	(286,986)		
	<u>25,676,172</u>	<u>19,151,039</u>	<u>9,368,665</u>	<u>(9,782,374)</u>	<u>18,560,639</u>	Depreciable Net Book Value

4 TAX GAIN/(LOSS) ON SALE

	Historical <u>Cost</u>	Net <u>Tax Value</u>	Sales <u>Proceeds</u>	Pre-Tax <u>Gain/(Loss)</u>	Depreciable <u>Net Tax Value</u>	
Non-Depreciable Property (Land)	138,541	138,541	50,551	(87,990)		
Depreciable Property	25,085,772	8,457,499	9,153,241	695,743	8,457,499	
CWIP	451,859	451,859	164,873	(286,986)		
	<u>25,676,172</u>	<u>9,047,899</u>	<u>9,368,665</u>	<u>320,766</u>	<u>8,457,499</u>	Depreciable Net Tax Value
					10,103,140	Depr NBV less Depr Net Tax Value
					2,827,263	Deferred Tax Liability / (Asset)

5 GAIN/(LOSS) ALLOCATION

	Operating <u>System</u>	Other Depreciable <u>Assets</u>	Land <u>(Pre-Tax Allocation)</u>	Sharing <u>Allocation</u>	Taxes <u>27.984%</u>	After Tax <u>Gain / (Loss)</u>
Ratepayers - 100% of Loss (Pre-Tax and After-Tax)	0%	100%	59%	(9,746,637)	2,727,499 *	(7,019,138)
Ratepayers Pass-thru - 100% of Loss (Pre-Tax and After-Tax)				9,746,637	(2,727,499) *	7,019,138
Shareholder	100%	0%	41%	(35,737)	10,001	(25,737)
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>(35,737)</u>	<u>10,001</u>	<u>(25,737)</u>

* No tax impact as the ratepayer contribution / distribution will net the tax impact to zero.

**Attachment 1 Table Showing Sales Price, Expenses, and Tax Effects
Facility Sale - Chili Bar Hydro Facility
(Dollars)**

6 TAXES ON PROPERTY

	Net Tax Value	Sales Proceeds	Before Tax Gain/ (Loss)		Depreciable Property and CWIP
Non-Depreciable Property (Land)	138,541	50,551	(87,990)		
Depreciable Property	8,457,499	9,153,241	695,743		
CWIP	451,859	164,873	(286,986)		
Totals	9,047,899	9,368,665	320,766		
			Land		
Taxable Gain / (Loss)			(87,990) a		(9,694,384) a
Ratepayer Contribution / (Distribution)			52,253 b		9,694,384 b
Net Taxable Gain / (Loss)			(35,737) c=a-b		- c=a-b
Tax Rate			27.984% d		27.984% d
Net Federal and State Income Tax			(10,001) e=c*d		- e=c*d
After Tax Gain / (Loss)			(77,990) f=a-e		(9,694,384) f=a-e
After-Tax Ratepayers Allocation		67%	(52,253) g=f*67%	100%	(9,694,384) g=f*100%
After-Tax Shareholder Allocation		33%	(25,737) h=f*33%	0%	- h=f*0%
Taxing Jurisdiction Allocation (Shareholder)			(10,001) i=e		- i=e
Total Gain / (Loss) Allocation			(87,990) j=g+h+i		(9,694,384) j=g+h+i

7 RATE BASE CHANGES

	Beginning	Changes	Ending
Gross Plant	25,224,313	(25,224,313)	-
Depreciation Reserve (Book Accumulated Depreciation)	(6,525,133)	25,224,313	18,699,180
Property Sale Proceeds credited to Depreciation Reserve		(9,203,792)	(9,203,792)
Net Plant	18,699,180	(9,203,792)	9,495,388
Deferred Taxes	(2,827,263)	2,827,263	-
Total Rate Base of Assets Sold	15,871,917	(6,376,529)	9,495,388

8 REGULATORY ASSET CALCULATION

Ending Rate Base after Asset Sale	9,495,388
Loss Associated with CWIP	286,986
Tax Impact on Asset Sale	(10,001)
After Tax Loss allocated to Shareholders	(25,737)
Regulatory Asset / (Liability) to Collect / (Refund) in Rates	9,746,637

**PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV**

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blaising Smith Wynne, P.C.
California Community Choice Association
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell
Downey Brand LLP
Dish Wireless L.L.C.

East Bay Community Energy Ellison
Schneider & Harris LLP

Electrical Power Systems, Inc.
Fresno
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF

iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy