



GAS PRELIMINARY STATEMENT PART GC
GAS DISTRIBUTION NEW BUSINESS BALANCING ACCOUNT (GDNBBA)

Sheet 1

(N)
(N)

GC. Gas Distribution New Business Balancing Account (GDNBBA)

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1. **PURPOSE:** The purpose of the Gas Distribution New Business Balancing Account (GDNBBA) is to track and record the difference between capital revenue requirements associated with adopted capital expenditures incurred for gas distribution new business connection costs, Major Work Category (MWC) 29¹, and the revenue requirements associated with actual capital expenditures over the 2023 General Rate Case (GRC) cycle (2023-2026). The GDNBBA is a one-way account.
2. **APPLICABILITY:** The GDNBBA will apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATE:** At the end of the GRC cycle, if the actual amounts incurred are less than the 2023-2026 adopted amounts at the end of the rate case cycle, PG&E will refund the revenue requirements associated with the unspent capital to customers. Any spending above the adopted revenue requirement will be reviewed as part of the 2027 GRC for inclusion in rate base. Funding returned to core customers will be through the Distribution Subaccount of the Core Fixed Cost Account (CFCA) and funding returned to noncore customers will be through the Distribution Subaccount of the Noncore Customer Class Charge Account (NCA) in the Annual Gas True-up, or as otherwise authorized by the Commission.
4. **RATES:** The GDNBBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** The following entries will be made at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense:
 - a. A credit or debit entry equal to the revenue requirement associated with the 2023-2026 adopted capital expenditures;
 - b. A debit or credit entry equal to the capital revenue requirement associated with the actual capital expenditures incurred. Capital-related revenue requirements include depreciation expense, return on rate base at the authorized cost of capital, federal and state income taxes, and property taxes, associated with the capital asset additions;
 - c. An entry to transfer amounts to or from another account as authorized by the Commission; and
 - d. A debit or credit, as appropriate, equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

¹Funding for allowances associated with interconnection applications after July 1, 2023 will be separate from the MWC 29 funding adopted in the general rate case pursuant to the "Stipulation on Gas Distribution Capital New Business Program (MWC 29)" and addressed through the annual application process established in Decision (D.) 22-09-026, Ordering Paragraphs 2 and 3.

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