



GAS PRELIMINARY STATEMENT PART GD
GAS TRANSMISSION NEW BUSINESS BALANCING ACCOUNT (GTNBBA)

Sheet 1

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(N)

GD. Gas Transmission New Business Balancing Account (GTNBBA)

(N)

1. **PURPOSE:** The purpose of the Gas Transmission (GT) New Business Balancing Account (GTNBBA) is to track and record the difference between capital revenue requirements associated with adopted capital expenditures for interconnection projects and PG&E's Large Gas Solutions Program, i.e. Capital Maintenance Activity Type (MAT) 26A, and the revenue requirements associated with actual capital expenditures over the 2023 General Rate Case (GRC) cycle (2023-2026). Only costs associated with GT New Business projects that meet the July 1, 2023 deadline established in Decision (D.) 22-09-026, including Large Gas Solutions Projects that have project agreements with PG&E prior to July 1, 2023, will be recorded in this account. The GTNBBA is a one-way account.

This account is comprised of 1) a Main Account, which tracks amounts related to backbone transmission and/or storage activity that is recovered from all customers, and 2) a Local Transmission (LT) Subaccount, which tracks amounts related to local transmission activity that is recovered from all customers except Backbone Service-Level end-use customers who do not fund local transmission activities. Costs will be allocated among the two functions in accordance with the adopted budget.

2. **APPLICABILITY:** The GTNBBA 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 total actual capital expenditures (Main Account plus LT Subaccount) incurred are less than the 2023-2026 aggregated adopted amounts at the end of the rate case cycle, PG&E will refund the revenue requirements associated with the unspent capital expenditures to customers. The balances in the Main Account and LT Subaccount will be trued up in rates.

If the total actual capital expenditures incurred are equal to or greater than the 2023-2026 aggregated adopted capital expenditures at the end of the rate case cycle, the adopted revenue requirements recovered from customers will be reallocated between the Main Account and the LT Subaccount to total actual capital expenditures.

Funding returned to core customers, will be through the Core Cost Subaccount of the Core Fixed Cost Account in the Annual Gas True-up (AGT), or as otherwise authorized by the Commission. Funding returned to noncore customers will be through the Local Transmission (LT) Subaccount of the Noncore Customer Class Charge Account (NCA) (if associated with the LT Subaccount) or through the Noncore Subaccount of the NCA (if associated with the Main Account) in the AGT, or as otherwise authorized by the Commission.

4. **RATES:** The GTNBBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E will maintain a sub ledger to track the capital expenditures incurred as recorded in its accounting system of record. If the aggregated capital expenditures incurred at the end of the GRC rate case cycle are less than the adopted amount, entries a. and b. will be recorded in the Main Account and LT Subaccount. If the aggregated capital expenditures incurred at the end of the GRC rate case cycle are greater than the adopted capital expenditures but either the Main Account or LT Subaccount are underspent, then entries a. and c. will be recorded in the Main Account and LT Subaccount.

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Advice 4835-G
Decision D.23-11-069

Issued by
Shilpa Ramaiya
Vice President

Submitted December 14, 2023
Effective January 1, 2023
Resolution



GAS PRELIMINARY STATEMENT PART GD
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Sheet 2

(N)
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GD. Gas Transmission New Business Balancing Account (GTNBBA) (Cont'd)

(N)

5. ACCOUNTING PROCEDURE (Cont'd):

MAIN ACCOUNT:

- a. A credit or debit entry equal to the revenue requirement associated with the 2023-2026 adopted capital expenditures, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense;
- b. A debit or credit entry equal to the capital revenue requirement related to the actual capital expenditures incurred, excluding RF&U. 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. A debit or credit entry equal to the reallocated adopted revenue requirement between the Main Account and the LT Subaccount based on the ratio of actual capital expenditures in the Main Account and the LT Subaccount compared to actual total capital expenditures;
- d. An entry to transfer amounts to or from other accounts for recovery from or return to customers, as authorized by the Commission; and
- e. 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.

LOCAL TRANSMISSION SUBACCOUNT

- a. A credit or debit entry equal to the revenue requirement associated with the 2023-2026 adopted capital expenditures, excluding an allowance for RF&U accounts expense;
- b. A debit or credit entry equal to the capital revenue requirement related to the actual capital expenditures incurred, excluding RF&U. 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. A debit or credit entry equal to the reallocated adopted revenue requirement between the Main Account and the LT Subaccount based on the ratio of actual capital expenditures in the Main Account and the LT Subaccount compared to actual total capital expenditures;
- d. An entry to transfer amounts to or from other accounts for recovery from or return to customers, as authorized by the Commission; and
- e. 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.

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