



GAS PRELIMINARY STATEMENT PART AE
CORE PIPELINE DEMAND CHARGE ACCOUNT

Sheet 1

AE. CORE PIPELINE DEMAND CHARGE ACCOUNT (CPDCA)

1. PURPOSE: The purpose of the CPDCA is to record the costs associated with backbone transmission, interstate capacity, and Canadian capacity for service to core customers taking procurement service from PG&E. (T)

 Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.
2. APPLICABILITY: The CPDCA balance applies to all core rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
3. REVISION DATE: The revision date applicable to the CPDCA rate shall coincide with the revision date of the monthly core procurement rate, or at other times, as ordered by the CPUC. (T)
4. FORECAST PERIOD: The forecast test period will be as specified in the current Cost Allocation Proceeding.
5. CPDCA RATES: CPDCA Rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
6. ACCOUNTING PROCEDURE: PG&E shall make the following entries to the CPDCA at the end of each month:
 - a. A debit entry equal to the interstate demand charges allocated to core procurement customers, including any credit received from an interstate pipeline for brokered excess interstate capacity; (L) (T) (D)
 - b. A debit entry equal to the intrastate demand charges allocated to core procurement customers, including any credit received from an intrastate pipeline for brokered excess intrastate capacity; (L) (T) (T)
 - c. A debit entry equal to the Canadian capacity costs allocated to core procurement customers, including any credit received from a Canadian pipeline for brokered excess Canadian capacity; (L) (T) (T)
 - d. A credit entry equal to the capacity cost revenues associated with the sale of gas to core procurement customers during the month, excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U); (L) (T)
 - e. An entry equal to the interest of the balance in the account at the beginning of the month and the balance in the account after entries AE.6.a. through AE.6.d., above, at a rate equal to one-twelfth the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T) (L)