



GAS PRELIMINARY STATEMENT PART BA
PUBLIC PURPOSE PROGRAM SURCHARGE-ENERGY EFFICIENCY

Sheet 1

BA. PUBLIC PURPOSE PROGRAM SURCHARGE – ENERGY EFFICIENCY (PPP-EE)

(N)

1. **PURPOSE:** The purpose of the PPP-EE is to record the gas energy efficiency (EE) public purpose program (PPP) funding authorized by the California Public Utilities Commission (CPUC), the billed surcharge amounts that recover the authorized funding from eligible customers, and other amounts received from the State of California Gas Consumption Surcharge Fund (Fund). Pursuant to Decision (D.) 04-08-010, franchise fees and uncollectible accounts expense are not included in the gas PPP surcharges. The balance in this account will be incorporated into the gas PPP surcharge advice filing in accordance with D.04-08-010.

As described and tracked in the Public Purpose Program Surcharge Memorandum Account (PPP-MA), Preliminary Statement BB, PPP surcharge amounts billed to customers are remitted quarterly to the California State Board of Equalization. The PPP-EE surcharges are subsequently returned to PG&E from the Fund, with interest, and may include interstate pipeline and third party surcharges. The EE portion of interstate pipeline and third party amounts received from the Fund and recorded in the PPP-MA are transferred to this balancing account. The interest recorded in this balancing account is described in the INTEREST section.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

2. **APPLICABILITY:** The PPP-EE shall apply to all customer classes, except for those specifically excluded by the Commission and Public Utility Code Section 896.
3. **REVISION DATE:** The revision date applicable to the PPP-EE shall coincide with the revision date of the gas PPP surcharge, or at other times, as ordered by the CPUC.
4. **INTEREST:** Amounts recorded in the PPP-EE earn interest at the CPUC authorized rate (Accounting Procedure 7.e). Decision 04-08-010 requires that while the billed surcharge amounts are in the possession of the State, the interest that applies to these amounts is the actual amount of interest that accrued while in the possession of the State. Therefore, Accounting Procedure 7.d adjusts the PPP-EE for interest earned on the surcharge amounts while in the possession of the State.
5. **FORECAST PERIOD:** The forecast test period will be as specified in Decision 04-08-010.
6. **RATES:** PPP-EE rates are set forth in rate Schedule G-PPPS (see Preliminary Statement, Part B), as applicable.

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Sheet 2

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7. ACCOUNTING PROCEDURE: PG&E shall make the following entries to this PPP-EE at the end of each month:
- a. a debit entry equal to 1/12 of the annual PPP-EE funding authorized by the CPUC;
 - b. a credit entry equal to the recorded PPP-EE surcharges billed for the month, net of actual customer accounts written-off, as applicable;
 - c. a credit entry to transfer the EE portion of the interstate pipeline and third party surcharge amounts received from the Fund and recorded in the PPP-MA;
 - d. an entry to transfer the EE interest portion of the balance in the PPP-MA, as applicable; and,
 - e. an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries 7.a through 7.d, above, at a rate equal to one-twelfth the interest rate of the 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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