



GAS PRELIMINARY STATEMENT PART BB
PUBLIC PURPOSE PROGRAM SURCHARGE MEMORANDUM ACCOUNT

Sheet 1

- BB. PUBLIC PURPOSE PROGRAM SURCHARGE MEMORANDUM ACCOUNT (PPP-MA) (N)
1. PURPOSE: The purpose of the PPP-MA is to track gas PPP surcharges billed to customers and remitted to the California State Board of Equalization (BOE) and the gas surcharge amounts subsequently received by PG&E from the Gas Consumption Surcharge Fund (Fund). Pursuant to Public Utility Code Sections 892 and 892.1, PG&E remits quarterly to BOE gas PPP surcharges billed to customers. Decision 04-08-010 requires all funds remitted to BOE be returned to PG&E in a timely manner, except for RD&D funds, BOE and Commission administrative costs, and deductions for any refunds issued by BOE. All amounts from the Fund that are returned to PG&E, including remittances to BOE from interstate pipelines and other third parties who reside within PG&E's service territory are recorded in this account and transferred to the appropriate PPP balancing account (Accounting Procedure 6.d.). The interest recorded in this balancing account is described in the INTEREST section.
 2. APPLICABILITY: The PPP-MA shall apply to all customer classes, except for those specifically excluded by the Commission.
 3. REVISION DATE: The revision date applicable to the PPP-MA shall coincide with the revision date of the gas PPP surcharge, or at other times, as ordered by the CPUC.
 4. INTEREST: As described in each of the INTEREST sections in the applicable PPP balancing accounts (PPP-EE, PPP-LIEE and PPP-CARE), amounts recorded in those balancing accounts earn interest at the CPUC authorized rate. Decision 04-08-010 requires that while the billed surcharge amounts are in the possession of the State, the applicable interest that applies to these amounts is the actual amount of interest that accrued while in the possession of the State. Once the billed surcharges are remitted to BOE, the interest associated with the billed surcharges that continues to be recorded in the applicable balancing accounts is offset in this account (Accounting Procedure 6.f). The surcharge amounts received by PG&E from the Fund include interest (Accounting Procedure 6.c). The difference between the interest associated with the billed surcharges recorded in this account and the actual interest received by PG&E from the Fund is allocated among and transferred to the applicable PPP balancing accounts (Accounting Procedure 6.e). Transferring the difference between the two interest amounts adjusts the interest associated with billed surcharges that has already been recorded in the applicable balancing accounts to reflect the actual interest earned while in the possession of the State.
 5. RATES: The PPP-MA currently does not have a rate component. (N)

(Continued)

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 Decision No. 04-08-010

Issued by
Karen A. Tomcala
 Vice President
 Regulatory Relations

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Sheet 2

BB. PUBLIC PURPOSE PROGRAM SURCHARGE MEMORANDUM ACCOUNT (PPP-MA)

6. ACCOUNTING PROCEDURE: PG&E is authorized to maintain the PPP-MA by making the following entries:

- a. a debit entry equal to the gas PPP surcharge amounts remitted quarterly to the BOE;
- b. a credit entry equal to the RDD and BOE/Commission administrative surcharge amounts, or other amounts included in entry 6.a., which will not be returned to PG&E; (T)
- c. a credit entry equal to the surcharge amounts received from the Fund; (T)
- d. a debit entry to transfer any interstate pipeline and third party surcharge amounts included in entry 6.c. above, to the applicable PPP balancing account;
- e. an entry to transfer the interest portion of the balance in the account to the applicable PPP balancing accounts for recovery in gas PPP surcharge rates; and
- f. an entry equal to the interest on the average balance in the account at the beginning of the month and the balance in the account after entries 6.a through 6.e, above, at a rate equal to one-twelfth 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.