



GAS PRELIMINARY STATEMENT PART BI Sheet 1
PUBLIC PURPOSE PROGRAM SURCHARGE-RESEARCH DEVELOPMENT AND DEMONSTRATION

BI. PUBLIC PURPOSE PROGRAM SURCHARGE – RESEARCH, DEVELOPMENT AND DEMONSTRATION (PPP-RDD)

(N)

1. **PURPOSE:** The purpose of the PPP-RDD is to record the gas research, development and demonstration (RDD) funding authorized by the California Public Utilities Commission (CPUC) and the billed surcharge amounts that recover the authorized funding from eligible customers. This account also recovers PG&E's allocation of the annual State Board Of Equalization (BOE) and CPUC administrative costs authorized by the CPUC. Pursuant to Decision (D.) 04-08-010, franchise fees and uncollectible accounts expense are not included in 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 BOE. The RDD, BOE and CPUC billed surcharge amounts remitted to BOE are not returned to PG&E. 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-RDD 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-RDD shall coincide with the revision date of the gas PPP surcharge, or at other times, as ordered by the CPUC.
4. **INTEREST:** Decision 04-08-010 directs PG&E to record interest on the billed surcharge amounts until remitted to BOE. Therefore, interest in this account is only recorded on billed surcharges until remitted to BOE and will be held in the account until further direction from the CPUC.
5. **FORECAST PERIOD:** The forecast test period will be as specified in Decision 04-08-010.
6. **RATES:** PPP-RDD rates are set forth in Schedule G-PPPS (see Preliminary Statement, Part B), as applicable.
7. **ACCOUNTING PROCEDURE:** PG&E shall make the following entries to this PPP-RDD at the end of each month:
 - a. a debit entry equal to 1/12 of the annual PPP-RDD funding authorized by the CPUC;
 - b. a debit entry equal to 1/12 of PG&E's allocation of the annual BOE and CPUC administrative costs authorized by the CPUC;
 - c. a credit entry equal to the PPP-RDD surcharges billed for the month, net of actual customer accounts written off, as applicable;
 - d. a credit entry equal to the amount previously remitted to BOE for RDD included in authorized PPP surcharges in effect prior to January 1, 2004, not to exceed the authorized amount recorded in 7.a, above; and

(N)

(Continued)

Advice Letter No: 2440-G-C
 Decision No. 04-08-010

Issued by
Karen A. Tomcala
 Vice President
 Regulatory Relations

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GAS PRELIMINARY STATEMENT PART BI		Sheet 2
PUBLIC PURPOSE PROGRAM SURCHARGE-RESEARCH DEVELOPMENT AND DEMONSTRATION		
BI.	PUBLIC PURPOSE PROGRAM SURCHARGE – RESEARCH, DEVELOPMENT AND DEMONSTRATION (PPP-RDD)	(N)
7.	ACCOUNTING PROCEDURE:	
e.	an entry equal to interest on the average of the billed surcharges in the account at the beginning of the month that have not been remitted to BOE, including interest previously recorded in the account, and the billed surcharges in the account after entry 7.c, 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.	(N)