



GAS PRELIMINARY STATEMENT PART BL
NONCORE DISTRIBUTION FIXED COST ACCOUNT

Sheet 1

BL. NONCORE DISTRIBUTION FIXED COST ACCOUNT (NDFCA)

1. PURPOSE: The purpose of the NDFCA is to recover the noncore distribution base revenue requirement as authorized in D.10-06-035. This account recovers the distribution base revenue adopted in PG&E's General Rate Case (GRC), including Annual Attrition Adjustments, and the Cost of Capital Proceedings, that are allocated to noncore transportation customers based on the distribution base revenue allocation adopted in the Cost Allocation Proceeding. The balance in this account will be transferred to another regulatory account to be recovered in noncore distribution rates in the Annual Gas True-up of Balancing Accounts. (T)

- Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1. Refer to Section C.3 for the cost allocation factors used to determine the noncore portion of distribution costs recovered in this account.

2. APPLICABILITY: The NDFCA applies to all noncore transportation rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC. (T)

3. REVISION DATE: Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission. (T)

4. FORECAST PERIOD: The forecast test period will be as specified in the current Cost Allocation Proceeding.

5. NDFCA RATES: NDFCA 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 this NDFCA at the end of each month, or as applicable:
 - a. a debit entry equal to one-twelfth of the noncore portion of the authorized GRC base revenue amount, excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U); (T)
 - b. a credit entry equal to the NDFCA revenue, excluding the allowance for F&U; (T)
 - c. a debit or credit entry, as appropriate, to transfer the balance to the Interim Relief and Distribution Subaccount of the Noncore Customer Class Charge Account, or other regulatory account for rate recovery, upon approval by the Commission; (T)
 - d. a debit entry equal to one-twelfth of the gas noncore portion of the ClimateSmart Administrative and Marketing revenue requirement, excluding the allowance for F&U (see corresponding credit entry in the Administrative and Marketing Subaccount of the ClimateSmart Balancing Account); (T)
 - e. a debit or credit entry equal to any expense adopted by the CPUC as a cost to be recovered in this account; and
 - f. 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 BL.6.a through BL.6.e, 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.

Advice Letter No: 3136-G-A
 Decision No. 10-06-035

Issued by
Jane K. Yura
 Vice President
 Regulation and Rates

Date Filed September 10, 2010
 Effective August 1, 2010
 Resolution No. _____