



GAS PRELIMINARY STATEMENT PART BS
CLIMATESMART BALANCING ACCOUNT

Sheet 1

BS. CLIMATESMART BALANCING ACCOUNT – GAS (CSBA-G)

1. PURPOSE: The purpose of the gas ClimateSmart Balancing Account (CSBA) is to track ClimateSmart Contributions related to the ClimateSmart program, as authorized in California Public Utilities Commission (CPUC) Decision (D.) 06-12-032, D.10-10-025 and under the provisions of the Servicing Agreement between PG&E and ClimateSmart Charity. The 'Premium Subaccount' will track ClimateSmart charges, donations, and remittances to ClimateSmart Charity for green house gas (GHG)-reduction projects as per the Charity By-Laws. The 'Administration and Marketing Subaccount' will compare administration and marketing (A&M) expenses associated with PG&E's ClimateSmart program to the program budget authorized by the CPUC. Pursuant to D.06-12-032, the gas portion of the A&M revenue requirement, including an allowance for Franchise Fees and Uncollectibles (FF&U), will be collected via distribution rates and recovered in the Core Fixed Cost Account (CFCA) and the Noncore Distribution Fixed Cost Account (NDFCA). (T)
2. APPLICABILITY: The Premium Subaccount of the CSBA-G shall apply to all customers who sign-up for the voluntary ClimateSmart program or persons who otherwise make ClimateSmart program donations that are recorded in this subaccount. The Administration and Marketing Subaccount shall apply to all customer classes, except those specifically excluded by the Commission. (T)
3. RATES: The gas ClimateSmart charge rate associated with the Premium Subaccount of the CSBA is \$0.06528 per therm, or as otherwise approved by the CPUC. The ClimateSmart Charge rate does not include an allowance for FF&U, which is not applicable, and the rate does not recover the balance in this subaccount. The Administrative and Marketing Subaccount does not have a specific rate component. (T)
4. ACCOUNTING PROCEDURE: The following entries shall be made at the end of each month or as applicable: (T)
 - a. Premium Subaccount
 - i. A credit entry equal to the gas ClimateSmart Charges billed to participating ClimateSmart program customers, net of actual customer accounts written off, as applicable. (T)
 - ii. A credit entry equal to ClimateSmart donations not recorded in 4.a.i; (T)
 - iii. A debit entry to record on a monthly basis a transfer of ClimateSmart Contributions from this subaccount to ClimateSmart Charity, equal to the amount recorded in 4.a.i and 4.a.ii and 4.a.vi; (T)
 - iv. A debit or credit entry, as appropriate, to record the transfer into or out of this subaccount as authorized by the CPUC. (N)
 - v. A debit entry equal to the gas portion of expense for GHG-reduction projects incurred by PG&E for contracts entered into by PG&E and not assigned to the ClimateSmart Charity, as applicable under the Servicing Agreement; and (N)
 - vi. A debit or credit entry, as necessary, equal to the interest on the average of the balance at the beginning of the month and the balance for entries 4.a.i to 4.a.v above at a rate equal to one-twelfth the cost-of-capital rate adopted in PG&E's latest cost-of-capital proceeding. (T)

(Continued)



GAS PRELIMINARY STATEMENT PART BS
CLIMATESMART BALANCING ACCOUNT

Sheet 2

BS. CLIMATESMART BALANCING ACCOUNT – GAS (CSBA-G) (cont'd)

- b. Administration and Marketing Subaccount (L)

 - i. A credit entry equal to one-twelfth of the annual Administrative and Marketing amount authorized by the CPUC, excluding FF&U (see corresponding debit entries in the NDFCA and the Distribution Cost Subaccount of the CFCA). (L)
I (L)
 - ii. A debit entry equal to the allocated gas portion of administration expenses, including CPUC-authorized expenses for the Climate Action Reserve (CAR, the successor organization to the California Climate Action Registry (CCAR)). (L)
(L,T) (L,T)
 - iii. A debit entry equal to the allocated gas portion of marketing expenses. (L)
 - iv. A debit or credit entry, as appropriate, to record the transfer to or from this subaccount as authorized by the CPUC. (L)
(L)
 - v. A debit or credit entry, as necessary, equal to the interest on the average of the balance at the beginning of the month and the balance for entries 4.b.i to 4.b.iv 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. (L)
I
I (L)