



GAS PRELIMINARY STATEMENT PART K
ENHANCED OIL RECOVERY ACCOUNT

Sheet 1

K. ENHANCED OIL RECOVERY ACCOUNT (EORA)

1. **PURPOSE:** The purpose of the EOR balancing account is to record actual EOR revenues for comparison with forecast EOR revenues. The balance in this account shall be incorporated into rates in the next Annual Gas True-up of Balancing Accounts.

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

2. **APPLICABILITY:** The EOR account balance applies to all transportation rate schedules and contracts subject to the jurisdiction of the California Public Utilities Commission (CPUC), except for those schedules and contracts specifically excluded by the CPUC.
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.
4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.
5. **EORA RATES:** EORA 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 maintain this EOR account by making entries to this account at the end of each month as follows:
 - a. A debit entry equal to one-twelfth of the forecasted annual EOR revenue amount used to offset the revenue requirement in the most recent Cost Allocation Proceeding;
 - b. A credit entry equal to 95 percent of EOR transportation revenue. EOR transportation revenue shall equal revenue from EOR customers excluding the following:
 - 1) A floor rate of 1 cent per therm applied to all gas deliveries to EOR customers,
 - 2) Gas procurement revenue,
 - 3) Interutility costs, and
 - 4) Revenue from the rate component designed to amortize the balance in this account;
 - c. A credit entry equal to the revenue from the rate component designed to amortize the balance in this account;
 - d. A debit or credit entry, as appropriate, to transfer the balance or amounts to other regulatory accounts for rate recovery, upon approval by the Commission; and (N)
(N)
 - 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 K.6.a. through K.6.d. 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. (T)