December 10, 2014

Meredith Allen
Senior Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

SUBJECT: Implement Base Revenue Requirements and Tariff Changes Resulting from the 2014 General Rate Case

Dear Ms. Allen:

Advice Letter 4495-E is effective as of January 1, 2014.

Sincerely,

Edward Randolph
Director, Energy Division
September 15, 2014

Advice 4495-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Implement Base Revenue Requirements and Tariff Changes Resulting from the 2014 General Rate Case

Purpose

The purpose of this Tier 1 advice filing is to implement the following changes adopted by the California Public Utilities Commission (Commission or CPUC) in Pacific Gas and Electric Company’s (PG&E) 2014 General Rate Case (GRC) proceeding, pursuant to Ordering Paragraph (OP) 2 of Decision (D.) 14-08-032 (the Decision):

1) Update PG&E’s 2014 electric and gas distribution and electric generation base revenue requirement amounts (Effective January 1, 2014), which are reflected in Attachment 1 in the Rolling Revenue Requirement Report.

2) Tariff Changes-
   a. Retire electric and gas preliminary statements for balancing and memorandum accounts no longer needed (Effective immediately upon this advice filing).
   b. Revise certain electric preliminary statements (Effective January 1, 2014) and remove obsolete information

Background

On November 15, 2012, PG&E filed its 2014 GRC in Application (A.) 12-11-009. In this Application, PG&E proposed generation and distribution base revenue requirements for test year 2014 and attrition years 2015 and 2016. On April 18, 2013, the CPUC issued D.13-04-023 granting PG&E’s request to make its 2014 GRC revenue requirement effective January 1, 2014, including interest covering the period subsequent to
January 1, 2014.\(^1\) On August 14, 2014, the CPUC issued D.14-08-032 adopting GRC base revenue requirements for the 2014-2016 GRC funding cycle.

OP2 of D.14-08-032 requires PG&E to “file a Tier 1 advice letter with revised tariff sheets to implement (i) the revenue requirement authorized…, and (ii) all accounting procedures, fees and charges authorized in this decision that are not addressed in the other advice letters required by the decision. The revised tariff sheets shall (a) become effective on filing, subject to a finding of compliance by the Commission’s Energy Division, comply with General Order 96-B, and (c) apply to service rendered on or after their effective date.”\(^2\)

Additionally, in D.14-08-032 the CPUC adopted the Joint Proposal between PG&E, The Utility Reform Network (TURN) and Marin Energy Authority (MEA, now known as Marin Clean Energy) on the disposition of litigation and claims proceeds received from the Department of Energy (DOE) for the spent fuel storage pickup breach of contract with PG&E for its Diablo Canyon Power Plant (Diablo Canyon) Units 1 and 2, and Humboldt Unit 3 nuclear power plants. The Joint Proposal provides that Diablo Canyon and Humboldt Unit 3 litigation and claims proceeds be credited to customers through generation base rates and nuclear decommissioning rates, respectively, through the Annual Electric True-up (AET) advice letter process.\(^3\)

Specifically, the decision adopted provisions in the Joint Proposal for Procedures for Crediting to Customers the Net Proceeds Recorded in the Department of Energy Litigation Balancing Account, which requires PG&E to return to customers the December 31, 2013, recorded balance to customers equally over the 2014-2016 GRC by transferring specified net proceeds to the Utility Generation Balancing Account (UGBA) and Nuclear Decommissioning Adjustment Mechanism (NDAM) for return to customers.\(^4\) Those provisions also specify how net proceeds received beginning January 1, 2014, will be returned to customers through the UGBA and NDAM.

Finally, in D.14-08-032 the CPUC directed PG&E to record Diablo Canyon Long Term Seismic Program (LTSP) costs to the Diablo Canyon Seismic Studies Balancing Account (DCSSBA) effective January 1, 2014. These costs were previously recovered through PG&E’s GRCs. The 2014 LTSP includes costs to perform a Senior Seismic Hazard Analysis Committee (SSHAC) Level 3 study to develop a probabilistic seismic hazard analysis as required by the March 12, 2012 50.40(f) NRC letter.

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\(^1\) D.13-04-023, OPs 2 and 3.

\(^2\) PG&E will make separate advice letter filings to implement the newly authorized two-way balancing accounts which are addressed in other OPs of D.14-08-032.

\(^3\) D.14-08-032, Appendix F-5, which summarizes the August 6, 2013, Hearing Exhibit No. 330 – Joint Exhibit of PG&E, TURN and MEA addressing Disposition of DOE Litigation Proceeds.

\(^4\) Appendix F-5, D. 14-08-032.
2014 Revenue Requirements

The following 2014 adopted revenue requirements\(^5\) are reflected in the attached Rolling Revenue Requirement Report\(^6\):

- Electric Distribution $3,774.649 million
- Gas Distribution $1,559.047 million
- Electric Generation $1,915.418 million

The electric generation base revenue requirement presented in Appendix C, Table 1, of D.14-08-032 is $1,760.788 million, which reflects adjustments reducing the adopted revenue requirement to be recovered from customers since a portion of the adopted revenue requirement will be funded by overcollections related to the Solar Photovoltaic (PV) Program and DOE litigation proceeds. These adjustments are detailed in Attachment 1, Rolling Revenue Requirement Report.

Tariff Changes

Retirements: The following electric and gas preliminary statements are no longer necessary because these accounts are related to projects that were previously funded separately and that have been subsumed in the adopted 2014 GRC revenue requirement:\(^7\)

- Fuel Cell Project Memorandum Account, Electric Preliminary Statement Part FK\(^8\)
- Cornerstone Improvement Project Balancing Account, Electric Preliminary Statement Part FL\(^9\)
- SmartMeter Project Balancing Account – Electric Preliminary Statement Part EI\(^10\)

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\(^5\) The adopted base revenue requirements are presented in Appendix C, Table 1, of D.14-08-032.
\(^6\) This report includes currently adopted forecast base revenue requirements for the electric distribution, electric generation and gas distribution lines of business.
\(^7\) Any remaining balances in these accounts will be transferred to the appropriate revenue account (Distribution Revenue Adjustment Mechanism (DRAM), Utility-owned Generation Balancing Account (UGBA), Core Fixed Cost Account (CFCA), and Non-core Fixed Cost Account (NFCa)) as currently authorized and trued-up in rates as part of the Annual Electric True-Up and Annual Gas True-up process.
\(^8\) D.14-08-032, Appendix C, Table 1, Footnote (a)
\(^9\) D.14-08-032, Appendix C, Table 1, Footnote (a)
\(^10\) D.14-08-032, OP 20
Revisions: In addition to incorporating changes necessary to implement the Decision, PG&E is updating the preliminary statements to remove obsolete or redundant information, and simplify the structure and organization of the accounting procedures.

**Diablo Canyon Seismic Studies Balancing Account – Electric Preliminary Statement Part FM (DCSSBA)**

- Add the new Long Term Seismic Program sub-account and associated accounting procedures to record these costs.  

- Reorganize the existing accounting procedures for advanced seismic studies and Independent Peer Review Panel (IPRP) so that each cost is recorded in a separate subaccount. Currently, the IPRP costs are recorded to a single subaccount within the DCSSBA.

**Department of Energy Litigation Balancing Account – Electric Preliminary Statement Part DZ (DOELBA)**

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11 D.14-08-032, OP 20  
12 D.14-08-032, Section 3.4.6 – Balancing Account Proposal for DIMP, Page 56 “We decline to approve balancing account treatment for DIMP costs for the 2014 GRC…”  
13 D.14-08-032, OP 20  
14 D.14-08-032, OP 20  
15 D.14-08-032, OP 18  
16 D.14-08-032, OP 18  
17 D.14-08-032, OP 29(a)  
18 PG&E submits these revisions under the provisions of CPUC General Order 96-B, Section 5.1, Matters Appropriate for Advice Letters.
• Reorganize the existing accounting procedures into two new subaccounts that will more clearly describe how PG&E records and tracks how proceeds received from the DOE, net of costs, will be returned to customers. The Utility Generation Net Proceeds Sub-account records and tracks net proceeds to be transferred to the Utility Generation Balancing Account and returned to customers. The Nuclear Decommissioning Net Proceeds Sub-account records and tracks net proceeds to be transferred to the Nuclear Decommissioning Adjustment Mechanism and returned to customers.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than October 6, 2014, which is 21 days\(^\text{19}\) after the date of this filing. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4\(^{th}\) Floor  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Meredith Allen  
Senior Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-7226  
E-mail: PGETariffs@pge.com

\(^{19}\) The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.
Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

**Effective Date**

PG&E requests that this Tier 1 advice filing become effective on January 1, 2014, pursuant to D.13-04-023 and D.14-08-032.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A.12-11-009. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission’s Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs/.

Meredith Allen / KHC

Senior Director, Regulatory Relations

Attachments

cc: Service List A.12-11-009
**Company name/CPUC Utility No.** Pacific Gas and Electric Company (ID U39 E)

<table>
<thead>
<tr>
<th>Utility type:</th>
<th>Contact Person: Kingsley Cheng</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑ ELC</td>
<td>Phone #: (415) 973-5265</td>
</tr>
<tr>
<td>☐ GAS</td>
<td>E-mail: <a href="mailto:k2c0@pge.com">k2c0@pge.com</a> and <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
</tr>
<tr>
<td>☐ PLC</td>
<td></td>
</tr>
<tr>
<td>☐ HEAT</td>
<td></td>
</tr>
<tr>
<td>☐ WATER</td>
<td></td>
</tr>
</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

ELC = Electric   GAS = Gas   PLC = Pipeline   HEAT = Heat   WATER = Water

**Advice Letter (AL) #:** 4495-E

**Subject of AL:** Implement Base Revenue Requirements and Tariff Changes Resulting from the 2014 General Rate Case

**Keywords (choose from CPUC listing):** Compliance, Balancing Account, GRC / General Rate Case

**AL filing type:** ☑ One-Time  ☐ Monthly  ☐ Quarterly  ☐ Annual  ☐ Other _____________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.14-08-032

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: ______________________

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: __________________________________________________________________________________________________

Resolution Required? ☐ Yes ☑ No

Requested effective date: January 1, 2014  No. of tariff sheets: 8

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Electric Preliminary Statement Part DZ and Electric Preliminary Statement Part FM.

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 21 days¹ after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

<table>
<thead>
<tr>
<th>California Public Utilities Commission</th>
<th>Pacific Gas and Electric Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Division</td>
<td>Attn: Meredith Allen</td>
</tr>
<tr>
<td>EDTariffUnit</td>
<td>Senior Director, Regulatory Relations</td>
</tr>
<tr>
<td>505 Van Ness Ave., 4th Flr.</td>
<td>77 Beale Street, Mail Code B10C</td>
</tr>
<tr>
<td>San Francisco, CA 94102</td>
<td>P.O. Box 770000</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:EDTariffUnit@cpuc.ca.gov">EDTariffUnit@cpuc.ca.gov</a></td>
<td>San Francisco, CA 94177</td>
</tr>
<tr>
<td></td>
<td>E-mail: <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
</tr>
</tbody>
</table>

¹ The 20-day protest period concludes on a weekend. PG&E is hereby moving this date to the following business day.
### Rolling Revenue Requirements
From 2014 GRC through 2016
in thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Electric Distribution</th>
<th>Electric Generation</th>
<th>Gas Distribution</th>
<th>Total</th>
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<td>2014 Adopted GRC RRQ</td>
<td>3,862,187</td>
<td>1,778,734</td>
<td>1,584,276</td>
<td>7,225,197</td>
</tr>
<tr>
<td>less: Other Operating Revenue</td>
<td>74,537</td>
<td>17,940</td>
<td>25,228</td>
<td>117,705</td>
</tr>
<tr>
<td>less: FERC jurisdictional amount</td>
<td>13,002</td>
<td>6</td>
<td>0</td>
<td>13,008</td>
</tr>
<tr>
<td>Rounding</td>
<td>(1)</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

| 2014 Base Revenue Amount (Eff. 1/1/14) | 3,774,649 | 1,760,788 | 1,559,047 | 7,094,484 |

- Removed Forecasted Savings Credits included in the Adopted GRC Revenue Requirement:
  - Solar PV Program Savings (2011-2013): 31,000
  - DOE Litigation Funds, net of costs: 121,821
  - Associated FF&U: 1,809

| 2014 Base Revenue Amount excl Credits (Eff. 1/1/14) | 3,774,649 | 1,915,418 | 1,559,047 | 7,249,114 |

- 2014 Pension: 85,684
- 2014 Smart Grid Pilot Deployment Projects: 577

| 2014 Base Revenue Amount (Eff. 1/1/14) | 3,860,910 | 1,964,272 | 1,605,062 | 7,430,244 |

- Hercules Municipal Utility Assets - NBV: 1,131

| 2014 Base Revenue Amount (Eff. 4/10/14) | 3,862,041 | 1,964,272 | 1,605,062 | 7,431,375 |

- 2013 Solar PV Program - 10 West Gates MWs: 7,480

| 2014 Base Revenue Amount (Eff. 6/6/14) | 3,862,041 | 1,971,752 | 1,605,062 | 7,438,855 |

- 2013 Solar PV Program - 20 Gates MWs: 14,960

| 2014 Base Revenue Amount (Eff. 6/7/14) | 3,862,041 | 1,986,712 | 1,605,062 | 7,433,815 |

- 2012 Solar PV Program - Cantua 20 MWs: 14,560

| 2014 Base Revenue Amount (Eff. 6/26/14) | 3,862,041 | 2,015,832 | 1,605,062 | 7,482,935 |

- 2012 Solar PV Program - Huron 20 MWs: 14,560

| 2014 Base Revenue Amount (Eff. 6/28/14) | 3,862,041 | 2,015,832 | 1,605,062 | 7,468,375 |

- 2012 Solar PV Program - Giffen 10 MWs: 7,280

| 2014 Base Revenue Amount (Eff. 7/2/14) | 3,862,041 | 2,023,112 | 1,605,062 | 7,490,215 |

- 2013 Solar PV Program - 20 Guernsey MWs: 14,960

| 2014 Base Revenue Amount (Eff. 7/31/14) | 3,862,041 | 2,038,072 | 1,605,062 | 7,505,175 |

- 2011 Solar PV Program - Westside 15 MWs: 10,875

| 2014 Base Revenue Amount (Eff. 8/31/14) | 3,862,041 | 2,048,947 | 1,605,062 | 7,516,050 |

- 2011 Solar PV Program - Five Points 15 MWs: 10,875

| 2014 Base Revenue Amount (Eff. 9/24/14) | 3,862,041 | 2,059,822 | 1,605,062 | 7,526,925 |

- 2011 Solar PV Program - 20 Stroud MWs: 14,500

| 2014 Base Revenue Amount (Eff. 9/26/14) | 3,862,041 | 2,074,322 | 1,605,062 | 7,541,425 |

*Actual savings credits will be transferred to the Utility Generation Balancing Account and refunded to customers as part of the Annual Electric True-up advice filing process.*
<table>
<thead>
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<th>Cal P.U.C. Sheet No.</th>
<th>Title of Sheet</th>
<th>P.U.C. Sheet No.</th>
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<td>34367-E</td>
<td>ELECTRIC PRELIMINARY STATEMENT PART DZ</td>
<td>23994-E*</td>
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<td>DEPARTMENT OF ENERGY LITIGATION BALANCING ACCOUNT</td>
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<td>ELECTRIC PRELIMINARY STATEMENT PART FM</td>
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<td>DIABLO CANYON SEISMIC STUDIES BALANCING ACCOUNT (DCSSBA)</td>
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<td>PRELIMINARY STATEMENT</td>
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<td>Sheet 15</td>
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<td>PRELIMINARY STATEMENT</td>
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<td>Sheet 16</td>
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<td>34359-E</td>
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<tr>
<td></td>
<td>PRELIMINARY STATEMENT</td>
<td></td>
</tr>
</tbody>
</table>
ELECTRIC PRELIMINARY STATEMENT PART DZ
DEPARTMENT OF ENERGY LITIGATION BALANCING ACCOUNT

DZ. DEPARTMENT OF ENERGY LITIGATION BALANCING ACCOUNT (DOELBA)

1. PURPOSE: The purpose of the DOELBA is to track, record and provide for the crediting to customers of any proceeds, net of costs, from PG&E’s lawsuit against the Department of Energy (DOE) filed in the Federal Court of Claims on January 22, 2004, regarding the DOE’s breach of spent fuel contracts and any additional claims for reimbursement that PG&E may have against DOE arising out of or related to spent fuel contracts. This account ensures the proper crediting and allocation of proceeds and costs for the benefit of customers as determined by the Commission between the Diablo Canyon and Humboldt Bay nuclear power plants. The DOELBA will expire after litigation is completed, proceeds have been received, and the Commission has authorized disposition of the balance.

2. APPLICABILITY: The DOELBA balances shall be credited to rates upon successful resolution of the DOE litigation and collection and receipt of proceeds. If PG&E’s efforts in the DOE litigation are unsuccessful, the costs recorded to the DOELBA shall be recovered in rates at the time the litigation is completed.

3. REVISION DATE: Disposition of the balance in the account shall be determined by a Commission decision.

4. DOELBA RATES: This account does not have a rate component.

5. ACCOUNTING PROCEDURES: The DOELBA has two sub-accounts:
   
   Utility Generation Sub-account
   
   The Utility Generation sub-account records DOE litigation proceeds and incremental litigation costs allocated to generation customers. The balance in this sub-account will be transferred to the Utility Generation Balancing Account (UGBA).

   Nuclear Decommissioning Sub-account
   
   The Nuclear Decommissioning sub-account records DOE litigation proceeds and incremental litigation costs allocated to nuclear decommissioning customers. The balance in this sub-account will be transferred to the Nuclear Decommissioning Adjustment Mechanism (NDAM).

   DOE Litigation and Claims Proceeds: DOE litigation and claims proceeds received through December 31, 2013 were addressed in the 2014 GRC D.14-08-032. Claims Proceeds received during the period 2014-2016 are allocated as 72% to Utility Generation and 28% to Nuclear Decommissioning.

   DOE Incremental Litigation Costs: These are costs incurred or paid by PG&E on or after January 22, 2004, in connection with the DOE litigation. Incremental litigation costs shall include the costs PG&E incurs for outside counsel, expert witnesses, document and discovery services, and other charges to PG&E specifically associated with work done by outside counsel for PG&E on PG&E’s lawsuit against DOE filed in the Federal Court of Claims on January 22, 2004. The costs of PG&E’s Law Department directing the litigation shall not be recorded in the DOE Costs Sub-Account. Costs associated with the utility generation are allocated to UGBA customers, and costs associated with the nuclear decommissioning are allocated to NDAM customers.

(Continued)
### ELECTRIC PRELIMINARY STATEMENT PART DZ
DEPARTMENT OF ENERGY LITIGATION BALANCING ACCOUNT

#### 5. ACCOUNTING PROCEDURES (Cont'd)

<table>
<thead>
<tr>
<th>A) Utility Generation Sub-account</th>
</tr>
</thead>
<tbody>
<tr>
<td>PG&amp;E shall make entries at the end of each month as applicable, as follows:</td>
</tr>
<tr>
<td>1. A credit entry equal to the DOE utility generation litigation proceeds.</td>
</tr>
<tr>
<td>2. A credit entry equal to the DOE utility generation litigation costs.</td>
</tr>
<tr>
<td>3. A debit or credit entry to transfer the balance to or from any other accounts as approved by the Commission, and</td>
</tr>
<tr>
<td>4. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, 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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B) Nuclear Decommissioning Sub-account</th>
</tr>
</thead>
<tbody>
<tr>
<td>PG&amp;E shall make entries at the end of each month as applicable, as follows:</td>
</tr>
<tr>
<td>1. A credit entry equal to the DOE nuclear decommissioning litigation proceeds.</td>
</tr>
<tr>
<td>2. A credit entry equal to the DOE nuclear decommissioning litigation costs.</td>
</tr>
<tr>
<td>3. A debit or credit entry to transfer the balance to or from any other accounts as approved by the Commission, and</td>
</tr>
<tr>
<td>4. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, 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.</td>
</tr>
</tbody>
</table>
1. PURPOSE: The purpose of the DCSSBA is to record and track actual costs associated with:
   (a) Conducting additional seismic studies, the Independent Peer Review Panel (IPRP) process, and other related activities to implement the California Energy Commission (CEC) Assembly Bill (AB) 1632 Report recommendations, as set forth in Application 10-01-014 and approved by the California Public Utilities Commission (CPUC) in Decisions 10-08-003 and 12-09-008; and,
   (b) Implementing and managing the Long Term Seismic Program (LTSP). In Decision 14-08-032, the CPUC directed PG&E to record and LTSP costs to the DCSSBA effective January 1, 2014. These costs were previously recovered through PG&E’s General Rate Cases. The 2014 LTSP includes costs to perform a Senior Seismic Hazard Analysis Committee (SSHAC) Level 3 study to develop a probabilistic seismic hazard analysis as required by the March 12, 2012 50.40(f) NRC letter.

2. APPLICABILITY: The DCSSBA shall apply to all electric customers except for those specifically excluded by the Commission.

3. REVISION DATE: Disposition of the balance in the account shall be through annual Energy Resources Recovery Account (ERRA) Compliance Review proceeding, or its successor, or through another proceeding as authorized by the Commission.

4. RATES: The DCSSBA does not have a separate rate component.

5. ACCOUNTING PROCEDURE: The DCSSBA is comprised of three sub-accounts:

   (a) Advanced Seismic Studies Sub-Account
       PG&E shall make entries at the end of each month, as applicable, as follows:
       1. A debit entry equal to any costs associated with conducting additional seismic studies and other related activities.
       2. A credit entry equal to the debit to UGBA based on the forecast of expenses adopted in D.10-08-003 (one twelfth of $2.63 million for 2011 and $11.78 million for 2012).

(Continued)
FM. DIABLO CANYON SEISMIC STUDIES BALANCING ACCOUNT (DCSSBA) (Cont’d.)

5. ACCOUNTING PROCEDURE (Cont’d)

(a) Advanced Seismic Studies Sub-Account (Cont’d)

3. A debit or credit entry equal to interest on the average balance in the DCSSBA at the beginning of the month and the balance at the end of the month, at a rate equal to one-twelfth the interest rate on a three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

4. A debit or credit entry to transfer the balance to the UGBA, grossed up for franchise fees and uncollectibles, or another mechanism, as authorized by the Commission.

(b) IPRP Sub-Account

PG&E shall make entries at the end of each month, as applicable, as follows:

1. A debit entry equal to costs incurred to comply with the CPUC IPRP process.

2. A debit entry equal to interest on the average balance in the account at the beginning of the month and the balance at the end of the month, at a rate equal to one-twelfth the interest rate on a three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

3. A credit entry to transfer the balance to the UGBA, grossed up for franchise fees and uncollectibles, or another mechanism, as authorized by the Commission.

(c) LTSP Sub-Account

PG&E shall make entries at the end of each month, as applicable, as follows:

1. A debit entry equal to costs incurred by PG&E to implement and manage the LTSP.

2. A debit entry equal to interest on the average balance in the account at the beginning of the month and the balance at the end of the month, at a rate equal to one-twelfth the interest rate on a three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

3. A credit entry to transfer the balance to the UGBA, grossed up for franchise fees and uncollectibles, or another mechanism, as authorized by the Commission.
### ELECTRIC TABLE OF CONTENTS

Sheet 1

#### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>SCHEDULE</th>
<th>TITLE OF SHEET</th>
<th>CAL P.U.C. SHEET NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title Page</td>
<td>...........................................................</td>
<td>34371-E</td>
</tr>
<tr>
<td>Rate Schedules</td>
<td>...........................................................</td>
<td>33833,33834,34275,34349,34276,34277,32705,31541,34278-E</td>
</tr>
<tr>
<td>Preliminary Statements</td>
<td>...........................................................</td>
<td>33840,32706,30376,34343,34372,34373,34374,34344-E</td>
</tr>
<tr>
<td>Rules</td>
<td>...........................................................</td>
<td>34360,34361,34339-E</td>
</tr>
<tr>
<td>Maps, Contracts and Deviations</td>
<td>...........................................................</td>
<td>33253-E</td>
</tr>
<tr>
<td>Sample Forms</td>
<td>...........................................................</td>
<td>32777,32429,32726,33726,32504,33654,33209,32506,34256,32437,32508,32439-E</td>
</tr>
</tbody>
</table>

(Continued)
### ELECTRIC TABLE OF CONTENTS

#### PRELIMINARY STATEMENT

**Part** | **Title of Sheet** | **CAL P.U.C. Sheet No.**
---|---|---
Part DA | Public Purpose Program Revenue Adjustment Mechanism | 30836-E
Part DB | Nuclear Decommissioning Adjustment Mechanism (NDAM) | 30172-E
Part DE | Headroom Account (HA) | 21122-E
Part DG | DWR Power Charge Balancing Account | 29736, 29737-E
Part DI | Procurement Energy Efficiency Balancing Account (PEEBA) | 30837, 30838-E
Part DN | Municipal Surcharge on Department of Water Resources Sales (DWR Franchise Fees and Uncollectibles) | 26441-E
Part DT | Energy Recovery Bond Balancing Account (ERBBA) | 32510, 22876, 23404-E
Part DU | Community Choice Aggregation Implementation Costs Balancing Account (CCAICBA) | 23066-E
Part DX | Family Electric Rate Assistance Balancing Account (FERABA) | 26859-E
Part DZ | Department of Energy Litigation Balancing Account | 34367, 34368-E (T)

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Advice Letter No: 4495-E
Decision No: 14-08-032
Issued by Brian K. Cherry
Vice President Regulatory Relations
Date Filed September 15, 2014
Effective January 1, 2014
Resolution No: 15H9
## ELECTRIC TABLE OF CONTENTS

### PRELIMINARY STATEMENT

#### PART

<table>
<thead>
<tr>
<th>TITLE OF SHEET</th>
<th>CAL P.U.C. SHEET NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Statements (Cont’d)</td>
<td></td>
</tr>
<tr>
<td>Part EC Demand Response Expenditures Balancing Account (DREBA)</td>
<td>28614-28616-E</td>
</tr>
<tr>
<td>Part EF Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM)</td>
<td>30839-E</td>
</tr>
<tr>
<td>Part EH Negative Indifference Amount Memorandum Account (NIAMA)</td>
<td>25088-E</td>
</tr>
<tr>
<td>Part EJ Pension Contribution Balancing Account</td>
<td>26297,25228-E</td>
</tr>
<tr>
<td>Part EK Land Conservation Plan Implementation Account (LCPIA)</td>
<td>26324-E</td>
</tr>
<tr>
<td>Part EL Renewables Portfolio Standard Cost Memorandum Account</td>
<td>33890,33891-E</td>
</tr>
<tr>
<td>Part EM ClimateSmart Balancing Account</td>
<td>31645-E</td>
</tr>
<tr>
<td>Part EO California Solar Initiative Balancing Account</td>
<td>26211-26213-E</td>
</tr>
<tr>
<td>Part EP Market Redesign and Technology Upgrade Memorandum Account</td>
<td>27623, 27624-E</td>
</tr>
<tr>
<td>Part ET Non-Tariffed Products and Services Balancing Account</td>
<td>26730-E</td>
</tr>
<tr>
<td>Part EW Long-Term Procurement Plan Technical Assistance Memorandum Account</td>
<td>27311-E</td>
</tr>
<tr>
<td>Part EX Dynamic Pricing Memorandum Account</td>
<td>27667-27669-E</td>
</tr>
<tr>
<td>Part EZ Land Conservation Plan Environmental Remediation Memorandum Account</td>
<td>27881-E</td>
</tr>
</tbody>
</table>
## Preliminary Statements (Cont'd)

### Part FB
- **Title of Sheet:** Fire Hazard Prevention Memorandum Account
- **CAL P.U.C. Sheet No.:** 32781-E

### Part FD
- **Title of Sheet:** Smart Grid Project Memorandum Account
- **CAL P.U.C. Sheet No.:** 28944, 28945-E

### Part FE
- **Title of Sheet:** On-Bill Financing Balancing Account (OBFBA)
- **CAL P.U.C. Sheet No.:** 30840-E

### Part FG
- **Title of Sheet:** CARE/TANF Balancing Account
- **CAL P.U.C. Sheet No.:** 28950-E

### Part FI
- **Title of Sheet:** Operations and Maintenance Contingency Balancing Account
- **CAL P.U.C. Sheet No.:** 30655-E

### Part FJ
- **Title of Sheet:** Photovoltaic Program Memorandum Account
- **CAL P.U.C. Sheet No.:** 29513-E

### Part FM
- **Title of Sheet:** Diablo Canyon Seismic Studies Balancing Account
- **CAL P.U.C. Sheet No.:** 34369, 34370-E

### Part FO
- **Title of Sheet:** AB32 Cost of Implementation Fee Memorandum Account – Electric
- **CAL P.U.C. Sheet No.:** 28120-E

### Part FR
- **Title of Sheet:** Tax Act Memorandum Account – Electric
- **CAL P.U.C. Sheet No.:** 32459, 32460-E

### Part FS
- **Title of Sheet:** New System Generation Balancing Account
- **CAL P.U.C. Sheet No.:** 32211, 32212-E

### Part FT
- **Title of Sheet:** Low Income 2012 Memorandum Account (LIMA)
- **CAL P.U.C. Sheet No.:** 30721, 30722-E

### Part FU
- **Title of Sheet:** Electric Program Investment Charge Revenue Adjustment Mechanism Balancing Account
- **CAL P.U.C. Sheet No.:** 31670-E

### Part FV
- **Title of Sheet:** Agricultural Account Aggregation Study Memorandum Account (AAASMA)
- **CAL P.U.C. Sheet No.:** 33668-E

### Part FW
- **Title of Sheet:** SmartMeter™ Opt-Out Memorandum Account - Electric (SOMA-E)
- **CAL P.U.C. Sheet No.:** 31312-31314-E

### Part FX
- **Title of Sheet:** Revised Customer Energy Statement Balancing Account – Electric (RCESBA-E)
- **CAL P.U.C. Sheet No.:** 31472-E

### Part FY
- **Title of Sheet:** Electric Program Investment Charge (EPIC) Balancing Account
- **CAL P.U.C. Sheet No.:** 31671, 31672-E

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**Advice Letter No:** 4495-E  
**Decision No:** 14-08-032  
**Issued by:** Brian K. Cherry  
**Date Filed:** September 15, 2014  
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**Vice President:** Regulatory Relations
AT&T  
Alcantar & Kahl LLP  
Anderson & Poole  
BART  
Barkovich & Yap, Inc.  
Bartle Wells Associates  
Braun Blasing McLaughlin, P.C.  
CENERGY POWER  
California Cotton Ginners & Growers Assn  
California Energy Commission  
California Public Utilities Commission  
California State Association of Counties  
Calpine  
Casner, Steve  
Center for Biological Diversity  
City of Palo Alto  
City of San Jose  
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Coast Economic Consulting  
Commercial Energy  
Cool Earth Solar, Inc.  
County of Tehama - Department of Public Works  
Crossborder Energy  
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Goodin, MacBride, Squeri, Schlotz & Ritchie  
Green Power Institute  
Hanna & Morton  
In House Energy  
International Power Technology  
Intestate Gas Services, Inc.  
K&L Gates LLP  
Kelly Group  
Linde  
Los Angeles County Integrated Waste Management Task Force  
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McKenna Long & Aldridge LLP  
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Modesto Irrigation District  
Morgan Stanley  
NLine Energy, Inc.  
NRG Solar  
Nexant, Inc.  
North America Power Partners  
Occidental Energy Marketing, Inc.  
OnGrid Solar  
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Praxair  
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SCD Energy Solutions  
SCE  
SDG&E and SoCalGas  
SPURR  
San Francisco Public Utilities Commission  
Seattle City Light  
Sempra Utilities  
SoCalGas  
Southern California Edison Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Tecogen, Inc.  
Tiger Natural Gas, Inc.  
TransCanada  
Utility Cost Management  
Utility Power Solutions  
Utility Specialists  
Verizon  
Water and Energy Consulting  
Wellhead Electric Company  
Western Manufactured Housing Communities Association (WMA)