PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

February 8, 2019

Advice Letter 5461-E-A

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

SUBJECT: Implementation of SB1090 Diablo Canyon Power Plant.

Dear Mr. Jacobson:

Advice Letter 5461-E-A is effective as of January 1, 2019.

Sincerely,

Edward Randolph
Director, Energy Division

Pacific Gas and Electric Company

Erik Jacobson
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-3582

January 14, 2019

Advice 5461-E-A
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Supplemental: Implementation of SB1090 Diablo Canyon Power Plant

Purpose

Pursuant to Senate Bill 1090 (SB1090), Pacific Gas and Electric Company (PG&E) hereby submits this Advice Letter to seek approval from the California Public Utilities Commission (Commission or CPUC) of funding for the Employee Retention Program and Community Impact Mitigation Program as originally proposed in Application A.16-08-006. This supplemental advice letter replaces the original advice letter 5461-E in its entirety.

Background

In August 2016, PG&E submitted Application A.16-08-006 (Application) to the Commission. The Application included funding for the Employee Retention Program at Diablo Canyon Power Plant (DCPP) to ensure qualified employees were retained at DCPP up to closure of Units 1 and 2 in 2024 and 2025. In the Application, PG&E requested funding for the Employee Retention Program to annually pay each eligible employee 25% of the employee's base salary during a two tier period (tier 1: 9/1/2016 to 8/31/20; tier 2: 9/1/20 to 8/31/23), up to a forecasted cost of $352.1 million. The Application also included funding for a Community Impacts Mitigation Program (CIMP) with a requested funding level of $49.5 million. In December 2016 the Application was supplemented with the CIMP Settlement Agreement[1] which increased funding for the Community Impacts Mitigation Program to $85 million, consisting of a $75 million

[1] PG&E filed a joint motion for approval of a settlement on community impacts on December 28, 2016 with the County of San Luis Obispo, the Cities of Arroyo Grande, Atascadero, Morro Bay, Paso Robles, Pismo Beach, San Luis Obispo, the San Luis Coastal Unified School District, Friends of the Earth, Natural Resources Defense Council, Environment California, IBEW 1245, California Coalition of Utility Employees and the Alliance for Nuclear Responsibility ("CIMP Settlement Agreement"). The CIMP Settlement Agreement is referenced in Public Utilities Code Section 712.7(a)(1). D.18-01-022, pp. 31-32.

Essential Services Mitigation Fund (ESMF) that would be distributed to the County[2] and a $10 million Economic Development Fund (EDF), which would be distributed to the County and six local cities.

In January 2018, the Commission issued decision D.18-01-022 (Decision) which funded the Employee Retention Program up to $211.3M and at a reduced level equal to 15% of an employee's base salary. Based upon the specific facts presented and in the absence of legislative authorization, the Decision did not approve funding for the CIMP Settlement Agreement.

On September 19, 2018 Governor Brown signed Senate Bill 1090 into law which among other additions to the Public Utilities Code (PUC) adds PUC Section 712.7 as follows:

712.7 (a) The commission shall approve both of the following:
(1) The full funding for the community impact mitigation settlement proposed in Application 16-08-006.

(2) The full funding for the employee retention program proposed in Application 16-08-006.

(b) The commission shall ensure that integrated resource plans are designed to avoid any increase in emissions of greenhouse gases as a result of the retirement of the Diablo Canyon Units 1 and 2 powerplant.[3]

(c) The commission shall establish an expedited advice letter process for the approval and implementation pursuant to subdivision (a) of the community impact mitigation settlement and the employee retention program.

On November 29, 2018 the Commission issued Decision D.18-11-024 implementing Senate Bill1090 which includes the following directives:

(1) PG&E is authorized to collect $85M in rates to fund the CIMP and the costs of the CIMP should be recovered through the ND NBC[4]

(2) PG&E is authorized to collect up to an additional $140.8M in rates in addition to the $211.3M authorized in D.18-01-022, for a total of up to $352.1M for its employee

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[2] The $75 million ESMF includes $10 million dedicated to an educational foundation designated by the School District.D.18-01-022, p. 32. Under the Settlement Agreement, the County will cause $2 million of the District's share from each of the first 5 installment payments to be deposited to the account of the District's Educational Foundation. (Settlement Agreement, Attachment A to Appendix 1.)

[3] This Advice Letter does not propose to implement Public Utilities Code Section 712.7(b). Presumably, that provision of law will be addressed in the Integrated Resource Plan proceeding.

[4] D.18-11-024 page 9 and O.P. 1

retention program.[5] The ratemaking treatment approved in D.18-01-022 remains unchanged.[6]

(3) PG&E may file a tier 1 advice letter after January 1, 2019, to implement the rate increases authorized in this decision.[7]

Cost Recovery for the Community Impacts Mitigation and Employee Retention Programs

In the Application PG&E requested recovery of costs associated with the Employee Retention Program over a seven-year period starting January 1, 2018 and ending December 31, 2024 to be recovered through the Nuclear Decommissioning Adjustment Mechanism (NDAM).[8] The Decision authorized PG&E to establish a two-way expense-only balancing account (or sub-account) for the Employee Retention Program and determined that these costs should be recovered through generation rates for Diablo Canyon Power Plant. Accordingly, D.18-10-019 the decision modifying the power charge indifference adjustment methodology, states that including the costs of pre-2002 Legacy UOG within the PCIA is consistent with AB117 and SB350.[9]

The purpose of the Employee Retention Subaccount is to track Employee Retention Program expenses incurred compared to the authorized expenses for the Employee Retention Program. PG&E submitted advice letter (AL)-5268-E on April 4, 2018 to establish the Diablo Canyon Retirement Balancing Account (DCRBA) effective January 1, 2018. The DCRBA includes the subaccount Employee Retention Program Subaccount. Actual costs will be recorded in the DCRBA, and a true up between actual revenues collected and actual costs including RF&U will occur at the end of 2024 in the UGBA and will be consolidated with other electric rate changes as part of the Annual Electric True-up (AET) process.

In the motion for approval of the CIMP Settlement Agreement, PG&E requested recovery of costs associated with the Essential Services Mitigation Fund (ESMF) portion of the Community Impacts Mitigation Program ($75 million) over an eight-year period from January 1, 2018 to December 31, 2025 to be recovered through the NDAM. Recovery would have been through an annual expense only revenue requirement of $9.5 million from January 1, 2018 through December 31, 2025, to be recovered as part of the Annual Electric True-Up (AET) advice letter through the Nuclear Decommissioning Non Bypassable Charge (ND NBC). Tracking of the actual revenues, including Revenue Fees

[5] D.18-11-024 O.P. 2

[6] D.18-11-024 pp 8. In D.18-01-022 pp. 25-26, the Commission determined that the employee retention program costs should be recovered through generation rates

[7] D.18-11-024 O.P. 3

[8] In D.18-01-022, the Commission rejected recovery of the reduced level of employee retention costs through the NDAM and instead determined that these costs should be recovered through generation rates for Diablo Canyon Power Plant. D.18-01-022, pp. 25-26.

[9] D.18-10-019 Conclusion of Law 12

and Uncollectibles (RF&U), collected through the ND NBC rate component would occur through the NDAM.

In the motion for approval of the CIMP Settlement Agreement, PG&E requested recovery of costs associated with the Economic Development Fund (EDF) portion of the CIMP ($10 million) as a one-time expense. As with the ESMF recovery, the EDF payment would be recovered as part of the AET advice letter through the ND NBC. Tracking of the actual revenues, including RF&U, collected through the ND NBC rate component would occur through the NDAM.

Revenue Requirement for the Community Impacts Mitigation and Employee Retention Programs

The annual revenues that are needed ("Revenue requirement" or "RRQ") from customers to recover the costs of the CIMP Settlement Agreement and Employee Retention Program are based on traditional cost-of-service ratemaking methods, which are consistent with the methods that PG&E uses in its GRC applications, including its most recent 2020 GRC Application 18-12-009. The final RRQ numbers include a small adjustment to include RF&U. See Table 1 below.

Table 1--Revenue Requirement Calculations ($ Millions)

Program	2019	2020	2021	2022	2023	2024	2025	Total	Total (with RF&U)	Recovery
Employee Retention:	70.39*	50.29	50.29	50.29	50.29	50.29		321.84		
RF&U	0.80	0.57	0.57	0.57	0.57	0.57				
Retention Costs Total	**71.19**	**50.86**	**50.86**	**50.86**	**50.86**	**50.86**			**325.49****	**UGBA**
CIMP:										
ESMF	18.75*	9.375	9.375	9.375	9.375	9.375	9.375	75.00		
RF&U	0.21	0.106	0.106	0.106	0.106	0.106	0.106			
ESMF Total	18.96	9.480	9.480	9.480	9.480	9.480	9.480		75.846	
EDF	10.00							10.00		
RF&U	0.11									
EDF Total	10.11								10.11	
CIMP Total	**29.07**	**9.480**	**9.480**	**9.480**	**9.480**	**9.480**	**9.480**		**85.96**	**NDAM**

*includes difference between RRQ authorized by D.18-01-022 and D.18-11-024
**$30.5 million collected in UGBA in 2018

Tariff Revisions

The revised Preliminary Statements for the NDAM and DRCBA are attached to reflect the changes instituted by SB1090.

Rate Impacts

This submittal will increase the revenues collected through the ND NBC rate component associated with the CIMP, and will increase the revenues collected through the generation rate component associated with the employee retention program.

Protests

PG&E asks that the Commission, pursuant to GO 96-B, General Rule 7.5.1, maintain the original protest and comment period designated in Advice 5461-E, which is January 23, 2019.

Effective Date

Pursuant to D.18-11-024, PG&E is submitting this as a Tier 1 advice submittal and requests that it be disposed effective January 1, 2019.

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 on the service list for A.16-08-006. 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 submittals can also be accessed electronically at: http://www.pge.com/tariffs/.

/S/

Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Service List A.16-08-006

California Public Utilities Commission

ADVICE LETTER SUMMARY

ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39E)

Utility type:

- ☑ ELC
- ☐ GAS
- ☐ WATER
- ☐ PLC
- ☐ HEAT

Contact Person: Yvonne Yang
Phone #: (415)973-2094
E-mail: PGETariffs@pge.com
E-mail Disposition Notice to: Yvonne.Yang@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5461-E-A

Tier Designation: 1

Subject of AL: Supplemental: Implementation of SB1090 Diablo Canyon Power Plant

Keywords (choose from CPUC listing): Compliance

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:
D.18-11-024 and D.18-01-022

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:

Confidential treatment requested? ☐ Yes ☑ No

If yes, specification of confidential information:
Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution required? ☐ Yes ☑ No

Requested effective date: 1/1/19

No. of tariff sheets: 5

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 DB - Nuclear Decommissioning Adjustment Mechanism and Electric Preliminary Statement Part HK - Diablo Canyon Retirement Balancing Account

Service affected and changes proposed[1]: N/A

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

[1]Discuss in AL if more space is needed.

Clear Form

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Avenue San Francisco, CA 94102 Email: EDTariffUnit@cpuc.ca.gov	Name: Erik Jacobson, c/o Megan Lawson Title: Director, Regulatory Relations Utility Name: Pacific Gas and Electric Company Address: 77 Beale Street, Mail Code B13U City: San Francisco, CA 94177 State: California Zip: 94177 Telephone (xxx) xxx-xxxx: (415)973-2093 Facsimile (xxx) xxx-xxxx: (415)973-3582 Email: PGETariffs@pge.com
	Name: Title: Utility Name: Address: City: State: District of Columbia Zip: Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx: Email:

Clear Form

Attachment 1
Advice 5461-E-A

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
43667-E	ELECTRIC PRELIMINARY STATEMENT PART DB NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM Sheet 1	42160-E
43668-E	ELECTRIC PRELIMINARY STATEMENT PART HK DIABLO CANYON RETIREMENT BALANCING ACCOUNT (DCRBA) Sheet 2	42162-E
43669-E	ELECTRIC TABLE OF CONTENTS Sheet 1	43659-E
43670-E	ELECTRIC TABLE OF CONTENTS Sheet 14	40589-E
43671-E	ELECTRIC TABLE OF CONTENTS Sheet 17	43660-E

ELECTRIC PRELIMINARY STATEMENT PART DB Sheet 1
NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM

DB. NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM (NDAM)

1. PURPOSE: The purpose of the NDAM is to record the authorized Diablo Canyon Nuclear Power Plant (Diablo Canyon) and Humboldt Power Plant Nuclear Unit 3 (Humboldt) nuclear decommissioning revenue requirements and Humboldt SAFSTOR operating and maintenance (O&M) revenue requirements, and to provide full recovery of those costs. The NDAM also recovers the actual costs incurred up to $400,000 to satisfy the requirements of California Senate Bill 968 and Public Utilities Code Section 712.5 Section 3.

2. APPLICABILITY: The NDAM balance shall apply to all customer bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.

3. REVISION DATE: Disposition of the balance in this account shall be determined through the advice letter process.

4. RATES: The NDAM rates are included in the effective rates set forth in each rate schedule as a separate non-bypassable charge.

5. ACCOUNTING PROCEDURES: The following entries shall be made each month:

   a. A debit entry equal to the annual authorized nuclear decommissioning and Humboldt SAFSTOR O&M revenue requirements divided by twelve.

   b. A debit entry equal to the costs incurred for an independent third-party to conduct an assessment of the closure of the Diablo Canyon Nuclear Plant required by SB 968 and PU Code Section 712.5 Section 3.

   c. A debit entry equal to PG&E's share of recorded amounts paid to the independent panel for its report on nuclear decommissioning issue as authorized in D.10-07-047, or any other amounts upon subsequent approval by the CPUC.

   d. A debit entry equal to one-twelfth of the annual authorized Employee Retraining Program budget for Diablo Canyon Power Plant Employees, including Revenue, Fees & Uncollectibles expense (RF&U) (see corresponding entry in the Employee Retraining Subaccount of the Diablo Canyon Retirement Balancing Account per preliminary statement HK, 5c.1).

   e. A debit entry equal to one-twelfth of the annual funding of the Essential Services Mitigation Fund portion of the Community Impact Mitigation Program (CIMP), including RF&U for the years 2019-2025. (N)

   f. A one-time debit entry for the Economic Development Fund portion of the CIMP following CPUC approval and expiration of protest period of Advice Letter 5461-E in 2019, including RF&U. (N)

   g. A credit entry equal to the revenue from the NDAM rates. (T)

   h. 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 of 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)

ELECTRIC PRELIMINARY STATEMENT PART HK Sheet 2
DIABLO CANYON RETIREMENT BALANCING ACCOUNT (DCRBA)

HK. DIABLO CANYON RETIREMENT BALANCING ACCOUNT (DCRBA)

5. ACCOUNTING PROCEDURE (Cont'd.)

a. Diablo Canyon Capital Depreciation Subaccount (Cont'd.):

3) An entry each month equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount 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.

b. Employee Retention Subaccount: The following entries will be made to this subaccount each month or as applicable:

1) A credit entry equal to one-twelfth of the annual Commission-adopted Employee Retention Program budget for DCPP employees; an offsetting entry will be recorded to the UGBA per preliminary statement CG, 5.g, which includes RF&U;

2) A debit entry equal to the expenses incurred for the Employee Retention Program for DCPP employees up to the authorized budget of $352.1 million; (N)

3) A debit or credit entry, as appropriate, to transfer the balance to other accounts for recovery in rates, as approved by the Commission; and

4) An entry each month equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount 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.

c. Employee Retraining Subaccount: The following entries will be made to this subaccount each month or as applicable:

1) A credit entry equal to one-twelfth of the annual Commission-adopted Employee Retraining Program budget for DCPP employees; an offsetting entry will be recorded to the NDAM per preliminary statement DB, 5.d, which includes RF&U; (T)

2) A debit entry equal to the expenses incurred for the Employee Retraining Program for DCPP Employees;

3) A debit or credit entry, as appropriate, to transfer the balance to other accounts for recovery in rates, as approved by the Commission; and

4) An entry each month equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount 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.

ELECTRIC TABLE OF CONTENTS Sheet 1

TABLE OF CONTENTS

(Continued)

ELECTRIC TABLE OF CONTENTS

(Continued)

ELECTRIC TABLE OF CONTENTS

PART	TITLE OF SHEET	CAL P.U.C. SHEET NO.	
	Preliminary Statements (Cont'd)		
Part GA	Greenhouse Gas Expense Memorandum Account	32419,32420-E	
Part GB	Greenhouse Gas Revenue Balancing Account	35256,40560-E	
Part GC	California Energy Systems for the 21st Century Balancing Account	40561-E	
Part GD	Smart Grid Pilot Deployment Project Balancing Account	32540,32541, 32542-E	
Part GE	Statewide Marketing, Education and Outreach Expenditure Balancing Account	37728-E	
Part GF	Customer Data Access Balancing Account – Electric	33136-E	
Part GH	Mobile Home Park Balancing Account - Electric	41091,41092-E	
Part GI	Energy Data Center Memorandum Account – Electric	33940-E	
Part GJ	Major Emergency Balancing Account (MEBA)	40563-E	
Part GK	SmartMeter™ Opt-Out Program Balancing Account - Electric (SOPBA-E)	35625,35626,35627-E	
Part GL	Hydro Licensing Balancing Account (HLBA)	40564-E	
Part GM	Nuclear Regulatory Commission Rulemaking Balancing Account (NRCRBA)	40565-E	
Part GN	San Francisco Incandescent Streetlight Replacement Account	34364-E	
Part GO	Disconnection Memorandum Account - Electric (DMA-E)	34604-E	
Part GP	Green Tariff Shared Renewables Memorandum Account (GTSRMA)	40566,40567, 40567-E	
Part GQ	Energy Efficiency Financing Balancing Account – Electric (EEFMA-E)	35292,35293,35294-E	
Part GR	Green Tariff Shared Renewables Balancing Account (GTSRBA)	40569,40570,35377-E	
Part GS	Residential Rate Reform Memorandum Account (RRRMA)	40571,40572-E	
Part GT	Assembly Bill 802 Memorandum Account - Electric	40573-E	
Part GU	Z-Factor Memorandum Account (ZFMA-E)	40574-E	
Part GV	Distribution Interconnection Memorandum Account (DIMA)	40575-E	
Part GY	Electric Vehicle Program Balancing Account (EVPBA)	40576-E	
Part GZ	Distributed Energy Resources Distribution Deferral Account	43656,43657,43658-E	
Part HA	Avoided Cost Calculator Memorandum Account	40000-E	
Part HB	Distribution Resources Plan Demonstration Balancing Account	40577-E	
Part HC	Rule 20A Balancing Account	41736-E	
Part HD	Tax Memorandum Account (TMA-E)	41088-E	
Part HE	Executive Compensation Memorandum Account (ECMA-E)	40699,40700-E	
Part HF	Distribution Resources Plan Tools Memorandum Account (DRPTMA)	42139,42140-E	
Part HG	Emergency Consumer Protections Memorandum Account - Electric (WCPMA-E)	43007,43008-E	
Part HH	Transportation Electrification Balancing Account (TEBA)	42575,42576,42577,42578, 42579,42580,42581,42582-E	
Part HI	Solar On Multifamily Affordable Housing Balancing Account (SOMAHBA)	41781-E	
Part HK	Diablo Canyon Retirement Balancing Account	42161, **43668**-E	(T)
Part HL	Wildfire Expense Memorandum Account (WEMA-E)	42604, 42605-E	
Part HQ	Fire Risk Mitigation Memorandum Account (FRMMA)	43314-E	
Part HR	Net Energy Metering (NEM) Balancing Account (NEMBA)	43317-E	
Part HT	Officer Compensation Memorandum Account (OCMA-E)	43629,43630-E	

(Continued)

Attachment 2

Redlined Tariffs

ELECTRIC PRELIMINARY STATEMENT PART DB Sheet 1
NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM

DB. NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM (NDAM)

1. PURPOSE: The purpose of the NDAM is to record the authorized Diablo Canyon Nuclear Power Plant (Diablo Canyon) and Humboldt Power Plant Nuclear Unit 3 (Humboldt) nuclear decommissioning revenue requirements and Humboldt SAFSTOR operating and maintenance (O&M) revenue requirements, and to provide full recovery of those costs. The NDAM also recovers the actual costs incurred up to $400,000 to satisfy the requirements of California Senate Bill 968 and Public Utilities Code Section 712.5 Section 3.

2. APPLICABILITY: The NDAM balance shall apply to all customer bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.

3. REVISION DATE: Disposition of the balance in this account shall be determined through the advice letter process.

4. RATES: The NDAM rates are included in the effective rates set forth in each rate schedule as a separate non-bypassable charge.

5. ACCOUNTING PROCEDURES: The following entries shall be made each month:

   a. A debit entry equal to the annual authorized nuclear decommissioning and Humboldt SAFSTOR O&M revenue requirements divided by twelve.

   b. A debit entry equal to the costs incurred for an independent third-party to conduct an assessment of the closure of the Diablo Canyon Nuclear Plant required by SB 968 and PU Code Section 712.5 Section 3.

   c. A debit entry equal to PG&E's share of recorded amounts paid to the independent panel for its report on nuclear decommissioning issue as authorized in D.10-07-047, or any other amounts upon subsequent approval by the CPUC.

   d. A debit entry equal to one-twelfth of the annual authorized Employee Retraining Program budget for Diablo Canyon Power Plant Employees, including Revenue, Fees & Uncollectibles expense (RF&U) (see corresponding entry in the Employee Retraining Subaccount of the Diablo Canyon Retirement Balancing Account per preliminary statement HK, 5c.1).

   e. A debit entry equal to one-twelfth of the annual funding of the Essential Services Mitigation Fund portion of the Community Impact Mitigation Program (CIMP), including RF&U for the years 2019-2025.

   f. A one-time debit entry for the Economic Development Fund portion of the CIMP following CPUC approval and expiration of protest period of Advice Letter 5461-E in 2019, including RF&U.

   g~~e~~. A credit entry equal to the revenue from the NDAM rates.

   h~~f~~. 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 of 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.

ELECTRIC PRELIMINARY STATEMENT PART HK Sheet 2 (N)
DIABLO CANYON RETIREMENT BALANCING ACCOUNT (DCRBA) (N)

HK. DIABLO CANYON RETIREMENT BALANCING ACCOUNT (DCRBA)

5. ACCOUNTING PROCEDURE (Cont'd.)

a. Diablo Canyon Capital Depreciation Subaccount (Cont'd.):

3) An entry each month equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount 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.

b. Employee Retention Subaccount: The following entries will be made to this subaccount each month or as applicable:

1) A credit entry equal to one-twelfth of the annual Commission-adopted Employee Retention Program budget for DCPP employees; an offsetting entry will be recorded to the UGBA per preliminary statement CG, 5.g, which includes RF&U;

2) A debit entry equal to the expenses incurred for the Employee Retention Program for DCPP employees up to the authorized budget of $~~211.3~~352.1 million;

3) A debit or credit entry, as appropriate, to transfer the balance to other accounts for recovery in rates, as approved by the Commission; and

4) An entry each month equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount 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.

c. Employee Retraining Subaccount: The following entries will be made to this subaccount each month or as applicable:

1) A credit entry equal to one-twelfth of the annual Commission-adopted Employee Retraining Program budget for DCPP employees; an offsetting entry will be recorded to the NDAM per preliminary statement DB, 5.d, which includes RF&U;

2) A debit entry equal to the expenses incurred for the Employee Retraining Program for DCPP Employees;

3) A debit or credit entry, as appropriate, to transfer the balance to other accounts for recovery in rates, as approved by the Commission; and

4) An entry each month equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount 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.

PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV

AT&T
Albion Power Company
Alcantar & Kahl LLP

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blaising Smith Wynne
P.C. CalCom Solar
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine
Casner, Steve
Cenergy Power
Center for Biological Diversity
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
County of Tehama - Department of Public Works
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

Downey & Brand
East Bay Community Energy
Ellison Schneider & Harris LLP
Energy Management Service
Evaluation + Strategy for Social Innovation
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Charge Networks
Green Power Institute
Hanna & Morton
ICF
International Power Technology
Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.
Linde
Los Angeles County Integrated Waste Management Task Force
Los Angeles Dept of Water & Power
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenzie & Associates

Modesto Irrigation District
Morgan Stanley
NLine Energy, Inc.
NRG Solar

Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company

Pioneer Community Energy
Praxair
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions

SCE
SDG&E and SoCalGas

SPURR
San Francisco Water Power and Sewer
Seattle City Light
Sempra Utilities
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Troutman Sanders LLP
Utility Cost Management
Utility Power Solutions
Utility Specialists

Verizon
Water and Energy Consulting
Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
Yep Energy