

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



July 25, 2019

**Advice Letter 4105-G/5557-E**

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: Revision to Electric Preliminary Statement Parts CZ, CG, and G and Gas Preliminary Statement Part AC to implement Interim Rate Relief Pursuant to Decision 19-04-039**

Dear Mr. Jacobson:

Advice Letter 4105-G/5557-E is effective as of June 12, 2019.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division

June 12, 2019

**Advice 4105-G/5557-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Revision to Electric Preliminary Statement Parts CZ, CG, and G and Gas Preliminary Statement Part AC to implement Interim Rate Relief Pursuant to Decision 19-04-039**

**Purpose**

Pacific Gas and Electric Company (PG&E) submits this Tier 1 advice letter to update the Electric Preliminary Statement Parts CZ – *Distribution Revenue Adjustment Mechanism* (DRAM), CG – Utility Generation Balancing Account (UGBA), and G – *Catastrophic Event Memorandum Account* (CEMA) and Gas Preliminary Statement Part AC – *Catastrophic Event Memorandum Account* (CEMA)<sup>1</sup> to make the necessary revisions in order to implement the interim rate relief authorized in Decision 19-04-039.

**Background**

On December 4, 2018, PG&E filed a Renewed Motion for Interim Rates and Related Relief requesting recovery of 100% of its recorded 2016 and 2017 CEMA costs (approx. \$588.296 million) for the nine events described in its 2018 CEMA application (A. 18-03-015).<sup>2</sup>

On April 25, 2019, the California Public Utilities Commission (CPUC or Commission) unanimously approved Decision (D.) 19-04-039<sup>3</sup>, which partially granted PG&E's interim rate relief request. Ordering Paragraph (OP) 1 authorizes interim rate recovery of an amount totaling no more than \$373 million related to recorded 2016 and 2017 CEMA

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<sup>1</sup> Gas Preliminary Statement Part AC for CEMA is revised to remain consistent with Electric Preliminary Statement Part G for CEMA.

<sup>2</sup> The Renewed Motion for Interim Rates and Related Relief also sought authorization from the Commission for PG&E to begin the sourcing process to hire an independent auditor, however, that discussion is irrelevant for this advice letter.

<sup>3</sup> D. 19-04-039 also addresses the denial of 2018 and 2019 forecasted costs, however that discussion is also irrelevant to this advice letter.

costs. OP 2 requires PG&E to refund, with interest, any excess rate recovery amount obtained in comparison to a final decision regarding approved 2016 and 2017 CEMA costs.

As a result of the approval of PG&E's request for interim rate relief, PG&E proposes revisions to the Electric Preliminary Statements for DRAM, UGBA, and CEMA and Gas Preliminary Statement for CEMA because the current tariff language for the respective preliminary statements are not broad enough to implement the authorized relief.

### **Tariff Revisions**

#### **Electric Preliminary Statement Part CZ – *Distribution Revenue Adjustment Mechanism:***

A debit entry equal to one-twelfth (or amortization period approved) of the electric distribution portion of the Catastrophic Event Memorandum Account (CEMA) interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.

#### **Electric Preliminary Statement Part CG – *Utility Generation Balancing Account:***

A debit entry equal to one-twelfth (or amortization period approved) of the power generation portion of the Catastrophic Event Memorandum Account (CEMA) interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.

#### **Electric Preliminary Statement Part G – *Catastrophic Event Memorandum Account:***

A credit entry equal to one-twelfth (or amortization period approved) of the CEMA interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.

#### **Gas Preliminary Statement Part AC – *Catastrophic Event Memorandum Account:***

A credit entry equal to one-twelfth (or amortization period approved) of the CEMA interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than July 2, 2019, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> 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:

Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-3582  
E-mail: PGETariffs@pge.com

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**

Pursuant to CPUC General Order 96-B, Industry Rule 5.1, PG&E is submitting this as a Tier 1 advice letter and requests it become effective upon date of submittal, which is June 12, 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 shown on the attached list and the parties on the service list for A. 18-03-015. 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](mailto:Process_Office@cpuc.ca.gov). Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

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/S/

Erik Jacobson  
Director, Regulatory Relations

Attachments

cc: Service List for A.18-03-015



# 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 U39M)

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      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4105-G/5557-E

Tier Designation: 1

Subject of AL: Revision to Electric Preliminary Statement Parts CZ, CG, and G and Gas Preliminary Statement Part AC to implement Interim Rate Relief Pursuant to Decision 19-04-039

Keywords (choose from CPUC listing): Preliminary Statement

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.19-04-039

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: 6/12/19

No. of tariff sheets: 9

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: See attachment 1

Service affected and changes proposed<sup>1</sup>: N/A

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

<sup>1</sup>Discuss in AL if more space is needed.

**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](mailto: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:

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
35066-G	GAS PRELIMINARY STATEMENT PART AC CATASTROPHIC EVENT MEMORANDUM ACCOUNT Sheet 2	14179-G*
35067-G	GAS TABLE OF CONTENTS Sheet 1	35064-G
35068-G	GAS TABLE OF CONTENTS Sheet 5	34940-G



**GAS PRELIMINARY STATEMENT PART AC**  
**CATASTROPHIC EVENT MEMORANDUM ACCOUNT**

Sheet 2

AC. CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA): (Cont'd.)

4. ACCOUNTING PROCEDURE: (Cont'd.)

b. (Cont'd.)

- (3) the return on the appropriate allowance for working capital using calculations last adopted by the CPUC for the Gas Department, and the return in AC.4.b.2 above; plus
- (4) the return on net cost of removal of facilities required as a result of the disaster and related events, using the rate of return in AC.4.b.2 above; less
- (5) the return on the average of beginning and end-of-month accumulated depreciation, and on average accumulated net deferred taxes on income resulting from the normalization of federal tax depreciation, using the rate of return in AC.4.b.2 above.

c. A debit entry equal to federal and state taxes based on income associated with item AC.4.b above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments.

For federal and state taxes, this will conform to normalization requirements as applicable. Interest cost will be at the percentage of net investment last adopted by the CPUC with respect to PG&E.

d. A credit entry to transfer all or a portion of the balance in this CEMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.

e. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the entries from AC.4.a through AC.4.c 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, G.13, or its successor.

f. A credit entry equal to one-twelfth (or amortization period approved) of the CEMA interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019. (N)  
I  
(N)

Entries in items AC.4.a and AC.4.b above, shall be made net of the appropriate insurance proceeds.

5. FINANCIAL REPORTING: PG&E may, at its discretion, record the balance in the CEMA as a deferred debit on its balance sheet with entries to the appropriate income statement accounts, as necessary.



**GAS TABLE OF CONTENTS**

Sheet 1

TITLE OF SHEET	CAL P.U.C. SHEET NO.	
Title Page .....	<b>35067-G</b>	(T)
Rate Schedules .....	35065,5061-G	
Preliminary Statements.....	34990, <b>35068-G</b>	(T)
Preliminary Statements, Rules .....	34881-G	
Rules, Maps, Contracts and Deviations.....	35062-G	
Sample Forms .....	34229,32986,32987,32886,34953,32888-G	

(Continued)

*Advice* 4105-G  
*Decision*

*Issued by*  
**Robert S. Kenney**  
*Vice President, Regulatory Affairs*

*Submitted* June 12, 2019  
*Effective* June 12, 2019  
*Resolution*



**GAS TABLE OF CONTENTS**

Sheet 5

<b>PART</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>
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**Preliminary Statements**

Part AC	Catastrophic Event Memorandum Account.....	14178,35066-G	(T)
Part AE	Core Pipeline Demand Charge Account .....	29525,33646-G	
Part AG	Core Firm Storage Account.....	33647-G	
Part AN	Hazardous Substance Mechanism.....	23281,33423,23283,16693,32964-G	
Part AW	Self-Generation Program Memorandum Account .....	33442-G	
Part BA	Public Purpose Program-Energy Efficiency .....	23360,23361-G	
Part BB	Public Purpose Program Memorandum Account .....	23362,29327-G	
Part BH	Public Purpose Program Surcharge-Low Income Energy Efficiency Balancing Account .....	33443-G	
Part BI	Public Purpose Program Surcharge-Research, Development and Demonstration Balancing Account .....	33444,23366-G	
Part BQ	Pension Contribution Balancing Account .....	24853,24224-G	
Part BS	Climate Balancing Account .....	33445-G	
Part BT	Non-Tariffed Products and Services Balancing Account.....	26710-G	
Part CA	California Solar Initiative Thermal Program Memorandum Account.....	33455,28060-G	
Part CI	AB32 Cost of Implementation Fee Memorandum Account – Gas.....	28673-G	
Part CK	TID Almond Power Plant Balancing Account .....	28889,28890-G	
Part CL	Transmission Integrity Management Program Balancing Account.....	33081,33082,33456-G	
Part CN	Topock Adder Projects Balancing Account .....	33457-G	
Part CO	Adjustment Mechanism For Costs Determined In Other Proceedings	33652,33653,33654,33655-G	
Part CP	Gas Transmission & Storage Revenue Sharing Mechanism .....	32758,33461,33462,33463-G	
Part CS	Tax Act Memorandum Account – Gas .....	33252,33253-G	
Part CV	Revised Customer Energy Statement Balancing Account - Gas (RCESBA-G) .....	29617-G	
Part CW	Gas Pipeline Expense and Capital Balancing Account .....	32988,32989,32990-G	
Part CX	Core Gas Pipeline Safety Balancing Account .....	31681,31682-G	
Part CY	NonCore Gas Pipeline Safety Balancing Account.....	31683,31684-G	
Part CZ	California Energy Systems for the 21st Century Balancing Account.....	30264*-G	
Part DA	Statewide Marketing, Education and Outreach Expenditure Balancing Account .....	33043-G	
Part DC	Energy Data Center Memorandum Account – Gas.....	31288-G	
Part DB	Mobile Home Park Balancing Account.....	34937-G	
Part DD	Gas Transmission & Storage Memorandum Account (GT SMA) .....	34783,34784, 34785,34786,34787-G	
Part DE	Gas Leak Survey and Repair Balancing Account (GLSRBA).....	32210,32211,31826-G	
Part DF	SmartMeter™ Opt-Out Program Balancing Account – Gas (SOPBA-G).....	32304,32305,32306-G	
Part DH	Gas Programs Balancing Account (GPBA) .....	32397,34268,33472-G	
Part DI	Greenhouse Gas Expense Memorandum Account - Gas (GHGEMA-G) .....	33473-G	
Part DJ	Energy Efficiency Financing Balancing Account - Gas (EEFBA-G).....	32040*,32041*,32042*-G	
Part DK	Shareholder-Funded Gas Transmission Safety Account .....	32474,32475,32476-G	
Part DM	Assembly Bill 802 Memorandum Account - Gas .....	33474-G	
Part DN	Line 407 Memorandum Account (L407MA) .....	33475-G	

(Continued)

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
44453-E	ELECTRIC PRELIMINARY STATEMENT PART CG UTILITY GENERATION BALANCING ACCOUNT Sheet 2	43450-E
44454-E	ELECTRIC PRELIMINARY STATEMENT PART CZ DISTRIBUTION REVENUE ADJUSTMENT MECHANISM Sheet 4	42574-E
44455-E	ELECTRIC PRELIMINARY STATEMENT PART G CATASTROPHIC EVENT MEMORANDUM ACCOUNT Sheet 2	11740-E*
44456-E*	ELECTRIC TABLE OF CONTENTS Sheet 1	43694-E
44457-E	ELECTRIC TABLE OF CONTENTS Sheet 11	44178-E
44458-E	ELECTRIC TABLE OF CONTENTS Sheet 13	43467-E



**ELECTRIC PRELIMINARY STATEMENT PART CG**  
**UTILITY GENERATION BALANCING ACCOUNT**

Sheet 2

CG. UTILITY GENERATION BALANCING ACCOUNT (UGBA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- c. a debit entry equal to the annual authorized revenue requirements associated with PG&E's owned generation divided by twelve;
- d. a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to the UGBA for recovery in rates, upon approval by the CPUC.
- e. a debit or credit entry, as appropriate, to record the gain or loss on the sale of an electric generation non-depreciable asset, as approved by the CPUC.
- f. a debit entry equal to one-twelfth of the annual authorized revenue requirement for the Diablo Canyon Power Plant Employee Retention Program (see corresponding entry in the Employee Retention Subaccount of the Diablo Canyon Retirement Balancing Account (DCRBA) per Preliminary Statement HK, 5b.1);
- g. a debit entry equal to one-twelfth of the annual authorized revenue requirement for the Diablo Canyon Power Plant license renewal costs;
- h. a debit or credit entry, as appropriate, to transfer amounts recorded in Accounting Procedures step 5.a. to Energy Resource Recovery Account (ERRA), upon implementation of tariff changes related to D.18-10-019;
- i. a debit or credit entry, as appropriate, to transfer ESA costs associated with bundled customer procurement activity recorded in Accounting Procedures step 5.c., to the Energy Resource Recovery Account for recovery in rates, upon implementation of tariff changes related to D.18-10-019;
- j. a debit or credit entry, as appropriate, to transfer amounts recorded in Accounting Procedures steps 5.b., 5.c. excluding costs in 5.i, and Accounting Procedures steps 5.d., 5.e., 5.f., and 5.g. to the applicable vintage subaccount of the Portfolio Allocation Balancing Account (PABA) for recovery in rates, upon implementation of tariff changes related to D.18-10-019;
- k. 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.
- l. a debit entry equal to one-twelfth (or amortization period approved) of the power generation portion of the Catastrophic Event Memorandum Account (CEMA) interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019. (N)  
|  
|  
(N)

Note: All debits and credits described above are net of Revenue Fees and Uncollectible (RF&U) Accounts expense.



**ELECTRIC PRELIMINARY STATEMENT PART CZ**  
**DISTRIBUTION REVENUE ADJUSTMENT MECHANISM**

Sheet 4

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- aa. A debit entry equal to the billed revenue for Schedule LS-1 decorative street light conversion to LED lights.
- bb. A debit entry to record one-twelfth of the authorized annual revenue requirement, for the Transportation Electrification Balancing Account subaccounts associated with (1) the Charge Smart and Save Program, authorized in Decision (D.)16-12-065, (2) four Priority Review Projects and one evaluation expense subaccount, authorized in D.18-01-024, and (3) the Direct Current Fast Charger (Fast Charge) Make-Ready Program, the Medium and Heavy-Duty Vehicle Charging (Fleet Ready) Program, and Program Evaluation expenditures approved in D.18-05-040.
- cc. A debit entry to record the prorata portion of the authorized non-procurement related revenue requirements for each demonstration project, over the period from when the revenue requirements begin to be recorded in this account and the project completion dates. A corresponding credit entry is included in the DRPDBA, which excludes an allowance for RF&U.
- dd. A debit entry to record the prorata portion of the authorized procurement revenue requirements for each demonstration project, over the period from when the revenue requirements begin to be recorded in this account and the project completion dates. A corresponding credit entry is included in the DRPDBA, which excludes an allowance for RF&U.
- ee. 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.
- ff. A debit entry equal to one-twelfth (or amortization period approved) of the electric distribution portion of the Catastrophic Event Memorandum Account (CEMA) interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.

(N)  
|  
|  
(N)



**ELECTRIC PRELIMINARY STATEMENT PART G  
CATASTROPHIC EVENT MEMORANDUM ACCOUNT**

Sheet 2

G. CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA) (Cont'd.)

4. ACCOUNTING PROCEDURE: (Cont'd.)

b. (Cont'd.)

- 3) the return on the appropriate allowance for working capital using calculations last adopted by the CPUC for the Electric Department, and the return in G.4.b.2 above; plus
- 4) the return on net cost of removal of facilities required as a result of the disaster and related events, using the rate of return in G.4.b.2 above; less
- 5) the return on the average of beginning and end-of-month accumulated depreciation, and on average accumulated net deferred taxes on income resulting from the normalization of federal tax depreciation, using the rate of return in G.4.b.2 above.

c. A debit entry equal to federal and state taxes based on income associated with item G.4.b above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments.

For federal and state taxes, this will conform to normalization requirements as applicable. Interest cost will be at the percentage of net investment last adopted by the CPUC with respect to PG&E.

d. A credit entry to transfer all or a portion of the balance in this CEMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.

e. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the entries from G.4.a through G.4.c 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, G.13, or its successor.

f. A credit entry equal to one-twelfth (or amortization period approved) of the CEMA interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019. (N)  
I  
(N)

Entries in items G.4.a and G.4.b above, shall be made net of the appropriate insurance proceeds. Items G.4.a, G.4.b, and the appropriate determinants of item G.4.c above, in any month, shall be pro-rated to reflect the latest jurisdictional allocation factors.

5. FINANCIAL REPORTING: PG&E may, at its discretion, record the balance in the CEMA as a deferred debit on its balance sheet with entries to the appropriate income statement accounts, as necessary.





**ELECTRIC TABLE OF CONTENTS**

Sheet 11

<b>PART</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>
<b>Preliminary Statements</b>		
Part A	Description of Service Area and General Requirements .....	34601,44041,12083,12084, 12085,12086,12087,12088,12089,12090,43051-E
Part E	CPUC Reimbursement Fee .....	21604-E
Part G	Catastrophic Event Memorandum Account .....	18998, <b>44455-E</b> (T)
Part H	Interest .....	10579-E
Part I	Rate Schedule Summary.....	43913*, 44056,40832-E,32247,32248-E
Part J	Income Tax Component of Contributions Provision.....	35869,11503-E
Part K	Energy Commission Tax .....	34734-E
Part M	California Alternate Rates for Energy Account .....	40833 29849-E
Part P	Customer Energy Efficiency Adjustment .....	30834,29485,30835,29730-E
Part R	Affiliate Transfer Fees Account .....	24313-E
Part S	Hazardous Substance Mechanism .....	22710,15720,22711,22712,13420,37601-E
Part Y	Electric and Magnetic Field Measurement Policy .....	13399-E

(Continued)

Advice 5557-E  
Decision 19-04-039

Issued by  
**Robert S. Kenney**  
Vice President, Regulatory Affairs

Submitted June 12, 2019  
Effective June 12, 2019  
Resolution



**ELECTRIC TABLE OF CONTENTS**

Sheet 13

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
<b>Preliminary Statements (Cont'd)</b>		
Part CG	Utility Generation Balancing Account .....	43449, <b>44453</b> -E (T)
Part CH	Utility Retained Generation Income Tax Memorandum Account .....	20502-E
Part CJ	Negative Ongoing Transition Charge Memorandum Account.....	25999-E
Part CK	Distribution Bypass Deferral Rate Memorandum Account .....	20619-E
Part CP	Energy Resource Recovery Account.....	43451,30255,43452,43453,43454, .....43455,43456,43457,43458-E
Part CQ	Modified Transition Cost Balancing Account.....	43459,43460-E
Part CZ	Distribution Revenue Adjustment Mechanism.....	40829,40544,41717, <b>44454</b> -E (T)

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Advice 4105-G/5557-E  
June 12, 2019

**Attachment 2**  
**Redlined Tariffs**



**GAS PRELIMINARY STATEMENT PART AC  
CATASTROPHIC EVENT MEMORANDUM ACCOUNT**

Sheet 2

AC. CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA): (Cont'd.)

4. ACCOUNTING PROCEDURE: (Cont'd.)

b. (Cont'd.)

- (3) the return on the appropriate allowance for working capital using calculations last adopted by the CPUC for the Gas Department, and the return in AC.4.b.2 above; plus
- (4) the return on net cost of removal of facilities required as a result of the disaster and related events, using the rate of return in AC.4.b.2 above; less
- (5) the return on the average of beginning and end-of-month accumulated depreciation, and on average accumulated net deferred taxes on income resulting from the normalization of federal tax depreciation, using the rate of return in AC.4.b.2 above.

c. A debit entry equal to federal and state taxes based on income associated with item AC.4.b above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments.

For federal and state taxes, this will conform to normalization requirements as applicable. Interest cost will be at the percentage of net investment last adopted by the CPUC with respect to PG&E.

d. A credit entry to transfer all or a portion of the balance in this CEMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.

e. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the entries from AC.4.a through AC.4.c 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, G.13, or its successor.

f. **A credit entry equal to one-twelfth (or amortization period approved) of the CEMA interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.**

Entries in items AC.4.a and AC.4.b above, shall be made net of the appropriate insurance proceeds.

5. FINANCIAL REPORTING: PG&E may, at its discretion, record the balance in the CEMA as a deferred debit on its balance sheet with entries to the appropriate income statement accounts, as necessary.



**ELECTRIC PRELIMINARY STATEMENT PART CG  
UTILITY GENERATION BALANCING ACCOUNT**

Sheet 2

CG. UTILITY GENERATION BALANCING ACCOUNT (UGBA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- c. a debit entry equal to the annual authorized revenue requirements associated with PG&E's owned generation divided by twelve;
- d. a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to the UGBA for recovery in rates, upon approval by the CPUC.
- e. a debit or credit entry, as appropriate, to record the gain or loss on the sale of an electric generation non-depreciable asset, as approved by the CPUC.
- f. a debit entry equal to one-twelfth of the annual authorized revenue requirement for the Diablo Canyon Power Plant Employee Retention Program (see corresponding entry in the Employee Retention Subaccount of the Diablo Canyon Retirement Balancing Account (DCRBA) per Preliminary Statement HK, 5b.1);
- g. a debit entry equal to one-twelfth of the annual authorized revenue requirement for the Diablo Canyon Power Plant license renewal costs;
- h. a debit or credit entry, as appropriate, to transfer amounts recorded in Accounting Procedures step 5.a. to Energy Resource Recovery Account (ERRA), upon implementation of tariff changes related to D.18-10-019;
- i. a debit or credit entry, as appropriate, to transfer ESA costs associated with bundled customer procurement activity recorded in Accounting Procedures step 5.c., to the Energy Resource Recovery Account for recovery in rates, upon implementation of tariff changes related to D.18-10-019;
- j. a debit or credit entry, as appropriate, to transfer amounts recorded in Accounting Procedures steps 5.b., 5.c. excluding costs in 5.i, and Accounting Procedures steps 5.d., 5.e., 5.f., and 5.g. to the applicable vintage subaccount of the Portfolio Allocation Balancing Account (PABA) for recovery in rates, upon implementation of tariff changes related to D.18-10-019;
- k. 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;
- l. A debit entry equal to one-twelfth (or amortization period approved) of the power generation portion of the Catastrophic Event Memorandum Account (CEMA) interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.**

Note: All debits and credits described above are net of Revenue Fees and Uncollectible (RF&U) Accounts expense.



**ELECTRIC PRELIMINARY STATEMENT PART CZ**  
**DISTRIBUTION REVENUE ADJUSTMENT MECHANISM**

Sheet 4

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- aa. A debit entry equal to the billed revenue for Schedule LS-1 decorative street light conversion to LED lights.
- bb. A debit entry to record one-twelfth of the authorized annual revenue requirement, for the Transportation Electrification Balancing Account subaccounts associated with (1) the Charge Smart and Save Program, authorized in Decision (D.)16-12-065, (2) four Priority Review Projects and one evaluation expense subaccount, authorized in D.18-01-024, and (3) the Direct Current Fast Charger (Fast Charge) Make-Ready Program, the Medium and Heavy-Duty Vehicle Charging (Fleet Ready) Program, and Program Evaluation expenditures approved in D.18-05-040.
- cc. A debit entry to record the prorata portion of the authorized non-procurement related revenue requirements for each demonstration project, over the period from when the revenue requirements begin to be recorded in this account and the project completion dates. A corresponding credit entry is included in the DRPDBA, which excludes an allowance for RF&U.
- dd. A debit entry to record the prorata portion of the authorized procurement revenue requirements for each demonstration project, over the period from when the revenue requirements begin to be recorded in this account and the project completion dates. A corresponding credit entry is included in the DRPDBA, which excludes an allowance for RF&U.
- ee. 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.
- ff. A debit entry equal to one-twelfth (or amortization period approved) of the electric distribution portion of the Catastrophic Event Memorandum Account (CEMA) interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.



**ELECTRIC PRELIMINARY STATEMENT PART G  
CATASTROPHIC EVENT MEMORANDUM ACCOUNT**

Sheet 2

G. CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA) (Cont'd.)

4. ACCOUNTING PROCEDURE: (Cont'd.)

b. (Cont'd.)

- 3) the return on the appropriate allowance for working capital using calculations last adopted by the CPUC for the Electric Department, and the return in G.4.b.2 above; plus
- 4) the return on net cost of removal of facilities required as a result of the disaster and related events, using the rate of return in G.4.b.2 above; less
- 5) the return on the average of beginning and end-of-month accumulated depreciation, and on average accumulated net deferred taxes on income resulting from the normalization of federal tax depreciation, using the rate of return in G.4.b.2 above.

c. A debit entry equal to federal and state taxes based on income associated with item G.4.b above, calculated at marginal tax rates currently in effect. This will include all applicable statutory adjustments.

For federal and state taxes, this will conform to normalization requirements as applicable. Interest cost will be at the percentage of net investment last adopted by the CPUC with respect to PG&E.

d. A credit entry to transfer all or a portion of the balance in this CEMA to other adjustment clauses for future rate recovery, as may be approved by the CPUC.

e. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the entries from G.4.a through G.4.c 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, G.13, or its successor.

f. **A credit entry equal to one-twelfth (or amortization period approved) of the CEMA interim rate relief for costs incurred in 2016 and 2017, as authorized by the CPUC in Decision 19-04-039 on April 25, 2019.**

Entries in items G.4.a and G.4.b above, shall be made net of the appropriate insurance proceeds. Items G.4.a, G.4.b, and the appropriate determinants of item G.4.c above, in any month, shall be pro-rated to reflect the latest jurisdictional allocation factors.

5. FINANCIAL REPORTING: PG&E may, at its discretion, record the balance in the CEMA as a deferred debit on its balance sheet with entries to the appropriate income statement accounts, as necessary.

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

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
	Energy Management Service	SCD Energy Solutions
Alta Power Group, LLC	Engineers and Scientists of California	
Anderson & Poole	Evaluation + Strategy for Social Innovation	SCE
	GenOn Energy, Inc.	SDG&E and SoCalGas
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz & Ritchie	
BART	Green Charge Networks	SPURR
	Green Power Institute	San Francisco Water Power and Sewer
Barkovich & Yap, Inc.	Hanna & Morton	Seattle City Light
P.C. CalCom Solar	ICF	Sempra Utilities
California Cotton Ginners & Growers Assn	International Power Technology	Southern California Edison Company
California Energy Commission	Intestate Gas Services, Inc.	Southern California Gas Company
California Public Utilities Commission	Kelly Group	Spark Energy
California State Association of Counties	Ken Bohn Consulting	Sun Light & Power
Calpine	Keyes & Fox LLP	Sunshine Design
	Leviton Manufacturing Co., Inc. Linde	Tecogen, Inc.
Cameron-Daniel, P.C.	Los Angeles County Integrated Waste Management Task Force	TerraVerde Renewable Partners
Casner, Steve	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
Cenergy Power	MRW & Associates	
Center for Biological Diversity	Manatt Phelps Phillips	TransCanada
City of Palo Alto	Marin Energy Authority	Troutman Sanders LLP
	McKenzie & Associates	Utility Cost Management
City of San Jose	Modesto Irrigation District	Utility Power Solutions
Clean Power Research	Morgan Stanley	Utility Specialists
Coast Economic Consulting	NLine Energy, Inc.	
Commercial Energy	NRG Solar	Verizon
County of Tehama - Department of Public Works		Water and Energy Consulting
Crossborder Energy		Wellhead Electric Company
Crown Road Energy, LLC		Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP		Yep Energy
Day Carter Murphy		
	Office of Ratepayer Advocates	
Dept of General Services	OnGrid Solar	
Don Pickett & Associates, Inc.	Pacific Gas and Electric Company	
Douglass & Liddell	Peninsula Clean Energy	