STATE OF CALIFORNIA
Gavin Newsom, Governor

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

December 4, 2019

Advice Letter 5624-E

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
San Francisco, CA 94177

Subject: **Establishment of the Power Charge Indifference Adjustment Balancing Account and Trigger Mechanism**

Dear Mr. Jacobson:

Energy Division Approves Advice Letter 5624-E

Energy Division approves PG&E Advice Letter 5624-E as filed, effective September 30, 2019. Please see the Appendix for more information.

Sincerely,

Edward Randolph

Edward Randolph

Deputy Executive Director for Energy and Climate Policy/

Director, Energy Division

cc:

Tim Lindl (tlindl@kfwlaw.com)
Yvonne Yang (PGETariffs@pge.com)
Energy Division Tariff Unit (edtariffunit@cpuc.ca.gov)
Franz Cheng, CPUC Energy Division (Franz.Cheng@cpuc.ca.gov)
Service List for R. 17-06-026

Appendix: Energy Division Technical Review and Findings

Background

On August 30, 2019 Pacific Gas and Electric Company (PG&E) filed Advice Letter (AL) 5624-E establishing the Power Charge Indifference Amount (PCIA) Undercollection Balancing Account (PUBA) and Trigger Mechanism in compliance with Decision (D.) 18-10-019 Ordering Paragraphs (OP) 9 and 10.

OP 9 caps the PCIA rate increase by vintage at no more than 0.5 cents per kilowatt-hour (kWh) greater than the current PCIA rate for a given vintage for non-exempt departing load customers. The decision required the major electrical utilities to file a Tier 2 advice letter to establish an interest-bearing under-collection balancing account that will track the accrued PCIA-obligation when the 0.5 cent cap is reached.

OP 10 orders the creation of a trigger mechanism that requires the utility to file an expedited application when the balance in the PUBA reaches 7 percent of the PCIA revenues and is forecast to reach 10 percent.

PG&E 5624-E implements these mechanisms pursuant to D.18-10-019.

Response to AL 5624-E

On September 19, 2019, the Joint Community Choice Aggregators filed a timely response to PG&E's AL 5624-E.[1] Joint CCAs make clear that they do not protest the relief requested (e.g., the implementation of the PUBA and the Trigger Mechanism), but raise a few items for discussion.

- The yearly change in the PCIA for purposes of the cap will be based on a comparison of the final, as-implemented PCIA rates for the vintages in question.
  - The Joint CCAs want to ensure that all rates used for comparison are the <u>final</u> as implemented rates for each vintage during a given year.
- Unexpected changes in load forecast should be considered in a manner that reflects the Commission's vintaging protocols.
  - Joint CCAs seek to clarify that because vintages are staggered with the calendar year (July 1, year n – June 30, year n+1) if a large departure were to occur after July 1 of a given year, they should continue to pay the uncapped PCIA rate that they paid as bundled customers to relieve pressure on the PUBA.
- PG&E should consider known revenues when calculating whether the PUBA Trigger will be reached.

[1] The response was submitted on behalf of East Bay Community Energy, Marin Clean Energy, Peninsula Clean Energy, Pioneer Community Energy, San José Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy Alliance (the Joint CCAs).

- Joint CCAs argue that the Commission's current benchmark for non-RPS energy currently does not account for revenues PG&E knows it will collect.[2] Those revenues are only realized during the true-up, not during the calculation of revenue requirement. Joint CCA's argue that these revenues should be included when determining if the PUBA threshold amount has been reached.

- Joint CCAs go on to note that they have included a proposal in PG&E's ongoing 2020 Forecast Energy Resource Recovery Account (ERRA) Application (A.) 19-06-001 that would account for the ancillary services revenues within the indifference amount, and that if their proposal were adopted in that proceeding, their suggestion that ancillary services revenues be included in the calculation of the PUBA threshold amount would no longer be necessary.

- PG&E should clarify that it will calculate the 2020 PUBA Trigger Amount as part of its November Update in A.19-06-001.

  - Joint CCAs argue that for the sake of transparency, PG&E should calculate the PUBA trigger amount as part of the annual ERRA Forecast proceeding.

PG&E Reply to CalCCA

On September 26, 2019, PG&E replied to the Joint CCAs' comments on AL 5624-E. PG&E addressed each of the items in the Joint CCAs' response.

- PG&E agrees that the yearly change in the PCIA for purposes of the cap is based on a comparison of the final, as-implemented PCIA rates for the years in question.

  - PG&E states that it will update the tariff sheet through a subsequent Tier I advice Letter filing to implement clarifying language.

- PG&E agrees that vintaging protocols will continue to apply to determine which departing load customers are subject to a capped rate but disagrees that unexpected changes in load should lead to adjustments in the trigger.

  - PG&E notes that if there are increases in departures and this accelerates hitting the 7 percent trigger and 10 percent threshold amount sooner than expected, the trigger would be functioning as it should. The trigger amount should not change based on the amount of load that has departed.

- PG&E disagrees that recorded actual costs should be considered when determining whether the PUBA trigger will be reached.

  - PG&E argues that the PUBA is designed to track *billed customer* revenues – specifically the difference between the uncapped billed customer revenues in PABA and the undercollected amount accrued in PUBA. As a result, CAISO ancillary services revenues are not a part of that calculation and should not be included in the calculation of the PUBA.

[2] Joint CCA Response to Advice Letter 5624-E, p. 5

- PG&E agrees to calculate the 2020 PUBA Trigger amount as part of its 2020 ERRA Forecast November Update.

Discussion and Disposition of PG&E 5624-E

PG&E AL 5624-E is approved as filed, effective September 30, 2019. General Order 96-B defines a response as "a document, submitted by a third party and served on the utility submitting the advice letter, that *unconditionally* supports the relief requested in the advice letter and that may provide useful information regarding the advice letter."[3] Joint CCAs characterize their filing as a response, not a protest. Nevertheless, Energy Division discusses the items raised by the Joint CCAs and makes findings as follows:

- Energy Division agrees with the Joint CCAs and PG&E that the rates used for comparison in the implementation of the cap will be the final as implemented rates from the prior year for all vintages. Energy Division staff will track implementation of the capped rates in PG&E's forecast proceeding and ensure that the comparison is based on the appropriate rates.

- Energy Division agrees with the Joint CCAs and PG&E that current vintaging protocols should continue to be used as has been ordered by the Commission. Until the Commission states otherwise, PG&E will continue to apply current vintaging protocols to all customers, and will charge customers that depart on or after July 1 of a given year the uncapped, bundled customer PCIA rate for the remainder of the calendar year until a new PCIA rate is approved in the next ERRA Forecast proceeding.

  As PG&E notes, there will be no adjustment to the Trigger amount based on a greater-than-expected load departure in a given year, though Energy Division also recognizes that this is *not* what the Joint CCAs were suggesting, contrary to PG&E's assertion.

- The inclusion of Ancillary Services revenues in the PUBA Trigger amount represents the main point of disagreement between PG&E and the Joint CCAs on the implementation of the PUBA and PCIA Cap mechanism. CalCCA notes that it has made a request in PG&E's pending 2020 ERRA Forecast Application (A.19-06-001) that would remove the need for special consideration for CAISO Ancillary Services revenues. Advice Letters are not an appropriate venue for litigation of issues in ongoing Commission proceedings. Energy Division defers disposition on this issue to A.19-06-001.

- Energy Division agrees with the Joint CCAs and PG&E that the PUBA Trigger amount should be calculated as part of the ERRA Forecast proceeding on an annual basis. PG&E plans to file the PUBA Trigger amount as part of its November update, which is an appropriate time for the calculation to be filed.

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[3] General Order 96-B, p.4

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

August 30, 2019

Advice 5624-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

<u>Subject:</u> **Establish the Power Charge Indifference Amount (PCIA) Undercollection Balancing Account and Trigger Mechanism in Compliance with Decision 18-10-019**

<u>Purpose</u>

Pacific Gas and Electric Company (PG&E) submits its proposed Power Charge Indifference Amount (PCIA) Undercollection Balancing Account (PUBA) and calculates the trigger mechanism for the PUBA pursuant to Decision (D.) 18-10-019, Ordering Paragraphs (OP) 9 and 10, issued in the Power Charge Indifference Amount (PCIA) Order Instituting Rulemaking (OIR), R.17-06-026.

OP 9 caps PCIA rate increases by vintage at no more than 0.5 cents per kilowatt-hour (kWh) greater than the current PCIA rate for non-exempt departing load customers and requires PG&E, Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) (collectively, Joint Utilities) to submit to the California Public Utilities Commission (CPUC or Commission) a Tier 2 Advice Letter to establish an interest-bearing under-collection balancing account that will track departing load customers' accrued PCIA obligation when the 0.5 cent per kWh cap is reached.

OP 10 discusses the trigger mechanism that will allow the Joint Utilities to file an expediated application, when the balance in PUBA reaches 7 percent of the PCIA revenues and is forecast to reach 10 percent. The Preliminary Statement changes are included in Appendix A of this advice letter.

This advice letter also describes how PG&E will implement capped PCIA rates by vintage. Lastly, PG&E discusses the trigger mechanism for the PCIA capped rates and calculates the trigger and trigger threshold amounts that would be applicable to the PUBA pursuant to OP 10 directives.

<u>Background</u>

The PCIA OIR was established to respond to concerns that the existing PCIA cost allocation was not preventing cost shifting between bundled and departing load customers, as required by law.[1] In D.18-10-019, the Commission adopted revised inputs to the market price benchmark (MPB) used to set the PCIA rates, adopted an annual true-up mechanism to ensure that bundled and departing load customers pay equally for the above-market costs of PCIA-eligible resources (OP 6), set a cap of 0.5 cent per kWh increase for departing load customers' PCIA rate differentiated by vintage (OP 9), and established a trigger mechanism for the PCIA cap (OP 10).[2] Previously, the PCIA rate was set on a forecast basis and not trued-up to actual, recorded costs and there were no provisions for a PCIA cap.

In compliance with OP 6, PG&E submitted Advice Letter 5440-E on December 10, 2018 to establish the Portfolio Allocation Balancing Account (PABA) to facilitate the true-up of PCIA-related costs, market revenues, and customers' billed PCIA revenues. The PABA has vintaged subaccounts that will record vintage-specific above market costs which are then matched to customers' billed revenues, by vintage. The PABA was approved in Advice Letter 5440-E on May 3, 2019 and effective January 1, 2019.

The end-of-year balance in each vintage subaccount is amortized in rates in the following year using the existing ERRA Forecast process, which establishes an initial rate forecast in June of each year for the vintage PCIA rates, and going forward, the June rate forecast will include amortization of any end-of-year projected over- or under-collection from the applicable PABA vintage subaccount. PG&E updates the June PCIA rate forecasts in November of each year for rates effective January 1 each year.

Request

PUBA and PCIA Cap

Pursuant to D.18-10-019, OP 9, the Commission established a cap when setting departing load PCIA rates that only allows the PCIA rate to increase 0.5 cent per kWh over the current year's vintage PCIA rates and requires the Joint Utilities to establish an interest-bearing undercollection balancing account that will track departing load customers' accrued PCIA obligation when the 0.5 cent per kWh cap is reached.

PG&E is requesting the Commission approve the establishment of the PUBA to track departing load customers' undercollected PCIA obligation that accrues if the PCIA system average rate increase is capped at the 0.5 cent per kWh by vintage. The undercollected PCIA obligation can be derived by taking the difference between uncapped PCIA rates and the PCIA capped rates that are approved, by vintage and by class, and multiplying

[1] D.18-10-019, p. 1.

[2] D.18-19-019, OPs 1 and 2, and Appendix 1, define the values and calculation methodology for the market price benchmark which is composed of: (1) Brown Power Index, (2) Renewables Portfolio Standard (RPS) Adder, and (3) Resource Adequacy (RA) Adder. See Conclusion of Law (COL) 16 and OP 6, which adopts a true-up mechanism for the Brown Power Index to ensure that bundled and departing load customers pay equitably for [brown power] associated with PCIA-eligible resources, and OPs 9 and 10 adopt the PCIA cap for departing load customers and sets-up a trigger mechanism for the PCIA cap.

the rate difference times the applicable customer load, by vintage and by class. The undercollected PCIA obligation for each customer vintage will be the summed for all customer classes in that vintage and the total will be recorded to the PUBA vintage subaccounts.

PG&E proposes that the evaluation of whether the 0.5 cent per kWh PCIA cap has been reached be measured based on the system average PCIA rate by vintage. If the system average PCIA rate by vintage increases more than 0.5 cent per kWh, then all PCIA rates for that vintage would be capped and the capped PCIA rates by customer class would be determined based on the revenue allocation among classes. The net result is that some customer classes may pay an increase that is slightly more than 0.5 cent per kWh and some customer classes may pay slightly less than the 0.5 cent per kWh increase. However, using the currently authorized generation revenue allocation factors to determine the class-specific capped PCIA rates maintains the proper rate design within the vintage subaccount so each customer class has responsibility for any balance in the vintage subaccount in proportion to the generation allocation rate design. Adding a flat 0.5 cent rate on each customer class's PCIA rate would distort the generation rate design allocation.

PG&E implements the generation revenue allocation for the PCIA rate design using rate ratios, which compare the class-specific average generation rate to the system average generation rate. An illustration showing how the cap would be derived for the class-specific rates, when the system average PCIA rate is capped at 0.5 cent per kWh is shown in the table below using PG&E's 2020 generation revenue allocation rate ratios.[3]

[3] Table 1 is illustrative only and is not indicative of an actual rate request.

TABLE 1
ILLUSTRATIVE PCIA REVENUE ALLOCATION AND PCIA CAP INCREASES

Revenue Allocation Rate Ratios

Line No.	Customer Class	2009 Vintage	2010 Vintage		2019 Vintage	2020 Vintage
1	Residential	105.2%	105.2%	. . . .	105.2%	105.2%
2	Small Commercial	100.8%	100.8%	. . . .	100.8%	100.8%
3	Medium Commercial	108.6%	108.6%	. . . .	108.6%	108.6%
4	Large Commercial	99.5%	99.5%	. . . .	99.5%	99.5%
5	Streetlights	83.8%	83.8%	. . . .	83.8%	83.8%
6	Standby	76.0%	76.0%	. . . .	76.0%	76.0%
7	Agriculture	94.0%	94.0%	. . . .	94.0%	94.0%
8	E-20 T	85.4%	85.4%	. . . .	85.4%	85.4%
9	E-20 P	92.0%	92.0%	. . . .	92.0%	92.0%
10	E-20 S	95.7%	95.7%	. . . .	95.7%	95.7%
11	System Average	100.0%	100.0%		100.0%	100.0%

2020 Cap Increase by Rate Class

Line No.	Customer Class	2009 Vintage	2010 Vintage		2019 Vintage	2020 Vintage
1	Residential	0.00526	0.00526	. . . .	0.00526	N/A
2	Small Commercial	0.00504	0.00504	. . . .	0.00504	N/A
3	Medium Commercial	0.00543	0.00543	. . . .	0.00543	N/A
4	Large Commercial	0.00497	0.00497	. . . .	0.00497	N/A
5	Streetlights	0.00419	0.00419	. . . .	0.00419	N/A
6	Standby	0.00380	0.00380	. . . .	0.00380	N/A
7	Agriculture	0.00470	0.00470	. . . .	0.00470	N/A
8	E-20 T	0.00427	0.00427	. . . .	0.00427	N/A
9	E-20 P	0.00460	0.00460	. . . .	0.00460	N/A
10	E-20 S	0.00478	0.00478	. . . .	0.00478	N/A
11	2020 Cap Increase	0.00500	0.00500		0.00500	

The need for a PCIA cap by vintage will be determined as part of the annual ERRA Forecast application. Once it has been determined that the PCIA rates for a vintage need to be capped, PG&E will present the capped PCIA rates applicable to departing load customers in its testimony and will forecast the total PCIA obligation that is expected to accrue in PUBA for the forecast year. PG&E expects to make this showing for its 2020 Forecast as part of its November Update testimony, which will be filed on or before November 7. Beginning in 2021, PG&E would make this showing as part of its opening testimony filed on or before June 1 of each year.

The undercollected PCIA obligation PG&E expects to accrue will be derived by taking the difference between the uncapped PCIA rate, by customer class and vintage, and the capped PCIA rate, by customer class and vintage and the resulting rate difference will be multiplied by the applicable departing load, by class and vintage. The departing load customers' undercollected PCIA obligation represents a revenue shortfall and the revenue shortfall will be reflected in the balance of PUBA vintage subaccounts.

The PCIA revenue shortfall from departing load customers will be financed through an increase to bundled customers' generation rate. In D.18-10-019, the Commission authorized that any balances in the under-collection balancing account will be repaid to bundled customers with interest so that the PCIA cap does not violate statutes that forbid cost-shifting.[4]

[4] Conclusion of Law 23

PG&E's ERRA will track that portion of bundled customers' generation rate that is dedicated to financing the PCIA revenue shortfall from departing load customers in a new subaccount. Separately, the revenue shortfall attributable to departing customers will be accruing in the PUBA vintage subaccounts, as discussed above.

PG&E also requests that the excess generation revenue recorded to the new subaccount in ERRA be excluded from the ERRA balance used to evaluate the ERRA Trigger mechanism. PG&E also proposes that the repayment of the PCIA revenue shortfall financed by bundled customers through generation rates occur concurrently with departing load customers' repayment of the undercollected PCIA obligation recorded in the PUBA. Specifically, repayment to bundled customers will be based on the amount of accrued undercollected PCIA obligation that can be collected from departing load customers in any subsequent PCIA rate change authorized by the Commission, which may only partially amortize the PUBA subaccount balances. Changes to vintaged PCIA rates that have been capped would occur as part of the annual ERRA Forecast application or through an expediated Trigger Application as provided for in OP 10.

The modified ERRA Preliminary Statement – CP is included in Attachment A.

Trigger for PCIA Cap

OP 10 established a trigger mechanism for the capped PCIA rates applicable to departing load customers, which will be reflected by the amount of accrued undercollected PCIA obligation owed by departing load customers as reflected in PUBA's vintage subaccounts. Specifically, the framework for the trigger mechanism discussed in OP 10 is as follows:

a. The PCIA trigger threshold is 10% of the forecast PCIA revenues.
b. If [the under-collection balancing account] reaches 7%, and forecast that the balance will reach 10 percent, [the utility] shall, within 60 days, file an expedited application for approval in 60 days from the filing datewhen the balance reaches 7%.[5]
c. The application shall include a projected account balance as of 60 days or more from the date of filing depending on when the balance will reach the 10% percent threshold.
d. The application shall propose a revised PCIA rate that will bring the projected account balance below 7% and maintain the balance below that level until January 1 of the following year, when the PCIA rate adopted in PG&E's ERRA forecast proceeding will take effect.

[5] Though not called out specifically in the decision, PG&E would note that changes to the PCIA rate resulting from the Trigger Application will also impact the Generation Rate. That is, any resulting PCIA revenue change (increase) for departing customers would have an offsetting change to bundled customers generation rate (decrease) that reflects the PUBA balance amortization.

e. The [utility is] authorized to notify the Commission through advice letter filing, instead of expedited application, when the PCIA balance exceeds its trigger point and the Utility does not seek a change in rates, if the IOU reasonably believes the balance will self-correct below the trigger point within 120 days of filing. The advice letter filing shall include necessary documentation to support the IOU's conclusion that the PCIA balance will self-correct below the trigger point with 120 days and that a rate change is not needed.

The trigger mechanism associated with the capped PCIA rate would be calculated based on the departing load customers' portion of the PCIA revenue requirement. For example, if the total PCIA revenue requirement is $2 billion and departing load customers' share of the PCIA revenue requirement is $1 billion, the 7 percent trigger and 10 percent trigger threshold for PUBA would be $70 million and $100 million, respectively.

PG&E proposes that the trigger mechanism for the PUBA be established as part of the annual ERRA Forecast process and updated as part of the ERRA November Update based on the departed load customers' portion of the revenue requirement for the forecast year.

Tariff Changes

The new and modified preliminary statement for implementing the directives in OPs 9 and 10 are discussed below and included in Attachment A.

New Preliminary Statements

PCIA Under-collection Balancing Account - Electric Preliminary Statement Part HZ

Purpose

The purpose of the PUBA is to record the revenue shortfall or undercollection PCIA obligation associated with capped PCIA rates for departing load customers. The balancing account will include vintage subaccounts to track the revenue shortfall, by customer vintage. Customers are assigned cost responsibility for vintages of generation resources based upon the timing of the departure as defined in the various rules which governing notice and customer departures.[6] The PUBA Preliminary Statement Part HZ is included in Attachment 1.

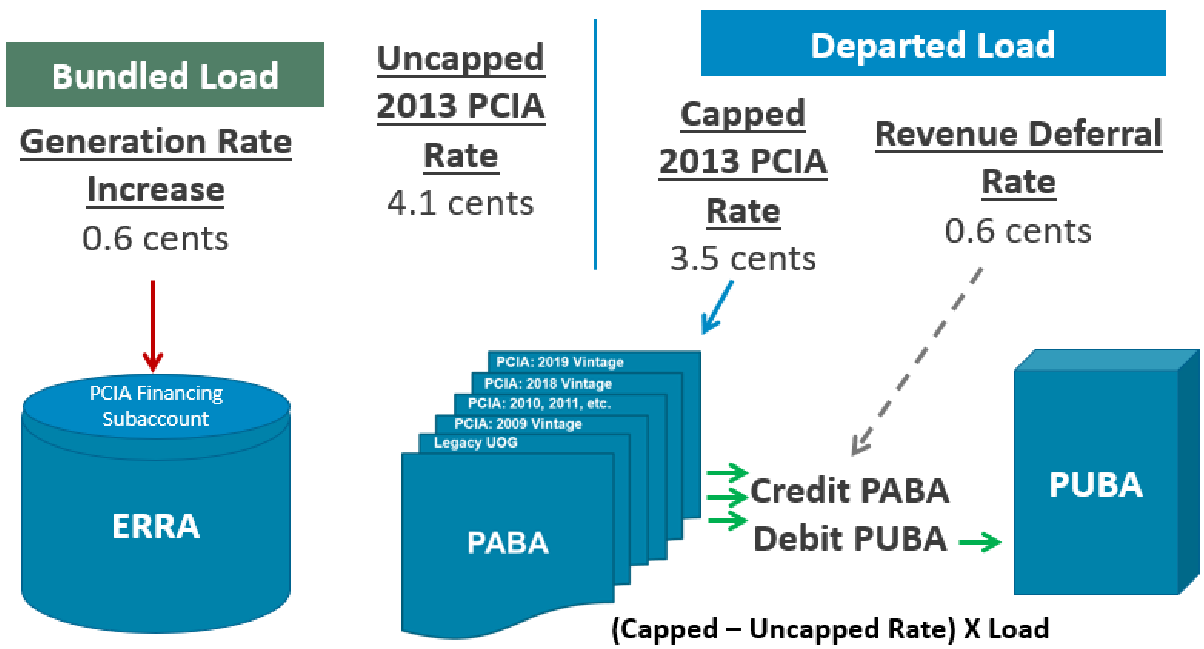
PUBA Account Structure

Subaccounts in the PUBA will be based on customer vintages, which begin with the 2009 vintage. The revenue shortfall tracked in each PUBA vintage subaccount will be the difference between the uncapped class-specific vintaged PCIA rate and the

[6] See Electric Rules 22 and 22.1 for Direct Access (DA) and DA Switching Exemptions and Rules 23 and 23.2 for Community Choice Aggregation (CCA) Service and CCA Open Season.

capped class-specific vintaged PCIA rates multiplied by the departing customers' class specific load for each vintage. The diagram below shows a simplified illustrative example for a 2013 vintage where the revenue shortfall for departing customers will be moved from PABA to PUBA. In the illustrative example, assume that the current PCIA rate for a 2013 vintage customer is 3.0 cents per kWh and is forecast to increase to 4.1 cents per kWh. The capped PCIA rate will be 3.5 cents per kWh and the uncollected PCIA obligation will be 0.6 cents per kWh. The PCIA revenue shortfall will be credited out of PABA and debited to PUBA. PUBA's 2013 vintage subaccount will reflect the revenue shortfall of 0.6 cents per kWh multiplied by the customer's load. The PABA credits for the revenue shortfall will be 0.6 cent per kWh in total but will be disaggregated and credited from the PABA vintage subaccount based on the resource vintage where the revenue shortfall occurs. The impact to generation rates would be determined based on the total revenue shortfall divided bundled load. For simplicity, the assumption illustrated below is that that bundled load was the same as the departing load with the revenue shortfall and as such, the generation rate impact is the same as the revenue deferral rate.[7]

ILLUSTRATIVE 2013 PCIA CAPPED RATE AND REVENUE SHORTFALL



[7] The generation rate impact in the illustrative example has been simplified to demonstrate the concept. The reality will be that the impact to bundled customers generation rate will be dependent on the total amount of the uncollected PCIA obligation (revenue deferral) and bundled load available to finance the revenue shortfall. In all cases, the generation rate impact will diverge from the revenue deferral rates, where there will be a unique deferral rate for each vintage and customer class.

Modifications to Existing Preliminary Statements

Portfolio Allocation Balancing Account - Electric Preliminary Statement Part HZ

<u>PABA Revenue Shortfall</u>
A line item to transfer the monthly revenue shortfall in the PABA vintage subaccounts equal to the monthly revenue shortfall recorded in the PUBA will be added as follows:

(1) A credit/debit entry to transfer the undercollection in the applicable PABA subaccount due to the PCIA revenue shortfall. The PCIA revenue shortfall is equal to the difference between the uncapped vintaged PCIA rate by customer class minus the capped vintaged PCIA rate by customer class applicable to departing load customers, net of RF&U, multiplied by the departing load's usage by customer class for each vintage. The PCIA revenue shortfall is mapped to the PABA vintage subaccounts based on incremental revenue shortfall rates. Corresponding debit/credit entries will be recorded in the PCIA Undercollection Balancing Account (PUBA), Electric Preliminary Statement Part XX, based on the cumulative revenue shortfall rates, by customer vintage.

The illustration above shows how the revenue shortfall would be transferred from PABA to PUBA. The PABA subaccounts record incremental PCIA revenues by vintage to align with vintage resource costs and the PCIA revenue shortfall by customer vintage recorded in PUBA. The PUBA revenue shortfall will record the cumulative PCIA revenue shortfall by customer vintage. In PABA, the cumulative PUBA rate by customer vintage be disaggregated and mapped to the PABA vintage subaccounts which track costs and revenues incrementally. Table 2 below continues the illustrative example using a 2013 PCIA vintage capped PCIA rate and shows the revenue shortfall rates for PABA and PUBA and how the shortfall rates and revenue entries in the two accounts will map to each other. The illustrative example is also expanded to show vintages 2009 through 2012 and the impact of capped rates on those vintages.

The PABA vintage subaccounts will have one incremental PCIA shortfall rate that applies to each customer vintage that has an obligation for resource costs in the vintage PABA subaccount. Each PABA vintage subaccount will credit the incremental revenue shortfall from many customer vintages as shown in the rows of Table 2 below. The revenue shortfall for PUBA is recorded based on the customer vintage and will be a debit equal the sum across all applicable PABA vintage subaccounts as shown in the last column in the Table 2 below.

TABLE 2
ILLUSTRATIVE PABA AND PUBA REVENUE DEFERRAL RATES AND ENTRIES

2013 Vintage PCIA - Current Rate	3.00 cents / kWh
Forecast Uncapped Rate	4.10 cents / kWh
Implemented Capped Rate	3.50 cents / kWh
PUBA Rate = Uncollected PCIA	0.60 cents / kWh

RATES ASSOCIATED WITH REVENUE DEFERRAL DUE TO PCIA CAP							
RATE / REVENUE SHORTFALL	PABA Resource Vintage						
Effective PABA Rate = Incremental Rate by Vintage	Legacy UOG	2009	2010	2011	2012	2013	Cumulative Total
Incremental Rate (cents per kWh)	0.12	0.12	0.10	0.09	0.09	0.08	0.60

RATE / REVENUE SHORTFALL	PUBA Customer Vintage					
Effective PUBA Rate = Cumulative Rate by Vintage		2009	2010	2011	2012	2013
Cumulative Rate by Vintage (cents per kWh)		0.24	0.34	0.43	0.52	0.60

ACCOUNTING ENTRIES									
ENTRIES to PABA	Load (kWh)	Legacy UOG	2009	2010	2011	2012	2013	Total ENTRY TO PABA	ENTRIES to PUBA BY Vintage
PCIA 2009 Vintage DL	100	($1,200)	($1,200)					($2,400)	$2,400
PCIA 2010 Vintage DL	100	($1,200)	($1,200)	($1,000)				($3,400)	$3,400
PCIA 2011 Vintage DL	100	($1,200)	($1,200)	($1,000)	($900)			($4,300)	$4,300
PCIA 2012 Vintage DL	100	($1,200)	($1,200)	($1,000)	($900)	($900)		($5,200)	$5,200
PCIA 2013 Vintage DL	100	($1,200)	($1,200)	($1,000)	($900)	($900)	($800)	($6,000)	$6,000
Total Entry to PABA by Vintage		($6,000)	($6,000)	($4,000)	($2,700)	($1,800)	($800)	($21,300)	$21,300

Please refer to the PABA and PUBA Preliminary Statement included in Appendix A for descriptions of the accounting procedures for each of these entries.

Energy Resource Recovery Account – Electric Preliminary Statement Part CP

The following entry will be added to the Accounting Procedures section of the ERRA:

> A debit/credit entry to record the transfer of the revenues financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. A corresponding credit/debit entry is reflected in Accounting Procedure 6a below.

Additionally, a new PCIA Financing Subaccount will be added to the ERRA to track the amount financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. The purpose of the Financing Subaccount and the monthly entries are shown below:

The purpose of the PCIA Financing Subaccount is to track the amount financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers.

PG&E shall maintain the PCIA Financing Subaccount by making the following entries at the end of each month:

a) A credit/debit entry to record the transfer of the revenues financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. A corresponding debit/credit entry is reflected in Accounting Procedure above.
b) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC.
c) A monthly entry equal to interest on the average balance in the subaccount at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

Finally, PG&E has updated accounting procedures 5c and 5d to clarify that the corresponding credit entries for renewable energy credits and resource adequacy includes imputed revenue recorded in the Tree Mortality Non-Bypassable Charge Balancing Account (TMNBCBA).

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than September 19, 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, 4th 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

PG&E requests that this Tier 2 advice submittal become effective September 30, 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 R.17-06-026 and A.19-06-001. 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: Attachment 1 – Tariff Revisions
Attachment 2 – Tariff Revisions Redline

cc: Service List R.17-06-026, A.19-06-001

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) #: 5624-E

Tier Designation: 2

Subject of AL: Establish the Power Charge Indifference Amount (PCIA) Undercollection Balancing Account and Trigger Mechanism in Compliance with Decision 18-10-019

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.18-10-019

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: See attached Confidentiality Declaration and Matrix
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: 9/30/19

No. of tariff sheets: 11

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: N/A

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 5624-E

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
45240-E	ELECTRIC PRELIMINARY STATEMENT PART CP ENERGY RESOURCE RECOVERY ACCOUNT Sheet 2	30255-E
45241-E	ELECTRIC PRELIMINARY STATEMENT PART CP ENERGY RESOURCE RECOVERY ACCOUNT Sheet 4	43453-E
45242-E	ELECTRIC PRELIMINARY STATEMENT PART CP ENERGY RESOURCE RECOVERY ACCOUNT Sheet 9	43458-E
45243-E	ELECTRIC PRELIMINARY STATEMENT PART CP ENERGY RESOURCE RECOVERY ACCOUNT Sheet 10	
45244-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 4	43464-E
45245-E	ELECTRIC PRELIMINARY STATEMENT PART HS PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) Sheet 5	43465-E
45246-E	ELECTRIC PRELIMINARY STATEMENT PART HZ PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA) Sheet 1	
45247-E	ELECTRIC PRELIMINARY STATEMENT PART HZ PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA) Sheet 2	
45248-E	ELECTRIC TABLE OF CONTENTS Sheet 1	44838-E
45249-E	ELECTRIC TABLE OF CONTENTS Sheet 13	44458-E
45250-E	ELECTRIC TABLE OF CONTENTS Sheet 17	44714-E

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

1. PURPOSE: (Cont'd.)

California Public Utilities Code § 454.5(d)(3) mandates a trigger mechanism to ensure that an undercollection or overcollection in the ERRA does not exceed 5 percent of a utility's recorded generation revenues for the prior year excluding revenues collected for the DWR.

Pursuant to Decision 02-12-074, Conclusion of Law 23 and Ordering Paragraph (OP) 15, PG&E is authorized to file an expedited trigger application at any time that its forecast indicates the undercollection in the ERRA will be in excess of the 5 percent threshold or 5 percent of the prior calendar year generation revenues less revenues collected for DWR during that year.

Pursuant to Decision 04-01-050, the ERRA trigger mechanism for 2004 and subsequent years would be established annually through an Advice Letter on or before April of each year.

Decision 04-12-048 extended the ERRA Trigger to be in effect during the term of the long-term procurement contracts, or 10 years, whichever is longer.

The ERRA also contains a separate subaccount, the PCIA Financing (N)
Subaccount, that tracks the amount financed by bundled customers I
related to the revenue shortfall associated with capped PCIA rates for I
departing load customers. (N)

(Continued)

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

z) A credit or debit entry to reflect Program Charge expense associated with the GTSR Program, excluding marketing and administration expenses, for customers taking service under Schedule E-ECR, equal to the Program Charge rate, multiplied by the subscription level of the E-ECR customer in kWh, and/or entry to reflect any subsequent true-up of the Program Charge components' expense to actual costs.

aa) A debit or credit entry equal to expenses associated with the GTSR Program's Enhanced Community Solar (ECR) option resources that is unsubscribed.

ab) A debit or credit entry to transfer expenses from the GTSRBA for renewable resources procured to serve customers taking service under Schedule E-GT that are in excess of the E-GT program subscription pursuant to the backstop provision in Pub. Util. Code §2833(s)

The following entries reflect interest expense and other balance transfers from memo and balancing accounts, as authorized by the Commission:

ac) A debit/credit entry to record the transfer of the revenues financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. A corresponding credit/debit entry is reflected in Accounting Procedure 6a below. (N)

ad) a debit or credit entry equal, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC; and (T)

ae) A monthly 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 rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor; (T)

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

6. PCIA FINANCING SUBACCOUNT (N)

The purpose of the PCIA Financing Subaccount is to track the amount financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers.

PG&E shall maintain the PCIA Subaccount by making the following entries at the end of each month:

a) A credit/debit entry to record the transfer of the revenues financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. A corresponding debit/credit entry is reflected in Accounting Procedure 5ac above.

b) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC.

c) A monthly entry equal to interest on the average balance in the subaccount at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

(N)

(Continued)

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

Contract Costs:

v. A debit entry to total costs associated with QF obligations that are not eligible for recovery as an ongoing CTC.

w. A debit entry equal to bilateral contract obligations.

x. A debit or credit entry equal to renewable contract obligations, and fees associated with participating in WREGIS.

y. A debit entry equal to the capacity and energy costs for QF/non-CHP Program contracts.

z. A debit or credit entry equal to the cost or revenue associated with combined heat and power systems authorized in D.09-12-042, D.10-12-055 and D.11-04-033, and defined in PG&E's tariffs E-CHP, E-CHPS, and E-CHPSA.

GHG Costs:

aa. A debit entry equal to the greenhouse gas costs related to PG&E's generating facilities and physically settled compliance instruments associated with contracts.

Miscellaneous Costs

ab. A debit or credit entry equal to pre-payments and credit and collateral payments, including all associated fees, for procurement purchase and, if applicable, reimbursements of prepayments, credit and collateral payments.

ac. A debit entry equal to any other power costs associated with procurement.

ad. A credit/debit entry to transfer/repay the undercollection due to the PCIA revenue shortfall from the applicable PABA subaccount to the PUBA. The PCIA revenue shortfall is equal to the difference between the uncapped vintaged PCIA rate by customer class minus the capped vintaged PCIA rate by customer class applicable to departing load customers, net of RF&U, multiplied by the departing load's usage by customer class for each vintage. The PCIA revenue shortfall is mapped to the PABA vintage subaccounts based on incremental revenue shortfall rates. Corresponding debit/credit entries will be recorded in the PCIA Undercollection Balancing Account (PUBA), Electric Preliminary Statement Part HZ, based on the cumulative revenue shortfall rates, by customer vintage. (N)

(L)

(Continued)

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA) (L)

5. ACCOUNTING PROCEDURES: (Cont'd.)

ae. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC. (T)/(L)

Interest:

af. 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)/(L)

6. POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) SUBACCOUNT

The purpose of the PCIA Subaccount is an interim subaccount that tracks the difference between the actual PCIA revenue based on currently effective PCIA rates and the imputed PCIA revenue based on the PCIA rates proposed in PG&E's currently pending ERRA Forecast proceeding in the event the rates in that proceeding are approved after January 1st.

PG&E shall maintain the PCIA Subaccount by making the following entries at the end of each month, or as applicable, excluding an allowance for RF&U account expense, until the authorized PCIA rate is implemented:

a) A debit entry equal to imputed PCIA revenue based on the PCIA rate as adopted by the Commission;

b) A credit or debit entry equal to the recorded PCIA revenues; and

c) A credit or debit entry to transfer the balance as authorized by the Commission.

HZ. PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA) (N)

1. PURPOSE: The purpose of the PCIA Undercollection Balancing Account (PUBA) is to record the shortfall in revenues accruing from departing load customers when the cap in the PCIA rate is reached. Starting in 2020, the cap of the PCIA rate is set at 0.5 cents/kWh more than the current cumulative system average rate per vintage.

   The PUBA is comprised of vintage subaccounts that track the PCIA obligation that accrues by customer vintage if the PCIA rate increase is capped at 0.5 cents per kWh. The PCIA obligation that accrues is a revenue shortfall and is derived by taking the difference between the uncapped PCIA rate by customer class for that vintage and the capped PCIA rate by customer class and vintage multiplied by the departing load usage, by class and vintage. The resulting PCIA obligations or revenue shortfalls will be recorded to PUBA.

   Customers are assigned to vintages based on the timing of their departure. Customers that depart on or before June 30 of the current year are assigned the prior year as their customer vintage. Customers that depart on or after July 1 of the current year are assigned the current year as their customer vintage.

   Decision 18-10-019 mandates a trigger mechanism to ensure that an undercollection or overcollection in the PUBA does not exceed 10 percent of a utility’s forecast departing load PCIA revenues.

2. APPLICABILITY: The PUBA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATES: Disposition of the balance in the account shall be through the Annual Electric True-Up advice letter process, as authorized by the CPUC through the annual ERRA forecast proceeding, or as authorized through a separate application if the trigger is reached.

4. RATES: The PUBA does not have a rate component.

5. ACCOUNTING PROCEDURES: The PUBA consists of subaccounts by customer vintage year, beginning with 2009.

   “Vintage Subaccounts” record and recover the PCIA obligation that accrues when PCIA rates by vintage are capped. Note that each year beginning with 2009 is a separate vintage subaccount. (N)

(Continued)

HZ. PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA) (N)

5. ACCOUNTING PROCEDURES: (Cont'd.)

The following entries will be made to the Vintage Subaccounts at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) account expense:

a. A debit/credit entry equal to the revenue shortfall/repayment attributable to the vintage subaccount, by customer class. The PUBA revenue shortfall is calculated by taking the difference between the uncapped vintage PCIA rates and the capped vintage PCIA rates by customer class multiplied by the departing customers' class specific load, by vintage. Corresponding credit/debit entries are mapped and recorded in the applicable Portfolio Allocation Balancing Account (PABA) vintage subaccount, Electric Preliminary Statement Part HS, based on the incremental revenue shortfall rates, by resource vintage.

a. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entry, 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. (N)

(Continued)

TABLE OF CONTENTS

(Continued)

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.	
	Preliminary Statements (Cont'd)		
Part CG	Utility Generation Balancing Account	43449,44453-E	
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,**45240**,43452,43453,43454,	(T)
		43455,43456,43457,**45241,45242**-E	(T)
Part CQ	Modified Transition Cost Balancing Account	43459,43460-E	
Part CZ	Distribution Revenue Adjustment Mechanism	40829,40544,41717,44454-E	

(Continued)

ELECTRIC TABLE OF CONTENTS

Sheet 17

(Continued)

Advice 5624-E
August 30, 2019

Attachment 2

Redlined Tariffs

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

1. PURPOSE: (Cont'd.)

California Public Utilities Code § 454.5(d)(3) mandates a trigger mechanism to ensure that an undercollection or overcollection in the ERRA does not exceed 5 percent of a utility's recorded generation revenues for the prior year excluding revenues collected for the DWR.

Pursuant to Decision 02-12-074, Conclusion of Law 23 and Ordering Paragraph (OP) 15, PG&E is authorized to file an expedited trigger application at any time that its forecast indicates the undercollection in the ERRA will be in excess of the 5 percent threshold or 5 percent of the prior calendar year generation revenues less revenues collected for DWR during that year.

Pursuant to Decision 04-01-050, the ERRA trigger mechanism for 2004 and subsequent years would be established annually through an Advice Letter on or before April of each year.

Decision 04-12-048 extended the ERRA Trigger to be in effect during the term of the long-term procurement contracts, or 10 years, whichever is longer.

The ERRA also contains a separate subaccount, the PCIA Financing Subaccount, that tracks the amount financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers.

(Continued)

CP. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

z) A credit or debit entry to reflect Program Charge expense associated with the GTSR Program, excluding marketing and administration expenses, for customers taking service under Schedule E-ECR, equal to the Program Charge rate, multiplied by the subscription level of the E-ECR customer in kWh, and/or entry to reflect any subsequent true-up of the Program Charge components' expense to actual costs.

aa) A debit or credit entry equal to expenses associated with the GTSR Program's Enhanced Community Solar (ECR) option resources that is unsubscribed.

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The following entries reflect interest expense and other balance transfers from memo and balancing accounts, as authorized by the Commission:

ac) A debit/credit entry to record the transfer of the revenues financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. A corresponding credit/debit entry is reflected in Accounting Procedure 6a below.

~~ac~~ad) a debit or credit entry equal, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC; and

~~ad~~ae) A monthly 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 rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor;

P. ENERGY RESOURCE RECOVERY ACCOUNT (ERRA) (Cont'd.)

6. PCIA FINANCING SUBACCOUNT

The purpose of the PCIA Financing Subaccount is to track the amount financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers.

PG&E shall maintain the PCIA Subaccount by making the following entries at the end of each month:

a) A credit/debit entry to record the transfer of the revenues financed by bundled customers related to the revenue shortfall associated with capped PCIA rates for departing load customers. A corresponding debit/credit entry is reflected in Accounting Procedure 5ac above.

b) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC.

c) A monthly entry equal to interest on the average balance in the subaccount at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.

HS. PORTFOLIO ALLOCATION BALANCING ACCOUNT (PABA)

5. ACCOUNTING PROCEDURES: (Cont'd.)

Contract Costs:

v. A debit entry to total costs associated with QF obligations that are not eligible for recovery as an ongoing CTC.

w. A debit entry equal to bilateral contract obligations.

x. A debit or credit entry equal to renewable contract obligations, and fees associated with participating in WREGIS.

y. A debit entry equal to the capacity and energy costs for QF/non-CHP Program contracts.

z. A debit or credit entry equal to the cost or revenue associated with combined heat and power systems authorized in D.09-12-042, D.10-12-055 and D.11-04-033, and defined in PG&E's tariffs E-CHP, E-CHPS, and E-CHPSA.

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aa. A debit entry equal to the greenhouse gas costs related to PG&E's generating facilities and physically settled compliance instruments associated with contracts.

Miscellaneous Costs

ab. A debit or credit entry equal to pre-payments and credit and collateral payments, including all associated fees, for procurement purchase and, if applicable, reimbursements of prepayments, credit and collateral payments.

ac. A debit entry equal to any other power costs associated with procurement.

ad. A credit/debit entry to transfer/repay the undercollection due to the PCIA revenue shortfall from the applicable PABA subaccount to the PUBA. The PCIA revenue shortfall is equal to the difference between the uncapped vintaged PCIA rate by customer class minus the capped vinta~~t~~ged PCIA rate by customer class applicable to departing load customers, net of RF&U, multiplied by the departing load's usage by customer class for each vintage. The PCIA revenue shortfall is mapped to the PABA vintage subaccounts based on incremental revenue shortfall rates. ~~A c~~Corresponding debit/credit entries will be ~~y~~ ~~is~~ recorded in the PCIA Undercollection Balancing Account (PUBA), Electric Preliminary Statement Part HZ, based on the cumulative revenue shortfall rates, by customer vintage.

~~ad~~ae. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC.

Interest:

~~ae~~af. An entry equal to interest on the average balance in the account at the beginning of

(Continued)

PG&E Gas and Electric
Advice Submittal 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.
P.C. CalCom Solar
California Cotton Ginners & Growers Assn
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine

Cameron-Daniel, P.C.
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
Engineers and Scientists of California
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
Peninsula Clean Energy

Pioneer Community Energy
Praxair

Redwood Coast Energy Authority
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