

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 4344G/6032E**  
**As of January 21, 2021**

Subject: Implement Tariff Changes in Compliance with the 2020 General Rate Case (GRC)  
Decision (D.) 20-12-005

Division Assigned: Energy

Date Filed: 12-22-2020

Date to Calendar: 12-25-2020

Authorizing Documents: D2012005

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>01-01-2020</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

AL Certificate Contact Information:

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**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**



December 22, 2020

**Advice 4344-G/6032-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Implement Tariff Changes in Compliance with the 2020 General Rate Case (GRC) Decision (D.) 20-12-005**

**Purpose**

Pacific Gas and Electric Company (PG&E) submits this Tier 1 advice letter in accordance with Ordering Paragraph (OP) 3 of Decision (D.) 20-12-005 in PG&E's 2020 General Rate Case (Decision) to implement the following tariff changes approved in the Decision.

- a. New electric and gas preliminary statements.
- b. Revise certain electric and gas preliminary statements to remove obsolete information, add clarifying information and conform the tariffs to comply with requirements of the decision.
- c. Retire electric and gas preliminary statements for balancing and memorandum accounts no longer needed.

The affected tariff sheets are provided in Attachment 1.

**Background**

On December 13, 2018, PG&E filed its 2020 General Rate Case (GRC) application requesting the Commission authorize its 2020 GRC revenue requirements for the period 2020-2022. PG&E's application requested the test year 2020 revenue requirement go into effect on January 1, 2020. On February 7, 2019, PG&E filed a motion requesting the Commission issue a decision authorizing PG&E's test-year (TY) 2020 GRC revenue requirement to be effective January 1, 2020, in the event a final decision is issued after this date. On November 7, 2019, the Commission approved D.19-11-004 authorizing PG&E's TY 2020 GRC revenue requirement to be effective January 1, 2020.

On December 20, 2019, PG&E submitted to the California Public Utilities Commission (CPUC) a multi-party settlement agreement. On December 11, 2020, the CPUC issued D.20-12-005 in PG&E's 2020 GRC, approving most aspects of the Settlement Agreement.

Ordering Paragraph (OP) 3 of the Decision states:

Within 20 days from the effective date of this Order, Pacific Gas and Electric Company (PG&E) shall file a Tier 1 advice letter with revised tariff sheets to implement the revenue requirement authorized in Ordering Paragraph 2.

a. In accordance with D.19-11-004, the revised tariff sheets shall become effective on January 1, 2020 subject to a finding of compliance by the Commission's Energy Division, and compliance with General Order 96-B. However, the revised tariff sheets shall be implemented beginning March 1, 2021.

b. The balance recorded in PG&E's General Rate Case Revenue Requirement Memorandum Account from January 1, 2020 until the date the new tariffs are implemented, pursuant to this Ordering Paragraph, shall be amortized in rates beginning March 1, 2021 through December 31, 2022.

On December 14, 2020, PG&E submitted to CPUC Acting Executive Director Rachel Peterson, a request for extension of time to comply with the Ordering Paragraph 3.a. requirement that PG&E submit 2020 GRC revenue requirement implementation rate tariff changes from December 23, 2020 to February 26, 2021. On December 18, 2020, Acting Executive Director Peterson granted PG&E's extension request.

### **New Electric and Gas Preliminary Statements**

#### **Electric Preliminary Statement IN and Gas Preliminary Statement Part FK – Risk Transfer Balancing Account**

In accordance with OP 1 of the Decision, PG&E is establishing Electric Preliminary Statement Part IN, Risk Transfer Balancing Account – Electric (RTBA-E) and Gas Preliminary Statement Part FK, Risk Transfer Balancing Account – Gas (RTBA-G), effective January 1, 2020, to track and record actual expenses compared to the adopted revenue requirements for PG&E's excess liability insurance costs, inclusive of all financial risk transfer mechanisms (insurance, reinsurance, Catastrophe (CAT) bonds, captives), and related costs (such as broker fees and excise taxes), hereafter referred collectively as risk transfer costs.

The RTBA is a two-way balancing account that tracks and recovers the GRC portion<sup>1</sup> of actual financial risk transfer costs compared to adopted amounts. Adopted amounts and

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<sup>1</sup> Exhibit (PG&E-12), Chapter 12, FN18.

actual costs allocated to PG&E's Gas Transmission & Storage (GT&S) function and PG&E's Electric Transmission (TO) function will be recorded to authorized mechanisms applicable to those rate cases, namely the Adjustment Mechanism for Costs Determined in Other Proceedings (AMCDOP), for GT&S-related amounts, and PG&E's FERC-jurisdictional formula rates, for electric transmission (TO) related amounts. In accordance with how PG&E allocates its general liability insurance premium expense, the RTBA will be allocated using a composite allocation factor of the labor and the plant asset ratio ("blended factor").<sup>2</sup> The table below shows how the 2020 adopted and actual costs will be allocated<sup>3</sup> among these various recovery mechanisms.

<b>Recovery Mechanism</b>	<b>Allocation</b>
RTBA-E (Distribution Subaccount)	35.77%
RTBA-E (Generation Subaccount)	23.31%
RTBA-G	20.81%
AMCDOP	10.12%
TO Formula Rates	9.99%

In accordance with the Decision and the proposed tariffs attached to this Advice Letter, PG&E would recover risk transfer costs associated with coverage above \$1.4 billion, through a Tier 2 advice letter.<sup>4</sup>

PG&E will record and track actual costs associated with risk transfer costs for coverage above \$1.4 billion associated with the GRC functions in separate subaccounts in the RTBAs and in the other cost recovery mechanisms noted in the table above for amounts allocated to the GT&S and electric transmission functions. For the year 2020, PG&E spent \$529.4 million on total company liability insurance coverage. For January through July of 2020, PG&E obtained approximately \$910 million in total company liability coverage. For August through December 2020 PG&E obtained approximately \$1.587 billion in total company liability coverage.

#### **Electric Preliminary Statement IO and Gas Preliminary Statement Part FL – Wildfire Mitigation Balancing Account**

In accordance with OP 1 of the Decision, PG&E is establishing Electric Preliminary Statement Part IO, Wildfire Mitigation Balancing Account – Electric (WMBA-E) and Gas Preliminary Statement Part FL, Wildfire Mitigation Balancing Account – Gas (WMBA-G), effective January 1, 2020, to track and record actual expenses and the capital revenue requirement associated with actual capital additions compared to the total adopted revenue requirements for PG&E's wildfire mitigation activities. In the event that PG&E's program expenditures exceed 115% of the adopted amounts or the average overhead or underground system hardening per mile unit costs by 115%, PG&E will submit an

<sup>2</sup> See Exhibit (PG&E-10), Chapter 7.

<sup>3</sup> These allocation percentages will be updated annually.

<sup>4</sup> See Section 2.8.3.2 of the Settlement Agreement.

application to the Commission demonstrating the reasonableness of those additional amounts.<sup>5</sup> Additionally, recovery of any undercollection that is less than 115 percent of the authorized amount as well as the refund of any overcollection, shall be filed via a Tier 2 advice letter.<sup>6</sup>

The WMBA will include the following subaccounts: (1) the Electric Distribution Subaccount (WMBA-E), (2) the Generation Subaccount (WMBA-E), (3) the Gas Distribution Subaccount (WMBA-G), and (4) the GT&S Subaccount (WMBA-G) will track actual expenses and the capital revenue requirement up to 115% of the total adopted revenue requirement (expense and capital) as allocated to the respective function.<sup>7</sup> The Reasonableness Review Subaccounts (WMBA-E and WMBA-G) will track actual amounts (expenses and the capital revenue requirement associated with actual capital additions) that exceed 115% of the total adopted revenue requirement.<sup>8</sup>

The WMBA tracks and records the CPUC-jurisdictional portion of actual costs compared to adopted amounts. Adopted amounts and actual costs allocated to the FERC-jurisdictional Electric Transmission (TO) function will be allocated and recovered through PG&E's FERC-jurisdictional formula rates and will not be recorded in the WMBA. In addition to operations and maintenance (O&M) costs, which are allocated to the electric distribution function through the electric distribution subaccount, the WMBA also includes administrative and general (A&G) expenses which are unbundled and allocated across PG&E's functions using O&M labor factors approved in the 2020 GRC.<sup>9</sup> The factors approved in the GRC are as follows.

<b>Recovery Mechanism</b>	<b>Allocation</b>
WMBA-E (Electric Distribution Subaccount)	37.21%
WMBA-E (Generation Subaccount)	24.24%
WMBA-G (Gas Distribution Subaccount)	21.64%
WMBA-G (GT&S Subaccount)	10.53%
TO Formula Rates <sup>10</sup>	6.38%

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<sup>5</sup> See Settlement Agreement Section 2.3.2.1 and D.20-12-005, OP 1.b.

<sup>6</sup> Decision, OP 9

<sup>7</sup> Undercollections up to 115% of adopted amounts will be recovered through a Tier 2 advice letter. Overcollections will be refunded through a Tier 2 advice letter at the end of the GRC cycle or as authorized by the Commission.

<sup>8</sup> PG&E may file an application to request recovery of amounts in the Reasonableness Review subaccounts.

<sup>9</sup> See Exhibit (PG&E-10), Chapter 7, Table 7-3.

<sup>10</sup> Amounts applicable to the FERC jurisdiction will not be recorded to the WMBA.

**Electric Preliminary Statement Part IP-** Dimmable Streetlight Implementation Memo Account (DSIMA)

PG&E is establishing the DSIMA to track and record the incremental costs incurred related to developing and implementing a dimmable streetlight program in accordance with Phase 2 of PG&E's 2020 GRC.

**Existing Electric and Gas Preliminary Statements to be Revised****Electric Preliminary Statement BU-** Vegetation Management Balancing Account

In accordance with OP 1, PG&E is modifying Electric Preliminary Statement Part BU, Vegetation Management Balancing Account – Electric (VMBA-E), effective January 1, 2020, to track and record actual expenses compared to the adopted expenses for PG&E's vegetation mitigation activities. PG&E will also track vegetation management costs currently recorded in the Catastrophic Event Memorandum Account (CEMA) in the VMBA.<sup>11</sup> If PG&E's program expenditures exceed 120% of the adopted revenue requirement PG&E will submit an application to the Commission demonstrating the reasonableness of those additional costs.<sup>12</sup> Additionally, recovery of any undercollection that is less than 120 percent of the authorized amount as well as the refund of any overcollection, shall be filed via a Tier 2 advice letter.<sup>13</sup>

The VMBA includes two subaccounts: (1) the Main Account<sup>14</sup> tracks actual Routine and Enhanced vegetation management expenses up to 120% of adopted amounts, and (2) the Reasonableness Review Subaccount tracks actual costs above 120% of adopted amounts and actual tree mortality costs (which, as noted above, were previously recorded in PG&E's CEMA), for which there is currently no adopted revenue requirement.

PG&E will identify any activities not already tracked to this account in its annual report regarding vegetation management tree inspections. In accordance with D. 20-12-005, the Incremental Inspection and Removal Cost Tracking Account (IIRCTA), a sub-account of the VMBA, that recorded costs associated with incremental inspection and removal of trees, has been eliminated, as it is no longer necessary.

**Electric Preliminary Statement Part GL –** Hydro Licensing Balancing Account (HLBA)

PG&E proposes to modify the HLBA to include FERC and California Division of Safety of Dams (DSOD) regulatory fees, costs associated with implementation of the Crane Valley

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<sup>11</sup> Decision, p. 68.

<sup>12</sup> See Settlement Agreement Section 2.3.4 and Decision, OP 1.a.

<sup>13</sup> Decision, OP 8

<sup>14</sup> Undercollections up to 120% of adopted amounts will be recovered through a Tier 2 advice letter. Overcollections will be refunded through a Tier 2 advice letter at the end of the GRC cycle or as authorized by the Commission.

Recreation Settlement Agreement, and costs associated with work required as a result of the 2017 Oroville Dam incident.<sup>15</sup>

**Electric Preliminary Statement Part GM** – Nuclear Regulatory Commission Rulemaking Balancing Account (NRCRBA)

PG&E proposes to modify the NRCRBA to track expenses only.<sup>16</sup>

**Electric Preliminary Statement Part GU and Gas Preliminary Statement Part DU** – Z-Factor Memorandum Account (ZFMA)

PG&E proposes to modify the ZFMA to include test year events.<sup>17</sup>

**Gas Preliminary Statement Part DZ** – New Environmental Regulations Balancing Account (NERBA)

PG&E proposes to modify the Distribution Subaccount of the NERBA to track only amounts related to below ground Grade 3 leak repairs.<sup>18</sup> Conforming changes are made to **Gas Preliminary Statement Part F**, the Core Fixed Cost Account (CFCA), and **Gas Preliminary Statement Part J**, the Noncore Customer Class Charge Account (NCA).<sup>19</sup>

**Electric Preliminary Statement Part GS** – Residential Rate Reform Memorandum Account (RRRMA)

PG&E proposes to modify the RRRMA to update the amounts authorized to be collected in rates over the 2020 GRC rate case cycle and remove obsolete information.

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<sup>15</sup> Settlement Agreement, Section 4.1.1.3.

<sup>16</sup> Settlement Agreement, Section 4.1.1.2.

<sup>17</sup> Settlement Agreement, Section 4.1.1.4.

<sup>18</sup> Settlement Agreement, Section 4.1.1.1.

<sup>19</sup> In accordance with OP 12 of D.17-06-015 and as described in Exhibit (PG&E-12), Chapter 12, the 2020 GRC includes a forecast for complying with Best Practice activities related to minimizing methane emissions. As a result, the related revenue requirement no longer needs to be recorded separately in the CFCA and NCA. These entries are removed from the Accounting Procedures section of Gas Preliminary Statement Part F and Gas Preliminary Statement Part J.



### **Retire Existing Electric and Gas Preliminary Statements**

PG&E requested discontinuing and closing a number of balancing and memorandum accounts.<sup>20</sup> The Commission approved these requests in the Decision, with the exception of the Tax Memorandum Account, which will continue.<sup>21 22</sup>

Therefore, once the recorded December 31, 2019 balances in the balancing/memorandum accounts are transferred to the appropriate accounts for recovery, where necessary, the following accounts will be retired:

	Electric Preliminary Statement Part	Gas Preliminary Statement Part	Accounts to Retire
1		EA	Natural Gas Leak Abatement Program Balancing Account <sup>23</sup>
2	GT	DM	AB 802 Memorandum Account

This submittal would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

### **Protests**

**\*\*\*Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com\*\*\***

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than January 11, 2021, which is 20 days after the date of this submittal. Protests must be submitted to:

<sup>20</sup> Opening Testimony, Exhibit (PG&E-12), Chapter 12.

<sup>21</sup> Decision, p. 286; Settlement Agreement, Section 2.9.5.1.

<sup>22</sup> Additionally, as discussed in Opening Testimony, Exhibit (PG&E-12), Chapter 12, PG&E will close two other accounts once final decisions are approved in other proceedings. PG&E will close the Fire Hazard Prevention Memorandum Account (FHPMA) once a final decision is issued in A.20-09-019. PG&E will close the Diablo Canyon Seismic Studies Balancing Account once a final decision is issued in PG&E's 2019 ERRR Compliance Review proceeding.

<sup>23</sup> The December 31, 2019 balance was recovered through the Annual Gas True Up.

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 General Order (GO) 96-B, Rule 5.1, and OP 3, this advice letter is submitted with a Tier 1 designation. PG&E requests that this **Tier 1** advice letter become effective January 1, 2020, in accordance with D.19-11-004 and the Decision.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for A.18-12-009. Address changes to the General Order 96-B service list should be directed to PG&E at email address [PGETariffs@pge.com](mailto: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/>.

\_\_\_\_\_/S/

Erik Jacobson  
Director, Regulatory Relations

Attachments

cc: Service List A.18-12-009



# 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: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@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) #: 4344-G/6032-E

Tier Designation: 1

Subject of AL: Implement Base Revenue Requirements and Tariff Changes in Compliance with the 2020 General Rate Case (GRC) Decision (D.)20-12-005

Keywords (choose from CPUC listing): Compliance, General Rate Case

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

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.20-12-005

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

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

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

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

Resolution required? ☐ Yes ☒ No

Requested effective date: 1/1/20

No. of tariff sheets: 36

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](mailto: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

Cal P.U.C. Sheet No.	Title of Sheet	
36647-G	PRELIMINARY STATEMENT PART CO ADJUSTMENT MECHANISM FOR COSTS DETERMINED IN OTHER PROCEEDINGS Sheet 1	36058-G
36648-G	PRELIMINARY STATEMENT PART CO ADJUSTMENT MECHANISM FOR COSTS DETERMINED IN OTHER PROCEEDINGS Sheet 5	
36649-G	GAS PRELIMINARY STATEMENT PART DU Z-FACTOR MEMORANDUM ACCOUNT Sheet 1	33478-G
36650-G	GAS PRELIMINARY STATEMENT PART DZ NEW ENVIRONMENTAL REGULATIONS BALANCING ACCOUNT (NERBA) Sheet 1	34674-G
36651-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 2	35337-G
36652-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 3	35338-G
36653-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 4	35339-G
36654-G	GAS PRELIMINARY STATEMENT PART FK RISK TRANSFER BALANCING ACCOUNT - GAS (RTBA-G) Sheet 1	
36655-G	GAS PRELIMINARY STATEMENT PART FK RISK TRANSFER BALANCING ACCOUNT - GAS (RTBA-G) Sheet 2	
36656-G	GAS PRELIMINARY STATEMENT PART FL WILDFIRE MITIGATION BALANCING ACCOUNT (WMBA-G) Sheet 1	
36657-G	GAS PRELIMINARY STATEMENT PART FL WILDFIRE MITIGATION BALANCING ACCOUNT (WMBA-G) Sheet 2	
36658-G	GAS PRELIMINARY STATEMENT PART FL WILDFIRE MITIGATION BALANCING ACCOUNT (WMBA-G) Sheet 3	
36659-G	GAS PRELIMINARY STATEMENT PART J NONCORE CUSTOMER CLASS CHARGE ACCOUNT Sheet 3	35341-G

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
36660-G	GAS PRELIMINARY STATEMENT PART J NONCORE CUSTOMER CLASS CHARGE ACCOUNT Sheet 4	36097-G
36661-G	GAS TABLE OF CONTENTS Sheet 1	36645-G
36662-G	GAS TABLE OF CONTENTS Sheet 4	36635-G
36663-G	GAS TABLE OF CONTENTS Sheet 5	36123-G
36664-G	GAS TABLE OF CONTENTS Sheet 6	36591-G



**PRELIMINARY STATEMENT PART CO** Sheet 1  
**ADJUSTMENT MECHANISM FOR COSTS DETERMINED IN OTHER PROCEEDINGS**

**CO. Adjustment Mechanism for Costs Determined in Other Proceedings (AMCDOP)**

1. **PURPOSE:** The purpose of the Adjustment Mechanism for Costs Determined in Other Proceedings (AMCDOP) is to record the difference in the revenue requirement associated with the costs determined in other proceedings and the revenue requirements based on placeholder costs included in the currently effective Gas Transmission and Storage decision.
2. **APPLICABILITY:** The AMCDOP shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** Disposition of the balances in the subaccounts of this account shall be through the Customer Class Charge in PG&E's Annual Gas True-up (AGT) advice letter process.
4. **RATES:** The AMCDOP does not have a separate rate component.
5. **ACCOUNTING PROCEDURE:** The AMCDOP consists of the following six subaccounts: (T)

**ADMINISTRATIVE & GENERAL (A&G) SUBACCOUNT:** The purpose of the A&G subaccount is to track the amount of A&G expenses allocated to GT&S in the General Rate Case (GRC) against the A&G expense placeholder in the currently effective Gas Transmission and Storage decision.

**UNCOLLECTIBLES SUBACCOUNT:** The purpose of the Uncollectibles subaccount is to track the amount of uncollectibles expenses based on the uncollectibles factor determined in the GRC against the uncollectible costs included in the currently effective Gas Transmission and Storage decision.

**COST OF CAPITAL SUBACCOUNT:** The purpose of the Cost of Capital subaccount is to track the authorized cost of capital as determined in PG&E's cost of capital proceeding (or annual adjustment mechanism) against the cost of capital used to set GT&S cost of service revenue requirements in the currently effective Gas Transmission and Storage decision.

**OTHER COSTS IMPACTING GT&S REVENUE REQUIREMENTS SUBACCOUNT:** The purpose of this subaccount is to track the amount of other costs, (including those resulting from policy changes), determined to be allocated and applied to GT&S in the GRC or any other proceeding against the allocation of costs allocated and applied to GT&S services in the currently effective Gas Transmission and Storage decision.

**LOCAL TRANSMISSION SUBACCOUNT:** The purpose of this subaccount is to record local transmission costs applicable to any of the other subaccounts of the AMCDOP listed above.

**ADDITIONAL COVERAGE SUBACCOUNT:** The purpose of this subaccount is to track the cost to purchase more than \$1.4 billion in financial risk transfer coverage in total, allocated to the GT&S function. (N)  
|  
(N)

(Continued)





**PRELIMINARY STATEMENT PART CO** Sheet 5  
**ADJUSTMENT MECHANISM FOR COSTS DETERMINED IN OTHER PROCEEDINGS**

5. ACCOUNTING PROCEDURE (Ctd.)

f. Additional Coverage Subaccount

(N)

The following entries shall be made to this subaccount, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense, at the end of each month, as applicable:

- 1) A debit entry equal to the GT&S portion of actual expenses incurred to purchase coverage in excess of authorized amounts (i.e. \$1.4 billion in coverage).
- 2) An entry to record the transfer of amounts to or from other accounts as approved by the Commission.
- 3) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)



**GAS PRELIMINARY STATEMENT PART DU  
Z-FACTOR MEMORANDUM ACCOUNT**

Sheet 1

DU. Z-Factor Memorandum Account (ZFMA-G)

1. **PURPOSE:** The purpose of the Z-Factor Memorandum Account (ZFMA-G) is to track costs associated with events that are potential "Z-Factors." Z-Factors are exogenous and unforeseen events largely beyond PG&E's control that have a material impact on PG&E's costs (See D. 14-08-032, OP 41 and D. 16-06-056, OP 56.) Each Z-Factor event is subject to a \$10 million deductible.

2. **APPLICABILITY:** The ZFMA will apply to all customer classes, except for those specifically excluded by the Commission. (T)

3. **REVISION DATES:** Disposition of the balance in this account will be determined in an application or as otherwise determined by the CPUC.

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

5. **ACCOUNTING PROCEDURE:** The ZFMA-G consists of the following subaccounts:

The "Gas Distribution Z-Factor Subaccount" records distribution costs associated with events that are potential "Z-Factors." (T)

The "Gas Transmission & Storage Z-Factor Subaccount" records transmission and storage costs associated with events that are potential "Z-Factors" for the period that applies to the Gas Transmission & Storage (GT&S) PTY period.

a. Gas Distribution Z-Factor Subaccount

PG&E shall make the following entries, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense as applicable:

- 1) A debit entry equal to the actual distribution-related Z-Factor costs for the corresponding event incurred for the current month; (T)
- 2) An entry to transfer amounts to or from other accounts as authorized by the Commission; and
- 3) An entry equal to the 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.

(Continued)



**GAS PRELIMINARY STATEMENT PART DZ**  
**NEW ENVIRONMENTAL REGULATIONS BALANCING ACCOUNT**  
**(NERBA)**

Sheet 1

**DZ. New Environmental Regulations Balancing Account (NERBA)**

1. **PURPOSE:** The purpose of the NERBA is to record and track actual expenses and capital revenue requirements compared to the adopted budget for incremental best practice activities related to Grade 3 leak repairs in accordance with Commission Resolution G-3538. The NERBA is a two-way balancing account. (T)  
(T)
2. **APPLICABILITY:** The NERBA applies to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATE:** After the Commission approves the cost forecasts, disposition of the balance in this account will be through the Annual Gas True-up advice filing through the Core Fixed Cost Account (CFCA) and Noncore Customer Class Charge Account (NCA), or as otherwise authorized by the Commission.

The balance in the Distribution Subaccount will be transferred to the Distribution Cost Subaccount and Distribution Subaccount in the CFCA and NCA, respectively. The balance in the Transmission Subaccount will be transferred to the Core Cost Subaccount and the Noncore Subaccount of the CFCA and NCA, respectively.

4. **RATES:** The NERBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** The NERBA consists of the following subaccounts:

The "Distribution Subaccount" records and tracks actual gas distribution expenses and capital revenue requirements compared to the adopted gas distribution revenue requirements for incremental best practice activities related to minimizing methane emissions.

The "Transmission Subaccount" records and tracks actual gas transmission expenses and capital revenue requirements compared to the adopted gas transmission revenue requirements for incremental best practice activities related to minimizing methane emissions.

a. Distribution Subaccount

The following entries will be made to this subaccount each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense:

- 1) A credit entry equal to one-twelfth of the adopted annual gas distribution revenue requirements related to Grade 3 leak repairs; (T)
- 2) A debit entry to record incremental best practice gas emission reduction costs incurred for gas distribution related expenses related to Grade 3 leak repairs; (T)

(Continued)



**GAS PRELIMINARY STATEMENT PART F  
CORE FIXED COST ACCOUNT**

Sheet 2

F. Core Fixed Cost Account (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Distribution Cost Subaccount

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

- 1) a credit entry equal to California Alternate Rates for Energy (CARE) shortfall resulting from core commercial deliveries under Schedule G-CARE, and customer charges under Schedule GL1-NGV;
- 2) a debit entry equal to one-twelfth of the core portion of the authorized GRC distribution base revenue amount (with credits and adjustments);
- 3) a credit entry equal to the revenue from the CFCA – Distribution Cost rate component;
- 4) a debit entry equal to one-twelfth of the revenue requirement associated with depreciation and decommissioning of the Los Medanos and Pleasant Creek facilities adopted in PG&E's GT&S rate case that is allocated on a core distribution basis;
- 5) a credit entry, as appropriate, to record the rebates paid to customers associated with the 2006 Winter Gas Savings Program, which has corresponding entries in the Winter Gas Savings Program Transportation Subaccount of the CFCA and Winter Gas Savings Program Procurement Subaccount of the Purchased Gas Account;
- 6) a debit entry equal to one-twelfth of the gas core portion of the ClimateSmart Administrative and Marketing revenue requirement, (see corresponding credit entry in the Administrative and Marketing Subaccount of the ClimateSmart Balancing Account);
- 7) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 8) a debit or credit entry equal to any expense adopted by the CPUC as a cost to be recovered in this subaccount;
- 9) an entry equal to the core portion of the gain or loss on the sale of a gas distribution non-depreciable asset, as approved by the Commission;
- 10) a credit entry equal to the amount of employee transfer fees allocated to PG&E's core gas ratepayers. The core portion is based on the "Distribution Base Revenue Requirement" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment; and

(T)

(D)

(D)

(Continued)



**GAS PRELIMINARY STATEMENT PART F  
CORE FIXED COST ACCOUNT**

Sheet 3

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Distribution Cost Subaccount (Cont'd)

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

b. Core Cost Subaccount

The following entries will be made to this subaccount at the end of each month, or as applicable, excluding an allowance for RF&U:

- 1) a credit entry equal to the revenue from the CFCA – Core Cost rate component;
- 2) a credit entry equal to the revenue from the local transmission rate component from core deliveries during the month;
- 3) a credit entry equal to the revenue from the core local transmission, core backbone, and core storage GT&S Late Implementation Amortization rate components;
- 4) a credit entry equal to the incidental negotiated storage revenues allocated to core customers;
- 5) a debit entry equal to the core portion of intervenor compensation payments authorized by the CPUC, recorded during the month;
- 6) a debit entry equal to one-twelfth of the core portion of the authorized local transmission revenue requirement,
- 7) a debit entry equal to one-twelfth of the core portion of the revenue requirement associated with depreciation and decommissioning of the Los Medanos and Pleasant Creek facilities adopted in PG&E's GT&S rate case that is allocated on an equal cents per therm basis;
- 8) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 9) an entry equal to 65.907 percent of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone-level end-use service, and associated throughput reduction or increase, as applicable;
- 10) a debit or credit entry equal to any amounts authorized by the CPUC to be recorded in this subaccount;
- 11) a debit entry equal to one-twelfth of the core portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC;
- 12) an entry equal to the core portion of the gain or loss on the sale of a gas transmission non-depreciable asset, as approved by the Commission;
- 13) a debit entry equal to the core gas portion of incremental administrative costs and amounts written off as uncollectible associated with the payment deferral plan for qualifying citrus and other agricultural growers pursuant to Resolution E-4065;
- 14) an entry equal to the core portion of the transportation revenue for deliveries during the month under gas rate schedule G-LNG. The distribution between core and noncore is the "equal distribution based on all transportation volumes" allocator as specified in Preliminary Statement Part C.3;

(Continued)



**GAS PRELIMINARY STATEMENT PART F  
CORE FIXED COST ACCOUNT**

Sheet 4

F. Core Fixed Cost Account (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Cost Subaccount (Cont'd.)

- 15) a debit entry equal to the core portion of biomethane incentive and study payments. The core portion is based on the "Other – Equal Distribution Based on All Transportation Volumes" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment;
- 16) a debit or credit entry equal to the core customers' portion of the difference between one-twelfth of the core portion of the authorized annual electricity costs revenue requirement, and the core portion of the actual electricity expenses incurred to provide gas transmission and storage services to PG&E's customers (The core portion of actual electricity costs is based on the cost allocation factor shown in Gas Preliminary Statement Part C.3.a. for "Other – Equal Distribution Based on All Transportation Volumes.)
- 17) a debit entry equal to one-twelfth of the core portion of pension related revenue requirement allocated to the Gas Transmission and Storage function; and
- 18) a debit entry equal to one-twelfth of the adopted current year gas transmission revenue requirement allocated to core customers for best practices related to minimizing methane emissions consistent with new regulatory requirements pursuant to Senate Bill 1371 and Commission Decision 17-06-015. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part DZ, New Environmental Regulations Balancing Account, Item 5b. The core portion of the adopted revenue requirement is based on the "Other-Equal Distribution Based on All Transportation Volumes" allocator adopted in Gas Preliminary Part C, Gas Accounting Terms & Definitions, 3.a. Cost Allocation Factors.
- 19) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries above, at a rate equal to one-twelfth the interest rate of the three month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release. H.15, or its successor

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(D)

(T)



**GAS PRELIMINARY STATEMENT PART FK**  
**RISK TRANSFER BALANCING ACCOUNT - GAS (RTBA-G)**

Sheet 1

**FK. Risk Transfer Balancing Account – Gas (RTBA-G)**

1. **PURPOSE:** The Risk Transfer Balancing Account is a two-way balancing account and is applicable to electric and gas customers. The purpose of the Risk Transfer Balancing Account – Gas (RTBA-G) is to track and record actual expenses compared to the adopted expenses for PG&E's financial risk transfer costs (inclusive of all financial risk transfer mechanisms: insurance, reinsurance, catastrophe (CAT) bonds, captives and related costs such as broker fees and excise taxes) allocated to the gas distribution function. Under the RTBA-G, PG&E would be authorized to recover costs associated with the purchase of up to \$1.4 billion of financial risk transfer coverage in total ("reasonableness threshold"). Amounts in excess of this limit are tracked separately in the Additional Coverage Subaccount for subsequent review and approval by the Commission.

(N)

This account is comprised of three subaccounts:

The Third-Party Gas Distribution Subaccount tracks financial risk transfer costs paid to third parties associated with the purchase of up to \$1.4 billion of risk transfer coverage in total compared to adopted amounts that are allocated to the gas distribution function. Undercollections in this subaccount will be determined annually through the Core Fixed Cost Account (CFCA) and the Noncore Customer Class Charge Account (NCA) in the Annual Gas True-Up (AGT), or through a separate advice letter as authorized by the Commission. Overcollections at the end of the year will be transferred to the Self-Insurance Subaccount.

The Additional Coverage Subaccount tracks the cost to purchase more than \$1.4 billion in coverage in total, allocated to the gas distribution function. PG&E will file a Tier 2 advice letter to request approval of any costs for coverage over \$1.4 billion recorded in total. Upon approval, financial risk transfer coverage costs recorded to this subaccount for the gas distribution function will be transferred to the CFCA and NCA.

The Self-Insurance Subaccount: To the extent that PG&E has not spent the total adopted amount on risk transfer products, PG&E shall purchase and record in the RTBA self-insurance costs not to exceed \$1 billion over the 2020-2022 GRC rate case cycle. The gas distribution portion will be recorded in this Self-Insurance Subaccount. In the next GRC, PG&E will report on the status of the self-insurance fund and make a proposal addressing if the fund should continue and if there are any unused funds that should be returned to customers with interest. Disposition of the balance in this subaccount will be determined in the next GRC or as otherwise authorized by the Commission

2. **APPLICABILITY:** The RTBA-G applies to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of balances in the subaccounts are included in the above descriptions of the subaccounts.
4. **RATES:** The RTBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** The following entries will be made at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense:

(N)

(Continued)

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**GAS PRELIMINARY STATEMENT PART FK**  
**RISK TRANSFER BALANCING ACCOUNT - GAS (RTBA-G)**

Sheet 2

(N)  
(N)

FK. Risk Transfer Balancing Account – Gas (RTBA-G) (Con'td)

(N)

## 5. ACCOUNTING PROCEDURE (Cont'd):

(N)

## THIRD-PARTY GAS DISTRIBUTION SUBACCOUNT:

- a) A credit entry equal to one-twelfth of the adopted annual expense;
- b) A debit entry equal to the actual expenses incurred and as allocated to this subaccount up to the reasonableness threshold;
- c) If the balance is overcollected, an annual debit entry to transfer the balance to the Self-Insurance Subaccount;
- d) An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
- e) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

## ADDITIONAL COVERAGE SUBACCOUNT:

- a) A debit entry equal to the gas distribution portion of actual expenses incurred to purchase coverage in excess of authorized amounts (i.e. \$1.4 billion of coverage);
- b) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- c) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

## SELF-INSURANCE SUBACCOUNT:

- a) A debit entry equal to the actual self-insurance expenses incurred;
- b) A credit entry to record the transfer of any overcollected balance in the Third Party Gas Distribution Subaccount to the Self-Insurance Subaccount;
- c) An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
- d) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)

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**GAS PRELIMINARY STATEMENT PART FL**  
**WILDFIRE MITIGATION BALANCING ACCOUNT (WMBA-G)**

Sheet 1

(N)  
(N)

FL. Wildfire Mitigation Balancing Account - Gas (WMBA-G)

(N)

1. **PURPOSE:** The purpose of the Wildfire Mitigation Balancing Account - Gas (WMBA-G) is to track and record actual expenses and capital revenue requirements compared to the total adopted amounts for fire risk mitigation work, allocated to the gas distribution and GT&S functions. These costs include, but are not limited to, expenses and the revenue requirements associated with capital expenditures for: advanced system hardening and resiliency; expanded automation and protection; improved wildfire detection; and enhanced operational practices including work related to public safety power shutoff (PSPS) events. Costs recorded to the WMBA-G do not include costs recovered through the Catastrophic Event Memorandum Account (CEMA), the Fire Risk Mitigation Memorandum Account (FRMMA) or the Wildfire Mitigation Plan Memorandum Account (WMPMA).

(N)

The WMBA-G is a two-way balancing account, with a reasonableness review requirement for spending above 115 percent of adopted amounts (reasonableness threshold). Any such amounts are tracked separately for subsequent review and approval by the Commission.

This account is comprised of three subaccounts:

The Gas Distribution Subaccount tracks actual expenses and the capital revenue requirement associated with actual capital additions incurred compared to the adopted revenue requirement for amounts allocated to the gas distribution function. Undercollections in this subaccount will be determined annually through the Core Fixed Cost Account (CFCA) and the Noncore Customer Class Charge Account (NCA) in the Annual Gas True-Up (AGT), or through another Tier 2 advice letter as authorized by the Commission. Any overcollections will be returned to customers through a regularly scheduled AGT or other rate change advice letter at the end of the rate case cycle, or as otherwise authorized by the Commission.

The GT&S Subaccount tracks actual expenses and the capital revenue requirement associated with actual capital additions incurred compared to the adopted revenue requirement for amounts allocated to the gas transmission and storage (GT&S) function. Undercollections in this subaccount will be determined annually through the CFCA and the NCA in the AGT, or through another Tier 2 advice letter, as authorized by the Commission. Any overcollections will be returned to customers through a regularly scheduled AGT or other rate change advice letter at the end of the rate case cycle, or as otherwise authorized by the Commission.

The Reasonableness Review Subaccount: To the extent that actual expenses and the capital revenue requirement associated with actual capital additions exceeds 115% of the total adopted WMBA revenue requirement, the Reasonableness Review Subaccount will track the gas distribution and GT&S portion of the difference. PG&E will file an application seeking review and approval of any amounts in the Reasonableness Review Subaccount. Upon approval, the amounts recorded to this subaccount will be transferred to the CFCA and the NCA.

(N)

(Continued)

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**GAS PRELIMINARY STATEMENT PART FL**  
**WILDFIRE MITIGATION BALANCING ACCOUNT (WMBA-G)**

Sheet 2

(N)  
(N)

FL. Wildfire Mitigation Balancing Account - Gas (WMBA-G) (Cont'd)

(N)

2. **APPLICABILITY:** The WMBA-G applies to all customer classes, except for those schedules or contracts specifically excluded by the Commission.

(N)

3. **REVISION DATE:** Disposition of balances in the subaccounts are included in the above descriptions of the subaccounts.

4. **RATES:** The WMBA-G does not have a rate component.

5. **ACCOUNTING PROCEDURE:** The following entries will be made at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense:

**GAS DISTRIBUTION SUBACCOUNT:**

- a) A credit or debit entry equal to one-twelfth of the total adopted revenue requirement allocated to the gas distribution function;
- b) A debit entry equal to the actual expenses incurred allocated to the gas distribution function;
- c) A debit or credit entry equal to the capital revenue requirement associated with the actual capital additions incurred allocated to the gas distribution function. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- d) If the sum of total actual expenses and the capital revenue requirement associated with actual capital additions incurred exceeds 115 percent of the total adopted revenue requirement, a credit entry to transfer the excess to the Reasonableness Review Subaccount;
- e) An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
- f) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)

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**GAS PRELIMINARY STATEMENT PART FL**  
**WILDFIRE MITIGATION BALANCING ACCOUNT (WMBA-G)**

Sheet 3

(N)  
(N)

FL. Wildfire Mitigation Balancing Account - Gas (WMBA-G) (Cont'd)

(N)

## 5. ACCOUNTING PROCEDURE (Cont'd):

(N)

## GT&amp;S SUBACCOUNT:

- a) A credit or debit entry equal to one-twelfth of the total adopted revenue requirement allocated to the GT&S function;
- b) A debit entry equal to the actual expenses incurred allocated to the GT&S function;
- c) A debit or credit entry equal to the capital revenue requirement associated with the actual capital additions incurred allocated to the GT&S function. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- d) If the sum of total actual expenses and the capital revenue requirement associated with actual capital additions incurred exceeds 115 percent of the total adopted revenue requirement, a credit entry to transfer the excess to the Reasonableness Review Subaccount;
- e) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- f) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

## REASONABLENESS REVIEW SUBACCOUNT:

- a) A debit entry equal to amounts transferred from the gas distribution or GT&S subaccounts;
- b) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- c) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)

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**GAS PRELIMINARY STATEMENT PART J  
NONCORE CUSTOMER CLASS CHARGE ACCOUNT**

Sheet 3

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Noncore Subaccount (Cont'd.)

- 13) a debit entry equal to one-twelfth of the adopted current year gas transmission revenue requirement allocated to noncore customers for best practices related to minimizing methane emissions consistent with new regulatory requirements pursuant to Senate Bill 1371 and Commission Decision 17-06-015. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part DZ, New Environmental Regulations Balancing Account, Item 5b. The noncore portion of the adopted revenue requirement is based on the "Other-Equal Distribution Based on All Transportation Volumes" allocator adopted in Gas Preliminary Part C, Gas Accounting Terms & Definitions, 3.a. Cost Allocation Factors.

(D)

(D)

- 14) a debit entry equal to one-twelfth of the noncore portion of the revenue requirement associated with depreciation and decommissioning of the Los Medanos and Pleasant Creek facilities adopted in PG&E's GT&S rate case; and

(T)

- 15) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from above, 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)

b. Distribution Subaccount

The following entries will be made to this subaccount each month, or as applicable, excluding an allowance for RF&U:

- 1) a one-time entry equal to the noncore distribution portion of the authorized GRC base revenue requirement;
- 2) a debit entry equal to one-twelfth of the gas noncore portion of the ClimateSmart Administrative and Marketing revenue requirement, (see corresponding credit entry in the Administrative and Marketing Subaccount of the ClimateSmart Balancing Account)
- 3) an entry equal to any other amounts adopted by the CPUC to be included in this subaccount;
- 4) a credit equal to the NCA-Interim Relief and Distribution revenue;
- 5) a credit entry equal to the Noncore Distribution Fixed Cost Account (NDFCA) revenue;
- 6) a credit equal to the NCA Distribution revenue;

(Continued)



**GAS PRELIMINARY STATEMENT PART J  
NONCORE CUSTOMER CLASS CHARGE ACCOUNT**

Sheet 4

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Distribution Subaccount (Cont'd)

- 7) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 8) an entry equal to the noncore portion of the gain or loss on the sale of a gas distribution non-depreciable asset, as approved by the Commission;
- 9) a debit entry equal to the noncore portion of biomethane incentive and study payments. The noncore portion is based on the "Other – Equal Distribution Based on All Transportation Volumes" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment;
- 10) a credit entry equal to the amount of employee transfer fees allocated to PG&E's noncore gas ratepayers. The noncore portion is based on the "Distribution Base Revenue Requirements" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment; and
- 11) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from above, 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.

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(D)

c. Local Transmission Subaccount

The following entries will be made to this subaccount each month or as applicable, excluding an allowance for RF&U:

- 1) a credit entry equal to the NCA local transmission revenues allocated to this account;
- 2) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC; and
- 3) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from J.6.c.1 through J.6.c.2 above, are made, 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.

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**ELECTRIC PRELIMINARY STATEMENT PART BU  
VEGETATION MANAGEMENT BALANCING ACCOUNT**

Sheet 1

**BU. VEGETATION MANAGEMENT BALANCING ACCOUNT (VMBA)**

**1. PURPOSE**

The purpose of the VMBA is to record the difference between the actual Routine and Enhanced vegetation management expenses and amounts adopted in PG&E's General Rate Case (GRC) or other base revenue proceeding. The VMBA was created in compliance with Decision 00-02-046. In D.20-12-005, the Commission authorized PG&E to modify the VMBA to be a two-way balancing account, with a reasonableness review requirement for spending above 120 percent of adopted amounts (reasonableness threshold). In D.20-12-005, the Commission also required PG&E to track actual costs related to tree mortality work for which there is currently no adopted amount. PG&E may amend the VMBA to include additional vegetation management programs.

(T)

This account is comprised of two subaccounts:

(T)

The Main Account tracks actual Routine and Enhanced vegetation management expenses up to 120% of adopted amounts. Undercollections in the Main Account will be determined through the Distribution Revenue Adjustment Mechanism (DRAM) in the Annual Electric True-Up (AET), or through another Tier 2 advice letter as authorized by the Commission. Overcollections will be returned to customers through a regularly scheduled AET or other rate change advice letter at the end of the rate case cycle or as otherwise authorized by the Commission.

(N)

The Reasonableness Review Subaccount tracks spending above the reasonableness threshold and actual tree mortality costs, for which there is currently no adopted amount. PG&E may file a separate application seeking approval of any costs in the Reasonableness Review Subaccount - where actual costs exceed 120 percent of the adopted amount. Upon approval, amounts will be transferred to the DRAM or the Portfolio Allocation Balancing Account (PABA) for recovery from customers.

(N)

**2. APPLICABILITY**

The VMBA is applicable to all rate schedules, except those expressly authorized by the Commission.

**3. REVISION DATE**

(N)

Disposition of balances in the subaccounts are included in the above descriptions of the subaccounts.

(N)

**4. VMBA RATES**

(T)

The VMBA does not have a rate component.

**5. VMBA ACCOUNTING PROCEDURE**

(T)

PG&E will maintain the VMBA by making entries at the end of each month, or as applicable, as follows:

(T)

(T)

(L)

(L)

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART BU  
VEGETATION MANAGEMENT BALANCING ACCOUNT**

Sheet 2

**BU. VEGETATION MANAGEMENT BALANCING ACCOUNT (VMBA) (Cont'd.)**

**5. VMBA ACCOUNTING PROCEDURE (Cont'd)**

**MAIN ACCOUNT:**

- a. A debit entry equal to PG&E's actual Routine and Enhanced Vegetation Management expense for the month. (T)/(L)  
(T)/(L)
- b. A credit entry equal to one-twelfth of the amount adopted in PG&E's GRC or other base revenue proceeding for vegetation management expense. (T)/(L)  
(T)/(L)
- c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13 or its successor. (L)  
(T)/(L)  
(L)  
(L)

**REASONABLENESS REVIEW SUBACCOUNT:**

- a) A debit entry equal to actual tree mortality expenses;
- b) A debit entry equal to actual Routine and Enhanced Vegetation Management expenses that are greater than 120 percent of adopted expenses;
- c) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- e) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(T)

(T)/(L)  
(T)/(L)

(T)/(L)  
(T)/(L)

(L)  
(T)/(L)  
(L)  
(L)

(N)

(N)

(D)

(D)



**ELECTRIC PRELIMINARY STATEMENT PART GL**  
**HYDRO LICENSING BALANCING ACCOUNT (HLBA)**

Sheet 1

GL. Hydro Licensing Balancing Account (HLBA)

1. **PURPOSE:** The purpose of the HLBA is to recover actual expenses and capital revenue requirements based on actual capital expenditures related to Federal Energy Regulatory Commission (FERC) hydro licensing activities, which include, but are not limited to, renewing, amending, surrendering, decommissioning, compliance requirements, FERC and California Division of Safety of Dams (DSOD) regulatory fees, costs associated with implementation of the Crane Valley Recreation Settlement Agreement, and costs associated with work required as a result of the 2017 Oroville Dam incident. Specifically, the HLBA tracks and adjusts for the difference in actual and adopted expenses and capital revenue requirements associated with relicensing and amending/modifying licenses issued on or after January 1, 2012, including costs associated with implementing and complying with new license conditions or requirements resulting from renewed, modified, or amended licenses. (T)
2. **APPLICABILITY:** The HLBA shall apply to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balances in this account shall be determined in the next General Rate Case (GRC), or as otherwise authorized by the Commission, through the Portfolio Allocation Balancing Account (PABA) as part of the Annual Electric True-up advice filing. (T)
4. **RATES:** The HLBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall maintain the HLBA by making entries to this account at the end of each month as follows:
  - a) A credit entry equal to one-twelfth of the adopted annual revenue requirements, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense.
  - b) A debit entry equal to actual expenses, including but not limited to, renewing, amending, surrendering licenses, decommissioning, compliance requirements, FERC and DSOD regulatory fees, costs associated with the Crane Valley Recreation Settlement Agreement, and dam spillway inspection and repair activities; (T)
  - c) A debit entry equal to license surrender related revenue requirement, excluding RF&U, including amortization expense, return on investment and federal and state income taxes associated with the unamortized license surrender balance; (T)
  - d) A debit entry equal to the capital-related revenue requirement, excluding RF&U, related to the actual capital costs incurred. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs;
  - e) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and,
  - f) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.



**ELECTRIC PRELIMINARY STATEMENT PART GM**  
NUCLEAR REGULATORY COMMISSION  
RULEMAKING BALANCING ACCOUNT (NRCRBA)

Sheet 1

GM. Nuclear Regulatory Commission Rulemaking Balancing Account (NRCRBA)

1. PURPOSE: The purpose of the Nuclear Regulatory Commission (NRC) Rulemaking Balancing Account is to recover actual expenses for complying with existing, emerging or evolving NRC regulations, rulemakings, orders, bulletins and/or generic letters, and the Code of Federal Regulation 10-50-54F – Conditions of Licenses at Diablo Canyon. Specifically, the NRCRBA tracks and adjusts for the difference in expenses based on actual versus adopted costs. (T)  
(T)
2. APPLICABILITY: The NRCRBA shall apply to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balances in this account shall be through the next General Rate Case (GRC), or as otherwise authorized by the Commission, through the Portfolio Allocation Balancing Account (PABA).
4. RATES: The NRCRBA does not have a rate component.
5. ACCOUNTING PROCEDURE: PG&E shall maintain the NRCRBA by making entries to this account at the end of each month as follows:
  - a) A credit entry equal to one-twelfth of the adopted annual revenue requirements, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense.
  - b) A debit entry equal to actual expenses incurred; (D)  
|  
(D)
  - c) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission, and (T)
  - d) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)



*San Francisco, California*

Cal. P.U.C. Sheet No. 48053-E  
Cal. P.U.C. Sheet No. 40571-E

## Sheet 1

1. PURPOSE: The purpose of the Residential Rate Reform Memorandum Account (RRRMA) is to record actual incremental costs incurred related to rate reform implementation activities and Statewide Marketing, Education and Outreach (ME&O). (T)  
(T)

Pursuant to 2020 General Rate Case (GRC) D.20-12-005, PG&E is authorized to incorporate into rates \$30.896 million in 2020, \$20.896 million 2021, and \$10.896 million in 2022 (which is incremental to GRC authorized revenue requirements) for the GRC period 2020-2022, which is subject to refund as described below in the Revision Date section.	(T)   (T)
--	-----------------

3. REVISION DATE: (D)  
(D)

PG&E will seek recovery of its actual recorded costs for 2017 and beyond through an application or proposal and testimony in R. 12-06-013 after the last year of the next GRC cycle. That filing will seek to true-up recorded costs to those previously collected in rates through the Annual Electric True-Up advice letter filing. The authorized to-be-collected or refund amount in the filing, including an allowance for Revenue Fees and Uncollectible (RF&U) account expense, will be transferred to the Distribution Revenue Adjustment Mechanism for true-up in rates.

5. ACCOUNTING PROCEDURES:

(D)

—

(D)

(Continued)





**ELECTRIC PRELIMINARY STATEMENT PART GS**  
**RESIDENTIAL RATE REFORM MEMORANDUM ACCOUNT**

Sheet 2

GS. Residential Rate Reform Memorandum Account (RRRMA) (Cont'd.)

- (D)  
|  
(D)  
(T)  
(T)
- The 2017 – 2019 RRRMA activity shall be recorded in the following subaccounts:
- A. Rate Reform Subaccount** records the incremental expenses and capital revenue requirements associated with reasonable expenditures required to implement the decision.
- B. Bill Protection Subaccount (2017 and Beyond)** records bill adjustments associated with the TOU Pilot program.
- C. Budget Subaccount** records the incremental authorized budget per the decision.
- The 2020 and beyond RRRMA activities will be recorded directly in the RRRMA without subaccounts.
- (N)  
(N)
- The following entries shall be made at the end of each month, by subaccounts for the 2017-2019 RRRMA activities, and directly into RRRMA without subaccounts for the 2020 and beyond RRRMA activities, as applicable:
- (T)  
|  
(T)
- a. A credit entry equal to one-twelfth of the authorized amount, excluding RF&U. A corresponding debit entry is defined in electric preliminary statement CZ, Distribution Revenue Adjustment Mechanism (entry related to the 2017-2019 cycle shall be recorded in sub-account described in C above);
  - b. A debit entry to record the actual expenses (entry related to the 2017-2019 cycle shall be recorded in sub-account described in A above);
  - c. A debit or credit entry equal to the capital revenue requirement based on incurred capital costs, excluding RF&U. Capital-related revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment (entry related to the 2017-2019 cycle shall be recorded in sub-account described in A above);
  - d. A debit entry equal to bill adjustments related to bill protection; (entry related to the 2017-2019 cycle shall be recorded in sub-account described in B);
  - e. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission, and
  - f. An entry, as appropriate, each month 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)  
(T)  
(T)  
(T)  
(T)  
(T)  
(T)  
(T)



**ELECTRIC PRELIMINARY STATEMENT PART GU  
Z-FACTOR MEMORANDUM ACCOUNT**

Sheet 1

GU. Z-Factor Memorandum Account (ZFMA-E)

1. **PURPOSE:** The purpose of the Z-Factor Memorandum Account (ZFMA-E) is to track costs associated with events that are potential "Z-Factors." Z-Factors are exogenous and unforeseen events largely beyond PG&E's control that have a material impact on PG&E's costs (See D. 14-08-032, OP 41.) Each Z-Factor event is subject to a \$10 million deductible.
2. **APPLICABILITY:** The ZFMA shall apply to all customer classes, except for those specifically excluded by the Commission. (T)
3. **REVISION DATES:** Disposition of the balance in this account will be determined in an application or any other proceeding as authorized by the CPUC.
4. **RATES:** The ZFMA does not have a separate rate component.
5. **ACCOUNTING PROCEDURE:** The following entries, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense, will be made each month, as applicable:
  - a. A debit entry equal to the actual Z-Factor costs related to the corresponding event incurred for the current month.
  - b. An entry to transfer amounts to or from other accounts as authorized by the Commission.
  - c. An entry equal to the interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.



**ELECTRIC PRELIMINARY STATEMENT PART IN**  
**RISK TRANSFER BALANCING ACCOUNT - ELECTRIC (RTBA-E)**

Sheet 1

(N)  
(N)

IN. Risk Transfer Balancing Account – Electric (*RTBA-E*)

(N)

1. **PURPOSE:** The Risk Transfer Balancing Account is a two-way balancing account and is applicable to electric and gas customers. The purpose of the Risk Transfer Balancing Account – Electric (RTBA-E) is to track and record actual expenses compared to the adopted expenses for financial risk transfer costs (inclusive of all financial risk transfer mechanisms: insurance, reinsurance, Catastrophe (CAT) bonds, captives and related costs such as broker fees and excise taxes) allocated to the electric distribution and generation functions. PG&E is authorized to recover costs associated with the purchase of up to \$1.4 billion of financial risk transfer coverage in total (“reasonableness threshold”). Amounts in excess of this limit are tracked separately in the Additional Coverage Subaccount for subsequent review and approval by the Commission.

(N)

This account is comprised of four subaccounts:

The Third-Party Electric Distribution Subaccount tracks financial risk transfer costs paid to third parties associated with the purchase of up to \$1.4 billion of risk transfer coverage in total compared to adopted amounts that are allocated to the electric distribution function. Undercollections in this subaccount will be determined annually through the Distribution Revenue Adjustment Mechanism (DRAM) in the Annual Electric True-Up (AET), or through a separate advice letter as authorized by the Commission. Overcollections at the end of the year will be transferred to the Self-Insurance Subaccount.

The Third-Party Generation Subaccount tracks financial risk transfer costs paid to third parties associated with the purchase of up to \$1.4 billion of risk transfer coverage in total compared to adopted amounts that are allocated to the generation function. Undercollections in this subaccount will be determined annually through the Portfolio Allocation Balancing Account (PABA) in the AET or through a separate advice letter as authorized by the Commission. Overcollections at the end of the year will be transferred to the Self-Insurance Subaccount.

The Additional Coverage Subaccount tracks the cost to purchase more than \$1.4 billion in coverage in total, allocated to the electric distribution and generation functions. PG&E will file a Tier 2 advice letter to seek approval of any costs for financial risk transfer coverage over \$1.4 billion in total. Upon approval, the financial risk transfer coverage costs recorded to this subaccount for the electric distribution and generation functions will be transferred to the DRAM and PABA, respectively.

The Self-Insurance Subaccount: To the extent that PG&E has not spent the total adopted amount on financial risk transfer products, PG&E shall record in the RTBA self-insurance costs not to exceed \$1 billion over the 2020-2022 GRC rate case cycle. The electric distribution and generation portion will be recorded in this Self-Insurance Subaccount. In the next GRC, PG&E will report on the status of the self-insurance fund and make a proposal addressing if the fund should continue and if there are any unused funds that should be returned to customers with interest. Disposition of the balance in this subaccount will be determined in the next GRC or as otherwise authorized by the Commission.

2. **APPLICABILITY:** The RTBA-E applies to all customer classes, except for those schedules or contracts specifically excluded by the Commission.

(N)

(Continued)

Advice 6032-E  
Decision D.20-12-005

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

Submitted  
Effective  
Resolution

December 22, 2020  
January 1, 2020



**ELECTRIC PRELIMINARY STATEMENT PART IN**  
**RISK TRANSFER BALANCING ACCOUNT - ELECTRIC (RTBA-E)**

Sheet 2

(N)  
(N)

IN. Risk Transfer Balancing Account – Electric (*RTBA-E*) (Cont'd)

(N)

3. REVISION DATE: Disposition of balances in the subaccounts are included in the above descriptions of the subaccounts.

(N)

4. RATES: The RTBA-E does not have a rate component.

5. ACCOUNTING PROCEDURE: The following entries will be made at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense:

THIRD PARTY ELECTRIC DISTRIBUTION SUBACCOUNT:

- a) A credit entry equal to one-twelfth of the adopted annual expenses;
- b) A debit entry equal to the actual expenses incurred and as allocated to this subaccount up to the reasonableness threshold;
- c) If the balance is overcollected, an annual debit entry to transfer the balance to the Self-Insurance Subaccount;
- d) An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
- e) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

THIRD PARTY GENERATION SUBACCOUNT:

- a) A credit entry equal to one-twelfth of the adopted annual expenses;
- b) A debit entry equal to the actual expenses incurred and as allocated to this subaccount up to the reasonableness threshold;
- c) If the balance is overcollected, an annual debit entry to transfer the balance to the Self-Insurance Subaccount;
- d) An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
- e) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

ADDITIONAL COVERAGE SUBACCOUNT:

- a) A debit entry equal to the electric distribution and generation portion of actual expenses incurred to purchase coverage in excess of authorized amounts (i.e. \$1.4 billion in coverage).

(N)

(Continued)

Advice 6032-E

Decision D.20-12-005

Issued by

**Robert S. Kenney**

Vice President, Regulatory Affairs

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January 1, 2020



**ELECTRIC PRELIMINARY STATEMENT PART IN**  
**RISK TRANSFER BALANCING ACCOUNT - ELECTRIC (RTBA-E)**

Sheet 3

(N)  
(N)

IN. Risk Transfer Balancing Account – Electric (*RTBA-E*) (Cont'd)

(N)

5. ACCOUNTING PROCEDURE (Cont'd):

(N)

ADDITIONAL COVERAGE SUBACCOUNT (Cont'd):

- b) An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
- c) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

SELF-INSURANCE SUBACCOUNT:

- a) A debit entry equal to the actual self-insurance expenses incurred;
- b) A credit entry to record the transfer of any overcollected balance in the Third-Party Electric Distribution or Third-Party Generation Subaccounts to the Self-Insurance Subaccount;
- c) An entry to record the transfer of amounts to or from other accounts as approved by the Commission, and
- d) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)



**ELECTRIC PRELIMINARY STATEMENT PART IO**  
**WILDFIRE MITIGATION BALANCING ACCOUNT - WMBA-E**

Sheet 1

(N)  
(N)

IO. Wildfire Mitigation Balancing Account - Electric (WMBA-E)

(N)

1. PURPOSE: The purpose of the Wildfire Mitigation Balancing Account - Electric (WMBA-E) is to track and record actual expenses and capital revenue requirements compared to the total adopted amounts for fire risk mitigation work, allocated to the electric distribution and generation functions. These costs include, but are not limited to, expenses and the revenue requirements associated with capital expenditures for: advanced system hardening and resiliency; expanded automation and protection; improved wildfire detection; and enhanced operational practices including work related to public safety power shutoff (PSPS) events. Costs recorded to the WMBA-E do not include costs recovered through the Catastrophic Event Memorandum Account (CEMA), the Fire Risk Mitigation Memorandum Account (FRMMA) or the Wildfire Mitigation Plan Memorandum Account (WMPMA).

(N)

The WMBA is a two-way balancing account, with a reasonableness review requirement for spending above 115 percent of adopted amounts (reasonableness threshold). Any such amounts are tracked separately for subsequent review and approval by the Commission.

This account is comprised of three subaccounts:

The Electric Distribution Subaccount tracks actual expenses and the capital revenue requirement associated with actual capital additions incurred compared to the adopted revenue requirement for amounts allocated to the electric distribution function. Undercollections in this subaccount will be determined annually through the Distribution Revenue Adjustment Mechanism (DRAM) in the Annual Electric True-Up (AET), or through another Tier 2 advice letter as authorized by the Commission. Any overcollections will be returned to customers through a regularly scheduled AET or other rate change advice letter at the end of the rate case cycle, or as otherwise authorized by the Commission.

The Generation Subaccount tracks actual expenses and the capital revenue requirement associated with actual capital additions incurred compared to the total adopted revenue requirement for amounts allocated to the generation function. Undercollections in this subaccount will be determined annually through the Portfolio Allocation Balancing Account (PABA) in the AET, or through another Tier 2 advice letter as authorized by the Commission. Any overcollections will be returned to customers through a regularly scheduled AET or other rate change advice letter at the end of the rate case cycle, or as otherwise authorized by the Commission.

The Reasonableness Review Subaccount: To the extent that actual expenses and the capital revenue requirement associated with actual capital additions exceeds 115% of the total adopted WMBA revenue requirement, the Reasonableness Review Subaccount will track electric distribution and generation portion of the difference. PG&E will file an application seeking review and approval of any amounts in the Reasonableness Review Subaccount. Upon approval, the amounts recorded to this subaccount will be transferred to the DRAM and PABA, respectively.

(N)

(Continued)

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**ELECTRIC PRELIMINARY STATEMENT PART IO**  
**WILDFIRE MITIGATION BALANCING ACCOUNT - WMBA-E**

Sheet 2

(N)  
(N)

IO. Wildfire Mitigation Balancing Account - Electric (WMBA-E) (Cont'd)

(N)

2. **APPLICABILITY:** The WMBA applies to all customer classes, except for those schedules or contracts specifically excluded by the Commission.

(N)

3. **REVISION DATE:** Disposition of balances in the subaccounts are included in the above descriptions of the subaccounts.

4. **RATES:** The WMBA does not have a rate component.

5. **ACCOUNTING PROCEDURE:** The following entries will be made at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense:

**ELECTRIC DISTRIBUTION SUBACCOUNT:**

- a) A credit or debit entry equal to one-twelfth of the total adopted revenue requirement allocated to the electric distribution function;
- b) A debit entry equal to the actual expenses incurred allocated to the electric distribution function;
- c) A debit or credit entry equal to the capital revenue requirement associated with the actual capital additions incurred allocated to the electric distribution function. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- d) If the sum of total actual expenses and the capital revenue requirement associated with actual capital additions incurred exceeds 115 percent of the total adopted revenue requirement, a credit entry to transfer the excess to the Reasonableness Review Subaccount;
- e) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- f) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)

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**ELECTRIC PRELIMINARY STATEMENT PART IO**  
**WILDFIRE MITIGATION BALANCING ACCOUNT - WMBA-E**

Sheet 3

(N)  
(N)

IO. Wildfire Mitigation Balancing Account - Electric (WMBA-E) (Cont'd)

(N)

5. ACCOUNTING PROCEDURE (Cont'd):

(N)

GENERATION SUBACCOUNT:

- a) A credit or debit entry equal to one-twelfth of the total adopted revenue requirement allocated to the generation function;
- b) A debit entry equal to the actual expenses incurred allocated to the generation function;
- c) A debit or credit entry equal to the capital revenue requirement associated with the actual capital additions incurred allocated to the generation function. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- d) If the sum of total actual expenses and the capital revenue requirement associated with actual capital additions incurred exceeds 115 percent of the total adopted revenue requirement, a credit entry to transfer the excess to the Reasonableness Review Subaccount;
- e) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- f) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

REASONABLENESS REVIEW SUBACCOUNT:

- a) A debit entry equal to amounts transferred from the electric distribution or generation subaccounts;
- b) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- c) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)





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**ELECTRIC PRELIMINARY STATEMENT PART IP**

Sheet 1

(N)

**DIMMABLE STREETLIGHT IMPLEMENTATION MEMO ACCOUNT (DSIMA)**

(N)

**IP. DIMMABLE STREETLIGHT IMPLEMENTATION MEMORANDUM ACCOUNT (DSIMA)**

(N)

1. **PURPOSE:** The purpose of the Dimmable Streetlight Implementation Memorandum Account (DSIMA) is to track and record the incremental costs incurred related to developing and implementing a dimmable streetlight program in accordance with Phase 2 of PG&E's 2020 General Rate Case (GRC). Such costs may include amounts related to information technology, and other reasonable expenditures required to implement the dimmable streetlight program. The DSIMA will not include costs recorded and recovered in another account.
2. **APPLICABILITY:** The DSIMA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** Disposition of the balance in the account will be through a GRC or other application as authorized by the Commission.
4. **RATES:** The DSIMA does not have a separate rate component.
5. **ACCOUNTING PROCEDURE:** The following entries will be made each month, or as applicable:
  - a) A debit entry equal to incremental costs of implementing a dimmable streetlight program;
  - b) A debit or credit entry equal to the capital revenue requirement associated with the actual capital additions incurred. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
  - c) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
  - d) 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.

(N)

(N)



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## **Attachment 2**

### **Redline Tariff Revisions**



**PRELIMINARY STATEMENT PART CO** Sheet 1  
**ADJUSTMENT MECHANISM FOR COSTS DETERMINED IN OTHER PROCEEDINGS**

**CO. Adjustment Mechanism for Costs Determined in Other Proceedings (AMCDOP)**

1. **PURPOSE:** The purpose of the Adjustment Mechanism for Costs Determined in Other Proceedings (AMCDOP) is to record the difference in the revenue requirement associated with the costs determined in other proceedings and the revenue requirements based on placeholder costs included in the currently effective Gas Transmission and Storage decision.
2. **APPLICABILITY:** The AMCDOP shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATES:** Disposition of the balances in the subaccounts of this account shall be through the Customer Class Charge in PG&E's Annual Gas True-up (AGT) advice letter process.
4. **RATES:** The AMCDOP does not have a separate rate component.
5. **ACCOUNTING PROCEDURE:** The AMCDOP consists of the following five-six subaccounts:

**ADMINISTRATIVE & GENERAL (A&G) SUBACCOUNT:** The purpose of the A&G subaccount is to track the amount of A&G expenses allocated to GT&S in the General Rate Case (GRC) against the A&G expense placeholder in the currently effective Gas Transmission and Storage decision.

**UNCOLLECTIBLES SUBACCOUNT:** The purpose of the Uncollectibles subaccount is to track the amount of uncollectibles expenses based on the uncollectibles factor determined in the GRC against the uncollectible costs included in the currently effective Gas Transmission and Storage decision.

**COST OF CAPITAL SUBACCOUNT:** The purpose of the Cost of Capital subaccount is to track the authorized cost of capital as determined in PG&E's cost of capital proceeding (or annual adjustment mechanism) against the cost of capital used to set GT&S cost of service revenue requirements in the currently effective Gas Transmission and Storage decision.

**OTHER COSTS IMPACTING GT&S REVENUE REQUIREMENTS SUBACCOUNT:** The purpose of this subaccount is to track the amount of other costs, (including those resulting from policy changes), determined to be allocated and applied to GT&S in the GRC or any other proceeding against the allocation of costs allocated and applied to GT&S services in the currently effective Gas Transmission and Storage decision.

**LOCAL TRANSMISSION SUBACCOUNT:** The purpose of this subaccount is to record local transmission costs applicable to any of the other subaccounts of the AMCDOP listed above.

**ADDITIONAL COVERAGE SUBACCOUNT:** The purpose of this subaccount is to track the cost to purchase more than \$1.4 billion in financial risk transfer coverage in total, allocated to the GT&S function.

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**PRELIMINARY STATEMENT PART CO** Sheet 4  
**ADJUSTMENT MECHANISM FOR COSTS DETERMINED IN OTHER PROCEEDINGS**

f. Additional Coverage Subaccount

The following entries shall be made to this subaccount, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense, at the end of each month, as applicable:

- 1) A debit entry equal to the GT&S portion of actual expenses incurred to purchase coverage in excess of authorized amounts (i.e. \$1.4 billion in coverage).
- 2) An entry to record the transfer of amounts to or from other accounts as approved by the Commission.
- 3) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.





**GAS PRELIMINARY STATEMENT PART DU  
Z-FACTOR MEMORANDUM ACCOUNT**

Sheet 1

DU. Z-Factor Memorandum Account (ZFMA-G)

1. **PURPOSE:** The purpose of the Z-Factor Memorandum Account (ZFMA-G) is to track costs associated with events that are potential "Z-Factors." Z-Factors are exogenous and unforeseen events largely beyond PG&E's control that have a material impact on PG&E's costs (See D. 14-08-032, OP 41 and D. 16-06-056, OP 56.) Each Z-Factor event is subject to a \$10 million deductible.
2. **APPLICABILITY:** The ZFMA will apply to all customer classes, except for those specifically excluded by the Commission. ~~The Z-Factor only applies to the post test year period.~~
3. **REVISION DATES:** Disposition of the balance in this account will be determined in an application or as otherwise determined by the CPUC.
4. **RATES:** The ZFMA does not have a separate rate component.
5. **ACCOUNTING PROCEDURE:** The ZFMA-G consists of the following subaccounts:

The "Gas Distribution Z-Factor Subaccount" records distribution costs associated with events that are potential "Z-Factors" ~~for the period that applies to the General Rate Case (GRC) post test year (PTY) period.~~

The "Gas Transmission & Storage Z-Factor Subaccount" records transmission and storage costs associated with events that are potential "Z-Factors" for the period that applies to the Gas Transmission & Storage (GT&S) PTY period.

a. Gas Distribution Z-Factor Subaccount

PG&E shall make the following entries, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense as applicable:

- 1) A debit entry equal to the actual distribution-related Z-Factor costs for the corresponding event incurred for the current month ~~(only for PTY GRC period);~~
- 2) An entry to transfer amounts to or from other accounts as authorized by the Commission; and
- 3) An entry equal to the 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.

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**GAS PRELIMINARY STATEMENT PART DZ**  
**NEW ENVIRONMENTAL REGULATIONS BALANCING ACCOUNT**  
**(NERBA)**

Sheet 1

**DZ. New Environmental Regulations Balancing Account (NERBA)**

1. **PURPOSE:** The purpose of the NERBA is to record and track actual expenses and capital revenue requirements compared to the adopted budget for incremental best practice activities related to Grade 3 leak repairs in accordance with Commission Resolution G-3538 minimizing methane emissions consistent with new regulatory requirements pursuant to Senate Bill 1371 and Commission Decision 17-06-015. These best practices pertain to policies and procedures, recordkeeping, training, leak detection, leak repair, and leak prevention. The NERBA is a two-way balancing account.
2. **APPLICABILITY:** The NERBA applies to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATE:** After the Commission approves the cost forecasts, disposition of the balance in this account will be through the Annual Gas True-up advice filing through the Core Fixed Cost Account (CFCA) and Noncore Customer Class Charge Account (NCA), or as otherwise authorized by the Commission.

The balance in the Distribution Subaccount will be transferred to the Distribution Cost Subaccount and Distribution Subaccount in the CFCA and NCA, respectively. The balance in the Transmission Subaccount will be transferred to the Core Cost Subaccount and the Noncore Subaccount of the CFCA and NCA, respectively.

4. **RATES:** The NERBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** The NERBA consists of the following subaccounts:

The "Distribution Subaccount" records and tracks actual gas distribution expenses and capital revenue requirements compared to the adopted gas distribution revenue requirements for incremental best practice activities related to minimizing methane emissions.

The "Transmission Subaccount" records and tracks actual gas transmission expenses and capital revenue requirements compared to the adopted gas transmission revenue requirements for incremental best practice activities related to minimizing methane emissions.

a. Distribution Subaccount

The following entries will be made to this subaccount each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense:

- 1) A credit entry equal to one-twelfth of the adopted annual gas distribution revenue requirements related to Grade 3 leak repairs. Corresponding debit entries allocated to core and noncore customers that total this credit entry are recorded in Gas Preliminary Statement Part F, CFCA, Distribution Subaccount and in Gas Preliminary Statement Part J, NCA, Distribution Subaccount;
- 2) A debit entry to record incremental best practice gas emission reduction costs incurred for gas distribution related expenses related to Grade 3 leak repairs;

(Continued)



**GAS PRELIMINARY STATEMENT PART F  
CORE FIXED COST ACCOUNT**

Sheet 2

F. Core Fixed Cost Account (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Distribution Cost Subaccount

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

- 1) a credit entry equal to California Alternate Rates for Energy (CARE) shortfall resulting from core commercial deliveries under Schedule G-CARE, and customer charges under Schedule GL1-NGV;
- 2) a debit entry equal to one-twelfth of the core portion of the authorized GRC distribution base revenue amount (with credits and adjustments);
- 3) a credit entry equal to the revenue from the CFCA – Distribution Cost rate component;
- 4) a debit entry equal to one-twelfth of the revenue requirement associated with depreciation and decommissioning of the Los Medanos and Pleasant Creek facilities adopted in PG&E's GT&S rate case that is allocated on a core distribution basis;
- 5) a credit entry, as appropriate, to record the rebates paid to customers associated with the 2006 Winter Gas Savings Program, which has corresponding entries in the Winter Gas Savings Program Transportation Subaccount of the CFCA and Winter Gas Savings Program Procurement Subaccount of the Purchased Gas Account;
- 6) a debit entry equal to one-twelfth of the gas core portion of the ClimateSmart Administrative and Marketing revenue requirement, (see corresponding credit entry in the Administrative and Marketing Subaccount of the ClimateSmart Balancing Account);
- 7) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 8) a debit or credit entry equal to any expense adopted by the CPUC as a cost to be recovered in this subaccount;
- 9) an entry equal to the core portion of the gain or loss on the sale of a gas distribution non-depreciable asset, as approved by the Commission;
- 10) a credit entry equal to the amount of employee transfer fees allocated to PG&E's core gas ratepayers. The core portion is based on the "Distribution Base Revenue Requirement" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment; and
- ~~11) a debit entry equal to one twelfth of the adopted current year gas distribution revenue requirement allocated to core customers for best practices related to minimizing methane emissions. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part DZ, New Environmental Regulations Balancing Account, Item 5a;~~
- ~~12) 11) a debit entry equal to one twelfth of the adopted current year gas distribution revenue requirement allocated to core customers for pilot projects and research and development (R&D) related to minimizing methane emissions. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part EA, Natural Gas Leak Abatement Program Balancing Account, Item 5a; and~~

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**Pacific Gas and  
Electric Company**

San Francisco, California

Revised  
Cancelling RevisedCal. P.U.C. Sheet No. 35338-G  
Cal. P.U.C. Sheet No. 33816-G**GAS PRELIMINARY STATEMENT PART F  
CORE FIXED COST ACCOUNT**

Sheet 3

## 6. ACCOUNTING PROCEDURE: (Cont'd.)

## a. Distribution Cost Subaccount (Cont'd)

~~13)~~ 11) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after above entries, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

b. Core Cost Subaccount

The following entries will be made to this subaccount at the end of each month, or as applicable, excluding an allowance for RF&U:

- 1) a credit entry equal to the revenue from the CFCA – Core Cost rate component;
- 2) a credit entry equal to the revenue from the local transmission rate component from core deliveries during the month;
- 3) a credit entry equal to the revenue from the core local transmission, core backbone, and core storage GT&S Late Implementation Amortization rate components;
- 4) a credit entry equal to the incidental negotiated storage revenues allocated to core customers;
- 5) a debit entry equal to the core portion of intervenor compensation payments authorized by the CPUC, recorded during the month;
- 6) a debit entry equal to one-twelfth of the core portion of the authorized local transmission revenue requirement,
- 7) a debit entry equal to one-twelfth of the core portion of the revenue requirement associated with depreciation and decommissioning of the Los Medanos and Pleasant Creek facilities adopted in PG&E's GT&S rate case that is allocated on an equal cents per therm basis;
- 8) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 9) an entry equal to 65.907 percent of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone-level end-use service, and associated throughput reduction or increase, as applicable;
- 10) a debit or credit entry equal to any amounts authorized by the CPUC to be recorded in this subaccount;
- 11) a debit entry equal to one-twelfth of the core portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC;
- 12) an entry equal to the core portion of the gain or loss on the sale of a gas transmission non-depreciable asset, as approved by the Commission;
- 13) a debit entry equal to the core gas portion of incremental administrative costs and amounts written off as uncollectible associated with the payment deferral plan for qualifying citrus and other agricultural growers pursuant to Resolution E-4065;
- 14) an entry equal to the core portion of the transportation revenue for deliveries during the month under gas rate schedule G-LNG. The distribution between core and noncore is the "equal distribution based on all transportation volumes" allocator as specified in Preliminary Statement Part C.3;

(Continued)

Advice 4166-G  
Decision 19-09-025

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

Submitted  
Effective  
Resolution

October 23, 2019  
January 1, 2019



**GAS PRELIMINARY STATEMENT PART F  
CORE FIXED COST ACCOUNT**

Sheet 4

F. Core Fixed Cost Account (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Cost Subaccount (Cont'd.)

- 15) a debit entry equal to the core portion of biomethane incentive and study payments. The core portion is based on the "Other – Equal Distribution Based on All Transportation Volumes" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment;
- 16) a debit or credit entry equal to the core customers' portion of the difference between one-twelfth of the core portion of the authorized annual electricity costs revenue requirement, and the core portion of the actual electricity expenses incurred to provide gas transmission and storage services to PG&E's customers (The core portion of actual electricity costs is based on the cost allocation factor shown in Gas Preliminary Statement Part C.3.a. for "Other – Equal Distribution Based on All Transportation Volumes.")
- 17) a debit entry equal to one-twelfth of the core portion of pension related revenue requirement allocated to the Gas Transmission and Storage function; and
- 18) a debit entry equal to one-twelfth of the adopted current year gas transmission revenue requirement allocated to core customers for best practices related to minimizing methane emissions consistent with new regulatory requirements pursuant to Senate Bill 1371 and Commission Decision 17-06-015. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part DZ, New Environmental Regulations Balancing Account, Item 5b. The core portion of the adopted revenue requirement is based on the "Other-Equal Distribution Based on All Transportation Volumes" allocator adopted in Gas Preliminary Part C, Gas Accounting Terms & Definitions, 3.a. Cost Allocation Factors.
- ~~19) a debit entry equal to one-twelfth of the adopted current year gas transmission revenue requirement allocated to core customers for pilot projects and research and development (R&D) related to minimizing methane emissions consistent with new regulatory requirements pursuant to Senate Bill 1371 and Commission Decision 17-06-015. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part EA, Natural Gas Leak Abatement Program Balancing Account, Item 5b. The core portion of the adopted revenue requirement is based on the "Other-Equal Distribution Based on All Transportation Volumes" allocator adopted in Gas Preliminary Part C, Gas Accounting Terms & Definitions, 3.a. Cost Allocation Factors.~~
- 20)19) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries above, at a rate equal to one-twelfth the interest rate of the three month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release. H.15, or its successor



**GAS PRELIMINARY STATEMENT PART J  
NONCORE CUSTOMER CLASS CHARGE ACCOUNT**

Sheet 3

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Noncore Subaccount (Cont'd.)

13) a debit entry equal to one-twelfth of the adopted current year gas transmission revenue requirement allocated to noncore customers for best practices related to minimizing methane emissions consistent with new regulatory requirements pursuant to Senate Bill 1371 and Commission Decision 17-06-015. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part DZ, New Environmental Regulations Balancing Account, Item 5b. The noncore portion of the adopted revenue requirement is based on the "Other-Equal Distribution Based on All Transportation Volumes" allocator adopted in Gas Preliminary Part C, Gas Accounting Terms & Definitions, 3.a. Cost Allocation Factors.

~~14) a debit entry equal to one-twelfth of the adopted current year gas transmission revenue requirement allocated to noncore customers for best practices related to pilot projects and research and development (R&D) related to minimizing methane emissions consistent with new regulatory requirements pursuant to Senate Bill 1371 and Commission Decision 17-06-015. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part EA, Natural Gas Leak Abatement Program Balancing Account, Item 5b. The noncore portion of the adopted revenue requirement is based on the "Other-Equal Distribution Based on All Transportation Volumes" allocator adopted in Gas Preliminary Part C, Gas Accounting Terms & Definitions, 3.a. Cost Allocation Factors.~~

~~15)14)~~ a debit entry equal to one-twelfth of the noncore portion of the revenue requirement associated with depreciation and decommissioning of the Los Medanos and Pleasant Creek facilities adopted in PG&E's GT&S rate case; and

~~16)15)~~ an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from above, 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.

b. Distribution Subaccount

The following entries will be made to this subaccount each month, or as applicable, excluding an allowance for RF&U:

- 1) a one-time entry equal to the noncore distribution portion of the authorized GRC base revenue requirement;
- 2) a debit entry equal to one-twelfth of the gas noncore portion of the ClimateSmart Administrative and Marketing revenue requirement, (see corresponding credit entry in the Administrative and Marketing Subaccount of the ClimateSmart Balancing Account)
- 3) an entry equal to any other amounts adopted by the CPUC to be included in this subaccount;
- 4) a credit equal to the NCA-Interim Relief and Distribution revenue;
- 5) a credit entry equal to the Noncore Distribution Fixed Cost Account (NDFCA) revenue;
- 6) a credit equal to the NCA Distribution revenue;

(Continued)





**GAS PRELIMINARY STATEMENT PART J  
NONCORE CUSTOMER CLASS CHARGE ACCOUNT**

Sheet 4

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Distribution Subaccount (Cont'd)

- 7) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 8) an entry equal to the noncore portion of the gain or loss on the sale of a gas distribution non-depreciable asset, as approved by the Commission;
- 9) a debit entry equal to the noncore portion of biomethane incentive and study payments. The noncore portion is based on the "Other – Equal Distribution Based on All Transportation Volumes" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment; ~~and~~
- 10) a credit entry equal to the amount of employee transfer fees allocated to PG&E's noncore gas ratepayers. The noncore portion is based on the "Distribution Base Revenue Requirements" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment; and

11) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from above, 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.

~~11) a debit entry equal to one twelfth of the adopted current year gas distribution revenue requirement allocated to noncore customers for best practices related to minimizing methane emissions. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part DZ, New Environmental Regulations Balancing Account, Item 5a.~~

~~12) a debit entry equal to one twelfth of the adopted current year gas distribution revenue requirement allocated to noncore customers for pilot projects and research and development (R&D) related to minimizing methane emissions. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part EA, Natural Gas Leak Abatement Program Balancing Account, Item 5a.~~

c. Local Transmission Subaccount

The following entries will be made to this subaccount each month or as applicable, excluding an allowance for RF&U:

- 1) a credit entry equal to the NCA local transmission revenues allocated to this account;
- 2) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC; and
- 3) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from J.6.c.1 through J.6.c.2 above, are made, 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.

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART BU  
VEGETATION MANAGEMENT BALANCING ACCOUNT**

Sheet 1

**BU. VEGETATION MANAGEMENT BALANCING ACCOUNT (VMBA)**

**1. PURPOSE**

The purpose of the VMBA is to record the difference between the ~~actual Routine and Enhanced~~ vegetation management expenses ~~s- and amounts~~ adopted in PG&E's General Rate Case (GRC) or other base revenue proceeding, ~~and PG&E's recorded vegetation management expense.~~ ~~The VMBA is was~~ created in compliance with Decision 00-02-046. ~~In D. 20-12-005, the Commission authorized PG&E to modify t-T, and will record the differences between revenues and expenses beginning January 1, 1999. The VMBA to be a two-way balancing account, with a reasonableness review requirement for spending above 120 percent of adopted amounts (reasonableness threshold). In D. 20-12-005, the Commission also required PG&E to track actual costs related to tree mortality work for which there is currently no adopted amount. PG&E may amend the VMBA to include additional vegetation management programs. The incremental inspection and removal costs tracking account is created in compliance with D.07-03-044 and will record costs of incremental work required by the California Department of Forestry and Fire Protection (CDF).~~

This account is comprised of two subaccounts:

The Main Account tracks spending actual Routine and Enhanced vegetation management expenses up to 120% of adopted amounts. Undercollections in the Main Account will be determined through the Distribution Revenue Adjustment Mechanism (DRAM) in the Annual Electric True-Up (AET), or through another Tier 2 advice letter as authorized by the Commission. Overcollections will be returned to customers through a regularly scheduled AET or other rate change advice letter at the end of the rate case cycle or as otherwise authorized by the Commission.

The Reasonableness Review Subaccount tracks spending above the reasonableness threshold and actual tree mortality costs, for which there is currently no adopted amount. PG&E may file a separate application seeking approval of any costs in the Reasonableness Review Subaccount - where actual costs exceed 120 percent of the adopted amount. Upon approval, amounts will be transferred to the DRAM or the Portfolio Allocation Balancing Account (PABA) for recovery from customers.

**2. APPLICABILITY**

The VMBA is applicable to all rate schedules, except those expressly authorized by the Commission.

**3. REVISION DATE**

Disposition of balances in the subaccounts are included in the above descriptions of the subaccounts.

**34. VMBA RATES**

The VMBA does not have a rate component.

**45. VMBA ACCOUNTING PROCEDURE**

Beginning January 1, 2011, PG&E shall will maintain the VMBA by making entries at the end of each month, or as applicable, as follows:

(Continued)





**ELECTRIC PRELIMINARY STATEMENT PART BU  
VEGETATION MANAGEMENT BALANCING ACCOUNT**

Sheet 1

MAIN ACCOUNT:

- a. A debit entry equal to PG&E's ~~fully burdened recorded actual Routine and Enhanced~~ Vegetation Management expense for the month, ~~less the vegetation management expenses allocated to Federal Energy Regulatory Commission (FERC) jurisdiction. FERC jurisdiction allocation is determined by multiplying the fully burdened recorded vegetation management expense by the ratio of FERC to total electric distribution revenues as adopted in PG&E's GRC or other base revenue proceeding. The recorded vegetation management expense for the month shall include a debit amount equal to payments to the US Forest Service and private land owners for the right to remove trees plus expenses related to tree removals, and a credit amount equal to payments received from lumber mills for usable timber.~~
- b. A credit entry equal to one-twelfth of the ~~fully burdened~~ amount adopted in PG&E's GRC or other base revenue proceeding for vegetation management expense, ~~less the vegetation management expenses allocated to FERC Jurisdiction.~~
- c. 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 ~~4.a and 4.b 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.

REASONABLENESS REVIEW SUBACCOUNT:

- a) A debit entry equal to actual tree mortality expenses;
- b) A debit entry equal to actual Routine and Enhanced Vegetation Management expenses that are greater than 120 percent of adopted expenses;
- c) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- e) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

~~The VMBA is a one-way balancing account. PG&E shall file an annual advice letter which shall include a summary of the entries to this account and a proposal for the disposition of any credit balance in the account.~~

(Continued)

Advice  
Decision

Issued by  
**Brian K. Cherry**  
Vice President  
Regulatory Relations

Date Filed  
Effective  
Resolution

December 18, 2020  
January 1, 2020



**ELECTRIC PRELIMINARY STATEMENT PART BU  
VEGETATION MANAGEMENT BALANCING ACCOUNT**

Sheet 2

**BU. VEGETATION MANAGEMENT BALANCING ACCOUNT (VMBA) (Cont'd.)**

**INCREMENTAL INSPECTION AND REMOVAL COST TRACKING ACCOUNT  
ACCOUNTING PROCEDURE**

~~PG&E shall maintain a separate tracking account to record incremental inspection and removal costs PG&E incurs due to CDF required work.~~

~~a. A debit entry equal to recorded incremental inspection and removal costs PG&E incurs due to:~~

~~1) New CDF rules and/or requirements that increase hazard tree inspections or removals;~~

~~2) Re-interpretation by CDF of its existing rules and/or requirements that increase hazard tree inspections or removals;~~

~~3) Changes in CDF enforcement approach that require PG&E to significantly increase the scope of its Vegetation Management program, either through significantly increased inspections or tree mitigation activities; and~~

~~4) New incremental work related to so-called major woody stems, including removal of the major woody stems, adding tree wire to existing lines if appropriate, or relocating power lines further away from major woody stems.~~

~~b. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entries 5.a 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.~~

~~If the costs in the Incremental Inspection and Removal Cost Tracking account exceed \$5 million in any calendar year, and if PG&E's overall expenses for Vegetation Management exceed the annual adopted expense amount, as adjusted for attrition, PG&E shall be authorized to recover through an advice filing all costs appropriately recorded in this tracking account for that calendar year through the Distribution Revenue Adjustment Mechanism (DRAM), or subsequently established mechanism by the Commission, subject to DRA audit of those costs showing compliance with the provisions above.~~



**ELECTRIC PRELIMINARY STATEMENT PART GL**  
**HYDRO LICENSING BALANCING ACCOUNT (HLBA)**

Sheet 1

GL. Hydro Licensing Balancing Account (HLBA)

1. **PURPOSE:** The purpose of the HLBA is to recover actual expenses and capital revenue requirements based on actual capital expenditures related to Federal Energy Regulatory Commission (FERC) hydro licensing activities, which include, but are not limited to, renewing, amending, surrendering, decommissioning, ~~and~~ compliance requirements, FERC and California Division of Safety of Dams (DSOD) regulatory fees, costs associated with implementation of the Crane Valley Recreation Settlement Agreement, and costs associated with work required as a result of the 2017 Oroville Dam incident. Specifically, the HLBA tracks and adjusts for the difference in actual and adopted expenses and capital revenue requirements associated with relicensing and amending/modifying licenses issued on or after January 1, 2012, including costs associated with implementing and complying with new license conditions or requirements resulting from renewed, modified, or amended licenses.
2. **APPLICABILITY:** The HLBA shall apply to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balances in this account shall be determined in the next General Rate Case (GRC), or as otherwise authorized by the Commission, through the Portfolio Allocation Balancing Account (PABA) as part of the Annual Electric True-up advice filing.
4. **RATES:** The HLBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall maintain the HLBA by making entries to this account at the end of each month as follows:
  - a) A credit entry equal to one-twelfth of the adopted annual revenue requirements, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense.
  - b) A debit entry equal to actual expenses, including but not limited to, renewing, amending, surrendering licenses, decommissioning, ~~and~~ compliance requirements, FERC and DSOD regulatory fees, costs associated with the Crane Valley Recreation Settlement Agreement, and dam spillway inspection and repair activities;
  - c) A debit entry equal to license surrender related revenue requirement, excluding RF&U, including amortization expense, return on investment and federal and state income taxes associated with the unamortized license surrender balance;
  - d) A debit entry equal to the capital-related revenue requirement, excluding RF&U, related to the actual capital costs incurred. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs;
  - e) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and,
  - f) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.



**ELECTRIC PRELIMINARY STATEMENT PART GM**  
NUCLEAR REGULATORY COMMISSION  
RULEMAKING BALANCING ACCOUNT (NRCRBA)

Sheet 1

GM. Nuclear Regulatory Commission Rulemaking Balancing Account (NRCRBA)

1. **PURPOSE:** The purpose of the Nuclear Regulatory Commission (NRC) Rulemaking Balancing Account is to recover actual expenses ~~and capital revenue requirements~~ for complying with existing, emerging or evolving NRC regulations, rulemakings, orders, bulletins and/or generic letters, and the Code of Federal Regulation 10-50-54F – Conditions of Licenses at Diablo Canyon. Specifically, the NRCRBA tracks and adjusts for the difference in expenses ~~and capital revenue requirements~~ based on actual versus adopted costs. ~~These costs include, but are not limited to, the following four major NRC rulemaking processes currently in progress: Fukushima Daiichi Rulemaking, Cyber-Security Rulemaking, Emergency Planning Rulemaking, and the new National Fire Protection Standard (NFPA) 805 Rulemaking.~~
2. **APPLICABILITY:** The NRCRBA shall apply to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balances in this account shall be through the next General Rate Case (GRC), or as otherwise authorized by the Commission, through the Portfolio Allocation Balancing Account (PABA).
4. **RATES:** The NRCRBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall maintain the NRCRBA by making entries to this account at the end of each month as follows:
  - a) A credit entry equal to one-twelfth of the adopted annual revenue requirements, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense.
  - b) A debit entry equal to actual expenses incurred;
  - ~~c) A debit entry equal to the capital related revenue requirement, excluding RF&U, related to the actual capital costs incurred. Capital related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs~~
  - ~~dc)~~ A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission, and
  - ~~ed)~~ An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.



**ELECTRIC PRELIMINARY STATEMENT PART GS**  
**RESIDENTIAL RATE REFORM MEMORANDUM ACCOUNT**

Sheet 2

GS. Residential Rate Reform Memorandum Account (RRRMA)

1. PURPOSE: The purpose of the Residential Rate Reform Memorandum Account (RRRMA) is to record actual incremental costs incurred ~~beginning in 2015 associated with (i) time of use pilots, (ii) time of use, including hiring of a consultant or consultants to assist in developing study parameters, (iii) marketing, education and outreach costs associated with the rate changes approved in Decision (D.)15-07-001 and subsequent decisions, resolutions or advice filings implementing D.15-07-001, and (iv) other reasonable expenditures related to rate reform implementation activities and Statewide Marketing, Education and Outreach (ME&O) as required to implement the decision.~~

Pursuant to the 2017 General Rate Case (GRC) D.17-05-013, PG&E was authorized to incorporate into rates \$19.3 million annually, up to a cumulative total of \$57.9 million (which was incremental to GRC authorized revenue requirements) for the GRC period 2017-2019, which was subject to refund as described below in the Revision Date section.

Pursuant to ~~the 2017-2020~~ General Rate Case (GRC) D.~~17-05-013~~20-12-005, ~~for 2017 and beyond activity~~, PG&E is authorized to incorporate into rates \$~~19.3~~30.896 million annually, up to a cumulative total of \$57.9 million in 2020, \$20.896 million in 2021, and \$10.896 million in 2022 (which is incremental to GRC authorized revenue requirements) for the GRC period ~~2017-2019~~2020-2022, which is subject to refund as described below in the Revision Date section.

2. APPLICABILITY: The RRRMA applies to all electric customer classes, except for those schedules or contracts specifically excluded by the Commission.

3. REVISION DATE:

~~2015-2016 Activity: Disposition of the recorded costs through 2016 will be addressed through an application or a proposal and testimony for cost recovery in Rulemaking (R.) 12-06-013.~~

~~2017 and Beyond Activity:~~ PG&E will seek recovery of its actual recorded costs for 2017 and beyond through an application or proposal and testimony in R. 12-06-013 after the last year of the ~~2017-2020~~next GRC cycle. That filing will seek to true-up recorded costs to those previously collected in rates through the Annual Electric True-Up advice letter filing. The authorized to-be-collected or refund amount in the filing, including an allowance for Revenue Fees and Uncollectible (RF&U) account expense, will be transferred to the Distribution Revenue Adjustment Mechanism for true-up in rates.

4. RATES: The RRRMA does not have a rate component.
5. ACCOUNTING PROCEDURES: ~~The 2015-2016 RRRMA activity shall be recorded in the following subaccounts:~~

~~**A. TOU Pilots Subaccount** records the incremental expenses and capital revenue requirements associated with planning, implementing, and maintaining time-of-use (TOU)~~



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**ELECTRIC PRELIMINARY STATEMENT PART GS  
RESIDENTIAL RATE REFORM MEMORANDUM ACCOUNT**

Sheet 2

~~pilots.~~

~~**B. TOU Pilots Consultant Subaccount** records the incremental expenses associated with hiring of a consultant or consultants to assist in developing study parameters for the TOU pilots.~~

~~**C. Marketing, Education and Outreach Subaccount** records the incremental expenses associated with marketing, education and outreach costs, as well as participation incentives, associated with the rate changes approved in the decision.~~

~~**D. Bill Protection Subaccount (2015-2016)** records bill adjustments associated with the TOU Pilot program.~~

~~**E. Other Implementation Costs Subaccount** records the incremental expenses and capital revenue requirements associated with other reasonable expenditures required to implement the decision.~~

The 2017-~~2019~~ and beyond RRRMA activity shall be recorded in the following subaccounts:

**AF. Rate Reform Subaccount** records the incremental expenses and capital revenue requirements associated with reasonable expenditures required to implement the decision.

**BG. Bill Protection Subaccount (2017 and Beyond)** records bill adjustments associated with the TOU Pilot program.

**CH. Budget Subaccount** records the incremental authorized budget per the decision.

The 2020 and beyond RRRMA activities will be recorded directly in the RRRMA without subaccounts.

The following entries ~~shall be made~~ shall be made to each of the subaccounts at the end of each month, by subaccounts for the 2017-2019 RRRMA activities, and directly into RRRMA without subaccounts for the 2020 and beyond RRRMA activities, as applicable:

- a. A credit entry equal to one-twelfth of the authorized amount, excluding RF&U. A corresponding debit entry is defined in electric preliminary statement CZ, Distribution Revenue Adjustment Mechanism (~~applies to entry related to the 2017-2019 cycle~~ shall be recorded in sub-account described in **CH** above);
- b. A debit entry to record the actual expenses (entry related to the 2017-2019 cycle shall be recorded in sub-account described in A above);
- c. A debit or credit entry equal to the capital revenue requirement based on incurred capital costs, excluding RF&U. Capital-related revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment (entry related to the



**ELECTRIC PRELIMINARY STATEMENT PART GS**  
**RESIDENTIAL RATE REFORM MEMORANDUM ACCOUNT**

Sheet 2

2017-2019 cycle shall be recorded in sub-account described in A above);

- d. A debit entry equal to bill adjustments related to bill protection; (entry related to the 2017-2019 cycle shall be recorded in sub-account described in B above applies to sub-accounts described in D and G above);
- e. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission, and
- f. An entry, as appropriate, each month equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.





**ELECTRIC PRELIMINARY STATEMENT PART GU  
Z-FACTOR MEMORANDUM ACCOUNT**

Sheet 1

GU. Z-Factor Memorandum Account (ZFMA-E)

1. **PURPOSE:** The purpose of the Z-Factor Memorandum Account (ZFMA-E) is to track costs associated with events that are potential "Z-Factors." Z-Factors are exogenous and unforeseen events largely beyond PG&E's control that have a material impact on PG&E's costs (See D. 14-08-032, OP 41.) Each Z-Factor event is subject to a \$10 million deductible.
2. **APPLICABILITY:** The ZFMA shall apply to all customer classes, except for those specifically excluded by the Commission. ~~The Z-Factor only applies to the post-test-year period.~~
3. **REVISION DATES:** Disposition of the balance in this account will be determined in an application or any other proceeding as authorized by the CPUC.
4. **RATES:** The ZFMA does not have a separate rate component.
5. **ACCOUNTING PROCEDURE:** The following entries, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense, will be made each month, as applicable:
  - a. A debit entry equal to the actual Z-Factor costs related to the corresponding event incurred for the current month.
  - b. An entry to transfer amounts to or from other accounts as authorized by the Commission.
  - c. An entry equal to the 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.



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

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
California Cotton Ginners & Growers Assn  
California Energy Commission

California Hub for Energy Efficiency  
Financing

California Alternative Energy and  
Advanced Transportation Financing  
Authority  
California Public Utilities Commission  
Calpine

Cameron-Daniel, P.C.  
Casner, Steve  
Cenergy Power  
Center for Biological Diversity

Chevron Pipeline and Power  
City of Palo Alto

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

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

East Bay Community Energy Ellison  
Schneider & Harris LLP Energy  
Management Service  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie  
Green Power Institute  
Hanna & Morton  
ICF  
IGS Energy  
International Power Technology  
Intestate Gas Services, Inc.  
Kelly Group  
Ken Bohn Consulting  
Keyes & Fox LLP  
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated  
Waste Management Task Force  
MRW & Associates  
Manatt Phelps Phillips  
Marin Energy Authority  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

Office of Ratepayer Advocates  
OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority  
Regulatory & Cogeneration Service, Inc.  
SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR  
San Francisco Water Power and Sewer  
Semptra Utilities

Sierra Telephone Company, Inc.  
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  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy