

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 4560G/6480E
As of April 12, 2022

Subject: Revision to PG&E's Pension Contribution Balancing Accounts

Division Assigned: Energy

Date Filed: 01-27-2022

Date to Calendar: 01-31-2022

Authorizing Documents: D0909020

Disposition:	Accepted
Effective Date:	02-26-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

415-973-4587

PGETariffs@pge.com

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



**Pacific Gas and
Electric Company®**

Sidney Bob Dietz II
Director
Regulatory Relations

Pacific Gas and Electric Company
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P.O. Box 770000
San Francisco, CA 94177

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January 27, 2022

Advice 4560-G/6480-E

(Pacific Gas and Electric Company U 39 M)

Public Utilities Commission of the State of California

Subject: Revision to PG&E's Pension Contribution Balancing Accounts

Purpose

The purpose of this Advice letter is to revise PG&E's Pension Contribution Balancing Accounts to conform with the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update No. 2017-07 which mandated a specific method of calculating the amount of pension costs to be capitalized. By this filing, PG&E does not propose any change to the pension contribution amount or any change to customers' rates.

Background

On September 10, 2009, the California Public Utility Commission (CPUC) issued Decision (D.) 09-09-020 approving a settlement between PG&E, Office of Ratepayer Advocates and the Coalition of California Utility Employees (the "Settling Parties") in Application (A.) 09-03-003 regarding the amount of PG&E's contribution to its employee retirement plan trust and the computation of the pension-related revenue requirement. The settlement stated that changes to pension-related laws would be addressed through the Advice Letter process. This Advice Letter addresses such a change.

In March 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2017-07 which mandated a specific method of calculating the amount of pension costs to be capitalized. Specifically, the Update required that companies calculate the amount of pension cost to be capitalized based on the annual service cost determined by a plan's actuaries, starting on January 1, 2018. The FASB had not previously provided guidance on the amount of pension cost to capitalize. Previously, PG&E's practice had been to capitalize a portion of the cash contribution to the retirement plan trust based on the ratio of labor cost charged to capital projects to total company labor cost.

PG&E does not have discretion whether or not to follow Update No. 2017-07. The United States Securities and Exchange Commission (SEC) has the legal authority to mandate accounting practices for U.S. publicly-traded companies, including PG&E. Although the SEC has delegated to the FASB the determination of Generally Accepted Accounting Principles (GAAP) to be followed by these companies, the SEC retains the legal authority to enforce GAAP as developed by the FASB to ensure that public companies are meeting their financial reporting obligations under the federal securities laws. The SEC requires public companies to prepare their financial statements in conformance with GAAP, including the accounting changes promulgated in Accounting Standards Update No. 2017-07.¹

In general, the annual service cost is the present value of future benefits earned by employees during the current year. Therefore, the amount of pension cost included in capital projects will be computed using the ratio of capital labor to total labor times the annual service cost. The annual service cost is calculated each year, but is not available until after the first of the year.

The Commission previously approved Advice 3915-G/5195-E which modified the calculation of the annual pension related revenue requirement to conform with the requirements of Accounting Standards Update No. 2017-07.

Revision to the Pension Contribution Balancing Accounts

Since the capitalized pension cost is computed as a portion of the annual service cost, not of the amount contributed to the trust, any difference between the actual contribution to the trusts and the amount adopted by the CPUC is reflected dollar for dollar as a change in expense. By this Advice Letter, PG&E proposes to revise the language of its Gas and Electric Pension Contribution Balancing Accounts, Gas Preliminary Statement Part BQ and Electric Preliminary Statement Part EJ, to provide that the difference between the amount contributed to the trust and the amount adopted by the CPUC is recorded as an adjustment to expense the Pension Contribution Balancing Accounts.

¹ An April 25, 2003 Policy Statement from the SEC contained the following excerpt: *"The Securities and Exchange Commission has determined that the Financial Accounting Standards Board (FASB or Board) and its parent organization, the Financial Accounting Foundation (FAF), satisfy the criteria in section 108 of the Sarbanes-Oxley Act of 2002 and, accordingly, FASB's financial accounting and reporting standards are recognized as "generally accepted" for purposes of the federal securities laws. As a result, registrants are required to continue to comply with those standards in preparing financial statements filed with the Commission, unless the Commission directs otherwise."* (See <https://www.sec.gov/rules/policy/33-8221.htm>, emphasis added)

Tariff Revisions

This submittal revises the language in Gas Preliminary Statement Part BQ and Electric Preliminary Statement Part EJ. These revisions would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than **February 16, 2022**, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
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 and 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, this advice letter is submitted with a Tier 2 designation. PG&E requests that this **Tier 2** advice submittal become effective on regular notice, **February 26, 2022**, which is 30 calendar days after the date of submittal.

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.09-03-003**. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com.

Advice letter submittals can also be accessed electronically at:
<http://www.pge.com/tariffs/>.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations

Attachments

cc: Service List A.09-03-003



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 (U 39 M)

Utility type:

☒ ELC ☒ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@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) #: 4560-G/6480-E

Tier Designation: 2

Subject of AL: Revision to PG&E's Pension Contribution Balancing Accounts

Keywords (choose from CPUC listing): Compliance

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

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.09-09-020

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: N/A

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: 2/26/22

No. of tariff sheets: 8

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

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

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

Tariff schedules affected: See attachment 1

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
37677-G	GAS PRELIMINARY STATEMENT PART BQ PENSION CONTRIBUTION BALANCING ACCOUNT Sheet 1	24853-G
37678-G	GAS PRELIMINARY STATEMENT PART BQ PENSION CONTRIBUTION BALANCING ACCOUNT Sheet 2	24224-G
37679-G	GAS TABLE OF CONTENTS Sheet 1	37673-G
37680-G	GAS TABLE OF CONTENTS Sheet 5	37506-G

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
52539-E	ELECTRIC PRELIMINARY STATEMENT PART EJ PENSION CONTRIBUTION BALANCING ACCOUNT Sheet 1	45890-E
52540-E	ELECTRIC PRELIMINARY STATEMENT PART EJ PENSION CONTRIBUTION BALANCING ACCOUNT Sheet 2	45891-E
52541-E	ELECTRIC TABLE OF CONTENTS Sheet 1	52528-E
52542-E	ELECTRIC TABLE OF CONTENTS Sheet 15	52246-E



San Francisco, California

Cal. P.U.C. Sheet No. 37677-G
Cal. P.U.C. Sheet No. 24853-G

Sheet 1

1. PURPOSE: The purpose of the PCBA-G is to record the gas revenue requirement associated with the difference between adopted annual pension contributions and (i) lower contributions for any reason; or (ii) federally mandated higher contributions. (T)
2. APPLICABILITY: The PCBA-G shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balance in this account shall be determined annually in conjunction with the Annual Gas True-Up filing via the Core Fixed Cost Account (CFCA) and Noncore Customer Class Charge Account (NCA).
4. RATES: The PCBA-G does not currently have a rate component.
5. CALCULATION: At the end of each calendar year, PG&E shall determine whether the gas portion of the actual pension contribution was higher or lower than the gas portion of the pension contribution adopted by the CPUC for that year. (T)
(T)
(T)/(D)
|
(T)/(D)

(D)

(D)

(Continued)



GAS PRELIMINARY STATEMENT PART BQ
PENSION CONTRIBUTION BALANCING ACCOUNT

Sheet 2

BQ. PENSION CONTRIBUTION BALANCING ACCOUNT (PCBA-G) (Cont'd.)

6. ACCOUNTING PROCEDURE: PG&E shall maintain the PCBA-G by making entries at the end of each calendar year as follows:

- | | | |
|----|--|---------|
| a. | A debit (if the actual contribution was higher) or credit (if the actual contribution was lower) entry, if applicable, equal to the amount calculated in Section 5; | (T)/(D) |
| | | |
| | | (T)/(D) |
| | | (D) |
| | | |
| | | (D) |
| b. | 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; and | (T) |
| c. | A debit or credit entry, as applicable, to transfer the core portion of the December 31st balance to the functional subaccount of the CFCA and the noncore portion of the December 31st balance to the functional subaccount of the NCA for recovery in the Annual Gas True-Up filing, or as otherwise authorized by the CPUC. The balance in the account shall be allocated to functional revenue requirements and rate classes based on the allocation factors adopted for the year. | (T) |
| | | |
| | | |
| | | (T) |



GAS TABLE OF CONTENTS

Sheet 1

TITLE OF SHEET	CAL P.U.C. SHEET NO.	
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Rate Schedules	37674,37675-G	
Preliminary Statements.....	37676, 36780-G	(T)
Preliminary Statements, Rules	37642-G	
Rules, Maps, Contracts and Deviations.....	36929-G	
Sample Forms	37455,37445,36188,36189,37392-G	

(Continued)

Advice 4560-G
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

January 27, 2022
February 26, 2022



GAS TABLE OF CONTENTS

Sheet 5

PART	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Preliminary Statements		
Part AC	Catastrophic Event Memorandum Account	14178,36665-G
Part AE	Core Pipeline Demand Charge Account	29525,33646-G
Part AG	Core Firm Storage Account	35864-G
Part AN	Hazardous Substance Mechanism	23281,33423,23283,16693,32964-G
Part AW	Self-Generation Program Memorandum Account	33442-G
Part BA	Public Purpose Program-Energy Efficiency	36117,36118-G
Part BB	Public Purpose Program Memorandum Account	23362,29327-G
Part BH	Public Purpose Program Surcharge-Low Income Energy Efficiency Balancing Account	33443-G
Part BI	Public Purpose Program Surcharge-Research, Development and Demonstration Balancing Account	33444,23366-G
Part BQ	Pension Contribution Balancing Account	37677,37678-G (T)
Part BS	Climate Balancing Account	33445-G
Part BT	Non-Tariffed Products and Services Balancing Account	26710-G
Part CA	California Solar Initiative Thermal Program Memorandum Account	33455,28060-G
Part CI	AB32 Cost of Implementation Fee Memorandum Account – Gas	28673-G
Part CK	TID Almond Power Plant Balancing Account	28889,28890-G
Part CL	Transmission Integrity Management Program Balancing Account	36056,36057-G
Part CN	Topock Adder Projects Balancing Account	33457-G
Part CO	Adjustment Mechanism For Costs Determined In Other Proceedings	36647,33653,33654,36059,36648-G
Part CP	Gas Transmission & Storage Revenue Sharing Mechanism	37502, 37503, 37504,33463-G
Part CS	Tax Act Memorandum Account – Gas	33252,33253-G
Part CV	Revised Customer Energy Statement Balancing Account - Gas (RCESBA-G)	29617-G
Part CW	Gas Pipeline Expense and Capital Balancing Account	32988,32989,32990-G
Part CX	Core Gas Pipeline Safety Balancing Account	31681,31682-G
Part CY	NonCore Gas Pipeline Safety Balancing Account	31683,31684-G
Part CZ	California Energy Systems for the 21st Century Balancing Account	30264*-G
Part DA	Statewide Marketing, Education and Outreach Expenditure Balancing Account	33043-G
Part DC	Energy Data Center Memorandum Account – Gas	31288-G
Part DB	Mobile Home Park Balancing Account	34937-G
Part DD	Gas Transmission & Storage Memorandum Account (GTSM)	34783,34784, 34785,34786,34787-G
Part DE	Gas Leak Survey and Repair Balancing Account (GLSRBA)	32210,32211,31826-G
Part DF	SmartMeter™ Opt-Out Program Balancing Account – Gas (SOPBA-G)	32304,32305,32306-G
Part DH	Gas Programs Balancing Account (GPBA)	36756,37456,34158,36758-G
Part DI	Greenhouse Gas Expense Memorandum Account - Gas (GHGEMA-G)	33473-G
Part DJ	Energy Efficiency Financing Balancing Account - Gas (EEFBA-G)	32040*,32041*,32042*-G
Part DK	Shareholder-Funded Gas Transmission Safety Account	32474,32475,32476-G
Part DN	Line 407 Memorandum Account (L407MA)	36060-G

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART EJ
PENSION CONTRIBUTION BALANCING ACCOUNT

Sheet 1

EJ. PENSION CONTRIBUTION BALANCING ACCOUNT (PCBA-E)

1. **PURPOSE:** The purpose of the PCBA-E is to record the electric distribution and electric generation revenue requirement associated with the difference between adopted annual pension contributions and (i) lower contributions for any reason; or (ii) federally mandated higher contributions.
2. **APPLICABILITY:** The PCBA-E shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined annually in conjunction with the Annual Electric True-Up filing via the Distribution Revenue Adjustment Mechanism (DRAM) and the Energy Resource Recovery Account (ERRA) and/or the Portfolio Allocation Balancing Account (PABA), as applicable.
4. **RATES:** The PCBA-E does not currently have a rate component.
5. **CALCULATION:** At the end of each calendar year, PG&E shall determine whether the electric portion of the actual pension contribution was higher or lower than the electric portion of the pension contribution adopted by the CPUC for that year.

(T)/(D)

(T)/(D)

(D)

(D)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART EJ
PENSION CONTRIBUTION BALANCING ACCOUNT

Sheet 2

EJ. PENSION CONTRIBUTION BALANCING ACCOUNT (PCBA-E) (Cont'd.)

6. ACCOUNTING PROCEDURE: PG&E shall maintain the PCBA-E by making entries at the end of each calendar year as follows:

- a. A debit (if the actual contribution was higher) or credit (if the actual contribution was lower) entry, if applicable, equal to the amount calculated in Section 5; (T)
(D)
|
|
(D)
- b. 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; and (T)
- c. A debit or credit entry, as applicable, to transfer the December 31 balance related to electric distribution to DRAM and the December 31 balance related to electric generation to ERRA and/or PABA, as applicable, in conjunction with the Annual Electric True-Up filing. The balance in the account shall be allocated to functional revenue requirements and rate classes based on the allocation factors adopted for the year. (T)
(N)
|
(N)



ELECTRIC TABLE OF CONTENTS

Sheet 1

TABLE OF CONTENTS

SCHEDULE	TITLE OF SHEET	CAL P.U.C. SHEET NO.
Title Page		52541-E (T)
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Preliminary Statements.....	52470,48064,48075,41723, 52542 ,48076, 52512-E	(T)
Preliminary Statements, Rules.....	52513-E	
Rules	52474,48369-E	
Maps, Contracts and Deviations	37960-E	
Sample Forms.....	47207,49743,52529,52530, 49303,49304,52531,52532,49307,52533,49309,49310,49311-E	

(Continued)

Advice 6480-E
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

January 27, 2022
February 26, 2022



ELECTRIC TABLE OF CONTENTS

Sheet 15

PART	TITLE OF SHEET	CAL P.U.C. SHEET NO.
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Part EF	Procurement Energy Efficiency Revenue Adjustment Mechanism (PEERAM).....	48513-E
Part EH	Negative Indifference Amount Memorandum Account (NIAMA).....	47388-E
Part EJ	Pension Contribution Balancing Account.....	52539,52540-E
Part EK	Land Conservation Plan Implementation Account (LCPIA)	45892-E
Part EL	Renewables Portfolio Standard Cost Memorandum Account.....	33890,33891-E
Part EM	ClimateSmart Balancing Account	40549-E
Part EO	California Solar Initiative Balancing Account	26211,40550,26213-E
Part ET	Non-Tariffed Products and Services Balancing Account	26730-E
Part EW	Long-Term Procurement Plan Technical Assistance Memorandum Account.....	27311-E
Part EZ	Land Conservation Plan Environmental Remediation Memorandum Account.....	45893-E

(T)

(Continued)

Advice 6480-E
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

January 27, 2022
February 26, 2022

Attachment 2
Redline Tariff Revisions



GAS PRELIMINARY STATEMENT PART BQ
PENSION CONTRIBUTION BALANCING ACCOUNT

Sheet 1

BQ. PENSION CONTRIBUTION BALANCING ACCOUNT (PCBA-G)

1. **PURPOSE:** The purpose of the PCBA-G is to record the gas ~~distribution~~ revenue requirement associated with the difference between adopted annual pension contributions and (i) lower contributions for any reason; or (ii) federally mandated higher contributions. (T)
2. **APPLICABILITY:** The PCBA-G shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined annually in conjunction with the Annual Gas True-Up filing via the Core Fixed Cost Account (CFCA) and Noncore Customer Class Charge Account (NCA).
4. **RATES:** The PCBA-G does not currently have a rate component.
5. **CALCULATION:** At the end of each calendar year, ~~through 2010~~, PG&E shall determine whether the gas portion of the actual pension contribution was higher or lower than the adopted gas portion of the pension contribution adopted by the CPUC for that year, per D.06-06-014 and D.07-03-044. ~~If the actual contribution was different than the adopted amount, PG&E shall determine the revenue requirement associated with the difference between the contribution amounts by applying the following factors:~~ (T)
(T)
(T)/(D)
↓
(T)/(D)

Year of Contribution Difference	Year of Revenue Requirement Adjustment			
	2007	2008	2009	2010
2007	0.70239	0.05206	0.05015	0.04666
2008		0.70239	0.05206	0.05015
2009			0.70239	0.05206
2010				0.70239

~~If the actual contribution was higher or lower than the adopted contribution, the following calculation should be performed in the year of the contribution:~~

- a. ~~Determine the difference between the actual pension contribution and the adopted pension contribution;~~
- b. ~~Multiply the difference as calculated in Section 5.a by the factor from the above table for the applicable year of the contribution; and~~
- c. ~~Apply the unbundled cost category (UCC) factor for gas distribution, as adopted in the General Rate Case (24.55% for 2006; 23.53% for 2007-2010), to the amount derived in Section 5.b above.~~

~~In the years subsequent to the higher or lower contribution, the following calculation should be performed:~~

- d. ~~Multiply the difference derived in Section 5.a by the appropriate factor for the subsequent years, as applicable.~~

~~These steps should be repeated for each year that the actual contribution is different from the adopted contribution.~~ (D)

(Continued)



**GAS PRELIMINARY STATEMENT PART BQ
PENSION CONTRIBUTION BALANCING ACCOUNT**

Sheet 2

BQ. PENSION CONTRIBUTION BALANCING ACCOUNT (PCBA-G) (Cont'd.)

6. ACCOUNTING PROCEDURE: PG&E shall maintain the PCBA-G by making entries at the end of each calendar year as follows:

- | | | |
|----|--|--------------------------------|
| a. | A debit (if the actual contribution was higher) or credit (if the actual contribution was lower) entry, if applicable, equal to the amount calculated in Section 5. c above, less 25 percent of the portion allocated to noncore gas distribution customers per the cost allocation factors for distribution base revenue shown on Preliminary Statement Part C.3.a; | (T)/(D)
↓
(T)/(D) |
| b. | A debit (if the actual contribution was higher) or credit (if the actual contribution was lower) entry, as applicable, equal to the amount calculated in Section 5.d above, less 25 percent of the portion allocated to noncore gas distribution customers per the cost allocation factors for distribution base revenue shown on Preliminary Statement Part C.3.a; | (D)
↓
↓
(D) |
| 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 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; and | (T) |
| d. | A debit or credit entry, as applicable, to transfer the core portion of the December 31st balance to the Distribution Cost Subaccount <u>functional subaccount</u> of the CFCA and the noncore portion of the December 31st balance to the Interim Relief and Distribution Subaccount <u>functional subaccount</u> of the NCA for recovery in the Annual Gas True-Up filing, or as otherwise authorized by the CPUC. The noncore portion is as calculated above, plus interest, with the remaining balance equal to the core portion. The balance in the account shall be allocated to functional revenue requirements and rate classes based on the allocation factors adopted for the year. | (T)
↓
↓
↓
↓
(T) |



**ELECTRIC PRELIMINARY STATEMENT PART EJ
PENSION CONTRIBUTION BALANCING ACCOUNT**

Sheet 1

EJ. PENSION CONTRIBUTION BALANCING ACCOUNT (PCBA-E)

1. **PURPOSE:** The purpose of the PCBA-E is to record the electric distribution and electric generation revenue requirement associated with the difference between adopted annual pension contributions and (i) lower contributions for any reason; or (ii) federally mandated higher contributions.
2. **APPLICABILITY:** The PCBA-E shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined annually in conjunction with the Annual Electric True-Up filing via the Distribution Revenue Adjustment Mechanism (DRAM) and the Energy Resource Recovery Account (ERRA) and/or the Portfolio Allocation Balancing Account (PABA), as applicable.
4. **RATES:** The PCBA-E does not currently have a rate component.
5. **CALCULATION:** At the end of each calendar year, ~~through 2010~~, PG&E shall determine whether the ~~electric portion of the~~ actual pension contribution was higher or lower than the ~~electric portion of the adopted~~ pension contribution ~~adopted by the CPUC for that year. per D.06-06-014 and D.07-03-044. If the actual contribution was different than the adopted amount, PG&E shall determine the revenue requirement associated with the difference between the contribution amounts by applying the following factors.~~

Year of Contribution Difference	Year of Revenue Requirement Adjustment			
	2007	2008	2009	2010
2007	0.70239	0.05206	0.05015	0.04666
2008		0.70239	0.05206	0.05015
2009			0.70239	0.05206
2010				0.70239

If the actual contribution was higher or lower than the adopted contribution, the following calculation should be performed in the year of the contribution:

- a. Determine the difference between the actual pension contribution and the adopted pension contribution;
- b. Multiply the difference as calculated in Section 5.a by the factor from the above table for the applicable year of the contribution;
- c. Apply the unbundled cost category (UCC) factor for electric distribution, as adopted in the General Rate Case (43.71% for 2006; 42.02% for 2007-2010), to the amount derived in Section 5.b above; and
- d. Apply the unbundled cost category (UCC) factors for electric generation, as adopted in the General Rate Case (24.55% for 2006; 22.70% for 2007-2010), to the amount derived in Section 5.b above.

In the years subsequent to the higher or lower contribution, the following calculation should be performed:

- e. Multiply the difference derived in Section 5.a by the appropriate factor for the subsequent years, as applicable.

These steps should be repeated for each year that the actual contribution is different from the adopted contribution.

(T)/(D)

(T)/(D)

(D)

(D)

(Continued)



**ELECTRIC PRELIMINARY STATEMENT PART EJ
PENSION CONTRIBUTION BALANCING ACCOUNT**

Sheet 2

EJ. PENSION CONTRIBUTION BALANCING ACCOUNT (PCBA-E) (Cont'd.)

6. ACCOUNTING PROCEDURE: PG&E shall maintain the PCBA-E by making entries at the end of each calendar year as follows:

- | | | |
|---------------|---|------------------------|
| a. | A debit (if the actual contribution was higher) or credit (if the actual contribution was lower) entry, if applicable, equal to the amount calculated in Section 5.c above; | (T) |
| b. | A debit (if the actual contribution was higher) or credit (if the actual contribution was lower) entry, if applicable, equal to the amount calculated in Section 5.d above; | (D) |
| | ↓ | |
| c. | A debit (if the actual contribution was higher) or credit (if the actual contribution was lower) entry, as applicable, equal to the amount calculated in Section 5.e above; | (D) |
| | ↓ | |
| 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; and | (T) |
| e. | A debit or credit entry, as applicable, to transfer the December 31 balance related to electric distribution to DRAM and the December 31 balance related to electric generation to ERRRA and/or PABA, as applicable, in conjunction with the Annual Electric True-Up filing. <u>The balance in the account shall be allocated to functional revenue requirements and rate classes based on the allocation factors adopted for the year.</u> | (T)
(N)
↓
(N) |

**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
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
International Power Technology

Intertie

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

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

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