

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



**Pacific Gas & Electric Company**  
**GAS (Corp ID 39)**  
**Status of Advice Letter 4676G**  
**As of December 19, 2022**

Subject: Annual Gas True-Up of Gas Transportation Balancing Accounts for Rates Effective January 1, 2023

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505 Van Ness Avenue  
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From: Energy Division PAL Coordinator

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October 31, 2022

**Advice 4676-G**

(Pacific Gas and Electric Company ID U 39-G)

Public Utilities Commission of the State of California

**Subject      Annual Gas True-Up of Gas Transportation Balancing Accounts for Rates Effective January 1, 2023**

**Purpose**

Pacific Gas and Electric Company (PG&E) submits this Annual Gas True-Up (AGT) of gas transportation balancing accounts to amortize account balances in core and noncore gas transportation rates effective January 1, 2023. This advice letter also provides a *preliminary* estimate of projected gas transportation and Public Purpose Program (PPP) Surcharge revenues (submitted October 31 in a Tier 2 advice letter) authorized by, or currently pending before and expected to be authorized by, the California Public Utilities Commission (Commission or CPUC) for rates effective January 1, 2023.

Consistent with prior years, this AGT advice letter does not include 2023 core gas procurement-related revenue requirement changes, which will be submitted in PG&E's monthly core procurement advice letter in late December 2022.

PG&E requests approval of this Tier 2 advice letter by November 30, 2022, with an effective date of January 1, 2023. PG&E will submit a separate Tier 1 advice letter in late December consolidating all final authorized revenue requirements and updated forecast end-of-year gas transportation balancing accounts for rates effective January 1, 2023.

**Overview of Preliminary AGT**

PG&E's preliminary estimate of its 2023 gas transportation revenue requirements is \$4,537 million, which is an \$8 million increase compared to present rates. Table 1 summarizes the major components of PG&E's 2023 gas transportation revenue requirements.

<b>Table 1</b>			
<b>Proposed Gas Transportation Revenue Requirements</b>			
<b>Effective January 1, 2023</b>			
<b>(\$ millions)<sup>1</sup></b>			
<b>Description</b>	<b>Currently in Rates</b>	<b>Proposed</b>	<b>Change</b>
End-Use Gas Transportation	\$3,866	\$3,813	\$(53)
Storage and Backbone Unbundled Costs	342	342	0
Gas PPP Surcharges <sup>2</sup>	320	381	61
<b>Total Gas Transportation Revenue Requirements</b>	<b>\$4,529</b>	<b>\$4,537</b>	<b>\$8</b>

Attachment 1 summarizes the proposed 2023 gas transportation revenue requirements. Attachment 2 summarizes the forecast December 31, 2022 balances for gas transportation balancing accounts using recorded balances through September 30, 2022 and a forecast of activity through December 31, 2022. The total December 31, 2022 gas transportation balancing account balances are projected to be undercollected by \$428 million, as shown in Attachment 1, line 1, and Attachment 2, line 28. This represents an \$83 million decrease in the gas transportation balancing account undercollections from those currently amortized in gas transportation rates. Finally, Attachments 3 through 7 provide illustrative rates and surcharges resulting from the amounts summarized in Attachments 1 and 2.

### **Background**

The AGT is an annual process as established in PG&E's 2005 Biennial Cost Allocation Proceeding (BCAP) Decision (D.) 05-06-029,<sup>3</sup> to change core and noncore end-user gas transportation rates and unbundled backbone and storage rates. That decision requires PG&E to submit an advice submittal to change core and noncore transportation rates 45 days prior to the end of each calendar year for rates effective January 1.

As described in PG&E's Preliminary Statement C-*Gas Accounting Terms and Definitions*, Part 12.b, *Revision Dates*, the AGT updates the customer class charge components of transportation rates to recover all gas transportation-related balancing and memorandum account balances for costs that the Commission has authorized to be recovered in rates.

<sup>1</sup> This table does not include 2023 gas procurement-related revenue requirement changes, which will be submitted in PG&E's monthly core procurement advice letter in late December 2022. Totals may not tie due to rounding.

<sup>2</sup> Submitted for Commission approval in Advice 4675-G, which was submitted on October 31, 2022.

<sup>3</sup> D. 05-06-029, p. 10 and Finding of Fact 9.

PG&E determines the change in the customer class charge components of transportation rates as follows:

- 1) Forecasting the December 31, 2022 balance for each gas transportation balancing and memorandum account to be updated in the AGT based on the September 30, 2022 recorded balances plus a forecast of costs and revenues, including interest, through December 31, 2022; and
- 2) Calculating the customer class charge components by dividing the forecasted December 31, 2022 balancing account balance by PG&E's currently adopted Gas Cost Allocation Proceeding (GCAP) throughput forecast (D. 19-10-036).

### **Transportation Balancing Accounts Already Approved for Amortization in the 2023 AGT**

This section describes: (1) the balancing accounts that will be amortized through this AGT advice letter; (2) the recent CPUC decisions impacting the balancing account balances; and (3) PG&E's proposals to recover the forecasted balances in rates, effective January 1, 2023.

Certain account balances are recovered in rates through the Core Fixed Cost Account (CFCA) and/or Noncore Customer Class Charge Account (NCA) rate components, as described below. For these accounts, PG&E will transfer the recorded December 31, 2022 balances to the appropriate subaccount of the CFCA and/or NCA, once the AGT is approved.

#### **Core Fixed Cost Account – (Attachment 2, Lines 1-2)**

The CFCA records authorized General Rate Case Phase I (GRC) gas distribution base revenue amounts (with credits and adjustments), certain other core transportation costs, and transportation revenue from core customers. The CFCA has three subaccounts:

- (i) Distribution Cost subaccount recovers the core distribution base revenue requirements adopted in PG&E's GRC, including annual attrition adjustments, adjustments resulting from cost of capital proceedings, and other core distribution-related costs authorized by the Commission. The Distribution Cost subaccount is allocated to core customer classes in proportion to their adopted allocation of distribution base revenues;
- (ii) Core Cost subaccount recovers non-distribution-related costs, such as the Self-Generation Incentive Program (SGIP), dairy biomethane costs, and the local transmission revenue requirements adopted by the Commission. The Core Cost Subaccount is allocated to all core customer classes; and

- (iii) Assembly Bill (AB) 32 Cost of Implementation Fee Core subaccount recovers the gas portion of California Air Resources Board's (ARB) AB 32 Cost of Implementation Fee, allocated to PG&E's applicable core transportation customers on an equal-cents-per-therm basis, as further described below.

The AGT includes a forecasted \$128.5 million net undercollection in the CFCA, excluding the AB 32 Cost of Implementation Fee Core subaccount, which is described separately below. The net undercollection in the CFCA results from:

- (i) A forecasted \$83.3 million undercollection in the Distribution Cost subaccount; and
- (ii) A forecasted \$45.1 million undercollection in the Core Cost subaccount.

#### **Noncore Customer Class Charge Account - (Attachment 2, Lines 3-5)**

The NCA records noncore costs and revenues from noncore customers for programs such as SGIP which receive balancing account treatment. The NCA has four subaccounts:

- (i) The Noncore subaccount recovers costs and balances from all noncore customers for non-distribution cost-related items;
- (ii) The Local Transmission (LT) Subaccount recovers local transmission costs transferred from other balancing and memorandum accounts approved by the Commission allocated to all noncore customers except Backbone service-level end-use customers;
- (iii) The Distribution subaccount recovers the noncore distribution portion of gas revenue requirements adopted in GRC decisions and other noncore distribution-related costs and balances approved by the Commission. It is allocated to noncore classes in proportion to their adopted allocation of distribution base revenues; and
- (iv) The AB 32 Cost of Implementation Fee Noncore subaccount, which recovers the gas cost portion of the AB 32 cost of implementation fee, allocated to PG&E's applicable noncore transportation customers, as further described below.

The AGT includes a forecasted \$11 million net undercollection in the NCA, excluding the AB 32 Cost of Implementation Fee Noncore subaccount, which is described separately below. The net undercollection in the NCA results from:

- (i) A forecasted \$740 thousand undercollection in the Noncore subaccount. This includes \$1.6 million related to the 2011-2014 Gas Transmission and

Storage Capital Expenditures allocated to Noncore Storage Customers as authorized in D.22-07-007<sup>4</sup>;

- (ii) A forecasted \$4.2 million undercollection in the LT subaccount; and
- (iii) A forecasted \$6.1 million undercollection in the Distribution subaccount.

### **AB 32 Cost of Implementation Fee – (Attachment 2, Line 15)**

As described above, the AB 32 Cost of Implementation (COI) Fee is recovered in two subaccounts: (1) the core subaccount of the CFCA recovers the gas cost portion of the AB 32 COI Fee allocated to core customers; and (2) the noncore subaccount of the NCA recovers the gas cost portion of the AB 32 COI Fee allocated to noncore customers. In accordance with D. 12-10-044 and Advice 3348-G, the AB 32 COI Fee is allocated to all non-exempt customers on an equal-cents-per-therm basis. As indicated in Advice 3348-G, the ARB provides PG&E with an invoice and a list of PG&E customers who pay the COI fee directly to the ARB. Customers paying the COI Fee directly to the ARB are exempt from paying for COI Fee costs through PG&E's rates. PG&E has updated the currently adopted volumes used to calculate PG&E's 2022 COI rates to reflect a reduction of the volumes associated with exempt customers. The AGT balance proposed to be amortized in 2023 rates consists of a forecasted \$11.1 million net undercollection in the AB 32 Cost of Implementation Fee subaccounts.

### **Core Brokerage Fee Balancing Account (CBFBA) - (Attachment 2, Line 7)**

The CBFBA ensures that variations between the adopted forecast brokerage fee revenue requirement credits in core transportation rates and actual brokerage fee revenues collected from core procurement customers will flow through core transportation rates. This account was adopted in PG&E's 2005 BCAP decision (D. 05-06-029). The AGT includes a forecasted \$85 thousand overcollection in the CBFBA. The CBFBA balance is included in the rate component of the Core Cost subaccount of the CFCA.

### **Hazardous Substance Mechanism (HSM) - (Attachment 2, Line 8)**

The HSM provides a uniform methodology for allocating costs and related recoveries associated with covered hazardous substance-related activities, including hazardous substance clean-up and litigation, and related insurance recoveries, as set forth in D. 94-05-020 (the original HSM decision) through the Hazardous Substance Cost Recovery Account (HSCRA). The Commission has approved an allocation of Hazardous Substance Mechanism costs on an equal-cents-per-therm basis<sup>5</sup>. This

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<sup>4</sup> The remaining \$104 million related to the 2011-2014 Gas Transmission and Storage Capital Expenditures Proceeding D.22-07-007 are recovered through the Gas Transmission and Storage Late Implementation Rate Components.

<sup>5</sup> See also gas Preliminary Statement Part AN.

AGT includes a \$77.6 million balance for collection in the HSCRA. Once allocated, the HSCRA balance is included in the rate component of the Core Cost subaccount of the CFCA and the Noncore subaccount of the NCA.

### **Balancing Charge Account (BCA) - (Attachment 2, Line 9)**

The BCA records the revenue and costs associated with providing gas balancing service, including charges and credits, as described in gas Schedule G-BAL and Gas Rule 14. PG&E currently forecasts a \$804 thousand overcollection in the BCA. The BCA balance is included in the rate component of the Core Cost subaccount of the CFCA and the Noncore subaccount of the NCA.

### **Customer Energy Efficiency Incentive Account (CEEIA) - (Attachment 2, Line 11)**

The CEEIA records the gas portion of any Efficiency Savings Performance Incentive (ESPI) award authorized by the Commission to be recovered in rates. Interest does not accrue in this subaccount pursuant to D. 07-09-043. On November 6, 2020, the Commission adopted decision D.20-11-013 imposing a moratorium on award payments under the ESPI beginning with 2021 program year advice letter earnings claims. This AGT includes a forecasted \$322 thousand undercollected balance, which will be recovered through the CEE Incentive rate component. The CEEIA is recovered from core and noncore customers based on the Direct Allocation Method adopted for Energy Efficiency Programs per the 2018 GCAP D.19-10-036<sup>6</sup>.

### **California Solar Initiative Thermal Program Memorandum Account (CSITPMA) - (Attachment 2, Line 12)**

Advice 3093-G established the CSITPMA to record expenses incurred by PG&E for implementing the CSI Thermal Program authorized by D. 10-01-022. Customers who participate in the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) Programs, customers who are currently exempt from funding the SGIP, and customers exempt pursuant to Public Utilities Code Section 2863(b)(4) are exempt from CSI Thermal Program charges. This AGT includes a forecasted \$5.7 million undercollected balance in the CSITPMA, and will be recovered in the CSITPMA rate component, allocated based on the actual benefits resulting from the disbursement of program incentives over the previous three years in its service territory<sup>7</sup> (with exceptions noted above).

### **Adjustment Mechanism for Costs Determined in Other Proceedings (AMCDOP) – (Attachment 2, Line 13)**

The AMCDOP was approved by the Commission in D.11-04-031 (approving the Gas Accord V Settlement and continued in PG&E's 2015 and 2019 Gas Transmission and Storage (GT&S) rate cases, D.16-06-056 and D.19-09-025, respectively). The

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<sup>6</sup> D.19-10-036, p.71.

<sup>7</sup> Resolution E-4926



purpose of the AMCDOP is to record the difference in the revenue requirement associated with costs determined in other proceedings and the revenue requirements based on placeholder costs included in PG&E's GT&S filings. Examples of "other proceedings" are PG&E's GRC, the cost of capital proceedings, and the Pension Recovery Proceeding. The AMCDOP is governed by Gas Preliminary Statement Part CO, which specifies that the AMCDOP shall apply to all customer classes. According to the Preliminary Statement, 50% of the total costs are allocated to core customers and 50% to noncore customers through the customer class charge. PG&E has reflected the revenue requirement adjustments associated with the transmission portion of the following:

- The 2020 through 2022 GRC revenue requirements adopted in D.20-12-005 include adopted A&G expenses, and Revenue Fees and Uncollectibles (RF&U) that are different from those used as placeholders in calculating the GT&S revenue requirements in the 2019 GT&S rate case D.19-09-025. The 2020 GRC decision also adopted different common cost allocation percentages compared to those percentages used in the 2019 GT&S decision. As a result, the GT&S revenue requirements determined in the 2019 GT&S D.19-09-025 must be revised to account for the cost and cost allocation differences (\$57.2 million adjustment);
- GT&S allocation of the difference between the 2021 total company adopted amount for excess liability insurance for 2021 and the total company recorded cost for excess liability insurance coverage up to \$1.4 billion (see Risk Transfer Balancing Account section below for additional discussion) (\$61.9 million<sup>8</sup> adjustment);
- Adjustment to correct for the disallowance of the 2015 Vintage Pipeline Replacement Costs (\$17 million adjustment) (see discussion in Recent Decisions section below);
- Cost of Capital (\$19.5 million credit);
- 2023 Cost of Capital (\$38.4 million adjustment) (see discussion in Pending Decisions and Advice Letters section below);
- Wildfire Mitigation Balancing Account (\$1.7 million) (see discussion in Pending Decisions and Advice Letters section below);
- Adjustments to Revenue Requirements to Comply with Internal Revenue Service Private Letter Rulings (\$3.6 million adjustment) (see discussion in Recent Decision section below);
- Ex Parte Phase II (\$1.2 million credit); and
- GT&S Rate Base Adjustment (\$5.9 million credit).

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<sup>8</sup> Includes \$2 million in 2020 RTBA costs as approved in AL 4444-G on July 8, 2021.

PG&E forecasts that the AMCDOP will have a \$153.1 million undercollected balance on December 31, 2022. This includes a \$91.9 million undercollection in the Local Transmission subaccount of the AMCDOP which have been allocated to all end use customers, except for industrial backbone and electric generation backbone customers<sup>9</sup>. The remaining balance of \$61.3 million has been allocated to all end use customers.

#### **Non-Tariffed Products and Services Balancing Account (NTBA-G) - (Attachment 2, Line 14)**

The NTBA-G is used to record the core customer share of revenues net of costs and income taxes associated with new Non-Tariffed Products and Services (NTP&S), pursuant to CPUC Affiliate Transaction Rule VII. Costs and revenues are tracked for appropriate disbursement of revenues, net of expense, to customers and shareholders via the 50/50 sharing mechanism as approved by D. 99-04-021. The NTBA-G does not apply to NTP&S in PG&E's existing NTP&S catalogue, which remains subject to other operating revenue treatment, consistent with D. 99-04-021. In Resolution G-3417, the Commission approved PG&E's proposal to offer the Mover Services Program; to recover costs and disburse net revenues through the NTBA-G; to transfer the balance at the end of the year from the NTBA-G to the CFCA; and to include it in the AGT submittal, in order to credit customer revenues pursuant to D. 99-04-021. If the balance at the end of the year for any product or service category is undercollected, no transfer will be made for that product or service category, and the balance for that product or service category will be reset to zero at the beginning of the year. PG&E forecasts a \$270 thousand overcollected balance for this account, which will be transferred to the Core Cost subaccount of the CFCA.

#### **Gas Pipeline Expense and Capital Balancing Account (GPECBA) – (Attachment 2, Line 16)**

The GPECBA records PG&E's reimbursements to the Commission associated with implementing and complying with D. 12-12-030, up to \$15 million. PG&E does not expect that the GPECBA will have a balance on December 31, 2022. Should it have a balance, this account would be recovered through the Core Cost subaccount of the CFCA and Noncore subaccount of the NCA at 59.5% and 40.5%, respectively<sup>10</sup>.

#### **New Environmental Regulations Balancing Account (NERBA) - (Attachment 2, Line 19)**

The NERBA records and tracks 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. As part of PG&E's 2020 GRC Phase I Application (A.

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<sup>9</sup> In compliance with D.19-09-025 and Advice Letters 4185-G/G-A and 4288-G.

<sup>10</sup> See Gas Preliminary Statement Part CW, Accounting Procedure 4.b.

18-12-009), PG&E proposed<sup>11</sup>, “to continue to use the Distribution subaccount of the NERBA through 2022, i.e., the subaccount would be kept open beyond 2019 for the sole purpose of tracking BP 21 costs. The costs to be recorded in the balancing account would include all leak repair costs for below ground Grade 3 leak repairs required to comply with the Commission’s direction following review of the 2018-2019 Grade 3 leak repair program pursuant to Res. G 3538.” On December 3, the Commission issued a Final Decision (D.20-12-005) in PG&E’s 2020 GRC. The Decision approved the continuation of the NERBA.

PG&E forecasts a \$2.8 million undercollected balance in this account. The balance in this account is recovered through the Distribution subaccounts of the CFCA and NCA.

### **Pension Contribution Balancing Account (PCBA) - (Attachment 2, Line 20)**

The PCBA includes the gas distribution-related revenue requirement associated with the difference, if any, between adopted pension contributions and (i) lower contributions for any reason or (ii) federally mandated higher contributions, with the difference to be refunded to or recovered from customers. PG&E’s contribution to the pension plan have matched the amounts adopted in D. 06-06-014 and D. 07-03-044. As a result, PG&E does not expect that the PCBA will have a balance on December 31, 2022. Should it have a balance, it would be recovered through the Distribution Subaccounts of the CFCA and NCA.

### **Gas Transmission & Storage Revenue Sharing Mechanism (GTSRSM) – (Attachment 2, Line 22)**

Originally adopted as part of the Gas Accord V Settlement Agreement and continued in the 2015 GT&S and 2019 GT&S Rate Case decisions, with modifications, the GTSRSM records the customer portion of the difference between adopted noncore and unbundled revenue requirements and recorded noncore and unbundled revenues to be shared between customers and shareholders, as further described below. The GTSRSM consists of the following two subaccounts:

- (i) The Backbone subaccount records the customer portion (50%) of the difference between A) the adopted unbundled backbone revenue requirement and the portion of backbone revenues allocated to core customers that are collected volumetrically and B) recorded backbone revenues. Whether the difference is an over-collection or an under-collection, the difference is to be shared 50% to customers (net recorded to the subaccount) and 50% to shareholders (not recorded to the subaccount). PG&E forecasts a \$44.1 million overcollection<sup>12</sup> in the

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<sup>11</sup> See 2020 GRC A. 18-12-009, Exhibit 3, Chapter 8, page 8-20.

<sup>12</sup> Balance as of September 30, 2022. PG&E will update for the November recorded balance in the Supplemental AGT filed in December 2022.

Backbone subaccount of the GTSRSM which will be returned to all end use customers.

- (ii) The Local Transmission subaccount records the customer portion (75%) of the difference between A) the adopted noncore local transmission revenue requirement and B) recorded local transmission revenues. Whether the difference is an over-collection or an under-collection, the difference is to be shared 75% to customers (net recorded to the subaccount) and 25% to shareholders (not recorded to the subaccount). PG&E forecasts a \$3.9 million overcollection<sup>13</sup> in the Local Transmission subaccount of the GTSRSM which will be returned to all end use customers, except for industrial backbone and electric generation backbone customers.

In accordance with the proposed changes to Preliminary Statement Part CP approved in Advice 4166-G, the balances in the two subaccounts as of December 31 of each year will be transferred to the Core and Noncore subaccounts of the CFCA and NCA, respectively. The distribution of the balances will each be 50% to core and 50% to noncore customers<sup>14</sup>.

### **Risk Transfer Balancing Account – Gas (RTBA) – (Attachment 2, Line 23)**

The RTBA, proposed in section 2.8.3.2 of the Settlement Agreement, was adopted in full in D.20-12-005. The RTBA is a two-way balancing account that authorizes PG&E to record and recover the GRC portion of actual insurance costs for the purchase of up to \$1.4 billion of general liability insurance coverage, inclusive of all risk transfer instruments (reinsurance, collateralized reinsurance, catastrophe bonds, insurance-linked securities, etc.) and related costs (such as broker fees and excise taxes), purchased, to protect against liability claims or losses that may arise from PG&E's business operations, assets, and risk of loss from the supply of electric and natural gas to customers. The RTBA also authorizes PG&E to record excess liability insurance costs for coverage greater than \$1.4 billion. Recovery of costs for coverage in excess of \$1.4 billion are eligible for recovery through a tier 2 advice letter. This AGT includes a \$127.3 million balance for collection of the gas distribution portion of the 2022 costs associated with the purchase of up to \$1.4 billion of financial risk transfer coverage. The distribution portion of the RTBA balance is included in the rate component of the Distribution subaccounts of the CFCA and the NCA.

Adopted amounts and actual costs allocated to PG&E's GT&S function are recorded to the Adjustment Mechanism for Costs Determined in Other Proceedings (See

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<sup>13</sup> Balance as of September 30, 2022. PG&E will update for the November recorded balance in the Supplemental AGT filed in December 2022.

<sup>14</sup> Decision 19-09-025, OP 93, approved PG&E's proposal to change the timing for the annual transfer in the Revenue Sharing subaccount to coincide with its other balancing accounts.

AMCDOP discussion above). PG&E does not seek recovery of the excess liability insurance costs for coverage greater than \$1.4 billion through this advice letter.

**Residential Uncollectible Balancing Account – Gas (RUBA) – (Attachment 2, Line 24)**

On June 11, 2020, the CPUC adopted Decision (D.) 20-06-003, which authorized PG&E to establish new two-way balancing accounts to record uncollectibles recovered from residential electric and gas customers compared to actual uncollectibles. On April 13, 2021, the Commission approved PG&E's Gas Preliminary Statement Part FJ, Residential Uncollectibles Balancing Account – Gas, effective June 11, 2020.<sup>15</sup> The purpose of the RUBA is to record uncollectibles recovered from residential gas customers compared to actual uncollectibles to create more transparency and accurately reflect the actual costs of uncollectible charges in rates and to record the Arrearage Management Program (AMP) debt forgiveness of charges for PG&E provided services, services provided by eligible third-party service providers participating in AMP, and third-party taxes, charges, and fees.

The 2022 California Arrearage Payment Program (CAPP) offers financial assistance for California residential energy utility customers to help reduce past due energy bill balances that increased during the COVID-19 pandemic. Established by Governor Newsom and the California Legislature in the 2022 State Budget and administered by the Department of Community Services and Development, 2022 CAPP dedicates \$1.2 billion to address Californian's energy debts. 2022 CAPP funding will be released to energy utilities by January 31, 2023. The impacts to the RUBA balance are undetermined at this time.

Therefore, this AGT includes a \$0 balance for the Transportation and AMP Debt Forgiveness Subaccount of the RUBA. The current recorded balance in the RUBA as of September 30, 2022 is \$6.8 million. PG&E will update the forecasted RUBA balance in the December AGT once PG&E has a better estimate of the impacts of the CAPP funding on the gas RUBA balance. Should there be a balance, the RUBA balance is included in the rate component of the Core Cost Subaccount of the CFCA and the Noncore Subaccount of the NCA. Note that the balance in the Procurement Subaccount of the RUBA will be recovered through the Purchased Gas Account and addressed in PG&E's Monthly Pricing Advice Submittal once the transfer has been recorded.

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<sup>15</sup> See Advice Letter 4334-G-A. Additionally, in accordance with the revised disposition letter (AL 4458-G) approved on 6/16/2022, PG&E transferred the residential uncollectibles portion of the balance in the gas COVID Pandemic Protections Memorandum Accounts (CPPMA) to the gas RUBA for recovery. The CPPMA had an effective date of March 4, 2020. As such, RUBA's recovery period began March 4, 2020.

**GT&S Balancing Accounts– (Attachment 2, Line 26)**

As authorized by Decision 19-09-025, 2019 Gas Transmission & Storage (GT&S) Rate Case Decision, PG&E is trueing up the balances in the eight accounts shown in the table below. These accounts track actual expenses or capital-related revenue requirements incurred up to amounts authorized in the 2019 GT&S rate case cycle (2019 through 2022). The true-up of the balances is in compliance with D.19-09-025, Ordering Paragraph 82, and as further detailed and approved in AL 4185-G-A. Below are the accounts and their respective balances as of September 30, 2022:

<b>Account</b>	<b>Non-LT</b>	<b>LT</b>
Transmission Integrity Management Program Balancing Account (TIMPBA)	(232,390,678)	186,875,015
Hydrostatic Testing Balancing Account (HTBA)	10,749,317	(119,977,009)
Atmospheric Corrosion Balancing Account (ACBA)	(3,108,610)	3,108,610
Engineering Critical Assessment Balancing Account (ECABA)	(21,750,124)	21,750,124
Internal Corrosion Balancing Account (ICBA)	(6,882,742)	-
Physical Security Balancing Account (PSBA)	(4,299,182)	811,165
Alternating Current Interference Balancing Account (ACIBA)	(383,498)	(4,591,228)
Casings Program Balancing Account (CPBA)	(1,035,481)	(7,626,597)
<b>Total</b>	<b>(259,100,998)</b>	<b>80,350,079</b>

Due to the size of the overcollection in the Non-Local Transmission subaccounts, amortizing the balances over one-year results in a negative rate for EG Backbone covered-entity customers. In order to avoid negative rates, PG&E proposes to amortize the balances over twenty-four months, effective January 1, 2023<sup>16</sup>. In the AGT filed in December 2022, PG&E will re-evaluate the balance once more to determine if a twenty-four-month amortization is still needed to avoid a negative rate. This AGT includes a forecast \$129.6 million overcollected balance in the Non-Local Transmission (LT) subaccounts. The balances are recovered through the Core Cost Subaccount of the CFCA and the Noncore subaccount of the NCA. The AGT also includes a forecast \$40.2 million undercollected balance in the LT Subaccounts. The balances are recovered through the Core Cost Subaccount of the CFCA and the LT subaccount of the NCA.

**Mobile Home Park Balancing Account – Gas (MHPBA) – (Attachment 2, Line 27)**

The MHPBA records and recovers actual incurred costs of implementing the voluntary program to convert the gas master-meter/submeter service at mobile home parks and manufactured housing communities to direct service by PG&E, pursuant to D.14-03-021. Advice 3473-G provided that the disposition of the balance in the account shall be through the AGT, via the CFCA and NCA, or other venues as approved by the Commission. This AGT includes a forecast \$24.9 million undercollected balance in the MHPBA. The balance is recovered through the Distribution Subaccounts of the CFCA and NCA.

<sup>16</sup> See AL 4884-E for past example of amortization of balances over a period greater than 12 months.

## **Discussion of Recent, Pending and Anticipated CPUC Proceedings and Advice Letters**

The following section highlights recent and pending decisions and advice letter submittals that may impact PG&E's gas transportation revenue requirements and rates submitted in the AGT:

### **Recent Decisions**

#### **Application For Rehearing of the 2019 Gas Transmission & Storage Decision**

On November 17, 2017, PG&E filed an application at the CPUC requesting that the Commission adopt its Gas Transmission and Storage (GT&S) revenue requirement, cost allocation, and rate design for the period of 2019-2022. On September 23, 2019, the CPUC issued D.19-09-025, which addressed the issues before the Commission related to PG&E's application. Included in the 2019 GT&S Decision was the permanent disallowance of \$304 million of estimated 2015-2018 capital costs associated with PG&E's Vintage Pipeline Replacement Program. The Commission allowed PG&E to true up the disallowance to actual cost overruns through a Tier 2 Advice Letter. On October 18, 2019, PG&E submitted Advice Letter 4162-G to update amounts for actual spend, thereby reducing the \$304 million disallowance to \$237.3 million.

Separately, on October 23, 2019, PG&E filed an Application for Rehearing (AFR) of the 2019 GT&S Decision seeking rehearing of the Vintage Pipeline Replacement Program disallowance, among other issues. On November 19, 2021, the Commission issued D.21-11-036 denying PG&E's AFR but recognized the Decisions intention to disallow only 2016-2018 Vintage Pipeline Replacement costs, not 2015-2018 as referred to in the 2019 GT&S Decision. D.21-11-036 orders the correction of Conclusion of Law 63 to be changed to clarify dates from "2015-2018" to "2016-2018" and authorizes PG&E to file a Tier 2 Advice Letter to implement the adjusted disallowance. On December 22, 2021, PG&E submitted Advice Letter 4544-G to remove the Vintage Pipeline Replacement Program disallowance costs associated with 2015. Removing 2015 from the disallowance reduces the disallowed amount from \$237.3 million, as approved in Advice Letter 4162-G, to \$197.9 million.

In this advice letter, PG&E is reflecting the 2019-2022 revenue requirement adjustment of \$17 million. The adjustment is recorded in the AMCDOP.

#### **Adjustments to Revenue Requirements to Comply with Internal Revenue Service (IRS) Private Letter Rulings**

On February 24, 2022, PG&E submitted a Tier 2 Advice Letter (AL 4579-G/6513-E) to adjust its revenue requirements and rate base to comply with rulings of the IRS on the correct treatment of Cost of Removal/Negative Net Salvage under the tax

normalization rules and the Average Rate Assumption Method (ARAM). The adjustment is made in accordance with (i) Ordering Paragraph (OP) 8 of the 2017 General Rate Case (GRC) Petition for Modification (PFM) Decision 19-08-023, (ii) OP 8 of the 2015 Gas Transmission and Storage Rate Case (GT&S) PFM Decision 19-08-021 and (iii) OP 12 of the 2020 GRC Decision 20-12-005. The Commission approved AL 4579-G on March 26, 2022. PG&E must comply with the IRS tax normalization rules in computing taxes for ratemaking purposes.

As stated in Advice 4579-G, the net reduction of \$3.8 million plus interest will be amortized in rates over 12-months starting on January 1, 2023. The \$7.4 million decrease plus interest for the revenue requirement change attributable to the GRC will be recorded in the Distribution subaccount of the CFCA and the Distribution subaccount of the NCA. The \$3.6 million increase plus interest for the revenue requirement change attributable to the 2015 GT&S will be recorded in the AMCDOP and then allocated to the Core Cost subaccount of the CFCA (50 percent) and the Noncore subaccount of the NCA (50 percent).

### **Pending Decisions and Advice Letters**

#### **2023 General Rate Case**

On June 30, 2021, PG&E filed its 2023 General Rate Case Phase 1 Application (A.21-06-021) requesting authorization to, among other things, recover revenue requirements for the period 2023 to 2026 beginning January 1, 2023. On April 12, 2022, the Assigned Administrative Law Judges issued a revised schedule that provides for a final decision on PG&E's 2023 GRC Phase 1 Application in Q3 2023. Given a final decision on PG&E's 2023 GRC Phase 1 Application will not be issued in time for the January 1 AGT rate change PG&E has included the 2022 authorized base revenue requirements for its Gas Distribution (GD) and Gas Transmission & Storage (GT&S) functions from the 2020 GRC (D.20-12-005) and 2019 GT&S (D.19-09-025) decisions, respectively. The GD and GT&S functional revenue requirements for 2023 will be trued up in the General Rate Case Memorandum Account following a final decision in PG&E's 2023 General Rate Case.

#### **Revenue Fees and Uncollectible (RF&U)**

Decision 20-12-005 adopted PG&E's methodology to forecast the uncollectible factor to be revised annually by advice letter submittal using a 10-year rolling average based on updated historical data. On October 21, 2021, PG&E filed Advice Letter 4512-G/6373-E, updating its 2022 Uncollectibles factor, using historical recorded data. PG&E will update its RF&U factor upon the issuance of the 2023 GRC Decision. Until such time PG&E will reflect the approved 2022 RF&U factor in rates.



**2022 Cost of Capital**

On August 23, 2021, PG&E filed an off-cycle 2022 cost of capital application with the CPUC (A.21-08-015). PG&E also concurrently filed a motion requesting that the revenue requirement for the 2022 cost of capital be recorded in memorandum accounts to be trued-up following a final decision in this proceeding. On December 17, 2021, the CPUC issued D.21-12-029 granting PG&E's request to establish gas and electric Cost of Capital memorandum accounts to track the difference in the revenue requirement resulting from the authorized rate of return starting on January 1, 2022, and the final rate of return to be adopted. On September 30, 2022, the CPUC issued a Proposed Decision (PD) and an Alternate Proposed Decision (APD) in the 2022 cost of capital proceeding. In this AGT, PG&E has reflected the PD and alternate PD which results in no change to the current Cost of Capital revenue requirement that was in rates in 2022. If a final decision is approved by December 16, 2022 that impacts revenue requirements, PG&E will include any resulting revenue requirement change in the supplemental AGT. Any adjustments would be reflected through the Cost of Capital Memorandum Account.

**2023 Cost of Capital**

On April 20, 2022 PG&E filed its 2023 Cost of Capital Application (A.22-04-008), including the proposed rate of return on equity (ROE) and rate of return on rate base (ROR) for its electric generation, electric distribution, natural gas distribution, and natural gas transmission and storage rate base beginning January 1, 2023. The Assigned Commissioner's Ruling Consolidating Four Applications and Scoping Memo and Ruling was issued on July 12, 2022 and included the procedural schedule for the 2023 Cost of Capital which provides for issuance of a proposed decision by approximately November 10, 2022. The proposed 2023 ROE and ROR included in PG&E's 2023 Cost of Capital Application are included in the illustrative 2023 revenue requirements and rates in this advice letter.

In this advice letter, PG&E is reflecting a distribution revenue requirement of \$58.5 million and a transmission revenue requirement of \$38.4 million for the 2023 Cost of Capital. The distribution revenue requirements are recorded in the Distribution Subaccounts of the CFCA and NCA. The transmission revenue requirement is recorded in the AMCDOP. If a final decision is not approved by December 16, 2022, PG&E will remove the revenue requirements associated with the 2023 Cost of Capital.

**2020 Wildfire Mitigation and Catastrophic Event Memorandum Account**

On September 30, 2020, PG&E filed its 2020 Wildfire Mitigation and Catastrophic Events (2020 WMCE) Application. This application includes costs within the time frame of 2017-2019 booked to various wildfire memorandum accounts as well as costs related to declared catastrophic events (CEMA) and other memorandum costs. On

September 21, 2021, the Utility and certain parties filed a motion with the CPUC seeking approval of a settlement agreement that would resolve all of the issues raised by the settling parties in the 2020 WMCE application. On October 11, 2022, the CPUC issued a PD and an APD.

In this advice letter, PG&E is reflecting gas 2020 WMCE revenue requirement based on the PD of \$6.35 million which is proposed to be recovered on an equal cents per therm basis over 24 months and recorded in the Core Cost Subaccount of the CFCA and Noncore Subaccount of the NCA. If the application is not approved by December 16, 2022, PG&E will remove the revenue requirements associated with the 2020 WMCE<sup>17</sup>.

### **2021 Wildfire Mitigation and Catastrophic Event Memorandum Account**

On September 16, 2021, PG&E filed its 2021 Wildfire Mitigation and Catastrophic Events (2021 WMCE) Application. The costs addressed in this application reflect costs related to wildfire mitigation, vegetation management and certain catastrophic events, as well as implementation of various customer-focused initiatives. These costs were incurred primarily in 2020. Parties filed Opening Briefs on September 16, 2022 and Reply Briefs on September 30, 2022.

In this advice letter, PG&E is reflecting the filed 2021 gas WMCE revenue requirement of \$27.1 million which is proposed to be recovered on an equal cents per therm basis over 24 months and recorded in the Core Cost Subaccount of the CFCA and Noncore Subaccount of the NCA. If the application is not approved by December 16, 2022, PG&E will remove the revenue requirements associated with the 2021 WMCE.

### **Wildfire Mitigation Balancing Account – Gas (WMBA)**

On December 3, 2020, the CPUC approved D.20-12-005 in PG&E's 2020 GRC, approving the Settlement Agreement (SA), with certain modifications, and adopting base revenue requirements for the 2020-2022 GRC term. The SA, as revised and approved by D.20-12-005 Ordering Paragraph 1, authorizes PG&E to recover WMBA expenses up to 115% of the adopted values through a Tier 2 advice letter<sup>18</sup>.

The purpose of the WMBA is to track actual expenses and capital expenditures against adopted amounts and to record associated expenses and capital revenue requirements 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

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<sup>17</sup> On October 27, 2022, PG&E filed a Motion to extend the deadline to file comments on the PD and APD. If the Motion is granted, then it would not be possible for the Commission to issue a Final Decision in the 2020 WMCE proceeding by December 15<sup>th</sup>.

<sup>18</sup> See 2020 GRC SA Section 2.3.2.1 Table 1 for the adopted values. The 2021 adopted expense value is \$55.292 million.

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 events. The WMBA-G is a two-way balancing account, with a reasonableness review requirement for spending above 115 percent of expense and capital expenditures adopted amounts.

On September 26, 2022, PG&E submitted AL 4657-G/6712-E to seek recovery of the WMBA expenses up to 115% of the adopted values. In this advice letter, PG&E is reflecting a distribution revenue requirement of \$1.8 million and a transmission revenue requirement of \$892 thousand for the WMBA. The distribution revenue requirements are recorded in the Distribution Subaccounts of the CFCA and NCA. The transmission revenue requirement is recorded in the AMCDOP. If the advice letter is not approved by December 16, 2022, PG&E will remove the revenue requirements associated with the WMBA.

### **2023 GRC Wildfire Liability Insurance Settlement Agreement**

On October 7, 2022, PG&E, along with TURN and Cal Advocates, filed a joint motion for approval and adoption of the Wildfire Liability Self-Insurance Settlement Agreement in the 2023 GRC proceeding. Under the terms of the Settlement Agreement in 2023 PG&E would be authorized to put \$400 million into rates to be used for 100% wildfire self-insurance. In addition, the Settlement Agreement changes the allocation of wildfire liability self-insurance to Electric customers only. PG&E requested the Commission approve this motion no later than February 1, 2023. Given this timeline, the revenue requirements presented in this AGT do not reflect these changes. However, if the Settlement Agreement is approved by December 15, 2022 CPUC Voting Meeting, PG&E would submit a supplemental advice letter to reflect these amounts prior to implementing them in rates on January 1, 2023. If the Settlement Agreement is approved in early 2023, PG&E will implement the amounts in rates in a future consolidated rate change advice letter.

### **Self Generation Incentive Program (SGIP)**

In Resolution E-4926, the Commission ordered that SGIP costs be allocated based on the actual benefits resulting from the disbursement of program incentives over the previous three years in its service territory. The updated allocation factors, based on the current three-year rolling average, are provided in the table below:

**SELF-GENERATION INCENTIVE PROGRAM ROLLING 3-YEAR GAS ALLOCATION FACTORS**

	2019	2020	2021	Avg.
Res (G1/GM/HG1)	46.1%	64.13%	90.71%	66.99%
SC (GNR1)	41.14%	26.12%	6.55%	24.61%
LC (GNR2)	7.47%	0.78%	0.28%	2.84%
NGV (GNGV1)	0.42%	0.25%	0.00%	0.22%
Ind - D (GNTD)	3.24%	7.21%	1.82%	4.09%
Ind - T (GNTT)	1.60%	1.52%	0.63%	1.25%
	100%	100%	100%	100%

**Greenhouse Gas (GHG) Natural Gas Costs and Revenue Return – (Attachment 1, Lines 8-10)**

On March 22, 2018, the Commission approved final decision D. 18-03-017 modifying D. 15-10-032 under Rulemaking 14-03-003. By this decision the Commission distributed GHG allowance proceeds solely to residential customers of the natural gas utilities. In addition, the Commission ordered that the residential natural gas California Climate Credit must be distributed in April of each year. GHG compliance costs were included in rates beginning July of 2018.

PG&E's 2023 forecasted greenhouse gas compliance and operational costs total \$400.7 million, including RF&U.<sup>19</sup> The forecasted 2023 GHG proceeds of \$269.2 million, including RF&U,<sup>20</sup> will be distributed to residential customers<sup>21</sup> on their April 2023 bills. In compliance with Resolution G-3565, PG&E has reduced the GHG Proceeds by \$10.6 million to fund the BUILD and TECH programs as required by Senate Bill 1477. Additionally, PG&E has reduced the GHG proceeds by \$8.5 million to fund Renewable Natural Gas Incentives (RNG) as required by D.20-12-031<sup>22</sup>, and by \$17.2 million to fund Self-Generation Incentive Program Heat Pump Water Heater Incentive Costs as required by D.22-04-036<sup>23</sup>. PG&E has included Tables A-E as required by D.15-10-032 and D.18-03-017, in Attachment 8 of this advice letter. These tables detail the forecasted and recorded GHG costs, including the Outreach and Administrative expenses, allowance proceeds, and Compliance Obligation over time.

Additionally, in accordance with the 2020 GRC Settlement Agreement<sup>24</sup>, as adopted in Decision 20-12-005, PG&E requests approval to recover \$9.7 million for the

<sup>19</sup> Includes \$40 million overcollection from 2022.

<sup>20</sup> Includes \$18.6 million overcollection from 2022.

<sup>21</sup> Owners of units under PG&E's gas master-metered residential tariffs shall receive a pro-rata share based on the number of units served and will, in turn, return these credits to their tenants.

<sup>22</sup> See Ordering Paragraph 3 of D.20-12-031

<sup>23</sup> See Ordering Paragraph 11 of D.22-04-036.

<sup>24</sup> See Settlement Agreement Section 2.9.4.1, Working Cash.

forecasted 2023 gas greenhouse gas compliance instrument inventory costs. These costs are included in the forecasted 2023 gas greenhouse gas costs noted above.

### **Gas Public Purpose Program Authorized Funding**

This AGT incorporates gas PPP surcharge changes that were submitted in Advice 4675-G on October 31, 2022. The gas PPP surcharge rate impacts on customers are shown in Attachment 1.

Public Utilities Code Sections 890-900 and D. 04-08-010 authorize a gas surcharge rate to fund public purpose programs. The gas PPP Surcharge advice letter updates the natural gas PPP surcharge rates to fund authorized energy efficiency (EE), energy savings assistance program (ESA), CARE, public-interest research, development and demonstration (RD&D) programs and Board of Equalization (BOE) administrative costs.

The gas PPP surcharges proposed include:

- 1) Total gas PPP authorized program funding of \$178.2 million for EE, ESA, CARE administrative expenses, RD&D, and BOE administrative costs. This represents a \$31.1 million increase from 2022;
- 2) Amortization over 12 months of forecasted December 31, 2022 balances in the PPP surcharge balancing accounts totaling a \$27.7 million undercollection. This represents an \$33.8 million increase from 2022; and
- 3) A projected 2023 CARE revenue shortfall of \$175.4 million, which represents a \$3.9 million decrease from the forecasted 2022 CARE customer discount. This shortfall is included in the PPP-CARE portion of the gas PPP surcharge rates for 2023 and accounted for as a reduction of net transportation revenue requirement in rates for a zero-sum impact on the total gas revenue requirement.

### **Gas Transmission and Storage Rates**

On November 17, 2017, PG&E filed an application at the CPUC requesting that the Commission adopt its gas transmission & storage (GT&S) revenue requirement, cost allocation, and rate design for the period of 2019-2022. On September 12, 2019, the CPUC voted to adopt the Decision 19-09-025, *Decision Authorizing Pacific Gas and Electric Company's 2019-2022 Revenue Requirement for Gas Transmission and Storage Service*.

The following table shows total annual 2022 revenue requirements as authorized by D. 19-09-025, which will be held constant in 2023, pending resolution in PG&E's 2023 GRC (see 2023 GRC discussion in Pending Decisions and Advice Letters section

above). A portion of the backbone and the storage revenue requirements shown below are recovered in PG&E's core procurement rates and from Core Transport Agents and are not included in the revenue requirement tables or rates provided in this advice letter. Recovery of these portions of the backbone and storage revenue requirements shown below will occur in PG&E's monthly procurement advice letters effective during 2023.

**Annual 2023 Gas Transmission and Storage Revenue Requirements**  
(\$ thousands)

<b>Total Annual GT&amp;S Revenue Requirements</b>	<b>GT&amp;S 2022</b>
Total Backbone	\$563,182
Total Local Transmission	952,788
Total Storage	24,377
Total NGSS	37,313
Total Customer Access Charge	2,331
<b>Total GT&amp;S<sup>25</sup></b>	<b>\$1,579,991</b>

**Gas Cost Allocation Proceeding**

On October 24, 2019, the Commission issued D.19-10-036, PG&E's 2018 Gas Cost Allocation Proceeding (GCAP) Decision. The purpose of the GCAP is to allocate authorized transportation costs (excluding those authorized in the Gas Transmission & Storage Rate Case (GTS)) among core and noncore customers, adopt gas demand forecasts to allocate procurement costs via monthly pricing as well as public purpose program surcharge revenues in the annual Public Purpose Program Surcharge Submittal, and propose changes in rate design methodology.

**Marginal Cost Using the Rental Method for the Customer Function**

In Compliance with D.19-10-036, PG&E has applied the percentage of total gas base revenue requirement allocation to the Small Commercial customer class under its embedded cost-based method (17.717%)<sup>26</sup> and applied that percentage to the current adopted gas base revenue requirement effective January 1, 2023. PG&E then applied the resulting \$76.7 million shortfall to be re-allocated to the residential customer class under Cal Advocates method<sup>27</sup>. PG&E will update the calculation of the shortfall in the December supplemental AGT submittal.

<sup>25</sup> Totals may not tie due to rounding.

<sup>26</sup> Exhibit PG&E-1, Revised for Errata, February 15, 2018, Line 7, Small Commercial column.

<sup>27</sup> See Advice Letter 4197-G, p.4 for additional details.

## **Residential Rate Design – Tiering Factor**

Decision 19-10-036 adopted the reduction in residential Tier 1 and Tier 2 bundled rate differential to 1.2 over four years.<sup>28</sup> In this submittal, PG&E has calculated the resulting tiered residential transportation rates ratio based on the reduced illustrative forecast residential Tier 1 and Tier 2 bundled rate differential from 1.25 to 1.20<sup>29</sup>. PG&E will update this calculation based on the final rates in its December supplemental AGT submittal.

## **Confidentiality**

Per GO 66-C, Section 583 of the Public Utilities Code, and D. 15-10-032, specific values in Attachment 8 are confidential as described in the attached confidentiality declaration.

## **Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than November 21, 2022, which is 21<sup>30</sup> 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).

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<sup>28</sup> Pursuant to D.19-10-036 OP 4

<sup>29</sup> See Advice Letter 4197-G, p.5 for additional details.

<sup>30</sup> PG&E is moving this date to the following business day because the 20-day protest period concludes on a weekend.

**Effective Date**

PG&E requests that this Tier 2 submittal be approved within 30 days of submittal (by November 30, 2022), with an effective date of January 1, 2023.

As noted above, illustrative average rates are shown on Attachments 3 through 5 of this submittal. PG&E will submit final rates and preliminary statement changes in a separate December 2022 advice letter that will consolidate all year-end gas transportation rate changes authorized to be effective on January 1, 2023.<sup>31</sup> Changes to core gas transportation rates will be incorporated into the monthly core procurement advice submittal for rates effective January 1, 2023.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list A.17-09-006, R.02-10-001, A.17-11-009, A.18-12-009, A.21-06-021, A.20-09-018, A.19-04-015, A.21-08-015, A.22-04-008, A.20-09-019, A.21-09-008, R.14-03-003 and R.12-11-005. 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/

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Sidney Bob Dietz II  
Director, Regulatory Relations

**Attachments**

- Attachment 1: 2023 Revenue Requirements
- Attachment 1A: 2023 Revenue Requirements Allocation to Core/Noncore/Unbundled
- Attachment 2: Balancing Account Forecast Summary
- Attachment 3: Average End-User Gas Transportation Rates and Public Purpose Program Surcharges
- Attachment 4: Summary of Rates by Class by Major Elements
- Attachment 5: Allocation of Gas End-Use Transportation Revenue Requirements and Public Purpose Program Surcharge Revenues across Classes
- Attachment 6: Gas Transmission and Storage Rates

<sup>31</sup> The advice letter for monthly core gas procurement rates will be submitted in a separate advice letter in December 2022.



- Attachment 7: Gas Rate Impacts  
Attachment 8: Natural Gas GHG Tables  
Public Attachment 8:  
Table A: Forecast Revenue Requirement  
Table C: GHG Allowance Proceeds  
Table D: GHG Outreach and Administrative Expense  
Table E: Compliance Obligation Over Time  
Confidential Attachment 8:  
Table B: Recorded GHG Costs  
PG&E's 2023 Natural Gas GHG Limit  
Attachment 9: Confidentiality Declaration

## cc:

2018 Gas Cost Allocation Proceeding (GCAP) (A.17-09-006) (Public Version)  
Gas PPP Surcharge (R.02-10-001) (Public Version)  
2019 Gas Transmission and Storage Proceeding (A. 17-11-009) (Public Version)  
2020 GRC Phase I (A.18-12-009) (Public Version)  
2023 GRC Phase I (A.21-06-021) (Public Version)  
San Francisco General Office Sale (A. 20-09-018) (Public Version)  
2020 Cost of Capital (A.19-04-015) (Public Version)  
2022 Cost of Capital (A.21-08-015) (Public Version)  
2023 Cost of Capital (A.22-04-008) (Public Version)  
2020 Wildfire Mitigation and Catastrophic Event Memorandum Account  
(A.20-09-019) (Public Version)  
2021 Wildfire Mitigation and Catastrophic Event Memorandum Account  
(A.21-09-008) (Public Version)  
Greenhouse Gas Natural Gas OIR (R.14-03-003) (Public Version)  
Self Generation Incentive Program (R.12-11-005) (Public Version)

Carlos Velasquez, Energy Division (Public and Confidential Versions)  
Andrew Ngo, Energy Division (Public and Confidential Versions)  
Elizabeth La Cour, Energy Division (Public and Confidential Versions)  
Adam Banasiak, Energy Division (Public and Confidential Versions)



# 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 G)

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) #: 4676-G

Tier Designation: 2

Subject of AL: Annual Gas True-Up of Gas Transportation Balancing Accounts for Rates Effective January 1, 2023

Keywords (choose from CPUC listing): Compliance, Balancing Account

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: Res. E-4926, D.05-06-029, 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: N/A

Confidential treatment requested?  Yes  No

If yes, specification of confidential information: see confidential and matrix  
Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Robert Gomez, Robert.gomez@pge.com

Resolution required?  Yes  No

Requested effective date: 11/30/22

No. of tariff sheets: 0

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed<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 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](mailto: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

# **Attachment 1**

2023 Revenue Requirements

## ATTACHMENT 1

PACIFIC GAS AND ELECTRIC COMPANY  
January 1, 2023 RATE CHANGE2021 ANNUAL END-USE TRANSPORTATION, GAS TRANSMISSION AND STORAGE REVENUE REQUIREMENTS,  
AND PUBLIC PURPOSE PROGRAMS AUTHORIZED FUNDING  
(\$ THOUSANDS)

Line No.		A	B	C	D	E	Line No.
		Present in Rates as of 8/1/22	Proposed as of 1/1/2023	Total Change	Core	Noncore / Unbundled	
<b>END-USE GAS TRANSPORTATION</b>							
1	Gas Transportation Balancing Accounts	511,105	428,171	(82,934)	(49,036)	(33,897)	1
2	GRC Distribution Base Revenues (includes distribution portion of Cost of Capital)	2,260,662	2,279,839	19,177	17,663	1,514	2
3	Pension - Distribution	31,710	31,710	-	(12)	12	3
4	Pension - Gas Transmission & Storage	15,430	15,430	-	-	-	4
5	Self Generation Incentive Program Revenue Requirement	12,990	12,990	-	1,224	(1,224)	5
6	CPUC Fee	29,100	29,100	-	(1)	-	6
7	Core Brokerage Fee Credit	(5,332)	(5,332)	-	-	-	7
8	Greenhouse Compliance Operational Cost (excluding RF&U)	13,767	25,558	11,791	4,807	6,984	8
9	Greenhouse Compliance Cost (excluding RF&U)	349,212	369,860	20,648	33,797	(13,149)	9
10	Greenhouse Compliance Revenue Return (excluding RF&U)	(244,609)	(269,227)	(24,618)	(24,617)	-	10
11	Less CARE discount recovered in PPP surcharge from non-CARE customers	(179,325)	(175,364)	3,961	3,961	-	11
12	RF&U	11,714	11,041	(673)	(125)	(548)	12
13	Total Transportation RRQ with Adjustments and Credits	2,806,424	2,753,776	(52,648)	(12,340)	(40,307)	13
14	Procurement-Related G-10 Total	(899)	(1,164)	(265)	(264)	-	14
15	Procurement-Related G-10 Total Allocated	899	1,164	265	108	157	15
16	Total Transportation Revenue Requirements Reallocated	2,806,424	2,753,776	(52,648)	(12,496)	(40,151)	16
Gas Transmission & Storage (GT&S) Transportation Revenue Requirements (RRQ)							
17	Local Transmission	952,788	952,788	-	-	-	17
18	Customer Access	2,331	2,331	-	-	-	18
19	Total GT&S Transportation RRQ	955,119	955,119	-	-	-	19
20	GT&S Late Implementation						20
21	Local Transmission	47,617	47,617	-	-	-	21
22	Backbone	38,251	38,251	-	-	-	22
23	Storage	18,253	18,253	-	-	-	23
24	Total GT&S Late Implementation	104,121	104,121	-	-	-	24
25	<b>Total End-Use Gas Transportation RRQ</b>	<b>3,865,664</b>	<b>3,813,016</b>	<b>(52,648)</b>	<b>(12,496)</b>	<b>(40,151)</b>	25
<b>PUBLIC PURPOSE PROGRAMS (PPP) FUNDING</b>							
26	Energy Efficiency	61,666	83,629	21,963	15,075	6,888	26
27	Energy Savings Assistance	71,797	80,949	9,152	9,152	-	27
28	Research and Development and BOE/CPUC Admin Fees	10,922	10,836	(86)	(263)	177	28
29	CARE Administrative Expense	2,752	2,792	40	(23)	64	29
30	Statewide Marketing, Education & Outreach	-	-	-	-	-	30
31	Total Authorized PPP Funding	147,137	178,206	31,069	23,942	7,128	31
32	PPP Surcharge Balancing Accounts	(6,071)	27,689	33,760	11,957	21,804	32
33	CARE discount recovered from non-CARE customers	179,325	175,364	(3,961)	(4,978)	1,017	33
34	<b>Total PPP Required Funding</b>	<b>320,391</b>	<b>381,259</b>	<b>60,868</b>	<b>30,921</b>	<b>29,949</b>	34
<b>GT&amp;S UNBUNDLED COSTS</b>							
35	Backbone Transmission	342,450	342,450	-	-	-	35
36	Storage	-	-	-	-	-	36
37	<b>Total GT&amp;S Unbundled</b>	<b>342,450</b>	<b>342,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	37
38	<b>TOTAL REVENUE REQUIREMENTS</b>	<b>4,528,505</b>	<b>4,536,725</b>	<b>8,220</b>	<b>18,425</b>	<b>(10,202)</b>	38

**Notes:**

A positive balance represents an under-collection. A negative balance represents an over-collection.  
Some numbers may not add precisely due to rounding.

## **Attachment 1A**

2023 Revenue Requirements Allocation to  
Core/Noncore/Unbundled

## ATTACHMENT 1A

**PACIFIC GAS AND ELECTRIC COMPANY**  
**January 1, 2023 RATE CHANGE**

**2023 ANNUAL END-USE TRANSPORTATION, GAS TRANSMISSION AND STORAGE REVENUE REQUIREMENTS,  
AND PUBLIC PURPOSE PROGRAMS AUTHORIZED FUNDING ALLOCATION TO CORE/NONCORE/UNBUNDLED  
(\$ THOUSANDS)**

Line No.		Proposed as of 1/1/2023	Core	Noncore / Unbundled	Line No.
	<b>END-USE GAS TRANSPORTATION</b>				
1	Gas Transportation Balancing Accounts	428,171	341,725	86,447	1
2	GRC Distribution Base Revenues	2,279,839	2,197,363	82,476	2
3	Pension - Distribution	31,710	30,563	1,147	3
4	Pension - Gas Transmission & Storage	15,430	9,020	6,410	4
5	Self Generation Incentive Program Revenue Requirement	12,990	12,297	693	5
6	CPUC Fee	29,100	15,584	13,515	6
7	Core Brokerage Fee Credit	(5,332)	(5,332)	-	7
8	Greenhouse Compliance Operational Cost (excluding RF&U)	25,558	10,419	15,139	8
9	Greenhouse Compliance Cost (excluding RF&U)	369,860	305,791	64,069	9
10	Greenhouse Compliance Revenue Return (excluding RF&U)	(269,227)	(269,227)	-	10
	Less CARE discount recovered in PPP surcharge from non-CARE customers	(175,364)	(175,364)	-	
11					11
12	RF&U	11,041	8,766	2,275	12
13	Total Transportation RRQ with Adjustments and Credits	2,753,776	2,481,604	272,173	13
14	Procurement-Related G-10 Total	(1,164)	(1,164)	-	14
15	Procurement-Related G-10 Total Allocated	1,164	474	689	15
16	Total Transportation Revenue Requirements Reallocated	2,753,776	2,480,915	272,862	16
	Gas Transmission & Storage (GT&S) Transportation Revenue Requirements (RRQ)				
17	Local Transmission	952,788	650,937	301,851	17
18	Customer Access	2,331	-	2,331	18
19	Total GT&S Transportation RRQ	955,119	650,937	304,182	19
20	GT&S Late Implementation				20
21	Local Transmission	47,617	32,409	15,208	21
22	Backbone	38,251	13,613	24,638	22
23	Storage	18,253	18,253	-	23
24	Total GT&S Late Implementation	104,121	64,275	39,846	24
25	<b>Total End-Use Gas Transportation RRQ</b>	<b>3,813,016</b>	<b>3,196,127</b>	<b>616,890</b>	25
	<b>PUBLIC PURPOSE PROGRAMS (PPP) FUNDING</b>				
26	Energy Efficiency	83,629	57,403	26,226	26
27	Energy Savings Assistance	80,949	80,949	-	27
28	Research and Development and BOE/CPUC Admin Fees	10,836	6,123	4,712	28
29	CARE Administrative Expense	2,792	1,465	1,327	29
30	Statewide Marketing, Education & Outreach	-	-	-	30
31	Total Authorized PPP Funding	178,206	145,940	32,266	31
32	PPP Surcharge Balancing Accounts	27,689	16,144	11,546	32
33	CARE discount recovered from non-CARE customers	175,364	92,003	83,362	33
34	<b>Total PPP Required Funding</b>	<b>381,259</b>	<b>254,086</b>	<b>127,174</b>	34
	<b>GT&amp;S UNBUNDLED COSTS</b>				
35	Backbone Transmission	342,450	-	342,450	35
36	Storage	-	-	-	36
37	<b>Total GT&amp;S Unbundled</b>	<b>342,450</b>	<b>-</b>	<b>342,450</b>	37
38	<b>TOTAL REVENUE REQUIREMENTS</b>	<b>4,536,725</b>	<b>3,450,213</b>	<b>1,086,514</b>	38

**Notes:**

A positive balance represents an under-collection. A negative balance represents an over-collection.  
Some numbers may not add precisely due to rounding.

## **Attachment 2**

Balancing Account Forecast Summary



ATTACHMENT 2

PACIFIC GAS AND ELECTRIC COMPANY  
January 1, 2023 RATE CHANGE  
BALANCING ACCOUNT FORECAST SUMMARY

(\$ THOUSANDS)

Line No.		Allocation			Allocation		Line No.	
		Sept. 2022 Recorded Dec. 2022 Forecast	Core	Noncore	Nov. 2021 Recorded <sup>1</sup> Dec. 2021 Forecast	Core		Noncore
	A	B	C	D	E	F		
<b>GAS TRANSPORTATION BALANCING ACCOUNTS</b>								
1	Core Fixed Cost Account (CFCA) - Distribution Cost Subaccount	\$83,314	\$83,314	\$0	(\$25,740)	(\$25,740)	\$0	1
2	CFCA - Core Cost Subaccount	\$45,144	\$45,144	\$0	\$47,909	\$47,909	\$0	2
3	Noncore Customer Class Charge Account (NCA) - Noncore Subaccount	(\$819)	\$0	(\$819)	(\$14,666)	\$0	(\$14,666)	3
4	NCA - Distribution Subaccount	\$6,105	\$0	\$6,105	(\$2,809)	\$0	(\$2,809)	4
5	NCA - Local Transmission Subaccount	\$4,168	\$0	\$4,168	(\$6,277)	\$0	(\$6,277)	5
6	NCA - GT&S Audit - Noncore Storage	\$1,559	\$0	\$1,559	\$1,559	\$0	\$1,559	6
7	Core Brokerage Fee Balancing Account	(\$85)	(\$85)	\$0	(\$158)	(\$158)	\$0	7
8	Hazardous Substance Mechanism	\$77,627	\$31,646	\$45,981	\$90,018	\$36,697	\$53,320	8
9	Balancing Charge Account	(\$804)	(\$328)	(\$476)	\$12,244	\$4,992	\$7,253	9
10	Property Sales	(\$48,263)	(\$37,731)	(\$10,532)	(\$54,231)	(\$42,410)	(\$11,821)	10
11	Customer Energy Efficiency Incentive Recovery Account - Gas	\$322	\$221	\$101	\$4,875	\$3,346	\$1,529	11
12	California Solar Initiative Thermal Program Memorandum Account	\$5,728	\$3,009	\$2,718	\$8,115	\$4,233	\$3,882	12
13	Adjustment Mechanism of Costs Determined in Other Proceedings	\$153,144	\$76,572	\$76,572	\$105,977	\$52,989	\$52,989	13
14	Non-Tariffed Products and Services Balancing Account	(\$270)	(\$270)	\$0	(\$344)	(\$344)	\$0	14
15	AB 32 Cost of Implementation Fee (2)	\$11,066	\$5,794	\$5,273	\$8,142	\$3,932	\$4,210	15
16	Gas Pipeline Expense and Capital Balancing Account	\$0	\$0	\$0	\$0	\$0	\$0	16
17	Wildfire Mitigation and Catastrophic Event Memorandum Account(WMCE)	\$33,435	\$13,630	\$19,805	\$0	\$0	\$0	17
18	Wildfire Expense Memorandum Account (excluding RF&U)	\$0	\$0	\$0	\$153,772	\$124,813	\$28,960	18
19	New Environmental Regulations Balancing Account	\$2,815	\$2,713	\$102	(\$3,253)	(\$3,137)	(\$117)	19
20	Pension Contribution Balancing Account	\$0	\$0	\$0	\$0	\$0	\$0	20
21	NGSS Enduser Depreciation/Decommissioning	\$37,313	\$27,618	\$9,695	\$37,313	\$27,618	\$9,695	21
22	GT&S Revenue Sharing Mechanism (3)	(\$47,987)	(\$23,993)	(\$23,993)	(\$65,185)	(\$32,593)	(\$32,593)	22
23	Risk Transfer Balancing Account	\$127,345	\$122,738	\$4,607	\$158,119	\$152,456	\$5,663	23
24	Residential Uncollectibles Balancing Account	\$0	\$0	\$0	\$31,573	\$12,871	\$18,702	24
25	Wildfire Mitigation Balancing Account - Distribution	\$1,835	\$1,769	\$66	\$1,743	\$1,681	\$62	25
26	GT&S Balancing Accounts	(\$89,375)	(\$33,992)	(\$55,384)	\$0	\$0	\$0	26
27	Mobile Home Park Balancing Account	\$24,855	\$23,956	\$899	\$22,409	\$21,606	\$803	27
28	<b>Subtotal Transportation Balancing Accounts</b>	<b>\$428,171</b>	<b>\$341,725</b>	<b>\$86,447</b>	<b>\$511,105</b>	<b>\$390,761</b>	<b>\$120,343</b>	28
<b>PUBLIC PURPOSE PROGRAM (PPP) SURCHARGE BALANCING ACCOUNTS (4)</b>								
29	PPP-Energy Efficiency	\$976	\$670	\$306	(\$18,258)	(\$12,532)	(\$5,726)	29
30	PPP-Low Income Energy Efficiency	\$2,983	\$2,983	\$0	\$22,005	\$22,005	\$0	30
31	PPP-Research Development and Demonstration	\$1,012	\$572	\$440	\$532	\$311	\$221	31
32	California Alternate Rates for Energy Account	\$22,719	\$11,919	\$10,800	(\$10,350)	(\$5,597)	(\$4,753)	32
33	<b>Subtotal Public Purpose Program Balancing Accounts</b>	<b>\$27,690</b>	<b>\$16,144</b>	<b>\$11,546</b>	<b>(\$6,071)</b>	<b>\$4,187</b>	<b>(\$10,258)</b>	33
34	<b>TOTAL BALANCING ACCOUNTS</b>	<b>\$455,861</b>	<b>\$357,869</b>	<b>\$97,993</b>	<b>\$505,034</b>	<b>\$394,948</b>	<b>\$110,085</b>	34

**Footnotes:**

- These balances are the forecasted balances as of December 2021. The December 2021 ending balances that were provided in the 2022 AGT AL 4543-G were the forecasted balances (based on recorded balances as of November 2021 with a forecast of December 2021 activity).
- This amount reflects the total forecast balance of the AB 32 Cost of Implementation Fee Core subaccount in the CFCA and the Noncore subaccount of the NCA. The total forecast balance is allocated on an equal-cents-per therm basis.
- The balance shown is the September 30, 2022 recorded balance in the Backbone and Local Transmission Subaccounts of the GTSRSM. PG&E will update for the November recorded balance in the December Supplemental AGT. The December recorded balances will be transferred evenly (50/50) to the CFCA and NCA after the approval of the AGT advice letter. The balance in the Local Transmission subaccount will be allocated to all end use customers except for industrial backbone and electric generation backbone customers.
- The PPP-related balances (based on Sept 2022 recorded) were included in the 2023 PPP Gas Surcharge filed in AL 4675-G on October 31, 2022.
- The balance in the Residential Uncollectibles Balancing Account will be updated in the December supplemental AGT once the 2023 CAPP funding is known.

**Notes:**

A positive balance represents an under-collection. A negative balance represents an over-collection.  
Some numbers may not add precisely due to rounding.

## **Attachment 3**

Average End-User Gas Transportation Rates and Public  
Purpose Program Surcharges

**ATTACHMENT 3**

January 1, 2023 Annual Gas True-Up

**AVERAGE END-USER GAS TRANSPORTATION RATES AND PUBLIC PURPOSE PROGRAM SURCHARGES  
(\$/th; Annual Class Averages)<sup>(3)</sup>**

Line

No.	Customer Class	August-22			January 2023			Percentage Change from August 2022		
		Transportation <sup>(1)(5)</sup>	G-PPPS <sup>(2)</sup>	Total	Transportation	G-PPPS	Total	Transportation	G-PPPS	Total
<b>RETAIL CORE</b>										
1	Residential Non-CARE <sup>(4)</sup>	\$1.528	\$ .103	<b>\$1.632</b>	\$1.533	\$ .111	<b>\$1.644</b>	0.3%	6.9%	0.7%
2	Small Commercial Non-CARE <sup>(4)</sup>	\$1.021	\$ .062	<b>\$1.084</b>	\$1.020	\$ .085	<b>\$1.105</b>	(0.1%)	36.0%	2.0%
3	Large Commercial	\$.666	\$.056	<b>\$.722</b>	\$.666	\$.073	<b>\$.739</b>	(0.0%)	29.5%	2.3%
4	NGV1 - (uncompressed service)	\$.665	\$.044	<b>\$.708</b>	\$.669	\$.049	<b>\$.717</b>	0.6%	11.1%	1.3%
5	NGV2 - (compressed service)	\$2.243	\$.044	<b>\$2.287</b>	\$2.300	\$.049	<b>\$2.348</b>	2.5%	11.1%	2.7%
<b>RETAIL NONCORE (6)</b>										
6	Industrial - Distribution	\$.537	\$.063	<b>\$.600</b>	\$.555	\$.086	<b>\$.641</b>	3.3%	36.8%	6.8%
7	Industrial - Transmission	\$.279	\$.049	<b>\$.328</b>	\$.287	\$.058	<b>\$.345</b>	3.0%	18.4%	5.3%
8	Industrial - Backbone	\$.144	\$.049	<b>\$.194</b>	\$.138	\$.058	<b>\$.196</b>	(4.7%)	18.4%	1.1%
9	Electric Generation - Transmission (G-EG-D/LT)	\$.263		<b>\$.263</b>	\$.273		<b>\$.273</b>	3.7%		3.7%
10	Electric Generation - Backbone (G-EG-BB)	\$.138		<b>\$.138</b>	\$.133		<b>\$.133</b>	(3.7%)		(3.7%)
11	NGV 4 - Distribution (uncompressed service)	\$.537	\$.044	<b>\$.581</b>	\$.555	\$.049	<b>\$.604</b>	3.3%	11.1%	3.9%
12	NGV 4 - Transmission (uncompressed service)	\$.268	\$.044	<b>\$.312</b>	\$.277	\$.049	<b>\$.325</b>	3.2%	11.1%	4.3%
<b>WHOLESALE CORE AND NONCORE (G-WSL) (6)</b>										
13	Alpine Natural Gas	\$.159		<b>\$.159</b>	\$.155		<b>\$.155</b>	(2.8%)		(2.8%)
14	Coalinga	\$.160		<b>\$.160</b>	\$.155		<b>\$.155</b>	(2.7%)		(2.7%)
15	Island Energy	\$.168		<b>\$.168</b>	\$.164		<b>\$.164</b>	(2.6%)		(2.6%)
16	Palo Alto	\$.157		<b>\$.157</b>	\$.152		<b>\$.152</b>	(2.8%)		(2.8%)
17	West Coast Gas - Castle	\$.478		<b>\$.478</b>	\$.491		<b>\$.491</b>	2.7%		2.7%
18	West Coast Gas - Mather Distribution	\$.701		<b>\$.701</b>	\$.726		<b>\$.726</b>	3.6%		3.6%
19	West Coast Gas - Mather Transmission	\$.161		<b>\$.161</b>	\$.156		<b>\$.156</b>	(2.7%)		(2.7%)

(1) Transportation Only rates include: i) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable), distribution costs (where applicable), and AB32 Cost of Implementation Fee (wholesale and certain large customers are directly billed by the Air Resource board, and are exempt from PG&E's AB32 COI rate component of \$0.00217 per therm). Transport only customers must arrange for their own gas purchases and transportation to PG&E's citygate/local transmission system.

(2) D. 04-08-010 authorized PG&E to remove the gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, energy efficiency, Research Development and Demonstration program and BOE/CPUC Administration costs from transportation rates and into its own separate surcharge tariff. Certain customers are exempt from paying the PPP surcharge; see tariff G-PPPS for details. G-PPPS rates are determined annually in PG&E's PPP Filing.

(3) Rates are rounded to 3 decimals for viewing ease. Percentage rate changes are calculated on a 5-digit basis.

(4) CARE Customers receive a 20% discount off of PG&E's total bundled rate and are exempt from the CARE portion of PG&E's Public Purpose Program Surcharge (G-PPPS) rates and cost recovery of the California Solar Initiative Thermal Program.

(5) Billed Transportation rates paid by all customers include an additional GHG Compliance Cost of \$0.11507 and Operational Cost component of \$0.00391

(6) Covered Entities within classes and the wholesale class (i.e. customers that currently have a direct obligation to pay for allowances directly to the Air Resources Board) will see a line item credit on their bill equal to the GHG Compliance Cost \$0.11507 per therm times their monthly billed volumes.

## **Attachment 4**

Summary of Rates by Class by Major Elements

**ATTACHMENT 4**

**October AGT1/1/2023  
AVERAGE END-USER GAS TRANSPORTATION RATES AND PPP SURCHARGES  
(\$/th; Annual Class Averages)<sup>(9)</sup>**

	Core Retail					Noncore Retail							
	Non-CARE Residential	Small Commercial	Large Commercial	G-NGV1 (Uncompressed)	G-NGV2 (Compressed)	Industrial			G-NGV 4		Electric Generation		
						Distribution	Transmission	BB-Level Serv.	Distribution	Transmission	Dist./Trans.	BB-Level Serv.	
<b>TRANSPORTATION CHARGE COMPONENTS</b>													
1 Local Transmission (1)	\$ .24300	\$ .24300	\$ .24300	\$ .24300	\$ .24300	\$ .11092	\$ .11092	\$ .00000	\$ .11092	\$ .11092	\$ .11092	\$ .11092	\$ .00000
2 Self Generation Incentive Program	\$ .00485	\$ .00416	\$ .00546	\$ .00089	\$ .00089	\$ .00208	\$ .00009	\$ .00000	\$ .00208	\$ .00000	\$ .00000	\$ .00000	\$ .00000
3 CPUC Fee (3)	\$ .00585	\$ .00585	\$ .00585	\$ .00585	\$ .00585	\$ .00585	\$ .00585	\$ .00585	\$ .00585	\$ .00585	\$ .00086	\$ .00086	\$ .00086
4 AB32 Air Resource Board Cost of Implementation Fee (8)	\$ .00217	\$ .00217	\$ .00217	\$ .00217	\$ .00217	\$ .00217	\$ .00217	\$ .00217	\$ .00217	\$ .00217	\$ .00217	\$ .00217	\$ .00217
5 AB32 Greenhouse Gas Compliance Cost (Non-Covered Entities Pay Only)	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507
6 Balancing Accounts (2)	\$ .14471	\$ .09729	\$ .06404	\$ .06463	\$ .21788	\$ .03665	\$ .00616	\$ .00596	\$ .03665	\$ .00495	\$ .00387	\$ .00483	\$ .00483
7 NCA - Local Transmission Cost Subaccount <sup>(11)</sup>	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .02268	\$ .02268	\$ .00000	\$ .02268	\$ .02268	\$ .02268	\$ .02268	\$ .00000
8 2019 GTS Late Implementation Amortization	\$ .02399	\$ .02399	\$ .02399	\$ .02399	\$ .02399	\$ .01248	\$ .01248	\$ .00689	\$ .01248	\$ .01248	\$ .01248	\$ .01248	\$ .00689
9 GT&S-related Pension	\$ .00334	\$ .00334	\$ .00334	\$ .00334	\$ .00334	\$ .00184	\$ .00184	\$ .00088	\$ .00184	\$ .00184	\$ .00184	\$ .00184	\$ .00088
10 Distribution - Annual Average (6)	\$ .99000	\$ .46725	\$ .19924	\$ .20890	\$ 1.68737	\$ .24147	\$ .00912		\$ .24147		\$ .00188	\$ .00188	
<b>11 VOLUMETRIC RATE - Average Annual</b>	<b>\$ 1.53298</b>	<b>\$ .96213</b>	<b>\$ .66216</b>	<b>\$ .66785</b>	<b>\$ 2.29957</b>	<b>\$ .55122</b>	<b>\$ .28639</b>	<b>\$ .13682</b>	<b>\$ .55122</b>	<b>\$ .27597</b>	<b>\$ .27178</b>	<b>\$ .13258</b>	
<b>12 CUSTOMER ACCESS CHARGE - Class Average Volumetric Equivalent (4)</b>		\$ .05822	\$ .00411	\$ .00095		\$ .00411	\$ .00072	\$ .00079	\$ .00411	\$ .00072	\$ .00083	\$ .00026	
<b>13 CLASS AVERAGE TRANSPORTATION RATE</b>	<b>\$ 1.53298</b>	<b>\$ 1.02035</b>	<b>\$ .66628</b>	<b>\$ .66880</b>	<b>\$ 2.29957</b>	<b>\$ .55533</b>	<b>\$ .28711</b>	<b>\$ .13761</b>	<b>\$ .55533</b>	<b>\$ .27668</b>	<b>\$ .27261</b>	<b>\$ .13285</b>	
<b>14 PUBLIC PURPOSE PROGRAM SURCHARGE/TAX (5)</b>	<b>\$ 1.1055</b>	<b>\$ .08484</b>	<b>\$ .07267</b>	<b>\$ .04866</b>	<b>\$ .04866</b>	<b>\$ .08576</b>	<b>\$ .05824</b>	<b>\$ .05824</b>	<b>\$ .04866</b>	<b>\$ .04866</b>			
<b>15 END-USE RATE (7)</b>	<b>\$ 1.64353</b>	<b>\$ 1.10519</b>	<b>\$ .73895</b>	<b>\$ .71746</b>	<b>\$ 2.34823</b>	<b>\$ .64109</b>	<b>\$ .34535</b>	<b>\$ .19585</b>	<b>\$ .60399</b>	<b>\$ .32534</b>	<b>\$ .27261</b>	<b>\$ .13285</b>	

	Wholesale						
	Coalinga	Palo Alto	WC Gas Mather		Island Energy	Alpine	WC Gas Castle
			Dist.	Trans.			
<b>TRANSPORTATION CHARGE COMPONENTS</b>							
16 Local Transmission (1)	\$ .11092	\$ .11092	\$ .11092	\$ .11092	\$ .11092	\$ .11092	\$ .11092
17 Self Generation Incentive Program	WHOLESALE CUSTOMERS EXEMPT FROM SGIP, AB32 COI, AB32 Gas Compliance Costs, and CPUC FEE RATE COMPONENT						
18 CPUC Fee (3)	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000
19 AB32 Air Resource Board Cost of Implementation Fee (8)	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000
20 AB32 Greenhouse Gas Compliance Cost (Non-Covered Entities Pay Only)	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507	\$ .11507
Inventory Management	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000	\$ .00000
21 Balancing Accounts including the NCA - LT cost subaccount (2)	\$ .02631	\$ .02631	\$ .09219	\$ .02631	\$ .02631	\$ .02631	\$ .06407
22 2019 GTS Late Implementation Amortization	\$ .01248	\$ .01248	\$ .01248	\$ .01248	\$ .01248	\$ .01248	\$ .01248
23 GT&S-related Pension	\$ .00184	\$ .00184	\$ .00184	\$ .00184	\$ .00184	\$ .00184	\$ .00184
24 Distribution - Annual Average			\$ .50426				\$ .29387
<b>25 VOLUMETRIC RATE - Average Annual</b>	<b>\$ .26662</b>	<b>\$ .26662</b>	<b>\$ .83676</b>	<b>\$ .26662</b>	<b>\$ .26662</b>	<b>\$ .26662</b>	<b>\$ .59825</b>
<b>26 CUSTOMER ACCESS CHARGE - Class Average Volumetric Equivalent (4)</b>	<b>\$ .00378</b>	<b>\$ .00089</b>	<b>\$ .00475</b>	<b>\$ .00475</b>	<b>\$ .01237</b>	<b>\$ .00344</b>	<b>\$ .00747</b>
<b>27 CLASS AVERAGE TRANSPORTATION RATE</b>	<b>\$ .27040</b>	<b>\$ .26750</b>	<b>\$ .84151</b>	<b>\$ .27137</b>	<b>\$ .27899</b>	<b>\$ .27005</b>	<b>\$ .60572</b>
<b>28 PUBLIC PURPOSE PROGRAM SURCHARGE/TAX (5)</b>							
<b>29 END-USE RATE</b>	<b>\$ .27040</b>	<b>\$ .26750</b>	<b>\$ .84151</b>	<b>\$ .27137</b>	<b>\$ .27899</b>	<b>\$ .27005</b>	<b>\$ .60572</b>
<b>30 GHG COMPLIANCE COST EXEMPTION</b>	<b>\$ .11507</b>	<b>\$ .11507</b>	<b>\$ .11507</b>	<b>\$ .11507</b>	<b>\$ .11507</b>	<b>\$ .11507</b>	<b>\$ .11507</b>
<b>31 END-USE RATE EXCLUDING GHG COMPLIANCE COST</b>	<b>\$ .15533</b>	<b>\$ .15244</b>	<b>\$ .72645</b>	<b>\$ .15631</b>	<b>\$ .16392</b>	<b>\$ .15499</b>	<b>\$ .49065</b>

**NOTES**

- (1) Adopted in Decision 19-09-025 filed with Advice Letter 4149-G Attachment 6 Appendix H Table 20
- (2) Based on September recorded balances and forecasted through December.
- (3) CPUC Fee based on Resolution M-4841, effective October 1, 2020 (including FF&U). G-EG customers pay a reduced CPUC fee as updated in 2018 GCAP D.19-10-036.
- (4) Adopted in Decision 19-09-025 filed with Advice Letter 4149-G Attachment 6 Appendix H Table 21
- (5) Decision 04-08-010 ordered the removal of PPP cost recovery from transportation rates. On March 1, 2005 PG&E began to treat PPP as a tax. AL 4675-G updated PG&E's 2023 PPP Surcharges effective January 1, 2023.
- (6) The G-NGV2 Distribution rate component includes the cost of compression, station operations and maintenance, and state/federal gas excise taxes, and the average A-10 electric rate.
- (7) CARE Customers receive a 20% discount off of PG&E's total bundled rate and are exempt from the CARE portion of PG&E's Public Purpose Program Surcharge (G-PPPS) rates and cost recovery of the California Solar Initiative Thermal Program.
- (8) AB32 provides the Air Resource Board recovery of its administration costs associated with the implementation of AB32. Wholesale and certain large customers are directly billed by the ARB, and are exempt from PG&E's cost of implementation component of \$0.00217 per therm
- (9) Billed Transportation rates paid by all customers include an additional GHG Compliance Cost of \$0.11507 and Operational Cost component of \$0.00391. Covered Entities within classes and the wholesale class (i.e. customers that currently have a direct obligation to pay for allowances directly to the Air Resource Board) will see a line credit on their bill equal to the GHG Compliance Cost \$0.11507 per therm times their monthly billed therms
- (10) The NCA - Local Transmission Cost Subaccount was created to comply with OP 82 in the 2019 GT&S Decision (19-09-025) and Advice Letter 4288-G
- (11) Rates are unrounded

## **Attachment 5**

Allocation of Gas End-Use Transportation Revenue  
Requirements and Public Purpose Program Surcharge  
Revenues across Classes







## **Attachment 6**

Gas Transmission and Storage Rates

**2019 GAS TRANSMISSION AND STORAGE RATE CASE**

Adopted

**Table 1**

**Adopted GT&S Revenue Requirement**

**Including Core and Noncore Revenue Responsibility**

(\$ Thousand)

Line No.		2015 GT&S	2019 Gas Transmission & Storage Rate Case Revised in Advice Letter 4451-G			
		Rate Case 2018	2019	2020	2021	2022
<b>Core Revenue Requirements</b>						
1	Backbone Transmission Base	130,370	152,847	183,381	211,291	220,732
2	Backbone Transmission Adders	-	-	-	-	-
3	Subtotal Backbone Transmission	130,370	152,847	183,381	211,291	220,732
4	Local Transmission Base	536,850	551,496	588,905	624,560	650,937
5	Local Transmission Adder	-	-	-	-	-
6	Subtotal Local Transmission	536,850	551,496	588,905	624,560	650,937
7	Storage	76,868	118,576	51,211	24,788	24,377
8	Customer Access Charge	-	-	-	-	-
9	Total Core GT&S	\$744,087	\$822,920	\$823,496	\$860,639	\$896,046
10	NGSS Enduser Depreciation/Decommissioning	-	\$27,348	\$27,583	\$27,602	\$27,618
11	Total Core	\$744,087	\$850,268	\$851,079	\$888,241	\$923,664
12	Core Share of Revenue Requirement	60.4%	63.5%	59.1%	58.2%	58.1%
<b>Noncore / Unbundled Revenue Requirements</b>						
13	Backbone Trans. Base w/o G-XF Contracts	211,111	199,624	290,456	323,838	336,547
14	Backbone Transmission Adders	-	-	-	-	-
15	Subtotal Backbone Transmission	211,111	199,624	290,456	323,838	336,547
16	G-XF Contracts	5,972	5,356	5,617	5,790	5,904
17	G-XF Contract Adders	-	-	-	-	-
18	G-XF Contracts Subtotal	5,972	5,356	5,617	5,790	5,904
19	Subtotal Backbone Transmission	217,083	204,980	296,073	329,628	342,450
20	Local Transmission Base	255,490	247,789	267,720	285,766	301,851
21	Local Transmission Adder	-	-	-	-	-
22	Subtotal Local Transmission	255,490	247,789	267,720	285,766	301,851
23	Storage	13,783	17,179	4,573	-	-
24	Customer Access Charge	2,507	2,428	2,404	2,369	2,331
25	Total Noncore / Unbundled	\$488,863	\$472,376	\$570,770	\$617,763	\$646,632
26	NGSS Enduser Depreciation/Decommissioning	-	\$9,600	\$9,683	\$9,689	\$9,695
27	Total Noncore/Unbundled	\$488,863	\$481,977	\$580,453	\$627,452	\$656,327
28	Noncore Share of Revenue Requirement	39.6%	36.5%	40.9%	41.8%	41.9%
<b>Total</b>						
29	Backbone Transmission Base w/o G-XF Contracts	341,481	352,472	473,836	535,129	557,279
30	Backbone Transmission Adders	-	-	-	-	-
31	Subtotal Backbone Trans. w/o G-XF Contracts	341,481	352,472	473,836	535,129	557,279
32	G-XF Contracts	5,972	5,356	5,617	5,790	5,904
33	G-XF Contract Adders	-	-	-	-	-
34	G-XF Contracts Subtotal	5,972	5,356	5,617	5,790	5,904
35	Subtotal Backbone Transmission	347,453	357,828	479,453	540,920	563,182
36	Local Transmission Base	792,339	799,286	856,625	910,326	952,788
37	Local Transmission Adder	-	-	-	-	-
38	Subtotal Local Transmission	792,339	799,286	856,625	910,326	952,788
39	Storage	90,651	135,756	55,784	24,788	24,377
40	Customer Access Charge	2,507	2,428	2,404	2,369	2,331
41	Total GT&S	\$1,232,950	\$1,295,297	\$1,394,266	\$1,478,402	\$1,542,678
42	NGSS Enduser Depreciation/Decommissioning	-	36,948	37,266	37,291	37,313
43	Total Gas Transmission and Storage System	\$1,232,950	\$1,332,245	\$1,431,532	\$1,515,693	\$1,579,991
44	Total Revenue Requirement Share	100.0%	100.0%	100.0%	100.0%	100.0%

## 2019 GAS TRANSMISSION AND STORAGE RATE CASE

Adopted

**Table 12**  
**Firm Backbone Transportation**  
**Annual Rates (AFT) -- SFV Rate Design**  
**On-System Transportation Service**

		2018	2019	2020	2021	2022
<b><u>Redwood Path - Core</u></b>						
Reservation Charge	(\$/dth/mo)	11.8245	13.7304	18.4477	20.8302	21.7537
Usage Charge	(\$/dth)	0.0010	0.0024	0.0027	0.0027	0.0028
Total (b)	(\$/dth @ Full Contract)	0.3898	0.4538	0.6092	0.6875	0.7180
<b><u>Baja Path - Core</u></b>						
Reservation Charge	(\$/dth/mo)	13.0380	16.7562	22.5356 <sup>(1)</sup>	-	-
Usage Charge	(\$/dth)	0.0011	0.0029	0.0033	-	-
Total (b)	(\$/dth @ Full Contract)	0.4298	0.5538	0.7442	-	-
<b><u>Redwood Path - Noncore</u></b>						
Reservation Charge	(\$/dth/mo)	13.6814	14.8458	20.0078	22.0809	22.7597
Usage Charge	(\$/dth)	0.0010	0.0024	0.0033	0.0035	0.0036
Total (b)	(\$/dth @ Full Contract)	0.4508	0.4905	0.6611	0.7294	0.7518
<b><u>Baja Path - Noncore</u></b>						
Reservation Charge	(\$/dth/mo)	14.8954	17.8727	24.0935	27.2272	28.2087
Usage Charge	(\$/dth)	0.0010	0.0029	0.0040	0.0043	0.0044
Total (b)	(\$/dth @ Full Contract)	0.4908	0.5905	0.7961	0.8994	0.9318
<b><u>Silverado and Mission Paths</u></b>						
Reservation Charge	(\$/dth/mo)	8.5814	10.2169	15.2032	17.3534	17.9215
Usage Charge	(\$/dth)	0.0008	0.0017	0.0025	0.0026	0.0027
Total (b)	(\$/dth @ Full Contract)	0.2829	0.3376	0.5023	0.5731	0.5919

<sup>(1)</sup> Core Baja G-AFT rates only available through March 2020.

**Notes:**

- a) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, mandated customer programs and other charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- b) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- c) Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- d) Dollar difference are due to rounding.

## 2019 GAS TRANSMISSION AND STORAGE RATE CASE

Adopted

**Table 13**  
**Firm Backbone Transportation**  
**Annual Rates (AFT) -- MFV Rate Design**  
**On-System Transportation Service**

		2018	2019	2020	2021	2022
<b><u>Redwood Path - Core</u></b>						
Reservation Charge	(\$/dth/mo)	9.1607	10.3200	13.5578	15.0130	15.4990
Usage Charge	(\$/dth)	0.0886	0.1145	0.1635	0.1939	0.2084
Total	(\$/dth @ Full Contract)	0.3898	0.4538	0.6092	0.6875	0.7180
<b><u>Baja Path - Core</u></b>						
Reservation Charge	(\$/dth/mo)	10.1008	12.5942	16.5621 <sup>(1)</sup>	-	-
Usage Charge	(\$/dth)	0.0977	0.1397	0.1997	-	-
Total	(\$/dth @ Full Contract)	0.4298	0.5538	0.7442	-	-
<b><u>Redwood Path - Noncore</u></b>						
Reservation Charge	(\$/dth/mo)	10.1813	10.8592	14.8870	16.3309	16.7183
Usage Charge	(\$/dth)	0.1160	0.1335	0.1717	0.1925	0.2022
Total	(\$/dth @ Full Contract)	0.4508	0.4905	0.6611	0.7294	0.7518
<b><u>Baja Path - Noncore</u></b>						
Reservation Charge	(\$/dth/mo)	11.0848	13.0732	17.9270	20.1370	20.7209
Usage Charge	(\$/dth)	0.1263	0.1607	0.2067	0.2374	0.2506
Total	(\$/dth @ Full Contract)	0.4908	0.5905	0.7961	0.8994	0.9318
<b><u>Silverado and Mission Paths</u></b>						
Reservation Charge	(\$/dth/mo)	6.4307	7.4504	11.1722	12.6452	12.9629
Usage Charge	(\$/dth)	0.0715	0.0927	0.1350	0.1574	0.1657
Total	(\$/dth @ Full Contract)	0.2829	0.3376	0.5023	0.5731	0.5919

<sup>(1)</sup> Core Baja G-AFT rates only available through March 2020.

**Notes:**

- a) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, mandated customer programs and other charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- b) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- c) Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- d) Dollar difference are due to rounding.

**2019 GAS TRANSMISSION AND STORAGE RATE CASE**

**Adopted**

**Table 14  
Firm Backbone Transportation  
Seasonal Rates (SFT) -- SFV Rate Design  
On-System Transportation Service**

		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>Redwood Path - Core</u></b>						
Reservation Charge	(\$/dth/mo)	--	--	22.1372 <sup>(1)</sup>	24.9963	26.1044
Usage Charge	(\$/dth)	--	--	0.0033	0.0032	0.0034
Total	(\$/dth @ Full Contract)	--	--	0.7311	0.8250	0.8616
<b><u>Baja Path - Core</u></b>						
Reservation Charge	(\$/dth/mo)	15.6456	20.1074	27.0427	31.1770	32.6488
Usage Charge	(\$/dth)	0.0013	0.0035	0.0040	0.0040	0.0042
Total	(\$/dth @ Full Contract)	0.5157	0.6645	0.8931	1.0290	1.0776
<b><u>Redwood Path - Noncore</u></b>						
Reservation Charge	(\$/dth/mo)	16.4176	17.8150	24.0094	26.4971	27.3116
Usage Charge	(\$/dth)	0.0012	0.0029	0.0040	0.0042	0.0043
Total	(\$/dth @ Full Contract)	0.5409	0.5886	0.7933	0.8753	0.9022
<b><u>Baja Path - Noncore</u></b>						
Reservation Charge	(\$/dth/mo)	17.8745	21.4472	28.9122	32.6726	33.8504
Usage Charge	(\$/dth)	0.0013	0.0034	0.0048	0.0051	0.0053
Total	(\$/dth @ Full Contract)	0.5889	0.7086	0.9553	1.0793	1.1182
<b><u>Silverado and Mission Paths</u></b>						
Reservation Charge	(\$/dth/mo)	10.2977	12.2602	18.2438	20.8241	21.5059
Usage Charge	(\$/dth)	0.0009	0.0021	0.0030	0.0031	0.0032
Total	(\$/dth @ Full Contract)	0.3395	0.4052	0.6028	0.6878	0.7103

<sup>(1)</sup> Core Redwood G-SFT rates only available beginning April 2020.

**Notes:**

- a) Firm Seasonal rates are 120 percent of Firm Annual rates.
- b) Rates are only the backbone transmission charge component of the transmission service. They include exclude local transmission charges, mandated customer programs and other charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- c) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- d) Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- e) Firm seasonal service is available to on-system paths for a minimum term of three consecutive months in one season. Winter season is November through March. Summer season is April through October.
- f) Dollar difference are due to rounding.

## 2019 GAS TRANSMISSION AND STORAGE RATE CASE

Adopted

Table 15

**Firm Backbone Transportation  
Seasonal Rates (SFT) -- MFV Rate Design  
On-System Transportation Service**

		2018	2019	2020	2021	2022
<b><u>Redwood Path - Core</u></b>						
Reservation Charge	(\$/dth/mo)	--	--	16.2694 <sup>(1)</sup>	18.0156	18.5988
Usage Charge	(\$/dth)	--	--	0.1962	0.2327	0.2501
Total	(\$/dth @ Full Contract)	--	--	0.7311	0.8250	0.8616
<b><u>Baja Path - Core</u></b>						
Reservation Charge	(\$/dth/mo)	12.1209	15.1131	19.8746	22.4702	23.2616
Usage Charge	(\$/dth)	0.1172	0.1677	0.2397	0.2903	0.3128
Total	(\$/dth @ Full Contract)	0.5157	0.6645	0.8931	1.0290	1.0776
<b><u>Redwood Path - Noncore</u></b>						
Reservation Charge	(\$/dth/mo)	12.2175	13.0310	17.8644	19.5971	20.0620
Usage Charge	(\$/dth)	0.1392	0.1601	0.2060	0.2310	0.2426
Total	(\$/dth @ Full Contract)	0.5409	0.5886	0.7933	0.8753	0.9022
<b><u>Baja Path - Noncore</u></b>						
Reservation Charge	(\$/dth/mo)	13.3017	15.6879	21.5124	24.1644	24.8651
Usage Charge	(\$/dth)	0.1516	0.1928	0.2481	0.2848	0.3007
Total	(\$/dth @ Full Contract)	0.5889	0.7086	0.9553	1.0793	1.1182
<b><u>Silverado and Mission Paths</u></b>						
Reservation Charge	(\$/dth/mo)	7.7168	8.9405	13.4066	15.1742	15.5555
Usage Charge	(\$/dth)	0.0858	0.1112	0.1620	0.1889	0.1989
Total	(\$/dth @ Full Contract)	0.3395	0.4052	0.6028	0.6878	0.7103

<sup>(1)</sup> Core Redwood G-SFT rates only available beginning April 2020.

**Notes:**

- a) Firm Seasonal rates are 120 percent of Firm Annual rates.
- b) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, mandated customer programs and other charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- c) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- d) Customers delivering gas to storage pay the applicable backbone transmission on-system rate from Redwood, Baja and Silverado.
- e) Firm seasonal service is available to on-system paths for a minimum term of three consecutive months in one season. Winter season is November through March. Summer season is April through October.
- f) Dollar difference are due to rounding.

**2019 GAS TRANSMISSION AND STORAGE RATE CASE**  
**Adopted**

**Table 16**  
**As-Available Backbone Transportation**  
**On-System Transportation Service**

		<u>2018</u>		<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>Redwood Path</u></b>							
Usage Charge	(\$/dth)	0.5409		0.5886	0.7933	0.8753	0.9022
<b><u>Baja Path</u></b>							
Usage Charge	(\$/dth)	0.5889		0.7086	0.9553	1.0793	1.1182
<b><u>Silverado Path</u></b>							
Usage Charge	(\$/dth)	0.3395		0.4052	0.6028	0.6878	0.7103
<b><u>Mission Path</u></b>							
Usage Charge	(\$/dth)	0.0000		0.0000	0.0000	0.0000	0.0000

**Notes:**

- a) As-Available rates are 120 percent of Firm Annual rates.
- b) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, mandated customer programs and other charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- c) Mission path service represents on-system storage to on-system transportation. Customers delivering gas to storage facilities pay the applicable backbone transmission on-system rate from Redwood, Baja or Silverado.
- d) Dollar difference are due to rounding.

**2019 GAS TRANSMISSION AND STORAGE RATE CASE**

**Adopted**

**Table 17  
Backbone Transportation  
Annual Rates (AFT-Off)  
Off-System Deliveries**

		<u>2018</u>	<u>2019</u>	<u>2019 GT&amp;S Rates</u>		<u>2022</u>
				<u>2020</u>	<u>2021</u>	
<b><u>SFV Rate Design</u></b>						
<b>Redwood, Silverado and Mission Paths Off-System</b>						
Reservation Charge	(\$/dth/mo)	13.6814	14.8458	20.0078	22.0809	22.7597
Usage Charge	(\$/dth)	0.0010	0.0024	0.0033	0.0035	0.0036
Total	(\$/dth @ Full Contract)	0.4508	0.4905	0.6611	0.7294	0.7518
<b>Baja Path Off-System</b>						
Reservation Charge	(\$/dth/mo)	14.8954	17.8727	24.0935	27.2272	28.2087
Usage Charge	(\$/dth)	0.0010	0.0029	0.0040	0.0043	0.0044
Total	(\$/dth @ Full Contract)	0.4908	0.5905	0.7961	0.8994	0.9318
<b><u>MFV Rate Design</u></b>						
<b>Redwood, Silverado and Mission Paths Off-System</b>						
Reservation Charge	(\$/dth/mo)	10.1813	10.8592	14.8870	16.3309	16.7183
Usage Charge	(\$/dth)	0.1160	0.1335	0.1717	0.1925	0.2022
Total	(\$/dth @ Full Contract)	0.4508	0.4905	0.6611	0.7294	0.7518
<b>Baja Path Off-System</b>						
Reservation Charge	(\$/dth/mo)	11.0848	13.0732	17.9270	20.1370	20.7209
Usage Charge	(\$/dth)	0.1263	0.1607	0.2067	0.2374	0.2506
Total	(\$/dth @ Full Contract)	0.4908	0.5905	0.7961	0.8994	0.9318
<b><u>As-Available Service</u></b>						
<b>Redwood, Silverado, and Mission Paths, (From Citygate) Off-System - Noncore</b>						
Usage Charge	(\$/dth)	0.5409	0.5886	0.7933	0.8753	0.9022
<b>Mission Paths (From on-system storage) Off-System</b>						
Usage Charge	(\$/dth)	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Baja Path Off-System - Noncore</b>						
Usage Charge	(\$/dth)	0.5889	0.7086	0.9553	1.0793	1.1182

**Notes:**

- a) Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, mandated customer programs and other charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- b) The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- c) California gas and storage to off-system are assumed to flow on Redwood path and are priced at the Redwood path rate.
- d) Dollar difference are due to rounding.



## 2019 GAS TRANSMISSION AND STORAGE RATE CASE

### Adopted

**Table 18**  
**Firm Transportation**  
**Expansion Shippers -- Annual Rates (G-XF)**  
**SFV Rate Design**

<b>SFV Rate Design</b>		<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Reservation Charge	(\$/dth/mo)	5.7955	5.1950	5.4481	5.6163	5.7262
Usage Charge	(\$/dth)	0.0001	0.0002	0.0002	0.0002	0.0002
Total	(\$/dth @ Full Contract)	0.1906	0.1710	0.1793	0.1848	0.1885

#### Notes:

- Rates are only the backbone transmission charge component of the transmission service. They exclude local transmission charges, mandated customer programs and other charges, customer access charges, distribution charges, storage charges, and shrinkage charges.
- The "Total" rows represent the average backbone transmission charge incurred by a firm shipper that uses its full contract quantity at a 100 percent load factor.
- G-XF charges are based on the embedded cost of Line 401 and a 95 percent load factor.
- Dollar difference are due to rounding.

**2019 GAS TRANSMISSION AND STORAGE RATE CASE**

**Adopted**

**Table 19  
Storage Service Rates**

		2018	2019		2020		2021		2022	
			October	January	April	January	April	January	April	
<b>Core Firm Storage (G-CFS)</b>										
Reservation Charge	(\$/dth/mo)	\$0.1913	\$0.3071	\$0.3424	\$0.4157	\$0.4306	\$0.4318	\$0.4392	\$0.4417	
<b>Standard Firm Storage (G-SFS)</b>										
Reservation Charge	(\$/dth/mo)	\$0.2962	\$0.3698	\$0.3930	service no longer offered under adopted NGSS					
<b>Negotiated Firm Storage (G-NFS)</b>										
Injection	(\$/dth/d)	\$5.7236	\$5.7236	\$5.7236	\$5.7236	\$5.7236	\$5.7236	\$5.7236	\$5.7236	
Inventory	(\$/dth)	\$3.5541	\$3.5541	\$3.5541	\$3.5541	\$3.5541	\$3.5541	\$3.5541	\$3.5541	
Withdrawal	(\$/dth/d)	\$26.1629	\$26.1629	\$26.1629	\$26.1629	\$26.1629	\$26.1629	\$26.1629	\$26.1629	
<b>Negotiated As-Available Storage (G-NAS) - Maximum Rate</b>										
Injection	(\$/dth/d)	\$5.7236	\$5.7236	\$5.7236	\$5.7236	\$5.7236	\$5.7236	\$5.7236	\$5.7236	
Withdrawal	(\$/dth/d)	\$26.1629	\$26.1629	\$26.1629	\$26.1629	\$26.1629	\$26.1629	\$26.1629	\$26.1629	
<b>Market Center Services (Parking and Lending Services)</b>										
Maximum Daily Charge	(\$/Dth/d)	\$1.1650	\$1.1650	\$1.1650	\$1.1650	\$1.1650	\$1.1650	\$1.1650	\$1.1650	
Minimum Rate	(per transaction)	\$57.0000	\$57.0000	\$57.0000	\$57.0000	\$57.0000	\$57.0000	\$57.0000	\$57.0000	

**Notes:**

- a) Rates for storage services are based on the costs of storage injection, inventory and withdrawal.
- b) Core Firm Storage (G-CFS) and Standard Firm Storage (G-SFS) rates are a monthly reservation charge designed to recover one twelfth of the annual revenue requirement allocated to those services based upon the annual capacities of injection, inventory and withdrawal storage. PG&E will no longer offer Standard Firm Storage (G-SFS) beginning April 1, 2020 with implementation of its NGSS.
- c) Negotiated Firm rates may be one-part rates (volumetric) or two-part rates (reservation and volumetric), as negotiated between parties. The volumetric equivalent is shown above.
- d) Negotiated As-Available Storage Injection and Withdrawal rates are recovered through a volumetric charge only.
- e) PG&E will offer negotiated rates (NFS and NAS) at the adopted 2018 maximum levels with any incidental revenue collected returned to customers via PG&E's balancing accounts.
- f) Negotiated Firm and As-available services are negotiable above a price floor representing PG&E's marginal costs of providing the service.
- g) The maximum charge for parking and lending is based on the annual cost of cycling one Dth of Firm Storage Gas assuming the full 214 day injection season and 151 day withdrawal season as adopted for 2018 in PG&E's 2015 Gas Transmission and Storage Rate Case.
- h) Gas Storage shrinkage will be applied in-kind on storage injections.
- i) Dollar difference are due to rounding.

**2019 GAS TRANSMISSION AND STORAGE RATE CASE**  
**Adopted**

**Table 20**  
**Local Transmission Rates**  
**\$/dth**

<u>Customer Groups</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Core Retail Local Transmission	1.8988	2.0198	2.1777	2.3216	2.4300
Noncore Retail and Wholesale	0.8286	0.9226	1.0029	1.0654	1.1092

Link to LT model's tab for LT rates is named "OUT\_LT Adder Workpaper NOT USED" - "Not used" means no adder projects.  
**Naming convention should be relooked at for next case**

**2019 GAS TRANSMISSION AND STORAGE RATE CASE**

**Adopted**

**Table 21  
Customer Access Charge Rates  
(\$ per Month)**

		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b><u>G-EG / G-NT (\$/month)</u></b>						
	Average Monthly Therms Over 12 Months					
Tier 1	0 to 5,000	\$33.73	\$29.95	\$29.66	\$29.23	\$28.76
Tier 2	5,001 to 10,000	\$100.46	\$89.23	\$88.36	\$87.06	\$85.68
Tier 3	10,001 to 50,000	\$186.98	\$166.07	\$164.46	\$162.04	\$159.48
Tier 4	50,001 to 200,000	\$245.39	\$217.95	\$215.84	\$212.65	\$209.30
Tier 5	200,001 to 1,000,000	\$356.04	\$316.23	\$313.16	\$308.54	\$303.67
Tier 6	1,000,001 and above	\$3,020.14	\$2,682.42	\$2,656.42	\$2,617.24	\$2,575.91
<b><u>Wholesale (\$/month)</u></b>						
	Alpine	\$161.51	\$156.39	\$154.87	\$152.59	\$150.18
	Coalinga	\$714.31	\$691.68	\$684.98	\$674.88	\$664.22
	Island Energy	\$483.98	\$468.65	\$464.11	\$457.26	\$450.04
	Palo Alto	\$2,381.70	\$2,306.24	\$2,283.89	\$2,250.20	\$2,214.67
	West Coast Gas - Castle	\$414.94	\$401.79	\$397.90	\$392.03	\$385.84
	West Coast Gas - Mather	\$379.20	\$367.19	\$363.63	\$358.27	\$352.61

**Notes:**

a) PG&E proposes that the 2020 General Rate Case and the subsequent Gas Cost Allocation Proceeding (GCAP) would set future Customer Access Charges

**2019 GAS TRANSMISSION AND STORAGE RATE CASE  
Adopted**

**Table 22  
Self Balancing Credit**

	<u>2018</u>		<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Self Balancing Credit</b>	(\$0.0200)		(\$0.0318)	(\$0.0350)	(\$0.0360)	(\$0.0368)

**Notes:**

- a) Storage balancing costs are bundled in backbone rates. Customers or Balancing agents who elect self balancing on a daily basis can opt out of PG&E's monthly balancing program and receive a self-balancing credit.

# **Attachment 7**

Gas Rate Impacts

**Residential Gas Rate and Bill Impacts of Rate Change Sought in January AL**  
**AL Effective Date: 1/1/2023**

	Present Rates in AL 4639-G			Proposed Rates: Annual Gas True-up AL 4676-G			Changes			Decisions / Resolutions authorizing rate change
	8/1/22 Volumes Mth	Proposed Rate \$/therm	8/1/2022 Revenues \$000's	1/1/2023 Volumes Mth	Average Rate \$/therm	1/1/2023 Revenues \$000's	Revenue Change \$000's	Rate Change \$/therm	% Rate change %	
<b>CARE Residential Customers</b>										
Other Transportation Rate	439,447	0.85359	\$375,110	404,864	0.83151	\$336,648	(\$38,462)	-0.02209	-2.6%	AL 4676-G
Local Transmission Rate	433,864	0.26699	\$115,837	399,730	0.26699	\$106,724	(\$9,114)	0.00000	0.0%	AL 4676-G
PPP	439,404	0.06215	\$27,309	404,820	0.06438	\$26,062	(\$1,247)	0.00223	3.6%	Gas PPP AL 4675-G
Illustrative Procurement <sup>1</sup>	392,377	0.74748	\$197,111	361,498	0.63407	\$229,215	\$32,104	-0.11341	-15.2%	
GHG and GS/GT Credit			(\$61,621)			(\$67,629)	(\$6,009)			AL 4676-G
Total Average Rate		1.93021	\$653,746		1.79695	\$631,020	(\$22,726)	-0.13326	-6.9%	
Average Monthly Residential Gas Bill \$ (32 therms)		\$61.77			\$57.50					
Average Monthly Residential Bill Increase or Decrease (\$)					(\$4.26)					
Average Monthly Residential Bill Increase or Decrease (%)					-6.9%					
<b>Non-CARE Residential Customers</b>										
Other Transportation Rate	1,380,579	1.26123	\$1,741,225	1,415,117	1.26598	\$1,791,513	\$50,288	0.00475	0.4%	AL 4676-G
Local Transmission Rate & Late Implementation	1,363,038	0.26699	\$363,918	1,397,172	0.26699	\$373,031	\$9,114	0.00000	0.0%	AL 4676-G
PPP	1,379,300	0.10346	\$142,702	1,413,854	0.11055	\$156,302	\$13,599	0.00709	6.9%	Gas PPP AL 4675-G
Illustrative Procurement	1,234,301	0.74748	\$620,051	1,265,181	0.63407	\$802,213	\$182,162	-0.11341	-15.2%	
GHG and GS/GT Credit			(\$193,589)			(\$212,465)	(\$18,877)			AL 4676-G
Total Average Rate		2.37915	\$2,674,307		2.27759	\$2,910,593	\$236,286	-0.10156	-4.3%	
Average Monthly Residential Gas Bill \$ (32 therms)		\$76.13			\$72.88					
Average Monthly Residential Bill Increase or Decrease (\$)					(\$3.25)					
Average Monthly Residential Bill Increase or Decrease (%)					-4.3%					

Note:

1. For the preliminary AGT, the present illustrative rate uses the average actual 2022 G-CP rate in effect for Jan-Oct with a forecast for Nov-Dec. Final AGT will use the average for the 2022 year.

# **Attachment 8**

Natural Gas GHG Tables

(Public)



Illustrative Natural Gas GHG Rate Impacts

D.15-10-032, Decision Adopting Procedures Necessary For Natural Gas Corporations To Comply With The California Cap On Greenhouse Gas Emissions And Market-Based Compliance Mechanisms (Cap-And-Trade Program) (Oct. 22, 2015) , p.20; Appendix A, Table A

Table A: Forecast Revenue Requirement

Line	Description	2018		2019		2020		2021		2022		2023	
		Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast
1	Gross Throughput (MMcf) (See Note 2)	675,808	668,442	669,680	707,015	650,940	678,557	615,971	663,555	562,715	619,520	559,216	
2	Throughput to Covered Entities (MMcf)	(371,624)	(366,722)	(364,638)	(382,841)	(304,755)	(346,525)	(249,342)	(305,695)	(208,236)	(272,844)	(209,239)	
3	Net Throughput to End Users (MMcf) (Line 1 + Line 2)	304,184	301,720	305,042	324,174	346,185	332,033	366,629	357,860	354,479	346,676	349,977	
4	Lost and Unaccounted for Gas (MMcf)	10,654	12,551	10,316	10,785	10,083	9,873	10,572	10,525	8,944	10,592	8,838	
5	<b>Total Supplied Gas (MMcf) (Line 3 + Line 4)</b>	<b>314,838</b>	<b>314,271</b>	<b>315,358</b>	<b>334,959</b>	<b>356,268</b>	<b>341,906</b>	<b>377,201</b>	<b>368,385</b>	<b>363,423</b>	<b>357,268</b>	<b>358,815</b>	
6	Emissions Conversion Factor (MTCO <sub>2</sub> e/MMcf)	54.64		54.64		54.64		54.64		54.64		54.64	
6a	LUAF MTCO <sub>2</sub> e, (Line 4 * Line 6)	582,181		563,711		550,979		577,701		488,739		482,947	
7	Compliance for End Users excluding LUAF (MTCO <sub>2</sub> e) (Line 3 * Line 6)	16,621,942		16,668,827		18,917,061		20,034,219		19,370,281		19,124,272	
8	Compliance Obligation for Company Facilities (MTCO <sub>2</sub> e)	282,828		259,032		239,107		238,987		273,274		286,983	
9	<b>Gross Compliance Obligation (MTCO<sub>2</sub>e) (Line 6a + Line 7 + Line 8)</b>	<b>17,486,952</b>		<b>17,491,571</b>		<b>19,707,147</b>		<b>20,850,907</b>		<b>20,132,294</b>		<b>19,894,202</b>	
10	Directly Allocated Allowances	(17,778,400)		(17,398,006)		(17,037,633)		(16,356,929)		(15,676,224)		(14,995,520)	
11	Percentage Consigned to Auction	40%		45%		50%		55%		60%		65%	
12	Consigned Allowances (Line 10 * Line 11) (see Note 1)	7,111,360		7,829,103		8,518,816		8,996,310		9,405,734		9,747,088	
13	<b>Net Compliance Obligation (MTCO<sub>2</sub>e) (Line 9 + Line 10 + Line 12)</b>	<b>6,819,912</b>		<b>7,922,667</b>		<b>11,188,330</b>		<b>13,490,288</b>		<b>13,861,805</b>		<b>14,645,770</b>	
14	Proxy GHG Allowance Price	\$ 15.55		\$ 16.33		\$ 17.78		\$ 17.96		\$ 26.58		\$ 29.07	
15	Compliance Instrument Cost	\$ 106,049,624	\$ 106,099,678	\$ 129,377,157	\$ 126,517,264	\$ 198,937,453	\$ 164,563,692	\$ 242,285,577	\$ 248,688,924	\$ 368,446,773	\$ 318,696,852	\$ 425,752,535	
16	Interest*/Financing Costs (see Note 3 for 2022)		\$ 3,157,684		\$ 649,062		\$ 56,371		\$ (12,763)	\$ 229,761	\$ 5,373,521	\$ 9,659,104	
17	Revenue Fees & Uncollectibles	\$ 1,422,232	\$ 1,422,903	\$ 1,729,773	\$ 1,691,536	\$ 2,659,794	\$ 2,200,217	\$ 3,239,358	\$ 3,324,971	\$ 4,839,241	\$ 4,245,042	\$ 5,271,720	
18	<b>Revenue Requirement (Line 15 + Line 16 + Line 17)</b>	<b>\$ 107,471,856</b>	<b>\$ 110,680,265</b>	<b>\$ 131,106,930</b>	<b>\$ 128,857,861</b>	<b>\$ 201,597,246</b>	<b>\$ 166,820,279</b>	<b>\$ 245,524,935</b>	<b>\$ 252,001,132</b>	<b>\$ 373,515,775</b>	<b>\$ 328,315,415</b>	<b>\$ 440,683,358</b>	
19	Previous Years Cost Balancing Subaccount Balance			\$ 57,784,748		\$ (10,228,993)		\$ (24,373,171)		\$ (5,697,186)		\$ (39,993,111)	
20	Revenue Requirement to be Included in Rates (Line 18 + Line 19)	\$ 107,471,856		\$ 188,891,678		\$ 191,368,254		\$ 221,151,764		\$ 367,818,589		\$ 400,690,247	
21	Covered Entity Rate Impact (\$/therm)	\$ 0.00185		\$ 0.00268		\$ 0.00219		\$ (0.00168)		\$ 0.00211		\$ 0.00391	
22	Non-Covered Entity Rate Impact (\$/therm)	\$ 0.02786		\$ 0.05049		\$ 0.05111		\$ 0.07198		\$ 0.10445		\$ 0.11898	

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NOTES

- Year 2022 Recorded: Represents the allowances consigned in 2022 through 9/30/22 and forecast based on the the allowances to be consigned (based on total 2022 consigned allowances divided by 4)
- Lines 1-9 of the 2022 Recorded/Forecast column includes January-September actuals and October-December forecasted data.
- In accordance with the 2020 GRC Settlement Agreement , as adopted in Decision 20-12-005, PG&E has included \$5.6M for the forecasted 2022 gas greenhouse gas compliance instrument inventory costs and \$9.7M for the forecasted 2023 gas greenhouse gas compliance instrument inventory costs. The cost increased significantly due to higher interest rates.

**Table C: GHG Allowance Proceeds**

Line Description	2018		2019		2020		2021		2022		2023	
	Forecast	Recorded	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast
1 Proxy GHG Allowance Price (\$/MT)	\$ 15.55		\$ 16.33		\$ 17.78		\$ 17.96		\$ 26.58		\$ 29.07	
2 Directly Allocated Allowances	17,778,400		17,398,006		17,037,633		16,356,929		15,676,224		14,995,520	
3 Percentage Consigned to Auction	40%		45%		50%		55%		60%		65%	
4 Consigned Allowances	7,111,360		7,829,103		8,518,816		8,996,310		9,405,734		9,747,088	
5 Allowance Proceeds (See Note 1)	\$ (110,581,648)	\$ (105,994,821)	\$ (127,849,247)	\$ (131,802,931)	\$ (151,471,364)	\$ (145,160,625)	\$ (161,573,728)	\$ (198,278,669)	\$ (250,004,420)	\$ (266,370,401)	\$ (283,347,848)	
6 Previous Year's Revenue Balancing Subaccount Balance		\$ 142,668		\$ (6,251,649)		\$ 16,328,166		\$ (38,167,535)		\$ (18,608,982)		
7 Interest*		\$ (3,275,532)		\$ 552,135		\$ 63,922		\$ 15,463		\$ 411,108		
8 <b>Subtotal Allowance Proceeds (\$)</b> (Line 5 + Line 6 + Line 7)	\$ (110,581,648)	\$ (109,270,353)	\$ (127,706,579)	\$ (131,250,796)	\$ (157,723,013)	\$ (145,096,703)	\$ (145,245,562)	\$ (198,263,207)	\$ (288,171,955)	\$ (265,959,294)	\$ (301,956,830)	
9 <b>Outreach and Admin Expenses (\$)</b> (from Table D)**	\$ 1,152,303	\$ 880,264	\$ 575,270	\$ 269,295	\$ 536,977	\$ 227,421	\$ 322,372	\$ 86,911	\$ 203,896	\$ 108,666	\$ -	
9a Revenue Fees & Uncollectibles	\$ (1,467,557)	\$ (1,453,619)	\$ (1,699,746)	\$ (1,751,223)	\$ (1,818,534)	\$ (1,512,338)	\$ (1,654,580)	\$ (2,366,574)	\$ (3,553,750)	\$ (2,920,765)	\$ (3,538,962)	
9b SB 1477 Compliance Costs					\$ 21,170,000	\$ 31,755,000	\$ 21,170,000	\$ 21,170,000	\$ 21,170,000	\$ 21,170,000	\$ 10,585,000	
9c RNG Incentive Costs								\$ 8,468,000	\$ 8,468,000	\$ 8,468,000	\$ 8,468,000	
9d Bio-SNG Pilot Costs								\$ 16,936,000	\$ 16,936,000	\$ 16,936,000	\$ 16,936,000	
9e Self-Generation Incentive Program (SGIP) Heat Pump Water Heater (HPWH) Incentive Costs											\$ 17,216,000	
10 <b>Net GHG Proceeds Available for Customer Returns (\$)</b> (Line 8 + Line 9a + Line 9b + Line 9c + Line 9d + Line 9e)	\$ (110,896,902)	\$ (109,843,708)	\$ (128,831,055)	\$ (132,732,724)	\$ (137,834,570)	\$ (114,626,620)	\$ (125,407,770)	\$ (179,372,870)	\$ (244,947,809)	\$ (222,197,392)	\$ (269,226,792)	
11 2015-2017 Net of Costs and Proceeds included in October 2018 Customer Credit (including RF&U)		\$ (38,395,768)										
12 Number of Residential Households			5,061,931		5,070,453		5,094,698		5,113,609		5,125,047	
13 <b>Per Household California Climate Credit (\$)</b> (Line 10 / Line 11)			\$ (25.45)		\$ (27.18)		\$ (24.62)		\$ (47.90)		\$ (52.53)	

**NOTES**

1 Year 2022 Recorded: Represents the allowances proceeds in 2022 through 9/30/22 and forecast proceeds based on remaining expected consigned allowances multiplied by the proxy price of vintage 2022 California Carbon Allowance Future.

\*\* Pursuant to D.15-10-032, Conclusion of Law (COL) 18, PG&E has requested approval to sunset the Greenhouse Gas Expense Memorandum Account (GHGEMA-G), effective January 1, 2023, in its 2023 GRC Track 2 proceeding (A.21-06-021). Therefore PG&E is not seeking recovery of Outreach and Administrative costs for 2023 forward through GHG Proceeds.

**Table D: GHG Outreach and Administrative Expenses**

Line	Description	2018		2019		2020		2021		2022		2023**	
		Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast	Forecast	Recorded/ Forecast*	Forecast	Recorded/ Forecast
1	Outreach Expenses												
2	Detail of Outreach Activity (\$) (See Note 1)	\$ 187,303	\$ 71,340	\$ 73,000	\$ 37,205	\$ 67,554	\$ 33,525	\$ 64,677	\$ 25,571	\$ 46,737	\$ 26,471	\$ -	\$ -
3	<b>Subtotal Outreach (\$)</b>	\$ 187,303	\$ 71,340	\$ 73,000	\$ 37,205	\$ 67,554	\$ 33,525	\$ 64,677	\$ 25,571	\$ 46,737	\$ 26,471	\$ -	\$ -
4	Administrative Expenses												
5	General Program Management (See Note 2)	\$ 223,000	\$ 199,714	\$ 320,000	\$ 117,855	\$ 343,293	\$ 91,785	\$ 150,790	\$ (3,073)	\$ 63,408	\$ 18,553	\$ -	\$ -
6	IT/Billing System Enhancements (See Note 2a)	\$658,000	\$ 543,407	\$52,270	\$ 6,027	\$22,000	\$ 4,156	\$ 10,000	\$ 8,387	\$ 10,000	\$ 2,972	\$ -	\$ -
7	Customer Inquiry Support Cost (See Note 2b)	\$ 84,000	\$ 53,137	\$ 130,000	\$ 85,412	\$ 104,130	\$ 95,243	\$ 96,906	\$ 55,960	\$ 83,751	\$ 59,301	\$ -	\$ -
8	<b>Subtotal Administrative (\$)</b>	\$ 965,000	\$ 796,259	\$ 502,270	\$ 209,293	\$ 469,423	\$ 191,184	\$ 257,695	\$ 61,274	\$ 157,159	\$ 80,826	\$ -	\$ -
9	Subtotal Outreach and Administrative (\$)	\$ 1,152,303	\$ 867,599	\$ 575,270	\$ 246,499	\$ 536,977	\$ 224,709	\$ 322,372	\$ 86,845	\$ 203,896	\$ 107,297	\$ -	\$ -
10	Interest (\$)		\$ 12,665		\$ 22,797		\$ 2,712		\$ 66		\$ 1,369	\$ -	\$ -
11	<b>Total (\$)</b>	\$ 1,152,303	\$ 880,264	\$ 575,270	\$ 269,295	\$ 536,977	\$ 227,421	\$ 322,372	\$ 86,911	\$ 203,896	\$ 108,666	\$ -	\$ -

\*2022 Recorded/Forecast expenses includes actuals from January through September, plus forecast of October through December

\*\*Pursuant to D.15-10-032, Conclusion of Law (COL) 18, PG&E has requested approval to sunset the Greenhouse Gas Expense Memorandum Account (GHGEMA-G), effective January 1, 2023, in its 2023 GRC Track 2 proceeding (A.21-06-021). Therefore PG&E is not seeking recovery of Outreach and Administrative costs for 2023 forward through GHG Proceeds.

NOTES:

1 Detail of Outreach Activity:

Line 2: Costs associated with residential CA Climate Credit Outreach Activities include: Development and deployment of bill inserts, emails and master meter letters. Maintenance and update of webpages. Labor includes creative development, planning, management of outreach activities and coordination with the Energy Division.

2 Administrative Activities:

Line 5: Costs associated with CA Climate Credit Outreach Program Management activities include: Coordination with various groups (IT, accounting, rates, regulatory, marketing) to ensure natural gas residential customers receive appropriate regulatory-approved Climate Credits. Labor includes regulatory filings, advice letters and data requests, and ensuring compliance with all applicable regulatory requirements.

2a Line 6: Costs associated with CA Climate Credit Outreach IT/Billing System Enhancements activities include: Maintenance of custom billing programs developed to administer the residential Climate Credits and development and deployment of necessary updates to PG&E's customer billing systems.

2b Line 7: Costs associated with CA Climate Credit Outreach Customer Inquiry Support Cost activities include: Customer support for calls received related to Natural Gas Climate Credit.

**Table E: Compliance Obligation Over Time**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Natural Gas Fuel Supplier Compliance Obligation (MTCO<sub>2</sub>e)</b>	17,251,614	17,987,142	18,326,658	18,628,686	17,880,395	NA	NA
<b>Company Facility Compliance Obligation (MTCO<sub>2</sub>e)</b>	253,236	221,111	242,975	298,857	277,990	NA	NA

## **Attachment 9**

Confidential Declaration and Matrix

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**PACIFIC GAS AND ELECTRIC COMPANY  
ORDER INSTITUTING RULEMAKING TO ADDRESS NATURAL GAS  
DISTRIBUTION UTILITY COST AND REVENUE ISSUES ASSOCIATED WITH  
GREENHOUSE GAS EMISSIONS (R.14-03-003)**

**DECLARATION OF ROBERT GOMEZ  
SEEKING CONFIDENTIAL TREATMENT  
FOR CERTAIN DATA AND INFORMATION  
CONTAINED IN ADVICE 4676-G**

I, Robert Gomez, declare:

1. I am a Manager in the Portfolio Management group within Energy Policy and Procurement at Pacific Gas and Electric Company (PG&E) and am responsible for leading commercial greenhouse gas policy and strategy. In carrying out these responsibilities, I have acquired knowledge of the California Air Resources Board's Cap-and-Trade Regulation and other programmatic measures to establish a market-based price for GHG emissions in order to manage PG&E's compliance with Cap-and-Trade, which became effective on January 1, 2012. This declaration is based on my personal knowledge of PG&E's practices and my understanding of the Commission's decisions protecting the confidentiality of market-sensitive procurement information.

2. Based on my knowledge and experience, and in accordance with the Decisions 06-06-066, D. 08-04-023, D. 14-10-033, D. 15-10-032, and relevant Commission rules, I make this declaration seeking confidential treatment for certain procurement data and information contained in Advice 4676-G.

3. Attached to this declaration is a matrix identifying the data and information for which PG&E is seeking confidential treatment. The matrix specifies that the material PG&E is seeking to protect constitutes confidential market sensitive procurement data and information covered by Public Utilities Code Section 454.5(g), D.14-10-033, and D.15-10-032. The matrix

also specifies why confidential protection is justified. Further, the data and information: (1) is not already public; and (2) cannot be aggregated, redacted, summarized or otherwise protected in a way that allows partial disclosure. By this reference, I am incorporating into this declaration all of the explanatory text that is pertinent to my testimony in the attached matrix.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on October 28, 2022 at San Francisco, California.



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Robert Gomez

**PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

**ORDER INSTITUTING RULEMAKING TO ADDRESS NATURAL GAS DISTRIBUTION UTILITY COST AND REVENUE ISSUES  
ASSOCIATED WITH GREENHOUSE GAS EMISSIONS (R.14-03-003)  
PG&E ADVICE 4676-G**

**IDENTIFICATION OF CONFIDENTIAL INFORMATION**

<b>Redaction Reference</b>	<b>Category from D.06-06-066, Appendix 1, or Separate Confidentiality Statute or Order That Data Corresponds To</b>	<b>Justification for Confidential Treatment</b>	<b>Length of Time Data To Be Kept Confidential</b>
<b>Document:</b>			
<p>Atch 8 – Table A, lines 6-14 and 19-20 - recorded data</p> <p>Atch 8 – Table B, all data</p> <p>Atch 8 – Table C, lines 1-4, and 12-13 - recorded data</p> <p>Atch 8 – GHG Procurement Limits, all data</p>	<p><i>D.14-10-033, Attachment A</i></p> <p><i>Public Utilities Code §454.5(g)</i></p> <p><i>D.15-10-032</i></p>	<p><b>Information concerning GHG compliance instrument procurement strategy and/or activities. The release of this commercially sensitive information could cause harm to PG&amp;E’s customers and put PG&amp;E at an unfair business disadvantage by the disclosure of PG&amp;E’s GHG compliance instrument inventories or quantities that can be used to derive GHG compliance instrument holdings. This information could be used by other market participants to gain a commercial advantage.</b></p>	<p align="center">Indefinite</p>



**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.  
Braun Blasing Smith Wynne, P.C.  
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  
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  
McClintock IP  
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.

Resource Innovations

SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR

San Francisco Water Power and Sewer  
Sempra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Stoel Rives LLP

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