



ELECTRIC PRELIMINARY STATEMENT PART DB
NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM

Sheet 1

DB. NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM (NDAM)

1. **PURPOSE:** The purpose of the NDAM is to record the authorized Diablo Canyon Nuclear Power Plant (Diablo Canyon) and Humboldt Power Plant Nuclear Unit 3 (Humboldt) nuclear decommissioning revenue requirements and Humboldt SAFSTOR operating and maintenance (O&M) revenue requirements, and to provide full recovery of those costs. The NDAM also recovers the actual costs incurred up to \$400,000 to satisfy the requirements of California Senate Bill 968 and Public Utilities Code Section 712.5 Section 3.
2. **APPLICABILITY:** The NDAM balance shall apply to all customer bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined through the advice letter process.
4. **RATES:** The NDAM rates are included in the effective rates set forth in each rate schedule as a separate non-bypassable charge.
5. **ACCOUNTING PROCEDURES:** The following entries shall be made each month:
 - a. A debit entry equal to the annual authorized nuclear decommissioning and Humboldt SAFSTOR O&M revenue requirements divided by twelve.
 - b. A debit entry equal to the costs incurred for an independent third-party to conduct an assessment of the closure of the Diablo Canyon Nuclear Plant required by SB 968 and PU Code Section 712.5 Section 3.
 - c. A debit entry equal to PG&E's share of recorded amounts paid to the independent panel for its report on nuclear decommissioning issue as authorized in D.10-07-047, or any other amounts upon subsequent approval by the CPUC.
 - d. A debit entry equal to one-twelfth of the annual authorized Employee Retraining Program budget for Diablo Canyon Power Plant Employees, including Revenue, Fees & Uncollectibles expense (RF&U) (see corresponding entry in the Employee Retraining Subaccount of the Diablo Canyon Retirement Balancing Account per preliminary statement HK, 5c.1).
 - e. A debit entry equal to one-twelfth of the annual funding of the Essential Services Mitigation Fund portion of the Community Impact Mitigation Program (CIMP), including RF&U for the years 2019-2025. (N)
 - f. A one-time debit entry for the Economic Development Fund portion of the CIMP following CPUC approval and expiration of protest period of Advice Letter 5461-E in 2019, including RF&U. (N)
 - g. A credit entry equal to the revenue from the NDAM rates. (T)
 - h. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. (T)