



ELECTRIC PRELIMINARY STATEMENT PART JU
SANTA NELLA BALANCING ACCOUNT - ELECTRIC

Sheet 1

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JU. SANTA NELLA BALANCING ACCOUNT - ELECTRIC (SNBA-E)

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- 1. **PURPOSE:** The purpose of the Santa Nella Balancing Account-E (SNBA-E) is to track and record the costs to implement electric system upgrades including the installation of conduit, transformers, meters, and other equipment necessary to accommodate electrification in the Santa Nella community pursuant to Decision (D.) 23-04-057. These costs will include both "to-the-meter" and "behind-the-meter" costs.

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This account is comprised of three subaccounts: the Electric Upgrades Subaccount, the Electrification Subaccount, and the Electrification Memorandum Account.

The Electric Upgrades Subaccount is a two-way subaccount which includes the actual costs related to to-the-meter and behind-the-meter work. The to-the-meter work includes the costs related to the installation of new transformers, electrical boxes, primary and secondary conduit and cable, and the poles necessary to serve each home with a new PG&E electric meter. The behind-the-meter work includes costs related to the installation of new pedestals (which houses the electric meter), wiring and conduit needed to connect PG&E's electric meter to an external point of connection with the home's existing electrical system. Disposition of the balance in the account will be through the Distribution Revenue Adjustment Mechanism in the Annual Electric True-Up advice letter.

The Electrification Subaccount is a one-way expense only subaccount which records the actual costs of electrifying homes beyond the junction box up to \$3.57 million (\$3.17 million for electrification implementation costs and \$400,000 for outreach). These costs may include, but are not limited to, those related to home remediation to accommodate electrification, panel upgrades, electric wiring upgrades, appliance purchase and installation, and permitting. Disposition of the balance in the Electrification Subaccount will be through the Public Policy Charge Programs Subaccount of the Public Policy Charge Balancing Account.

The Electrification Memorandum Account will track electrification expenses that exceed \$3.57 million. PG&E will file a Tier 3 advice letter to request recovery of any balance in this Subaccount.

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

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Advice 6956-E
Decision D.23-04-057

Issued by
Meredith Allen
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

June 1, 2023
April 27, 2023



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Sheet 2

JU. SANTA NELLA BALANCING ACCOUNT - ELECTRIC (SNBA-E)

5. ACCOUNTING PROCEDURE (Cont'd):

ELECTRIC UPGRADES SUBACCOUNT:

- a. A debit entry equal to actual incurred expenses;
- b. A debit entry equal to the capital-related revenue requirement related to the "to-the-meter" capital costs incurred. Capital-related revenue requirements include depreciation expense, the return on investment at a rate equivalent to PG&E's current authorized return on rate base, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- c. A debit entry equal to the revenue requirement related to the "beyond-the-meter" costs incurred. The revenue requirement will include amortization expense, return on investment, and federal and state income taxes, associated with the costs of installed equipment. The "beyond-the-meter" costs are recorded as a regulatory asset and will be amortized over ten years, with a return on investment at a rate equivalent to PG&E's current authorized return on rate base;
- d. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the California Public Utilities Commission (CPUC); and
- e. 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. Effective January 1, 2026, the monthly interest rate equals the sum of 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, plus one-twelfth of the yield spread adjustment to the Commercial Paper Rate as authorized by the Commission, as defined in Electric Preliminary Statement Part H for electric accounts or Gas Preliminary Statement Part S for gas accounts.

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ELECTRIFICATION SUBACCOUNT:

- a. A debit entry equal to actual incurred expenses up to \$3.57 million;
- b. A credit entry equal to funding available from the San Joaquin Valley Disadvantaged Communities Pilot Projects or any other available funding, as approved by the Commission;
- c. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC; and
- d. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. Effective January 1, 2026, the monthly interest rate equals the sum of 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, plus one-twelfth of the yield spread adjustment to the Commercial Paper Rate as authorized by the Commission, as defined in Electric Preliminary Statement Part H for electric accounts or Gas Preliminary Statement Part S for gas accounts.

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**ELECTRIC PRELIMINARY STATEMENT PART JU
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Sheet 3

JU. SANTA NELLA BALANCING ACCOUNT - ELECTRIC (SNBA-E)

5. ACCOUNTING PROCEDURE (Cont'd):

ELECTRIFICATION MEMORANDUM SUBACCOUNT:

- a. A debit entry equal to actual incurred expenses above the adopted amount of \$3.57 million;
- b. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts, upon approval by the CPUC; and
- c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor. Effective January 1, 2026, the monthly interest rate equals the sum of 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, plus one-twelfth of the yield spread adjustment to the Commercial Paper Rate as authorized by the Commission, as defined in Electric Preliminary Statement Part H for electric accounts or Gas Preliminary Statement Part S for gas accounts.

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