



U 39

ELECTRIC PRELIMINARY STATEMENT PART KK Sheet 1
COMMON FACILITY COST TREATMENT BALANCING ACCOUNT (CFCTBA)(N)
(N)**KK. Common Facility Cost Treatment Balancing Account (CFCTBA)**

(N)

1. **PURPOSE:** The Common Facility Cost Treatment Balancing Account (CFCTBA) is a one-way balancing account that records actual costs up to the adopted funding associated with under-resourced residential and small business customers who are participants in an electrification program that triggers the need for service line upsizing. This program is effective from October 1, 2025, through June 30, 2029. Note this account will continue to record costs beyond June 30, 2029, associated with eligible projects until subsumed into the 2031 GRC.
2. **APPLICABILITY:** The CFCTBA applies to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Any unspent funding in the balancing account, including the Administrative Costs Subaccount, will be returned to customers at the end of the program and once the ongoing recovery of eligible projects is subsumed into the 2031 GRC through the Annual Electric True-up (AET) advice letter process, or as otherwise authorized by the Commission.
4. **RATES:** The CFCTBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** The CFCTBA includes the following subaccount:

The Administrative Costs Subaccount records PG&E's actual incremental administrative expenses associated with this program. These costs are capped at 1% of the total expenditures (capital plus expense) incurred associated with the program. Disposition of the expenses recorded in this subaccount is included in the disposition of the balance in this balancing account as described in the Revision Date Section.

(N)

(Continued)

Advice 7677-E
Decision D.25-06-034

Issued by
Shilpa Ramaiya
Vice President
Regulatory Proceedings and Rates

Submitted
Effective
Resolution

August 15, 2025
October 1, 2025



U 39

ELECTRIC PRELIMINARY STATEMENT PART KK Sheet 2
COMMON FACILITY COST TREATMENT BALANCING ACCOUNT (CFCTBA)(N)
(N)**KK. Common Facility Cost Treatment Balancing Account (CFCTBA) (Cont'd.)**

(N)

5. ACCOUNTING PROCEDURE: The CFCTBA includes the following subaccount: (Cont'd.)

PG&E shall make the following entries at the end of each month, as applicable, as follows, excluding amounts for Revenue, Fees, and Uncollectibles:

- 1) A credit entry equal to one-twelfth¹ of the annual adopted funding. A corresponding debit entry is recorded in the Distribution Revenue Adjustment Mechanism (DRAM);
- 2) A debit or credit entry equal to the capital revenue requirement associated with actual capital additions incurred for implementing the program. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- 3) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and

Administrative Costs Subaccount:

- 4) A debit entry equal to actual incremental administrative expenses; and,
- 5) An entry equal to the interest on the average of the balance in this balancing account, including the Administrative Costs Subaccount, at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth the interest rate on three-month Commercial paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

¹ Since the first year of the program is a partial year of nine month (October 1, 2025-June 30, 2025), the credit entry will equal one-ninth of the annual funding.

(N)