



**ELECTRIC PRELIMINARY STATEMENT PART M**  
**CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT**

Sheet 1

**M. CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT (CAREA)**

1. **PURPOSE:** The purpose of the CARE balancing account is to record the California Alternate Rates for Energy (CARE) Program revenue shortfall associated with the Low-Income Ratepayer Assistance program established by Decisions 89-07-062 and 89-09-044 as well as the expansion of the LIRA Program authorized by Decision 92-04-024. This account also records the CARE Program administrative costs, pursuant to Public Utilities Code Section 739.1 (b). The program was revised in Decision 94-12-049 and the name changed to CARE. This CARE balancing account is also used to record the revenue shortfall from Schedule E-FBD, Service for Qualified Food Banks, pursuant to Decision 18-08-013.

Descriptions of the terms and definitions used in this section are found in Rule 1.

- 2. **APPLICABILITY:** The CARE shortfall applies to all non-CARE rate schedules and contracts subject to the jurisdiction of the California Public Utilities Commission (CPUC), except for those schedules and contracts specifically excluded by the CPUC.
- 3. **REVISION DATE:** Disposition of the balance in this account shall be determined through the Annual Electric True-Up (AET) advice letter process.
- 4. **CAREA RATES:** CAREA Rates are included in the effective rates set forth in each rate schedule, (see Preliminary Statement Part I) as applicable.
- 5. **CARE ACCOUNTING PROCEDURE:** PG&E shall maintain the CARE Subaccount by making entries to this account at the end of each month as follows:
  - a. A debit entry equal to the revenue shortfall from Schedule E-FBD and the CARE revenue shortfall resulting from deliveries made on Schedules D-CARE and E-CARE during the current month less the allowance for Revenue Fees and Uncollectible (RF&U) accounts expense. The revenue shortfall can be computed by subtracting CARE customers' total monthly revenues from the total monthly revenues that would have been recovered from CARE customers had they been paying standard residential rates, assigned to each applicable CARE exemption, and on a residual basis to distribution based on the total revenue shortfall less the sum of revenues associated with CARE exemptions from the Wildfire Fund Charge, Recovery Bond Charge, Recovery Bond Credit, and the CARE surcharge portion of the public purpose program charge.
  - b. A debit entry equal to all monthly administrative costs allocated to the electric CARE Program that include, but are not limited to, outreach, marketing, regulatory compliance, certification and verification, billing, measurement and evaluation, and capital improvements and upgrades to communications and processing equipment.
  - c. A debit entry equal to costs associated with PG&E's Cooling Center program.
  - d. A credit entry equal to the CAREA revenue less the allowance for RF&U expense.

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Sheet 2

M. CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT (CAREA) (Cont'd.):

5. CARE ACCOUNTING PROCEDURE (Cont'd):

- e. A debit or credit entry, as appropriate, equal to the interest on the average balance in the account at the beginning of the month and the balance in the account after entries 6.a. through 6.c. above, 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. 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. (L)  
| (L)  
| (N)  
| (N)
- f. A debit or credit entry, as appropriate, equal to any amounts authorized by the Commission to be recorded in this account.

6. REASONABLENESS REVIEW: In conjunction with the appropriate proceeding, the utility shall file with the Commission an annual report on the CARE Program, reporting on the reasonableness of recorded Program administrative costs included in the CARE balancing account during the previous year. CARE administrative costs shall include, but are not limited to, the costs specified in Section 739.1 (b) of the Public Utilities Code.