



PRELIMINARY STATEMENT PART CO Sheet 1
ADJUSTMENT MECHANISM FOR COSTS DETERMINED IN OTHER PROCEEDINGS

CO. Adjustment Mechanism for Costs Determined in Other Proceedings (AMCDOP)

- 1. **PURPOSE:** The purpose of the Adjustment Mechanism for Costs Determined in Other Proceedings (AMCDOP) is to record the difference in the revenue requirement associated with the costs determined in other proceedings and the revenue requirements based on placeholder costs included in the currently effective General Rate Case (GRC) decision. (T)
- 2. **APPLICABILITY:** The AMCDOP shall apply to all customer classes, except for those specifically excluded by the Commission.
- 3. **REVISION DATES:** Disposition of the balances in the subaccounts of this account shall be through the Customer Class Charge in PG&E's Annual Gas True-up (AGT) advice letter process.
- 4. **RATES:** The AMCDOP does not have a separate rate component.
- 5. **ACCOUNTING PROCEDURE:** The AMCDOP consists of the following subaccounts: (T)

(D)
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(D)

COST OF CAPITAL SUBACCOUNT: The purpose of the Cost of Capital subaccount is to track the authorized cost of capital as determined in PG&E's cost of capital proceeding (or annual adjustment mechanism) against the cost of capital used to set GT&S cost of service revenue requirements in the currently effective GRC decision. (T)

OTHER COSTS IMPACTING GT&S REVENUE REQUIREMENTS SUBACCOUNT: The purpose of this subaccount is to track the amount of other costs, (including those resulting from policy changes), determined to be allocated and applied to GT&S in any other proceeding against the allocation of costs allocated and applied to GT&S services in the currently effective GRC decision. (T)

LOCAL TRANSMISSION SUBACCOUNT: The purpose of this subaccount is to record local transmission costs applicable to any of the other subaccounts of the AMCDOP listed above. (D)
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(D)

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PRELIMINARY STATEMENT PART CO Sheet 2
ADJUSTMENT MECHANISM FOR COSTS DETERMINED IN OTHER PROCEEDINGS

5. ACCOUNTING PROCEDURE (Ctd.)

a. Cost of Capital Subaccount

The following entries shall be made to this subaccount, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense, at the end of each month, as applicable:

- 1) A credit entry equal to one-twelfth of the annual placeholder cost of capital revenue requirement based on the adopted revenue requirement in PG&E's currently effective GRC decision.
- 2) A debit entry equal to one-twelfth of the annual cost of capital revenue requirement for GT&S Services based on authorized rate base in the GRC and the rate of return on rate base adopted in PG&E's current cost of capital proceeding or annual cost of capital adjustment mechanism.
- 3) An annual entry to transfer any over- or under-collected balance in the account to the Core Cost Subaccount of the CFCA and the Noncore subaccount of the NCA. The distribution of the balance will be 50% to core and 50% to noncore.
- 4) 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.

(N)
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(N)

b. Other Costs Impacting GT&S Revenue Requirements Subaccount

(L)

The following entries shall be made to this subaccount, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense, at the end of each month, as applicable:

- 1) A credit or debit entry equal to the increase or decrease in the GT&S revenue requirement, as adopted in PG&E's currently effective GRC decision, as a result of other costs, (including those resulting from policy changes) determined to be allocated and applied to GT&S in any other proceeding.
- 2) An annual entry to transfer any over- or under-collected balance in the account to the Core Cost Subaccount of the CFCA and the NCA. The distribution of the balance will be 50% to core and 50% to noncore.

(L)

(Continued)



PRELIMINARY STATEMENT PART CO Sheet 3
ADJUSTMENT MECHANISM FOR COSTS DETERMINED IN OTHER PROCEEDINGS

5. ACCOUNTING PROCEDURE (Ctd.)

b. Other Costs Impacting GT&S Revenue Requirements Subaccount (Cont'd.)

- 3) 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. (L) (N)

c. Local Transmission Subaccount

The following entries shall be made to this subaccount, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense, at the end of each month, as applicable:

- 1) A debit or credit entry equal to local transmission costs related to any of the other subaccounts of the AMCDOP.
- 2) An annual entry to transfer any over-or-under-collected balance in the account to the Core Cost Subaccount of the CFCA and the Local Transmission Subaccount of the NCA, so that these local transmission-related costs will not be recovered from backbone customers. The distribution of the balance will be 50% to core and 50% to noncore.
- 3) 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. (N)