



GAS PRELIMINARY STATEMENT PART GB Sheet 1
ALTERNATIVE ENERGY PROGRAM BALANCING ACCOUNT (AEPBA)

GB. Alternative Energy Program Balancing Account (AEPBA)

1. **PURPOSE:** The purpose of the Alternative Energy Program Balancing Account (AEPBA) is to track and record actual expenses and capital revenue requirements based on actual capital expenditures over the 2023 General Rate Case (GRC) cycle (2023-2026), up to the total adopted revenue requirements for the Alternative Energy Program. To the extent a Tier 1 Advice Letter is submitted to transfer additional avoided expenses or capital expenditures from other programs to the Alternative Energy Program (AEP), PG&E will include in the balancing account actual expenses or the capital revenue requirement associated with actual capital expenditures incurred during the rate case period up to the adopted values per the Tier 1 Advice Letter. The AEPBA is a one-way balancing account.
2. **APPLICABILITY:** The AEPBA will apply to all customer classes, except for those specifically excluded by the Commission.
3. **REVISION DATE:** At the end of the GRC cycle, if the actual amounts incurred are less than the adopted amounts, PG&E will refund the difference to customers. Disposition of any overcollected balances in the account will be through the Distribution Cost Subaccount in the Core Fixed Cost Account and the Distribution Subaccount in the Noncore Customer Class Chare Account, in the Annual Gas True-Up Advice Letter, or as otherwise authorized by the Commission.
4. **RATES:** The AEPBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** The following entries will be made at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense:
 - a. A credit or debit entry equal to one-twelfth of the adopted revenue requirement;
 - b. A debit entry equal to actual incurred expenses;
 - c. A debit or credit entry equal to the capital revenue requirement associated with actual capital expenditures incurred. Capital-related revenue requirements include depreciation expense, return on rate base at the authorized cost of capital, federal and state income taxes, and property taxes, associated with the capital asset additions;
 - d. An entry to transfer amounts to or from another account as authorized by the Commission; and
 - e. A debit or credit, as appropriate, 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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