



**GAS PRELIMINARY STATEMENT PART J  
NONCORE CUSTOMER CLASS CHARGE ACCOUNT**

Sheet 1

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA)

- 1. **PURPOSE:** The purpose of the NCA is to record certain noncore costs and revenues from noncore customers. The balance in this account will be incorporated into noncore transportation rates in the next Annual Gas True-up of Balancing Accounts, or as otherwise authorized by the Commission.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1. Refer to Section C.3 for the cost allocation factors used to determine the noncore portion of distribution costs recovered in this account.

- 2. **APPLICABILITY:** The NCA balance applies to noncore transportation rate schedules and contracts subject to the jurisdiction of the Commission, except for those schedules and contracts specifically excluded by the Commission. (T)

- 3. **REVISION:** Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission.

- 4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.

- 5. **RATES:** NCA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.

- 6. **ACCOUNTING PROCEDURE:** The NCA consists of the following subaccounts:

The "Noncore Subaccount" recovers costs and balances allocated on an equal cents per therm basis to all noncore customers.

The "Distribution Subaccount" recovers the noncore distribution portion of the authorized General Rate Case (GRC) base revenue requirement and other costs and balances approved by the Commission. The balance in this subaccount will be allocated to noncore classes in proportion to their allocation of distribution base revenue as adopted in Cost Allocation Proceedings.

The "Local Transmission Subaccount" recover local transmission costs transferred from other balancing and memorandum accounts approved by the Commission allocated to all noncore customers except Backbone service-level end-use customers.

The "AB 32 Cost of Implementation Fee Noncore Subaccount" recovers the gas cost portion of the California Air Resources Board's (ARB) AB 32 Cost of Implementation Fee allocated to PG&E's noncore transportation customers.

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<i>Decision</i>	19-09-02	<b>Robert S. Kenney</b>	<i>Effective</i>	<u>January 1, 2021</u>
		<i>Vice President, Regulatory Affairs</i>	<i>Resolution</i>	<u></u>



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Sheet 2

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Noncore Subaccount

The following entries will be made to this subaccount each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (FF&U) account expense:

- 1) a debit entry equal to one-twelfth of the noncore portion of the procurement-related G-10 employee discount allocation shown on Preliminary Statement Part C.2;
- 2) a debit entry equal to the noncore portion of intervenor compensation and any other expense adopted by the Commission as a cost to be included in this subaccount; (T)
- 3) a credit entry equal to the NCA-Noncore revenue;
- 4) a credit entry equal to the incidental negotiated storage revenues allocated to noncore customers;
- 5) an debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the Commission; (T)
- 6) an entry equal to 34.093 percent of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone-level end-use service, and associated throughput reduction or increase, as applicable;
- 7) a debit entry equal to one-twelfth of the noncore portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the Commission; (T)
- 8) an entry equal to the noncore portion of the gain or loss on the sale of a gas transmission non-depreciable asset, as approved by the Commission;
- 9) a debit entry equal to the noncore gas portion of incremental administrative costs and amounts written off as uncollectible associated with the payment deferral plan for qualifying citrus and other agricultural growers pursuant to Resolution E-4065;
- 10) an entry equal to the noncore portion of the transportation revenue for deliveries during the month under gas rate schedule G-LNG. The distribution between core and noncore is the "equal distribution based on all transportation volumes" allocator as specified in Preliminary Statement Part C.3;
- 11) a debit or credit entry equal to the noncore customers' portion of the difference between one-twelfth of the noncore portion of the authorized annual electricity costs revenue requirement, and the noncore portion of the actual electricity expenses incurred to provide gas transmission and storage services to PG&E's customers (The noncore portion of actual electricity costs is based on the cost allocation factor shown in Gas Preliminary Statement Part C.3.a. for "Other – Equal Distribution Based on All Transportation Volumes.);
- 12) a debit entry equal to one-twelfth of the noncore portion of pension related revenue requirement allocated to the Backbone and Storage Gas Transmission and Storage (GT&S) function; (T)  
(T)

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Advice 4600-G  
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Issued by  
**Robert S. Kenney**  
Vice President, Regulatory Affairs

Submitted  
Effective  
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**GAS PRELIMINARY STATEMENT PART J  
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Sheet 3

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Noncore Subaccount (Cont'd.)

- 13) a debit entry equal to one-twelfth of the adopted current year gas transmission revenue requirement allocated to noncore customers for best practices related to minimizing methane emissions consistent with new regulatory requirements pursuant to Senate Bill 1371 and Commission Decision 17-06-015. A corresponding credit entry (including both core and noncore) is recorded in Gas Preliminary Statement Part DZ, New Environmental Regulations Balancing Account, Item 5b. The noncore portion of the adopted revenue requirement is based on the "Other-Equal Distribution Based on All Transportation Volumes" allocator adopted in Gas Preliminary Part C, Gas Accounting Terms & Definitions, 3.a. Cost Allocation Factors.
- 14) a debit entry equal to one-twelfth of the noncore portion of the revenue requirement associated with depreciation and decommissioning of the Pleasant Creek facility. Recovery of depreciation will conclude at the end of 2023. Decommissioning will be recovered during 2023- 2026;
- 15) a debit entry equal to the noncore portion of payments to the Commission or its designee associated with a study regarding health-based concentration limits for constituents of concern, namely trace toxic substances including carbon monoxide. The total amount paid may not exceed \$423,400 (both core and noncore). The noncore portion is based on the "Other – Equal Distribution Based on All Transportation Volumes" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment;
- 16) a debit entry equal to one-twelfth of the noncore portion of the adopted revenue requirement for the Concurrent Application System (CAS) development costs. A corresponding credit entry is recorded in the Concurrent Applications System Balancing Account – Gas (CASBA – G);
- 17) a debit or credit entry equal to any expense or credit adopted by the CPUC to be recorded in this subaccount; and
- 18) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from above, 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.

(T)  
(N)  
(N)  
(T)

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(L)

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**GAS PRELIMINARY STATEMENT PART J  
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Sheet 4

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Distribution Subaccount

(T)

The following entries will be made to this subaccount each month, or as applicable, excluding an allowance for RF&U:

(L)

- 1) a one-time entry equal to the noncore distribution portion of the authorized GRC base revenue requirement;
- 2) a debit entry equal to one-twelfth of the gas noncore portion of the ClimateSmart Administrative and Marketing revenue requirement, (see corresponding credit entry in the Administrative and Marketing Subaccount of the ClimateSmart Balancing Account);
- 3) an entry equal to any other amounts adopted by the CPUC to be included in this subaccount;
- 4) a credit equal to the NCA Distribution revenue;
- 5) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the Commission;
- 6) an entry equal to the noncore portion of the gain or loss on the sale of a gas distribution non-depreciable asset, as approved by the Commission;
- 7) a debit entry equal to the noncore portion of biomethane incentive and study payments. The noncore portion is based on the "Other – Equal Distribution Based on All Transportation Volumes" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment;
- 8) a credit entry equal to the amount of employee transfer fees allocated to PG&E's noncore gas ratepayers. The noncore portion is based on the "Distribution Base Revenue Requirements" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment; and
- 9) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from above, 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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**GAS PRELIMINARY STATEMENT PART J  
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Sheet 5

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

c. Local Transmission Subaccount

The following entries will be made to this subaccount each month or as applicable, excluding an allowance for RF&U:

- 1) a credit entry equal to the NCA local transmission revenues allocated to this account; (L)
- 2) a debit entry equal to one-twelfth of the noncore portion of the pension related revenue requirement allocated to the Local Transmission GT&S function; (L)
- 3) a debit or credit entry equal to any expense or credit adopted by the CPUC to be recorded in this subaccount; (N)  
(N)
- 4) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the Commission; and (T)/(L)  
(L)
- 5) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from above, 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. (T)/(L)  
(T)/(L)  
(L)  
(L)

d. AB 32 Cost of Implementation Fee Noncore Subaccount

The following entries will be made to this subaccount each month or as applicable, excluding an allowance for RF&U:

- 1) a credit entry equal to the revenue from the AB 32 Cost of Implementation Fee rate component;
- 2) a debit or credit entry equal to the gas portion of PG&E's costs to the ARB for the AB32 Cost of Implementation Fee;
- 3) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the Commission;
- 4) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries F.6.d.1 through F.6.d.2 are made, at a rate equal to one-twelfth the interest rate of the 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.