



GAS PRELIMINARY STATEMENT PART V
CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT

Sheet 1

V. PUBLIC PURPOSE PROGRAM SURCHARGE – CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT (PPP-CARE)

1. **PURPOSE:** The purpose of the PPP-CARE balancing account is to record the California Alternate Rates for Energy (CARE) shortfall associated with the Low-Income Ratepayer Assistance (LIRA) Program established by Decisions (D.) 89-07-062 and 89-09-044, as well as the expansion of the LIRA Program authorized by D.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 D.94-12-049 and the name changed to CARE. The projected CARE shortfall and administrative expenses authorized by the California Public Utilities Commission (CPUC) are recovered through the billed surcharges that recover the authorized expenses, and other amounts received from the State of California Gas Consumption Surcharge Fund (Fund). Pursuant to D.04-08-010, Revenue Fees and Uncollectible (RF&U) accounts expense are not included in gas PPP surcharges. The balance in this account will be incorporated in the gas Public Purpose Program (PPP) surcharge advice filing in accordance with D.04-08-010. (T)

As described and tracked in the Public Purpose Program Surcharge Memorandum Account (PPP-MA), Preliminary Statement BB, PPP surcharge amounts billed to customers are remitted quarterly to the California State Board of Equalization. The PPP-CARE surcharges are subsequently returned to PG&E from the Fund, with interest, and may include interstate pipeline and third party surcharges. The CARE portion of interstate pipeline and third party amounts received from the Fund and recorded in the PPP-MA are transferred to this balancing account. The interest recorded in this balancing account is described in the INTEREST section.

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.8 for the CARE shortfall computation.

2. **APPLICABILITY:** The PPP-CARE balance applies to all non-CARE rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC and Public Utility Code Section 896.
3. **REVISION DATE:** The revision date applicable to the PPP-CARE shall coincide with the revision date of the gas PPP surcharge, or at other times, as ordered by the CPUC.
4. **INTEREST:** Amounts recorded in the PPP-CARE earn interest at the CPUC authorized rate (Accounting Procedure 7.g). Decision 04-08-010 requires that while the billed surcharge amounts are in the possession of the State, the interest that applies to these amounts is the actual amount of interest that accrued while in the possession of the State. Therefore, Accounting Procedure 7.f. adjusts the PPP-CARE for interest earned on the surcharge amounts while in the possession of the State.
5. **FORECAST PERIOD:** The forecast test period will be as specified in Decision 04-08-010.
6. **RATES:** PPP-CARE rates are set forth in Schedule G-PPPS (See Preliminary Statement Part B), as applicable.

(Continued)

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| <i>Advice</i> | 3848-G | <i>Issued by</i> | <i>Date Filed</i> | June 12, 2017 |
| <i>Decision</i> | 17-05-013 | Robert S. Kenney | <i>Effective</i> | January 1, 2017 |
| | | <i>Vice President, Regulatory Affairs</i> | <i>Resolution</i> | |



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Sheet 2

V. PUBLIC PURPOSE PROGRAM SURCHARGE – CALIFORNIA ALTERNATE RATES FOR ENERGY ACCOUNT (PPP-CARE) (Cont'd.)

7. ACCOUNTING PROCEDURE: PG&E shall make the following entries to the PPP-CARE at the end of each month:

- a. a debit entry equal to the CARE shortfall resulting from core commercial deliveries under Schedule G-CARE, and customer charges under Schedule GL1-NGV, excluding the allowance for RF&U;
- b. a debit entry equal to the CARE shortfall amount from the CARE Discount rate component, excluding the allowance for RF&U;
- c. a debit entry equal to all monthly administrative costs allocated to the gas 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;
- d. a credit entry equal to the PPP-CARE surcharges billed for the month, net of actual customer accounts written off, as applicable;
- e. a credit entry to transfer the CARE portion of the interstate pipeline and third-party surcharge amounts received from the Fund and recorded in the PPP-MA;
- f. an entry to transfer the CARE interest portion of the balance in the PPP-MA, as applicable;
- g. a debit or credit entry, as appropriate, equal to any amounts authorized by the Commission to be recorded in this account; and
- h. an entry equal to the interest on the average balance in the account at the beginning of the month and the balance in the 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. 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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8. 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 PPP-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.