## **ELECTRIC PRELIMINARY STATEMENT PART KA**

Sheet 1

(N) (N)

CRITICAL OPERATING EQUIPMENT CABLE REPLACEMENT BALANCING ACCOUNT (COECRBA)

KA. Critical Operating Equipment Cable Replacement Balancing Account (COECRBA)

(N)

- PURPOSE: The purpose of the COECRBA is to record and track the difference between the
  adopted capital revenue requirements and capital revenue requirements based on actual
  capital additions for the Critical Operating Equipment Cable Replacement Program beginning
  January 1, 2023. The Critical Operating Equipment Cable Replacement Program is for
  replacing failed sections of underground distribution cable. The COECRBA is a two-way
  balancing account.
- 2. APPLICABILITY: The COECRBA applies to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
- 3. REVISION DATE: An overcollected balance in this account at the end of the year will be carried over to the following year, except as noted below for 2026. An undercollected balance at the end of the year will be trued up in rates. If the balance in the account is overcollected at the end of 2026, the balance will be refunded to customers through the Annual Electric True-up advice letter through the Distribution Revenue Adjustment Mechanism or as otherwise authorized by the Commission.
- 4. RATES: The COECRBA does not have a rate component.
- ACCOUNTING PROCEDURE: PG&E will maintain the COECRBA by making entries to the account at the end of each month, or as applicable, excluding Revenue Fees and Uncollectible (RF&U) accounts expense as follows:
  - A debit or credit entry equal to one-twelfth of the adopted annual capital revenue requirements;
  - b) A debit or credit entry equal to the capital-related revenue requirement based on actual capital additions. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs:
  - c) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and,
  - d) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this 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.

(N)