



**GAS PRELIMINARY STATEMENT PART EE**  
**WILDFIRE EXPENSE MEMORANDUM ACCOUNT (WEMA-G)**

Sheet 1

EE. WILDFIRE EXPENSE MEMORANDUM ACCOUNT (WEMA-G) (T)

1. PURPOSE: The purpose of the Wildfire Expense Memorandum Account (WEMA-G) is to record all costs of third-party claims paid by Pacific Gas and Electric Company (PG&E) resulting from wildfires that would have been covered by insurance, as well as costs that would not have been incurred if insurance were available, including:

a. Costs Arising from Wildfires: (1) payments to satisfy wildfire claims, including any deductibles, co-insurance and other insurance expense paid by PG&E, but excluding costs that have already been authorized in PG&E's General Rate Case (GRC); (2) outside legal costs incurred in the defense of wildfire claims; (3) premium costs not in rates; and (4) the cost of financing these amounts. (T)

b. Wildfire Claims: All incremental amounts paid by PG&E to a third party in respect of a claim by such third party for damage or loss resulting directly or indirectly from a wildfire, including (1) claims by a governmental entity for the reimbursement of fire suppression costs, damages to environmental resources and other governmental claims against PG&E arising from a wildfire, and (2) claims arising from damage caused by mudslides that are alleged to have resulted from a wildfire. (N)

Only incremental costs will be recorded to the WEMA. Insurance proceeds, as well as any payments received from third parties, will be credited to the WEMA-G as they are received. If necessary, the payments and reimbursements made by PG&E and the associated insurance or third-party reimbursements will be allocated between electric and gas in the same manner as Administrative & General costs are allocated as approved in PG&E's GRC at the time the activity is recorded in the account.

2. APPLICABILITY: The WEMA-G applies to all customer classes, except for those specifically excluded by the Commission.  
3. REVISION DATE: Disposition of the balance in this account will be established by a Commission decision through a subsequent application or through other appropriate filing as otherwise authorized by the Commission. Cost recovery of amounts recorded in the WEMA is limited to incremental costs, consistent with D.18-06-029.

4. RATES: The WEMA-G does not have a rate component.

5. ACCOUNTING PROCEDURE: WEMA costs will be segregated on an event-by-event basis, or by cost type for costs not specific to a wildfire event. PG&E shall maintain the WEMA-G by making entries to this account at the end of each month, or as applicable, as follows:

- a. A debit entry equal to the gas portion of PG&E's payments to satisfy wildfire claims, including any deductibles, co-insurance and other insurance expense paid by PG&E, premium costs not included in PG&E's GRC, and outside legal costs incurred in the defense of wildfire claims, but excluding costs that have already been authorized in PG&E's GRCs,
- b. A credit entry equal to the gas portion of reimbursement by insurance companies or other third parties associated with the payments recorded in Accounting Procedure 5.a. above,

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**GAS PRELIMINARY STATEMENT PART EE**  
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Sheet 2

EE. WILDFIRE EXPENSE MEMORANDUM ACCOUNT (WEMA-G) (Cont'd)

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5. ACCOUNTING PROCEDURE (Cont'd):

- c. A debit or credit entry 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 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.

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