



GAS PRELIMINARY STATEMENT PART FL
WILDFIRE MITIGATION BALANCING ACCOUNT (WMBA-G)

Sheet 1

FL. Wildfire Mitigation Balancing Account - Gas (WMBA-G)

1. **PURPOSE:** The purpose of the Wildfire Mitigation Balancing Account - Gas (WMBA-G) is to track actual expenses and capital expenditures against adopted amounts and to record associated expenses and capital revenue requirements for fire risk mitigation work, allocated to the gas distribution, transmission, and storage functions. These costs include, but are not limited to, expenses and the revenue requirements associated with capital expenditures for: 1) Situational Awareness and Forecasting; 2) PSPS Operations and associated Customer Communications; 3) System Hardening, Enhanced Automation, and PSPS Impact Mitigations; 4) CWSP PMO; 5) Information Technology for Wildfire Mitigation; and 6) Enhanced Powerline Safety Settings. Costs recorded to the WMBA-G do not include costs recovered through the Catastrophic Event Memorandum Account (CEMA), the Fire Risk Mitigation Memorandum Account (FRMMA) or the Wildfire Mitigation Plan Memorandum Account (WMPMA). (T)

The WMBA-G is a one-way balancing account that records actual expenses and capital revenue requirements up to the total adopted expense and capital expenditures for the entire GRC funding cycle (2023-2026). (T)

This account is comprised of the following subaccounts: (T)

The Gas Distribution Subaccounts (one expense and one capital) track actual expenses and the capital revenue requirements associated with actual capital expenditures incurred up to the total adopted amounts for the GRC funding cycle allocated to the gas distribution function. See the 'REVISION DATE' section below for disposition of the balances in these subaccounts at the end of the funding cycle. (T)

The Gas Transmission & Storage Subaccounts (one expense and one capital) track actual expenses and the capital revenue requirement associated with actual capital expenditures incurred up to the total adopted amount for the GRC funding cycle allocated to the gas transmission and storage functions. See the 'REVISION DATE' section below for disposition of the balances in these subaccounts at the end of the funding cycle. (T)

(D)

2. **APPLICABILITY:** The WMBA-G applies to all customer classes, except for those schedules or contracts specifically excluded by the Commission. (L)

(Continued)

Advice 4838-G
Decision D.22-06-033,
D.23-11-069.

Issued by
Shilpa Ramaiya
Vice President

Submitted December 14, 2023
Effective January 1, 2023
Resolution



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Sheet 2

FL. Wildfire Mitigation Balancing Account - Gas (WMBA-G) (Cont'd)

3. REVISION DATE: Disposition of balances in the expense subaccounts will be done on an aggregated basis at the end of the funding cycle. If the aggregate total actual expenses are less than the aggregated total adopted expenses at the end of the rate case cycle, PG&E will refund the underspent balances to customers through the Annual Gas True-Up (AGT) advice letter or another tier 2 advice letter, through the Core Fixed Cost Account (CFCA) and the Noncore Customer Class Charge Account (NCA) or propose an alternative disposition of the total overcollection as part of its next GRC application. Disposition of balances in the capital subaccounts will be done on an aggregated basis at the end of the funding cycle. If the aggregate total actual capital expenditures are less than the total adopted capital expenditures at the end of the funding cycle, PG&E will refund the revenue requirement associated with the underspent amount through the AGT, or another tier 2 advice letter or propose an alternative disposition of the total overcollection as part of its next GRC application.

(L)
|
(T)

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

5. ACCOUNTING PROCEDURE: PG&E will maintain a subledger to track the capital expenditures incurred as recorded in its accounting system of record. If the aggregated capital expenditures incurred at the end of the rate case cycle are less than the total adopted amounts, entry c) and d) will be recorded. 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:

(T)
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(T)

GAS DISTRIBUTION SUBACCOUNTS: Entries a) and b) apply only to the expense subaccount and entries c) and d) apply only to the capital subaccount:

(T)
(T)

- a) A credit entry equal to one-twelfth of the adopted expenses allocated to the gas distribution function;
- b) A debit entry equal to the actual expenses incurred allocated to the gas distribution function;
- c) A credit entry equal to the revenue requirement associated with aggregated 2023 through 2026 adopted capital expenditures allocated to the gas distribution function;
- d) A debit entry equal to the capital revenue requirement associated with the aggregated 2023 through 2026 actual capital additions incurred allocated to the gas distribution function. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- e) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- f) 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.

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

(Continued)

Advice	4838-G	Issued by	Submitted	December 14, 2023
Decision	D.22-06-033, D.23-11-069.	Shilpa Ramaiya Vice President	Effective	January 1, 2023
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Sheet 3

FL. Wildfire Mitigation Balancing Account - Gas (WMBA-G) (Cont'd)

5. ACCOUNTING PROCEDURE (Cont'd):

- GAS TRANSMISSION & STORAGE SUBACCOUNTS: Entries a) and b) apply only to the expense subaccount and entries c) and d) apply only to the capital subaccount: (T)
(T)
- a) A credit entry equal to one-twelfth of the adopted expenses allocated to the GT&S function; (T)
(T)
 - b) A debit entry equal to the actual expenses incurred allocated to the GT&S function; (T)
 - c) A credit entry equal to the revenue requirement associated with aggregated 2023 through 2026 adopted capital expenditures allocated to the GT&S function; (N)
(N)
 - d) A debit entry equal to the capital revenue requirement associated with the actual capital additions incurred allocated to the GT&S function. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment; (T)
 - e) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and (D)
 - f) 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.

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