
PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 27, 2017

Advice Letter 3847-G/5081-E

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**SUBJECT: Implement Base Revenue Requirements and Tariff Changes in
Compliance with the 2017 GRC D.1705013**

Dear Mr. Jacobson:

Advice Letter 3847-G/5081-E is effective as of January 1, 2017.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division

June 12, 2017

Advice 3847-G/5081-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Implement Base Revenue Requirements and Tariff Changes in Compliance with the 2017 General Rate Case (GRC) Decision 17-05-013

Purpose

In accordance with Ordering Paragraph (OP) 5 of Decision (D.) 17-05-013, Pacific Gas and Electric Company (PG&E) is filing this Tier 1 advice letter to implement the following changes adopted by the California Public Utilities Commission (Commission or CPUC):¹

- 1) Update PG&E's 2017 electric and gas distribution and electric generation base revenue requirement amounts effective January 1, 2017, which are reflected in Attachment 1 in the *Adopted Rolling Revenue Requirements Report*.
- 2) Tariff Changes:
 - a. Retire electric and gas preliminary statements for balancing and memorandum accounts no longer needed.
 - b. Revise certain electric and gas preliminary statements to remove obsolete information, add clarifying information and conform the tariffs to comply with requirements of the decision.

¹ In addition, OP 6 directs "[a]s part of the advice letter filing ordered in OP 5, Pacific Gas and Electric Company (PG&E) shall submit a detailed analysis that... accounts for the \$300 million in 2017 cost reductions announced by PG&E on January 11, 2017". Concurrently, PG&E is filing Advice Letter 3851-G/5087-E which accounts for the \$300 million in 2017 cost reductions requested in OP 6.

Background

On September 1, 2015, PG&E filed its 2017 GRC Application (A.15-09-001). In its application, PG&E proposed generation and distribution base revenue requirements for the test year 2017 and for the attrition years 2018 and 2019. On March 17, 2016, the CPUC issued D.16-03-009 granting PG&E's request to make its 2017 GRC revenue requirements effective January 1, 2017.² On August 3, 2016, PG&E and 14 other parties (the Settling Parties) filed with the CPUC a Settlement Agreement. On April 24, 2017, the Settling Parties filed with the CPUC alternatives to two sections of the original settlement terms. On May 11, 2017, the CPUC issued D. 17-05-013 approving the Settlement Agreement with certain modifications.

Ordering Paragraph 5 of D.17-05-013 requires that within 30 days from the date of the decision that PG&E "...file a Tier 1 advice letter with revised tariff sheets to implement (i) the revenue requirements authorized ... and (ii) all accounting procedures, fees, and charges authorized in this decision that are not addressed in any other advice letters required by this decision. The revised tariff sheets shall (a) become effective on filing..."

Adopted Revenue Requirements

Pension

In D.09-09-020, the Commission adopted a methodology for deriving and allocating PG&E's pension revenue requirement among PG&E's lines of business that requires using the capitalization and functional labor ratios adopted in PG&E's GRCs. PG&E has derived the 2017 through 2019 pension revenue requirement amounts using the capitalization factors and the operations and maintenance (O&M) labor allocations adopted in D. 17-05-013 as follows:

<u>Line No.</u>	<u>Revenue Requirements (\$000s)</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
1	Electric Distribution	\$71,556	\$79,083	\$86,389	\$237,028
2	Gas Distribution	\$46,980	\$51,922	\$56,718	\$155,620
3	Electric Generation	\$48,738	\$53,865	\$58,841	\$161,444
4	Total	\$167,274	\$184,870	\$201,948	\$554,092

² Including interest covering the period subsequent to January 1, 2017, and until the revenue requirements are implemented.

2017 Revenue Requirements

The following 2017 adopted revenue requirements, including pension, are reflected in the attached *Adopted Rolling Revenue Requirement Report*:

<u>Line No.</u>	<u>Revenue Requirements (\$000s)</u>	<u>2017 GRC³</u>	<u>2017 Pension</u>	<u>Total</u>
1	Electric Distribution	\$4,151,023	\$71,556	\$4,222,580
2	Gas Distribution	\$1,738,483	\$46,980	\$1,785,463
3	Electric Generation	\$2,134,003	\$48,738	\$2,182,741
4	Total	\$8,023,510	\$167,274	\$8,190,784

Note that the electric generation base revenue requirement presented in Appendix A, Table 3-C, of D.17-05-013 is \$2,114.946 million, which includes Department of Energy refund adjustments reducing the adopted revenue requirement to be recovered from customers. These adjustments are detailed in Attachment 1, *Adopted Rolling Revenue Requirement Report*.

Tariff Changes

Retire Obsolete Electric and Gas Preliminary Statements:

In A. 15-09-001, PG&E requested discontinuing and closing a number of balancing and memorandum accounts for the following reasons: the accounts were related to projects that were previously separately funded and subsumed in the adopted 2017 GRC revenue requirements, the reason for establishing the account no longer existed, and simplifications to the steps in the recovery process rendered an account no longer necessary.^{4,5} Decision 17-05-013 approved this request with the exception of the Diablo Canyon Seismic Studies Balancing Account and the Residential Rate Reform Memorandum Account, which will continue.⁶

³ The 2017 GRC revenue requirements have been updated to reflect the final 2017 uncollectibles factor as adopted in D. 17-05-013

⁴ Opening Testimony, Exhibit (PG&E-12), Chapter 9.

⁵ PG&E will close the Dynamic Pricing Memorandum Account once a final decision in Phase 2 of PG&E's 2017 GRC is issued.

⁶ See Articles 3.1.10.1 and 3.1.10.2 of the Settlement Agreement.

Therefore, once the recorded December 31, 2016 balances in the balancing/memorandum accounts are transferred to the appropriate accounts for recovery, where necessary, the following accounts will be retired:⁷

	Electric Preliminary Statement Part	Gas Preliminary Statement Part	Accounts to Retire
1	FJ		Photovoltaic Program Memorandum Account
2	FX	CV	Revised Customer Energy Statement Balancing Accounts
3	GD		Smart Grid Pilot Deployment Project Balancing Account
4	GF		Customer Data Access Balancing Account
5	GI	DC	Energy Data Center Memorandum Accounts
6		DE	Gas Leak Survey and Repair Balancing Account
7	GK	DF	SmartMeter™ Opt-Out Balancing Accounts
8	GN		San Francisco Incandescent Streetlight Replacement Memorandum Account
9	R	Q	Affiliate Transfer Fees Accounts (ATFA)

Items 2 and 4 above were not mentioned in the Settlement Agreement or the final decision, but should be closed in so far as their balances have now been subsumed in the 2017 GRC revenue requirement.

Revisions:

Distribution Revenue Adjustment Mechanism (DRAM) (*Electric Preliminary Statement Part CZ*); Core Fixed Cost Account (CFCA) (*Gas Preliminary Statement Part F*); Noncore Customer Class Charge Account (NCA) (*Gas Preliminary Statement Part J*)

Decision 17-05-013 adopted PG&E's proposal to simplify returning affiliate transfer fees to customers by eliminating a number of steps in the accounting procedures.⁸ Rather

⁷ The December 31, 2016 balances were recovered through the Annual Electric True Up/Annual Gas True Up with the exception of the Photovoltaic Program Memorandum Account (PVPMA), SmartMeter™ Opt-Out Program Balancing Account – Electric and Gas (SOPBA-E/G), and Smart Grid Pilot Deployment Project Balancing Account (SGPDPBA). Transfer of the balances in these accounts was authorized through D. 17-05-013.

than recording these fees in the ATFAs and transferring the balance to the DRAM, CFCA, and NCA for return to customers, PG&E will record these fees directly to the DRAM, CFCA, and NCA and eliminate the electric and gas ATFAs. Therefore, PG&E is adding new, separate accounting procedures to the preliminary statements for these accounts to record the return of the affiliate transfer fees to customers.

Distribution Revenue Adjustment Mechanism (DRAM) (*Electric Preliminary Statement Part CZ*)

Decision 17-05-013 approved PG&E's proposal to subsume the capital revenue requirements associated with Hercules Phase 2 (Hercules Safety and Service Enhancements) into the electric distribution revenue requirement.⁹ Therefore, PG&E is eliminating the accounting procedure in the DRAM that recorded the capital-related revenue requirements for the Hercules Safety and Service enhancements.

Remove Obsolete Information and Add Clarifying Information to Various Electric and Gas Preliminary Statements:

Hydro Licensing Balancing Account (Electric Preliminary Statement Part GL)

Add clarifying language in the Purpose and Accounting Procedures sections regarding the types of activities recorded in this account.

Vegetation Management Balancing Account (Electric Preliminary Statement Part BU)

Remove obsolete language in the Accounting Procedures section referencing a specific adopted amount from PG&E's 2014 GRC decision.

Department of Energy Litigation Balancing Account (Electric Preliminary Statement Part DZ)

Remove obsolete language in the Accounting Procedures section related to PG&E's 2014 GRC decision.

Residential Rate Reform Memorandum Account (Electric Preliminary Statement Part GS)

- Pursuant to OP 1, revise to conform to Sections 3.1.5.2.1 and 3.1.5.2.2 of the Settling Parties' April 24, 2017, proposed alternative provisions to the original settlement terms.
- Revise language in the Purpose section to allow recording of actual costs beyond 2016 and adopted amounts for 2017- 2019.

⁸ See Article 3.1.10.4 of the Settlement Agreement.

⁹ Authorization to subsume the capital revenue requirements associated with Hercules Phase 1 and 2 into the electric distribution base revenue was not specifically called out in the 2017 GRC Settlement Agreement; however, the associated project revenue requirements were subsumed in the 2017 GRC going forward electric distribution revenue requirement.

- Revise language in the Revision Date section to clarify how costs will be recovered.
- Revise the Accounting Procedure section to include additional subaccounts related to 2017 and beyond activity.
- Add an accounting procedure to record adopted amounts.

This filing will not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Detailed Analysis to Provide Information Requested in OP 6

PG&E will file a separate advice letter concurrently (Advice 3851-G/5087-E) in compliance with OP 6 of D.17-05-013 to submit a detailed analysis demonstrating that PG&E has reduced its spending by \$300 million in order to limit its 2017 GRC-related spending to a level adopted in its 2017 GRC Decision.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than July 3, 2017, which is 21¹⁰ days after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B23A

¹⁰ The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-1448
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

Pursuant to OP 5, PG&E is submitting this as a Tier 1 advice filing and requests that it be approved effective January 1, 2017.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for A. 15-09-001. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Erik Jacobson
Director, Regulatory Relations

cc: Service List A. 15-09-001

Attachments

Attachment 1 - Adopted Rolling Revenue Requirements Report
Attachment 2 – Modification and Cancellation of Tariffs
Attachment 3 – Modification of Tariffs (Redlined Version)

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Yvonne Yang

Phone #: (415) 973-2094

E-mail: Yvonne.Yang@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3847-G/5081-E**

Tier: 1

Subject of AL: **Implement Base Revenue Requirements and Tariff Changes in Compliance with the 2017 General Rate Case (GRC) Decision 17-05-013**

Keywords (choose from CPUC listing): Compliance, General Rate Case

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D. 17-05-013

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: **January 1, 2017**

No. of tariff sheets: **25**

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: **See attachment 2**

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 21 days¹ after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Erik Jacobson

Director, Regulatory Relations

c/o Megan Lawson

77 Beale Street, Mail Code B23A

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

¹ The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

Attachment 1

Adopted Rolling Revenue Requirements Report

ATTACHMENT I

Adopted Rolling Revenue Requirements Report
From 2017 GRC through 2019
in thousands

	Electric Distribution	Electric Generation	Gas Distribution	Total	Decision(s)
2017 Adopted GRC RRQ	4,269,025	2,120,971	1,766,584	8,156,580	D.17-05-013
Less: Other Operating Revenue	(117,977)	(6,025)	(28,091)	(152,093)	D.17-05-013
2017 Adopted Net GRC Base Revenue Amount (Eff. 1/1/17)	4,151,048	2,114,946	1,738,493	8,004,487	
Final 2017 Uncollectibles Factor Update	(25)	(12)	(10)	(47)	D.17-05-013, adopted method
Remove Forecasted Savings Credits included in the Adopted GRC Revenue Requirement*					
DOE Litigation Funds (Appendix A, Table 3-C, Line 17)		20,000		20,000	D.17-05-013
Associated Revenue Fees, and Uncollectible (RF&U)		227		227	D.17-05-013
2017 Adopted Gross GRC Base Revenue Amount (Eff. 1/1/17)	4,151,023	2,135,161	1,738,483	8,024,667	
2017 Pension	71,556	48,738	46,980	167,274	D.09-09-020/D.17-05-013
2017 Base Revenue Amount including Pension (Eff. 1/1/17)	4,222,580	2,183,899	1,785,463	8,191,942	
Remove Adopted Forecasted Revenue Requirement**					
Sale of Merced Falls Hydroelectric Project		(1,158)		(1,158)	D.16-10-026/D.17-05-013
2017 Base Revenue Amount including Pension (Eff. 2/16/17)	4,222,580	2,182,741	1,785,463	8,190,784	

*Actual savings credits will be transferred to the Utility Generation Balancing Account and refunded to customers as part of the Annual Electric True-up advice filing process.

**D.16-10-026 Approved a joint motion of PG&E and the ORA for approval of a settlement. This decision authorized the sale of the Merced Falls Hydroelectric Project to the Merced Irrigation District and related ratemaking treatment, which includes removal of the Merced Falls Project from its generation revenue requirement, as described in Section 3.8 of the settlement. The revenue requirement reduction reflects the full year of 2017. The final date of sale was 2/16/2017.

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
33410-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 2	32756-G
33411-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 3	33037-G**
33412-G	GAS PRELIMINARY STATEMENT PART F CORE FIXED COST ACCOUNT Sheet 4	33038-G
33413-G	GAS PRELIMINARY STATEMENT PART J NONCORE CUSTOMER CLASS CHARGE ACCOUNT Sheet 2	33039-G*
33414-G	GAS PRELIMINARY STATEMENT PART J NONCORE CUSTOMER CLASS CHARGE ACCOUNT Sheet 3	33040-G*
33415-G	GAS PRELIMINARY STATEMENT PART J NONCORE CUSTOMER CLASS CHARGE ACCOUNT Sheet 4	32234-G
33416-G	GAS TABLE OF CONTENTS Sheet 1	33405-G
33417-G	GAS TABLE OF CONTENTS Sheet 4	33403-G
33418-G	GAS TABLE OF CONTENTS Sheet 5	33255-G



**GAS PRELIMINARY STATEMENT PART F
CORE FIXED COST ACCOUNT**

Sheet 2

F. Core Fixed Cost Account (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Distribution Cost Subaccount

The following entries will be made to this subaccount at the end of each month, or as applicable, excluding an allowance for Franchise Fees and Uncollectible (FF&U): (T)
(T)

- 1) a credit entry equal to California Alternate Rates for Energy (CARE) shortfall resulting from core commercial deliveries under Schedule G-CARE, and customer charges under Schedule GL1-NGV; (D)
- 2) a debit entry equal to one-twelfth of the core portion of the authorized GRC distribution base revenue amount (with credits and adjustments); (D)
- 3) a credit entry equal to the revenue from the CFCA – Distribution Cost rate component; (D)
- 4) a credit entry, as appropriate, to record the rebates paid to customers associated with the 2006 Winter Gas Savings Program, which has corresponding entries in the Winter Gas Savings Program Transportation Subaccount of the CFCA and Winter Gas Savings Program Procurement Subaccount of the Purchased Gas Account;
- 5) a debit entry equal to one-twelfth of the gas core portion of the ClimateSmart Administrative and Marketing revenue requirement, (see corresponding credit entry in the Administrative and Marketing Subaccount of the ClimateSmart Balancing Account); (D)
- 6) 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 CPUC;
- 7) a debit or credit entry equal to any expense adopted by the CPUC as a cost to be recovered in this subaccount;
- 8) an entry equal to the core portion of the gain or loss on the sale of a gas distribution non-depreciable asset, as approved by the Commission; and
- 9) a credit entry equal to the amount of employee transfer fees allocated to PG&E's core gas ratepayers. The core portion is based on the "Distribution Base Revenue Requirement" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment; and (N)
(N)
- 10) 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 above entries, 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. (T)

b. Core Cost Subaccount

The following entries will be made to this subaccount at the end of each month, or as applicable, excluding an allowance for FF&U: (T)
(T)

- 1) a credit entry equal to the revenue from the CFCA – Core Cost rate component; (D)
- 2) a credit entry equal to the revenue from the local transmission rate component from core deliveries during the month; (D)
- 3) a credit entry equal to the revenue from the core local transmission, core backbone, and core storage 2015 GT&S Late Implementation Amortization rate components; (D)

(Continued)



**GAS PRELIMINARY STATEMENT PART F
CORE FIXED COST ACCOUNT**

Sheet 3

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Cost Subaccount (Cont'd.)

- 4) a debit entry equal to the core portion of intervenor compensation payments authorized by the CPUC, recorded during the month;
- 5) a debit entry equal to one-twelfth of the core portion of the authorized local transmission revenue requirement, excluding the portion of the \$30 million seed value from the Gas Transmission and Storage Revenue Sharing Mechanism allocated to core local transmission; (D)
- 6) 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 CPUC;
- 7) an entry equal to 65.907 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;
- 8) a debit or credit entry equal to any amounts authorized by the CPUC to be recorded in this subaccount;
- 9) a debit entry equal to one-twelfth of the core portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC;
- 10) an entry equal to the core portion of the gain or loss on the sale of a gas transmission non-depreciable asset, as approved by the Commission;
- 11) a debit entry equal to the core 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;
- 12) an entry equal to the core 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; (D)
- 13) a debit entry equal to the core portion of biomethane incentive and study payments. The core 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;
- 14) a debit or credit entry equal to the core customers' portion of the difference between one-twelfth of the core portion of the authorized annual electricity costs revenue requirement, and the core portion of the actual electricity expenses incurred to provide gas transmission and storage services to PG&E's customers (The core 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."); (D)
- 15) a debit entry equal to one-twelfth of the core portion of pension related revenue requirement allocated to the Gas Transmission and Storage function; and

(Continued)

Advice	3847-G	Issued by	Date Filed	June 12, 2017
Decision	17-05-013	Robert S. Kenney	Effective	January 1, 2017
		Vice President, Regulatory Affairs	Resolution	



**GAS PRELIMINARY STATEMENT PART F
CORE FIXED COST ACCOUNT**

Sheet 4

F. Core Fixed Cost Account (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Cost Subaccount (Cont'd.)

16) 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.b.1 through F.6.b.15 above, 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.

c. AB 32 Cost of Implementation Fee Core Subaccount

The following entries will be made to this subaccount at the end of each month, or as applicable, excluding an allowance for FF&U:

(N)
(N)

- 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 CPUC;
- 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.



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

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 Franchise Fees and Uncollectible (FF&U): (T)
(T)

- 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 CPUC as a cost to be included in this subaccount;
- 3) a credit entry equal to the NCA-Noncore revenue; (D)
- 4) 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 CPUC;
- 5) 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;
- 6) 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 CPUC;
- 7) 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;
- 8) 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;
- 9) 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; (D)
- 10) 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.); (D)
- 11) a debit entry equal to one-twelfth of the noncore portion of pension related revenue requirement allocated to the Gas Transmission and Storage function; and

(Continued)



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

Sheet 3

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

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Noncore Subaccount (Cont'd.)

12) 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 J.6.a.1 through J.6.a.11 above, are made, 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.

b. Distribution Subaccount

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

- 1) a one-time entry equal to the noncore distribution portion of the authorized GRC base revenue requirement; (D)
- 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) (D)
- 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-Interim Relief and Distribution revenue; (D)
- 5) a credit entry equal to the Noncore Distribution Fixed Cost Account (NDFCA) revenue; (D)
- 6) a credit equal to the NCA Distribution revenue; (D)
- 7) 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 CPUC;
- 8) 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;
- 9) 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; and
- 10) 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 (N)
|
|
(N)
- 11) 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 J.6.b.1 through J.6.b.5 above, 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. (T)

(Continued)



GAS PRELIMINARY STATEMENT PART J
NONCORE CUSTOMER CLASS CHARGE ACCOUNT

Sheet 4

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

6. ACCOUNTING PROCEDURE: (Cont'd.)

c. 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 FF&U:

(T)
(T)

- 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 CPUC;
- 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.



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(T)
(T)
(D)

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**ELECTRIC PRELIMINARY STATEMENT PART BU
VEGETATION MANAGEMENT BALANCING ACCOUNT**

Sheet 2

BU. VEGETATION MANAGEMENT BALANCING ACCOUNT (VMBA) (Cont'd.)

INCREMENTAL INSPECTION AND REMOVAL COST TRACKING ACCOUNT
ACCOUNTING PROCEDURE

PG&E shall maintain a separate tracking account to record incremental inspection and removal costs PG&E incurs due to CDF required work.

- a. A debit entry equal to recorded incremental inspection and removal costs PG&E incurs due to:
 - 1) New CDF rules and/or requirements that increase hazard tree inspections or removals;
 - 2) Re-interpretation by CDF of its existing rules and/or requirements that increase hazard tree inspections or removals;
 - 3) Changes in CDF enforcement approach that require PG&E to significantly increase the scope of its Vegetation Management program, either through significantly increased inspections or tree mitigation activities; and
 - 4) New incremental work related to so-called major woody stems, including removal of the major woody stems, adding tree wire to existing lines if appropriate, or relocating power lines further away from major woody stems.
- b. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entries 5.a above, 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, G.13 or its successor.

If the costs in the Incremental Inspection and Removal Cost Tracking account exceed \$5 million in any calendar year, and if PG&E's overall expenses for Vegetation Management exceed the annual adopted expense amount, as adjusted for attrition, PG&E shall be authorized to recover through an advice filing all costs appropriately recorded in this tracking account for that calendar year through the Distribution Revenue Adjustment Mechanism (DRAM), or subsequently established mechanism by the Commission, subject to DRA audit of those costs showing compliance with the provisions above.

(T)



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 1

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM)

1. **PURPOSE:** The purpose of the DRAM is to record and recover the authorized distribution revenue requirements and certain other distribution-related authorized costs. The DRAM will ensure dollar-for-dollar recovery of these Commission-authorized distribution amounts.
2. **APPLICABILITY:** The DRAM shall apply to all customer bills for service under all rate schedules and contracts for electric distribution service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined through the advice letter process.
4. **DISTRIBUTION RATES:** The distribution rates are included in the effective rates set forth in each rate schedule.
5. **ACCOUNTING PROCEDURES:** The following entries shall be made each month, or as applicable. (N)
Note that all debits and credits described below, except for item 5.v., include an allowance for Franchise Fees and Uncollectible (FF&U). (N)
 - a. A debit entry equal to the annual authorized distribution revenue requirements divided by twelve.
 - b. A debit or credit entry equal to the total of the distribution-related regulatory account balances at the rates authorized in PG&E's most recent GRC, transferred to the DRAM, as authorized in the Electric Annual True-up Proceeding or other proceeding expressly authorized by the Commission. (D)
 - c. A debit entry equal to the costs of the remaining customer education efforts associated with the Electric Education Trust (EET) per Decision 01-05-091, up to the amount authorized for PG&E by the Commission at the rates authorized in PG&E's most recent GRC. (D)
 - d. A credit entry equal to the revenue from the distribution rates less the recorded California Public Utilities Commission Reimbursement Fee revenue (defined in Part E of PG&E's electric Preliminary Statement), the Customer Energy Efficiency Incentive revenue (defined in Part P of PG&E's electric Preliminary Statement), the Demand Response Revenue Balancing Account revenue (defined in Part I of PG&E's electric Preliminary Statement), and the SmartMeter Balancing Account revenue (defined in Part I of PG&E's electric Preliminary Statement).

(Continued)

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		<i>Vice President, Regulatory Affairs</i>	<i>Resolution</i>	



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 2

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- e. A credit entry equal to the debit entry in the California Alternate Rates for Energy Account (CARE) that corresponds to the actual CARE revenue shortfall. The corresponding debit entry is defined in PG&E's electric Preliminary Statement Part M, Item 5a.
- f. A credit entry equal to the debit entry in the Family Electric Rate Assistance Balancing Account (FERABA) that corresponds to the actual FERA revenue shortfall for the California Solar Initiative. The corresponding debit entry is defined in PG&E's electric Preliminary Statement Part DX, Item 5.b.
- g. A credit entry equal to the recorded amount of revenue cycle services credits given to customers for revenue cycle services provided by entities other than PG&E.
- h. A credit entry equal to the amount of Shareholder Participation, as defined in Section 6 below.
- i. A debit entry equal to the payment to fund PG&E Environmental Enhancement Corporation, pursuant to the Chapter 11 Settlement Agreement Paragraph 17c adopted in Decision 03-12-035. (D)
- j. A debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to the DRAM for recovery in rates, upon approval by the CPUC.
- k. A debit entry equal to one-twelfth of the electric portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC. (D)
- l. A debit entry equal to one-twelfth of the current-year California Solar Initiative (CSI) revenue requirement authorized by the CPUC. (D)
- m. A debit entry equal to one-twelfth of the electric portion of the Demand Response revenue requirement, as authorized by the CPUC. (D)
- n. A credit entry, as appropriate, to record any revenues resulting from bidding PG&E's Demand Response Programs into the CAISO.
- o. A debit or credit entry, as appropriate, to record any shareholder rewards or penalties under the Reliability Incentive Mechanism adopted in D.04-10-034.
- p. A debit entry equal to the amounts paid to the Commission for reimbursement of rate case expenses billed to the Utility pursuant to Public Utilities Code Section 631, plus an allowance for FF&U. (T)
- q. A debit entry equal to the intervenor compensation payments authorized by the Commission, recorded during the month. (D)

(Continued)

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ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 3

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- q. A debit or credit entry, as appropriate, to record the gain or loss on the sale of an electric distribution non-depreciable asset, as approved by the Commission.
- r. A debit entry equal to the electric 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 at the rates authorized in PG&E's most recent GRC for the incremental administrative costs. (D)
- s. A debit entry equal to the Schedule E-BIP incentives paid to third party demand response aggregators, net of any penalties paid to PG&E. (D)
- t. A debit entry equal to the costs that PG&E will reimburse the Division of Ratepayer Advocates (DRA) for work performed by the retained IT consultant(s) in Application (A.) 10-02-028 as authorized by the Commission, recorded during the month. The costs that PG&E will reimburse DRA shall not exceed \$240,000 (excluding an allowance for FF&U), subject to revision by the Commission. (D)
- u. A debit or credit entry, as appropriate, to record the aggregate net revenues collected from the Conservation Incentive Adjustment unbundled rate component of residential electric rates.
- v. A credit entry equal to the Family Electric Rate Assistance (FERA) revenue shortfall from paying residential Tier 2 rates for Tier 3 usage. The corresponding debit entry is defined in PG&E's electric Preliminary Statement Part DX, Item 5.a.
- w. A debit entry equal to one-twelfth of the authorized amount recorded in the California Energy Systems for 21st Century Balancing Account – Electric (CES21BA-E). (D)
- x. A debit entry equal to one-twelfth of the annual revenue requirements recorded in the Smart Grid Line Sensor subaccount, Volt/VAR Optimization subaccount, and Detect & Locate Faults subaccount of the Smart Grid Pilot Deployment Project Balancing Account (SGPDPBA).
- y. A credit entry equal to the amount of employee transfer fees allocated to PG&E's electric ratepayers. (T)
(T)
(D)
- z. A debit entry equal to one-twelfth of the authorized revenue requirement for the Residential Rate Reform Program. The corresponding credit entry is defined in PG&E's Electric Preliminary Statement Part GS, Residential Rate Reform Memorandum Account. (N)
|
|
(N)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 4

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- (D)
- |
- |
- |
- |
- |
- |
- |
- |
- |
- (D)

- aa. A debit entry equal to the billed revenue for Schedule LS-1 decorative street light conversion to LED lights. (T)

- bb. A debit entry to record one-twelfth of the authorized annual revenue requirement, as authorized by the CPUC associated with the Charge Smart and Save Program. (T)

- cc. A debit entry to record the prorata portion of the authorized non-procurement related revenue requirements for each demonstration project, inclusive of FF&U, over the period from when the revenue requirements begin to be recorded in this account and the project completion dates. A corresponding credit entry is included in the DRPDBA, which excludes an allowance for FF&U. (T)

- dd. A debit entry to record the prorata portion of the authorized procurement revenue requirements for each demonstration project, inclusive of FF&U, over the period from when the revenue requirements begin to be recorded in this account and the project completion dates. A corresponding credit entry is included in the DRPDBA, which excludes an allowance for FF&U. (T)

- ee. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, 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. (T)

- (D)
- (D)



ELECTRIC PRELIMINARY STATEMENT PART DZ
DEPARTMENT OF ENERGY LITIGATION BALANCING ACCOUNT

Sheet 1

DZ. DEPARTMENT OF ENERGY LITIGATION BALANCING ACCOUNT (DOELBA)

1. **PURPOSE:** The purpose of the DOELBA is to track, record and provide for the crediting to customers of any proceeds, net of costs, from PG&E's lawsuit against the Department of Energy (DOE) filed in the Federal Court of Claims on January 22, 2004, regarding the DOE's breach of spent fuel contracts and any additional claims for reimbursement that PG&E may have against DOE arising out of or related to spent fuel contracts. This account ensures the proper crediting and allocation of proceeds and costs for the benefit of customers as determined by the Commission between the Diablo Canyon and Humboldt Bay nuclear power plants. The DOELBA will expire after litigation is completed, proceeds have been received, and the Commission has authorized disposition of the balance.
2. **APPLICABILITY:** The DOELBA balances shall be credited to rates upon successful resolution of the DOE litigation and collection and receipt of proceeds. If PG&E's efforts in the DOE litigation are unsuccessful, the costs recorded to the DOELBA shall be recovered in rates at the time the litigation is completed.
3. **REVISION DATE:** Disposition of the balance in the account shall be determined by a Commission decision.
4. **DOELBA RATES:** This account does not have a rate component.
5. **ACCOUNTING PROCEDURES:** The DOELBA has two sub-accounts:

Utility Generation Sub-account

The Utility Generation sub-account records DOE litigation proceeds and incremental litigation costs allocated to generation customers. The balance in this sub-account will be transferred to the Utility Generation Balancing Account (UGBA).

Nuclear Decommissioning Sub-account

The Nuclear Decommissioning sub-account records DOE litigation proceeds and incremental litigation costs allocated to nuclear decommissioning customers. The balance in this sub-account will be transferred to the Nuclear Decommissioning Adjustment Mechanism (NDAM).

DOE Litigation and Claims Proceeds: Claims Proceeds received are allocated as 72% to Utility Generation and 28% to Nuclear Decommissioning pursuant to Decision 14-08-032. (T)

DOE Incremental Litigation Costs: These are costs incurred or paid by PG&E on or after January 22, 2004, in connection with the DOE litigation. Incremental litigation costs shall include the costs PG&E incurs for outside counsel, expert witnesses, document and discovery services, and other charges to PG&E specifically associated with work done by outside counsel for PG&E on PG&E's lawsuit against DOE filed in the Federal Court of Claims on January 22, 2004. The costs of PG&E's Law Department directing the litigation shall not be recorded in the DOE Costs Sub-Account. Costs associated with the utility generation are allocated to UGBA customers, and costs associated with the nuclear decommissioning are allocated to NDAM customers.

(Continued)

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ELECTRIC PRELIMINARY STATEMENT PART GL
HYDRO LICENSING BALANCING ACCOUNT (HLBA)

Sheet 1

GL. Hydro Licensing Balancing Account (HLBA)

1. **PURPOSE:** The purpose of the HLBA is to recover actual expenses and capital revenue requirements based on actual capital expenditures related to Federal Energy Regulatory Commission (FERC) hydro licensing activities, which include, but are not limited to, renewing, amending, surrendering, decommissioning, and compliance requirements. Specifically, the HLBA tracks and adjusts for the difference in actual and adopted expenses and capital revenue requirements associated with relicensing and amending/modifying licenses issued on or after January 1, 2012, including costs associated with implementing and complying with new license conditions or requirements resulting from renewed, modified, or amended licenses. (N)
(N)
2. **APPLICABILITY:** The HLBA shall apply to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balances in this account shall be determined in the next General Rate Case (GRC), or as otherwise authorized by the Commission, through the Utility Generation Balancing Account (UGBA) as part of the Annual Electric True-up advice filing.
4. **RATES:** The HLBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall maintain the HLBA by making entries to this account at the end of each month as follows:
 - a) A credit entry equal to one-twelfth of the adopted annual revenue requirements, excluding an allowance for Franchise Fees and Uncollectible Accounts expense (FF&U).
 - b) A debit entry equal to actual expenses, including but not limited to, renewing, amending, surrendering licenses, decommissioning, and compliance requirements; (T)
(N)
 - c) A debit entry equal to license surrender related revenue requirement, excluding FF&U, including amortization expense, return on investment and federal and state income taxes associated with the unamortized license surrender balance; (N)
I
(N)
 - d) A debit entry equal to the capital-related revenue requirement, excluding FF&U, related to the actual capital costs incurred. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs; (T)
 - e) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and, (T)
 - 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)



ELECTRIC PRELIMINARY STATEMENT PART GS
RESIDENTIAL RATE REFORM MEMORANDUM ACCOUNT

Sheet 1

GS. Residential Rate Reform Memorandum Account (RRRMA)

- 1. PURPOSE: The purpose of the Residential Rate Reform Memorandum Account (RRRMA) is to record actual incremental costs incurred beginning in 2015 associated with (i) time of use pilots, (ii) time of use, including hiring of a consultant or consultants to assist in developing study parameters, (iii) marketing, education and outreach costs associated with the rate changes approved in Decision (D.)15-07-001 and subsequent decisions, resolutions or advice filings implementing D.15-07-001, and (iv) other reasonable expenditures as required to implement the decision. Pursuant to 2017 General Rate Case (GRC) D.17-05-013, for 2017 and beyond activity, PG&E is authorized to incorporate into rates \$19.3 million annually, up to a cumulative total of \$57.9 million (which is incremental to GRC authorized revenue requirements) for the GRC period 2017-2019, which is subject to refund as described below in the Revision Date section. (T)
- 2. APPLICABILITY: The RRRMA applies to all electric customer classes, except for those schedules or contracts specifically excluded by the Commission. (N)
- 3. REVISION DATE:
 - 2015-2016 Activity: Disposition of the recorded costs through 2016 will be addressed through an application or a proposal and testimony for cost recovery in Rulemaking (R.) 12-06-013. (N)
 - 2017 and Beyond Activity: PG&E will seek recovery of its actual recorded costs for 2017 and beyond through an application or proposal and testimony in R. 12-06-013 after the last year of the 2017 GRC cycle. That filing will seek to true-up recorded costs to those previously collected in rates through the Annual Electric True-Up advice letter filing. The authorized to-be-collected or refund amount in the filing, including an allowance for Franchise Fees and Uncollectible (FF&U), will be transferred to the Distribution Revenue Adjustment Mechanism for true-up in rates. (N)
- 4. RATES: The RRRMA does not have a rate component. (T)
- 5. ACCOUNTING PROCEDURES:
 - The 2015-2016 RRRMA activity shall be recorded in the following subaccounts: (T)
 - A. TOU Pilots Subaccount** records the incremental expenses and capital revenue requirements associated with planning, implementing, and maintaining time-of-use (TOU) pilots. (T)
 - B. TOU Pilots-Consultant Subaccount** records the incremental expenses associated with hiring of a consultant or consultants to assist in developing study parameters for the TOU pilots. (T)

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART GS
RESIDENTIAL RATE REFORM MEMORANDUM ACCOUNT

Sheet 2

GS. Residential Rate Reform Memorandum Account (RRRMA) (Cont'd.)

C. Marketing, Education and Outreach Subaccount records the incremental expenses associated with marketing, education and outreach costs, as well as participation incentives, associated with the rate changes approved in the decision. (T)

D. Bill Protection Subaccount (2015-2016) records bill adjustments associated with the TOU Pilot program. (T)

E. Other Implementation Costs Subaccount records the incremental expenses and capital revenue requirements associated with other reasonable expenditures required to implement the decision. (T)

The 2017 and beyond RRRMA activity shall be recorded in the following subaccounts: (N)

F. Rate Reform Subaccount records the incremental expenses and capital revenue requirements associated with reasonable expenditures required to implement the decision. |

G. Bill Protection Subaccount (2017 and Beyond) records bill adjustments associated with the TOU Pilot program. |

H. Budget Subaccount records the incremental authorized budget per the decision. (N)
(D)

The following entries shall be made to each of the subaccounts at the end of each month, as applicable:

a. A credit entry equal to one-twelfth of the authorized amount, excluding FF&U. A corresponding debit entry is defined in electric preliminary statement CZ, Distribution Revenue Adjustment Mechanism (applies to sub-account described in H above); (N)
| (N)

b. A debit entry to record the actual expenses; (T)

c. A debit or credit entry equal to the capital revenue requirement based on incurred capital costs, excluding FF&U. Capital-related revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment; (T)

d. A debit entry equal to bill adjustments related to bill protection; (applies to sub-accounts described in D and G above); (T)
(T)

e. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission, and (T)

f. An entry, as appropriate, each month equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, 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. (T)



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<i>Advice</i>	5081-E	<i>Issued by</i>	<i>Date Filed</i>	<u>June 12, 2017</u>
<i>Decision</i>	17-05-013	Robert S. Kenney	<i>Effective</i>	<u>January 1, 2017</u>
		<i>Vice President, Regulatory Affairs</i>	<i>Resolution</i>	<u></u>



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Attachment 3

**Modification of Tariffs
(Redlined Version)**



GAS PRELIMINARY STATEMENT PART F
CORE FIXED COST ACCOUNT

Sheet 2

F. Core Fixed Cost Account (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Distribution Cost Subaccount

The following entries will be made to this subaccount at the end of each month, or as applicable, excluding an allowance for Franchise Fees and Uncollectible (FF&U):

- 1) a credit entry equal to California Alternate Rates for Energy (CARE) shortfall resulting from core commercial deliveries under Schedule G-CARE, and customer charges under Schedule GL1-NGV, ~~excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);~~
- 2) a debit entry equal to one-twelfth of the core portion of the authorized GRC distribution base revenue amount (with credits and adjustments), ~~excluding the allowance for (F&U);~~
- 3) a credit entry equal to the revenue from the CFCA – Distribution Cost rate component, ~~excluding the allowance for F&U;~~
- 4) a credit entry, as appropriate, to record the rebates paid to customers associated with the 2006 Winter Gas Savings Program, which has corresponding entries in the Winter Gas Savings Program Transportation Subaccount of the CFCA and Winter Gas Savings Program Procurement Subaccount of the Purchased Gas Account;
- 5) a debit entry equal to one-twelfth of the gas core portion of the ClimateSmart Administrative and Marketing revenue requirement, ~~excluding the allowance for F&U;~~ (see corresponding credit entry in the Administrative and Marketing Subaccount of the ClimateSmart Balancing Account);
- 6) 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 CPUC;
- 7) a debit or credit entry equal to any expense adopted by the CPUC as a cost to be recovered in this subaccount;
- 8) an entry equal to the core portion of the gain or loss on the sale of a gas distribution non-depreciable asset, as approved by the Commission;
- 9) a credit entry equal to the amount of employee transfer fees allocated to PG&E's core gas ratepayers. The core portion is based on the "Distribution Base Revenue Requirement" factor from PG&E's Preliminary Statement Part C.3.a in effect at the time of the payment;; and
- 910) 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 above entries, 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.

b. Core Cost Subaccount

The following entries will be made to this subaccount at the end of each month, or as applicable, excluding an allowance for FF&U:

- 1) a credit entry equal to the revenue from the CFCA – Core Cost rate component, ~~excluding the allowance for F&U;~~
- 2) a credit entry equal to the revenue from the local transmission rate component from core deliveries during the month, ~~excluding the allowance for F&U;~~

(Continued)



GAS PRELIMINARY STATEMENT PART F
CORE FIXED COST ACCOUNT

Sheet 2

- 3) a credit entry equal to the revenue from the core local transmission, core backbone, and core storage 2015 GT&S Late Implementation Amortization rate components, ~~excluding the allowance for F&U;~~

(Continued)

Advice Letter No: 3727-G
Decision No. 16-06-056

Issued by
Steven Malnight
Senior Vice President
Regulatory Affairs

Date Filed July 1, 2016
Effective August 1, 2016
Resolution No. _____



GAS PRELIMINARY STATEMENT PART F
CORE FIXED COST ACCOUNT

Sheet 3

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Cost Subaccount (Cont'd.)

- 4) a debit entry equal to the core portion of intervenor compensation payments authorized by the CPUC, recorded during the month;
- 5) a debit entry equal to one-twelfth of the core portion of the authorized local transmission revenue requirement, excluding ~~the allowance for F&U and excluding~~ the portion of the \$30 million seed value from the Gas Transmission and Storage Revenue Sharing Mechanism allocated to core local transmission;
- 6) 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 CPUC;
- 7) an entry equal to 65.907 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;
- 8) a debit or credit entry equal to any amounts authorized by the CPUC to be recorded in this subaccount;
- 9) a debit entry equal to one-twelfth of the core portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC;
- 10) an entry equal to the core portion of the gain or loss on the sale of a gas transmission non-depreciable asset, as approved by the Commission;
- 11) a debit entry equal to the core 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;
- 12) an entry equal to the core portion of the transportation revenue for deliveries during the month under gas rate schedule G-LNG, ~~excluding the allowance for F&U~~. The distribution between core and noncore is the "equal distribution based on all transportation volumes" allocator as specified in Preliminary Statement Part C.3;
- 13) a debit entry equal to the core portion of biomethane Incentive and study payments. The core 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; and
- 14) a debit or credit entry equal to the core customers' portion of the difference between one-twelfth of the core portion of the authorized annual electricity costs revenue requirement, ~~excluding F&U~~, and the core portion of the actual electricity expenses incurred to provide gas transmission and storage services to PG&E's customers (The core 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.");
- 15) a debit entry equal to one-twelfth of the core portion of pension related revenue requirement allocated to the Gas Transmission and Storage function; and

(Continued)



GAS PRELIMINARY STATEMENT PART F
CORE FIXED COST ACCOUNT

Sheet 4

F. Core Fixed Cost Account (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Cost Subaccount (Cont'd.)

16) 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.b.1 through F.6.b.15 above, 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.

c. AB 32 Cost of Implementation Fee Core Subaccount

The following entries will be made to this subaccount at the end of each month, or as applicable, excluding an allowance for FF&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 CPUC;
- 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.



GAS PRELIMINARY STATEMENT PART J
NONCORE CUSTOMER CLASS CHARGE ACCOUNT

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 Franchise Fees and Uncollectible (FF&U):

- 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 CPUC as a cost to be included in this subaccount;
- 3) a credit entry equal to the NCA-Noncore revenue, ~~excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U)~~;
- 4) 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 CPUC;
- 5) 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;
- 6) 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 CPUC;
- 7) 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;
- 8) 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;
- 9) an entry equal to the noncore portion of the transportation revenue for deliveries during the month under gas rate schedule G-LNG, ~~excluding the allowance for F&U~~. The distribution between core and noncore is the "equal distribution based on all transportation volumes" allocator as specified in Preliminary Statement Part C.3;
- 10) 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, ~~excluding F&U~~, 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.);
- 11) a debit entry equal to one-twelfth of the noncore portion of pension related revenue requirement allocated to the Gas Transmission and Storage function; and

(Continued)



GAS PRELIMINARY STATEMENT PART J
NONCORE CUSTOMER CLASS CHARGE ACCOUNT

Sheet 3

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

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Noncore Subaccount (Cont'd.)

12) 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 J.6.a.1 through J.6.a.11 above, are made, 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.

b. Distribution Subaccount

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

- 1) a one-time entry equal to the noncore distribution portion of the authorized GRC base revenue requirement, ~~excluding the allowance for F&U;~~
- 2) a debit entry equal to one-twelfth of the gas noncore portion of the ClimateSmart Administrative and Marketing revenue requirement, ~~excluding the allowance for FF&U~~ (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-Interim Relief and Distribution revenue, ~~excluding the allowance for F&U;~~
- 5) a credit entry equal to the Noncore Distribution Fixed Cost Account (NDFCA) revenue, ~~excluding the allowance for F&U;~~
- 6) a credit equal to the NCA Distribution revenue, ~~excluding the allowance for F&U;~~
- 7) 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 CPUC;
- 8) 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;
- 9) 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;
- 10) 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
- ~~1011) 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 J.6.b.1 through J.6.b.5 above,~~

(Continued)



GAS PRELIMINARY STATEMENT PART J
NONCORE CUSTOMER CLASS CHARGE ACCOUNT

Sheet 3

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.

(Continued)

Advice Letter No: 3625-G
 Decision No. 15-06-029

Issued by
Steven Malnight
 Senior Vice President
 Regulatory Affairs

Date Filed August 20, 2015
 Effective September 19, 2015
 Resolution No. _____



GAS PRELIMINARY STATEMENT PART J
NONCORE CUSTOMER CLASS CHARGE ACCOUNT

Sheet 4

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

6. ACCOUNTING PROCEDURE: (Cont'd.)

c. 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 FF&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 CPUC;
- 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.



ELECTRIC PRELIMINARY STATEMENT PART BU
VEGETATION MANAGEMENT BALANCING ACCOUNT

Sheet 2

BU. VEGETATION MANAGEMENT BALANCING ACCOUNT (VMBA) (Cont'd.)

INCREMENTAL INSPECTION AND REMOVAL COST TRACKING ACCOUNT
ACCOUNTING PROCEDURE

PG&E shall maintain a separate tracking account to record incremental inspection and removal costs PG&E incurs due to CDF required work.

- a. A debit entry equal to recorded incremental inspection and removal costs PG&E incurs due to:
 - 1) New CDF rules and/or requirements that increase hazard tree inspections or removals;
 - 2) Re-interpretation by CDF of its existing rules and/or requirements that increase hazard tree inspections or removals;
 - 3) Changes in CDF enforcement approach that require PG&E to significantly increase the scope of its Vegetation Management program, either through significantly increased inspections or tree mitigation activities; and
 - 4) New incremental work related to so-called major woody stems, including removal of the major woody stems, adding tree wire to existing lines if appropriate, or relocating power lines further away from major woody stems.
- b. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entries 5.a above, 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, G.13 or its successor.

If the costs in the Incremental Inspection and Removal Cost Tracking account exceed \$5 million in any calendar year, and if PG&E's overall expenses for Vegetation Management exceed ~~\$161.5 million~~ **the annual adopted expense amount**, as adjusted for attrition, PG&E shall be authorized to recover through an advice filing all costs appropriately recorded in this tracking account for that calendar year through the Distribution Revenue Adjustment Mechanism (DRAM), or subsequently established mechanism by the Commission, subject to DRA audit of those costs showing compliance with the provisions above.



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 1

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM)

1. **PURPOSE:** The purpose of the DRAM is to record and recover the authorized distribution revenue requirements and certain other distribution-related authorized costs. The DRAM will ensure dollar-for-dollar recovery of these Commission-authorized distribution amounts.
2. **APPLICABILITY:** The DRAM shall apply to all customer bills for service under all rate schedules and contracts for electric distribution service subject to the jurisdiction of the Commission, except for those rate schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined through the advice letter process.
4. **DISTRIBUTION RATES:** The distribution rates are included in the effective rates set forth in each rate schedule.
5. **ACCOUNTING PROCEDURES:** The following entries shall be made each month, or as applicable. Note that all debits and credits described below, except for item 5.v., include an allowance for Franchise Fees and Uncollectible (FF&U).
 - a. A debit entry equal to the annual authorized distribution revenue requirements divided by twelve.
 - b. A debit or credit entry equal to the total of the distribution-related regulatory account balances, ~~including an allowance for franchise fees and uncollectibles (FF&U) accounts expense~~ at the rates authorized in PG&E's most recent GRC, transferred to the DRAM, as authorized in the Electric Annual True-up Proceeding or other proceeding expressly authorized by the Commission.
 - c. A debit entry equal to the costs of the remaining customer education efforts associated with the Electric Education Trust (EET) per Decision 01-05-091, up to the amount authorized for PG&E by the Commission, ~~plus an allowance for FF&U accounts expense~~ at the rates authorized in PG&E's most recent GRC.
 - d. A credit entry equal to the revenue from the distribution rates less the recorded California Public Utilities Commission Reimbursement Fee revenue (defined in Part E of PG&E's electric Preliminary Statement), the Customer Energy Efficiency Incentive revenue (defined in Part P of PG&E's electric Preliminary Statement), the Demand Response Revenue Balancing Account revenue (defined in Part I of PG&E's electric Preliminary Statement), and the SmartMeter Balancing Account revenue (defined in Part I of PG&E's electric Preliminary Statement).

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 2

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- e. A credit entry equal to the debit entry in the California Alternate Rates for Energy Account (CARE) that corresponds to the actual CARE revenue shortfall. The corresponding debit entry is defined in PG&E's electric Preliminary Statement Part M, Item 5a.
- f. A credit entry equal to the debit entry in the Family Electric Rate Assistance Balancing Account (FERABA) that corresponds to the actual FERA revenue shortfall for the California Solar Initiative. The corresponding debit entry is defined in PG&E's electric Preliminary Statement Part DX, Item 5.b.
- g. A credit entry equal to the recorded amount of revenue cycle services credits given to customers for revenue cycle services provided by entities other than PG&E.
- h. A credit entry equal to the amount of Shareholder Participation, as defined in Section 6 below.
- i. A debit entry equal to the payment to fund PG&E Environmental Enhancement Corporation ~~plus an allowance for FF&U~~, pursuant to the Chapter 11 Settlement Agreement Paragraph 17c adopted in Decision 03-12-035.
- j. A debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to the DRAM for recovery in rates, upon approval by the CPUC.
- k. A debit entry equal to one-twelfth of the electric portion of the current year Self Generation Incentive Program (SGIP) revenue requirement authorized by the CPUC, ~~including an allowance for FF&U expense~~.
- l. A debit entry equal to one-twelfth of the current-year California Solar Initiative (CSI) revenue requirement authorized by the CPUC, ~~including an allowance for FF&U expense~~.
- m. A debit entry equal to one-twelfth of the electric portion of the Demand Response revenue requirement, ~~including an allowance for FF&U~~, as authorized by the CPUC.
- n. A credit entry, as appropriate, to record any revenues resulting from bidding PG&E's Demand Response Programs into the CAISO.
- o. A debit or credit entry, as appropriate, to record any shareholder rewards or penalties under the Reliability Incentive Mechanism adopted in D.04-10-034.
- p. A debit entry equal to the amounts paid to the Commission for reimbursement of rate case expenses billed to the Utility pursuant to Public Utilities Code Section 631, plus an allowance for ~~Franchise Fees and Uncollectible Accounts expense~~ FF&U.
- q. A debit entry equal to the intervenor compensation payments authorized by the Commission, recorded during the month, ~~plus an allowance for Franchise Fees and Uncollectible Accounts expense~~.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 3

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

- q. A debit or credit entry, as appropriate, to record the gain or loss on the sale of an electric distribution non-depreciable asset, as approved by the Commission.
- r. A debit entry equal to the electric 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, ~~plus an allowance for franchise fees and uncollectibles (FF&U) accounts expense~~ at the rates authorized in PG&E's most recent GRC for the incremental administrative costs.
- s. A debit entry equal to the Schedule E-BIP incentives paid to third party demand response aggregators, net of any penalties paid to PG&E, ~~plus an allowance for Franchise Fees and Uncollectible Accounts expense.~~
- t. A debit entry equal to the costs that PG&E will reimburse the Division of Ratepayer Advocates (DRA) for work performed by the retained IT consultant(s) in Application (A.) 10-02-028 as authorized by the Commission, recorded during the month, ~~plus an allowance for Franchise Fees and Uncollectible Accounts expense.~~ The costs that PG&E will reimburse DRA shall not exceed \$240,000 (excluding an allowance for FF&U), subject to revision by the Commission.
- u. A debit or credit entry, as appropriate, to record the aggregate net revenues collected from the Conservation Incentive Adjustment unbundled rate component of residential electric rates.
- v. A credit entry equal to the Family Electric Rate Assistance (FERA) revenue shortfall from paying residential Tier 2 rates for Tier 3 usage. The corresponding debit entry is defined in PG&E's electric Preliminary Statement Part DX, Item 5.a.
- w. A debit entry equal to one-twelfth of the authorized amount recorded in the California Energy Systems for 21st Century Balancing Account – Electric (CES21BA-E), ~~including an allowance for FF&U.~~
- x. A debit entry equal to one-twelfth of the annual revenue requirements recorded in the Smart Grid Line Sensor subaccount, Volt/VAR Optimization subaccount, and Detect & Locate Faults subaccount of the Smart Grid Pilot Deployment Project Balancing Account (SGPDPBA).
- y. A credit entry equal to the amount of employee transfer fees allocated to PG&E's electric ratepayers.
- z. A debit entry equal to one-twelfth of the authorized revenue requirement for the Residential Rate Reform Program. The corresponding credit entry is defined in PG&E's Electric Preliminary Statement Part GS,, Residential Rate Reform Memorandum Account,
~~A debit entry for PG&E's capital-related revenue requirements incurred for the Hercules safety and service enhancements, equal to:~~
 - a) ~~Depreciation expense on the end-of-month balance of plant installed for each program at one-twelfth of the annual depreciation rates approved by the CPUC for these plant accounts; plus~~

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART CZ
DISTRIBUTION REVENUE ADJUSTMENT MECHANISM

Sheet 4

CZ. DISTRIBUTION REVENUE ADJUSTMENT MECHANISM (DRAM) (Cont'd.)

5. ACCOUNTING PROCEDURES: (Cont'd.)

~~b) The return on the following basis:~~

~~1) the investment on the average of the beginning and the end of month balance of plant installed at one-twelfth of the annual rate of return on distribution investment last adopted by the CPUC for PG&E's Electric Department; less~~

~~2) the average of the beginning and end of month accumulated depreciation; less~~

~~3) the average accumulated net of deferred taxes on income resulting from the normalization of federal tax depreciation, at one-twelfth the annual rate of return on distribution last adopted by the CPUC for PG&E's Electric Department; plus~~

~~e) State and Federal income taxes, net of the above deferred taxes; plus~~

~~d) Property taxes applied based on the prior year's ending plant balance and updated to the current annual property tax rate in the mid-year; plus~~

~~e) Franchise fees and uncollectibles at the last CPUC-adopted rate.~~

~~zaa.~~ A debit entry equal to the billed revenue for Schedule LS-1 decorative street light conversion to LED lights.

~~baaa.~~ A debit entry to record one-twelfth of the authorized annual revenue requirement, ~~inclusive of FF&U~~, as authorized by the CPUC associated with the Charge Smart and Save Program.

~~cbbb.~~ A debit entry to record the prorata portion of the authorized non-procurement related revenue requirements for each demonstration project, ~~inclusive of FF&U~~, over the period from when the revenue requirements begin to be recorded in this account and the project completion dates. A corresponding credit entry is included in the DRPDBA, which excludes an allowance for FF&U.

~~ddee.~~ A debit entry to record the prorata portion of the authorized procurement revenue requirements for each demonstration project, ~~inclusive of FF&U~~, over the period from when the revenue requirements begin to be recorded in this account and the project completion dates. A corresponding credit entry is included in the DRPDBA, which excludes an allowance for FF&U.

~~eedd.~~ An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, 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.

~~Note: All debits and credits described above, except for that described in Section 5.w., shall include an allowance for franchise fees and uncollectible accounts expense.~~



ELECTRIC PRELIMINARY STATEMENT PART DZ
DEPARTMENT OF ENERGY LITIGATION BALANCING ACCOUNT

Sheet 1

DZ. DEPARTMENT OF ENERGY LITIGATION BALANCING ACCOUNT (DOELBA)

1. **PURPOSE:** The purpose of the DOELBA is to track, record and provide for the crediting to customers of any proceeds, net of costs, from PG&E's lawsuit against the Department of Energy (DOE) filed in the Federal Court of Claims on January 22, 2004, regarding the DOE's breach of spent fuel contracts and any additional claims for reimbursement that PG&E may have against DOE arising out of or related to spent fuel contracts. This account ensures the proper crediting and allocation of proceeds and costs for the benefit of customers as determined by the Commission between the Diablo Canyon and Humboldt Bay nuclear power plants. The DOELBA will expire after litigation is completed, proceeds have been received, and the Commission has authorized disposition of the balance.
2. **APPLICABILITY:** The DOELBA balances shall be credited to rates upon successful resolution of the DOE litigation and collection and receipt of proceeds. If PG&E's efforts in the DOE litigation are unsuccessful, the costs recorded to the DOELBA shall be recovered in rates at the time the litigation is completed.
3. **REVISION DATE:** Disposition of the balance in the account shall be determined by a Commission decision.
4. **DOELBA RATES:** This account does not have a rate component.
5. **ACCOUNTING PROCEDURES:** The DOELBA has two sub-accounts:

Utility Generation Sub-account

The Utility Generation sub-account records DOE litigation proceeds and incremental litigation costs allocated to generation customers. The balance in this sub-account will be transferred to the Utility Generation Balancing Account (UGBA).

Nuclear Decommissioning Sub-account

The Nuclear Decommissioning sub-account records DOE litigation proceeds and incremental litigation costs allocated to nuclear decommissioning customers. The balance in this sub-account will be transferred to the Nuclear Decommissioning Adjustment Mechanism (NDAM).

DOE Litigation and Claims Proceeds: ~~DOE litigation and claims proceeds received through December 31, 2013 were addressed in the 2014 GRC D-14-08-032.~~ Claims Proceeds received during the period 2014-2016 were allocated as 72% to Utility Generation and 28% to Nuclear Decommissioning pursuant to Decision 14-08-032.

DOE Incremental Litigation Costs: These are costs incurred or paid by PG&E on or after January 22, 2004, in connection with the DOE litigation. Incremental litigation costs shall include the costs PG&E incurs for outside counsel, expert witnesses, document and discovery services, and other charges to PG&E specifically associated with work done by outside counsel for PG&E on PG&E's lawsuit against DOE filed in the Federal Court of Claims on January 22, 2004. The costs of PG&E's Law Department directing the litigation shall not be recorded in the DOE Costs Sub-Account. Costs associated with the utility generation are allocated to UGBA customers, and costs associated with the nuclear decommissioning are allocated to NDAM customers.

(Continued)

Advice Letter No: 4495-E
 Decision No. 14-08-032

Issued by
Brian K. Cherry
 Vice President
 Regulatory Relations

Date Filed September 15, 2014
 Effective January 1, 2014
 Resolution No. _____



ELECTRIC PRELIMINARY STATEMENT PART GL
HYDRO LICENSING BALANCING ACCOUNT (HLBA)

Sheet 1 (N)
 (N)

GL. Hydro Licensing Balancing Account (HLBA)

- 1.1. PURPOSE: The purpose of the HLBA is to recover actual expenses and capital revenue requirements based on actual capital expenditures related to Federal Energy Regulatory Commission (FERC) hydro licensing activities, which include, but are not limited to, renewing, amending, surrendering, decommissioning, and compliance requirements. Specifically, the HLBA tracks and adjusts for the difference in actual and adopted expenses and capital revenue requirements associated with relicensing and amending/modifying licenses issued on or after January 1, 2012, including costs associated with implementing and complying with new license conditions or requirements resulting from renewed, modified, or amended licenses.
2. APPLICABILITY: The HLBA shall apply to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balances in this account shall be determined in the next General Rate Case (GRC), or as otherwise authorized by the Commission, through the Utility Generation Balancing Account (UGBA) as part of the Annual Electric True-up advice filing.
4. RATES: The HLBA does not have a rate component.
5. ACCOUNTING PROCEDURE: PG&E shall maintain the HLBA by making entries to this account at the end of each month as follows:
 - a) A credit entry equal to one-twelfth of the adopted annual revenue requirements, excluding an allowance for Franchise Fees and Uncollectible Accounts expense (FF&U).
 - b) A debit entry equal to actual expenses incurred, including but not limited to, renewing, amending, surrendering licenses, decommissioning, and compliance requirements;
 - c) A debit entry equal to license surrender -related revenue requirement, excluding FF&U, including amortization expense, return on investment and federal and state income taxes associated with the unamortized license surrender balance;
 - d) A debit entry equal to the capital-related revenue requirement, excluding FF&U, related to the actual capital costs incurred. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs;
 - e) A debit or credit entry, as appropriate, 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.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART GS
RESIDENTIAL RATE REFORM MEMORANDUM ACCOUNT

Sheet 1 (N)
 (N)

GS. Residential Rate Reform Memorandum Account (RRRMA)

1. PURPOSE: The purpose of the Residential Rate Reform Memorandum Account (RRRMA) is to record actual incremental costs incurred ~~beginning in during 2015 through 2016~~ associated with (i) time of use pilots, (ii) time of use, including hiring of a consultant or consultants to assist in developing study parameters, (iii) marketing, education and outreach costs associated with the rate changes approved in Decision (D.)15-07-001 and subsequent decisions, resolutions or advice filings implementing D.15-07-001, and (iv) other reasonable expenditures as required to implement the decision. Pursuant to 2017 General Rate Case (GRC) D.17-05-013, for 2017 and beyond activity, PG&E is authorized to incorporate into rates \$19.3 million annually, up to a cumulative total of \$57.9 million (which is incremental to GRC authorized revenue requirements), for the GRC period 2017-2019, which is subject to refund as described below in the Revision Date section.

2. APPLICABILITY: The RRRMA applies to all electric customer classes, except for those schedules or contracts specifically excluded by the Commission.

3. REVISION DATE:

~~2015-2016 Activity: The balances in this account incurred during 2015-2016 Disposition of the recorded costs through 2016 will be addressed through an application or a proposal and testimony for cost recovery in Rulemaking (R.) 12-06-013, a separate application, a General Rate Case, or as otherwise authorized by the Commission.~~

~~-2017 and Beyond Activity: PG&E will seek recovery of its actual recorded costs for 2017 and beyond through an application or proposal and testimony in R. 12-06-013 after the last year of the 2017 GRC cycle. That filing will seek to true-up recorded costs to those previously collected in rates e-adopted amounts authorized to be included in rates through the Annual Electric True-Up advice letter filing. The authorized to-be-collected or refund amount in the filing, including an allowance for Franchise Fees and Uncollectible (FF&U), will be transferred to the Distribution Revenue Adjustment Mechanism for true-up in rates recovery.~~

4. RATES: The RRRMA does not have a rate component.

5. ACCOUNTING PROCEDURES:

The ~~2015-2016 RRRMA activity consists of the~~ shall be recorded in the following subaccounts:

A. TOU Pilots Subaccount records the incremental expenses and capital revenue requirements associated with planning, implementing, and maintaining time-of-use (TOU) pilots.

B. TOU Pilots-Consultant Subaccount records the incremental expenses associated with hiring of a consultant or consultants to assist in developing study parameters for the TOU pilots.

(Continued)



ELECTRIC PRELIMINARY STATEMENT PART GS
RESIDENTIAL RATE REFORM MEMORANDUM ACCOUNT

Sheet 2

GS. Residential Rate Reform Memorandum Account (RRRMA) (Cont'd.)

C. Marketing, Education and Outreach Subaccount records the incremental expenses associated with marketing, education and outreach costs, as well as participation incentives, associated with the rate changes approved in the decision.

D. Bill Protection Subaccount (2015-2016) records bill adjustments associated with the TOU Pilot program.

E. Other Implementation Costs Subaccount records the incremental expenses and capital revenue requirements associated with other reasonable expenditures required to implement the decision.

The 2017 and beyond RRRMA activity shall be recorded in the following subaccounts:

F. Rate Reform Subaccount records the incremental expenses and capital revenue requirements associated with reasonable expenditures required to implement the decision.

G. Bill Protection Subaccount (2017 and Beyond) records bill adjustments associated with the TOU Pilot program.

H. Budget Subaccount records the incremental authorized budget per the decision.

~~— The following entry shall be made to this account at the end of each month, as applicable:~~

The following entries shall be made to each of the subaccounts at the end of each month, as applicable:

- a. A credit entry equal to one-twelfth of the authorized amount, excluding FF&U. A corresponding debit entry is defined in electric preliminary statement CZ, Distribution Revenue Adjustment Mechanism (applies to sub-account described in H above);
- ab. A debit entry ~~equal~~ to record the ~~incremental~~ actual expenses ~~to implement the decision;~~
- cb. A debit or credit entry equal to the capital revenue requirement based on incurred capital costs, excluding FF&U. Capital-related revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
- de. A debit entry equal to bill adjustments related to bill protection (applies to sub-accounts described in D and G above);
- de. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission, and
- ef. An entry, as appropriate, each month equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, 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



ELECTRIC PRELIMINARY STATEMENT PART GS
RESIDENTIAL RATE REFORM MEMORANDUM ACCOUNT

Sheet 2

successor.

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

AT&T	Division of Ratepayer Advocates	Office of Ratepayer Advocates, Electricity Planning and Policy B
Albion Power Company	Don Pickett & Associates, Inc.	OnGrid Solar
Alcantar & Kahl LLP	Douglass & Liddell	Pacific Gas and Electric Company
Anderson & Poole	Downey & Brand	Praxair
Atlas ReFuel	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
BART	Evaluation + Strategy for Social Innovation	SCD Energy Solutions
Barkovich & Yap, Inc.	G. A. Krause & Assoc.	SCE
Bartle Wells Associates	GenOn Energy Inc.	SDG&E and SoCalGas
Braun Blaising McLaughlin & Smith, P.C.	GenOn Energy, Inc.	SPURR
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Water Power and Sewer
CENERGY POWER	Green Charge Networks	Seattle City Light
CPUC	Green Power Institute	Sempra Energy (Socal Gas)
CalCom Solar	Hanna & Morton	Sempra Utilities
California Cotton Ginners & Growers Assn	ICF	SoCalGas
California Energy Commission	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Gas Company (SoCalGas)
California State Association of Counties	Kelly Group	Spark Energy
Calpine	Ken Bohn Consulting	Sun Light & Power
Casner, Steve	Leviton Manufacturing Co., Inc.	Sunshine Design
Center for Biological Diversity	Linde	Tecogen, Inc.
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	TerraVerde Renewable Partners
City of San Jose	Los Angeles Dept of Water & Power	TerraVerde Renewable Partners, LLC
Clean Power	MRW & Associates	Tiger Natural Gas, Inc.
Clean Power Research	Manatt Phelps Phillips	TransCanada
Coast Economic Consulting	Marin Energy Authority	Troutman Sanders LLP
Commercial Energy	McKenna Long & Aldridge LLP	Utility Cost Management
Cool Earth Solar, Inc.	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Crown Road Energy, LLC	NLine Energy, Inc.	Water and Energy Consulting
Davis Wright Tremaine LLP	NRG Solar	Wellhead Electric Company
Day Carter Murphy	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Defense Energy Support Center	ORA	YEP Energy
Dept of General Services	Office of Ratepayer Advocates	Yelp Energy