

**EXHIBIT B**



**Pacific Gas and Electric Company**  
San Francisco, California  
U 39

Revised  
Cancelling Revised

Cal. P.U.C. Sheet No.  
Cal. P.U.C. Sheet No.

xxxxx-G  
27453-G

**GAS PRELIMINARY STATEMENT PART C**  
**GAS ACCOUNTING TERMS & DEFINITIONS**  
**DRAFT**

Sheet 8

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

10. REVENUE REQUIREMENT (Cont'd.)

c. Transportation Revenue Requirement (Cont'd.)

- 7) Liquefied Natural Gas Balancing Account (LNGBA) Balance: This is the forecast revision-date balance in the LNGBA, described in Preliminary Statement, Part X, based on the latest recorded data available.
- 8) Hazardous Substance Mechanism (HSM) Balance: This is the forecast revision-date balance in the HSM, as described in Preliminary Statement, Part AN, based on the latest recorded data available.
- 9) Customer Energy Efficiency Incentive Account (CEEIA) Balance: This is the forecast revision-date balance in the CEEIA, as described in Preliminary Statement, Part Y, based on the latest recorded data available.
- 10) Core Brokerage Fee Balancing Account (CBFA) Balance: This is the forecast revision-date balance in the CBFA described in Preliminary Statement, Part U, based on the latest recorded data available.
- 11) Affiliate Transfer Fees Account (ATFA) Balance: This is the forecast revision-date balance in the ATFA described in Preliminary Statement Part Q, based on the latest recorded data available.
- 12) Self-Generation Program Memorandum Account (SGIP) Balance: This is the forecast revision-date balance in the SGIP described in Preliminary Statement, Part AW, based on the latest recorded data available.
- 13) Gas Reimbursable Fees Balancing Account (GRFBA) Balance: This is the forecast revision-date balance in the GRFBA described in Preliminary Statement Part BF, based on the latest recorded data available.
- 14) Franchise Fees and Uncollectible Accounts Expense (F&U): The amount to be added for F&U shall be determined by multiplying the sum of Sections C.10.c.4.a through C.10.c.13, above, by the applicable F&U factor.
- 15) AB32 Cost of Implementation Fee Memorandum Account: This is the forecast balance in the AAFMA-G, described in Preliminary Statement FH, based on the latest recorded data available. (N)  
|  
(N)

(Continued)

Advice Letter No:  
Decision No.

Issued by

Date Filed \_\_\_\_\_  
Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_



**GAS PRELIMINARY STATEMENT PART CE**  
**AB 32 COST OF IMPLEMENTATION FEE MEMORANDUM ACCOUNT**  
**DRAFT**

Sheet 1

- CE. AB 32 COST OF IMPLEMENTATION FEE MEMORANDUM ACCOUNT (AFMA-G) (N)
- 1. PURPOSE: The purpose of the AB 32 Cost of Implementation Fee Memorandum Account - Gas (AFMA-G) is to record and track the gas costs for PG&E associated with the Air Resources Board's (ARB) AB 32 Cost of Implementation Fee. (N)
- 2. APPLICABILITY: The AFMA-G applies to all customer classes.
- 3. REVISION DATE: Disposition of the account balance will be initiated upon Commission approval of a cost recovery mechanism in the AB 32 Cost of Implementation Fee Application or another proceeding determined by the Commission. PG&E will transfer the account balance to the appropriate mechanism for recovery, as may be approved by the Commission at that time.
- 4. RATES: The current AFMA-G does not have a rate component.
- 5. ACCOUNTING PROCEDURE: PG&E shall maintain the AFMA-G by making entries to this account at the end of each month as follows:
  - a. A debit or credit entry, as appropriate, equal to the gas portion of PG&E's cost to the ARB for the AB 32 Cost of Implementation Fee.
  - b. An entry equal to the interest on the average of the balance at the beginning of the month and the balance after entry 5.a 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.
  - c. An entry to transfer the amounts approved by the Commission for recovery in rates. (N)

Advice Letter No:  
Decision No.

Issued by

Date Filed \_\_\_\_\_  
Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_



**ELECTRIC PRELIMINARY STATEMENT PART FJ**  
**AB 32 COST OF IMPLEMENTATION FEE MEMORANDUM ACCOUNT**  
**DRAFT**

Sheet 1

- FJ. AB 32 ADMINISTRATION FEE MEMORANDUM ACCOUNT (AFMA-E) (N)
- 1. PURPOSE: The purpose of the AB 32 Cost of Implementation Fee Memorandum Account - Electric (AFMA-E) is to record and track the electric costs for PG&E associated with the Air Resources Board's (ARB) AB 32 Administration Fee. (N)
- 2. APPLICABILITY: The AFMA-E applies to all customer classes.
- 3. REVISION DATE: Disposition of the account balance will be initiated upon Commission approval of a cost recovery mechanism in the AB 32 Cost of Implementation Fee application or another proceeding determined by the Commission. PG&E will transfer the account balance to the appropriate mechanism for recovery, as may be approved by the Commission at that time.
- 4. RATES: The current AFMA-E does not have a rate component.
- 5. ACCOUNTING PROCEDURE: PG&E shall maintain the AFMA-E by making entries to this account at the end of each month as follows:
  - a. A debit or credit entry, as appropriate, equal to the electric portion of PG&E's cost to the ARB for the AB 32 Cost of Implementation Fee.
  - b. An entry equal to the interest on the average of the balance at the beginning of the month and the balance after entry 5.a. 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.
  - c. An entry to transfer the amounts approved by the Commission for recovery in rates. (N)

Advice Letter No:  
Decision No.

Issued by

Date Filed \_\_\_\_\_  
Effective \_\_\_\_\_  
Resolution No. \_\_\_\_\_

**PACIFIC GAS AND ELECTRIC COMPANY**  
**AB32 ARB Implementation Fee August 2, 2010 Filing**  
 BASED ON FILED JANUARY 2010 AGT GAS REVENUE REQUIREMENT

Line No.	Customer Class	Class Average Rates			
		August 1, 2010	Proposed Rates	\$ Change	% Change
1	<b>BUNDLED—RETAIL CORE*</b>				
2	Residential Non-CARE**	\$1.395	\$1.396	\$0.001	0.1%
3	Small Commercial Non-CARE**	\$1.171	\$1.172	\$0.001	0.1%
4	Large Commercial	\$0.953	\$0.954	\$0.001	0.1%
5	Uncompressed Core NGV	\$0.846	\$0.847	\$0.001	0.1%
6	Compressed Core NGV	\$2.129	\$2.130	\$0.001	0.0%
7	<b>TRANSPORT_ONLY—RETAIL CORE</b>				
8	Residential Non-CARE**	\$0.625	\$0.626	\$0.001	0.2%
9	Small Commercial Non-CARE**	\$0.412	\$0.413	\$0.001	0.2%
10	Large Commercial	\$0.225	\$0.226	\$0.001	0.4%
11	Uncompressed Core NGV	\$0.131	\$0.132	\$0.001	0.7%
12	Compressed Core NGV	\$1.414	\$1.415	\$0.001	0.1%
13	<b>TRANSPORT ONLY—RETAIL NONCORE</b>				
14	Industrial – Distribution	\$0.161	\$0.162	\$0.001	0.6%
15	Industrial – Transmission	\$0.061	\$0.062	\$0.001	1.5%
16	Industrial – Backbone	\$0.040	\$0.041	\$0.001	2.4%
17	Uncompressed Noncore NGV – Distribution	\$0.145	\$0.146	\$0.001	0.7%
18	Uncompressed Noncore NGV – Transmission	\$0.048	\$0.049	\$0.001	2.0%
19	Electric Generation – Distribution/Transmission	\$0.022	\$0.023	\$0.001	4.2%
20	Electric Generation – Backbone	\$0.007	\$0.008	\$0.001	13.4%
21	<b>TRANSPORT ONLY—WHOLESALE</b>				
22	Alpine Natural Gas (T)	\$0.028	\$0.028	\$0.000	0.0%
23	Coalinga (T)	\$0.027	\$0.027	\$0.000	0.0%
24	Island Energy (T)	\$0.048	\$0.048	\$0.000	0.0%
25	Palo Alto (T)	\$0.021	\$0.021	\$0.000	0.0%
26	West Coast Gas – Castle (D)	\$0.109	\$0.109	\$0.000	0.0%
27	West Coast Gas – Mather (D)	\$0.107	\$0.107	\$0.000	0.0%
28	West Coast Gas – Mather (T)	\$0.028	\$0.028	\$0.000	0.0%

\* Illustrative Bundled Rates incorporate illustrative 2010 AGT WACOG of \$0.598 per therm and illustrative Procurement Revenue Requirements as filed in PG&E's 2010 AGT.

\*\* CARE customers receive a 20% discount on transportation and procurement and are exempt from CARE surcharges.

\*\*\* 1/1/2010 impact on monthly average non-CARE residential gas bill is \$0.04 (as shown on Table D).

\*\*\*\* Changes to Public Purpose Program Surcharge rates (G-PPPS) occur on January 1, 2011 and are not shown on this table. Proposed phase-in of distribution costs for West Coast gas occur each January 1 and are not shown on this table. Impact of proposed core deaveraging effective July 1, 2010 is included in rates shown on this table. Additional proposed core deaveraging occurs on April 1 of each year until 100% is achieved. See Table 5-N for illustrative 2011 and 2012 class average rate changes. The illustrative changes to G-PPPS rates caused by the proposed BCAP volumess are shown on Table M. Actual G-PPPS rates effective January 1, 2011 will depend on the PPS revenue requirement effective January 1, 2011.



**PRELIMINARY STATEMENT**

Sheet 1

II. BALANCING ACCOUNTS  
ENVIRONMENTAL FEE BALANCING ACCOUNT (EFBA)

N  
N  
N  
N  
N

1. Purpose

The purpose of the EFBA is to record SDG&E's allocation of the California Air Resources Board's (ARB's) administrative costs which was authorized recoverable by the ARB under Assembly Bill (AB) 32. The ARB adopted the AB 32 Cost of Implementation Fee regulation on September 25, 2009.

2. Applicability

The EFBA shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission or direct billed by the ARB.

3. Rates

See Disposition Section.

4. Accounting Procedures

SDG&E maintains this account by making monthly entries, net of franchise fees and uncollectibles where applicable as follows:

- a) A debit entry equal to the utility's allocation of ARB's administrative costs.
- b) An entry for amortization of the EFBA balance or the transfer of the balance to the Energy Resource Requirements Account (ERRA) as authorized by the Commission; and
- c) An entry to record the interest on the average balance at the beginning of the month and the balance after the entries 4.a. through 4.b. above, 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 publication.

5. Disposition

SDG&E shall address the disposition of the balance in SDG&E's ERRA proceeding or other applicable proceeding. The EFBA shall continue to be in effect until replaced with a new mechanism as authorized by the Commission.

1C0

Advice Ltr. No. \_\_\_\_\_

Decision No. \_\_\_\_\_

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

Date Filed \_\_\_\_\_

Effective \_\_\_\_\_

Resolution No. \_\_\_\_\_

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
 ENVIRONMENTAL FEE BALANCING ACCOUNT (EFBA)

Sheet 1

T  
T

1. Purpose

The EFBA is an interest bearing balancing account that is recorded on SoCalGas' financial statements. The purpose of the EFBA is to record SoCalGas' allocation of the California Air Resources Board's (ARB's) administrative costs which was authorized recoverable by the ARB under Assembly Bill (AB) 32. The ARB adopted the AB 32 Cost of Implementation Fee regulation on September 25, 2009.

2. Applicability

The EFBA shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission or direct billed by the ARB.

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas maintains this account by making monthly entries, net of franchise fees and uncollectibles where applicable as follows:

- a) A debit entry equal to the utility's allocation of ARB's administrative costs.
- b) An entry for amortization of the EFBA balance as authorized by the Commission; and
- c) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

SoCalGas shall recover these costs on an equal cents per therm basis (ECPT), excluding wholesale customers and a specific set of large Electric Generators identified by the ARB, in connection with its annual regulatory account update filing. The EFBA shall continue to be in effect until replaced with a new mechanism as authorized by the Commission.

N

N

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO.  
 DECISION NO.  
 100

ISSUED BY  
**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 DATE FILED \_\_\_\_\_  
 EFFECTIVE \_\_\_\_\_  
 RESOLUTION NO. \_\_\_\_\_



Southern California Edison  
 Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No.  
 Cancelling Revised Cal. PUC Sheet No. 46513-E

PRELIMINARY STATEMENT

Sheet 23

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

- 18. AIR RESOURCES BOARD FEE MEMORANDUM ACCOUNT (ARBFMA) (T)
- 1. PURPOSE: (N)
 

The purpose of the Air Resources Board Fee Memorandum Account (ARBFMA) is to record and track the costs incurred by SCE associated with the Air Resources Board's (ARB) AB 32 Administration Fee.
- 2. APPLICABILITY: The ARBFMA applies to all customer classes.
- 3. REVISION DATE: Disposition of the account balance will be initiated upon Commission approval of a cost recovery mechanism in the AB 32 Administration Fee Application or another proceeding determined by the Commission, SCE will transfer the account balance to the appropriate mechanism for recovery, as may be approved by the Commission at that time.
- 4. RATES: The current ARBFMA does not have a rate component and will be recovered in SCE generation rates.
- 5. ACCOUNTING PROCEDURE: SCE shall maintain the ARBFMA by making entries to this account at the end of each month as follows:
  - a. A debit or credit entry equal to the gas portion of SCE's payment to the ARB for the AB 32 Administration Fee.
  - b. A credit entry to transfer the amounts approved by the Commission for recovery in rates.
  - c. A debit entry equal to the interest on the average of the balance at the beginning of the month and the balance after the above entry at a rate equal to one-twelfth of the Federal Reserve three-month Commercial Paper Rate Non-Financial, from the Federal Reserve Statistical Release H.15 (expressed as an annual rate). If in any month a non-financial rate is not published, SCE shall use the Federal Reserve three-month Commercial Paper Rate-Financial (N)

(Continued)

(To be inserted by utility)  
 Advice AFMA  
 Decision \_\_\_\_\_

Issued by  
Akbar Jazayeri  
Vice President

(To be inserted by Cal. PUC)  
 Date Filed \_\_\_\_\_  
 Effective \_\_\_\_\_  
 Resolution \_\_\_\_\_