



Original  
Cancelling

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

30201-G

(N)

CW. GAS PIPELINE EXPENSE AND CAPITAL BALANCING ACCOUNT (GPECBA)

(Continued)

Advice Letter No: 3357-G  
Decision No. 12-12-030

Issued by  
**Brian K. Cherry**  
Vice President  
Regulatory Relations

Date Filed January 18, 2013  
Effective December 20, 2012  
Resolution No. \_\_\_\_\_



1. PURPOSE: The purpose of the Gas Pipeline Expense and Capital Balancing Account (GPECBA) is to track the aggregate revenue requirements associated with the expense and capital costs of PG&E's Implementation Plan, as authorized by the Commission in

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Decision (D.) 12-12-030, and any other subsequent Commission's decisions. The GPECBA records the differences between the adopted forecast revenue requirements and capital and expense revenue requirements based on actual authorized costs for the Plan

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through 2014, ~~INCURRED~~ beginning December 20, 2012. Recovery of capital and expenses beyond 2014 shall be separately determined by the Commission in subsequent proceedings.

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The GPECBA is a one-way balancing account. Any net unspent funds at the end of 2014 shall be returned to customers through the Core and Noncore Gas Pipeline Safety Balancing Accounts.

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2. **APPLICABILITY:** The GPECBA shall apply to all gas customers except for those specifically excluded by the Commission.

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3. RATES: The GPECBA does not have a separate rate component.

4. ACCOUNTING PROCEDURE: The GPECBA consists of the following two subaccounts:

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CPUC REIMBURSEMENT SUBACCOUNT: The purpose of this subaccount is to record PG&E's reimbursements to the Commission associated with implementing and complying with D.12-12-030, up to \$15 million, which is incremental to the authorized program costs

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and revenue requirements in D.12-12-030. Disposition of the balance in this subaccount shall be determined in the Annual Gas True-Up (AGT), or as otherwise authorized by the Commission, through the Core Fixed Cost Account (CFCA) and Noncore Customer Class

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Charge Account (NCA).

PROGRAM EXPENSE AND CAPITAL SUBACCOUNT: The purpose of this subaccount is

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to record the revenue requirements associated with the actual expense and capital cost PG&E incurred to implement the programs authorized in D.12-12-030. The 2012-2014 adopted revenue requirement recorded in this subaccount is capped at \$299.2 million or

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\$295.4 million (without FF&U), or any amounts as authorized by the Commission in subsequent decisions. Pursuant to Ordering Paragraph 5 of D.12-12-030, the amounts recorded in this subaccount shall be limited to the revenue requirement related to the

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adopted expense and capital AMOUNTS set forth in the tables stated in attachment E of the decision, for the following programs:

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- Pipeline Modernization Program
- Valve Automation Program
- Interim Safety Enhancement Measures

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- Program Management Office

No amounts were authorized for the Pipeline Records Integration Program or Contingency.

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COSTS OF THESE PROGRAMS WILL NOT BE RECORDED TO THIS OR ANY OTHER  
BALANCING ACCOUNT OR RECOVERED FROM CUSTOMERS.

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COSTS AND THE ASSOCIATED REVENUE REQUIREMENT FOR EACH AUTHORIZED PROGRAM WILL BE ACCOUNTED FOR tracked SEPARATELY BY PROGRAM. Amounts in excess of the authorized expense and capital costs of EACH OF these

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programs, including their related revenue requirement shall not be recorded. REVENUES AND COSTS WILL BE TRUED UP ON A PROGRAM-BY PROGRAM BASIS WITH ANY UNSPENT FUNDS FOR AN AUTHORIZED PROGRAM RETURNED TO CUSTOMERS.

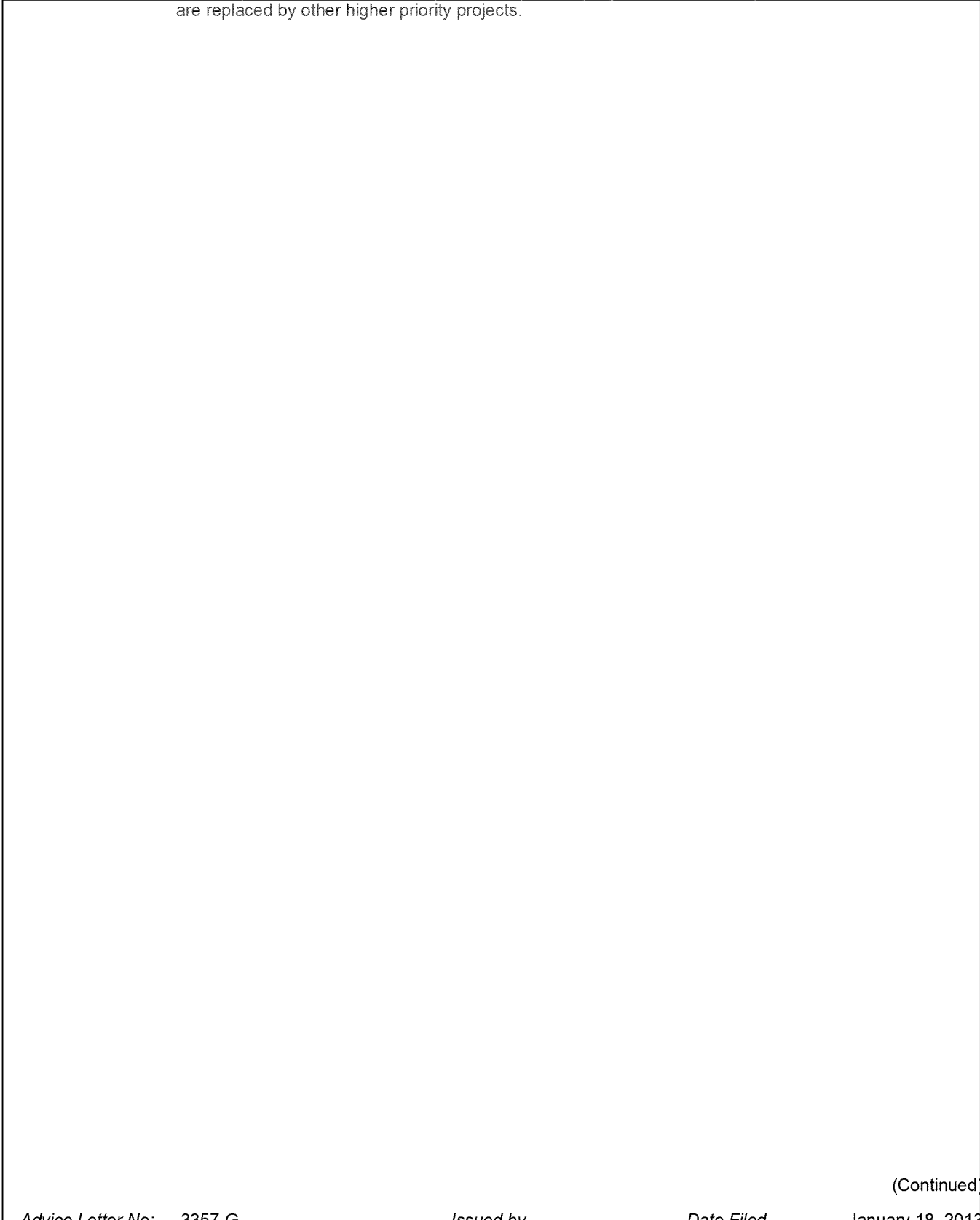
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The adopted amounts shall be adjusted if any of the programs are not completed and/or are replaced by other higher priority projects.



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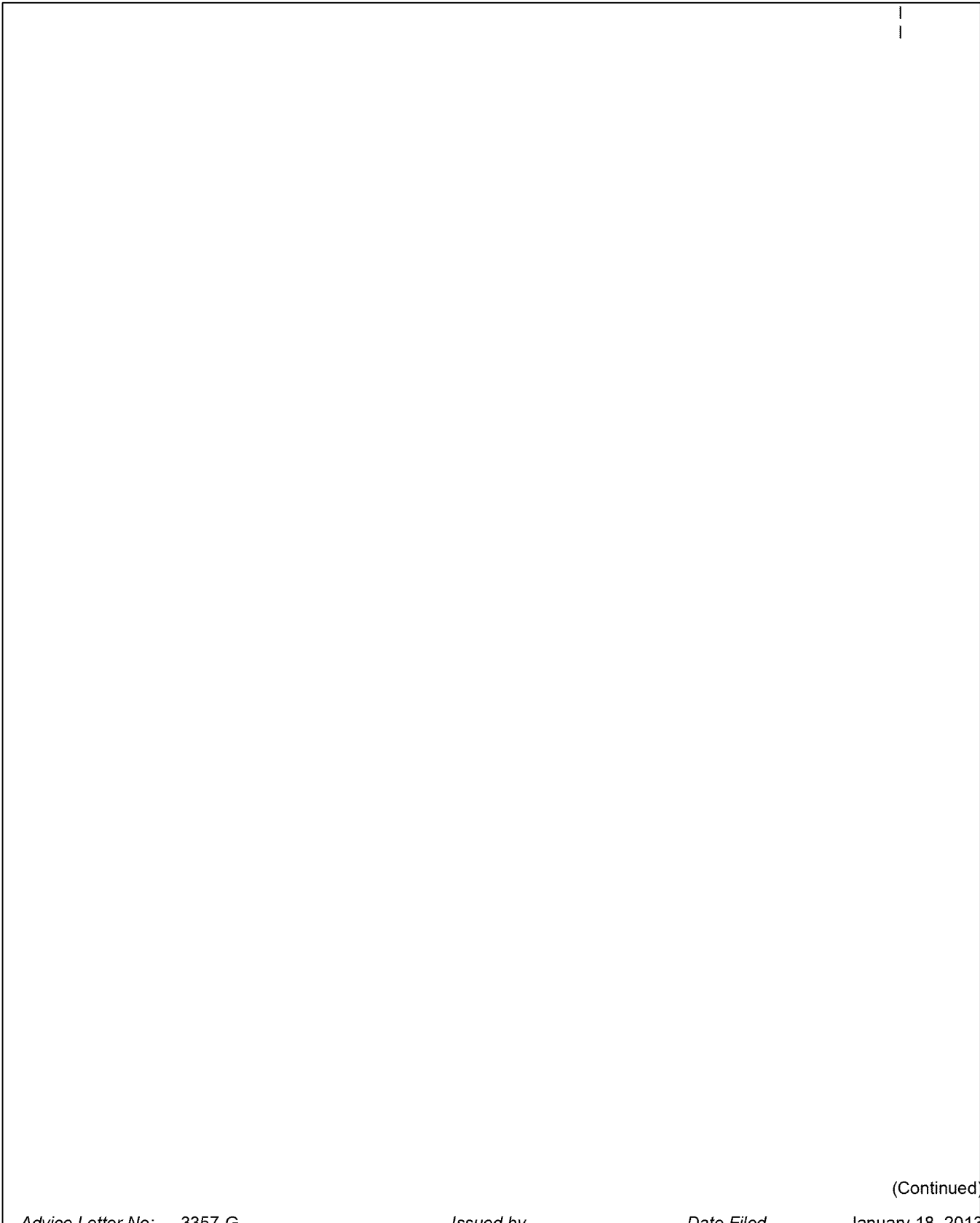
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Disposition of the balance in this subaccount shall be determined in the AGT at the end of (N)  
2014, or as otherwise authorized by the Commission.

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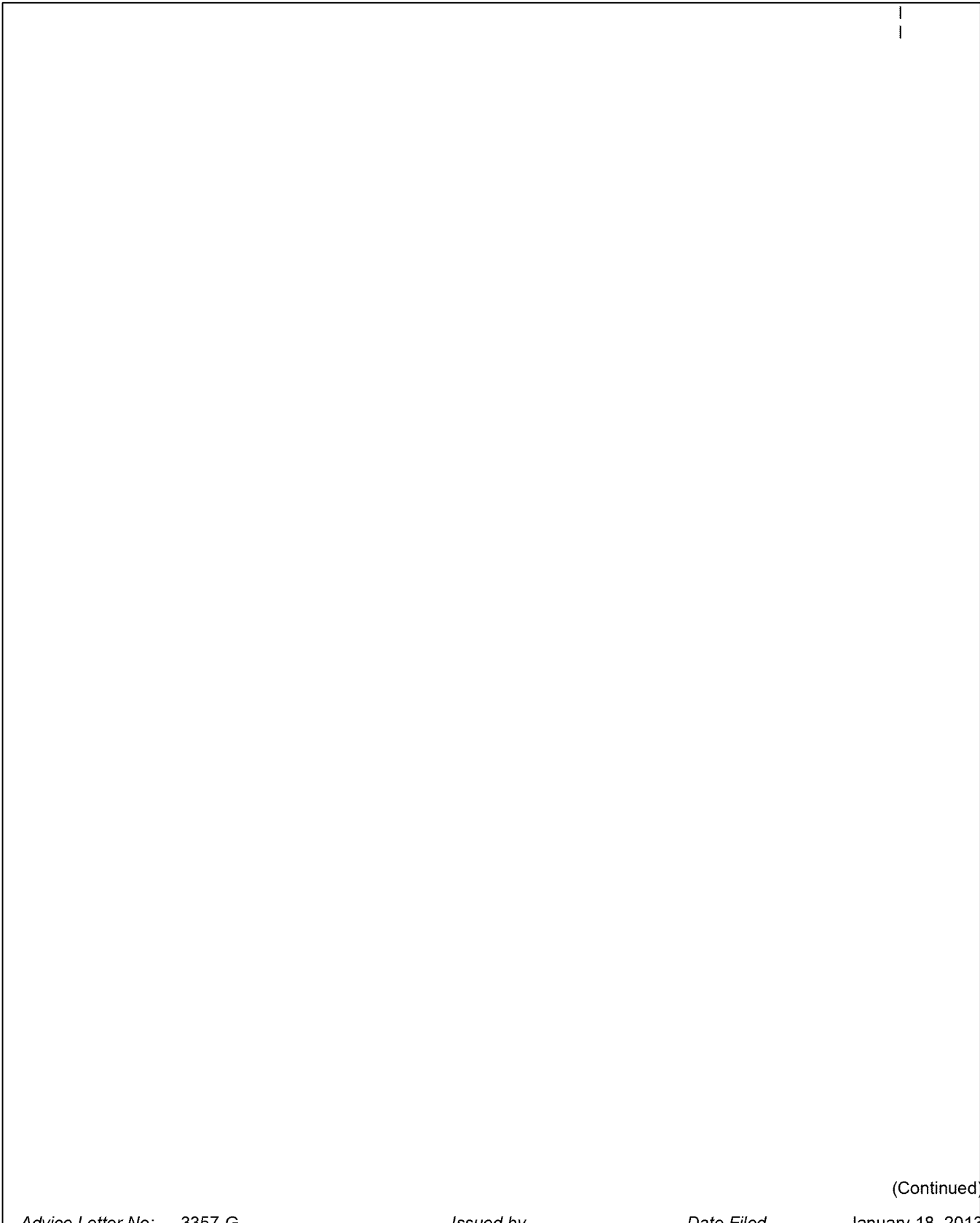




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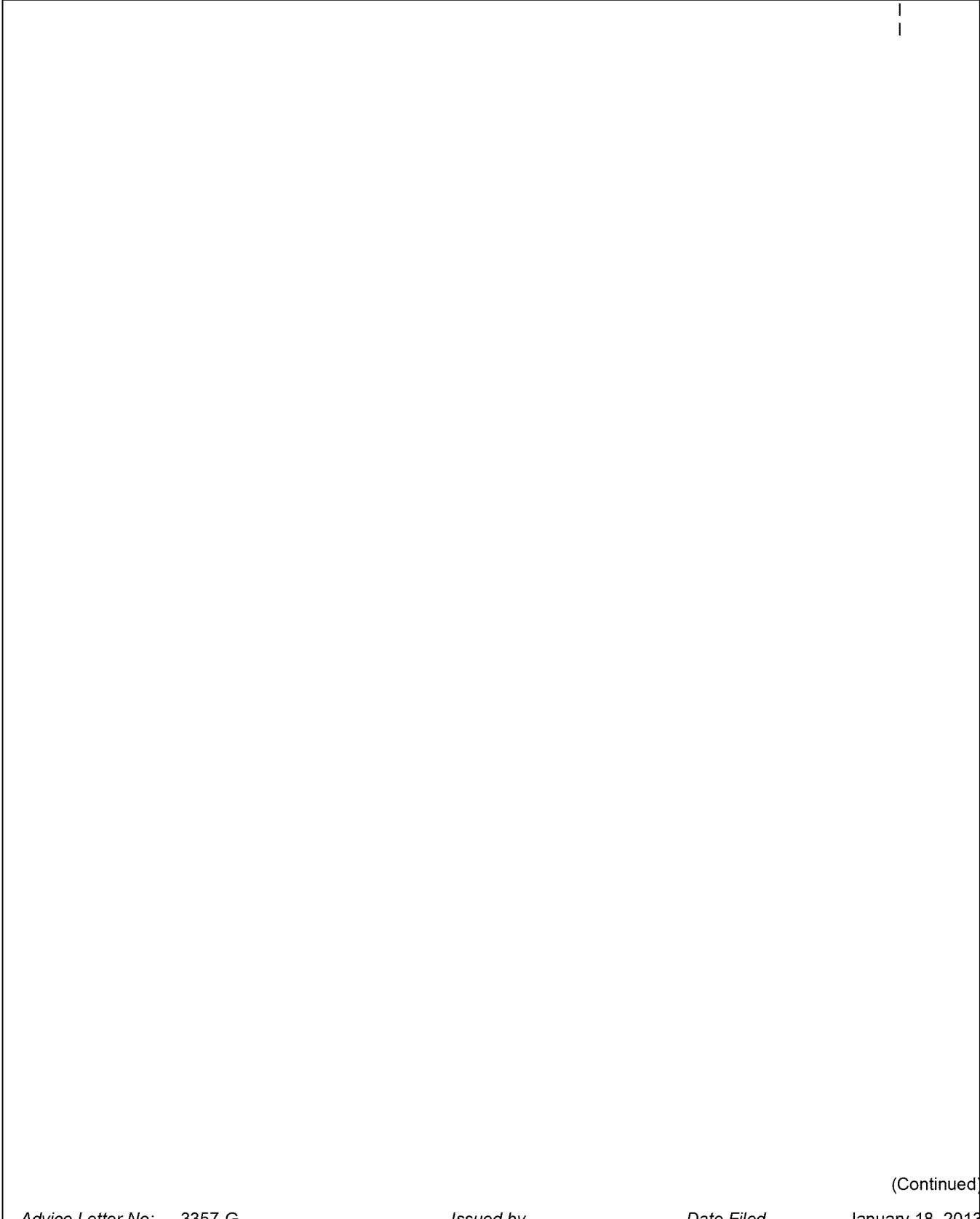
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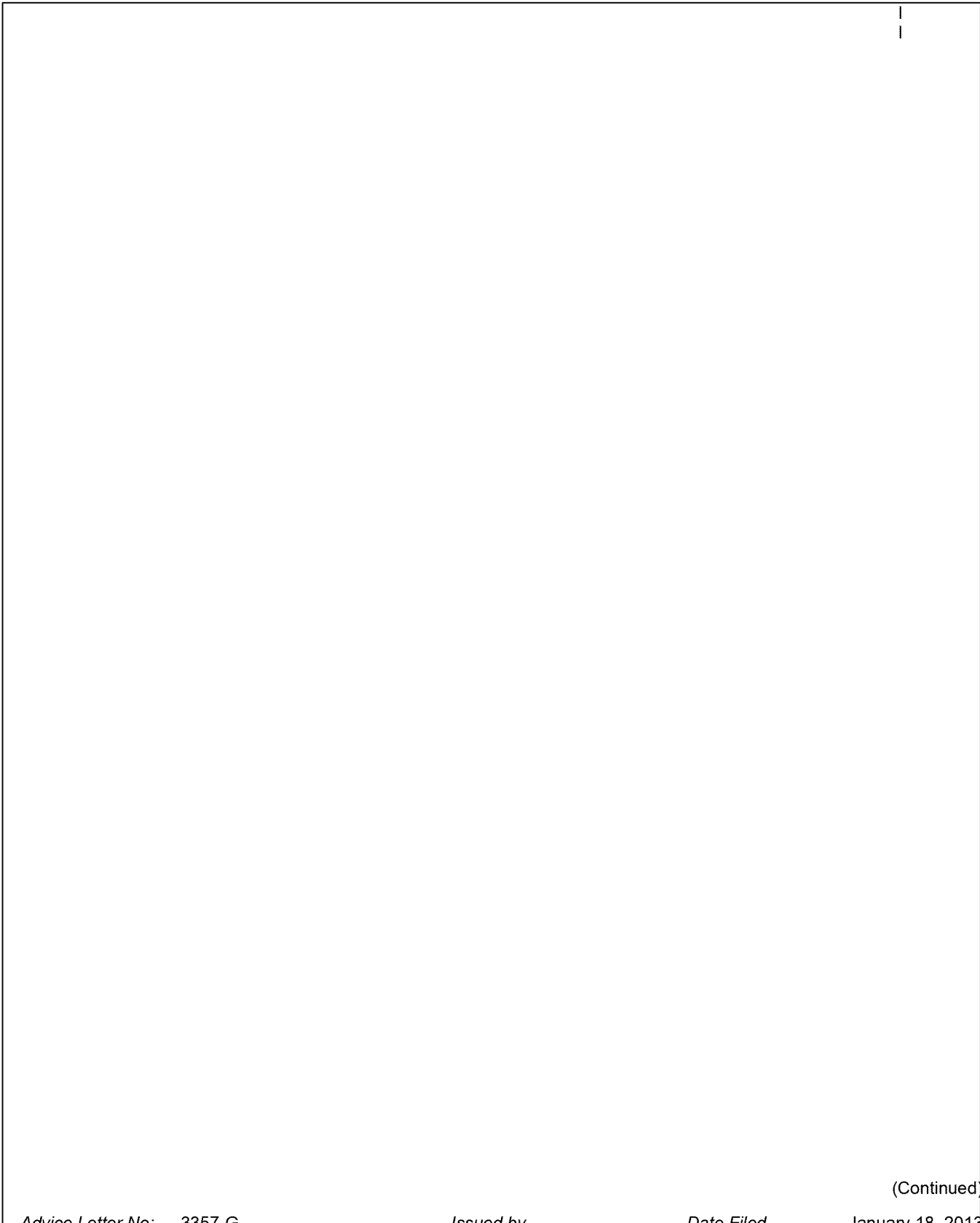
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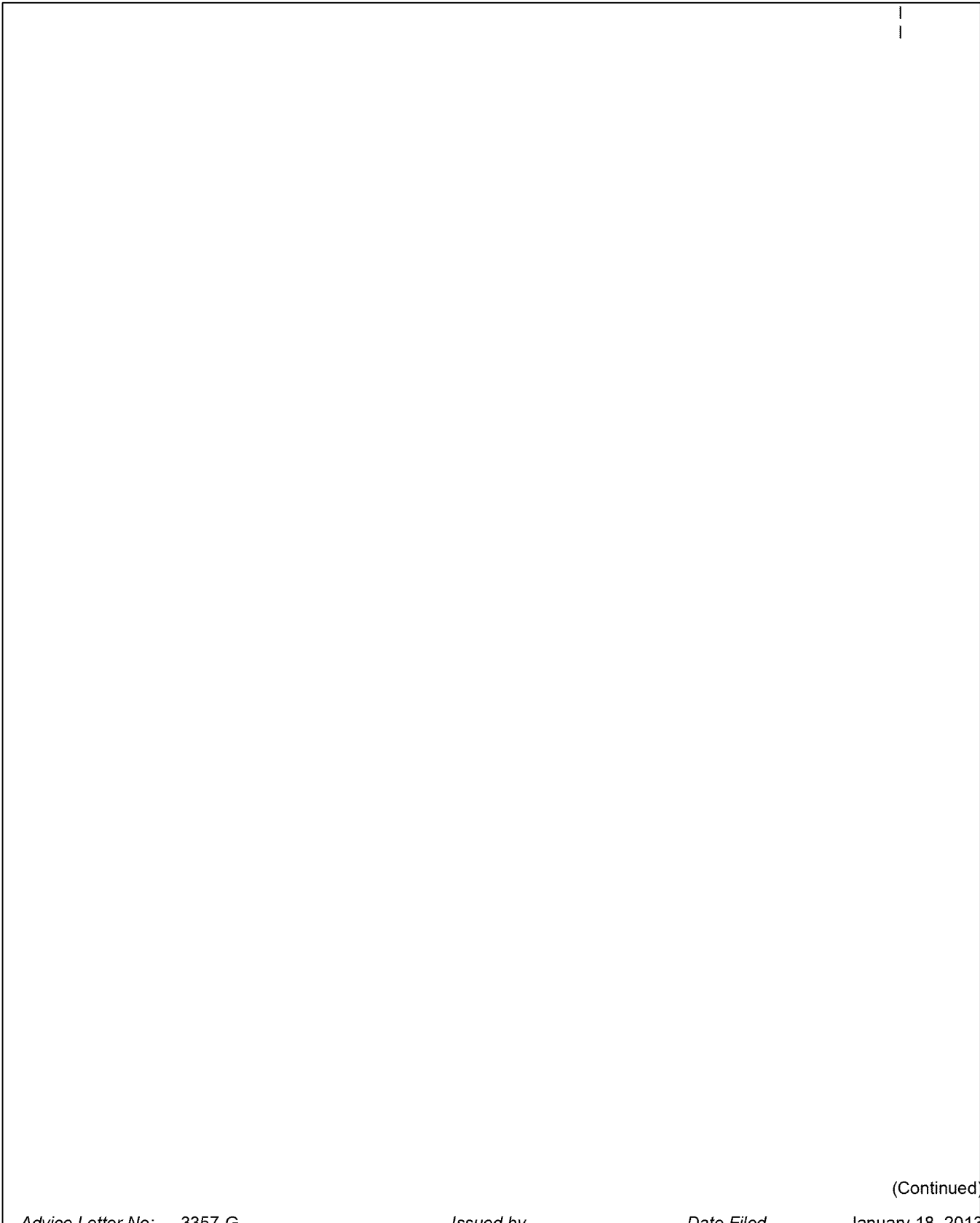


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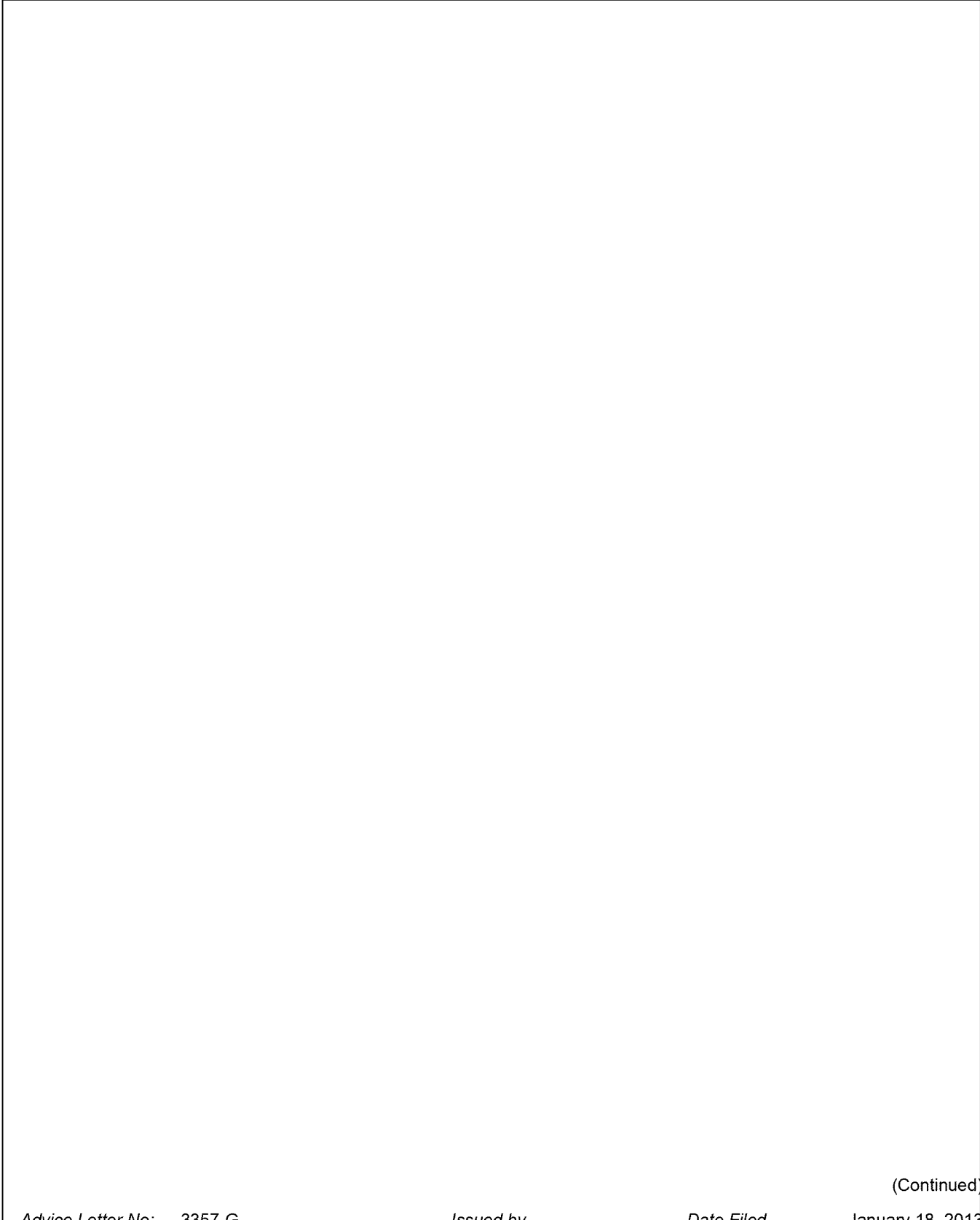


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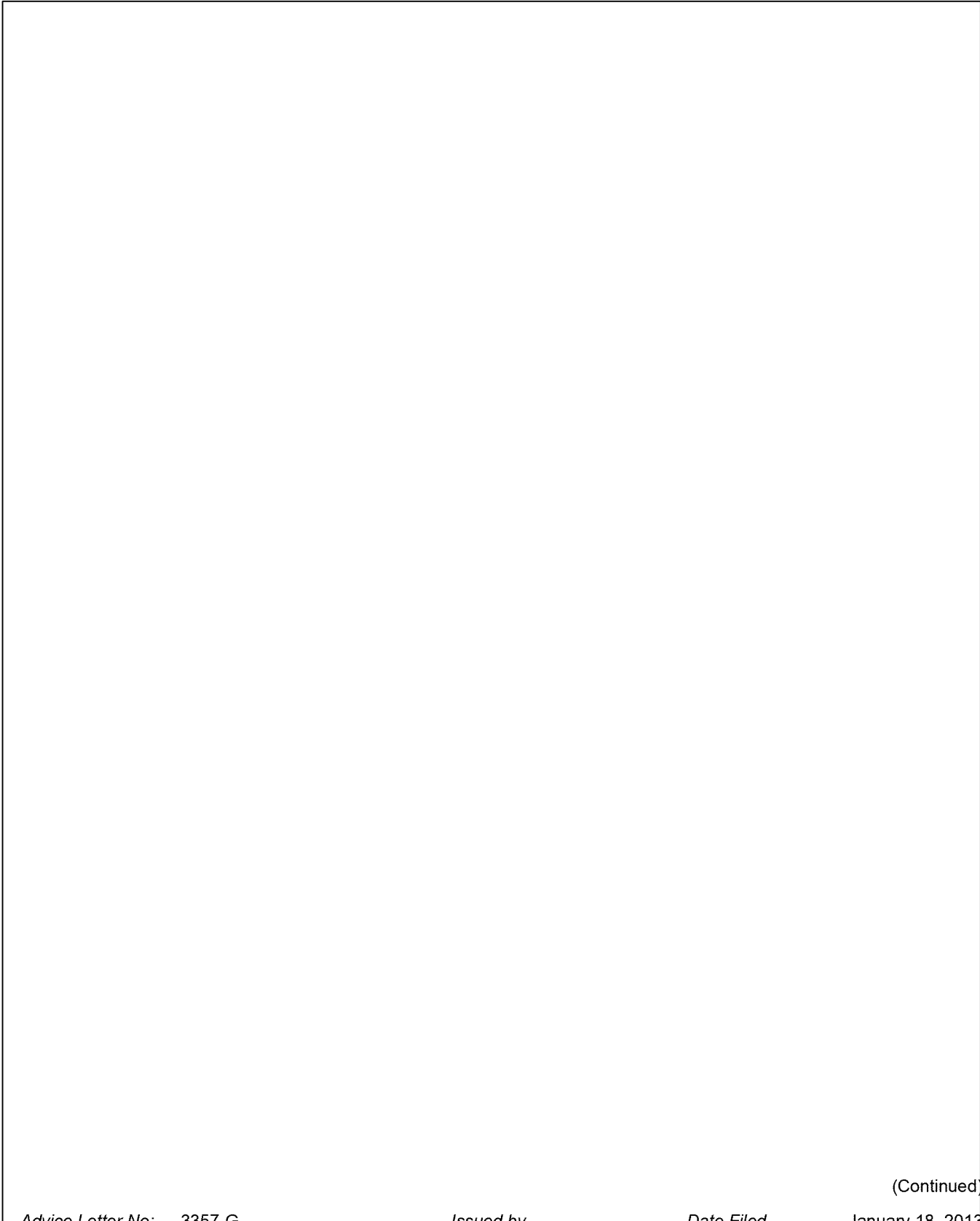
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**GAS PRELIMINARY STATEMENT PART CW**  
**GAS PIPELINE EXPENSE AND CAPITAL BALANCING ACCOUNT**

Sheet 2 (N)  
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GAS PIPELINE EXPENSE AND CAPITAL BALANCING ACCOUNT (GPECBA) (N)

4. ACCOUNTING PROCEDURE (Cont'd.) (N)

I. CPUC Reimbursement Subaccount

The following monthly entries shall be made to this subaccount, as applicable:

- a. A debit entry equal to the reimbursements the CPUC or others designated by the CPUC;
- b. A credit entry to transfer the annual balance to the CFCA and NCA at 59.5% and 40.5%, respectively, for recovery in rates;
- c. A debit or credit entry equal to the interest on the average balance in the account at the beginning of the month and the balance after the above entry, 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.

II. Program Expense and Capital Subaccount

The following monthly entries shall be made to the subaccount, as applicable:

- a. A credit entry equal to one-twelfth of the annual revenue requirements, excluding the allowance for Franchise Fees and Uncollectible Accounts expense (FF&U), adopted in D.12-12-030, and any amounts subsequently authorized by the Commission;
- b. A debit entry equal to the actual expenses incurred for PG&E's Implementation Plan, including benefit burdens;
- c. A debit entry equal to the actual capital revenue requirements based on actual depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the in-service (after date of operation) capital costs incurred for Phase 1, and any subsequent phases of PG&E's Implementation Plan as authorized by the Commission, excluding FF&U;
- d. A debit entry to transfer any credit balance at December 31, 2014, to the Core Gas Pipeline Safety Balancing Account (59.5%) and Noncore Gas Pipeline Safety Balancing Account (40.5%);
- e. A debit or credit entry equal to the interest on the average balance in the account at the beginning of the month and the balance after the above entry, 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.

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