

From: Cadenasso, Eugene
Sent: 6/3/2013 10:17:15 AM
To: Redacted
Cc: Ramaiya, Shilpa R (/o=PG&E/ou=Corporate/cn=Recipients/cn=SRRd); Myers, Richard A. (richard.myers@cpuc.ca.gov)
Bcc:
Subject: RE: Preliminary Statement Part CW - Gas Pipeline Expense and Capital Balancing Account

Redacted

In addition to the edits sent on May 30, the balancing account should include this language from D.12.-12-030 Ordering Paragraph #6:

“The adopted expense and capital amounts for any program shall be reduced by the cost of any Implementation Plan project not completed and not replaced with a higher priority project. “

This sentence should replace PG&E’s language in the draft, which is overly broad (e.g., used “adjusted” instead of “reduced”).

Let me know if you have any questions.

Eugene

From: Cadenasso, Eugene
Sent: Thursday, May 30, 2013 2:32 PM
To: [Redacted]
Cc: Ramaiya, Shilpa R; Myers, Richard A.
Subject: RE: Preliminary Statement Part CW - Gas Pipeline Expense and Capital Balancing Account

[Redacted]

We have considered PG&E's response and have revised the document accordingly (Note that edits were also included on Sheet 2). Please review. Additionally, as requested before, please explain the term "net" in section 1, paragraph 2.

Also, because this review process might go beyond the initial suspension period, please provide me with written confirmation (e-mail is OK) that PG&E agrees to continue the suspension period.

Thank you.

Eugene

703-1214

From: [Redacted]
Sent: Monday, May 20, 2013 6:33 PM
To: Cadenasso, Eugene; Myers, Richard A.
Cc: Ramaiya, Shilpa R

Subject: Preliminary Statement Part CW - Gas Pipeline Expense and Capital Balancing Account

Eugene,

Thanks for reviewing PG&E's edits to the Gas Preliminary Statement Part CW, Gas Pipeline Expense and Capital Balancing Account (GPECBA). In general, we are agreeable to your proposed edits in (all capital letters represent Energy Division's suggested changes and red font represent PG&E's proposed edits) except for the changes as explained further below:

1. **Note 1**

Under the "PURPOSE" section, PG&E proposes to strike out the word "INCURRED" in the second sentence "The GPECBA records the differences to beginning December 20, 2012." Certain capital costs authorized in Attachment E, Ordering Paragraph (OP) 6 of Decision (D.) 12-12-030 were incurred *before* the date of issuance of the decision on 12/20/12. In pursuant to OP 5 of the same decision, only the RRQ calculated beginning 12/20/2012 is recorded to GPECBA.

2. **Note 2**

Under the second paragraph of "ACCOUNTING PROCEDURE" section, PG&E proposes to add in "or any amounts as authorized by the Commission in subsequent decisions" in the second sentence "The 2012-2014 adopted revenue requirement recorded in this subaccount...". This provision allows the recording of changes to the revenue requirements subsequently authorized by the Commission.

3. **Note 3**

Under the third paragraph of "ACCOUNTING PROCEDURE" section, PG&E proposes to strike out the phrase "AND THE ASSOCIATED REVENUE REQUIREMENT", and replaced the phrase "ACCOUNTED FOR" with "tracked" in the first sentence beginning with "COSTS ... FOR EACH AUTHORIZED PROGRAM WILL BE....SEPARATELY BY PROGRAM". Additionally, PG&E proposes to strike out the phrase "EACH OF" in the second sentence "Amounts in excess of the authorized expense ... related revenue requirement shall not be recorded". As explained in our email dated April 22, 2013, OP 6 limits the amounts recorded in this balancing account to those shown in the tables in Attachment E and that Table E-1

reflects the authorized 2012-2014 revenue requirement of \$299.2 million on an **aggregated** basis. Henceforth, costs are tracked by programs through SAP Orders and capped at the authorized levels detailed in Tables E2-E4. Revenue Requirements associated with these capped costs are aggregated and recorded in GPECBA, as directed by the decision.

4. **Note 4**

PG&E proposes to strike out the third sentence “REVENUES AND COSTS WILL BE TRUED-UP ON A PROGRAM-BY-PROGRAM BASIS WITH ANY UNSPENT FUNDS FOR AN AUTHORIZED PROGRAM RETURNED TO CUSTOMERS” under the “ACCOUNTING PROCEDURE” section. Both Gas Preliminary Statements CX and CY, Core Gas Pipeline Safety Balancing Account (CGPSBA) and Noncore Gas Pipeline Safety Balancing Account (NGPSBA), respectively, maintain subaccounts by the rate components of Backbone, Local Transmission and Storage. These rate components were authorized by the Commission in OP 4 of D.12-12-030. Because both CGPSBA and NGPSBA are maintained by rate components and not by programs, the true-up of revenues and costs on a program-by-program basis is not possible.

PG&E respectfully request Energy Division accepts our proposed edits described above. Please let me know if you'd like to schedule time to walk through these changes.

Thank you,

Redacted

Redacted

Pacific Gas and Electric Company

Regulatory Affairs

Proceedings and Rates

Manager

Redacted

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