



**ELECTRIC PRELIMINARY STATEMENT PART HZ**  
**PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA)**

Sheet 1

**HZ. PCIA UNDERCOLLECTION BALANCING ACCOUNT (PUBA)**

- 1. **PURPOSE:** The purpose of the PCIA Undercollection Balancing Account (PUBA) is to record the shortfall in revenues accruing from departing load customers when the cap in the PCIA rate is reached as authorized in Decision (D.) 18-10-019, issued in the Power Charge Indifference Amount (PCIA) Order Instituting Rulemaking (R.) 17-06-026. Starting in 2020, the cap of the PCIA rate is set at 0.5 cents per kWh more than the current cumulative system average rate per vintage. (T)

Pursuant to D.20-06-002, issued in the R.17-09-020, PCIA-eligible resources that are procured by the Central Procurement Entity (CPE) for recovery through the Centralized Local Procurement Subaccount of the New System Generation Balancing Account (NSGBA) and then are reclassified back to a vintage PCIA-resource at the end of the CPE contract term will be exempt from the PCIA rate cap. (N)

The PUBA is comprised of vintage subaccounts that track the PCIA obligation that accrues by customer vintage if the PCIA rate increase is capped at 0.5 cents per kWh. The PCIA obligation that accrues is a revenue shortfall and is derived by taking the difference between the uncapped PCIA rate by customer class for that vintage and the capped PCIA rate by customer class and vintage multiplied by the departing load usage, by class and vintage. The resulting PCIA obligations or revenue shortfalls will be recorded to PUBA.

Customers are assigned to vintages based on the timing of their departure. Customers that depart on or before June 30 of the current year are assigned the prior year as their customer vintage. Customers that depart on or after July 1 of the current year are assigned the current year as their customer vintage.

D.18-10-019 mandates a trigger mechanism to ensure that an undercollection or overcollection in the PUBA does not exceed 10 percent of a utility's forecast departing load PCIA revenues. (T)

- 2. **APPLICABILITY:** The PUBA shall apply to all customer classes, except for those specifically excluded by the Commission.
- 3. **REVISION DATES:** Disposition of the balance in the account shall be through the Annual Electric True-Up advice letter process, as authorized by the CPUC through the annual ERRA forecast proceeding, or as authorized through a separate application if the trigger is reached.
- 4. **RATES:** The PUBA does not have a rate component.
- 5. **ACCOUNTING PROCEDURES:** The PUBA consists of subaccounts by customer vintage year, beginning with 2009.

"Vintage Subaccounts" record and recover the PCIA obligation that accrues when PCIA rates by vintage are capped. Note that each year beginning with 2009 is a separate vintage subaccount.

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(N)

(N)

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(N)

5. ACCOUNTING PROCEDURES: (Cont'd.)

The following entries will be made to the Vintage Subaccounts at the end of each month, or as applicable, excluding an allowance for Revenue Fees and Uncollectible (RF&U) account expense:

- a. A debit/credit entry equal to the revenue shortfall/repayment attributable to the vintage subaccount, by customer class. The PUBA revenue shortfall is calculated by taking the difference between the uncapped vintage PCIA rates and the capped vintage PCIA rates by customer class multiplied by the departing customers' class specific load, by vintage. Corresponding credit/debit entries are mapped and recorded in the applicable Portfolio Allocation Balancing Account (PABA) vintage subaccount, Electric Preliminary Statement Part HS, based on the incremental revenue shortfall rates, by resource vintage.
- a. An entry equal to 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.

(N)

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Advice 5624-E  
Decision 18-10-019

Issued by  
**Robert S. Kenney**  
Vice President, Regulatory Affairs

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Resolution