



GAS PRELIMINARY STATEMENT PART DK
Shareholder-Funded Gas Transmission Safety Account (SFGTSA)

Sheet 1

(N)
(N)

DK. Shareholder-Funded Gas Transmission Safety Account

(N)

1. **PURPOSE:** The purpose of the Shareholder-Funded Gas Transmission Safety Account (SFGTSA) is to record PG&E's shareholder obligation and track expenditures for designated safety-related projects or programs to be funded by shareholders as specified in decision (D.)15-04-024 and identified in the 2015 Gas Transmission and Storage Rate Case (GT&S), Application 13-12-012. Shareholders are required to fund \$850 million of safety-related projects/programs. The designated GT&S adopted forecast project/program amounts included in the subaccounts will be excluded from calculating the ratepayer-funded revenue requirement. Meeting the \$850 million PG&E shareholder obligation may extend to a PG&E GT&S proceeding subsequent to A.13-12-012.
2. **APPLICABILITY:** The SFGTSA is shareholder funded and not applicable to any customer classes.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined in a GT&S or any other rate case designated by the Commission.
4. **RATES:** The SFGTSA does not have a rate component.
5. **ACCOUNTING PROCEDURE:**

The SFGTSA consists of two subaccounts in which the total safety-related expenditures to be funded by shareholders total \$850 million.

The **SFGTSA Expense Subaccount** tracks designated safety-related expense projects/programs funded by PG&E shareholders. Shareholder funded expense projects/programs recorded in this subaccount may not exceed \$161.5 million. Shareholder expenditures that exceed the amount authorized by the Commission for each safety-related program or project will not be recorded to this sub-account. If shareholder spending is below the Commission authorized amount for a program or project, the actual amount of the shareholder spending will be recorded to the sub-account as a debit.

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Sheet 2

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DK. Shareholder-Funded Gas Transmission Safety Account (Cont'd.)

(N)

5. ACCOUNTING PROCEDURE (Cont'd.):

The **SFGTSA Capital Subaccount** tracks designated safety-related capital projects/programs funded by PG&E shareholders. The amount recorded in this subaccount must be at least \$688.5 million. Shareholder expenditures that exceed the amount authorized by the Commission for each safety-related program or project will not be recorded to this sub-account. If shareholder spending is below the Commission authorized amount for a program or project, the actual amount of the shareholder spending will be recorded to the sub-account as a debit.

If the adopted forecast expense projects/programs identified by the Commission in the GT&S is less than \$161.5 million, the difference between credit recorded in the Expense Subaccount and \$161.5 million will be added to the amounts to be funded by shareholders in the Capital Subaccount so that the initial credits to the two subaccounts total \$850 million.

If total shareholder spending on expense projects/programs is less than the full amount designated for funding through the Expense Subaccount, then the underspent amount will be transferred to the Capital Subaccount resulting in a corresponding increase in the shareholder's obligation to fund capital projects/programs.

The combined total amount debited to the subaccounts is to be \$850 million.

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Advice 3596-G-A
Decision G-3509

Issued by
Steven Malnight
Senior Vice President
Regulatory Affairs

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Resolution G-3509



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Sheet 3

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DK. Shareholder-Funded Gas Transmission Safety Account (Cont'd.)

(N)

5. ACCOUNTING PROCEDURE (Cont'd.):

A. SFGTSA Expense Subaccount

Effective January 1, 2015, PG&E will maintain the SFGTSA Expense Subaccount by making the following entries to this account, as appropriate:

- 1) A credit entry equal to the adopted forecast for each designated safety-related expense projects/programs to be funded by shareholders;
- 2) A debit entry equal to actual expenses incurred for each designated safety-related project/program up to the adopted amount for each project/program recorded in Accounting Procedure 5.A.1. The total debited amount is not to exceed \$161.5 million;
- 3) A debit entry equal to the amount of shareholder underspending on expense projects/programs transferred to the Capital Subaccount.

B. SFGTSA Capital Subaccount

Effective January 1, 2015, PG&E will maintain the SFGTSA Capital Subaccount by making the following entries to this account, as appropriate:

1. A credit entry equal to the adopted forecast for each designated safety-related capital project/program to be funded by shareholders;
2. A credit entry equal to the adopted forecast of each additional designated safety-related capital projects/programs to be funded by the amount transferred from the Expense Subaccount under Accounting Procedure 5.A.3;
3. A debit entry equal to actual capital expenditures for each designated safety related capital project/program up to the adopted amount for each project/program recorded in Accounting Procedure 5.B.1 and 5.B.2. The total debited amount is not to be less than \$688.5 million.

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