Revised Cancelling Revised Cal. P.U.C. Sheet No. Cal. P.U.C. Sheet No.

47091-E 43459-E

Sheet 1

## ELECTRIC PRELIMINARY STATEMENT PART CQ MODIFIED TRANSITION COST BALANCING ACCOUNT

## CQ. MODIFIED TRANSITION COST BALANCING ACCOUNT (MTCBA)

 PURPOSE: The purpose of the MTCBA is to record ongoing transition costs associated with procurement, and other costs as authorized by the Commission as defined by the Public Utilities Code Section 367(a)(1)-(6), known as the statutory method. PG&E is authorized to consolidate the ongoing CTC subaccounts for bundled and direct access customers (DA), community choice aggregation (CCA) municipal departing load (MDL), and customer generation departing load (CGDL).

Pursuant to Decision (D.) 20-06-002 issued in the Generation Resource Adequacy Rulemaking, (R.) 17-09-020, on Central Procurement, the Commission determined that PG&E contracts can be procured by the Central Procurement Entity (CPE) and be reclassified to be recovered through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA) for the term of the CPE contract. At the end of the CPE contract term, the contract resource would be reclassified back to its original cost recovery mechanism, which in the case of ongoing CTC-eligible resources would the MTCBA.

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- 2. APPLICABILITY: The MTCBA shall apply to all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those rate schedules and contracts specifically excluded by the Commission.
- REVISION DATE: Disposition of amounts in this account shall be determined through the advice letter process.
- 4. RATE: The MTCBA rates are referred to as Competition Transition Charge rates and are set forth in each electric rate schedule. The CTC rates are composed of the ongoing CTC rates using the statutory method, applicable to bundled, DA, and DL customers.
- ACCOUNTING PROCEDURE: PG&E shall make entries to the MTCBA at the end of each month, or as applicable, excluding the allowance for Revenue Fees and Uncollectible (RF&U) Accounts expense, as follows:
  - a. A credit entry equal to the revenue from the ongoing CTC rate component from bundled, DA, CCA, MDL, and CGDL customers during the month.
  - b. A debit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share of costs associated with any buy-out, buy-down, renegotiation, or termination of Qualifying Facility (QF) contracts and settlements or judgments related to QF power purchase agreements.
  - c. A debit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share often percent of the total net-present-value of the ratepayer benefits from a restructured QF contract, at the time the restructured contract is signed.
  - d. A debit or credit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share upon Commission approval of a restructured contract to true-up for any difference between the initial net present value (Item 5.c above), and the final Commission-approved net present value of the restructured QF contract.

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Sheet 2

## ELECTRIC PRELIMINARY STATEMENT PART CQ MODIFIED TRANSITION COST BALANCING ACCOUNT

## CQ. MODIFIED TRANSITION COST BALANCING ACCOUNT (MTCBA)

5. ACCOUNTING PROCEDURE: (Cont'd.)

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- e. A credit entry equal to bundled, DA, CCA, MDL, and CGDL customers' share of the revenue received from the sale of excess sulfur dioxide emission credits, less reasonably incurred sales costs not already recovered in rates (D.97-11-074, Section 11.7.3).
- f. A debit entry equal to the total contract costs associated with QF obligations, including irrigation district and other purchase power contracts eligible for recovery as an ongoing CTC, excluding ongoing CTC-eligible resource costs that have been procured by the Central Procurement Entity (CPE) for recovery through the New System Generation Charge (NSGC) and recorded to the Centralized Local Procurement Subaccount (CLPSA) of the New System Generation Balancing Account (NSGBA).

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g. A debit or credit entry equal to the net CAISO charges or revenues for energy associated with generating resources recovered in the MTCBA, excluding charges or credits for energy associated with CTC-eligible resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA. (T) | (T)

h. A debit or credit entry equal to the net charges or revenues for miscellaneous CAISO charges/credits associated with generating resources recovered in the MTCBA, excluding charges or credits for miscellaneous associated with CTC-eligible resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA.

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 A debit or credit entry equal to the net charges or revenues for ancillary services associated with generating resources recovered in the MTCBA, excluding charges or credits for ancillary services associated with CTC-eligible resources procured by the CPE for recovery through the NSGC and recorded to the CLPSA of the NSGBA.

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- j. A credit entry equal to the Retained Renewable Portfolio Standard (RPS) Value, determined using the most current Commission-adopted RPS Adder. A corresponding debit entry equal to Retained RPS Value is recorded in ERRA.
- k. A debit or credit entry to true-up the Retained RPS Value, determined using the Forecast RPS Adder to the Retained RPS Value using the Final RPS Adder. A corresponding credit or debit entry equal to the true-up of the Retained RPS Value is recorded in ERRA.
- A credit entry equal to the Retained Resource Adequacy (RA) Value, determined using the
  most current Commission-adopted RA Adder. A corresponding debit entry equal to imputed
  costs for RA is recorded in ERRA.
- m. A debit or credit entry to true-up the Retained RA Value, determined using the Forecast RA Adder to the Retained RPS Value using the Final RA Adder. A corresponding credit or debit entry equal to the true-up of the Retained RA Value is recorded in ERRA.
- A debit or credit entry equal, as appropriate, to record transfer of amounts to or from other accounts as approved by the CPUC.
- An entry equal to the interest on the average balance of the subaccount at the beginning of the month and the balance after the entries above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor.