



**ELECTRIC PRELIMINARY STATEMENT PART GJ**  
**MAJOR EMERGENCY BALANCING ACCOUNT (MEBA)**

Sheet 1

GJ. Major Emergency Balancing Account (MEBA)

1. **PURPOSE:** The purpose of the MEBA is to recover actual expenses and capital revenue requirements resulting from responding to major emergencies and catastrophic events not eligible for recovery through the Catastrophic Event Memorandum Account (CEMA). In some cases, costs relating to major emergencies that are found by the Commission not to be eligible for recovery through the CEMA process may be recoverable through the MEBA. The MEBA is a two-way balancing account that records the difference between actual and adopted expenses and capital revenue requirements.
2. **APPLICABILITY:** The MEBA shall apply to all customer classes, except for those schedules or contracts specifically excluded by the Commission.
3. **REVISION DATE:** Disposition of the balances in this account shall be through the Annual Electric True-up advice filing through the Distribution Revenue Adjustment Mechanism (DRAM), or as otherwise authorized by the Commission.
4. **RATES:** The MEBA does not have a rate component.
5. **ACCOUNTING PROCEDURE:** PG&E shall maintain the MEBA by making entries to this account at the end of each month as follows:
  - a) A credit entry equal to one-twelfth of the adopted annual revenue requirements, excluding the allowance for Revenue Fees and Uncollectible (RF&U) accounts expense. (T)  
(T)
  - b) A debit entry equal to actual expenses incurred;
  - c) A debit entry equal to the capital-related revenue requirement, excluding Revenue Fees and Uncollectible (RF&U) accounts expense, related to the actual capital costs incurred. Capital-related revenue requirements include depreciation expense, the return on investment, federal and state income taxes, and property taxes associated with the costs (T)  
(T)
  - d) A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission, and
  - e) An entry equal to the interest on the average of the balance in this account at the beginning of the month and the balance in this account after the above entries at a rate equal to one-twelfth 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.