



ELECTRIC PRELIMINARY STATEMENT PART BK
TRANSMISSION REVENUE REQUIREMENT
RECLASSIFICATION MEMO ACCOUNT

Sheet 1

BK. TRANSMISSION REVENUE REQUIREMENT RECLASSIFICATION MEMORANDUM ACCOUNT (TRRRMA)

1. **PURPOSE:** The purpose of the TRRRMA is to: 1) record the revenue requirement associated with costs requested by PG&E for recovery in transmission rates that the Federal Energy Regulatory Commission (FERC) later deems to be non-transmission-related costs and, as such, does not allow to be included in transmission rates, and 2) record, as a credit to the TRRRMA, any revenue requirement associated with costs already included in non-transmission by the California Public Utilities Commission (Commission), but later included by FERC in transmission rates. The TRRRMA shall only include costs categorized by FERC to be non-transmission and only costs not disallowed by FERC or the Commission. The TRRRMA shall not include costs not eligible for recovery in the General Rate Case proceeding or Performance Based Ratemaking proceeding. Amounts tracked in the TRRRMA will be considered in a future Commission proceeding to determine the appropriateness of including these costs and credits in non-transmission rates.
2. **APPLICABILITY:** The TRRRMA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. **TRRRMA RATES:** The TRRRMA does not currently have a rate component.
4. **ACCOUNTING PROCEDURE:** PG&E shall maintain the TRRRMA by making entries at the end of each month as follows:
 - a. A debit entry equal to any expense, and/or capital-related revenue requirement in Docket Nos. ER97-2358-000, ER98-2351-000, ER99-2326-000 and ER99-4323-000 that FERC determines in a final decision to be non-transmission-related and not allowed in transmission rates. (T)
 - b. A credit entry equal to any revenue requirement in Docket Nos. ER97-2358-000, ER98-2351-000, ER99-2326-000 and ER99-4323-000 already included in non-transmission by the Commission but later included by FERC in transmission rates and therefore, should not be collected in the non-transmission revenue requirement. (T)
 - c. A debit or credit entry equal to the interest on the average of the balance at the beginning of the month and the balance after entries 4.a. and 4.b., 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, G.13 or its successor.

PG&E shall request recovery of the balance in the TRRRMA in the annual Revenue Adjustment Proceeding (RAP), or other proceeding expressly authorized by the Commission.