



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

Sheet 2

CQ. MODIFIED TRANSITION COST BALANCING ACCOUNT (MTCBA)

5. ACCOUNTING PROCEDURE: (Cont'd.)

- 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).
- 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.
- 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.
- i. 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.
- 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.
- l. 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.
- n. A debit or credit entry equal, as appropriate, to record transfer of amounts to or from other accounts as approved by the CPUC.
- o. 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. Effective January 1, 2026, the monthly interest rate equals the sum of 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, plus one-twelfth of the yield spread adjustment to the Commercial Paper Rate as authorized by the Commission, as defined in Electric Preliminary Statement Part H for electric accounts or Gas Preliminary Statement Part S for gas accounts.

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