ELECTRIC PRELIMINARY STATEMENT PART H Sheet 1
INTEREST

H. INTEREST:

No interest will be paid by the Utility unless it is specifically provided for in the tariff schedules, or ordered by the Public Utilities Commission, except as otherwise provided by Federal Public Law 97-177.

Unless otherwise defined or excluded, interest is calculated monthly on the average balance in electric balancing and memorandum accounts (see the electric preliminary statement tariff schedules), at a rate equal to 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, or as otherwise authorized by the Commission. 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 over the Commercial Paper Rate as authorized by the Commission. (N)

YIELD SPREAD ADJUSTMENT – The amount above the commercial paper rate authorized by the Commission. The currently authorized yield spread adjustment is 125 basis points, or 1.25 percent. (N)