



ELECTRIC PRELIMINARY STATEMENT PART IB Sheet 1
GENERAL RATE CASE ELECTRIC MEMORANDUM ACCOUNT (GRCEMA) (T)

IB. GENERAL RATE CASE ELECTRIC MEMORANDUM ACCOUNT (GRCEMA) (T)

1. PURPOSE: The purpose of the General Rate Case Electric Memorandum Account (GRCEMA) is to record the electric distribution and generation under or overcollections resulting from a final GRC decision that is approved after the effective date of the adopted revenue requirements. Pursuant to decision (D.) 22-06-033, the GRCEMA records the difference between the final adopted 2023 GRC revenue requirements and the placeholder revenue requirements incorporated into rates on January 1, 2023. Note that the below accounting procedures will be expanded to include 2024 GRC revenue requirements if a final decision is approved in 2024. (T)

2. APPLICABILITY: The GRCEMA shall apply to all customer classes, except for those specifically excluded by the Commission. (T)

3. REVISION DATES: Disposition of the balances in the account are detailed in the subaccount descriptions. (T)

4. RATES: The GRCEMA does not have a separate rate component.

5. ACCOUNTING PROCEDURE: The GRCEMA consists of the following two subaccounts: (T)

ELECTRIC DISTRIBUTION SUBACCOUNT: The purpose of the Electric Distribution Subaccount is to record the under or overcollection resulting from the difference between the adopted 2023 GRC revenue requirement and corresponding placeholder revenue requirement included in rates on January 1, 2023. Disposition of the balance in this subaccount shall be through the Distribution Revenue Adjustment Mechanism (DRAM). (T)

GENERATION SUBACCOUNT: The purpose of the Generation Subaccount is to record the under or overcollection resulting from the difference between the adopted 2023 GRC revenue requirement and corresponding placeholder revenue requirement included in rates on January 1, 2023. Disposition of the balance in this subaccount shall be through the Portfolio Allocation Balancing Account (PABA) and Energy Resource Recovery Account (ERRA), as applicable. (T)

a) Electric Distribution Subaccount

The following entries will be recorded to the Electric Distribution Subaccount, including Revenue Fees & Uncollectibles (RF&U), upon implementation of a final 2023 GRC, or monthly as applicable: (T)

1) A one-time debit entry equal to the adopted annual 2023 GRC electric distribution revenue requirement, prorated monthly beginning January 1, 2023 until the final 2023 GRC decision is implemented; (T)

2) A one-time credit entry equal to the annual electric distribution placeholder revenue requirement included in rates on January 1, 2023, prorated monthly until the final 2023 GRC decision is implemented; (T)

3) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and

4) An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, 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.

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ELECTRIC PRELIMINARY STATEMENT PART IB Sheet 2
GENERAL RATE CASE ELECTRIC MEMORANDUM ACCOUNT (GRCEMA) (T)

IB. GENERAL RATE CASE ELECTRIC MEMORANDUM ACCOUNT (GRCEMA) (Cont'd.) (T)

5. ACCOUNTING PROCEDURE: The GRCEMA consists of the following two subaccounts (Cont'd):

b) Generation Subaccount

The following entries will be made to the Generation Subaccount, excluding RF&U, upon implementation of a final 2023 GRC decision, or monthly as applicable: (T)

- 1) A one-time debit entry equal to the adopted annual 2023 generation revenue requirement, prorated monthly beginning January 1, 2023 until the final 2023 GRC decision is implemented; (T)
- 2) A one-time credit entry equal to the annual placeholder generation revenue requirement included in rates on January 1, 2023, prorated monthly until the final 2023 GRC decision is implemented; (T)
- 3) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and (T)
- 4) An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, 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. (T)

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