



ELECTRIC PRELIMINARY STATEMENT PART JD Sheet 1
MICROGRID RESERVATION CAPACITY COMPONENT-STANDBY CHARGE SUSPENSION ACCOUNT (MSCSA) (N)

JD. Microgrid Reservation Capacity Component-Standby Charge Suspension Account (MSCSA) (N)

1. PURPOSE: The purpose of the Microgrid Reservation Capacity Component-Standby Charge Suspension Account (MSCSA) is to track the costs associated with the suspension of the capacity reservation component of the standby charge pursuant to Decision (D.) 21-07-011. The MSCSA is a two-way balancing account that consists of separate subaccounts to separately track the revenue shortfall from the suspension of the capacity reservation component of the standby charge, the revenue received from the Demand Assurance Amount, and the costs to implement the decision. (N)
2. APPLICABILITY: The MSCSA shall apply to all electric customer classes, except for those specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balances of the MSCSA will be in the distribution component of rates through the Distribution Revenue Adjustment Mechanism (DRAM) on an annual basis as part of PG&E's Annual Electric True-up (AET) advice letter filing.
4. RATES: The MSCSA does not have a rate component.
5. ACCOUNTING PROCEDURE: The MSCSA consists of the following subaccounts:

The Microgrid Reservation Capacity Component-Standby Charge Suspension Subaccount is a two-way balancing account that records the revenue shortfall on the capacity reservation charge that would have been collected had the customer(s) not been eligible for the suspension.

The Demand Assurance Amount Subaccount is a two-way balancing account that records the revenue received from the Demand Assurance Amount should a microgrid's generation fail or be insufficient to meet its demand, and the microgrid customer relies on the utility to keep the lights on for its customer in accordance with D.21-07-011.

The Implementation Costs Subaccount is a two-way balancing account that records actual incurred incremental expenses and capital-related revenue requirement related to the actual incremental capital costs incurred to implement D.21-07-011, including, but not limited to, billing system changes and administration of the new rate structure.

A. The Microgrid Reservation Capacity Component-Standby Charge Suspension Subaccount:

The following entries will be made each month, or as applicable, net of Revenue Fees and uncollectibles (RF&U):

1. A debit entry equal to the revenue shortfall on the capacity reservation charge that would have been collected had the customer(s) not been eligible for the suspension;
2. A debit or credit entry, as appropriate, to transfer the balance or amounts to the DRAM for true-up in rates; (N)

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ELECTRIC PRELIMINARY STATEMENT PART JD Sheet 2
MICROGRID RESERVATION CAPACITY COMPONENT-STANDBY CHARGE SUSPENSION ACCOUNT (MSCSA) (N)

JD. Microgrid Reservation Capacity Component-Standby Charge Suspension Account (MSCSA) (N)

A. The Microgrid Reservation Capacity Component-Standby Charge Suspension Subaccount (Cont'd): (N)

3. A debit or credit entry, as appropriate, equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount 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.

B. The Demand Assurance Amount Subaccount:

The following entries will be made each month, or as applicable, net of RF&U:

1. A credit entry equal to the revenue received from the Demand Assurance Amount;
2. A debit or credit entry, as appropriate, to transfer the balance or amounts to the DRAM for true-up in rates;
3. A debit or credit entry, as appropriate, equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount 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.

C. The Implementation Costs Subaccount:

The following entries will be made each month, or as applicable, net of RF&U:

1. A debit entry to the actual incurred incremental expenses to implement D.21-07-011;
2. A debit or credit entry, as appropriate, equal to the capital-related revenue requirement related to the actual incremental capital costs incurred to implement D.21-07-011. Capital-related revenue requirements include depreciation expense, return on investment, federal and state income taxes, and property taxes associated with the costs of installed equipment;
3. A debit or credit entry, as appropriate, to transfer the balance or amounts to the DRAM for true-up in rates;
4. A debit or credit entry, as appropriate, equal to the interest on the average of the balance in this subaccount at the beginning of the month and the balance in this subaccount 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.

(N)

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