



ELECTRIC PRELIMINARY STATEMENT PART IY
FIXED RECOVERY CHARGE BALANCING ACCOUNT (FRCBA)

Sheet 1

(N)
(N)

IY. Fixed Recovery Charge Balancing Account (FRCBA)

(N)

1. PURPOSE:

(N)

The purpose of the FRCBA is to record the benefits and costs associated with Recovery Bonds that are not recovered from or provided to customers through the Fixed Recovery Charge or Customer Credit to charge those costs to or return those benefits to customers. Recovery Bonds are authorized by the Commission in D.21-05-015 to provide the funds necessary to allow for the recovery of costs in accordance with Article 5.8 of the Public Utilities Code.

2. REVISION DATE:

Disposition of the amounts in the FRCBA shall be determined in the Annual Electric True-up (AET) Advice Letter, or any other proceeding as authorized by the Commission. Any balance in the FRCBA shall be transferred to the Distribution Revenue Adjustment Mechanism (DRAM).

3. FRCBA Rates:

The FRCBA does not have a rate component.

4. TIME PERIOD:

The FRCBA will become effective with the issuance of the first Recovery Bonds and will expire after all Recovery Bonds are fully repaid and any remaining balance is returned to or recovered from customers.

5. ACCOUNTING Procedures: PG&E shall maintain the FRCBA by making entries at the end of each month as follows:

- a. A debit entry equal to federal income and state franchise tax accruals on net revenues (i.e., the Fixed Recovery Charge minus the Customer Credit) received to fund the Recovery Bond repayment and the Customer Credit.
- b. A debit entry equal to the estimated Revenue Fees and Uncollectibles (RF&U) requirements on the Fixed Recovery Charge revenues received from customers.
- c. A credit entry equal to the estimated RF&U requirements on the Customer Credit returned to customers.
- d. An entry equal to interest on the average balance in the FRCBA at the beginning of the month and the balance 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.
- e. A debit or credit entry, as applicable, to transfer the December 31 balance in the FRCBA to DRAM in conjunction with the AET submittal.

(N)

(Continued)

