



ELECTRIC PRELIMINARY STATEMENT PART JK
COST OF CAPITAL MEMORANDUM ACCOUNT - ELECTRIC (COCMA-E)

Sheet 1

(N)
(N)

JK. COST OF CAPITAL MEMORANDUM ACCOUNT – ELECTRIC (COCMA-E)

(N)

1. PURPOSE: The purpose of the Cost of Capital Memorandum Account (COCMA) is to track, starting on January 1, 2022, the difference between the revenue requirement resulting from the current authorized Cost of Capital (COC) and the revenue requirement resulting from the final COC adopted in the Commission decision on the 2022 COC Application (A.) 21-08-015 (2022 COC Application).
2. APPLICABILITY: The COCMA shall apply to all customer classes, except for those specifically excluded by the Commission.
3. REVISION DATES: Disposition of the balances in the account will be through the Annual Electric True-Up advice letter, or as authorized by the Commission.
4. RATES: The COCMA does not have a separate rate component.
5. ACCOUNTING PROCEDURE: The COCMA consists of the following two subaccounts:

(N)

ELECTRIC DISTRIBUTION SUBACCOUNT: The purpose of the Electric Distribution Subaccount is to record the difference between the electric distribution revenue requirement resulting from the current authorized COC in effect on January 1, 2022 and the electric distribution revenue requirement resulting from the final COC adopted in the Commission decision on the 2022 COC Application. Disposition of this subaccount will be through the DRAM.

GENERATION SUBACCOUNT: The purpose of the Generation Subaccount is to record the difference between the electric generation revenue requirement resulting from the current authorized COC in effect on January 1, 2022 and the generation revenue requirement resulting from the final COC adopted in the Commission decision on the 2022 COC Application. Disposition of this subaccount will be through the PABA and the ERRRA, as applicable.

a) ELECTRIC DISTRIBUTION SUBACCOUNT

The following entries will be made to the Electric Distribution Subaccount upon the issuance of a final decision in the 2022 COC Application, at the end of each month, or as applicable:

- 1) A debit entry equal to the annual cost of capital revenue requirement for electric distribution based on the authorized rate base in the GRC and the rate of return on rate base adopted in the Commission decision on the 2022 COC Application, prorated monthly until the final COC decision is implemented;
- 2) A credit entry equal to the annual cost of capital revenue requirement in effect on January 1, 2022, prorated monthly until the final COC decision is implemented;
- 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, or as otherwise authorized by the Commission.

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Decision 21-12-029

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted
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December 29, 2021
January 1, 2022



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Sheet 2

(N)

(N)

b) GENERATION SUBACCOUNT

(N)

The following entries will be made to the Generation Subaccount upon the issuance of a final decision in the 2022 COC Application, at the end of each month, or as applicable:

- 1) A debit entry equal to the annual cost of capital revenue requirement for generation based on the authorized rate base in the GRC and the rate of return on rate base adopted in the Commission decision on the 2022 COC Application, prorated monthly until the final COC decision is implemented;
- 2) A credit entry equal to the annual cost of capital revenue requirement in effect on January 1, 2022, prorated monthly until the final COC decision is implemented;
- 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, or as otherwise authorized by the Commission.

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