

PRELIMINARY STATEMENT

(Continued)

13. MEMORANDUM ACCOUNTS (Continued)

U. Infrastructure Investment and Jobs Act Memorandum Account (IJAMA)

(N)

Pursuant to Resolution E-5254, dated April 6, 2023, the California Public Utilities Commission (Commission) authorized the framework and procedures as to how the Electric and Gas Investor-Owned Utility (IOUs) should seek cost recovery for match funding and tax liabilities pursuant to any funds received from the federal Infrastructure Investment and Jobs Act (IIJA) Clean Energy Infrastructure Grants Programs administered by the US Department of Energy (DOE), the federal Inflation Reduction Act (IRA), and the federal Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS).

1. PURPOSE

The purpose of the IJAMA is to record incremental costs associated with match funding for any projects seeking and/or awarded federal funding, including incremental costs incurred during the development and preparation of applications for such funding. In addition, the IJAMA will record the tax impacts of the federal grant awards, which should include not only the tax liabilities related to federal grand awards, but also related tax benefits such as the impact of depreciation.

The IJAMA shall consist of two subaccounts as follows:

1. IIJA Cost Subaccount – This Subaccount will record incremental costs associated with match funding for any projects seeking and/or awarded federal funding.
2. IIJA Tax Subaccount – This Subaccount will record the tax impacts of the federal grant awards funding and any related tax benefits such as the impacts of depreciation.

2. APPLICABILITY

The IJAMA applies to all customer classes except those excluded by the Commission.

3. ACCOUNTING PROCEDURES

Liberty shall maintain the IIJA Cost Subaccount by recording entries, subject to the applicable net-to-gross (NTG) multiplier, at the end of each month as follows:

- a. A debit entry equal to costs associated with actual operation and maintenance (O&M) costs and capital-related costs (e.g. depreciation and non-income taxes) associated with match funding for any projects seeking and/or awarded federal funding, including incremental costs incurred for the development and preparation of applications for such funding;
- b. An entry equal to reflect any transfers to other regulatory accounts for recovery in rates, as authorized by the Commission;
- c. Interest shall accrue to the IJAMA on a monthly basis by applying a rate equal to one-twelfth of the three-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

(N)

Issued by

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Edward Jackson

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Name

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President

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Title

Resolution No. E-5254

PRELIMINARY STATEMENT

(Continued)

13. MEMORANDUM ACCOUNTS (Continued)

U. Infrastructure Investment and Jobs Act Memorandum Account (IJAMA) (continued) **(N)**

3. ACCOUNTING PROCEDURES (continued)

Liberty shall maintain the IJJA Tax Subaccount by recording entries, subject to the applicable NTG multiplier, at the end of each month as follows:

- a. A debit entry or credit entry equal to the tax impacts of the federal grant awards, including any related tax benefits;
- b. An entry to amortize and/or transfer the balance in this subaccount in conformity with federal normalization requirements, and as authorized by the Commission;
- c. An entry to record the interest on the average balance at the beginning of the month and the balance after the entries above, 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.

4. EFFECTIVE DATE

The IJAMA shall be effective on April 6, 2023.

5. DISPOSITION

Disposition of amounts recorded in the IJAMA shall be determined in a subsequent rate-setting filing authorized by the Commission.

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