



**ELECTRIC PRELIMINARY STATEMENT PART GU  
Z-FACTOR MEMORANDUM ACCOUNT**

Sheet 1

GU. Z-Factor Memorandum Account (ZFMA-E)

1. **PURPOSE:** The purpose of the Z-Factor Memorandum Account (ZFMA-E) is to track costs associated with events that are potential "Z-Factors." Z-Factors are exogenous and unforeseen events largely beyond PG&E's control that have a material impact on PG&E's costs (See D. 14-08-032, OP 41.) Each Z-Factor event is subject to a \$10 million deductible.
2. **APPLICABILITY:** The ZFMA shall apply to all customer classes, except for those specifically excluded by the Commission. (T)
3. **REVISION DATES:** Disposition of the balance in this account will be determined in an application or any other proceeding as authorized by the CPUC.
4. **RATES:** The ZFMA does not have a separate rate component.
5. **ACCOUNTING PROCEDURE:** The following entries, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense, will be made each month, as applicable:
  - a. A debit entry equal to the actual Z-Factor costs related to the corresponding event incurred for the current month.
  - b. An entry to transfer amounts to or from other accounts as authorized by the Commission.
  - c. An entry equal to the 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.