Preliminary Statement
Shell Agreement Memorandum Account

FFF. SHELL AGREEMENT MEMORANDUM ACCOUNT (N)

Bear Valley Electric Service, Inc. ("BVES") shall maintain the Shell Agreement Memorandum Account ("SAMA").

1. PURPOSE
The purpose of the SAMA is to track the unrealized gains and losses otherwise imputed to the Shell Agreement as a consequence of complying with Accounting Standards Codification ("ASC") No. 815 –"Derivatives and Hedging".

2. APPLICABILITY
The SAMA applies to all customer classes, except for those specifically excluded by the Commission.

3. RATES
The SAMA does not have a rate component.

4. ACCOUNTING PROCEDURES
BVES shall maintain the SAMA by making entries at the end of each month as follows:

   a. Entries shall be made to the SAMA at the end of each month to record the unrealized gain or loss attributable to the application of ASC No. 815 to the Shell Agreement.

   b. This is a non-interest bearing memorandum account.

5. EFFECTIVE DATE
The SAMA shall have the effective date of June 29, 2023.

6. DISPOSITION
At the conclusion of the memorandum account's operation, the account will be reversed and no additional costs will be recovered from (or refunded to) ratepayers as noted in the Commission's decision establishing this memorandum account.

(N)