Preliminary Statement
Morgan Stanley Power Purchase Agreement Memorandum Account

Part III. MORGAN STANLEY POWER PURCHASE AGREEMENT MEMORANDUM ACCOUNT (N)

Bear Valley Electric Service, Inc. ("BVES") shall maintain the Morgan Stanley Power Purchase Agreement Memorandum Account ("MSPPAMA") for the Morgan Stanley Power Purchase Agreement.

1. PURPOSE
The purpose of the MSPPAMA is to track the unrealized gains and losses otherwise imputed to the Morgan Stanley Power Purchase Agreement as a consequence of complying with Accounting Standards Codification ("ASC") No. 815 – "*Derivatives and Hedging*" issued by the Financial Account Standards Board. This memorandum account is in compliance with Ordering Paragraph No. 5 in Decision No. ("D.") 25-04-026.

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

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

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

   a. Entries shall be made to the MSPPAMA at the end of each month to record the unrealized gain or loss attributable to the application of ASC 815 to the Morgan Stanley Power Purchase Agreement, as authorized by the Commission in D. 25-04-026.

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

5. EFFECTIVE DATE
The MSPPAMA shall have an effective date of May 28, 2025.

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.

(N)

(Continued)