



PRELIMINARY STATEMENT

Sheet 1

II. BALANCING ACCOUNTS
COMMON AREA BALANCING ACCOUNT (CABA)

1. Purpose

The CABA is an interest bearing balancing account that is recorded on the Utility's financial statements. The purpose of this account is to record the revenue under/(over) collection that results from customers who switch their residential common area accounts from residential to commercial rate schedules as authorized in Commission Decision (D.) 04-02-057.

2. Applicability

The CABA shall apply to all residential customers with common area accounts.

3. Rates

The CABA balance will be included in electric rates upon Commission approval.

4. Accounting Procedure

The Utility shall maintain the CABA by making entries at the end of each month as follows:

- a. A debit entry equal to the revenues that would have been billed common area customers had they not switched to a commercial rate.
- b. A credit entry equal to the revenues billed common area customers on their new commercial rate.
- c. An entry equal to the recorded revenue from the amortization of the balance in the CABA as authorized in D.04-02-057.
- d. Interest shall be calculated on the average of the balance at the beginning of the month and the balance after entries 4.a through 4.c 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, H.15, or its successor publication.

5. Disposition

The disposition of the final balance in the CABA and the termination of the account will be determined in the Utility's next applicable rate design window filing or other appropriate proceeding.

T
N
L
L