



**PRELIMINARY STATEMENT**

Sheet 1

**II. BALANCING ACCOUNTS**

**CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) BALANCING ACCOUNT**

1. Purpose

The purpose of the CARE Balancing Account is to compare CARE revenues with CARE program costs. The CARE balancing account consists of two subaccounts: 1) CARE – Rate Discount and 2) CARE – TANF (Temporary Assistance for Needy Families). The CARE – Rates Discount program was authorized by Decisions 89-07-062, 89-09-044, 92-04-024 and 92-06-060. The CARE – TANF as authorized by Resolution E-4328 dated April 22, 2010 to record actual expense incurred by SDG&E for implementing the CARE/TANF Leveraging Program.

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2. Applicability

The CARE Balancing Account applies to certain rate schedules and certain special contracts within the jurisdiction of the Commission.

3. Definitions

a. Effective Date: The effective date of this account shall be January 1, 1998.

b. Interest Rate: The Interest Rate shall be 1/12 of the most recent month's interest rate on Commercial Paper (prime, 3 months), published in the Federal Reserve Statistical Release, H.15. Should publication of the interest rate on Commercial Paper (prime, 3 months) be discontinued, interest will so accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper, which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, H.15, or its successor publication.

c. CARE Revenue: Monthly CARE revenue equals the percentage of authorized Public Purpose Program (PPP) revenue pertaining to the CARE program multiplied by the unbundled PPP revenue billed during the month.

d. CARE – Rate Discount Program Costs: CARE Program Costs are the sum of: (1) CARE Benefits, which are equal to the amount of discount granted under the discount reflected in the authorized CARE Program discounted rates; and (2) allocated incremental administrative and general expenses associated with the CARE Program. Monthly incremental administrative and general expenses shall be allocated between electric and gas operations by either: (1) 76% to electric and 24% to gas until the CARE Program has been in effect for 13 full calendar months or (2) the proportion of electric and gas amounts of the discount reflected in the authorized CARE Program discounted rates for the 12 months prior to the current month; whichever is applicable.

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CARE – TANF Program Costs: CARE – TANF program costs are the sum of (1) payments to third party administrators (e.g. United Way) and (2) allocated incremental administrative and general expenses associated with the CARE – TANF program. Monthly Incremental administrative and general expenses shall be allocated between electric and gas operations the same as for the CARE – Rate Discount program.

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**PRELIMINARY STATEMENT**

Sheet 2

**II. BALANCING ACCOUNTS**  
**CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) BALANCING ACCOUNT**

4. CARE – Rate Discount Subaccount

The Utility shall maintain a CARE Rate Discount Balancing Account commencing as of January 1, 1998. Entries to be made to this account at the end of each month will be determined from the following calculations:

- a. The amount of the discount granted during the month under the discount reflected in the authorized CARE Program discounted rates.
- b. Plus: Recorded monthly allocated incremental administrative and general expenses associated with the CARE - Rate Discount Program.
- c. A debit (or credit) entry for the transfer of funds associated with the CARE - TANF Leveraging Program to (from) the CARE-TANF Subaccount.
- d. Less: The CARE – Rate Discount revenue billed during the month.

CARE – TANF Subaccount

The Utility shall record entries to this account at the end of each month as follows:

- a. A debit entry equal to the monthly administrative and general expenses associated with implementing the CARE-TANF program.
- b. A debit entry to record payments to third party administrators (e.g. United Way).
- c. A credit (or debit) entry for the transfer of funds associated with the CARE-TANF Leveraging Program from (to) the CARE – Rate Discount Subaccount.

If the above calculations for the CARE - Rate Discount and the CARE -TANF subaccounts produce a positive amount (under-collection), such amount will be debited to the Balancing Account. If the above calculation produces a negative amount (over-collection), such amount will be credited to the respective Balancing Account. Interest will accrue to the Balancing Account by applying the Interest Rate to the average of the beginning and ending balances.

5. Annual Review of Reasonableness

In conjunction with the appropriate proceeding, the Utility shall file with the Commission a report on the reasonableness of recorded CARE Program costs included in the CARE Balancing Account during the Record Period.

6. Account Disposition

Pursuant to Commission D.03-04-027, the Utility shall file by October 1 of each year an advice letter requesting to apply to the electric PPP rate effective January 1 of the following year 1) the net amortization component of electric PPP account balances and 2) the Commission's currently authorized program budget revenue requirements for the PPPs. Any unspent ratepayer funds remaining in the CARE – TANF Subaccount at the conclusion of the program will be returned to ratepayers in connection with the SDG&E's annual PPP advice letter filing.

<sup>1</sup> Public Utilities Code Section 399 addresses the low-income energy efficiency ("LIEE") programs and by cross-reference to Section 382, requires that the LIEE programs "be funded at not less than 1996 authorized levels based on an assessment of customer need."

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San Diego Gas & Electric Company  
San Diego, California

Revised Cal. P.U.C. Sheet No. 21640-E\*

Canceling Original Cal. P.U.C. Sheet No. 19407-E

**PRELIMINARY STATEMENT**

Sheet 2

II. BALANCING ACCOUNTS

CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) BALANCING ACCOUNT

2C13

Advice Ltr. No. 2151-E-A

Decision No. R.10-02-005

Issued by  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

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