



**PRELIMINARY STATEMENT**

Sheet 1

III. MEMORANDUM ACCOUNTS

CALIFORNIA SOLAR INITIATIVE PERFORMANCE-BASED INCENTIVE MEMORANDUM ACCOUNT (CSIPMA)

1. Purpose:

The purpose of the California Solar Initiative Performance-Based Incentive Memorandum Account (CSIPMA) is to record the costs incurred to implement and administer an on-bill mechanism to pay performance-based incentive payments related to the California Solar Initiative (CSI) program pursuant to Commission D.06-08-028.

2. Applicability

The CSIPMA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. Rates:

The CSIPMA does not have a rate component. However the balance will be recovered through electric distribution rates as described in Section 5 below.

4. Accounting Procedure

SDG&E shall maintain the CSIPMA by making entries at the end of each month as follows:

- a. An entry to record the costs incurred to implement and administer an on-bill mechanism to pay Performance-Based Incentives (PBI) on behalf of the CSI program.
- b. An entry equal to the interest on the average of the balance at the beginning of the month and the balance after entry above, at a rate equal to one-twelfth of the interest rate on the 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 balance in the CSIPMA will be reviewed in the Utility's next general rate case to determine future rate recovery.

N  
N  
N  
N  
N

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