



PRELIMINARY STATEMENT

Sheet 1

II. BALANCING ACCOUNTS

ELECTRIC PROCUREMENT ENERGY EFFICIENCY BALANCING ACCOUNT (EPEEBA)

1. Purpose

The purpose of the EPEEBA is to record the costs of procurement energy efficiency program funding authorized in D.03-12-062. In addition, the EPEEBA will record revenues from a non-bypassable surcharge that will fund the procurement energy efficiency program costs as ordered by D.03-12-062.

2. Applicability

The EPEEBA shall be applied to all of the Utility's electric service customers.

3. EPEEBA Revenue

Pursuant to D.03-12-062, a non-bypassable surcharge on all customers will be established to recover the authorized revenue requirement for the approved procurement energy efficiency programs.

4. Effective Date

This tariff is effective for service rendered on and after January 1, 2004.

5. Accounting Procedure

The utility shall maintain the EPEEBA by making entries at the end of each month as follows:

- a. A debit entry equal to the actual costs associated with approved procurement energy efficiency programs.
- b. A credit entry equal to the revenue billed during the month from the EPEEBA revenue (as described above), net of franchise fees and uncollectible expense.
- c. An entry to record the monthly transfer of net revenues to the PEEEEBA.
- d. Interest shall be calculated on the average of the balance at the beginning of the month and the balance after entries 5.a. through 5.b. 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.

6. Disposition

The balance in the EPEEBA shall be addressed as directed in an appropriate proceeding before the Commission.

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