



PRELIMINARY STATEMENT

Sheet 1

II. BALANCING ACCOUNTS

LOW-INCOME ENERGY EFFICIENCY BALANCING ACCOUNT (LIEEBA)

1. Purpose

California Public Utilities Commission (Commission) Decision (D.)97-12-103 authorized the recording of revenues and expenses associated with the electric low-income Energy Efficiency Public Purpose Program (PPP) in the Post-1997 Electric Energy Efficiency Balancing Account (PEEEBA), and certain other adjustments to funding levels as authorized by the Commission Decision(s). Pursuant to Commission D.03-04-027, the Low-Income Energy Efficiency (LIEE) portion of the PEEEEBA shall be transferred to the new LIEEBA.

2. Applicability

The LIEEBA 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 May 1, 2003.
- 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. LIEEBA Revenue: Monthly LIEEBA revenue equals the percentage of authorized PPP revenue pertaining to the low-income Energy Efficiency Program multiplied by the unbundled PPP revenue billed during the month.
- d. LIEEBA Expenses: Expenses authorized by the Commission associated with the electric low-income energy efficiency PPP. Actual expenses recorded to the LIEEBA shall be those in compliance with the guidelines for expenses authorized by the Commission.

4. Accounting Procedure:

The Utility shall make the following entries to the account:

- a. A credit entry equal to the monthly LIEEBA revenue.
- b. A debit entry equal to the monthly LIEEBA expenses.

(Continued)

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Advice Ltr. No. 1820-E

Decision No. _____

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 15, 2006

Effective Sep 14, 2006

Resolution No. _____

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PRELIMINARY STATEMENT

Sheet 2

II. BALANCING ACCOUNTS

LOW-INCOME ENERGY EFFICIENCY BALANCING ACCOUNT (LIEEBA)

4. Accounting Procedure (Continued)

- c. A debit entry equal to the low-income energy Efficiency Program performance incentives, as approved by the Commission.
- d. An entry equal to monthly interest calculated by applying the Interest Rate to the average of the beginning balance and the ending balance.

5. 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 rate¹ 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.

¹ 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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