



PRELIMINARY STATEMENT

Sheet 1

IV. BALANCING ACCOUNTS
ON-BILL FINANCING BALANCING ACCOUNT (OBFBA)

1. Purpose

The On-Bill Financing Balancing Account (OBFBA) is an interest bearing balancing account recorded on SDG&E's financial statements. The purpose of this account is to record the difference between ratepayer funding and actual loans provided to customers participating in SDG&E's On-Bill Financing ("OBF") program authorized by Decision (D.) 09-09-047. Other "program" costs associated with the OBF program will be recorded in the Post-1997 Electric Energy Efficiency Balancing Account (PEEEBA).

N
N

2. Applicability

This account shall apply to all customers.

3. Rates

See Disposition Section.

4. Accounting Procedures

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

- a. A debit entry equal to OBF loans provided to customers;
- b. A credit entry equal to customers' payments on their OBF loans;
- c. A debit entry to OBF loan defaults (see corresponding entry "d." below);
- d. A credit entry equal to re-establish the loan pool balance resulting from loan defaults (which are charged to the Post-1997 Electric Energy Efficiency Balancing Account);
- e. A credit entry equal to the funds collected in distribution rates to establish the OBF loan pool;
- f. A credit or debit entry for amortization as authorized by the Commission; and
- g. An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

N

Disposition

The OBFBA balance will be amortized as necessary to recover any under collections associated with actual loan funding above the authorized annual funding requirements embedded in rates. After repayment of all loans and termination of the OBF Program, the disposition of the over collection balance in the OBFBA will be refunded to ratepayers in connection with SDG&E's annual regulatory account balance update filing or addressed in the SDG&E's next energy efficiency proceeding.