



PRELIMINARY STATEMENT

Sheet 1

IV. BALANCING ACCOUNTS

POST-2005 GAS ENERGY EFFICIENCY BALANCING ACCOUNT (PGEEBA)

1. Purpose

The purpose of the Post-2005 Gas Energy Efficiency Balancing Account (PGEEBA) is to balance PGEE program expenses against revenues for the program cycle beginning January 1, 2006 approved by Commission Decision (D.)05-09-043. Pursuant to D.09-09-047, the PGEEBA will track the corresponding activity in the 2009 bridge funding period and the 2010 – 2012 energy efficiency program cycle. The PGEEBA also tracks the costs associated with the On-Bill Financing (OBF) Program adopted in D.05-09-043 and extended by D.09-09-047.

2. Applicability

The PGEEBA shall apply to non-low income energy efficiency program cycle activities and funding from January 1, 2006 forward as approved by the Commission.

3. Accounting Treatment

The PGEEBA shall be recorded at the end of each month as follows:

- a. A debit entry equal to all expenses incurred for energy efficiency programs and activities for program cycle beginning January 1, 2006, including other program costs associated with the OBF program adopted in D.09-09-047;
- b. A debit entry equal to the cost of defaults associated with the OBF Program;
- c. A credit entry equal to the surcharge for the energy efficiency programs from the recorded gas PPP surcharge billed for the month, net of actual bad debt write-offs;
- d. A debit entry equal to the surcharge for the energy efficiency programs from the gas PPP surcharge funds, net of any refunds to exempt customers, remitted to the BOE pursuant to AB 1002;
- e. A debit entry equal to surcharge for the energy efficiency programs related to the refunds to customers that are exempt from the PPP surcharge under Section 896 of the Public Utilities Code and the California Energy Resources Surcharge Regulation Sections 2315 and 2316;
- f. A credit entry equal to the surcharge for the energy efficiency programs from the reimbursement of the gas PPP surcharge funds, which may include surcharge funds from interstate non-exempt pipeline customers including actual interest earned in the Fund while the funds were in the possession of the State. The amount reimbursed excludes the funds retained by the BOE/Commission to offset their administration costs, the RD&D administrator funds, and any refunds paid by the BOE to customers that are exempt from the surcharge;
- g. A year-end credit entry, if necessary, equal to the excess of annual expenditures above annual authorized levels (including authorized carry-over funding); and

N
N
D
T
T
T
T
T

(Continued)



PRELIMINARY STATEMENT

Sheet 2

IV. BALANCING ACCOUNTS

POST-2005 GAS ENERGY EFFICIENCY BALANCING ACCOUNT (PGEEBA)

3. Accounting Treatment (Continued)

h. An entry equal to the interest by applying the interest rate to the average of the beginning and ending balances. The interest 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 publication.

4. Disposition

Pursuant to Commission D.04-08-010, the Utility shall file by October 31 of each year an advice letter requesting to establish the gas PPP rate effective January 1 of the following year consisting of the net amortization component of gas PPP account balances consistent with the Commission's prevailing policy on PPP accounting methods and the Commission's currently authorized program budget revenue requirements for the PPP. Program spending is limited and over-expenditures may not be recovered from ratepayers. Shareholders absorb the balance in the event that actual program expenses exceed authorized levels.

2C11

Advice Ltr. No. 1980-G

Decision No. _____

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Oct 15, 2010

Effective Nov 14, 2010

Resolution No. _____