



San Diego Gas & Electric Company
San Diego, California

	<u>Original</u>	Cal. P.U.C. Sheet No.	<u>15710-G</u>
	<u>Original</u>		<u>15294-G</u>
Canceling	<u>Original</u>	Cal. P.U.C. Sheet No.	<u>15295-G</u>

PRELIMINARY STATEMENT

Sheet 1

IV. BALANCING ACCOUNTS

POST-2005 GAS LOW INCOME ENERGY EFFICIENCY BALANCING ACCOUNT (PGLIEEBA)

1. Purpose

The purpose of the Post-2005 Gas Low Income Energy Efficiency Balancing Account (PGLIEEBA) is to balance PGLIEE program expenses against revenues for the program cycle beginning January 1, 2006 approved by Commission D.05-12-026.

2. Applicability

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

3. Accounting Procedure:

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

- a. A debit entry equal to all expenses incurred for low income energy efficiency programs and activities;
- b. A credit entry equal to the surcharge for the low income energy efficiency programs from the recorded gas PPP surcharge billed for the month, net of actual bad debt write-offs;
- c. A debit entry equal to the surcharge for the low income energy efficiency programs from the gas PPP surcharge funds, net of any refunds to exempt customers, remitted to the BOE pursuant to AB 1002;
- d. A debit entry equal to surcharge for the low income 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;
- e. A credit entry equal to the surcharge for the low income 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;
- f. A year-end credit entry, if necessary, equal to the excess of annual expenditures above annual authorized levels (including authorized carry-over funding); and
- g. 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.

(Continued)

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San Diego Gas & Electric Company
San Diego, California

Original Cal. P.U.C. Sheet No. 15711-G

Canceling Original Cal. P.U.C. Sheet No. 15295-G

PRELIMINARY STATEMENT

Sheet 2

IV. BALANCING ACCOUNTS

POST-2005 GAS LOW INCOME ENERGY EFFICIENCY BALANCING ACCOUNT (PGLIEEBA)

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.

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