



ELECTRIC PRELIMINARY STATEMENT PART EH
NEGATIVE INDIFFERENCE AMOUNT MEMORANDUM ACCOUNT

Sheet 1

EH. NEGATIVE INDIFFERENCE AMOUNT MEMORANDUM ACCOUNT (NIAMA)

1. **PURPOSE:** The purpose of the NIAMA is to record and track negative indifference amounts associated with the calculation of Cost Responsibility Surcharge (CRS), effective September 1, 2006. The indifference amount is calculated annually and negative results are to be tracked and applied prospectively to offset future positive indifference amount results in accordance with Decision 06-07-030, Ordering Paragraphs (O.P.) 6 and 9.

For negative indifference amounts PG&E shall record and track the negative indifference amounts in the NIAMA. PG&E shall offset future positive indifference amounts with past negative indifference amounts that are tracked in the NIAMA. Any negative indifference amount that occurs in 2006 and beyond can only be used to offset future positive indifference amounts.

The negative indifference amounts are not eligible to be applied to other components of CRS including, but not limited to, Wildfire Fund Charge, Energy Cost Recovery Amount (ECRA).

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No interest shall accrue on a negative indifference amount balance in the NIAMA. The tracking of negative indifference amounts shall remain in effect until the Commission deems otherwise when this account is closed. Any remaining negative balance in the NIAMA shall have no further effect on cost allocation or rates, pursuant to Decision 06-07-030.

2. **APPLICABILITY:** The NIAMA shall apply to all non-bundled customers who are obligated to pay PCIA, except for those specifically excluded by the Commission.
3. **REVISION DATES:** Pursuant to Decision 06-07-030 OP 6 and 9, NIAMA shall be updated through the advice letter process prior to the end of each year coinciding with filing of the revised benchmark power cost as prescribed in Appendix 1 of that decision.
4. **RATES:** The NIAMA does not have a rate component.
5. **ACCOUNTING PROCEDURES:** PG&E shall make entries at the beginning of each year as follows:
 - a. A credit entry equal to (-1) times the negative indifference amount; and
 - b. A debit entry equal to the positive indifference amount, up to but not greater than the NIAMA balance.