



ELECTRIC PRELIMINARY STATEMENT PART CN
PU CODE SECTION 399.8 RESEARCH DEVELOPMENT
AND DEMONSTRATION BALANCING ACCOUNT

Sheet 1

**CN. PU CODE SECTION 399.8 – RESEARCH, DEVELOPMENT, AND DEMONSTRATION
 BALANCING ACCOUNT (RDDBA)**

1. **PURPOSE:** The purpose of the Research, Development, and Demonstration (RDD) Balancing Account (RDDBA) is to track the authorized RDD program funding and the amount remitted to the California Energy Commission (CEC) pursuant to P.U. Code Section 399.8 beginning with customer billings on January 1, 2002 forward, as ordered in Ordering Paragraph 1 of Resolution E-3792 dated December 17, 2002. (T)
(T)
2. **APPLICABILITY:** The RDDBA shall apply to all customer classes, except for any classes that may be specifically excluded by the CPUC.
3. **RATES:** This account does not have a separate rate component.
4. **ACCOUNTING PROCEDURE:** The following entries will be made to this account each month or as applicable: (T)
 - a. A credit entry equal to one twelfth of the annual authorized RDD funding. (See corresponding debit entry in electric Preliminary Statement Part DA - Public Purpose Program Revenue Adjustment Mechanism). (T)
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(T)
 - b. A debit entry equal to the amount remitted quarterly to the CEC (1/12 of the annual authorized funding times three months). (T)
(T)
 - c. An entry equal to the interest on the average balance at the beginning of the month and the balance after the above entries are made, at a rate equal to one-twelfth 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. (T)