



ELECTRIC PRELIMINARY STATEMENT PART P
CUSTOMER ENERGY EFFICIENCY ADJUSTMENT

Sheet 1

P. CUSTOMER ENERGY EFFICIENCY ADJUSTMENT (CEEA)

1. PURPOSE: The purpose of the Customer Energy Efficiency Adjustment (CEEA) is to: 1) reflect in rates any incentives earned under the Customer Energy Efficiency (CEE) incentive mechanism; 2) to track the pre-1998 electric unspent Demand-Side Management (DSM) balancing account funds (including the pre-1998 DSM bidding program obligations) and record electric expenses incurred after January 1, 1998 for the pre-1998 electric DSM programs as authorized in Decision (D.) 97-12-103; 3) to track the electric portion of PG&E's energy efficiency (EE) programs expenditures against the electric Public Goods Charge (PGC) portion of authorized EE program funding; and 4) to track the electric portion of Low-Income Energy Efficiency (LIEE) program expenditures against the Electric PGC portion of LIEE program funding. (T) | (T)
2. APPLICABILITY: The CEEA shall apply to all rate schedules and contracts for electric service subject to the jurisdiction of the Commission, except for those schedules and contracts specifically excluded by the Commission.
3. RATES: The Customer Energy Efficiency Incentive Account (CEEIA) balance is included the effective rates set forth in each electric rate schedule (see Preliminary Statement, Part B), as applicable. The other three subaccounts of the CEEA are one-way expense tracking accounts and do not have rate components. (T) (L) | | (T) (L)
4. ACCOUNTING PROCEDURE: The CEEA consists of the following four subaccounts: (N) |
 - The "Customer Energy Efficiency Incentive Account" (CEEIA), purpose is to record amounts to be reflected in rates for any incentives earned or penalties incurred by PG&E under the Customer Energy Efficiency (CEE) incentive mechanism.
 - The "Electric Energy Efficiency Balancing Account" (EEBA), as authorized in Ordering Paragraph 13 of Decision 97-12-103, purpose is to track the pre-1998 electric DSM unspent funds (including the pre-1998 DSM bidding program obligations) and expenses incurred after January 1, 1998 for the electric portion of pre-1998 DSM programs.
 - The "Electric Public Purpose Program Energy Efficiency Balancing Account" (PPPEEBA), purpose is to track the electric portion of PG&E's EE program expenditures against the Electric PGC portion of authorized EE program funding.
 - The "Electric Public Purpose Program Low-Income Balancing Account" (PPPLIBA), purpose is to track the electric portion of PG&E's LIEE program expenditures against the Electric PCG portion of LIEE program funding.

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Sheet 2

P. CUSTOMER ENERGY EFFICIENCY ADJUSTMENT (CEEA) (Cont'd)

5. Customer Energy Efficiency Incentive Balancing Account (CEEIA): The following entries will be made to this subaccount each month or as applicable:
 - a. A debit or credit entry equal to the electric portion of CEE shareholder incentives earned or penalties incurred by PG&E, as authorized by the Commission to be recovered in rates;
 - b. A credit entry equal to the revenues from the CEE Incentive Rate component, excluding an allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);
 - c. A debit or credit entry equal to any amounts authorized by the Commission to be recorded in this subaccount;
 - d. A debit or credit entry, as appropriate, to transfer the balance to other accounts for recovery in rates, as approved by the Commission; and
 - e. Interest does not accrue in this subaccount pursuant to Decision (D.) 07-09-043. (T)

6. Electric Energy Efficiency Balancing Account (EEBA): The following entries will be made to this subaccount at the end of each month or as applicable:
 - a. A one-time credit entry equal to the balance as of December 31, 1997, of the pre-1998 electric unspent DSM funds from PG&E's Two-Way Customer Energy Efficiency Resource Balancing Account (CEERPBA) and One-Way DSM Balancing Account;
 - b. A debit entry equal to the electric portion of expenses incurred after January 1, 1998, for the pre-1998 DSM programs;
 - c. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and
 - d. 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 Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15, or its successor.

Since there are long term payment obligations for the pre-1998 programs, the disposition of any balances in this account shall be determined at a later date.

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Sheet 3

P. CUSTOMER ENERGY EFFICIENCY ADJUSTMENT (CEEA) (Cont'd.)

- 7. Electric Public Purpose Program Energy Efficiency Balancing Account (PPPEEBA): The following entries will be mad to this subaccount each month or as applicable:
 - a. A debit entry equal to the expenses incurred for the electric portion of authorized EE program related activities; (T)
 - b. A credit entry equal to one-twelfth of the Electric PGC portion of authorized EE funding for the current program year (See corresponding debit entry in electric Preliminary Statement Part DA - Public Purpose Programs Revenue Adjustment Mechanism); (T)
 - c. A debit or credit entry equal to any amounts authorized by the Commission to be recorded in this subaccount; (N)
 - d. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and (L)
 - e. 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 Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15, or its successor. (T)
- 8. Electric Public Purpose Program Low-Income Balancing Account (PPPLIBA): The following entries will be made to this subaccount each month or as applicable:
 - a. A debit entry equal to the electric portion of expenses incurred for authorized LIEE program-related activities; (T)
 - b. A credit entry equal to one-twelfth of the Electric PGC portion of authorized LIEE programs for the current program year (See corresponding debit entry in electric Preliminary Statement Part DA - Public Purpose Programs Revenue Adjustment Mechanism); (T)
 - c. A debit or credit entry equal to any amounts authorized by the Commission to be recorded in this subaccount; (N)
 - d. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the Commission; and (N)
 - e. 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 Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release H.15, or its successor. (T)