

TARIFF SCHEDULES

Applicable to

ELECTRIC SERVICE

of

SIERRA PACIFIC POWER COMPANY

6100 NEIL ROAD

RENO, NEVADA

Operating in (or Near)

**Portions of the Counties of Nevada, Placer
Sierra, Plumas, Eldorado, Mono and Alpine
in the State of California**

The following tariff schedules have been regularly filed with the Public Utilities Commission of the State of California and are the effective rates and rules of this Utility.

The Public Utilities Commission may amend or cancel these rates and rules by formal procedure, and the Utility may amend or withdraw them after application to the Commission and receipt of authority for such action.

No officer, inspector, solicitor, agent, or employee of the Utility has any authority to waive, alter, or amend these tariff schedules or any part thereof in any respect, except in the manner provided above.

Applicants for service and customers must conform to and comply with these tariff schedules.

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(To be inserted by utility)
Advice Letter No. 247-E

Issued by
Walter M. Higgins

(To be inserted by CPUC)
Date Filed 05/24/96

Decision No. _____

Name
President
Title

Effective 06/01/96

Resolution No. _____

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SHEET NO.**

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(Continued)

(To be inserted by utility)
 Advice Letter No. 314-E

Issued by
Mary O. Simmons
 Name
Vice President
 Title

(To be inserted by CPUC)
 Date Filed 12-16-04

Decision No. _____

Effective 01-01-05

Resolution No. _____

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CAL. P.U.C.
SHEET NO.

SERVICE AREA:

- 1. Franchised Service Area Map
- 2. Description of Service Area

418-E
419,420-E

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(To be inserted by utility)
Advice Letter No. 260-E

Issued by
Malyn K. Malquist

(To be inserted by CPUC)
Date Filed March 31, 1999

Decision No. _____

Name
President
Title

Effective April 7, 1999

Resolution No. _____

PRELIMINARY STATEMENT

1. TERRITORY SERVED

The Sierra Pacific Power Company supplies electric service in portions of the Counties of Nevada, Placer, Sierra, Plumas, Eldorado, Mono, and Alpine in the State of California.

The company also supplies electric service in all or portions of the Counties of Washoe, Ormsby, Douglas, Storey, Lyon, Mineral, Lander, Eureka, Churchill, Pershing, and Humboldt in the State of Nevada.

2. DESCRIPTION OF SERVICE

Detailed Description of Service is given under Rule No. 2.

3. PROCEDURE TO OBTAIN SERVICE

Any person or firm whose premises are within the service territory of Sierra Pacific Power may obtain service by (1) making an application in accordance with Rule No. 3 and, if required, by signing a contract in accordance with Rule No. 4, and (2) establishing credit in accordance with Rule No. 6. However, where an extension of the utility's lines or other substantial investment is necessary, then applicant will be informed as to the conditions under which service will be supplied. Applicants for service must conform to and comply with the utility's tariff schedules.

4. ESTABLISHMENT OF CREDIT AND DEPOSITS

A. Establishment of Credit

As set forth in Rule No. 6, credit may be established as follows: (1) ownership of property, (2) cash deposit, (3) guarantee, (4) previous regular payment of bills, or (5) otherwise to the satisfaction of the utility.

B. Deposit

Where credit is not otherwise established, deposit will be required in amounts as set forth in Rule No. 7.

(To be inserted by utility)
Advice Letter No. 175-E

Issued by
Joe L. Gremban

(To be inserted by CPUC)
Date Filed 09-16-83

Decision No. 83-08-048

Name
President
Title

Effective 09-15-83

Resolution No. _____

PRELIMINARY STATEMENT

(Continued)

5. GENERAL

A. Measurement

Measurement of Electric Energy: All electric energy as supplied by the Sierra Pacific Power Company to its customers shall be measured by means of suitable standard electric meters, except energy delivered under street lighting tariffs on a rate-per-lamp basis, and energy, estimated from load and operating time data, for highway sign lighting, traffic control, and other installations where metering is impractical.

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B. Discounts

No discounts are allowed from bills, or minimum charges, except as specifically provided in certain schedules.

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC)

Pursuant to D. 96-05-059, the ECAC "Offset" Balancing Account Mechanism was suspended effective June 1, 1996.

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Effective January 16 2004, the mechanism was reinstated in compliance with D.04-01-027.

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A. Purpose

The purpose of the Energy Cost Adjustment Clause (ECAC) is to reflect in rates through application of the Energy Cost Adjustment Clause Billing Factors (ECACBF): (1) the cost of fuel and purchased power, and (2) certain other energy-related costs.

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B. Applicability

The energy cost adjustment clause applies to bills for service under applicable rate schedules and under contracts subject to the jurisdiction of the California Public Utilities Commission.

C. Definitions

(1) Rates

The rates for electric service to which this ECAC provision is applicable are the Adjustment Rates provided for herein.

(Continued)

(To be inserted by utility)
Advice Letter No. 304-E

Issued by
Mary O. Simmons

(To be inserted by CPUC)
Date Filed 01-15-04

Decision No. 04-01-027

Name
Vice President
Title

Effective 01-16-04

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

C. Definitions (Continued)

(2) Revision Dates:

Applications for Billing Factor revisions calculated in accordance with the provisions described herein shall be filed with the California Public Utilities Commission annually on April 1st.

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(a) The Revision Date for calculating the Energy Cost Adjustment Clause Billing Factor (ECACBF) will be September 1st.

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(b) Application for the annual revision to the offset rate shall be made only if the change in the new fuel and purchased power forecast varies by +/- 5% from the adopted forecast.

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(c) When an annual application to adjust the offset rate is made, the filing will include a section on the resource plan activity in Nevada as it relates to the purchased power procurement on the application.

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(d) Application for the annual update to the balancing rate to amortize any cumulative over or under collection balance shall be made only if the change in the balance exceeds 5%.

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(3) Effective Date:

The Effective Date for the revised Billing Factors shall be the Revision Date or on such other dates as the Commission may authorize. The revised Billing Factors shall be applied to bills for service rendered on and after the respective Effective Dates and shall continue thereafter until the next such factors become effective.

(4) Forecast Periods:

The Forecast Period for calculating the ECACBF shall be the twelve calendar month period commencing with the Revision Date.

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(To be inserted by utility)
Advice Letter No. 304-E

Issued by
Mary O. Simmons
Name

(To be inserted by CPUC)
Date Filed 01-15-04

Decision No. 04-01-027

Vice President
Title

Effective 01-16-04

Resolution No. _____

PRELIMINARY STATEMENT

(Continued)

6.ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

D. Energy Cost Adjustment Clause Billing Factor (ECACBF) (Continued)

The rates shall be further adjusted to reflect the provisions of Section 739 of the Public Utilities Code, relating to baseline rates, as implemented by the Commission.

- (1) The Offset Rate shall be equivalent to the estimated Fuel and Purchased Power Cost.
- (2) The Balancing Rate shall be an amount per kilowatthour of sales necessary to amortize the accumulated balance in the Energy Cost Adjustment Account, included as a subaccount in CPUC Account Nos. 186 and 557. The procedures for determining the Balancing Rate and for maintaining the Energy Cost Adjustment Account are set forth in Sections G and H below.

E. Offset Rate

The Offset Rate shall be determined as 100% of the estimated Fuel and Purchased Power cost divided by the total system kilowatthours sales estimated for the Forecast Period.

F. Estimated Cost of Fuel and Purchased Power.

- (1) The estimated cost of fuel and purchased power shall be equal to:
 - (a) The volumes of gas and of each type of oil and coal estimated to be used for electric generation during the Forecast Period expressed in therms and multiplied by the current price as set forth below, plus
 - (b) The total purchases of capacity and energy including variable wheeling, estimated to be made from each source during the Forecast Period multiplied by their respective latest tariff, contract, or delivered price forecasted to be in effect during the Forecast Period.
 - (c) The carrying costs of fuel inventory equal to the product of the following estimated items for the Forecast Period: (1) the average monthly number of tons of coal, barrels of oil, and gallons of diesel or propane in inventory, (2) the average inventory price per ton, barrel or gallon, and (3) the interest rate as defined in Section C (5).

(N)
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(Continued)

(To be inserted by utility)
Advice Letter No. 326-E

Issued by
Michael J. Carano
Name
Director
Title

(To be inserted by CPUC)
Date Filed 10-16-06

Decision No. _____

Effective 11-01-06

Resolution No. _____

PRELIMINARY STATEMENT

(Continued)

6.ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

F. Estimated Cost of Fuel and Purchased Power (Continued)

(2) Current prices shall be determined as follows:

- (a) The current cost of gas shall be the applicable supplier gas rate schedule or contract expressed in dollars per therm estimated for the Forecast Period.
- (b) The current price of oil and coal shall be the estimated average cost in dollars per therm of each type from inventory computed at the end of each month of the Forecast Period, using estimated replacement price of each type of such fuel for the Forecast Period and the estimated additions and withdrawals in each month.

G. Balancing Rate

The Balancing Rate per kilowatthour sold shall be determined by dividing (1) the estimated balance in the Energy Cost Adjustment Account as of the Revision Date by (2) the estimated California Jurisdictional Kilowatthour sales applicable to the amortization period set by the Commission.

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(Continued)

(To be inserted by utility)
Advice Letter No. 326-E

Issued by
Michael J. Carano
Name
Director
Title

(To be inserted by CPUC)
Date Filed 10-16-06

Decision No. _____

Effective 11-01-06

Resolution No. _____

PRELIMINARY STATEMENT

(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

H. Energy Cost Adjustment Account

Effective April 1, 1976, the utility shall maintain an Energy Cost Adjustment Account. Entries shall be made to this account at the end of each month as follows:

- (1) A debit entry (credit entry, if negative) equal to:
 - (a) The recorded cost of generation fuels and purchased energy, less the cost of fuel for economy or surplus sales, for the month.
 - (b) The carrying cost fuel inventories, or product of the monthly fuel inventory balances multiplied by the interest rate defined in Section C (5).
 - (c) The sum of (a) prorated to applicable jurisdictional sales by the ratio of such jurisdictional sales to total energy sales exclusive of economy or surplus sales.
 - (d) Less: The amount of revenue billed during the month under the Offset Rate reduced to provide for Franchise Fees and Uncollectible Accounts Expense.
- (2) A credit entry (debit entry, if negative) equal to the amount of revenue billed during the month under the Balancing Rate reduced to provide for Franchise Fees and Uncollectible Accounts.
- (3) A credit entry equal to the amount of any cash refunds, including associated interest, received from its fuel or purchased power suppliers on and after the date the Energy Cost Adjustment Clause becomes effective and applicable to California jurisdictional energy sales.
- (4) A debit entry (credit entry, if negative) equal to the average of the beginning and ending balance multiplied by the interest rate as defined in Section C (6).

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(Continued)

(To be inserted by utility)
Advice Letter No. 326-E

Issued by
Michael J. Carano
Name
Director
Title

(To be inserted by CPUC)
Date Filed 10-16-06

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Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

J. Energy Cost Adjustment Clause Billing Factors

The following factors have been, or are, in effect for the period shown:

Effective On And After	Energy Cost Adjustment Billing Factor (¢/kWh) Applicable to		
	Residential		Non-Residential
	Lifeline Quantities	Non-Lifeline Quantities	Non-Lifeline Quantities
July 1, 1976			
Offset	1.084	1.084	1.084
* May 19, 1977			
Offset	1.153	1.153	1.153
** February 4, 1978			
Offset	1.887	1.887	1.887
February 7, 1978			
Offset	1.753	2.565	2.565
Balancing	<u>.205</u>	<u>.205</u>	<u>.205</u>
Total	1.958	2.770	2.770
November 28, 1978			
Offset	1.836	2.648	2.648
Balancing	<u>.439</u>	<u>.439</u>	<u>.439</u>
Total	2.275	3.087	3.087
April 10, 1979			
Offset	1.885	2.697	2.697
Balancing	<u>.145</u>	<u>.145</u>	<u>.145</u>
Total	2.030	2.842	2.842
December 5, 1979			
Offset	2.129	2.941	2.941
Balancing	<u>.014</u>	<u>.014</u>	<u>.014</u>
Total	2.143	2.955	2.955
* Initial ECAC rate (Decision No. 87307)			
** Removal of Energy costs from base rates (Decision No. 88337)			

(Continued)

(To be inserted by utility)
Advice Letter No. 175-E

Issued by
Joe L. Gremban
Name
President
Title

(To be inserted by CPUC)
Date Filed 09-16-83

Decision No. 83-08-048

Effective 09-15-83

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. ENERGY COST ADJUSTMENT CLAUSE (ECAC) (Continued)

J. Energy Cost Adjustment Clause Billing Factors (Continued)

Effective On And After	Energy Cost Adjustment Billing Factor (¢/kWh) Applicable to		
	Residential		Non-Residential
	Lifeline Quantities	Non-Lifeline Quantities	Non-Lifeline Quantities

August 6, 1980

Offset	2.875	4.043	4.043
Balancing	<u>.209</u>	<u>.209</u>	<u>.209</u>
Total	3.084	4.252	4.252

February 27, 1981

Offset	2.802	4.105	4.057
Balancing	<u>.517</u>	<u>.517</u>	<u>.517</u>
Total	3.319	4.622	4.574

August 25, 1981

Offset	2.993	4.492	4.437
Balancing	<u>.827</u>	<u>.827</u>	<u>.827</u>
Total	3.820	5.319	5.264

(Continued)

(To be inserted by utility)
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Issued by
Joe L. Gremban

(To be inserted by CPUC)
Date Filed 09-16-83

Decision No. 83-08-048

Name
President
Title

Effective 09-15-83

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)

J. Billing Factors (Continued)

The following factors have been, or are, in effect for the period shown:

<u>Effective On and After</u>	<u>Energy Cost Adjustment Clause Billing Factor \$/kWh</u>				
	<u>DS-1 Lifeline</u>	<u>D-1 & DM-1 Lifeline</u>	<u>In Excess of Lifeline</u>	<u>In Excess of 5000 kWh</u>	<u>Non Residential</u>
December 11, 1981					
Offset	.01566	.01759	.04966	.06324	.03935
Balancing	<u>.00176</u>	<u>.00176</u>	<u>.00176</u>	<u>.00176</u>	<u>.00176</u>
Total	.01742	.01935	.05142	.06500	.04111
May 19, 1982					
Offset	.01455	.01628	.04671	.06400	.03653
Balancing	<u>.00100</u>	<u>.00100</u>	<u>.00100</u>	<u>.00100</u>	<u>.00100</u>
Total	.01555	.01728	.04771	.06500	.03753
October 1, 1982					
Offset	.02211	.02392	.05601	.07082	.04523
Balancing	<u>(.00582)</u>	<u>(.00582)</u>	<u>(.00582)</u>	<u>(.00582)</u>	<u>(.00582)</u>
Total	.01629	.01810	.05019	.06500	.03941
April 27, 1983					
Offset	.02286	.02286	.05445	.07333	.04325 ⁽¹⁾
Balancing	<u>(.01371)</u>	<u>(.01371)</u>	<u>(.01371)</u>	<u>(.01371)</u>	<u>(.01371)</u>
Total	.00915	.00915	.04074	.05962	.02954

(Continued)

(1) Applicable to A-1, A-2, and LS/OL sales only.

(To be inserted by utility)
Advice Letter No. 178-E

Issued by
Joe L. Gremban

(To be inserted by CPUC)
Date Filed 03-12-84

Decision No. 84-03-019

Name
President
Title

Effective 03-07-84

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)

J. Billing Factors (Continued)

The following factors have been, or are, in effect for the period shown:

Energy Cost Adjustment Clause Billing Factor \$/kWh
Residential

<u>Effective On and After</u>	<u>DS-1 Lifeline</u>	<u>D-1 & DM-1 Lifeline</u>	<u>In Excess of Lifeline</u>	<u>In Excess of 5000 kWh</u>	<u>LS/OL</u>
August 11, 1983					
Offset	.01671	.01624	.04577	.06318	.03504
Balancing	<u>(.01185)</u>	<u>(.01185)</u>	<u>(.01185)</u>	<u>(.01185)</u>	<u>(.01185)</u>
Total	.00486	.00439	.03392	.05133	.02319
March 7, 1984					
Offset	.00731	.00731	.04321	.06463	.03026
Balancing	<u>(.00275)</u>	<u>(.00275)</u>	<u>(.00275)</u>	<u>(.00275)</u>	<u>(.00275)</u>
Total	.00456	.00456	.04046	.06188	.02751
June 5, 1985					
Offset	.00513	.00513	.04299	.06603	.02804
Balancing	<u>(.00090)</u>	<u>(.00090)</u>	<u>(.00090)</u>	<u>(.00090)</u>	<u>(.00090)</u>
Total	.00423	.00423	.04209	.06513	.02714
February 5, 1986					
Offset	.02638	.02638	.02638	.02638	.02637
Balancing	<u>(.00405)</u>	<u>(.00405)</u>	<u>(.00405)</u>	<u>(.00405)</u>	<u>(.00405)</u>
Total	.02233	.02233	.02233	.02233	.02232

(Continued)

(To be inserted by utility)
Advice Letter No. 189-E

Issued by
Joe L. Gremban

(To be inserted by CPUC)
Date Filed 02-05-86

Decision No. 86-02-030

Name
President
Title

Effective 02-05-86

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)

J. Billing Factors (Continued)

The following factors have been, or are, in effect for the period shown:

	<u>Energy Cost Adjustment Clause Billing Factor \$/kWh</u>			<u>SL/OL</u>
	<u>Residential</u>			
<u>Effective On and After</u>	<u>DS-1, D-1 & DM-1 Baseline</u>	<u>DS-1, D-1 & DM-1 Non-permanent</u>	<u>DS-1, D-1 & DM-1 Tier Two</u>	
May 1, 1986				
Offset	.00452	.02759	.04122	.02637
Balancing	<u>(.00405)</u>	<u>(.00405)</u>	<u>(.00405)</u>	<u>(.00405)</u>
Total	.00047	.02354	.03717	.02232
January 1, 1987				
Offset	.00773	.02132	.02965	.02204
Balancing	<u>(.00775)</u>	<u>(.00775)</u>	<u>(.00775)</u>	<u>(.00775)</u>
Total	(.00002)	.01357	.02190	.01429
May 1, 1988				
Offset	.00041	.02288	.03755	.02289
Balancing	<u>(.00306)</u>	<u>(.00306)</u>	<u>(.00306)</u>	<u>(.00306)</u>
Total	(.00265)	.01982	.03449	.01983
November 1, 1988				
Offset *	.00223	.02288	.03609	.02289
Balancing	<u>(.00306)</u>	<u>(.00306)</u>	<u>(.00306)</u>	<u>(.00306)</u>
Total	(.00083)	.01982	.03303	.01983

* Residential Baseline Realignment – Decision No. 88-10-062.

(Continued)

(To be inserted by utility)
Advice Letter No. 204-E

Issued by
Austin W. Stedham
Name
President
Title

(To be inserted by CPUC)
Date Filed 11-10-88

Decision No. _____

Effective 11-01-88

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)

J. Billing Factors (Continued)

The following factors have been, or are, in effect for the period shown:

<u>Effective On and After</u>	<u>Energy Cost Adjustment Clause Billing Factor \$/kWh</u>				
	<u>Residential</u>				
	<u>DS-1, D-1 & DM-1 Baseline</u>	<u>DS-1, D-1 & DM-1 Non-permanent</u>	<u>DS-1, D-1 & DM-1 Excess</u>	<u>SL/OL</u>	<u>PA *</u>
August 1, 1989					
Offset	.00220	.02329	.03711	.02335	.02061
Balancing	<u>.00293</u>	<u>.00293</u>	<u>.00293</u>	<u>.00293</u>	<u>.00293</u>
Total	.00513	.02622	.04004	.02628	.02354
October 1, 1990					
Offset	.00491	N/A	.03399	.02288	.02288
Balancing	<u>.00155</u>	N/A	<u>.00155</u>	<u>.00155</u>	<u>.00155</u>
Total	.00646		.03554	.02443	.02443
September 15, 1991					
Offset	.00792	N/A	.03147	.02492	.02608
Balancing	<u>(.00304)</u>	N/A	<u>(.00304)</u>	<u>(.00304)</u>	<u>(.00304)</u>
Total	.00488		.02843	.02188	.02304
May 1, 1993					
Offset	.01220	N/A	.03184	.02474	.02474
Balancing	<u>(.00013)</u>	N/A	<u>(.00013)</u>	<u>(.00013)</u>	<u>(.00013)</u>
Total	.01207		.03171	.02461	.02461

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* Prior to August 1, 1989, PA offset and balancing rates were the same as A-1.

(Continued)

(To be inserted by utility)
Advice Letter No. 229-E

Issued by
William L. Keepers

(To be inserted by CPUC)
Date Filed 04-28-93

Decision No. 93-04-051
93-04-056

Name
President
Title

Effective 05-01-93

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)

I. Billing Factors (Continued)

The following factors have been, or are, in effect for the period shown:

Energy Cost Adjustment Clause Billing Factor \$/kWh
Residential

<u>Effective On and After</u>	<u>DS-1, D-1 & DM-1 Baseline</u>	<u>DS-1, D-1 & DM-1 Non- Prem</u>	<u>DS-1, D-1 & DM-1 Excess</u>	<u>NEM (D - 1)</u>	<u>SL/OL</u>	<u>PA *</u>
April 1, 1994						
Offset	.01710	N/A	.03183	N/A	.02098	.02473
Balancing	<u>.00186</u>	N/A	<u>.00186</u>	N/A	<u>.00186</u>	<u>.00186</u>
Total	.01896	N/A	.03369	N/A	.02284	.02659
June 1, 1996						
Offset	.01459	N/A	.02563	N/A	.01362	.02654
Balancing	<u>.00000</u>	N/A	<u>.00000</u>	N/A	<u>.00000</u>	<u>.00000</u>
Total	.01459	N/A	.02563	N/A	.01362	.02654
January 16, 2004						
Offset	.03416	N/A	.05180	N/A	.04500	.04500
Balancing	<u>.00000</u>	N/A	<u>.00000</u>	N/A	<u>.00000</u>	<u>.00000</u>
Total	.03416	N/A	.05180	N/A	.04500	.04500
December 1, 2004						
Offset	.04051	N/A	.05899	N/A	.05188	.05188
Balancing	<u>.00772</u>	N/A	<u>.00772</u>	N/A	<u>.00772</u>	<u>.00722</u>
Total	.04823	N/A	.06671	N/A	.05960	.05960
September 1, 2006						
Offset	.03714	N/A	.06075	.05188	.05188	.05188
Balancing	<u>.00772</u>	N/A	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>
Total	.04486	N/A	.06848	.05960	.05960	.08186

* Prior to August 1, 1989, PA offset and balancing rates were the same as A-1.
(Continued)

(D)
|
(D)

(To be inserted by utility)
Advice Letter No. 341-E

Issued by
Michael J. Carano
Name
Director
Title

(To be inserted by CPUC)
Date Filed 08-14-08

Decision No. _____

Effective 09-1-08

Resolution No. _____

PRELIMINARY STATEMENT

(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)
J. Billing Factors (Continued)

The following factors have been, or are, in effect for the period shown:

<u>Effective On and After</u>	<u>Energy Cost Adjustment Clause Billing Factor \$/kWh</u>				
	<u>A-1</u>	<u>A-2</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>
			<u>On-Peak</u>	<u>Mid-Peak</u>	<u>Off-Peak</u>
April 27, 1983					
Offset			.05088	.04604	.03188
Balancing			<u>(.01371)</u>	<u>(.01371)</u>	<u>(.01371)</u>
Total			.03717	.03233	.01817
August 11, 1983					
Offset			.04172	.03748	.02509
Balancing			<u>(.01185)</u>	<u>(.01185)</u>	<u>(.01185)</u>
Total			.02987	.02563	.01324
May 7, 1984					
Offset	.03026	.03026	.03921	.03353	.01693
Balancing	<u>(.00275)</u>	<u>(.00275)</u>	<u>(.00275)</u>	<u>(.00275)</u>	<u>(.00275)</u>
Total	.02751	.02751	.03646	.03078	.01418
June 5, 1985					
Offset	.02940	.02901	.03865	.03241	.01415
Balancing	<u>(.00090)</u>	<u>(.00090)</u>	<u>(.00090)</u>	<u>(.00090)</u>	<u>(.00090)</u>
Total	.02850	.02811	.03775	.03151	.01325
February 5, 1986					
Offset	.02634	.02668	.03504	.02804	.01736
Balancing	<u>(.00405)</u>	<u>(.00405)</u>	<u>(.00405)</u>	<u>(.00405)</u>	<u>(.00405)</u>
Total	.02229	.02263	.03099	.02399	.01331
January 1, 1987					
Offset	.02058	.02186	.03044	.02448	.01553
Balancing	<u>(.00775)</u>	<u>(.00775)</u>	<u>(.00775)</u>	<u>(.00775)</u>	<u>(.00775)</u>
Total	.01283	.01411	.02269	.01673	.00778

(Continued)

(To be inserted by utility)
Advice Letter No. 197-E

Issued by
Austin W. Stedham

(To be inserted by CPUC)
Date Filed 12-23-86

Decision No. 86-12-057

Name
President
Title

Effective 01-01-87

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)

J. Billing Factors (Continued)

The following factors have been, or are, in effect for the period shown:

	<u>Energy Cost Adjustment Clause Billing Factor \$/kWh</u>						
	<u>Commercial</u>						
<u>Effective on and After</u>	<u>A-1</u>	<u>A-2</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>
			<u>On- Peak</u>	<u>On- Peak</u>	<u>Mid- Peak</u>	<u>Off- Peak</u>	<u>Off- Peak</u>
May 1, 1988							
Offset	.02187	.02269		.03140	.02480	.01487	
Balancing	<u>(.00306)</u>	<u>(.00306)</u>		<u>(.00306)</u>	<u>(.00306)</u>	<u>(.00306)</u>	
Total	.01881	.01963		.02834	.02174	.01181	
August 1, 1989							
Offset	.02251	.02296		.03188	.02474	.01400	
Balancing	<u>.00293</u>	<u>.00293</u>		<u>.00293</u>	<u>.00293</u>	<u>.00293</u>	
Total	.02544	.02589		.03481	.02767	.01693	
October 1, 1990							
Offset	.02288	.02288	<u>Winter</u>	<u>Summer</u>		<u>Winter</u>	<u>Summer</u>
Balancing	<u>.00155</u>	<u>.00155</u>	<u>.02628</u>	<u>.02483</u>	.02601	.01853	.01848
Total	.02443	.02443	<u>.00155</u>	<u>.00155</u>	<u>.00155</u>	<u>.00155</u>	<u>.00155</u>
September 15, 1991							
Offset	.02336	.02372	.02752	.02625	.02728	.02076	.02072
Balancing	<u>(.00304)</u>	<u>(.00304)</u>	<u>(.00304)</u>	<u>(.00304)</u>	<u>(.00304)</u>	<u>(.00304)</u>	<u>(.00304)</u>
Total	.02032	.02068	.02448	.02321	.02424	.01772	.01768

(N)
(N)

* Rate Schedule PA's May 1, 1988, offset and balancing rates are the same as A-1.

(Continued)

(To be inserted by utility)
Advice Letter No. 217-E

Issued by
William L. Keepers

(To be inserted by CPUC)
Date Filed 09-17-91

Decision No. 91-09-024

Name
President
Title

Effective 09-15-91

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)

I. Billing Factors (Continued)

The following factors have been, or are, in effect for the period shown:

	<u>Energy Cost Adjustment Clause Billing Factor \$/kWh</u>								
	<u>Commercial</u>								
	<u>A-1 *</u>	<u>A-2</u>	<u>A-2</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>	
				<u>On-Peak</u>	<u>On-Peak</u>	<u>Mid-Peak</u>	<u>Off-Peak</u>	<u>Off-Peak</u>	
May 1, 1983									
		<u>Winter</u>	<u>Summer</u>	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>	<u>Winter</u>	<u>Summer</u>	
Offset	.02474	.02530	.02355	.02691	.02400	.02652	.02312	.02267	
Balancing	<u>(.00013)</u>	<u>(.00013)</u>	<u>(.00013)</u>	<u>(.00013)</u>	<u>(.00013)</u>	<u>(.00013)</u>	<u>(.00013)</u>	<u>(.00013)</u>	
Total	.02461	.02517	.02342	.02678	.02387	.02639	.02299	.02254	
April 1, 1994									
Offset	.02925	.02169	.01955	.02298	.02042	.02289	.01899	.01675	
Balancing	<u>.00186</u>	<u>.00186</u>	<u>.00186</u>	<u>.00186</u>	<u>.00186</u>	<u>.00186</u>	<u>.00186</u>	<u>.00186</u>	
Total	.03111	.02355	.02141	.02484	.02228	.02475	.02085	.01861	
June 1, 1996									
Offset	.03054	.02357	.01980	.01867	.01471	.01820	.01299	.01133	
Balancing	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	
Total	.03054	.02357	.01980	.01867	.01471	.01820	.01299	.01133	
Jan. 16, 2004									
Offset	.04500	.04500	.04500	.05051	.05921	.04774	.03699	.03146	
Balancing	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	<u>.00000</u>	
Total	.04500	.04500	.04500	.05051	.05921	.04774	.03699	.03146	
Dec. 1, 2004									
Offset	.05188	.05188	.05188	.05815	.06815	.05497	.04261	.03625	(N)
Balancing	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	
Total	.05960	.05960	.05960	.06587	.07587	.06269	.05033	.04397	(N)

* Rate Schedule PA's May 1, 1988, offset and balancing rates are the same as A-1.
(Continued)

(To be inserted by utility)
Advice Letter No. 313-E

Issued by
Mary O. Simmons
Name
Vice President
Title

(To be inserted by CPUC)
Date Filed 11-19-04

Decision No. _____

Effective 12-01-04

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)

I. Billing Factors (Continued)

The following factors have been, or are, in effect for the period shown:

	<u>Energy Cost Adjustment Clause Billing Factor \$/kWh</u>								<u>NEM</u> <u>(A-1)</u>
	<u>Commercial</u>								
	<u>A-1*</u>	<u>A-2</u>	<u>A-2</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>	<u>A-3</u>	
	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>	<u>Winter</u>	<u>Summer</u>		
Sep. 1, 2006									
Offset	.05188	.05188	.05188	.05576	.06222	.05329	.04379	.04755	.05188
Balancing	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>	<u>.00772</u>
Total	.05960	.05960	.05960	.06348	.06994	.06101	.05151	.05527	.05960
Nov. 1, 2006									
Offset	.07045	.07043	.07043	.07413	.08244	.07205	.06006	.06383	.07045
Balancing	<u>.00982</u>	<u>.00982</u>	<u>.00982</u>	<u>.00982</u>	<u>.00982</u>	<u>.00982</u>	<u>.00982</u>	<u>.00982</u>	<u>.00982</u>
Total	.08027	.08025	.08025	.08395	.09226	.08187	.06988	.07365	.08027
Sep. 1, 2008									
Offset	.06165	.06171	.06171	.06486	.07213	.06305	.05255	.05585	.06165
Balancing	<u>(.00334)</u>	<u>(.00334)</u>	<u>(.00334)</u>	<u>(.00334)</u>	<u>(.00334)</u>	<u>(.00334)</u>	<u>(.00334)</u>	<u>(.00334)</u>	<u>(.00334)</u>
Total	.05831	.05837	.05837	.06152	.06879	.05971	.04921	.05251	.05831

(N)
(N)
(N)

* Rate Schedule PA's May 1, 1988, offset and balancing rates are the same as A-1.

(To be inserted by utility)
Advice Letter No. 341-E

Issued by
Michael J. Carano
Name
Director
Title

(To be inserted by CPUC)
Date Filed 08-14-08

Decision No. _____

Effective 09-01-08

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

6. Energy Cost Adjustment Clause (ECAC) (Continued)

I. Billing Factors (Continued)

The following factors have been, or are, in effect for the periods shown:

<u>Effective On and After</u>	<u>Annual Energy Rate \$/kWh</u>
December 11, 1981	.00131
May 19, 1982	.00119
April 27, 1983	.00134
March 7, 1984	.00854
June 5, 1985	.00825
February 5, 1986	.00744
January 1, 1987	.00598
May 1, 1988	.00609
August 1, 1989	.00617
October 1, 1990	.00645
September 15, 1991	.00653
May 1, 1993	.00698
April 1, 1994	.00706
January 16, 2004	.00000

(T)

(N)

(To be inserted by utility)
Advice Letter No. 304-E

Issued by
Mary O., Simmons

(To be inserted by CPUC)
Date Filed 01-15-04

Decision No. 04-01-027

Name
Vice President
Title

Effective 01-16-04

Resolution No. _____

Preliminary Statement
(Continued)

7. CONSERVATION FINANCING ADJUSTMENT (CFA)

Pursuant to D. 96-05-059, the CFA Balancing Account Mechanism has been temporarily suspended effective June 1, 1996.

(N)
(N)

A. Purpose:

The purpose of the Conservation Financing Adjustment (CFA) provision is to reflect in rates the changes in costs due to the implementation of plans for financing insulation, conservation measures, and solar installations under plans authorized by the California Public Utilities Commission.

B. Applicability:

This CFA provision applies to all rate schedules and contracts for electric service subject to the jurisdiction of the Commission.

C. CFA Rates:

The CFA rate is included in the adjustments set forth in each rate schedule and is additive to the base rates.

D. Revision Dates:

The Utility may file with the California Public Utilities Commission a revised CFA rate to be effective concurrently with the periodic filings for the Energy Cost Adjustment made pursuant to Part B of this preliminary statement. Such filing shall include a component to amortize the balance, if any, either debit or credit, in the Conservation Financing Account. Such a filing shall be accompanied by a report which shows the derivation of the revised CFA Rate and a summary of entries to the conservation Financing Account.

E. Conservation Financing Account:

Effective June 1, 1981, the Utility shall maintain an electric Conservation Financing Account. Entries shall be made to this account in amounts sufficient to equal:

- (1) Revenues received from the CFA rate, less
- (2) The costs incurred by SPPCo. in administering any conservation incentive plan authorized under this CFA provision, less

(Continued)

(To be inserted by utility)
Advice Letter No. 247-E

Issued by
Walter M. Higgins

(To be inserted by CPUC)
Date Filed 05-24-96

Decision No. _____

Name
President
Title

Effective 06-01-96

Resolution No. _____

Preliminary Statement
(Continued)

7. CONSERVATION FINANCING ADJUSTMENT (CFA) (Continued)

E. Conservation Financing Account: (Continued)

- (3) An allowance for franchise and uncollectible amounts expenses equal to the rate derived from the company's most recent general rate proceeding times gross revenues from the CFA rate.
- (4) A debit entry equal to interest on the average of the balance in this account at the beginning of the month and the balance in this account after entries E(1), E(2), E(3), and E(4) above, if average balance is debit (credit entry, if average balance is credit), at a rate equal to 1/12 the interest rate on commercial paper (prime, 3 months) for the previous month as reported in Federal Reserve Statistical Release, G.13, or its successor.

F. Billing Factors:

The following factors have been, or are, in effect for the period shown (ϕ / kWh applicable to all kWh sales)

<u>Effective On and After</u>	<u>Conservation Financing Adjustment \$ / kWh</u>
March 7, 1984	.00093
June 5, 1985	.00059
February 5, 1986	(.00017)
January 1, 1987	.00000
May 1, 1988	.00000
August 1, 1989	.00000

(Continued)

(To be inserted by utility)
Advice Letter No. 206-E

Issued by
Austin W. Stedham
Name
President
Title

(To be inserted by CPUC)
Date Filed 07-24-89

Decision No. 89-07-018

Effective 08-01-89

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

8. ELECTRIC REVENUE ADJUSTMENT MECHANISM (ERAM)

Pursuant to D. 96-05-059, the ERAM Balancing Account Mechanism has been temporarily suspended effective June 1, 1996.

(N)
(N)

A. Purpose:

The purpose of this Electric Revenue Adjustment Mechanism is to adjust for sales fluctuations.

B. Applicability:

This ERAM provision applies to all bills for service under all rate schedules and contracts for electric service subject to the jurisdiction of the Public Utilities Commission.

C. Base Rates:

The Base Rates are the rates for electric service in effect at anytime, exclusive of adjustment rates, for which a balance or adjustment account is specifically provided in the Preliminary Statement.

D. Base Revenue Amount:

The base revenue amount is the annual revenue to be collected from Base Rates. The base revenue amount shall be increased or decreased to incorporate changes in the level of authorized revenue specified in decisions of the Commission with respect to Base Rates concurrently with the beginning of the period to which such revenue applies.

E. Revision Dates:

The revision date is April 1 which coincides with the ECAC annual revision date. On April 1 of each year, or as soon thereafter as the Commission may authorize, the Utility shall increase or decrease the ERAM rates applicable to each rate schedule and contract in accordance with these provisions.

F. Electric Revenue Adjustment Account:

Beginning as of May 1, 1983, the Utility shall maintain an Electric Revenue Adjustment Account. Entries shall be made to this account at the end of each month as follows:

a. A debit entry equal to, if positive (credit entry, if negative).

- (1) The applicable Base Revenue Amount of \$25,601,000 reflects implementation of the 1995 Attrition Decision and is multiplied by the applicable monthly factor from the table below, less

(Continued)

(To be inserted by utility)
Advice Letter No. 247-E

Issued by
Walter M. Higgins

(To be inserted by CPUC)
Date Filed 05-24-96

Decision No. _____

Name
President
Title

Effective 06-01-96

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

8. ELECTRIC REVENUE ADJUSTMENT MECHANISM (ERAM) (Continued)

F. Electric Revenue Adjustment Account: (Continued)

a. (Continued)

(2) The amount of Electric Department revenue from all applicable sales recorded * during the month at Base Rates.

<u>Month</u>	<u>Monthly Factor</u>	
January	10.3%	(R)
February	10.3	(I)
March	9.4	(R)
April	8.5	(R)
May	7.8	(I)
June	7.2	
July	7.1	(R)
August	7.5	(I)
September	7.4	(R)
October	7.2	(I)
November	7.9	(I)
December	9.4	(I)

* Sales recorded during each month shall represent billed revenues applicable only to current month consumption plus accrued unbilled revenues for the month.

b. A credit entry equal to the amount of revenue billed during the month under ERAM rates, if positive (debit entry, if negative).

c. An entry equal to interest on the average of the balance in this account after entries a. and b. above at the interest rate provided in Part 6 of this Preliminary Statement

G. The ERAM rate shall be equal to:

(1) The sum of the authorized Base Revenue Amount and the estimated balance in the Electric Revenue Adjustment Account as of the revision date less (2).

(2) The revenue from Base Rates applied to the estimated sales for the twelve-month forecast period beginning with the revision date.

(Continued)

(To be inserted by utility)
Advice Letter No. 229-E

Issued by
William L. Keepers

(To be inserted by CPUC)
Date Filed 04-28-93

Decision No. 93-04-051
93-04-056

Name
President
Title

Effective 05-01-93

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

8. ELECTRIC REVENUE ADJUSTMENT MECHANISM (ERAM) (Continued)

G. The ERAM rate shall be equal to: (Continued)

(3) The sum of (1) and (2) divided by the forecast period sales.

H. Time and Manner of Filing and Related Reports:

The utility shall include proposed revised ERAM rates in its ECAC applications. Each such filing shall be accompanied by a report which shows the derivation of the adjustment to be applied.

I. Billing Factors

The following factor has been, or is, in effect for the period shown:

<u>Effective On and After</u>	<u>Electric Rate Adjustment Mechanism \$/kWh</u>
March 7, 1984	.00097
June 5, 1985	.00432
February 5, 1986	.00369
January 1, 1987	.00256
May 1, 1988	.00296
August 1, 1989	.00138
October 1, 1990	(.00224)
September 15, 1991	(.00497)
May 1, 1993	(.00478)
April 1, 1994	(.00031)
June 1, 1996	.00000

(N)

(To be inserted by utility)
Advice Letter No. 247-E

Issued by
Walter M. Higgins
Name
President
Title

(To be inserted by CPUC)
Date Filed 05-24-96

Decision No. _____

Effective 06-01-96

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

9. **CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) SURCHARGE PROVISION**

A. Purpose

The purpose of the California Alternate Rates for Energy (CARE) Surcharge Provision is to establish the procedures to be utilized in adjusting the Public Purpose Programs rates, of which the CARE surcharge is a component, in order to recover the costs associated with the CARE program as authorized in Decisions 89-07-062, 89-09-044, 92-04-024, 92-06-060 and 94-12-049.

Pursuant to D. 96-05-059, the CARE Balancing Account Mechanism was suspended effective June 1, 1996. The CARE Balancing Account Mechanism was re-established in accordance with D.03-03-007.

B. Applicability

The CARE Surcharge applies to certain rate schedules and certain special contracts subject to the jurisdiction of the Commission.

C. Definitions

1. CARE Program Costs:

CARE Program Costs are the sum of: (1) CARE benefits, which are equal to the amount of discount granted pursuant to the authorized CARE discounted rates; and (2) allocated incremental administrative and general expenses, including processing, certification and verification of applications and general costs, associated with the CARE program.

2. Effective Date:

The Effective Date for the CARE Surcharge shall be the date that the Commission may authorize. The revised CARE Surcharge shall be applied to sales for service rendered on and after the Effective Date and shall continue thereafter until the next such surcharge becomes effective.

3. Forecast Period:

The Forecast Period for the CARE Surcharge shall be the twelve-calendar-month period commencing with the Revision Date or as otherwise directed by the Commission.

(Continued)

(L)
(L)
(T)
(T)
(L)
(N)
(N)

(T)
(T)
(T)

(To be inserted by utility)
Advice Letter No. 298-E

Issued by
Michael J. Carano
Name
Director
Title

(To be inserted by CPUC)
Date Filed April 9, 2003

Decision No. 03-03-007

Effective May 1, 2003

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

9. **CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) SURCHARGE PROVISION**
(Continued)

C. Definitions (Continued)

4. Franchise Fees and Uncollectibles (FF&U) Allowance:

The FF&U allowance shall be based on the rate derived from the Utility's most recent general rate decision to provide for FF&U expense.

(T)
(T,D)

5. Interest Rate:

Interest Rate: The monthly interest rate will equal one-twelfth of the interest rate on Commercial Paper (3 months) for the previous month as published in the Federal Reserve Statistical Release, H.13 or its successor.

(D,N)

D. CARE Surcharge Balancing Account

The following monthly entries shall be made to this account at the end of each month:

1. A debit entry equal to the discount granted through the authorized CARE Program rates.

(D,N)

2. A debit entry equal to the incremental administrative and general expenses associated with the CARE Program.

(T)

3. A credit entry equal to the amount of revenue billed under the CARE Surcharge, less the allowance for FF&U expense.

(T)
(N)

4. An entry to record interest on the average balance at the Interest Rate described above.

(N)

(Continued)

(To be inserted by utility)

Advice Letter No. 298-E

Issued by

Michael J. Carano

Name

Director

Title

(To be inserted by CPUC)

Date Filed April 9, 2003

Effective May 1, 2003

Resolution No. _____

Decision No. 03-03-007

PRELIMINARY STATEMENT
(Continued)

9. CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE) SURCHARGE PROVISION
(Continued)

E. Calculation of CARE Surcharge

(D)

The CARE Surcharge shall be determined from the following calculations:

1. The estimated Forecast Period CARE Program Costs;
2. Plus: The estimated balance in the Balancing Account as of the beginning of the Forecast Period;
3. The sum of (1) and (2) above shall be divided by the sales subject to the CARE Surcharge estimated to be sold during the Forecast Period.

(D)

The following factor has been, or is, in effect for the period shown:

<u>Effective On and After</u>	<u>Low-Income Surcharge \$/kWh</u>
September 18, 1989	\$.00000
October 1, 1990	.00032
September 15, 1991	.00052
May 1, 1993	(.00014)
April 1, 1994	.00012
June 1, 1996	.00000

F. Reasonableness Review

(T)

In conjunction with the appropriate proceeding, the Utility shall file with the Commission a report on the reasonableness of recorded CARE Program costs includable in the CARE Surcharge Balancing Account during the Record Period.

(T)

(To be inserted by utility)

Issued by

(To be inserted by CPUC)

Advice Letter No. 298-E

Michael J. Carano

Date Filed April 9, 2003

Name

Decision No. 03-03-007

Director

Effective May 1, 2003

Title

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

10. INCOME TAX COMPONENT OF CONTRIBUTIONS AND ADVANCES PROVISION

A. General:

Effective on or after August 1, 1988, all Contributions in Aid of Construction and Advances for Construction ("Contributions"), made to Sierra Pacific power Company (sierra) pursuant to its tariffs, shall include a cost component to cover Sierra's estimated liability for Federal Income Tax and California State Tax resulting therefrom, pursuant to Decision 87-09-026.

B. Definition:

Contributions: Contributions in Aid for Construction and Advances for Construction shall include, but are not limited to, cash, services, facilities, labor, property, and income taxes thereon, provided by a person or agency to Sierra. The value of all contributions shall be based upon Sierra's estimates. Contributions shall consist of two components for purposes of recording transactions, as follows:

1. Income tax Component of Contribution (ITCC); and
2. the balance of the contribution, excluding income taxes (Balance of Contribution).

C. Determination of ITCC:

3. The ITCC shall be calculated by multiplying the Balance of Contribution by the Tax Factor as shown in paragraph 2 below. Sierra will make an advice letter filing to reflect any changes in the Tax Factor which would cause an increase or decrease in the Tax Factor to five percentage points or more.
4. The Tax Factor is established by using Method 5, for the Federal Income Tax and California State Tax as set forth in Paragraphs 3.a. and 6., respectively, of Decision 87-09-026 in OII 86-11-019. The following factors have been, or are, in effect for the period shown;

<u>Effective</u>	<u>Total Tax Factor</u>		<u>Advice Letter</u>
	<u>Distribution</u> <u>Less Than 69 kV</u>	<u>Transmission</u> <u>Greater Than 69 kV</u>	
Prior to January 1, 1992	.26	-	201-E-A
January 1, 1992 to June 30, 2002	.31	-	216-E
July 1, 2002 to September 10, 2004	.21	-	296-E
September 11, 2004 to February 29, 2008	.31	-	216-E
March 1, 2008 to December 31, 2009	.17	.15	338-E
January 1, 2010	.28	.24	338-E

(Continued)

(To be inserted by utility)
Advice Letter No. 350-E

Issued by
Michael J. Carano
Name
Director
Title

(To be inserted by CPUC)
Date Filed 05-05-09

Decision No. _____

Effective 05-05-09

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

**10. INCOME TAX COMPONENT OF CONTRIBUTIONS AND ADVANCES PROVISION
(Continued)**

(d) Applicability:

The ITCC shall apply to Contributions under Sierra's tariffs including but not limited to Rules 2, 13, 15, 15.1, 15.2, 16, 20 and 21, and Schedule SL/OL.

(e) State Taxes:

California state tax imposed on Contributions, is collected in accordance with Ordering Paragraph 6 of Decision No. 87-09-026 and is included in that total tax liability factor shown in C.2.

(C)
|
(C)

(f) Internal Revenue Service:

Sierra shall recover through rates any penalties, interest, or taxes incurred if the Internal Revenue Service deems the method of tax collection authorized by Decision No. 87-09-026 a violation of the tax normalization rules and imposes additional taxes, penalties, and interest.

(g) Interest Rate:

When interest is payable under this part of the Preliminary Statement by the contributor to Sierra the interest rate shall be 1/12 of the most recent month's interest rate on commercial paper (prime, 3 months), published by the Federal Reserve Statistical Release, G.13. Should publication of the interest rate on commercial paper (prime, 3 months) be discontinued, interest will so accrue at the rate of 1/12 of the most recent month's interest rate on commercial paper, which most closely approximates the rate that was discontinued and which is published in the Federal Reserve Statistical Release, G.13, or its successor publication.

11. SYMBOLS

When any change is proposed on a tariff sheet, attention shall be directed to such change by an appropriate character along the right-hand margin of the tariff sheet utilizing the following symbols:

(C) To signify changed listing, rule or condition which may affect rates or charges.

(D) To signify discontinued material including listing, rate, rule or condition.

(I) To signify increase.

(Continued)

(To be inserted by utility)
Advice Letter No. 216-E

Issued by
William L. Keepers

(To be inserted by CPUC)
Date Filed 05-28-91

Decision No. _____

Name
President
Title

Effective 10-18-91

Resolution No. 3243

**PRELIMINARY STATEMENT
(Continued)**

11. SYMBOLS (Continued)

- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, or rule or condition.
- (N) To signify new material including listing, rate, rule or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text, but not change in rate, rule or condition.

12. MEMORANDUM ACCOUNTS

(N)

A. Catastrophic Event Memorandum Account (CEMA)

(T)

i. PURPOSE

(T)

The purpose of the Catastrophic Event Memorandum Account (CEMA) is to record all costs incurred by the Utility associated with a catastrophic event. The Utility will record the costs for the following in CEMA:

- 1. Restoring utility service to the Utility's Customers;
- 2. Repairing, replacing, or restoring damaged Utility facilities; and
- 3. Complying with governmental agency orders.

The authority to establish this account was granted in CPUC Resolution E-3238, dated July 24, 1991.

ii. PROCEDURE

(T)

- 1. A catastrophic event is defined as a disaster or state of emergency as declared by the appropriate federal or state authorities.
- 2. Should a catastrophic event occur, the Utility will inform the Commission by letter within 30 days after the event that the Utility has started accruing costs in the CEMA. The letter shall be mailed to the Director of the Commission Advisory and Compliance Division (CACD), the Branch Chief of the CACD.

(Continued)

(To be inserted by utility)
Advice Letter No. 238-E

Issued by
Walter M. Higgins

(To be inserted by CPUC)
Date Filed 08-10-94

Decision No. _____

Name
President
Title

Effective 08-09-94

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

12. MEMORANDUM ACCOUNTS (Continued)

(N)

A. Catastrophic Event Memorandum Account (CEMA) (Continued)

(T)

ii. PROCEDURE (Continued)

(T)

- 3. The letter shall specify the date, time and location of the catastrophic event. The letter shall also state which service areas are affected, the impact on the Utility's facilities, and give an estimate of the extraordinary costs expected to be incurred.
- 4. Entries to the CEMA shall be made at the end of each month commencing with the month in which the event occurs. The Utility shall record capital costs and expenses separately.
- 5. The Utility shall not record any capital costs or expenses incurred prior to the start of the declared disaster or state of emergency, as identified by the appropriate authorities.

iii. APPLICABILITY

(T)

The CEMA balance will be recovered from all customer classes, unless specifically requested for exclusion by the Utility.

iv. CHANGES IN RATES

(T)

Costs recorded in the CEMA may be recovered in rates only after a request by the Utility, a showing of reasonableness, and approval by the Commission. Such a request may be made by formal application specifically for that purpose, by inclusion in a subsequent general rate case, or other rate setting request.

B. 1993 Federal Tax Reform Legislation Memorandum Account (TMA)

(T)

i. PURPOSE

(T)

The purpose of the 1993 Federal Tax Reform Legislation Memorandum Account (TMA) is to record the incremental revenue requirement effects due to changes in federal and state tax liabilities and other expenses that resulted from the 1993 Federal Tax Reform Legislation.

(Continued)

(To be inserted by utility)
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Walter M. Higgins

(To be inserted by CPUC)
Date Filed 08-10-94

Decision No. _____

Name
President
Title

Effective 08-09-94

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

12. MEMORANDUM ACCOUNTS (Continued)

(N)

B. 1993 FEDERAL TAX REFORM LEGISLATION MEMORANDUM ACCOUNT (TNA)
(Continued)

(T)

ii. PROCEDURE

(T)

The Utility will:

1. record only the incremental revenue requirement effects due to changes in federal and state tax liabilities and other expenses that result from the 1993 Federal Tax Reform Legislation in this TMA;
2. maintain support for each amount recorded in this TMA;
3. not allow any interest to be accrued or recorded on any balances in this TMA;
4. prior to recovery of any cost included in this TMA, will seek Commission authorization to recover these costs. The Utility has the burden of proof in showing that recovery of these costs are reasonable;
5. request recovery of these costs through any of the following mechanisms:
 - a. A separate application specifically for this purpose.
 - b. An Energy Cost Adjustment Clause (ECAC) proceeding.
 - c. A Biennial (or other) Cost Allocation Proceeding; or
 - d. Another rate-setting proceeding.
6. recovery of all amounts booked into this TMA shall be subject to all conditions imposed on utilities whose TMAs were authorized in CPUC Resolution E-3331.

iii. APPLICABILITY

(T)

The TMA balance will be recovered from all customer classes, unless specifically requested for exclusion by the Utility or the Commission.

iv. CHANGES IN RATES

(T)

Costs recorded in the TMA may be recovered in rates only after a request by the Utility, a showing of reasonableness, and approval by the Commission. Such a request may be made by formal application specifically for that purpose, by inclusion in a subsequent general rate case, or other rate setting request.

(Continued)

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Walter M. Higgins

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Name
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Title

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**PRELIMINARY STATEMENT
(Continued)**

12. MEMORANDUM ACCOUNTS (Continued)

C. ELECTRIC AND MAGNETIC FIELDS MEMORANDUM ACCOUNT (EMFMA)

i. PURPOSE

The purpose of the Electric and Magnetic Fields Memorandum Account (EMFMA) is to record monthly and track the Utility's share of the California Department of Health Services (DHS) determined expenditures to support stakeholder and public involvement and contributions to the coordinated Electric and Magnetic Fields (EMF) education and research programs authorized by the Interim Order in Decision 93-11-013 (I.91-01-012), dated November 2, 1993.

The Utility shall recover its fair share of the EMF research and education expenditures in support of stakeholder and public involvement. The total amount recordable for this expense is \$100,000, for all participating California electric utilities, spread over a four (4) year period (01-01-94 through 12-31-97).

The Utility shall recover its fair share of contributions to support a coordinated EMF education and research program specifically related to electric utilities' facilities and power lines. The total maximum budgeted amounts, \$1,489,000 and \$5,600,000, respectively, for all participating California electric utilities, will be spread over a four (4) year period (01-01-94 through 12-31-97).

The Utility's fair share shall be based on the ratio of the Utility's prior calendar year's electricity sales to the total participants' (regulated and municipal energy utilities) prior calendar year's total electric sales in California, as determined by DHS.

ii. PROCEDURE

The Utility will maintain the EMFMA in the following manner by:

1. Debiting the account, at the end of each month, with one-twelfth of the DHS determined Utility's annual fair share of EMF research and education expenditures in support of stakeholder and public involvement.

(Continued)

(N)

(N)

(To be inserted by utility)
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Issued by
Walter M. Higgins

(To be inserted by CPUC)
Date Filed 06-17-94

Decision No. 93-11-013

Name
President
Title

Effective 06-17-94

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

12. MEMORANDUM ACCOUNTS (Continued)

C. ELECTRIC AND MAGNETIC FIELDS MEMORANDUM ACCOUNT (EMFMA) (Continued)

ii. PROCEDURE (Continued)

- 2. Debiting the account, at the end of each month, with one-twelfth of the DHS determined Utility's annual fair share of contributions to support a coordinated **EMF education** program.
- 3. Debiting the account, at the end of each month, with one-twelfth of the DHS determined Utility's annual fair share of contributions to support a coordinated **EMF research** program.
- 4. Debiting the account, at the end of each month, with interest, calculated on the monthly average of the beginning and ending balance in the account. The interest rate used will be one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release G.13, or its successor.
- 5. Crediting the account on January 1 of each year to transfer the balance in the EMFMA to the Utility's ERAM balancing account.

iii. APPLICABILITY

The EMFMA balance will be transferred to the Electric Revenue Adjustment Mechanism (ERAM) account, annually and will be collected from all customer classes, unless specifically requested for exclusion by the Commission.

iv. CHANGES IN RATES

The costs recorded in the EMFMA will be recovered in rates, through the annual ERAM filing with the Commission, only after a request by the Utility, a showing of reasonableness, and approval by the Commission.

(Continued)

(N)

(N)

(To be inserted by utility)
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Decision No. 93-11-013

Name
President
Title

Effective 06-17-94

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

12. MEMORANDUM ACCOUNTS (Continued)

(N)

D. INDUSTRY RESTRUCTURING MEMORANDUM ACCOUNT (IRMA)

i. PURPOSE

The purpose of the Industry Restructuring Memorandum Account (IRMA) is to record the costs incurred by the Utility for electric restructuring-related implementation activities. This account is being established in accordance with Decision 95-12-063, as modified by Decision 96-01-009, Assembly Bill 1890, Decision 96-12-077, Decision 97-03-069, and Decision 97-05-040.

ii. PROCEDURE

The IRMA consists of two (2) Subaccounts.

The following information briefly describes these subaccounts:

1. Consumer Education Program (CEP) Costs Subaccount

The Consumer Education Program (CEP) Costs Subaccount will record the costs incurred by the Utility on or after March 31, 1997, associated with the informing and educating customers about the changes taking place in the electric industry restructuring and how those changes affect them; and providing customers with the necessary information to allow them to compare and select among products and services in the electricity market. Based on D. 97-03-069, these activities are expected to extend until at least May 31, 1998.

2. Direct Access Implementation (DAI) Costs Subaccount

The Direct Access Implementation (DAI) Costs Subaccount will record the costs incurred by the Company on or after May 6, 1997, associated with the implementing direct access in the Utility's California Service

(Continued)

(N)

(To be inserted by utility)
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Issued by
Walter M. Higgins

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Date Filed 06-18-97

Decision No. _____

Name
President
Title

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**PRELIMINARY STATEMENT
(Continued)**

12. MEMORANDUM ACCOUNTS (Continued)

(N)

D. INDUSTRY RESTRUCTURING MEMORANDUM ACCOUNT (IRMA) (Continued)

ii. PROCEDURE (Continued)

2. Direct Access Implementation (DAI) Costs Subaccount (Continued)

Territory. These costs may include, but are not limited to the costs related to the following activities:

- a) Costs of processing customers information requests
- b) Modification to Sierra's billing system required to meet the demands of the restructured industry
- c) Providing customer information and protection
- d) Installation and reading of real-time pricing meters, if necessary, and
- e) Development, implementation, and testing for new capabilities required to interface with the relevant market place and transmission operator or others.

The Utility will maintain the Subaccounts in the following manner by:

- 1. Debiting each subaccount, at the end of each month, with the recorded costs related to each subaccount.
- 2. Debiting each subaccount, at the end of each month, with interest, calculated on the monthly average of the beginning and ending balance in the account. The interest rate used will be one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13, or its successor.

iii. APPLICABILITY

The IRMA shall apply to all customer classes, except for those specifically excluded by the Commission.

iv. CHANGES IN RATES

The IRMA does not currently have a rate component.

Sierra may request recovery of the balances in the IRMA by separate application to the Commission, or by any other means deemed appropriate by the Commission.

(N)

(To be inserted by utility)
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Walter M. Higgins

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Title

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**PRELIMINARY STATEMENT
(Continued)**

13. ELECTRIC AND MAGNETIC FIELDS (EMF) MEASUREMENT POLICY

(N)

A. Purpose

The purpose of Sierra Pacific Power Company's (Sierra's) Electric and Magnetic Fields Measurement Policy is to conduct magnetic field 'spot' measurements for customers and employees on request. Customers include, but are not limited to, residential and business customers, parents, realtors and potential home buyers, employers and employees interested in workplace exposures, as well as public agencies and/or schools.

This EMF Measurement Policy is being set forth in compliance with Ordering Paragraph 10 of the Interim Order in Decision 93-11-013 (I.91-01-012), dated November 2, 1993.

B. Introduction to EMF

"EMF" is a convenient acronym for electric and magnetic fields or electromagnetic fields. Electric fields are associated with the voltage of the source; magnetic fields are associated with the current. Electric fields are measured in units of kilovolts per meter (kV/M); magnetic fields are measured in units of Gauss (G) or thousandths of a Gauss, called milligauss (mG). The earth itself has a static or DC magnetic field of about 0.5 Gauss (500 mG). Normally, we speak of magnetic fields associated with transmission and distribution systems, as well as everyday electricity use, in terms of milligauss.

Most electricity in the United States is alternating current (AC) and operates at a frequency of 60 Hertz (cycles per second). Power-frequency (that is, 60 Hertz) EMF exist everywhere there is electricity, including common home appliances, power tools, office equipment, video games and electric lines. EMF levels are higher close to their source and decrease rapidly with distance. For example, EMF levels near appliances can range from tens to thousands of milligauss, but virtually disappear at distances of more than five feet. EMF levels in the vicinity of electric lines are within the range of those encountered daily in homes, offices, shopping malls, and other locations where there is electricity.

(N)

(Continued)

(To be inserted by utility)
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Decision No. _____

Name
President
Title

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**PRELIMINARY STATEMENT
(Continued)**

13. ELECTRIC AND MAGNETIC FIELDS (EMF) MEASUREMENT POLICY (Continued)

(N)

C. Types of Measurement/Measurement Interpretation

The health questions which are currently being discussed and/or researched generally focus on exposure to magnetic fields. Therefore, Sierra conducts only the magnetic field measurements.

Sierra does not provide detailed diagnostic analysis of the sources of magnetic field measurements and/or the interpretation of the magnetic field readings. Literature on EMF survey is provided to enable the customer to compare the results of the readings provided by Sierra with those typically found in similar situations.

Sierra is not a health expert, and we rely on scientific and medical experts to assess and make recommendations on EMF studies. Although science does not provide any specific information on safe or unsafe magnetic field levels, we will share with the customer any information we have on this issue.

D. How Does the Customer Schedule a Reading

If a customer requests information on EMF, Sierra will mail out an information packet which contains the following brochures:

- Your Guide to Understanding EMF, Culver Company
- Electric and Magnetic Fields: Measurement and Possible Effects on Human Health, California Department of Health Services
- Questions & Answers About Electric and Magnetic Fields (EMF's), EPA

If a customer requests magnetic field measurement, a pre-measurement telephone discussion is held with the customer and the measurement appointment is scheduled. Once the appointment is arranged, Sierra's representative visits the customer's home or business, completes the measurements, and records the results on the Measurement Data Form. It is normally required that the person requesting the survey be present to participate in the survey process. If not previously provided, the literature normally mailed to the customer will be provided at the time of the visit for measurement.

(N)

(Continued)

(To be inserted by utility)
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Decision No. _____

Name
President
Title

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Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

13. ELECTRIC AND MAGNETIC FIELDS (EMF) MEASUREMENT POLICY (Continued)

(N)

D. How Does the Customer Schedule a Reading (Continued)

A copy of the Measurement Data Form and a letter are normally mailed to the customer within a week.

E. Measurement Protocol

Sierra follows Residential Magnetic Field Measurement Protocol similar to the one developed by California Department of Health Service. Sierra requires written permission of an authorized person prior to conducting a measurement. A verbal permission at the time of measurement may suffice. An authorized person is the property owner or the person who is responsible for the account at the location being measured. It does not include real estate agents or brokers.

Copies of the written magnetic field measurement results will be provided only to the property owner, the customer or an authorized representative of the owner or the customer.

F. Meter Loan

Sierra does not have a meter loan program. Occasionally a magnetic field meter may be loaned or left with a customer as an educational tool, but only after a Sierra representative has discussed the EMF issue, measurement limitations and discussed different types of magnetic field sources.

G. Types of Meter

Sierra primarily uses EMDEX II (three axis) meter for conducting magnetic field measurements.

H. Tracking of Costs (California Customers)

Sierra will provide reasonable magnetic field measurement service at no cost to the customer.

To comply with the California Public Utilities Commission decision, we will be tracking the time spent with the customer inside the home, along with the total time spent on information package/consultation, round-trip travel, measurements outside the home, and report preparation etc.

(N)

(To be inserted by utility)
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President
Title

Effective 07-05-94

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

14. ELECTRIC AND MAGNETIC FIELDS EXPERIMENTAL RESEARCH BALANCING ACCOUNT (EMFERBA)

(N)

A. Purpose

The purpose of the Electric and Magnetic Fields Experimental Research Balancing Account (EMFERBA) is to record monthly and track the Utility's fair share of the adopted California regulated utility contribution to the cost of the experimental research program to be conducted by the federal government pursuant to the National Energy Policy Act (NEPA) of 1992. These costs will be included only to the extent that the experimental research addresses EMF related to electric utility facilities and power lines or to the extent that regulated electric utility funding may be required by law.

The authorization to participate in the program and to accumulate the Utility's fair share of costs is stated in Ordering Paragraphs 20 and 21 of the Interim Order in Decision 93-11-013 (I.91-01-012, dated November 12, 1993).

Sierra's fair share shall be based on the ratio of Sierra's prior calendar year's electricity sales to the total participants' (regulated and municipal energy utilities) prior calendar year's total electric sales in California, or as otherwise determined by the Commission. Such costs will be included only to the extent that the experimental research addresses EMF related to electric utility facilities and power lines, or to the extent that regulated energy utility funding may be required by law.

B. Procedure

The utility will maintain the EMFERBA in the following manner by:

1. Debiting the account, at the end of each month, with one-twelfth of the annual Utility's fair share of the contribution made to the experimental research program to be conducted by the federal government pursuant to the National Energy Policy Act of 1992.

(Continued)

(N)

(To be inserted by utility)
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Date Filed 06-17-94

Decision No. 93-11-013

Name
President
Title

Effective 06-17-94

Resolution No. _____

**PRELIMINARY STATEMENT
(Continued)**

14. ELECTRIC AND MAGNETIC FIELDS EXPERIMENTAL RESEARCH BALANCING ACCOUNT (EMFERBA) (Continued)

(N)

B. Procedure (Continued)

- 2. Debiting the account, at the end of each month, with interest, calculated on the monthly average of the beginning and ending balance in the account. The interest rate used will be one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release G.13, or its successor.
- 3. Crediting the account on January 1 of each year to transfer the balance in the EMFMA to the Utility's ERAM balancing account.

C. Applicability

The EMFMA balance will be transferred to the Electric Revenue Adjustment Mechanism (ERAM) account, annually and will be collected from all customer classes, unless specifically requested for exclusion by the Commission.

(T)

D. Changes in Rates

The costs recorded in the EMFMA will be recovered in rates, through the annual ERAM filing with the Commission, only after a request by the Utility, a showing of reasonableness, and approval by the Commission.

(N)

(To be inserted by utility)
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Walter M. Higgins

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Date Filed 06-17-94

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Name
President
Title

Effective 06-17-94

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

15. Baseline Balancing Account (BBA)

(T)

A. Purpose

The Commission authorized the establishment of a balancing account that will track any under-collection or over-collection resulting from implementation of baseline amounts without corresponding ratemaking treatment in accordance with D.02-04-026.

B. Definitions

1. New Baseline Amounts: Any baseline amount implemented by the Commission without corresponding ratemaking treatment.
2. Old Baseline Amounts: Any baseline amount previously implemented by the Commission that has corresponding ratemaking treatment.
3. Baseline Balancing Amount: The difference in monthly revenues achieved under New Baseline Amounts and Old Baseline Amounts.
4. Interest Rate: The monthly interest rate will equal one-twelfth of the interest rate on Commercial Paper (3 months) for the previous month as published in the Federal Reserve Statistical Release, H.13 or its successor.

C. Accounting Procedures

1. A monthly debit or credit representing the Baseline Balancing Amount will be recorded at the end of the month commencing with the effective date of New Baseline Amounts. This balance will be carried forward from month to month.
2. A monthly debit or credit entry equal to interest on the monthly average balance of the BBA at the Interest Rate described in B.4 will be made at the end of the month.
3. Any amounts recorded in the BBA will be recoverable in the next rate case.

(To be inserted by utility)

Advice Letter No. 347-E

Issued by

Michael J. Carano

Name

Director

Title

(To be inserted by CPUC)

Date Filed 03-03-09

Decision No. _____

Effective 04-01-09

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

B. Definitions (Continued)

- 6. Interest Rate:** The monthly interest rate will equal one-twelfth of the interest rate on Commercial Paper (3 months) for the previous month as published in the Federal Reserve Statistical Release, G.13. Should publication of the interest rate on three-month Commercial Paper be discontinued, interest will accrue at the rate of one-twelfth of the previous month's interest rate on Commercial Paper, which most closely approximate the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, G.13, or its successor publication.
- 7. Jurisdictional Split:** The computation used to allocate the eligible electric transition costs among Nevada, California and FERC jurisdictions.
- 8. Policy Decision:** On December 20, 1995, the CPUC issued its electric industry restructuring Policy Decision (D. 95-12-063 as modified by D. 96-01-009).
- 9. Power Exchange (PX):** Under FERC jurisdiction, the PX provides an efficient, competitive auction where buyers and sellers submit demand and supply bids for energy and ancillary services to meet the loads of all exchange customers at efficient prices. The PX is open on a nondiscriminatory basis to all suppliers. (PU Code Section 355) The CPUC ordered Sierra in D. 97-12-093 to use the monthly average PX price as the basis for its market price credit and as a benchmark to assess market recovery of generation-related costs.
- 10. Power Purchase Agreements (PPA):** Contracts that govern the terms by which the utility purchases electric energy and capacity from power producers other than Qualifying Facilities (QF).
- 11. Qualifying Facilities (QF):** A non-utility power producer that meets certain operating, efficiency, and fuel-use standards set forth by the FERC's rules implementing the Public Utility Regulatory Policy Act and thereby qualifies to supply generating capacity and electric energy to electric utilities, which must purchase this power at a price approved by the CPUC or applicable regulatory authority.

(Continued)

(To be inserted by utility)
Advice Letter No. 256-E

Decision No. _____

Issued by
Walter M. Higgins
Name
President
Title

(To be inserted by CPUC)
Date Filed December 23, 1997

Effective January 1, 1998

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

B. Definitions (Continued)

12. Rate Freeze: Rates may not increase for any rate schedule, contract, or tariff option above the levels in effect on June 10, 1996. Residential and small commercial (< 20 kW) customer rates will be reduced by 10 percent per D. 97-12-093. The rate freeze shall remain in effect until the earlier of March 31, 2002 or the date on which the CPUC authorized cost for utility-generation related assets have been fully recovered.(PU Code Sections 367, 368)

13. Rate Reduction Bonds (RRBs): Bonds, notes, certificates of participation or beneficial interest, or other evidences of indebtedness or ownership, issued pursuant to an executed indenture or other agreement of a financing entity, the proceeds of which are used to provide, recover, finance or refinance transition costs, to finance the 10% rate reduction, and to acquire transition property and that are secured by or payable from transition property. (PU Code Section 840(e))

14. Utility Distribution Company (UDC): The UDC will provide distribution services and will continue to be regulated by the CPUC. The distribution category includes revenue requirements for all distribution plant, customer access equipment at all voltages, and the infrastructure required to provide distribution services. The UDC will be responsible for providing nondiscriminatory distribution services to all customers and, in a restructured industry, would continue its obligation to provide distribution services to all customers, including direct access customers, in its service territory.

C. Cost Recovery Periods

The TCBA will begin January 1, 1998, and recovery of generation-related transition costs will cease not later than December 31, 2001, with some exceptions, as described in PU Code Sections 367, 375, 376, and 381. At the end of 2001, the Current Costs CTC Account and the Accelerated Costs CTC Account will end. The Post 2001-Eligible Costs CTC Account will continue beyond the transition period. CTC recovery beyond the transition period will continue for all costs in the Post 2001-Eligible Costs CTC Account. The utility will seek recovery of these ongoing transition costs beyond December 31, 2001 through the TCBA or some other mechanism, as may be authorized by the Commission.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

D. TCBA Rates

The TCBA does not have a rate component. Rather the CTC-related revenue is calculated on a residual basis, as described in Item F.3.a below, and tracked in the CTC Revenue Account.

E. Reporting Requirements

Commencing June 1, 1998, the utility will file the first Annual Report with the CPUC to reflect the costs and cost recovery recorded by the utility in the TCBA. Thereafter, the Annual Transition Cost Report will be filed on a calendar year basis no later than March 31 of each year reflecting recorded data from the previous year.

Pursuant to D. 97-11-074, the utility shall provide for the duration of the transition period:

- Monthly reports of all entries to the transition cost balancing account.
- Balances and returns used to develop transition cost revenue requirements.
- The assumptions used in estimating market value.
- The results of any market valuations.
- Any changes in revenue requirements resulting from capital additions proceedings.
- Changes in amortization schedules due to changes in market value estimates or actual market valuations, and
- Any additional acceleration beyond the 48-month amortization schedule.

In addition to the Annual Report, beginning in 1998, the utility will calculate the net balance in the CTC accounts on a monthly basis and file monthly reports within 30 days of the end of the month with the CPUC, including appropriate memorandum accounts.

F. Accounting Procedure

1. Commission Guidelines

The accounting procedures in the following sections will comply with the following guidelines, as adopted by the Commission on pages 3-5 of D. 97-12-039. Sierra will comply with these guidelines to the extent applicable.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

1. Commission Guidelines (Continued)

- a.** The recovery of certain costs that are currently incurred may be deferred. The recovery of employee transition costs (as addressed in §375) may be deferred to the post-2001 period and recovered through December 31, 2006. Section 376 provides that, to the extent that Federal Energy Regulatory Commission (FERC) or Commission-approved recovery of the costs of utility-funded programs to accommodate implementation of direct access, the Power Exchange, and the ISO, reduces the ability of the utilities to collect generation-related transition costs, those generation-related costs may be collected after December 31, 2001, in an amount equal to the implementation costs that are not recovered from the Power Exchange or ISO. Generation-related transition costs which may be displaced by the collection of renewable program funding (as addressed in § 381(d)) may be collected through March 31, 2002.
- b.** Current costs are those cost items eligible for transition cost recovery that are incurred in the current period. The definition of current costs also includes the amortization of depreciable assets on a straight-line basis over the 48-month transition period. In addition, certain regulatory assets which may be jeopardized by write-offs should be amortized ratably over a 48-month period. The specific regulatory assets to which this guideline applies should be determined once Phase 2 eligibility criteria are resolved. The amortization of the investment-related assets should include a provision for associated deferred taxes and the reduced rate of return called for in the Preferred Policy Decision (D.95-12-063, as modified by D.96-01-009). To accommodate ongoing market valuations and accelerated recovery, the utilities should recalibrate recovery levels for remaining months of the schedule, if necessary. To the extent that revenues do not cover costs in a current period, revenues should be applied first to costs incurred during that period and then to scheduled amortization, including that of regulatory assets.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

1. Commission Guidelines (Continued)

- c.** To the extent that any additional headroom revenues remain and until such time as plants are depreciated to their anticipated market value, any additional revenues should be applied first to accelerate the depreciation of those transition cost assets with a high rate of return and in a manner which provides the greatest tax benefits. In this way, accelerated recovery of transition costs will benefit shareholders and ratepayers.
- d.** As assets that are currently included in rate base are amortized, rate base should be reduced correspondingly on a dollar-for-dollar basis, including the impact of associated taxes. This will ensure that the utilities are in compliance with § 368(a), which requires among other things that transition costs be amortized such that the rate of return on uneconomic assets does not exceed the authorized rate of return.
- e.** As a general guideline for those assets subject to market valuation, generation-related assets should be written down to their estimated market value, but not below, based on a relatively broad estimate of market value. (The Commission) will be somewhat flexible in applying this guideline. (The Commission) recognize(s) both PG&E's and Edison's concerns that public disclosure of such estimates could adversely affect the auction process and will address the need for protective orders and confidentiality as the need arises. It is not (the Commission's) intent to revisit the market valuation process occurring in other proceedings.
- f.** It is the duty of the Commission to determine what transition costs are reasonable and because such costs cannot be determined to be uneconomic or not until (the Commission has) more information, (the Commission) reject(s) the utilities' request for complete flexibility in managing their transition cost recovery. (The Commission) require(s) monthly and annual reports and will institute an annual transition cost proceeding, separate from the Revenue Adjustment Proceeding. In D.96-12-088, (the Commission) provided that authorized revenues would be established in the respective proceedings for various issue

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

1. Commission Guidelines (Continued)

f. (Continued)

areas and would be consolidated in the Revenue Adjustment Proceeding. In addition, to provide further clarity to this concept, (the Commission) will require the utilities to revise their pro forma tariffs to indicate that the cost accounts and subaccounts they establish are not labeled as transition cost subaccounts, but are merely the sunk cost accounts and subaccounts. This is important because (the Commission is) establishing the sunk costs in Phase 2 of these proceedings, but the uneconomic portion of these costs (which is the portion eligible for transition cost recovery) must be established on an ongoing basis.

g. To the extent feasible, current costs, including those categories that may be deferred, should be recovered before December 31, 2001. (The Commission expects) that the deferred transition costs should be small relative to the transition costs incurred from qualifying facility (QF). Restructuring implementation costs and employee-related transition costs may be deferred with interest at the usual 90-day commercial paper rate. Generation-related transition costs that are deferred because of funding the programs addressed in § 381(d) shall not accrue interest.

h. To the extent possible, the utilities should manage acceleration of assets to achieve a matching of revenues to current costs plus the portion of noncurrent costs that is accelerated, in a manner to avoid major under- or overcollections of the competition transition charge (CTC). To the extent that noncurrent costs are accelerated, the utilities should recalibrate the remaining months of the recovery schedule to adjust the depreciation schedule through the end of the transition period. To the extent that over- or undercollections occur, interest will accrue at the usual 90-day commercial paper rate, with the exception of deferred generation-related transition costs displaced because of funding the § 381(d) programs.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

2. Rate Reduction Revenue (RRR) Memorandum Account

This account records the 10% rate reduction revenue for the residential and small commercial (< 20 kW) classes and applicable interest to track foregone revenues as provided for in D. 97-12-093 until the CPUC approves the establishment of fixed transition amounts for these purposes.

Entries shall be made into the RRR Account at the end of each month (with the exception of credit or debit entries that will be recorded as they occur) as follows:

- a. A credit entry equal to the 10% Rate Reduction Amount for the residential and small commercial (< 20 kW) classes.
- b. Monthly credit entry equal to the average balance multiplied by the interest rate as defined in Section B.6.

3. CTC Revenue Account

This account records all CTC monthly revenues received from customers through electric rates and other transactions as described in Items a through f, below.

Entries shall be made into the CTC Revenue Account at the end of each month (with the exception of credit or debit entries that will be recorded as they occur) as follows:

- a. A credit entry equal to the amount of CTC residual revenue the utility receives from its customers for services rendered during the month. CTC residual revenue is equal to the embedded generation rate less the average PX price.
- b. Upon approval by the CPUC of the Fixed Transition Amount Charge, a monthly credit entry equal to the monthly revenue received from residential and small (< 20 kW) commercial customers from the Fixed Transition Amount charge.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

3. CTC Revenue Account (Continued)

- c.** An entry, at the time that the market valuation occurs, equal to the uneconomic difference between the market value of each plant and the sum of the net book value of the plant, regulatory assets and transaction costs.
- d.** A monthly credit entry equal to the monthly amortization of the uneconomic portion of the utility's net generation plant and generation-related regulatory assets.
- e.** A credit entry equal to any accelerated amortization of the uneconomic portion of the utility's net generation plant and generation-related regulatory assets.
- f.** A monthly debit to transfer CTC revenue to the Current Costs CTC Account, Accelerated Costs CTC Account and Post 2001-Eligible Costs CTC Account.

To the extent a balance exists in the revenue account or any of the cost accounts, these balances including interest will be carried over to the next month.

4. Current Costs CTC Account

The purpose of the Current Costs CTC Account is to record the above-market variable and fixed operating costs of the utility's generation plant, generation-related regulatory assets, QFs, and other PPAs. The Current Costs CTC Account consists of two subaccounts: the Currently Incurred Costs Subaccount and the Scheduled Amortization Subaccount.

Pursuant to Decision 97-06-060, if revenues remain in the CTC Revenue Account after all costs in the Current Costs Account are recovered, this revenue may be used to further accelerate costs in the Accelerated Costs Account described below.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

4. Current Costs CTC Account (Continued)

Entries shall be made into the Current Costs CTC Account at the end of each month (with the exception of credit or debit entries that will be recorded as they occur) as follows:

a. Currently Incurred Subaccount

The costs recorded in the Currently Incurred Subaccount are costs that the utility incurs in the current period. Pursuant to D. 97-06-060, these costs should be recovered prior to costs recorded in the Scheduled Amortization Subaccount.

1. Balancing Account Entries

Debit entries, at the time of Commission approval, to transfer the sum of all the costs in the subaccounts in the Industry Restructuring Memorandum Account (IRMA) that are approved by the Commission for transition cost recovery, except as otherwise noted in Section F.6.b.2

2. Variable and Fixed Operating Costs of the Generating Plants

A monthly debit or credit entry equal to the difference between the monthly PX revenues associated with fixed and variable operating costs of the generating plants and the monthly fixed and variable operating expenses of the generating plants.

3. Qualifying Facilities (QF)

A monthly debit or credit entry equal to the difference between the monthly PX revenues associated with QF costs and the monthly QF costs including costs for restructuring, termination, settlement, judgments and administrative and litigation costs associated with these contracts.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

4. Current Costs CTC Account (Continued)

a. Currently Incurred Subaccount (Continued)

4. Purchased Power Agreements (PPA)

A monthly debit or credit entry equal to the difference between the monthly PX revenues associated with purchased power costs and the monthly purchased power costs including the administrative costs associated with these agreements.

5. Transfer of Balance Entries

a. If applicable, a monthly credit entry to transfer CTC revenues from the CTC Revenue Account to recover the debit balance in this subaccount.

b. If applicable, a monthly debit entry to increase the amount of CTC revenues in the CTC Revenue Account to offset the credit balance in this subaccount.

c. If applicable, a one-time credit entry on December, 31, 2001 to transfer the balance in this subaccount to subaccounts in the Post 2001-Eligible CTC Account.

Revenues from the CTC Revenue Account will first be used to recover costs in the Currently Incurred Subaccount in the Current Costs CTC Account described above. To the extent a balance remains in the CTC Revenue Account after all costs in the Currently Incurred Subaccount have been recovered, these revenues will be used to recover costs in the Scheduled Amortization Subaccount in the Current Costs CTC Account, as described below.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

4. Current Costs CTC Account (Continued)

b. Scheduled Amortization Subaccount

PU Code Section 367 allows the utility to accelerate recovery of the uneconomic portion of generation plants, regulatory assets and other fixed obligations. Pursuant to CPUC Decision 97-06-060, the following debits reflect the amortization of the uneconomic portion of the utility's generation plant and generation-related regulatory assets as of January 1, 1998, depreciated on a straight-line basis, over a 48-month period, beginning January 1, 1998 until December 31, 2001. The uneconomic portion of the utility's generation plant depends on an estimate of the market value of the plants. If costs are further accelerated in the Accelerated Costs Account, the depreciation schedule and amounts may be adjusted.

1. Regulatory Asset Entries

A monthly debit entry equal to the total generation-related regulatory asset revenue requirement as of January 1, 1998, divided by 48.

2. Generation Plant Entries

a. A monthly debit entry equal to revenue requirement of the uneconomic portion of the fossil sunk cost as of January 1, 1998, divided by 48.

b. A debit entry, as appropriate, equal to the amount of costs associated with CPUC-approved capital additions of fossil plants, divided by the number of months remaining until December 31, 2001.

c. A one-time credit or debit netting the CPUC approved market value of the plant against the net book value of the plant. This netted result will equal the fossil plant gain or loss amount. A loss will be amortized over the remaining transition period, a gain will be credited to the CTC Revenue Account.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

4. Current Costs CTC Account (Continued)

b. Scheduled Amortization Subaccount (Continued)

3. Non-Nuclear Decommissioning Entries

A monthly debit entry equal to the future revenue requirements associated with fossil decommissioning as of January 1, 1998, net of any monies already accrued for such decommissioning, divided by 48.

4. Transfer of Revenue Entry

- a. If applicable, a monthly credit entry to transfer revenue from the CTC Revenue Account to recover the debit balance in this subaccount.
- b. If applicable, a one-time credit on December 31, 2001 to transfer the balance in this subaccount to subaccounts in the Post 2001-Eligible CTC Account, consistent with Section F.6.

Pursuant to Decision 97-06-060, if revenues remain in the CTC Revenue Account after all costs in the Current Costs CTC Account (Section F.4) are recovered, this revenue may be used to further accelerate costs in the Accelerated Costs CTC Account described below. To the extent a debit balance exists in the Current Costs CTC Account, the balance, including interest, will be carried forward to the next month.

5. Accelerated Costs CTC Account

PU Code Section 367 allows the utility to accelerate recovery for generation plants, undepreciated assets and other fixed obligations. Pursuant to CPUC Decision 97-06-060, if revenues remain in the CTC Revenue Account after current costs are recovered, revenues may be used to further accelerate costs until plants are depreciated to their anticipated market value. The priority of

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

5. Accelerated Costs CTC Account (Continued)

recovery will be those assets which earn the highest return and allow for the greatest tax benefits to ratepayers. To the extent costs are accelerated faster than the 48-month amortization schedule established in the Current Costs CTC Account, the scheduled debit amounts to the Scheduled Amortization Subaccount may need to be recalibrated. The following entries may be made to this account:

- a. **Regulatory Asset Entry**
A debit entry to accelerate recovery of the generation-related regulatory asset revenue requirement.
- b. **Generation Plant Entries**
A debit entry to accelerate recovery of the revenue requirement associated with the uneconomic portion the generation plant sunk cost.
- c. **Non-Nuclear Decommissioning Entry**
A debit entry to accelerate recovery of the future revenue requirements associated with fossil decommissioning.
- d. **Qualifying Facilities (QF) Entry**
A debit entry to accelerate future QF costs, provided this acceleration will not jeopardize the possibility that the rate freeze could end prior to March 31, 2002.
- e. **Purchase Power Agreement (PPA) Entry**
A debit entry to accelerate future PPA costs, provided this acceleration will not jeopardize the possibility that the rate freeze could end prior to March 31, 2002.
- f. **Transfer of Revenue Entry**
 - 1. If applicable, a monthly credit entry to transfer revenue from the CTC Revenue Account to recover the debit balance in this Account.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

5. Accelerated Costs CTC Account (Continued)

f. Transfer of Revenue Entry (Continued)

2. If applicable, a one-time credit on December 31, 2001 to transfer the balance in this Account to subaccounts in the Post 2001-Eligible CTC Account, consistent with Section F.6.

6. Post 2001-Eligible Costs CTC Account

The Post 2001-Eligible Costs CTC Account records costs that are eligible for recovery after the rate freeze period or December 31, 2001 (whichever is earlier). This account also includes any costs associated with employee transition that are incurred by the utility during the rate freeze period, as specified by CPUC D. 97-06-060. Additionally, this account includes generation-related transition costs incurred during the rate freeze period whose recovery may be extended until March 31, 2002, as designated by PU Code Sections 367(a), 376, and 381(d) and D. 97-06-060. The costs listed in this account are subject to different recovery ending dates, as specified in PU Code Sections 367(a) and 381(d), depending on the specific cost. Employee costs and restructuring implementation costs will earn interest.

a. Displaced Transition Cost Recovery Subaccounts

At the end of 2001, if any balances remain in either the Current Costs CTC Account or the Accelerated Costs CTC Account, these balances will be transferred to the following subaccount, as specified in PU Code Section 376 and CPUC Decision 97-06-060 for these costs. CTC revenues that are credited to the CTC Revenue Account will be used to recover these costs.

1. Restructuring Implementation Costs Subaccount

One-time debit entries on January 1, 2002 equal to the amount of generation-related transition costs including interest that remain unrecovered on December 31, 2001, due to the recovery, during the transition period, of restructuring implementation costs. The amount of costs to be debited to this
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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

6. Post 2001-Eligible Costs CTC Account (Continued)

a. Displaced Transition Cost Recovery Subaccounts (Cont'd)

1. Restructuring Implementation Costs Subaccount (Cont'd)

account will not exceed the amount of restructuring implementation costs debited to the TCBA during the transition period. The costs to be included are those transition costs from the Current Costs CTC Account and/or the Accelerated Costs CTC Account that remain unrecovered after December 31, 2001. On January 1, 2002, the transfer of remaining balances will be accomplished by making one-time credits to one or more of the subaccounts within the Current Costs and/or the Accelerated Costs CTC Accounts and debiting this subaccount by an equivalent amount. Recovery of these costs will continue beyond 2001 until these costs are fully recovered.

b. Employee Transition Costs Subaccount

1. A debit entry equal to the employee transition costs including interest due to restructuring, as incurred, through the calendar year 2006. These costs may be recovered until December 31, 2006.
2. A one-time debit entry equal to the employee transition costs due to restructuring that occur prior to January 1, 1998. Employee transition costs that occur due to restructuring prior to January 1, 1998, will be tracked in the Employee Transition Cost Subaccount of the IRMA and transferred to this Employee Transition Costs subaccount on January 1, 1998. These costs may be recovered until December 31, 2006.
3. A credit entry equal to revenue applied to Employee Transition costs.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

6. Post 2001-Eligible Costs CTC Account (Continued)

b. Employee Transition Costs Subaccount (Continued)

4. One-time debit entries on January 1, 2002 equal to the amount of generation-related transition costs, including interest, that remain unrecovered on December 31, 2001, due to the recovery, during the transition period, of employee-related costs. The amount of costs to be debited to this account will not exceed the amount of employee-related costs debited to the TCBA during the transition period. The costs to be included are those transition costs from the Current Costs Account and/or the Accelerated Costs Account that remain unrecovered after December 31, 2001. On January 1, 2002, the transfer of remaining balances will be accomplished by making one-time credits to one or more of the subaccounts within the Current Costs and/or the Accelerated Costs Accounts and debiting this subaccount by an equivalent amount. These costs may be recovered until December 31, 2006.

c. QF Subaccount

Recovery of the following costs will continue, after 2001, for the duration of the QF contracts.

1. A debit entry equal to payments made to QFs after 2001, including payments for restructuring, termination, settlement and judgments related to QF power purchase agreements, and the administrative and litigation costs associated with these contracts.
2. A debit entry equal to the accelerated amount associated with future QF costs after 2001.
3. A credit entry equal to the PX revenues associated with QFs for the month.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

6. Post 2001-Eligible Costs CTC Account (Continued)

c. QF Subaccount (Continued)

4. If the sum of items F.6.c.1 through F.6.c.3 equal a net credit balance, a debit entry, will be recorded to this subaccount, equal to the sum of items F.6.c.1 through F.6.c.3 to transfer this net credit balance to the CTC Revenue Account.

d. Power Purchase Agreement (PPA) Subaccount

Pursuant to D. 97-06-060, the recovery of the following costs will continue, after 2001, for the duration of the Purchased Power Agreements.

1. A debit entry, after 2001, equal to payments made under PPAs, including the administrative costs associated with these contracts.
2. A credit entry equal to the PX revenues associated with PPAs for the month.
3. If the sum of items F.6.d.1 and F.6.d.2 equal a net credit balance, a debit entry, will be recorded to this subaccount, equal to the sum items F.6.d.1 and F.6.d.2 to transfer this net credit balance to the CTC Revenue Account.

Monthly credit entries will be made to each of the four subaccounts in the Post 2001-Eligible CTC Account in order to transfer revenue from the CTC Revenue Account. To the extent a balance remains in the CTC Revenue Account, after all costs in the above four subaccounts have been recovered, these revenues may be carried over to the following month.

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15. TRANSITION COST BALANCING ACCOUNT (TCBA) (Continued)

F. Accounting Procedure (Continued)

6. Post 2001-Eligible Costs CTC Account (Continued)

e. Interest

A debit or credit entry, as appropriate, equal to interest on the average of the net balance of these four accounts described above (the CTC Revenue Account, the Currents Costs CTC Account, the Accelerated Costs CTC Account, and the Post 2001-Eligible Costs CTC Account at the beginning of the month and the net balance of these four accounts after entries F.6.a through F.6.d above, at a rate equal to one-twelfth of the interest rate, based on the three-month Commercial Paper rate, for the previous month as reported in the Federal Reserve Statistical Release, G.13. Should publication of the interest rate on three-month Commercial Paper be discontinued, interest will so accrue at the rate of one-twelfth of the previous month's interest rate on Commercial Paper, which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, G.13, or its successor publication.

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PRELIMINARY STATEMENT
(Continued)

16. Low Income Energy Efficiency (LIEE) Surcharge Mechanism

(T)

A. Purpose

The purpose of the LIEE Surcharge Mechanism is to establish the procedure to be utilized in adjusting the Public Purpose Programs rates, of which the LIEE surcharge is a component, in order to recover the costs associated with the LIEE program, in accordance with D.03-03-007.

B. Applicability

The LIEE surcharge applies to all rate schedules and certain special contracts subject to the jurisdiction of the Commission.

C. Definitions

1. Franchise Fees and Uncollectibles (FF&U) Allowance: The FF&U allowance shall be based on the rate derived from the Utility's most recent general rate decision to provide for FF&U expense
2. Interest Rate: The monthly interest rate will equal one-twelfth of the interest rate on Commercial Paper (3 months) for the previous month as published in the Federal Reserve Statistical Release, H.13 or its successor.

D. LIEE Balancing Account

The following entries shall be made to this account at the end of each month:

1. A debit entry equal to the amount of incremental administrative expenses, including weatherization, energy efficiency measures and education costs, associated with the LIEE program.
2. A credit entry equal to the revenue collected through the LIEE surcharge, less the allowance for FF&U.
3. A debit or credit entry equal to interest on the monthly average balance at the Interest Rate described above.

(Continued)

(To be inserted by utility)
Advice Letter No. 347-E

Issued by
Michael J. Carano
Name
Director
Title

(To be inserted by CPUC)
Date Filed 03-03-09

Decision No. _____

Effective 04-01-09

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

16. Low Income Energy Efficiency (LIEE) Surcharge Mechanism (Continued)

(T)

D. LIEE Balancing Account, (Continued)

In conjunction with the appropriate proceeding, if an over-collection exists in the balancing account, it will be refunded to customers. If an under-collection exists in the balancing account, it will not be billed to customers.

E. Reasonableness Review

In conjunction with the appropriate proceeding, the Utility shall file with the Commission a report on the reasonableness of recorded LIEE Program costs includable in the LIEE Balancing Account during the Record Period.

(To be inserted by utility)

Advice Letter No. 347-E

Issued by

Michael J. Carano

Name

Director

Title

(To be inserted by CPUC)

Date Filed 03-03-09

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PRELIMINARY STATEMENT
(Continued)

17. Baseline Balancing Account (BBA)

A. Purpose

The Commission authorized the establishment of a balancing account that will track any under-collection or over-collection resulting from implementation of baseline amounts without corresponding ratemaking treatment in accordance with D.02-04-026.

B. Definitions

1. New Baseline Amounts: Any baseline amount implemented by the Commission without corresponding ratemaking treatment.
2. Old Baseline Amounts: Any baseline amount previously implemented by the Commission that has corresponding ratemaking treatment.
3. Baseline Balancing Amount: The difference in monthly revenues achieved under New Baseline Amounts and Old Baseline Amounts.
4. Interest Rate: The monthly interest rate will equal one-twelfth of the interest rate on Commercial Paper (3 months) for the previous month as published in the Federal Reserve Statistical Release, H.13 or its successor.

C. Accounting Procedures

1. A monthly debit or credit representing the Baseline Balancing Amount will be recorded at the end of the month commencing with the effective date of New Baseline Amounts. This balance will be carried forward from month to month.
2. A monthly debit or credit entry equal to interest on the monthly average balance of the BBA at the Interest Rate described in B.4 will be made at the end of the month.
3. Any amounts recorded in the BBA will be recoverable in the next rate case.

(To be inserted by utility)
Advice Letter No. 287-E

Issued by
Mary O. Simmons
Name
Vice President
Title

(To be inserted by CPUC)
Date Filed 05-09-02

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Effective 06-01-02

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

18. Rate Stabilization Surcharge Balancing Account (RSSBA)

A. Purpose

The purpose of the RSSBA is to track the interim Rate Stabilization Surcharge (RSS) by customer class in accordance with the decision in A.01-06-041, Phase 1 approved July 17, 2002. The RSS revenues will be subject to refund pending the resolution of A.01-06-041, Phase 2, filed April 2, 2002.

B. Definitions

1. RSS Revenues: Rate Stabilization Surcharge revenues.
2. Interest Rate: The monthly interest rate will equal one-twelfth of the interest rate on Commercial Paper (3 months) for the previous month as published in the Federal Reserve Statistical Release, H.13 or its successor.

C. Accounting Procedures

1. On a monthly basis the RSS Revenues by customer class will be tracked commencing with the effective date of RSS.
2. Refunds will be determined based upon the resolution of A.01-06-041, Phase 2.
3. If refunds are required, interest will be based on the interest rate defined above.

(N)

(N)

(To be inserted by utility)
Advice Letter No. 289-E

Issued by
Mary O. Simmons
Name
Vice President
Title

(To be inserted by CPUC)
Date Filed 07-18-02

Decision No. _____

Effective 07-18-02

Resolution No. _____

PRELIMINARY STATEMENT
(Continued)

19. Low Income Energy Efficiency (LIEE) Surcharge Mechanism

(N)

A. Purpose

The purpose of the LIEE Surcharge Mechanism is to establish the procedure to be utilized in adjusting the Public Purpose Programs rates, of which the LIEE surcharge is a component, in order to recover the costs associated with the LIEE program, in accordance with D.03-03-007.

B. Applicability

The LIEE surcharge applies to all rate schedules and certain special contracts subject to the jurisdiction of the Commission.

C. Definitions

1. Franchise Fees and Uncollectibles (FF&U) Allowance: The FF&U allowance shall be based on the rate derived from the Utility's most recent general rate decision to provide for FF&U expense
2. Interest Rate: The monthly interest rate will equal one-twelfth of the interest rate on Commercial Paper (3 months) for the previous month as published in the Federal Reserve Statistical Release, H.13 or its successor.

D. LIEE Balancing Account

The following entries shall be made to this account at the end of each month:

1. A debit entry equal to the amount of incremental administrative expenses, including weatherization, energy efficiency measures and education costs, associated with the LIEE program.
2. A credit entry equal to the revenue collected through the LIEE surcharge, less the allowance for FF&U.
3. A debit or credit entry equal to interest on the monthly average balance at the Interest Rate described above.

(Continued)

(N)

(To be inserted by utility)
Advice Letter No. 298-E

Issued by
Michael J. Carano

(To be inserted by CPUC)
Date Filed April 9, 2003

Decision No. 03-03-007

Name
Director
Title

Effective May 1, 2003

Resolution No. _____

Revised
DESCRIPTION OF SERVICE AREA

412-E

Parcel 1

The Service Area for which electricity will be served by Sierra Pacific Power Company, under this body of Rules set forth, and as outlined on the Service Area Map, shall be as follows:

The boundary line of the area is defined as...beginning at the Southwest corner of Section 34, T20N, R13E. Thence Easterly along the Northern boundary of T19N to the Northeast corner of Section 1, T19N, R14E; thence Southerly to the Southeast corner of Section 1, T19N, R14E; thence Easterly to the Southwest corner of Section 34, T20N, R15E; thence Northerly to the Northwest corner of Section 3, T20N, R15E; thence in an Easterly direction to the Southwest corner of Section 34, T21N, R15E; thence Northerly to the Northwest corner of Section 22, T21N, R15E; thence Easterly to the Southeast corner of the SW ¼ of the SW ¼ of Section 13, T21N, R15E; thence Northerly to the Northeast corner of the NW ¼ of the SW ¼ of Section 12, T21N, R15E; thence Easterly to the center point of Section 8, T21N, R16E; thence in a Northerly direction to the Plumas-Sierra County line; thence Easterly to the Northeast corner of Section 4, T21N, R17E; thence Southerly to the Southeast corner of Section 33, T21N, R17E; thence Easterly to the Southeast corner of Section 36, T21N, R17E; thence in a Northerly direction to the Northeast corner of Section 36, T21N, R17E; thence Easterly to the California-Nevada State line.

(That portion of boundary line described above contiguous to territory served by Plumas-Sierra Rural Electric Co-operative as certified to them in Metes & Bounds Description by California Public Utility Commission Decision #47989.)

Thence Southerly along the California-Nevada State line to its intersection with the North line of T7N. Thence Westerly along said North line of T7N (as described in Mono County Ordinance No. 188, California Public Utility Commission Decision #39846) to the Alpine-Mono County line. Thence continuing along the North line of T7N to the summit of the Sierra Nevada Mountains. Thence Northwesterly along the summit of the Sierra Nevada Mountains to the Alpine-El Dorado County line. (Alpine County Ordinance No. 146.) Thence continuing along the summit of the Sierra Nevada Mountains across the counties of El Dorado and Placer to a point on the Placer-Nevada County line. (El Dorado County Ordinance No. 99, Placer County Ordinance No. 41.) Thence Easterly along the said Placer-Nevada County line to a point on the Easterly line of Section 16, T17N, R15E, said point being approximately 575 feet North of the Southeast corner of Section 16, T17N, R15E. Thence North to the boundary line between T17N and T18N. Thence Westerly along the said boundary line to the boundary line between R14E and R15E. Thence North four miles to the Southeast corner of Section 13, T18N, R14E. Thence West 6 miles to the boundary line between R13E and R14E. Thence North 2 miles along the said boundary line to intersect the common boundary between Sierra and Nevada Counties. Thence Westerly along the said Sierra-Nevada County line to its intersection with the Westerly line of Section 3, T18N, R13E. Thence Northerly along the West lines of Section 3, T18N, R13E and Sections 34, 27, 22, 15, 10 and 3,

(Continued)

(To be inserted by utility)
Advice Letter No. 65-E

Issued by
Neil W. Plath

(To be inserted by CPUC)
Date Filed 04-29-69

Decision No. _____

Name
President
Title

Effective 05-29-69

Resolution No. _____

DESCRIPTION OF SERVICE AREA

Parcel 1
(Continued)

T19N, R13E to the Southwest corner of Section 34, T20N, R13E to the point of beginning (California Public Utility Commission Decision No. 74631). Excluding therefrom that area in Nevada and Placer Counties served by the Truckee Public Utility District and described as follows:

Beginning at the Northeast corner of Section 32, T18N, R17E, MDB&M; thence Southerly approximately 4 miles along the East line of the following Sections: Section 32, T18N, R17E, Sections 5, 8 and 17, T17N, R17E, to the intersection of said East line of Section 17, T17N, R17E, with the Placer-Nevada County line; thence Westerly 4 miles more or less along said County line to its intersection with the East line of Section 15, T17N, R16E; thence Southerly approximately 305 feet along the East section line of said Section 15 to the Southeast corner of Section 15, T17N, R16E; thence Westerly along the South section line of said Section 15 for approximately 1 mile, to the Southwest corner of Section 15; thence Northerly for approximately 305 feet along the West section line of Section line of Section 15, T17N, R16E, to its intersection with the Placer-Nevada County line; thence Westerly along said County line for approximately 6 miles to its intersection with the West section line of Section 15, T17N, R15E; thence Northerly 4 miles more or less along the West line of the following sections: Sections 15, 10 and 3, T17N, R15E, Section 34, T18N, R15E, to the Northwest corner of said Section 34; thence Easterly 11 miles more or less along the North line of the following sections: Sections 34, 35 and 36, T18N, R15E, Sections 31, 32, 33, 34, 35 and 36, T18N, R16E and Sections 31 and 32, T18N, R17E, MDB&M, to the point of beginning. (California Public Utility Commission Decision #72862.)

Parcel 2

That area bounded by the following described line, as excluded from the area certificated to Plumas-Sierra Rural Electric Co-operative by California Public Utility Commission Decision #47989.

Beginning at the Northwest corner of the NE ¼ of Section 34, T23N, R13E; thence in an Easterly direction to Northeast corner of Section 36, T23N, R13E; thence Northerly to the Northwest corner of Section 30, T23N, R14E; thence Easterly to the Northeast corner of Section 30, T23N, R14E; thence Southerly to the Southeast corner of Section 6, T22N, R14E; thence Westerly to the Southwest corner of Section 6, T22N, R14E; thence Southerly to the Southeast corner of Section 12, T22N, R13E; thence Westerly to the Southwest corner of the SE ¼ of Section 10, T22N, R13E; thence Northerly to the Northwest corner of the NE ¼ of Section 34, T23N, R13E, to the point of beginning.

Above described area is a part of the area certificated to the Sierra Pacific Power Company by California Utility Commission Decision #20700, Plumas County Ordinance No. 180.

(To be inserted by utility)
Advice Letter No. 65-E

Issued by
Neil W. Plath

(To be inserted by CPUC)
Date Filed 04-29-69

Decision No. _____

Name
President
Title

Effective 05-29-69

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