EE. Electric Deferred Refund Account (EDRA)

1. Purpose: The purpose of the Electric Deferred Refund Account (EDRA) is to record credits for electric disallowances ordered by the Commission, Utility Electric Generation (UEG) shares of gas disallowances ordered by the Commission or FERC, and electric and UEG amounts resulting from the settlement of reasonableness disputes at the Commission or FERC.

2. Definitions:
   a. Effective Date:
      The effective date shall be the date as authorized by the Commission.
   b. Interest Rate:
      The Interest Rate shall be 1/12 of the most recent months interest rate on commercial paper (prime, three months), published in the Federal Reserve Statistical Release, G.13. Should publication of the interest rate on commercial paper (prime, three months) be discontinued, interest will so accrue at the rate of the most recent annual 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.

3. Electric Deferred Refund Account:
   Commencing on the Effective Date, the Utility shall maintain an EDRA. Entries to this account shall be determined from the following calculations.
   a. A credit entry shall be made to the EDRA to transfer credits for electric disallowances ordered by the Commission, UEG shares of gas disallowances ordered by the Commission or FERC, and electric and UEG amounts resulting from the settlement of reasonableness disputes at the Commission or FERC from the ECAC and ERAM balancing accounts for such amounts not amortized in current rates.
(Continued)

EE. Electric Deferred Refund Account (EDRA) (Continued)

3. Electric Deferred Refund Account: (Continued)

b. Subsequent to the Effective Date, the CPUC jurisdictional portion of credits for electric disallowances ordered by the Commission, UEG shares of gas disallowances ordered by the Commission or FERC, and electric and UEG amounts resulting from the settlement of reasonableness disputes at the Commission or FERC, increased to provide for franchise fees and uncollectible expenses, shall be recorded in the EDRA as a credit entry.

c. Plus: An annual credit entry for the transfer of the December 31st balance in the Gross Revenue Sharing Tracking Account.

d. Plus: A monthly credit entry for interest derived by applying the Interest Rate to the average of the beginning of month account balance and the end of month account balance.

e. Upon Commission approval, the Utility shall make a debit entry to the EDRA to reflect the refund of these accumulated amounts to customers.