PRELIMINARY STATEMENT

DDD. Energy Efficiency Finance Programs Balancing Account (EEFPBA)

The EEFPBA is a "one-way" balancing account, and its purpose is to record (1) authorized On Bill Financing (OBF) loan funding and Energy Efficiency (EE) Finance Pilots and the American Recovery Reinvestment Act (ARRA) Program Credit Enhancements; (2) actual OBF loan amounts and EE Finance Pilots and ARRA Credit Enhancements; and (3) OBF loan payment proceeds and the return of EE Finance Pilots and ARRA Program Credit Enhancements. The EEFPBA is established in accordance with Decision 09-09-047, D.12-11-015, and D.14-10-046. Other OBF and EE Finance Pilot program-related costs are recorded in the Procurement Energy Efficiency Balancing Account (PEEBA) per Decision 09-09-047, D.12-11-015, and D.14-10-046.

SCE shall maintain the EEFPBA by making monthly entries as follows:

1. A credit entry equal to one-twelfth of the annual authorized OBF loan funding and EE Finance Pilots and ARRA Credit Enhancement funding;

2. A debit entry equal to the recorded OBF-related loans and EE Finance Pilots and ARRA Program Credit Enhancements;

3. A credit entry equal to the recorded OBF-related loan payment proceeds and the return of EE Finance Pilots and ARRA Program Credit Enhancements amounts;

4. NOTE: The difference between the debit and credit entries in items 2 & 3 above, represent customer non-payments and loan defaults and;

5. A debit or credit entry, as appropriate, to record the transfer of amounts to or from other accounts as approved by the CPUC.

If the above calculation produces a positive amount (i.e., an under collection), such amount will be debited to the account. If the above calculation produces a negative amount (i.e., an over collection), such amount will be credited to the account. Any under collections recorded in a month may be carried over from month-to-month over the duration of the OBF loan and EE Finance Pilots and ARRA programs to be offset against over collections.

Since the EEFPBA is a "one-way" balancing account, any cumulative under collection (i.e., cumulative over expenditures) over the duration of the On Bill Finance and EE Finance Pilots and ARRA Program related loans and credit enhancements will not be eligible for recovery from SCE’s customers.

Interest will accrue monthly to the EEFPBA by applying one-twelfth of the three month Commercial Paper rate (expressed as an annual rate) as reported in the Federal Reserve Statistical Release, H.15, or its successor publication to the account’s average monthly balance.

Disposition of amounts in the account shall be determined in a proceeding expressly authorized by the Commission to be refunded to customers.