

PRELIMINARY STATEMENT (Continued)  
PART B

California Alternative Rates for Energy Clause

1. PURPOSE

The purpose of the California Alternative Rates for Energy (CARE) Clause is to reflect in rates, through application of the CARE Surcharge, the revenue shortfall and administrative and general costs associated with the California Alternative Rates for Energy (CARE) Program as authorized in Decisions 89-07-062, 89-09-044, 92-04-024, 92-06-060, and 02-01-040.

2. APPLICABILITY

This CARE Surcharge provision applies to all bills for service under certain rate schedules and certain special contracts for electric service subject to the jurisdiction of the Commission.

3. CALIFORNIA ALTERNATIVE RATES FOR ENERGY PROGRAM COSTS

The CARE program costs are the sum of: (1) CARE benefits, which are equal to the difference between revenues billed pursuant to the CARE Residential Service Schedule No. DL-6, CARE General Service Schedule No. AL-6 and revenues that would have been billed under the standard tariff; and (2) incremental administrative and general expenses associated with the CARE program.

4. CALIFORNIA ALTERNATIVE RATES FOR ENERGY ACCOUNT

The utility shall maintain a California Alternative Rates for Energy Account (Balancing Account). Entries shall be made to the account at the end of each month as follows:

- (a) A debit entry equal to the CARE benefits. This revenue shortfall is computed by subtracting revenues billed under the CARE Residential Service Schedule No. DL-6 and CARE General Service Schedule No. AL-6 from the revenues that would have been billed under the standard tariff;
- (b) A debit entry equal to the allocation of the actual electric administrative and general costs, incurred on or after April 15, 2003, associated with implementing and administering the CARE Program, including an allowance for Franchise Fees and Uncollectible Accounts on administrative costs;
- (c) A credit entry equal to the revenue billed during the month through the CARE Surcharge; and
- (d) A debit or credit entry, as appropriate, equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the this account after entries a, b and c above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor publication.

(Continued)

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5. THE CALIFORNIA ALTERNATIVE RATES FOR ENERGY SURCHARGE

The CARE Surcharge shall be equal to the estimated balance in the CARE Account as of the revision date divided by the estimated sales for the recovery period beginning with the revision date. The CARE Surcharge shall be added to the rates otherwise in effect, with the exception of the CARE Residential Service Schedule No. DL-6 and CARE General Service Schedule No. AL-6 and shall be separately identified in each rate schedule.

The CARE Surcharge listed below have been, or are, in effect for the periods indicated:

<u>Effective Date</u>	<u>CARE Surcharge (¢/kWh)</u>
1-1-94	\$0.00082

(Continued)

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