

**PRELIMINARY STATEMENT
(Continued)**

16. 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.
6. 3. Baseline Balancing Amount: The difference in monthly revenues achieved under New Baseline Amounts and Old Baseline Amounts.
7. 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.15 or its successor.

8.

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 15 B.4 will be made at the end of the month.
9. 3. Any amounts recorded in the BBA will be recoverable in the next rate case.

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Issued by
Michael R. Smart
Name

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President
Title

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