

Preliminary Statement  
(continued)

AJ. Low-Income Ratepayer Assistance Balancing Account (LIRABA)

1. PURPOSE: The purposes of this balancing account are to track the LIRA credits provided, to track the LIRA surcharges collected, and to adjust the LIRA surcharges on January 1 of each year.
2. TIMING AND FREQUENCY: An advice letter to adjust the LIRA surcharges will be filed by October 31st of each year. The adjusted surcharge will be calculated to zero out the forecasted balance anticipated to be in the account at the end of that year, as well as in the account at the end of the following year.
3. ANNUAL SURCHARGE ADJUSTMENT: Calculation of the adjusted surcharge will reflect:
  - a) A forecast of the December 31st balance in the LIRABA for the current year that reflects:
    - (i) the most recent recorded balance;
    - (ii) the assumption that the proportion of LIRA to non-LIRA residential enrollment in September will remain constant as a proportion of adopted numbers for October through December; and
    - (iii) the assumption that current LIRA surcharges will be applied to the estimated non-LIRA portion of adopted sales (adopted sales minus estimated LIRA sales based on the proportion of LIRA to non-LIRA residential customers in September), plus interest; and
  - b) A forecast of the December 31 balance in the LIRABA for the following year that reflects:
    - (i) the assumption that the proportion of LIRA to non-LIRA residential enrollment in September of the previous year will remain constant as a proportion of adopted numbers; and
    - (ii) the assumption that the new surcharges will be applied to the estimated non-LIRA portion of adopted sales (adopted sales minus estimated LIRA sales based on the proportion of LIRA to non-LIRA residential customers in September of the previous year), plus interest.
4. ACCOUNTING PROCEDURE: The LIRABA will reflect the following entries:
  - a) The recorded LIRA customer credits for service provided under Schedule No. LIRA (debit);
  - b) Recorded surcharges collected from non-LIRA customers (credit);
  - c) Monthly interest expense calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 90-day), published in the Federal Reserve Statistical Release (debit or credit).

(To be inserted by utility)

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Issued by  
FRANCIS S. FERRARO  
NAME  
Vice President  
TITLE

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