PRELIMINARY STATEMENTS

CC. Bridge Funding Memorandum Account (BFMA) (N)

1. **Purpose**

The purpose of the Bridge Funding Memorandum Account ("BFMA") is to record the difference between the adopted bridge funding revenue requirements for the Energy Savings Assistance ("ESA") Program and the California Alternative Rates for Energy ("CARE") Program in Commission Decision No. 12-09-025 and the proposed revenue requirements requested in Application No. ("A.") 11-06-018 (a consolidated proceeding).

2. **Applicability**

The BFMA shall apply to all ESA and CARE Programs customer classes from October 1, 2012 until there is a final decision in the SMJUs' Consolidated Proceeding.

3. **Procedure**

Bear Valley Electric Service shall maintain the BFMA by making entries at the end of each month as follows:

a. Record entries to the BFMA at the end of each month representing the total costs associated with complying the measures described above. These costs will be limited to those not previously authorized in a general rate case or any other regulatory proceeding.

b. Interest shall accrue to the BFMA on a monthly basis by applying a rate equal to one-twelfth of the 3-month Commercial Paper Rate, as reported in the Federal Reserve Statistical Release, to the average of the beginning-of-month and the end-of-month balances.

4. **Effective Date**

The BFMA shall go into effect on the effective date of Advice Letter 273-E, which is October 1, 2012.

5. **Disposition**

Once all authorized budget cycle program costs have been recorded, the balance in this account will be reported in a supplemental filing to A. 11-06-018 for final disposition or as otherwise authorized by the Commission. (N)