

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1
ALISO CANYON MEMORANDUM ACCOUNT (ACMA)

1. Purpose

The ACMA is an interest-bearing memorandum account that is recorded on SoCalGas' financial statements. The purpose of the ACMA is to record the incremental costs associated with the Aliso Canyon Turbine Replacement Project that are in excess of the \$200.9 million maximum total cost approved in Decision (D.) 13-11-023. Upon implementation of D.19-09-051, SoCalGas' Test Year (TY) 2019 General Rate Case (GRC), the ACMA will only record capital-related costs associated with the portion of assets in excess of the \$275.5 million incorporated in rates for TY 2019 GRC.

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2. Applicability

The ACMA shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission.

3. Rates

The amortization of the ACMA balance will be included in gas transportation rates as approved by the Commission.

4. Accounting Procedures

SoCalGas maintains this account by making monthly entries net of franchise fees and uncollectibles where applicable as follows:

- a) A debit entry equal to the capital-related costs (such as depreciation, return on investment and related taxes) associated with the portion of assets in excess of the \$275.5 million incorporated in the TY 2019 GRC for the Aliso Canyon Turbine Replacement Project;
- b) An entry for amortization of the ACMA balance as authorized by the Commission; and
- c) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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5. Disposition

Pursuant to D.19-09-051, SoCalGas is authorized to amortize in rates the balance in the ACMA associated with the portion of assets in excess of \$200.9 million cost cap up to the approved \$275.5 million incorporated in the TY 2019 GRC. The balance in the ACMA associated with the portion of assets in excess of \$275.5 million will be addressed in SoCalGas' next General Rate Case or other applicable proceeding.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5539
 DECISION NO. 19-09-051

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Oct 31, 2019
 EFFECTIVE Jan 1, 2020
 RESOLUTION NO. _____