



PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 2  
ADVANCED METERING INFRASTRUCTURE BALANCING ACCOUNT (AMIBA)

(Continued)

4. Accounting Procedures – Deployment Phase Cost Subaccount L,N

SoCalGas maintains this account by making monthly entries net of franchise fees and uncollectibles where applicable (except for entry “4.e.” which is recorded upon completion of the deployment phase of the AMI project) as follows: L  
L,N  
L,N

- a) A debit entry equal to the AMI operating and maintenance (O&M) costs incurred by SoCalGas during the deployment period, including the costs of development, accounting, evaluation and administration; L  
L,N  
L
- b) An entry equal to the AMI capital related costs incurred during the deployment and post-deployment periods by SoCalGas for depreciation, property taxes, income taxes and return on investment associated with the AMI assets placed in service during the deployment period; L,N  
|  
L,N
- c) A credit entry equal to the monthly AMI authorized revenue requirement, net of benefits, that are recovered through rates; L  
L
- d) A credit entry equal to O&M benefits based on the cumulative number of AMI meters installed and in operation for at least five months multiplied by \$1.0304 which represents the average O&M benefit per meter per month as calculated in Exhibit SCG-7 of SoCalGas Application (A.) 08-09-023, Attachment MF-5, and adopted in D.10-04-027 (included in the authorized revenue requirement in 4.c.); the factor, as well as the corresponding O&M benefit embedded in the revenue requirement described in entry “c” above, is subject to revision to the extent O&M benefits associated with the AMI project are incorporated in future SoCalGas General Rate Case (GRC) proceedings; N
- e) Upon completion of the deployment phase of the AMI project, a debit or credit entry for the shareholder allocation of any rewards for project cost underruns or penalties for project cost overruns, respectively, associated with the program funding limits described in Section 7.c. and 7.d. below; N  
T  
T
- f) An entry for amortization of the Deployment Phase Cost Subaccount of the AMIBA balance as authorized by the Commission; and N
- g) 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. L

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5134  
 DECISION NO. 16-06-054

ISSUED BY  
**Dan Skopec**  
 Vice President  
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED May 5, 2017  
 EFFECTIVE Jun 4, 2017  
 RESOLUTION NO. \_\_\_\_\_

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 3  
ADVANCED METERING INFRASTRUCTURE BALANCING ACCOUNT (AMIBA)

(Continued)

5. Accounting Procedures – Post-Deployment Cost Subaccount

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 ongoing AMI operating and maintenance (O&M) costs incurred by SoCalGas during the post-deployment period that are consistent with D.10-04-027;
- b) An entry equal to the AMI capital related costs incurred by SoCalGas for depreciation, property taxes, income taxes and return on investment associated with the AMI assets placed in service during the post-deployment period;
- c) A credit entry equal to the monthly AMI authorized revenue requirement, net of benefits, that are recovered through rates;
- d) A credit entry equal to the actual O&M and any capital-related cost benefits realized during the post-deployment period;
- e) An entry for amortization of the Post Deployment Cost Subaccount balance as authorized by the Commission; and
- f) 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.

6. Accounting Procedures – Escalated Jurisdictions Cost Subaccount

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 costs associated with the manual meter reading of customer facilities in escalated jurisdictions;
- b) An entry for amortization of the Escalated Jurisdictions Cost Subaccount 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.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 5134  
DECISION NO. 16-06-054

ISSUED BY  
**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
SUBMITTED May 5, 2017  
EFFECTIVE Jun 4, 2017  
RESOLUTION NO. \_\_\_\_\_

N  
L



PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 5  
ADVANCED METERING INFRASTRUCTURE BALANCING ACCOUNT (AMIBA)

(Continued)

8. Disposition

The disposition of the subaccount balances will be addressed as follows:

- Deployment Phase Cost Subaccount – Pursuant to D.10-04-027, SoCalGas will include in rates the authorized revenue requirement for the AMI project over the project period and through the interim period prior to incorporation of the AMI costs and benefits in SoCalGas’ next GRC pursuant to Advice No. 5134 and Advice No. 5215. The subaccount balance remaining, except the shareholder costs noted in Section 7, will be amortized in connection with SoCalGas’ Annual Regulatory Account Balance Update submitted in October of each year. Project costs that exceed \$1,150.7 million will be included in rates after they are approved by the Commission following a reasonableness review.
- Post-Deployment Phase Cost Subaccount – The subaccount balance associated with the recording of the ongoing incremental O&M costs/benefits and capital-related costs associated with AMI assets placed in service during the post-deployment period will also be amortized in rates in connection with SoCalGas’ Annual Regulatory Account Balance Update submittal until such costs/benefits are incorporated in SoCalGas’ next GRC.
- Escalated Jurisdictions Cost Subaccount – The subaccount balance will be addressed in connection with SoCalGas’ next GRC or other applicable proceeding designated by the Commission.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5539  
DECISION NO. 19-09-051

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ISSUED BY

**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Oct 31, 2019  
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