

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
DAIRY BIOMETHANE PROJECT MEMORANDUM ACCOUNT (DBPMA)

Sheet 1

1. Purpose

The DBPMA is an interest-bearing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 17-12-004, Order Instituting Rulemaking to Implement Dairy Biomethane Pilot Projects to Demonstrate Interconnection to the Common Carrier Pipeline System in Compliance with Senate Bill (SB) 1383, the DBPMA will record the dairy biomethane project costs associated with the following:

- Pipeline lateral and compression that delivers biomethane from a biogas conditioning facility to the point of receipt;
- Pipeline extension that delivers biomethane from point of receipt to the utility's existing gas pipeline system; and
- Point of receipt, where the utility receives gas that has been upgraded at a conditioning facility.

In addition, SoCalGas is authorized to purchase environmental credits as part of the Dairy Biomethane Pilot Projects. The DBPMA will record the net revenues from the sale of the environmental credits.

2. Applicability

The DBPMA shall apply to gas customers.

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas maintains this account by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record the capital-related costs (i.e., depreciation, return and taxes) for point of receipts and pipeline extensions associated with approved dairy biomethane projects,
- b) A debit entry to record the O&M costs associated with approved dairy biomethane projects,
- c) A credit entry to record net revenues from the sale of environmental credits,
- d) An entry to amortize the prior year's balance as authorized by the Commission, and
- e) 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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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5398
DECISION NO. 17-12-004

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Dec 13, 2018
EFFECTIVE Jan 14, 2019
RESOLUTION NO. _____

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Sheet 2

(Continued)

1. Disposition

The balance in the DBPMA will be amortized in connection with SoCalGas' annual regulatory account balance update submittal for rates effective January 1 of the following year up to authorized amounts. Any amounts in excess of authorized will be subject to a reasonableness review in SoCalGas' next general rate case.

(TO BE INSERTED BY UTILITY)

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ISSUED BY

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