

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
LINE 235 MEMORANDUM ACCOUNT (L235MA)

Sheet 1

1. Purpose

The L235MA is an interest-bearing memorandum account. Pursuant to Decision (D.) 19-09-051, the purpose of the L235MA is to record all costs related to Line 235 West Sections 1 and 2, including costs to repair ruptures and leaks to Line 235 that are not requested in the 2019 GRC. The account consists of two subaccounts:

- Pipeline Safety Enhancement Program (PSEP) Cost Subaccount – The purpose of this subaccount is to record the cost of testing or replacement of Line 235 West Sections 1 and 2. This subaccount is reflected on SoCalGas’ financial statements.
- Transmission Integrity Management Program (TIMP)/Other Cost Subaccount – The purpose of this subaccount is to track all costs related to Line 235 other than PSEP costs. This subaccount is not reflected on SoCalGas’ financial Statements.

This memorandum account will allow the Commission the future ability to adjust SoCalGas’ TY2019 revenue requirement for TY2019 and PTYs 2020 and 2021 should a future inquiry find that Line 235 is no longer used and useful and if costs relating to Line 235 are unreasonable.

2. Applicability

This account shall apply to all gas customers except those specifically excluded by the Commission.

3. Rates

See Disposition Section.

4. Accounting Procedures – PSEP Cost Subaccount

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

- a) A debit entry equal to the PSEP O&M and capital-related costs (i.e., depreciation, taxes and return) related to Line 235;
- b) A debit entry equal to the transfer of costs associated with Line 235 recorded in the PSEP-Phase 2 Memorandum Account (PSEP-P2MA), Safety Enhancement Expense Balancing Account (SEEBA), and Safety Enhancement Capital Cost Balancing Account (SECCBA);
- c) An entry to amortize the account balance as authorized by the Commission; and
- d) 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. 5531
DECISION NO. 19-09-051

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Oct 16, 2019
EFFECTIVE Sep 26, 2019
RESOLUTION NO. _____

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Sheet 2

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N

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5. Accounting Procedures – TIMP/Other Cost Subaccount

N

- a) A debit entry equal to non-PSEP O&M and capital-related costs related to Line 235 West Sections 1 and 2 (i.e., capital-related costs including rate of return, operations and maintenance costs, repair and replacement costs, or any other costs related to the line); and
- b) 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. Disposition

SoCalGas shall seek amortization of PSEP Cost Subaccount balance of the L235MA in a Tier 2 advice letter submitted at the conclusion of Line 235 West Sections 1 and 2 testing or replacement. The Tier 2 advice letter will provide clear accounting delineations of which costs are subject to the TIMP and which costs are subject to the PSEP. Such PSEP costs shall not be placed into rates for recovery and such TIMP costs shall be made subject to refund until the advice letter is approved.

N

(TO BE INSERTED BY UTILITY)

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DECISION NO. 19-09-051

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ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

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EFFECTIVE Sep 26, 2019

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