

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS  
MORONGO RIGHTS OF WAY MEMORANDUM ACCOUNT (MROWMA)

Sheet 1

1. Purpose

The MROWMA is an interest-bearing memorandum account recorded on SoCalGas' financial statements. The purpose of the MROWMA is to record the costs associated with the evaluation of potential relocation of transmission pipelines that run underneath land held by the United States Government in trust for the Morongo Band of Mission Indians and renewal of the expiring rights-of-way within the Morongo reservation. The MROWMA will record the following:

- Relocation Costs – Costs include incremental pre-construction costs, including applicable incremental overheads, for developing alternatives, including the possible complete relocation of gas transmission pipelines and connection to the distribution system.
- Renewal of Rights of Way - Costs include incremental O&M and capital-related costs, including applicable incremental overheads, associated with seeking and acquiring renewal of the expiring rights-of-way for SoCalGas' transmission and distribution lines, which are located within the Morongo reservation, or costs incurred to maintain operation of the transmission and distribution system until a long-term solution is reached. To the extent SoCalGas must perform some infrastructure modifications or enhancements to segments of transmission and/or distribution lines to attain and maintain the long-term rights-of-way or relocate, either within and/or outside of the Morongo reservation, these costs, and the relevant pre-construction costs, would be recorded in the MROWMA.

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

SoCalGas shall maintain this account by recording entries at the end of each month, net of FF&U, as follows:

- a) A debit entry equal to the pre-construction O&M costs incurred for attempting to develop possible new routes for the addition, relocation and/or modification of gas infrastructure to support system reliability;
- b) A debit entry equal to the capital-related costs (e.g., depreciation, return and taxes) associated with pre-construction costs incurred for the possible addition, relocation and/or modification of gas infrastructure to support system reliability;

(Continued)

(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. \_\_\_\_\_

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Sheet 2

N  
N

(Continued)

4. Accounting Procedures (Continued)

N

- c) A debit entry equal to the O&M costs associated with seeking and acquiring renewal of the expiring Morongo rights of way for SoCalGas' transmission and distribution lines;
- d) A debit entry equal to the capital-related costs (e.g., depreciation, return and taxes) associated with seeking and acquiring renewal of the expiring Morongo rights of way for SoCalGas' transmission and distribution lines;
- e) An entry to amortize the account balance as authorized by the Commission; and
- f) An entry equal to interest on the average balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

The disposition of the MROWMA balance will be addressed in SoCalGas' next General Rate Case or other applicable proceeding designated by the Commission.

N

(TO BE INSERTED BY UTILITY)

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