

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
NATURAL GAS APPLIANCE TESTING MEMORANDUM ACCOUNT (NGATMA)

1. Purpose

The NGATMA is an interest bearing memorandum account that is recorded on the Utility's financial statements. Per Decision (D.) 10-12-002, the NGATMA tracks the difference between recorded Low-Income Energy Efficiency (LIEE)-related NGAT costs and the corresponding authorized costs embedded in base rates. The cost differential is a result of D. 08-11-031 which set aggressive goals for the number of homes to be treated through the LIEE program in order to meet the Commission's programmatic initiative which represents a significant increase from the goals established in SoCalGas' last General Rate Case (GRC). D.13-05-010, SoCalGas' Test-Year 2012 GRC, authorized an increase in base rates for NGAT costs, so effective January 1, 2012 the NGATMA will no longer record this cost differential.

2. Applicability

See disposition section.

3. Rates

The balance in the NGATMA will be included in gas transportation rates upon Commission approval.

4. Accounting Procedure

The Utility shall maintain the NGATMA by making entries at the end of each month as follows:

- a. An entry to amortize the NGATMA balance; 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.

5. Disposition

Pursuant to D.16-06-054, SoCalGas' 2016 GRC, the NGATMA will be amortized in gas transportation rates on an Equal Percent of Authorized Margin (EPAM) basis. Any residual balance at the end of the amortization period will be transferred to the Core Fixed Cost Account (CFCA) and Noncore Fixed Cost Account (NFCA) and the NGATMA will be eliminated.

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(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5000
 DECISION NO. 16-06-054

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 29, 2016
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 RESOLUTION NO. _____