

PRELIMINARY STATEMENT - PART VI – MEMORANDUM ACCOUNTS Sheet 1
PIPELINE SAFETY ENHANCEMENT PLAN – PHASE 2 MEMORANDUM ACCOUNT
(PSEP-P2MA)

1. Purpose

The PSEP-P2MA is an interest bearing memorandum account recorded on SoCalGas' financial statements and is authorized by Decision (D.) 16-08-003. The purpose of the PSEP-P2MA is to record the incremental costs associated with planning and engineering for Phase 2 PSEP projects. The PSEP-P2MA will record O&M and capital-related costs.

2. Applicability

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

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas shall maintain the PSEP-P2MA by recording entries at the end of each month as follows, net of FF&U, where applicable:

- a) A debit entry equal to the actual incremental operating and maintenance (O&M) costs for the implementation of SoCalGas' PSEP-P2 as authorized in D.16-08-003;
- b) A debit entry equal to the actual incremental capital-related revenue requirements (i.e., depreciation, taxes and return) for the implementation of SoCalGas' PSEP-P2 as authorized in D.16-08-003;
- c) An entry equal to amortization authorized by the Commission; and
- d) An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

5. Disposition

Pursuant to D.16-08-003, Ordering Paragraph 1, SoCalGas is authorized to seek amortization of costs in the reasonableness reviews scheduled for PSEP projects or future General Rate Case(s) (GRC). The balance in the PSEP-P2MA shall be allocated consistent with the existing cost allocation and rate design for the SoCalGas as set forth in Triennial Cost Allocation Proceeding D.14-06-007, Ordering Paragraph 9.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5017-A
DECISION NO. 16-08-003

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Aug 31, 2016
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RESOLUTION NO. _____