

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
RESIDENTIAL DISCONNECT MEMORANDUM ACCOUNT (RDMA)

Sheet 1

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1. Purpose

The RDMA is an interest bearing memorandum account recorded on SoCalGas' financial statements. The purpose of the RDMA is to record incremental costs associated in complying with Decision (D.)14-06-036, where the Commission approved the Residential Disconnection Settlement Agreement (Settlement Agreement) on credit, collection, and disconnections practices. SoCalGas is directed to seek recovery of any incremental costs resulting from the Settlement Agreement not currently recovered in any other proceeding. The RDMA is effective July 3, 2014, the date of the Tier 1 advice letter, and will continue through the term of the Settlement Agreement which ends on December 31, 2016.

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2. Applicability

See Disposition section.

3. Rates

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

4. Accounting Procedures

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

- a) A debit entry equal to the actual incremental costs and any capital-related costs (depreciation, return, and income and property taxes) associated with the provisions of the Settlement Agreement,
- b) An entry equal to the amortization of the RDMA balance as authorized by the Commission, and
- c) 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

The disposition of the RDMA will be addressed in SoCalGas' next General Rate Case proceeding or other appropriate proceeding. Pursuant to D.14-06-036, SoCalGas is required to demonstrate the reasonableness of costs recorded in the RDMA for recovery in rates. Upon Commission approval, SoCalGas will amortize the RDMA balance in rates.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4665
DECISION NO. 14-06-036

ISSUED BY
Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)
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