

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1  
VERNON AVOIDED DISTRIBUTION COST  
MEMORANDUM ACCOUNT (VADCMA)

The VADCMA is a memorandum account, established pursuant to D.93-05-008, to record utility distribution costs that are identified as avoided by the service provided to Vernon under Schedules G-CS, GT-F, and GT-I. Allocation of avoided costs will be allocated in the Utility's cost allocation proceeding or whenever there is a Commission-authorized change in gas rates.

The Utility shall maintain the VADCMA by making entries to the account at the end of each month, as follows:

- a. A debit entry equal to the value of distribution costs not currently reflected in rates identified as being avoided as a result of service to Vernon under Schedules G-CS, GT-F, and GT-I.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3653  
DECISION NO.

1C25

ISSUED BY

**Lee Schavrien**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Aug 15, 2006  
EFFECTIVE Sep 14, 2006

RESOLUTION NO. \_\_\_\_\_

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