

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS
WILDFIRE EXPENSE MEMORANDUM ACCOUNT (WEMA)

1. Purpose

The WEMA is an interim ratemaking mechanism until such time as the Commission authorizes the establishment of the Wildfire Expense Balancing Account (WEBA) as proposed in A.09-08-020. The purpose of the WEMA is to record all costs of third party claims paid by SoCalGas resulting from wildfires that would have been covered by insurance, as well as costs that would not have been incurred by SoCalGas if insurance were available, that are not currently authorized in SoCalGas' General Rate Case (GRC) or any other proceeding including: (1) payments to satisfy wildfire claims, including any deductibles, co-insurance and other insurance expense paid by the Utilities; and (2) outside legal costs incurred in the defense of wildfire claims. Related insurance proceeds, as well as any payments received from third parties, will be credited to the WEMA as they are received.

2. Applicability

This account shall apply to all gas customers.

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas shall maintain the WEMA by recording entries at the end of each month as follows:

- a) A debit entry equal to payments to satisfy wildfire claims, including any deductibles, co-insurance and other incremental insurance expense paid by SoCalGas that are not authorized as part of SoCalGas' GRC or any other proceeding;
- b) A debit entry equal to incremental outside legal costs incurred by SoCalGas in the defense of wildfire claims;
- c) A credit entry each month equal to any reimbursement by insurance companies (i.e. proceeds) or other third parties related to costs recorded in this account; and
- d) An entry equal to the 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 any amounts recorded in the WEMA shall be established by a Commission decision in A.09-08-020.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4019-A
DECISION NO.

106

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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