PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1
CURTAILMENT VIOLATION PENALTY ACCOUNT (CVPA)

1. Purpose

The CVPA is a memorandum account. The purpose of this account is to record actual revenues from the assessment of penalties for violation of curtailment, and expenses associated with installation of electronic metering for curtailment monitoring. Pursuant to Decision (D.) 16-07-008, Gas Curtailment Proceeding, effective November 1, 2016, noncompliance charges from customers for violation of curtailment events will no longer be recorded in CVPA. N | N

2. Applicability

See Disposition section.

3. Rates

Amounts recorded in the CVPA will be refunded to applicable customers upon Commission approval.

4. Accounting Procedures

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

a. A credit entry equal to all curtailment penalty charges collected;

b. A debit entry equal to recorded expenditures for installation of electronic metering for purpose of curtailment monitoring;

c. A debit entry to refund overcollections pursuant to Commission authorization; 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

In connection with SoCalGas' Cost Allocation Proceeding, SoCalGas provides the CVPA balance and a plan to refund accumulated charges for curtailment violations. Pursuant to D.16-10-004, SoCalGas' 2017 Triennial Cost Allocation Proceeding (TCAP), SoCalGas will (1) refund monies including interest of curtailment charges from the December 27, 2012 curtailment event as a bill credit to noncore customers who curtailed; (2) transfer curtailment charges including interest from two curtailment events of Standby Procurement Service beginning on December 7, 2013 and February 6, 2014 to the CFCA and NFCA for amortization in rates; and (3) transfer $24 in curtailment charges related to the November 3, 2014 curtailment event to the NFCA for amortization in rates. Once completed, the CVPA will be closed and eliminated. D,N N | | | | | N