



GAS PRELIMINARY STATEMENT PART FS
COST OF CAPITAL MEMORANDUM ACCOUNT - GAS (COCMA-G)

Sheet 1

(N)
(N)

FS. COST OF CAPITAL MEMORANDUM ACCOUNT – GAS (COCMA-G) (N)

1. PURPOSE: The purpose of the Cost of Capital Memorandum Account (COCMA) is to track, starting on January 1, 2022, the difference between the revenue requirement resulting from the current authorized Cost of Capital (COC) and the revenue requirement resulting from the final COC adopted in the Commission decision on the 2022 COC Application (A.) 21-08-015 (2022 COC Application). (N)

2. APPLICABILITY: The COCMA shall apply to all customer classes, except for those specifically excluded by the Commission.

3. REVISION DATES: Disposition of the balances in the account will be through the Annual Gas True-Up advice letter, or as authorized by the Commission.

4. RATES: The COCMA does not have a separate rate component.

5. ACCOUNTING PROCEDURE: The COCMA consists of the following three subaccounts:

GAS DISTRIBUTION SUBACCOUNT: The purpose of the Gas Distribution Subaccount is to record the difference between the gas distribution revenue requirement resulting from the current authorized COC in effect on January 1, 2022 and the revenue requirement resulting from the final COC adopted in the Commission decision on the 2022 COC Application. Disposition of the balance in this subaccount will be through the Distribution Cost Subaccount of the Core Fixed Cost Account (CFCA) and the Distribution Subaccount of the Noncore Customer Class Charge Account (NCA).

GAS TRANSMISSION AND STORAGE SUBACCOUNT: The purpose of the Gas Transmission and Storage Subaccount is to record the difference between the backbone transmission and storage revenue requirements resulting from the current authorized COC in effect on January 1, 2022 and the revenue requirement resulting from the final COC adopted in the Commission decision on the 2022 COC Application. Disposition of the balance in this subaccount will be through the Core Cost Subaccount of the CFCA and the Noncore Subaccount of the NCA.

LOCAL TRANSMISSION SUBACCOUNT: The purpose of the Local Transmission Subaccount is to record the difference between the local transmission revenue requirement resulting from the current authorized COC in effect on January 1, 2022 and the revenue requirement resulting from the final COC adopted in the Commission decision on the 2022 COC Application. Disposition of the balance in this subaccount will be through the Core Cost Subaccount of the CFCA and the Local Transmission Subaccount of the NCA.

a) GAS DISTRIBUTION SUBACCOUNT

The following entries will be made to the Gas Distribution Subaccount, net of an allowance for Revenue Fees and Uncollectible (RF&U) accounts expense, upon the issuance of a final decision in the 2022 COC Application, at the end of each month, or as applicable:

- 1) A debit entry equal to the annual cost of capital revenue requirement for gas distribution based on the authorized rate base in the GRC and the rate of return on rate base adopted in the Commission decision on the 2022 COC Application, prorated monthly until the final COC decision is implemented; (N)

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Sheet 2

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(N)

GAS DISTRIBUTION SUBACCOUNT (Cont'd):

(N)

- 2) A credit entry equal to the annual cost of capital revenue requirement in effect on January 1, 2022, prorated monthly until the final COC decision is implemented;
- 3) An entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
- 4) An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor, or as otherwise authorized by the Commission.

b) GAS TRANSMISSION AND STORAGE SUBACCOUNT

The following entries will be made to the Gas Transmission and Storage Subaccount, net of an allowance for RF&U accounts expense, upon the issuance of a final decision in the 2022 COC Application, at the end of each month, or as applicable:

- 1) A debit entry equal to the annual cost of capital revenue requirement for Gas transmission and storage based on the authorized rate base in the GRC and the rate of return on rate base adopted in the Commission decision on the 2022 COC Application, prorated monthly until the final COC decision is implemented;
- 2) A credit entry equal to the annual cost of capital revenue requirement in effect on January 1, 2022, prorated monthly until the final COC decision is implemented;
- 3) An entry to transfer the balance in the account to the Core Cost Subaccount of the CFCA and the Noncore Subaccount of the NCA, as approved by the Commission. The distribution of the balance will be 50% to core and 50% to noncore; and
- 4) An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor, or as otherwise authorized by the Commission.

c) LOCAL TRANSMISSION AND STORAGE SUBACCOUNT

The following entries will be made to the Local Transmission Subaccount upon the issuance of a final decision in the 2022 COC Application, or as applicable, net of an allowance for RF&U accounts expense, at the end of each month, as applicable:

- 1) A debit entry equal to the annual cost of capital revenue requirement for local transmission based on the authorized rate base in the GRC and the rate of return on rate base adopted in the Commission decision on the 2022 COC Application, prorated monthly until the final COC decision is implemented;
- 2) A credit entry equal to the annual cost of capital revenue requirement in effect on January 1, 2022, prorated monthly until the final COC decision is implemented;

(N)

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Advice 4546-G
Decision 21-12-029

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted
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December 29, 2021
January 1, 2022



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Sheet 3

(N)
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LOCAL TRANSMISSION AND STORAGE SUBACCOUNT (Cont'd):

(N)

- 3) An entry to transfer the balance in the account to the Core Cost Subaccount of the CFCA and the Local Transmission Subaccount of the NCA, as approved by the Commission. The distribution of the balance will be 50% to core and 50% to noncore; and;
- 4) An entry equal to interest on the average balance in the account at the beginning of the month and the balance after the above entries, at a rate equal to one-twelfth of the interest rate on the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15 or its successor, or as otherwise authorized by the Commission.

(N)

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