



PRELIMINARY STATEMENT

Sheet 1

II. BALANCING ACCOUNTS
NUCLEAR DECOMMISSIONING ADJUSTMENT MECHANISM (NDAM)

1. Purpose

The purpose of the NDAM is to 1) record revenue from the Nuclear Decommissioning component of SDG&E's rates, 2) record the authorized revenue requirement for the amount SDG&E contributes to the Nuclear Decommissioning Trust authorized in D.10-07-047, and 3) record the SONGS costs authorized in D.04-12-015 relating to SONGS 1 O&M, Department of Energy (DOE) decontamination and decommissioning, and spent nuclear fuel storage fees.

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2. Accounting Procedure:

The Utility shall maintain the NDAM by making entries at the end of each month as follows:

- a. A debit entry equal to 1/12 of the authorized Nuclear Decommissioning revenue requirement relating to the trust contribution.
- b. A debit entry equal to 1/12 of the authorized Nuclear Decommissioning revenue requirement relating to SONGS 1 O&M, DOE decontamination and decommissioning and spent nuclear fuel.
- c. A debit entry equal to SDG&E's share of recorded amounts paid to the independent panel for its report associated with nuclear decommissioning issues as authorized in D.10-07-047.
- d. A credit entry equal to the revenue from the Nuclear Decommissioning component of SDG&E's rates, adjusted for an allowance for franchise fees and uncollectible (FF&U) expense.
- e. Interest shall be calculated on the average of the balance at the beginning of the month and the balance after entries 2.a. through 2.c. at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15. or its successor.

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3. Disposition:

Disposition of the amount in the NDAM shall be addressed in the Utility's Nuclear Decommissioning Triennial Proceeding.