



PRELIMINARY STATEMENT

Sheet 1

III. MEMORANDUM ACCOUNTS
NET ENERGY METERING MEMORANDUM ACCOUNT (NEMMA)

1. Purpose

The purpose of the NEMMA is to record the costs associated with interconnection of the net energy metered customer-generators with projects between 10 kW and 1 MW in size, that are not being recovered from net metered customers through interconnection charges, pursuant to Decision 02-03-057. The NEMMA includes the costs associated with interconnection studies, distribution system modifications and application review fees, as generators eligible for net energy metering under Public Utilities Code Section 2827 are exempt from paying these costs pursuant to Decision 02-03-057.

2. Applicability

The NEMMA shall apply to all electric customers, except for those specifically excluded by the Commission.

3. Revision Date

Disposition of the amounts in this account shall be determined in the Revenue Adjustment Proceeding or other proceeding authorized by the Commission.

4. Rates

This account does not have a rate component.

5. Accounting Procedure

SDG&E shall maintain the NEMMA by making entries at the end of each month as follows:

- a. A debit entry equal to the recorded costs associated with interconnection studies;
- b. A debit entry equal to the recorded costs associated with distribution system modifications, which includes O&M and A&G expenses and capital-related revenue requirements (depreciation expense, return on rate base, and related taxes);
- c. A debit entry equal to the recorded costs associated with application review fees (initial and supplemental); and
- d. A debit entry equal to interest on the average balance in the account at the beginning of the month and the balance after entries 5.a. through 5.c. above, at a rate equal to one-twelfth of the 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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Issued by
Lee Schavrien
Vice President
Regulatory Affairs

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Resolution No. _____

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