



PRELIMINARY STATEMENT

Sheet 1

III. MEMORANDUM ACCOUNTS
NUCLEAR CLAIMS MEMORANDUM ACCOUNT (NCMA)

1. Purpose

The purpose of the NCMA is to record assessments, retroactive premiums, and costs associated with claims by workers and/or third parties, including, but not limited to, allegation of exposure to nuclear radiation and/or electric and magnetic fields (EMF) associated with incidents or exposures at any location or relating to SONGS 2&3 nuclear plant decommissioning.

2. NCMA Rates

The NCMA does not have a rate component.

3. Accounting Procedure

SDG&E shall maintain the NCMA by making entries to this account at the end of the month as follows:

- a. A debit entry shall be made to the NCMA to record the costs associated with claims discussed above.
- b. A credit entry shall be made to the NCMA to record any insurance proceeds received by SDG&E associated with these claims, less any fees paid to outside legal counsel incurred to obtain payment.

Interest shall accrue monthly to the NCMA by applying the interest rate to the average of the beginning and ending balance.

SDG&E may request recovery of the balance in the NCMA in the Revenue Adjustment Proceeding (RAP), or any other proceeding deemed appropriate by the Commission.

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