

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNT
FIRM ACCESS AND STORAGE RIGHTS MEMORANDUM ACCOUNT (FASRMA)

Sheet 1

The FASRMA is an interest bearing memorandum account that is recorded on SoCalGas' financial statements. The FASRMA shall record costs incurred by SoCalGas to implement a firm, tradable access and storage rights structure to provide customers with an opportunity to obtain firm access into the utility system at a specific receipt point and storage capacity throughout the year and off-system and pooling services. In addition, the FASRMA shall record the reasonable costs of establishing and maintaining new postings on the Electronic Bulletin Board (EBB), a new fifth nomination cycle, new optional enhanced balancing services, and system expansion studies (plus any related third-party review).

The Utility shall maintain the FASRMA by making entries to the account at the end of each month, as follows:

- a. A debit entry to record incremental O&M (Operating and Maintenance) and capital-related costs (i.e., depreciation, return on investment and related taxes) associated with expenditures incurred that are directly related to implementing new or enhanced computer systems to comply with D.06-12-031 and D. 07-12-019.
- b. An entry to amortize the previous year's balance, and
- ~~cb.~~ An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I,J.

The costs for implementing a citygate pooling service is limited to a maximum \$0.5 million, to the extent the costs of pooling services are not included in SoCalGas' \$3.5 million estimate of the FAR system implementation costs. ~~The disposition of the balance in the FASRMA will be reviewed in SoCalGas/SDG&E's next Biennial Cost Allocation Proceeding (BCAP) or other appropriate proceeding.~~

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end balance effective January 1 of the following year. The projected year-end balance will be allocated on an Equal Cents Per Therm (ECPT) basis.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 3818-A
DECISION NO. 07-12-019

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 12, 2008
EFFECTIVE Jul 18, 2008

RESOLUTION NO. _____

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