



PRELIMINARY STATEMENT

Sheet 1

III. MEMORANDUM ACCOUNTS
RELIABILITY COSTS MEMORANDUM ACCOUNT (RCMA)

1. Purpose

The RCMA is a tracking account only, not recorded to the utility's general ledger. The purpose of the RCMA is to track the reliability-related costs incurred in association with the requirements of D.04-07-028, effective July 8, 2004. The costs tracked in the RCMA are included as part of the expenses recorded to the utility's Energy Resource Recovery Account (ERRA). To the extent that the utility is able to recover the costs through FERC-jurisdictional rates, the ERRA will be credited by the amount approved by the FERC.

2. Applicability

The RCMA shall apply to the utility's bundled service commodity customers.

3. Rates

The RCMA does not have a rate component.

4. Accounting Procedure

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

- a. A debit entry equal to the reliability-related costs incurred by the utility associated with the requirements in D.04-07-028.
- b. A credit entry equal to the reliability-related costs that are reflected in the utility's authorized FERC-jurisdictional rates.
- c. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after 4.a and 4.b above, 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 publication.

5. Disposition

Disposition of any balance in the RCMA shall be determined in the utility's ERRA proceeding.

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