



**PRELIMINARY STATEMENT**

Sheet 1

V. MEMORANDUM ACCOUNTS

CORE RECLASSIFICATION SHORTFALL MEMORANDUM ACCOUNT (CRSMA)

1. Description

This memorandum account shall track the shortfall in gas revenues booked to the Core Fixed Cost Account (CFCA) as a result of core customers being reclassified from core to noncore status. This account shall track the above shortfall during the period between the implementation dates of the utility's most recent cost allocation proceeding, and the utility's next cost allocation proceeding.

2. Accounting Treatment

The CRSMA shall be recorded at the end of each month as follows:

- a. Expenses shall equal the amount the utility would have collected from core customers, who have been reclassified from core to noncore status, if these customers were billed at their otherwise applicable core rates.
- b. Revenues shall equal the amount the utility collects from core customers who are receiving noncore service and are being billed at noncore rates.
- c. The current month balance shall equal the expenses computed in a. above less the revenues computed in b. above.
- d. The accumulated month-ending balance shall equal the sum of:
  - (1) The current month balance; plus the account balance at the beginning of the month; plus any adjustments made to the account balance at the beginning of the month;
  - (2) The Monthly Interest Rate multiplied by one-half the sum of the account balance at the beginning of the month plus the account balance at the end of the month.
  - (3) Interest is at the three month commercial paper rate, as detailed in the Monthly Interest Rate Section III.C.11 of the Preliminary Statement.

3. Treatment of Revenues Collected from Customers Seeking Reclassification

In accordance with Commission Decision 93-09-082, revenues collected from any core customer who has reclassified from core status to noncore status shall be credited to the appropriate core balancing accounts.

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Regulatory Affairs

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