



PRELIMINARY STATEMENT

Sheet 1

V. MEMORANDUM ACCOUNTS

CALIFORNIA SOLAR INITIATIVE THERMAL PROGRAM MEMORANDUM ACCOUNT (CSITPMA)

1. Purpose

The CSITPMA is an interest-bearing memorandum account recorded on SDG&E's financial statements. The purpose of the CSITPMA is to record expenses associated with the CSI Thermal program pursuant to Commission Decision (D.) 10-01-022. In compliance with Assembly Bill 1470, the Commission established the CSI Thermal program to provide incentives to promote the installation of solar water heating systems in homes and businesses that displace the use of natural gas. The CSI Thermal program is effective January 21, 2010 through December 31, 2017.

2. Applicability

This account shall apply to all gas customers except those specifically excluded by the Commission.

3. Rates

The projected year-end CSITPMA balance will be applied to gas transportation rates.

4. Accounting Procedure

SDG&E shall maintain the CSITPMA by recording entries at the end of each month, net of FF&U, as follows:

- a) A debit entry equal to the recorded expenses for incentive payments to customers or contractors for services rendered associated with the CSI Thermal program;
- b) A debit entry equal to the recorded expenses for Marketing and Outreach including training, consumer education, and other market facilitation costs associated with the CSI Thermal program;
- c) A debit entry equal to the recorded expenses for program Administration including application/incentive processing, general administration, and other costs associated with the CSI Thermal program;
- d) A credit entry equal to the revenues from amortization authorized by the Commission; and;
- e) An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Electric Preliminary Statement, Part I, Section E.3.

5. Disposition

In each annual October regulatory account balance update filing, SDG&E will amortize in rates the projected year-end CSITPMA 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 all gas customers excluding customers who participate in the California Alternate Rates for Energy (CARE) program, customers who are currently exempt from funding the Self-Generation Incentive Program and customers exempt pursuant to PU Code Section 2863(b)(4).

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