



PRELIMINARY STATEMENT

Sheet 1

V. MEMORANDUM ACCOUNTS
FERC SETTLEMENT PROCEEDS MEMORANDUM ACCOUNT (FSPMA)

1. Purpose

The FSPMA is an interest bearing memorandum account that is recorded on the Utility's financial statements. The original purpose of this account (originally established as the El Paso Settlement Proceeds Memorandum Account) was to solely record the El Paso Settlement proceeds allocable to core aggregation customers pursuant to CPUC Decision (D.) 03-10-087. The memorandum account was made effective upon receipt of the first settlement proceeds from El Paso Natural Gas Company (El Paso). The FSPMA will also record the core aggregation customers' share of all FERC settlement proceeds received from other companies settling with the State of California for their involvement in the 2000-2001 energy crisis and the Sempra Settlement (Pipeline Cases) and Price Indexing Cases Settlement pursuant to D.10-01-024.

T

T
N

2. Applicability

The FSPMA shall apply to core aggregation customers.

3. Rates

The balance in the FSPMA will be included in core aggregation transportation rates upon Commission approval.

4. Accounting Procedure

The Utility shall maintain the FSPMA by making entries at the end of each month as follows:

- a. A credit entry equal to the net present value of the El Paso Settlement proceeds allocable to core aggregation customers. The allocation of the proceeds shall be based on the percentage of gas transported by core aggregation customers to the total core throughput during the preceding 12-month period prior to the time the Utility first receives the settlement proceeds.
- b. A credit entry equal to FERC settlement proceeds associated with the 2000-2001 energy crisis and the Sempra Settlement and Price Indexing Cases Settlement that are allocable to core aggregation customers. The allocation of the proceeds shall be based on the same allocation percentage determined in the implementation of the El Paso Refund Plan, which is described in Advice Letter 1592-G.
- c. An entry reflecting the amortization of the FSPMA or the transfer to another regulatory account, as directed by the Commission.
- d. An entry equal to interest on the average balance in the account at the beginning of the month and the balance after entries 4.a. through 4.c. 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.

T

5. Disposition

The disposition of the FSPMA balance shall be determined in the Utility's Biennial Cost Allocation Proceeding (BCAP) or annual regulatory account balance update filing.

1C14

Advice Ltr. No. 1930-G

Decision No. 10-01-024

Issued by
Lee Schavrien
Senior Vice President
Regulatory Affairs

Date Filed Feb 22, 2010

Effective Feb 22, 2010

Resolution No. _____