PRELIMINARY STATEMENT - PART VII - TRACKING ACCOUNTS
COMPRESSION SERVICES TRACKING ACCOUNT (CSTA)

1. Purpose

The CSTA is a tracking account that is not reflected on SoCalGas' financial statements. The CSTA will consist of subaccounts to separately track each compression services project. The purpose of the CSTA is to track the difference between the revenues collected from the compression services customers and the actual O&M and capital revenue requirements associated with providing compression services to the customer under Schedule GO-CMPR. The CSTA will be used by SoCalGas to track SoCalGas' effectiveness in providing compression services to customers. Since recovery of compression services costs will be recovered directly from compression services customers through miscellaneous revenues under Schedule GO-CMPR, these costs and miscellaneous revenues will be excluded for cost recovery in SoCalGas' general rate case proceedings. This will ensure that ratepayers are not impacted by any under or overcollection of revenue associated with providing compression services, as directed in Commission Decision 12-12-037. N

2. Applicability

See Purpose Section.

3. Rates

Not Applicable.

4. Accounting Procedures

SoCalGas shall maintain the CSTA subaccounts by recording entries, on a project-specific basis, at the end of each month as follows:

a) A debit entry equal to the actual revenue requirements (i.e., O&M and capital-related costs such as depreciation, income taxes and return) associated with providing compression services;

b) A debit entry for uncollectible costs associated with compression services; and

c) A credit entry for compression services revenues billed to compression services customers.

5. Disposition

See Purpose Section. N