

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNT Sheet 1
FIRM ACCESS AND STORAGE RIGHTS MEMORANDUM ACCOUNT (FASRMA)

1. Purpose

The FASRMA is an interest bearing memorandum account that is recorded on SoCalGas' financial statements. The FASRMA shall record costs incurred by SoCalGas to implement a firm, tradable access and storage rights structure to provide customers with an opportunity to obtain firm access into the utility system at a specific receipt point and storage capacity throughout the year and off-system and pooling services. In addition, the FASRMA shall record the reasonable costs of establishing and maintaining new postings on the Electronic Bulletin Board (EBB), a new fifth nomination cycle, new optional enhanced balancing services, and system expansion studies (plus any related third-party review). Pursuant to Decision (D.) 13-05-010, SoCalGas' Test-Year 2012 General Rate Case, the costs associated with the completion of these projects listed above have been included in rate base for recovery. As a result, effective January 1, 2012, the FASRMA will no longer record these costs. Pursuant to D. 11-03-029, the FASRMA will record system modification costs in providing interruptible and firm Off-System Delivery (OSD) services and any related OSD revenues to recover these costs.

2. Applicability

See Disposition section.

3. Rates

The projected year-end FASRMA balance will be included in gas transportation rates.

4. Accounting Procedures

SoCalGas shall maintain the FASRMA by making entries to the account at the end of each month, net of FF&U, as follows:

- a. A debit entry to record incremental operating and maintenance (O&M) and capital-related costs (i.e., depreciation, return on investment, and related taxes) for system modification costs related to OSD services.
- b. A credit entry equal to OSD revenues to recover up to the maximum amount of system modification costs as described in entry a. Any excess OSD revenues are recorded to the Backbone Transmission Balancing Account (BTBA).
- c. An entry to amortize the previous year's balance, and
- d. An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4506
 DECISION NO. 13-05-010

ISSUED BY
Lee Schavrien
 Senior Vice President

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jun 21, 2013
 EFFECTIVE Jul 21, 2013
 RESOLUTION NO. _____

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Sheet 2

(Continued)

5. Disposition

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end balance (excluding transactions identified in entries a. and b.) effective January 1 of the following year. The projected year-end balance will be allocated on an Equal Cents Per Therm (ECPT) basis.

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