

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNTS Sheet 1
FERC SETTLEMENT PROCEEDS
MEMORANDUM ACCOUNT (FSPMA)

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 track solely the El Paso Settlement proceeds allocable to core aggregation transportation (CAT) 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 CAT 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.

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 CAT customers. The allocation of the proceeds shall be based on the percentage of gas transported by CAT 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 CAT customers. The allocation of the settlement proceeds shall be based on the same allocation percentage determined in the implementation of the El Paso Refund Plan.
- c. A debit entry equal to the FERC Settlement proceeds refunded in CAT rates.
- 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.

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

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4077
 DECISION NO. 10-01-024

ISSUED BY
Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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