

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
CONCURRENT APPLICATION SYSTEM BALANCING ACCOUNT (CASBA)

Sheet 1

1. Purpose

The CASBA is a two-way balancing account recorded on SoCalGas' financial statements. Pursuant to Senate Bill (SB) 1208, the Commission issued Decision (D.) 23-05-006 for the implementation of the Low-Income Customer Assistance Program Concurrent Application System (CAS) and authorized the establishment of a two-way balancing account to record CAS development costs.

The Commission implemented a phase approach for the development of the CAS: Phase 1 will focus on the implementation of the minimum requirements of SB 1208 which should ensure that, at a minimum, SoCalGas' CARE and ESA programs are integrated into the CAS; and Phase 2 will consider what other low-income energy programs can and should be integrated into CAS as well as non-energy programs.

The purpose of the CASBA is to record all costs and the authorized revenue requirement in rates associated with the Phase 1 development of the CAS as discussed in D.23-05-006 which includes both shared costs and costs specifically incurred by SoCalGas. D.23-05-006 designates Pacific Gas & Electric Company (PG&E) as the lead IOU and fiscal sponsor in the development and implementation of Phase 1 of the CAS. As a result, PG&E will incur costs for among other things the Request for Proposal (RFP) and contract funding which will be shared among the IOUs, for which SoCalGas' allocation of these shared costs will be 25%.

2. Applicability

The CASBA shall apply to all gas customers except those specifically excluded by the Commission.

3. Rates

See Disposition section below.

4. Accounting Procedures

SoCalGas will maintain the CASBA by making entries, net of Franchise Fees and Uncollectibles (FF&U) as applicable, at the end of each month as follows:

- a. A debit entry equal to SoCalGas' allocation of shared costs for the development of CAS;
- b. A debit entry equal to operating & maintenance (O&M) costs and capital-related costs (i.e., depreciation, taxes, and return) on capital assets associated with the development of CAS;

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 6151-G
DECISION NO. 23-05-006

ISSUED BY
Dan Skopec
Sr Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Jun 19, 2023
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Sheet 2

- c. A credit entry equal to one-twelfth of the revenue requirement authorized in rates;
- d. An entry to amortize the balance; and
- e. An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

D.23-05-006 requires the IOUs to jointly submit a Tier 3 advice letter (AL) for the proposed budgets for the development of the CAS. Commission approval of this AL will constitute approval of the IOUs budget and related revenue requirement and recovery of costs recorded in the CASBA. Upon approval of the AL, the annual revenue requirement will be incorporated in gas transportation rates through its annual Consolidated Year End advice letter filing. In its annual October regulatory account balance update filing, SoCalGas may amortize the projected year-end CASBA balance effective January 1 of the following year. The authorized revenue requirement and projected year-end balance for the CASBA will be amortized in gas transportation rates and allocated on an Equal Cents Per Therm (ECPT) basis.*

* See D.23-05-006, Ordering Paragraph (OP) 4 (c).

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