

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
COMPRESSOR STATION FUEL AND POWER BALANCING ACCOUNT (CFPBA)

1. Purpose

The CFPBA is an interest bearing balancing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 08-07-046, Test Year (TY) 2008 General Rate Case (GRC), effective January 1, 2008, the CFPBA will record actual costs for electricity used in the operation of SoCalGas' compressor stations. D.16-06-039, Phase 1 of SoCalGas' 2016 Triennial Cost Allocation Proceeding (TCAP), authorizes SoCalGas to sell an equivalent gas compressor fuel volume in order to pay for electricity costs of the electric compressors in SoCalGas' storage fields. Pursuant to D.16-06-054, TY 2016 GRC, the CFPBA was extended to record costs for electricity used in storage operations.

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2. Applicability

See Disposition section.

3. Rates

The balance in the CFPBA will be included in gas rates upon Commission approval.

4. Accounting Procedures

SoCalGas maintains this account by making monthly entries as follows:

- a) A debit entry equal to compressor station electricity expenses;
- b) A debit entry equal to the cost of electricity used in storage operations;
- c) A credit entry to record the revenues associated with the sale of an equivalent gas compressor fuel volume to pay for electricity costs;
- d) An entry to amortize the CFPBA; and
- e) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

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5. Disposition

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end CFPBA balance effective January 1 of the following year. The projected year-end balance will be allocated in rates on a Cold-Year Throughput (CYTP) basis.

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5218
DECISION NO.

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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