PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 1 N
DAIRY BIOMETHANE PROJECT BALANCING ACCOUNT (DBPBA) N

1. Purpose N

The DBPBA is an interest-bearing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 17-12-004, Order Instituting Rulemaking to Implement Dairy Biomethane Pilot Projects to Demonstrate Interconnection to the Common Carrier Pipeline System in Compliance with Senate Bill (SB) 1383, the DBPBA will record the dairy biomethane project costs associated with biogas collection lines and facilities for treatment, monitoring, metering and compression of biogas before it enters the collection lines.

2. Applicability

The DBPBA shall apply to gas customers.

3. Rates

The balance in the DBPBA will be included in gas transportation rates.

4. Accounting Procedures

SoCalGas maintains this account by making monthly entries, net of applicable FF&U, as follows:

a) A debit entry to record the O&M costs associated with reimbursement to biomethane producers for the cost of biogas collection lines and facilities,
b) An entry to amortize the prior year's balance, and
c) 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.

5. Disposition

The balance in the DBPBA up to the bid amount will be amortized in connection with SoCalGas' annual regulatory account balance update submittal for rates effective January 1 of the following year. Amounts above the bid amount will be subject to a reasonableness review in SoCalGas' next general rate case. N