

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
DISTRIBUTED ENERGY RESOURCES SERVICES BALANCING ACCOUNT (DERSBA)

Sheet 1

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1. Purpose

The DERSBA is an interest bearing balancing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 15-10-049, the purpose of this account is to record the ratepayer's allocation of the general rate case embedded costs used in providing distributed energy resources services under Schedule No. GO-DERS.

2. Applicability

The DERSBA shall apply to all gas customers.

3. Rates

The projected year-end DERSBA balance will be applied to gas transportation rates.

4. Accounting Procedures

SoCalGas shall maintain the DERSBA by recording entries at the end of each month, net of FF&U, as follows:

- a. A credit entry equal to the embedded costs (e.g., ratepayer-funded personnel or assets, including ratepayer-funded third party contractor work, if any) used in providing Distributed Energy Resources services, including costs in developing the GO-DERS Tariff and participating in DERS proceeding as recorded in an internal order established in SoCalGas' accounting system as required by D.15-10-049;
- b. A credit entry equal to the embedded costs used in decommissioning or removing a DERS facility;
- c. An entry to amortize the previous year's balance; and
- d. An entry equal to interest on the average balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end DERSBA balance effective January 1 of the following year. The projected year-end balance will be allocated to core and noncore customers based on the relative percentage of revenues from core and noncore DERS customers. In the event that a DERS Tariff customer is not a Southern California Gas Company core or noncore customer, the refund of the costs associated with the use of embedded resources in providing DERS will be allocated to core and noncore customers on an Equal Percent Authorized Margin basis.

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4918
DECISION NO. 15-10-049

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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