

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
INTEGRATED TRANSMISSION BALANCING ACCOUNT (ITBA)

Sheet 1

1. Purpose

The ITBA is an interest-bearing balancing account that is recorded on the Utility's financial statements pursuant to D.06-04-033, D.06-12-031, Resolution G-3407, and D.11-04-032. The purpose of the ITBA is to record the difference between the authorized transmission system revenue requirements and the corresponding transmission revenues that are not reflected in the Backbone Transmission Balancing Account (BTBA). In addition, pursuant to D.13-05-010, SoCalGas' TY 2012 General Rate Case, the ITBA is authorized to record costs associated with the testing, management, removal, and disposal of PCBs existing in SoCalGas' natural gas system, including capital-related costs. Under the prior arbitration agreement with Transwestern Pipeline Company (Transwestern), which Transwestern terminated on December 31, 2009, Transwestern reimbursed SoCalGas for 86% of PCB clean-up costs.

As approved in Advice No. 5609-A, SoCalGas deferred implementation of the rate increase for customers who take service under Schedule No. G-10 effective May 1, 2020. In compliance with D.20-08-044, the undercollection resulting from the rate implementation deferral will be recorded in the Core Fixed Cost Account (CFCA) and the ITBA will be trued-up for any undercollection attributed to local transmission costs by transferring the undercollection to the CFCA during the period from May 1, 2020 through December 31, 2020.

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2. Applicability

The ITBA shall apply to all gas customers.

3. Rates

The projected year-end ITBA balance will be applied to gas rates as described in item 5 below.

4. Accounting Procedures

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

- a. A debit entry equal to the seasonalized monthly amount of the authorized transmission revenue requirement which excludes the BTS revenue requirement;
- b. A credit entry equal to the recorded transmission revenues;
- c. A debit entry equal to recorded operating and maintenance (O&M) costs and capital-related costs (i.e., depreciation, return, taxes) related to the testing, management, removal, and disposal of PCBs existing in SoCalGas' natural gas system;
- d. A credit entry equal to any reimbursement of PCB clean-up costs paid by Transwestern;

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 5687  
DECISION NO. 20-08-044

ISSUED BY  
**Dan Skopec**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
SUBMITTED Sep 3, 2020  
EFFECTIVE Aug 27, 2020  
RESOLUTION NO. \_\_\_\_\_

