



PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
LOW CARBON FUEL STANDARD BALANCING ACCOUNT (LCFSBA)

Sheet 2

(Continued)

4. LCFS Credit Proceeds Subaccount - Accounting Procedures

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SoCalGas maintains this subaccount by recording entries at the end of each month, net of FF&U, as follows:

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- a) A debit entry equal to incremental O&M costs necessary for administering LCFS credit generation and sales;
- b) A credit entry equal to the revenue received from the sale of LCFS credits;
- c) An entry equal to the amortization of the balance as authorized by the Commission; and
- d) An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

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5. RNG Environmental Credit Proceeds Subaccount – Accounting Procedures

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SoCalGas maintains this subaccount by recording entries at the end of each month, net of FF&U, as follows:

- a) A debit entry equal to incremental O&M costs necessary for administering RNG purchases and related environmental credits;
- b) A credit entry equal to SoCalGas' contractual share of proceeds from the sale of consigned LCFS and RIN credits;
- c) An entry equal to the amortization of the balance as authorized by the Commission; and
- d) An entry equal to the interest on the average balance in the account during the month, calculated in the manner described in the Preliminary Statement, Part I, J.

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(Continued)

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. 5295  
DECISION NO. 94-03-076

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

(TO BE INSERTED BY CAL. PUC)  
DATE FILED May 18, 2018  
EFFECTIVE Jun 17, 2018  
RESOLUTION NO. \_\_\_\_\_

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
LOW CARBON FUEL STANDARD BALANCING ACCOUNT (LCFSBA)

Sheet 3

(Continued)

6. Disposition

LCFS Credit Proceeds Subaccount

Per D.14-12-083, SoCalGas will file an Advice Letter by September 30 of each year providing estimates of LCFS credits and revenues for the following year, including the estimated amount of revenues to be distributed to customers through the amortization of the balance in the LCFS Credit Proceeds Subaccount. SoCalGas will amortize the projected year-end LCFS Credit Proceeds Subaccount balance effective January 1 of the following year. The amortization will be accomplished by applying a "Clean Transportation Rate Credit" to reduce the fuel price at the utility-owned CNG stations. If the balance is undercollected, it will be held until such point that the account reaches an overcollection, at which point the balance will then be incorporated in the LCFS credit detailed in Schedule No. G-NGV. SoCalGas will include any authorized amortization of its LCFS Credit Proceeds Subaccount in the Annual Consolidated Rate Filing or other appropriate filing with the Commission.

RNG Environmental Credit Proceeds Subaccount

Per AL 5295, SoCalGas will annually include in the Clean Transportation Rate Credit, an amortization of the projected year-end RNG Environmental Credit Proceeds Subaccount balance, effective January 1 of the following year. This balance will be projected in SoCalGas' annual regulatory account update advice letter.

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