

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
PURCHASED GAS ACCOUNT (PGA)

Sheet 1

1. Purpose

The PGA is a balancing account recorded on SoCalGas' financial statements. The purpose of this account is to balance the recorded cost of gas for the Single Gas Portfolio to provide procurement service for both SoCalGas and SDG&E customers with the corresponding revenue from the sale of that gas effective April 1, 2008. The Single Gas Portfolio, as adopted in Decision (D.) 07-12-019, is comprised of all gas purchases to serve the combined needs of SoCalGas and SDG&E. The PGA also records adjustments associated with the Memorandum In Lieu of Contract (MILC) with the System Operator as approved in Resolutions G-3468, G-3476 and G-3485. The MILC is between the SoCalGas' System Operator and SoCalGas' Utility Gas Procurement Department (Gas Acquisition) for gas supply to support SoCalGas' minimum flow requirements on its Southern System.

2. Applicability

The PGA shall apply to all gas customers who use commodity services.

3. Rates

The projected month-end PGA balance will be applied to gas commodity rates.

4. Accounting Procedures

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

- a. A debit entry equal to the recorded gas cost in the Single Gas Portfolio Account during the month, which includes all gas and backbone transportation services purchased for SoCalGas and SDG&E's procurement customers. Costs associated with the Utility System Operator providing transportation imbalance services under Rule No. 30 and Schedule No. G-IMB to the Utility Gas Procurement Department will be included concurrent with the Utility Gas Procurement Department being relieved of its responsibility for minimum flow requirements. Gas purchases are net of costs allocated to company use fuel and unaccounted for gas. The Single Gas Portfolio also includes interstate and PG&E pipeline capacity costs, carrying cost of storage inventory and financial transactions, net of proceeds from secondary market transactions such as core parking, loaning, and backbone transportation services activities.
- b. Credit entries equal to the procurement revenue, which includes recovery of backbone transportation services, from the sale of gas delivered to SoCalGas and SDG&E customers, including revenues associated with noncore and core aggregator Low OFO and EFO noncompliance charges under Rule No. 30 and Schedule No. G-IMB; and noncore standby and buyback services under Schedule No. G-IMB during the month, excluding the allowance for F&U.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 6194-G
 DECISION NO.

ISSUED BY
Dan Skopec
 Sr Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED Sep 26, 2023
 EFFECTIVE Oct 26, 2023
 RESOLUTION NO. _____

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Sheet 2

(Continued)

4. Accounting Procedures (Continued)

- c. A credit entry for supplier refunds received that are associated with interstate capacity costs previously recovered through core procurement rates pursuant to D.04-09-022.
- d. An entry equal to amortization of the forecasted PGA balance, excluding the allowance for F&U.
- e. A credit entry equal to the brokerage fee charged to core customers less the allowance for F&U.
- f. A debit entry equal to 1/12 of the annual core brokerage fee revenue requirement.
- g. A credit entry equal to the El Paso settlement proceeds received pursuant to the Master Settlement Agreement approved by the FERC and CPUC (D.03-10-087). The first payment received will be reduced by the estimated net present value of refunds due to core subscription and core aggregation transportation (CAT) customers.
- h. A credit entry equal to the settlement proceeds associated with the Sempra Settlement (Pipeline Cases) and the Price Indexing Cases Settlement pursuant to D.10-01-024. The settlement proceeds received shall be reduced by the amount allocable to core subscription, CAT customers and SDG&E's noncore procurement customers;
- i. A credit entry equal to the FERC settlement proceeds associated with the 2000-2001 energy crisis. The settlement proceeds received shall be reduced by the amount allocable to core subscription, CAT customers and SDG&E's noncore procurement customers;
- j. A credit entry for the assessment of G-IMB daily balancing standby charge as part of the curtailment noncompliance charge billed to customers pursuant to D.16-07-008 effective November 1, 2016;
- k. An adjusting entry for an amount allocated to core customers as calculated per the terms and conditions of the MILCs in AL 4291-A, 4394-B, 4513-A, 4979-A, 5353, and 5867 (an offsetting amount will be recorded in the System Reliability Memorandum Account); and
- l. An entry to amortize the prior month's balance; and
- m. An entry equal to the 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

SoCalGas will amortize the projected prior month's PGA balance in its monthly Gas Core Procurement Rate update.

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