

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
PERCENTAGE OF INCOME PAYMENT PLAN BALANCING ACCOUNT (PIPPBA)

Sheet 1

1. Purpose

The PIPPBA is an interest bearing, two-way balancing account recorded on SoCalGas' financial statements. In Decision (D.) 21-10-012, the Commission authorized the establishment of a Percentage of Income Payment Plan (PIPP) pilot program in an effort to reduce the number of low-income households at risk for disconnection. The PIPP pilot program will be in effect for a 4-year period. Pursuant to D.21-10-012, the PIPPBA will record the bill subsidies (line-item discount)* applied to a customer's bill in accordance with the PIPP pilot program.

2. Applicability

The PIPPBA shall apply to all gas customers except those specifically excluded by the Commission.**

3. Rates

The PIPPBA shall be applied to rates as described in the Disposition section below.

4. Accounting Procedures

SoCalGas will maintain the PIPPBA by making entries, net of Franchise Fees and Uncollectibles (FF&U) as applicable, at the end of each month as follows:

- a. A debit entry equal to the bill subsidies (line-item discount)*** applied to a customer's bill in accordance with the PIPP pilot program;
- b. An entry to amortize the PIPPBA as authorized by the Commission; and
- c. 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

SoCalGas will amortize the balance in the PIPPBA in customers' gas transportation rates in connection with its annual regulatory account update advice letter submittal. The balance will be allocated on an Equal Cents Per Therm (ECPT) basis.

* On January 21, 2022, the Commission issued a proposed decision on Southern California Edison (SCE) and Pacific Gas & Electric Company's (PG&E) Petition For Modification (PFM) of D.21-10-012 which modifies the Decision by replacing references to "line-item bill credit" or "bill credit" with "line-item discount."

** See D.21-10-012.

*** Proposed decision on SCE and PG&E's PFM of D.21-10-012 (January 21, 2022).

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5936
DECISION NO. 21-10-012

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
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