

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS  
RENEWABLE NATURAL GAS TARIFF BALANCING ACCOUNT (RNGTBA)

Sheet 1

1. Purpose

The RNGTBA is an interest-bearing, two-way balancing account recorded on SoCalGas' financial statements. Pursuant to Decision (D.) 20-12-022, the Commission adopted a 3-year voluntary pilot Renewable Natural Gas (RNG) Tariff program and authorized SoCalGas to offer this program to its respective eligible core customers. In addition, D.20-12-022 authorized SoCalGas to establish the RNGTBA which will record the difference between: 1) the RNG premium/program costs and 2) the revenues recorded that are intended to recover these costs. The RNG premium cost is defined as the difference in the monthly weighted average cost of RNG purchases (including the cost of any renewable attributes or credits that are bundled with the purchased RNG supply) and the monthly weighted average cost of traditional natural gas purchases. The RNGTBA consists of two subaccounts:

- i. RNG Commodity Charge Subaccount - The purpose of the RNG Commodity Charge Subaccount is to record: 1) the RNG premium commodity cost that opt-in core customers will pay for to serve their voluntary Subscription Level and 2) the corresponding revenues from the sale of RNG.
- ii. Program Charge Subaccount - The purpose of the Program Charge Subaccount is to record the difference between: 1) incremental RNG Tariff program implementation, administrative, and marketing program costs and 2) the corresponding program fees charged in rates to SoCalGas customers participating in the RNG Tariff program.

2. Applicability

The RNGTBA shall apply to gas customers participating in the RNG Tariff program.

3. Rates

See Disposition Section.

4. RNG Commodity Charge Subaccount - Accounting Procedures

SoCalGas maintains this account by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry for the recorded RNG premium commodity cost that opt-in core customers will pay for to serve their voluntary Subscription Level;

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(TO BE INSERTED BY UTILITY)  
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DECISION NO. 20-12-022

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

(TO BE INSERTED BY CAL. PUC)  
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Sheet 2

(Continued)

4. RNG Commodity Charge Subaccount - Accounting Procedures (Continued)

- b) A credit entry equal to the recorded RNG revenues, net of SoCalGas Rate Schedule No. G-CP, "Core Procurement Service" cost components including: 1) reservation charges associated with interstate pipeline capacity contracts entered into by the Utility pursuant to D.04-09-022 and D.02-06-023; 2) carrying cost of storage inventory pursuant to D.07-12-019; 3) backbone transportation service charges as described in D.11-04-032; and 4) authorized core brokerage fee;
- c) An entry to amortize the RNG Commodity Charge Subaccount; and
- d) An entry equal to 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. Program Charge Subaccount - Accounting Procedures

SoCalGas maintains this account by making monthly entries, net of applicable FF&U, as follows:

- a) A debit entry to record the incremental implementation (excluding IT capital costs), administrative, and marketing costs associated with the RNG Tariff program;
- b) A credit entry equal to recorded revenues for RNG Program Charges for SoCalGas participants in the RNG Tariff program;
- c) An entry to amortize the Program Charge Subaccount; and
- d) An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

6. Disposition

The RNGTBA - RNG Commodity Charge Subaccount balance will be incorporated in rates as necessary in connection with SoCalGas' Tier 1 advice letter submittals to establish the monthly RNG Rate. The RNGTBA - Program Charge Subaccount balance will be incorporated in the update of the RNG Program Charge rate in the Tier 1 advice letter submittal to establish the monthly RNG Rate effective January 1 of the following year. Any remaining balance in the RNGTBA after the end of the program will be treated as required by D.20-12-022.

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