

PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS Sheet 1  
SAN JOAQUIN VALLEY DISADVANTAGED COMMUNITIES  
BALANCING ACCOUNT (SJV DACBA)

1. Purpose

The SJVDACBA is an interest-bearing account recorded on SoCalGas’ financial statements. Pursuant to Decision (D.) 18-12-015, “Decision Approving San Joaquin Valley Disadvantaged Communities (DACs) Pilot Projects,” and Resolution E-5055, the SJVDACBA will record the costs associated with the DACs Pilot Projects in two separate balancing accounts:

- To-the-Meter (TTM) Subaccount; and
- Beyond-the-Meter (BTM) Subaccount.

2. Applicability

The SJVDACBA shall apply to gas customers except those excluded by the Commission.

3. Rates

See Disposition Section.

4. Accounting Procedures – TTM Subaccount

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

- a) A debit entry to record the incremental O&M administrative costs associated with the approved DACs Pilot Projects;
- b) A debit entry to record the incremental TTM capital-related costs (depreciation, return, and income taxes) associated with the approved DACs Pilot Projects;
- c) A credit entry equal to the amortization in gas transportation rates as authorized by Commission; 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.

(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 5414-C  
 DECISION NO. 18-12-015

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

(TO BE INSERTED BY CAL. PUC)  
 SUBMITTED Feb 13, 2020  
 EFFECTIVE Jan 11, 2019  
 RESOLUTION NO. E-5055

PRELIMINARY STATEMENT - PART V – BALANCING ACCOUNTS Sheet 2  
SAN JOAQUIN VALLEY DISADVANTAGED COMMUNITIES  
BALANCING ACCOUNT (SJV DACBA)

(Continued)

5. Accounting Procedures – BTM Subaccount

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

- a) A debit entry to record the incremental BTM, non-leveraged O&M costs associated with the approved DAC pilot projects;
- b) A debit entry to record costs associated with a pilot project process evaluation, contracting to support development of an economic feasibility framework, and for Community Energy Navigator (CEN) cost sharing detail as provided for in D.18-12-015;
- c) A credit entry equal to the recorded Public Purpose Program (PPP) gas surcharge billed for the month, net of actual bad debt write-offs;
- d) A debit entry equal to the PPP gas surcharge funds, net of any refunds to exempt customers, remitted to the State Board of Equalization (BOE) pursuant to Assembly Bill 1002;
- e) A debit entry equal to refunds to customers that are exempt from the surcharge under Section 896 of the Public Utilities Code and the California Energy Resources Surcharge Regulation Sections 2315 and 2316;
- f) A credit entry equal to the reimbursement of the gas surcharge funds, including actual interest earned in the Gas Consumption Surcharge Fund while the funds were in the possession of the State. The amount reimbursed excludes the funds retained by the BOE/Commission to offset their administration costs and any refunds paid by the BOE to customers that are exempt from the surcharge; and
- g) 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 SJVDACBA balance will be addressed in SoCalGas’ next Triennial Cost Allocation Proceeding (TCAP). Recovery of costs is limited to the allocated budget approved by the Commission, and any over-expenditures may not be recovered from ratepayers. Shareholders absorb the balance in the event that actual costs exceed authorized budget levels allocated to SoCalGas.

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