

PRELIMINARY STATEMENT - BALANCING  
NONCORE FIXED COST ACCOUNT

Sheet 1

NONCORE FIXED COST ACCOUNT (NFCA)

The NFCA is an interest-bearing balancing account. The purpose of this account is to balance the difference between noncore costs (authorized margin, transition, and actual non-gas fixed costs) and noncore revenues. Noncore revenues exclude EOR and unbundled storage revenues and revenues from (1) non-tariff contracts for service to DGN, (2) future non-tariff contracts with Sempra Energy affiliates not subject to competitive bidding, and (3) Competitive Load Growth Opportunities for noncore Rule No. 38 and Red Team incentive revenues. Pursuant to D.03-10-017, revenues also include noncore's allocation of the capital component of FIG (fiber optic cable in gas pipeline) revenues associated with the use of the gas distribution system until superseded by ratemaking adopted in SoCalGas' 2004 PBR/Cost of Service Proceeding (A.02-12-027). Pursuant to D.02-12-017, the Commission authorized 100% balancing account protection effective January 1, 2003 until the date the new BCAP rates go into effect. In the event that Gas Industry Restructuring D.01-12-018 is implemented prior to the next BCAP, 100% balancing account protection will be limited to noncore local transmission and distribution revenues.

On a monthly basis, SoCalGas maintains this account as follows:

SoCalGas debits this account with 100% of the seasonally forecasted noncore and wholesale revenues excluding the transactions stated above less F&U.

SoCalGas credits this account with 100% of the actual noncore and wholesale revenues excluding the transactions stated above less F&U.

[SoCalGas credits this account with 100% of the net revenues associated with the Utility System Operator providing transportation imbalance services under Schedule No. G-IMB to the Utility Gas Procurement Department.](#)

In addition, SoCalGas adjusts this account to amortize previously accumulated overcollected or undercollected balances to reflect payment to, or recovery from, ratepayers.

(TO BE INSERTED BY UTILITY)  
ADVICE LETTER NO. PS V, VI, VII  
DECISION NO.

ISSUED BY  
**Lee Schavrien**  
Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
DATE FILED \_\_\_\_\_  
EFFECTIVE \_\_\_\_\_  
RESOLUTION NO. \_\_\_\_\_