

PRELIMINARY STATEMENT - BALANCING
G-PAL BALANCING ACCOUNT

Sheet 1

G-PAL BALANCING ACCOUNT (GPBA)

The GPBA is an interest-bearing balancing account that is recorded on the utilities' financial statements pursuant to D.XX-XX-XXX. The purpose of the GPBA is to record the ratepayers' 50% allocation of net revenues under SoCalGas' G-PAL (Operational Hub Services) tariff.

The Utility shall record entries at the end of the month as follows:

- a. A debit entry equal to 50% of expenses associated with setting-up and operating the Operational Hub Service;
- b. A credit entry equal to 50% of revenue from hub services;
- c. An entry equal to amortization authorized by the Commission;
- 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.

The balance in the GPBA shall be recovered from (or distributed to) all customers on an equal cents per therm (ECPT) basis in the following year's transportation rates as proposed in SoCalGas' October 15 regulatory account balance update filing. The shareholders' 50% share of net hub revenues shall be an exclusion in determining sharable earnings under SoCalGas' PBR sharing mechanism.

(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. _____