

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
FIRM ACCESS RIGHTS BALANCING ACCOUNT (FARBA)

Sheet 1

1. Purpose

The FARBA is an interest-bearing balancing account that is recorded on the Utility's financial statements pursuant to D.06-04-033, D.06-12-031 and Resolution G-3407. The purpose of the FARBA is to record the difference between the authorized FAR revenue requirement and the actual FAR revenues received from firm and interruptible access to SoCalGas' transmission system.

2. Applicability

The FARBA shall apply to all customers with firm or interruptible receipt point access rights.

3. Rates

The projected year-end FARBA balance will be applied as described in item 5. below.

4. Accounting Procedures

SoCalGas shall maintain the FARBA by recording entries at the end of each month, net of FF&U, as follows:

- a. A debit entry equal to one-twelfth of the FAR revenue requirement;
- b. A credit entry equal to the recorded FAR revenues received;
- c. A credit entry equal to 100% of the recorded interruptible access charges;
- d. An entry to amortize the previous year's balance; and
- e. An entry equal to interest on the average of the balance in the FARBA during the month, calculated in the manner described in Preliminary Statement, Part I, J.

5. Disposition

The revenue requirement associated with firm and interruptible receipt point access rights is excluded from the revenue requirement underlying the Utility's gas transportation rates and is recovered separately through FAR charges under Schedule No. G-RPA, Receipt Point Access. In each annual October regulatory account balance update filing, SoCalGas will amortize the projected year-end FARBA balance in all FAR rates effective January 1 of the following year.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. BCAP
DECISION NO.

103

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED _____
EFFECTIVE _____
RESOLUTION NO. _____

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