PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS N
COMPRESSOR STATION FUEL AND POWER BALANCING ACCOUNT (CFPBA) N

1. Purpose N

The CFPBA is an interest bearing balancing account recorded on SoCalGas' financial statements. Pursuant to D.08-07-046, TY 2008 General Rate Case (GRC), effective January 1, 2008, the CFPBA will record actual costs for electricity used in the operation of SoCalGas' compressor stations.

2. Applicability

See Disposition section.

3. Rates

The balance in the CFPBA will be included in gas rates upon Commission approval.

4. Accounting Procedures

SoCalGas maintains this account by making monthly entries as follows:

a) A debit entry equal to compressor station electricity expenses, and
b) 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. Disposition

The disposition of the account balance and the allocation methodology will be addressed in SoCalGas' next BCAP. N