

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
INTEGRATED TRANSMISSION BALANCING ACCOUNT (ITBA)

1. Purpose

The ITBA 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, Resolution G-3407, and D.11-04-032. The purpose of the ITBA is to record the difference between the authorized transmission system revenue requirements and the corresponding transmission revenues that are not reflected in the Backbone Transmission Balancing Account (BTBA).

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2. Applicability

The ITBA shall apply to all gas customers.

3. Rates

The projected year-end ITBA balance will be applied to gas rates as described in item 5 below.

4. Accounting Procedures

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

- a. A debit entry equal to the seasonalized monthly amount of the authorized transmission revenue requirement which excludes the BTS revenue requirement;
- b. A credit entry equal to the recorded transmission revenues;
- c. An entry to amortize the previous year's balance; 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.

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5. Disposition

Under System Integration, the projected year-end balance in the ITBA shall be combined with the projected year-end balance in SDG&E's ITBA and re-allocated between the utilities based on cold year throughput. SoCalGas' allocation of the ITBA balances shall be amortized in the following year's rates as proposed in SoCalGas' annual October regulatory account balance update filing.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4240
 DECISION NO. 11-04-032

ISSUED BY

Lee Schavrien
 Senior Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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 EFFECTIVE Oct 1, 2011
 RESOLUTION NO. _____