

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
ON BILL FINANCING BALANCING ACCOUNT (OBFBA)

1. Purpose

The On-Bill Financing Balancing Account (OBFBA) is an interest bearing balancing account recorded on SoCalGas' financial statements. The purpose of this account is to record the difference between ratepayer funding and actual loans provided to customers participating in SoCalGas' On-Bill Financing ("OBF") program authorized by Decision (D.) 09-09-047.

2. Applicability

This account shall apply to all gas customers.

3. Rates

See Disposition Section.

4. Accounting Procedures

SoCalGas shall maintain the OBFBA by recording entries at the end of each month as follows:

- a) A debit entry equal to OBF loans provided to customers;
- b) A credit entry equal to customers' payments on their OBF loans;
- c) A credit entry equal to re-establish the loan pool balance resulting from loan defaults (which are charged to the Demand Side Management Balancing Account);
- d) A credit entry equal to the funds collected in transportation rates to establish the OBF loan pool;
- e) A credit or debit entry for amortization as authorized by the Commission; and
- f) An entry equal to the 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 OBFBA balance will be amortized as necessary to recover any under collections associated with actual loan funding above the authorized annual funding requirements embedded in rates. After repayment of all loans and termination of the OBF Program, the disposition of the over collection balance in the OBFBA will be refunded to ratepayers in connection with SoCalGas' annual regulatory account balance update filing or addressed in the SoCalGas' next energy efficiency proceeding.

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4035
DECISION NO. 09-09-047

1C12

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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RESOLUTION NO. _____

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