



**GAS PRELIMINARY STATEMENT PART L
 BALANCING CHARGE ACCOUNT**

Sheet 1

L. BALANCING CHARGE ACCOUNT (BCA)

1. PURPOSE: The purpose of the BCA is to record the revenue and cost associated with providing balancing service, including penalties and credits, as described in Schedule G-BAL, Rule 14, or as otherwise authorized by the CPUC. The balance in this account will be incorporated into core and noncore transportation rates as determined in PG&E's Biennial Cost Allocation Proceeding Decision 01-11-001.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

2. APPLICABILITY: The BCA balance applies to all gas rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.

3. REVISION DATE: Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission. (T) (T)

4. FORECAST PERIOD: The forecast test period will be as specified in the Cost Allocation Proceeding.

5. BCA RATES: This account does not currently have a rate component.

6. ACCOUNTING PROCEDURE: PG&E shall maintain the BCA by making entries as follows:

- a. a debit entry equal to the cost of gas purchased under Schedule G-BAL as a result of over-deliveries;
- b. a debit entry equal to the cost of gas purchased under a California Production Balancing Agreement (CPBA) as a result of overdeliveries;
- c. a debit entry equal to the cost of gas purchased by the transmission system to provide balancing service;
- d. a debit entry equal to the involuntary diversion credits to suppliers;
- e. a credit entry equal to revenues from the sale of gas commodity as a result of under-deliveries under Schedule G-BAL during the month, excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);
- f. a credit entry equal to the revenue from the sale of gas commodity as a result of underdeliveries under a CPBA, excluding the allowances for F&U;

(Continued)



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Sheet 2

L. BALANCING CHARGE ACCOUNT (BCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

- g. a credit entry equal to EFO and OFO noncompliance charges, excluding the allowance for F&U, as described in Gas Rule 14;
- h. a credit entry equal to Self-Balancing noncompliance charges, as described in Schedule G-BAL;
- i. a credit entry equal to the involuntary diversion usage charges excluding the allowance for F&U;
- j. a credit entry equal to local curtailment noncompliance charges, excluding the allowance for F&U, as described in Gas Rule 14;
- k. a debit or credit entry, as appropriate, to transfer to another regulatory account for rate recovery, upon approval by the Commission; and (N)
(N)
- l. an entry equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the account after the entries L.6.a through L.6.k, above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)
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