

Para más detalles en español, llame al 1-800-311-7343

**SAN DIEGO GAS & ELECTRIC COMPANY'S REQUEST
TO CHANGE RATES FOR GAS TRANSPORTATION
(TRIENNIAL COST ALLOCATION PROCEEDING)
APPLICATION NO. A.18-07-024**

On July 31, 2018, San Diego Gas & Electric Company (SDG&E®) filed its Triennial Cost Allocation Proceeding (TCAP) Application (No. A.18-07-024) with the California Public Utilities Commission (CPUC) to revise its rates for natural gas transportation. If approved, the proposed change in rates will begin on January 1, 2020 and conclude on December 31, 2022.

The TCAP is a regulatory proceeding in which SDG&E updates the distribution of its costs of providing gas service to customer classes and determines the transportation rates it charges customers. The costs being distributed in this TCAP include gas transmission, gas distribution, and customer-related costs. While the division of costs is determined in the TCAP, the dollar amounts of the costs are presented and determined in a separate CPUC proceeding. SDG&E also forecasts how much gas its customers may use (i.e., demand) and the gas prices used to calculate various rate components in this proceeding, including company use fuel and unaccounted for gas. All of these forecasts have an impact on customers' rates. SDG&E also proposes in this proceeding to establish a fixed charge for residential customers of approximately \$10 per month.

EFFECT ON GAS RATES AND BILLS

If approved, SDG&E's transportation revenues would increase by \$11.2 million, or 3.0%, in 2020. This overall increase would only apply to the transportation component of a total gas bill. This would not impact the natural gas commodity or public purpose program surcharge components of the gas bill. Due to the distribution of costs, some customer classes may see rate increases while other customer classes may see rate decreases.

(Continued inside)

**SAN DIEGO GAS & ELECTRIC COMPANY
ILLUSTRATIVE CHANGE IN CLASS AVERAGE RATES
DUE TO PROPOSED TCAP EFFECTIVE
JANUARY 1, 2020**

Customer Class	Present Rates (¢/therm)	Proposed Rates (¢/therm)	¢/therm Change (¢/therm)	% Change
Residential (Core) ¹	91.6	92.6	1.0	1.1%
Commercial/Industrial (Core) ¹	27.8	32.3	4.6	16.4%
Commercial/Industrial-Distribution Level (Noncore) ²	11.7	9.9	(1.8)	-15.4%
Electric Generation-Distribution Level Tier 1 (Noncore) ²	12.7	13.0	0.3	2.0%
Electric Generation-Distribution Level Tier 2 (Noncore) ²	5.6	7.4	1.8	31.7%
Transmission Level Service ³	2.1	2.9	0.8	38.4%
Backbone Transportation Service ⁴ (¢/decatherm/day)	26.4	26.2	(0.1)	-0.4%
System Total	29.8	34.2	4.4	14.8%

- 1 Core customers generally use smaller quantities of gas and the utility purchases their gas.
- 2 Noncore customers are generally large gas users who purchase their own natural gas supplies for SDG&E to transport.
- 3 Transmission Level Service is for noncore service on the Local Transmission System from the SoCal Citygate.
- 4 Backbone Transportation Service are rights that customers may purchase to transport gas over the backbone system to the SoCal Citygate. Core customers who purchase gas supplies from SDG&E have this charge included in the gas commodity rate.

A typical monthly bill for a residential customer using 24 therms per month will increase 3.8% from \$29.71 at present rates to \$30.85 in 2020. A monthly bill includes charges for transportation, public purpose program surcharges and natural gas commodity.

Please note this bill impact is for illustrative purposes only. The impact on each customer and each customer class could vary depending on individual usage, and on what the CPUC ultimately authorizes in this proceeding.

FOR FURTHER INFORMATION

You may request additional information on the application by writing to: Joseph Mock, Regulatory Case Manager, San Diego Gas & Electric Company, 555 W. Fifth St., GT14D6, Los Angeles, CA 90013-1011. A copy of this application may be reviewed at the following SDG&E business offices:

436 H St. Chula Vista, CA 91910	440 Beech St. San Diego, CA 92101	336 Euclid Ave. San Diego, CA 92114
2405 E. Plaza Blvd. National City, CA 91950	104 N. Johnson Ave. El Cajon, CA 92020	644 W. Mission Ave. Escondido, CA 92025

The application and testimonies are available electronically on SDG&E's website at: www.sdge.com/proceedings.

Copies of this insert will be available for viewing and printing on SDG&E's website at: www.sdge.com/regulatory-notice.

SDG&E's application and testimonies may also be reviewed at the CPUC's Central Files Office by appointment only. For more information, please contact the CPUC at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045.

CPUC PROCESS

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate.

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt SDG&E's proposal, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service

(Continued on back)

consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about ORA, please call (415) 703-1584, email ora@cpuc.ca.gov or visit ORA's website at www.ora.ca.gov/.

STAY INFORMED

If you would like to follow these proceedings, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in this proceeding, provide public comments, or if you have questions about any CPUC process, you may access the CPUC's Public Advisor's Office (PAO) webpage at www.cpuc.ca.gov/pao/. You may also contact the PAO as follows:

Email: public.advisor@cpuc.ca.gov

Mail: CPUC
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074

TTY: 1-866-836-7825 (toll-free) or 1-415-703-5282

Please reference SDG&E's TCAP Application No. A.18-07-024 in any communications with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review to the assigned Judge, Commissioners, and appropriate CPUC staff.

