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**NOTICE OF EVIDENTIARY HEARINGS
REGARDING SAN DIEGO GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE
RATES FOR
PIPELINE SAFETY ENHANCEMENT PLAN
APPLICATION A.17-03-021**

**DATE: February 26 – March 2, 2018, TIME: 9:30 a.m.
LOCATION: California Public Utilities Commission
Commission Hearing Room
505 Van Ness Avenue, San Francisco, CA 94102**

The California Public Utilities Commission (CPUC) is currently reviewing San Diego Gas & Electric Company's (SDG&E[®]) and Southern California Gas Company's (SoCalGas[®]) application requesting to increase rates for the implementation of the Pipeline Safety Enhancement Plan (PSEP). The CPUC will hold evidentiary hearings on SDG&E's and SoCalGas' application at the time and place noted above. The assigned Administrative Law Judge (Judge) for this proceeding will facilitate these hearings. A Commissioner may be present during the designated times. The hearings are scheduled to continue on a daily basis (Monday–Friday) from February 26 – March 2, 2018, although the Judge may modify the schedule at a later date. The hearings will be held in a hearing room at the CPUC, 505 Van Ness Avenue, San Francisco, CA 94102. At the evidentiary hearing, formal parties of record will participate and present their own testimony and legal arguments addressing SDG&E's and SoCalGas' application.

SDG&E'S REQUEST

On March 30, 2017, SDG&E and SoCalGas jointly filed with the CPUC, their application requesting the CPUC approve a rate increase for the implementation of the PSEP. This application requests recovery of costs associated with the safety plan. These plans include the replacing, pressure testing, reduction of pipeline pressure, and abandoning of natural gas pipelines. Additionally, this application will seek to recover project management costs that support SDG&E's and SoCalGas' safety enhancement plan. To recover these costs, SDG&E has requested an increase of \$0.56 million, starting in 2019. If approved, the increase would be charged to customers over a 12-month period, or until the costs are fully recovered. Recovery of costs incurred for additional safety related work will be requested in future applications.

The CPUC opened Rulemaking (R.)11-02-019 to adopt new safety and reliability regulations for natural gas transmission and distribution pipelines, and to orderly and cost effectively replace or pressure test all natural gas transmission pipelines, for which reliable records were not available. SDG&E and SoCalGas initiated its PSEP work and began recording costs in their regulatory accounts, as directed by the CPUC in Decision (D.)12-04-021, D.14-06-007, and D.16-08-003. The CPUC determined in D.14-06-007 what costs should not be charged to customers and those costs have been excluded from this application. D.16-08-003 ordered SDG&E and SoCalGas to file a forecasted application as soon as possible to justify charging customers for costs associated with certain projects. This application complies with that direction.

The SDG&E revenue increase requested in this application applies to gas distribution and transmission service, using a methodology which was previously approved by the CPUC.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of this proposal from SDG&E and SoCalGas by writing to Brian Hoff, Regulatory Case Manager, Southern California Gas Company, 555 West Fifth Street, Los Angeles, CA 90013.

You may also view a copy of the application and related documents on SoCalGas' website:

<https://www.socalgas.com/regulatory/A17-03-021.shtml>

A copy of the Pipeline Safety Enhancement Plan application may also be reviewed at the CPUC's Central Files Office by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045.

CPUC PROCESS

At these evidentiary hearings, the assigned Judge will receive the testimony of SDG&E and SoCalGas, consumer advocacy groups, and all other parties to this proceeding. These hearings are open to the public but only those who are parties to the proceeding may present evidence, testimony, and be subject to cross-examination. The hearings and documents submitted during this proceeding will become part of the formal record that the Judge relies upon in writing a proposed decision to present to the Commissioners for their consideration.

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 and SoCalGas' 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.

As a party of record, the Office of Ratepayer Advocates (ORA) has reviewed 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 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, e-mail ora@cpuc.ca.gov or visit ORA's website at <http://ora.ca.gov/default.aspx>.

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If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC processes, you may access the CPUC's Public Advisor's Office webpage at <http://consumers.cpuc.ca.gov/pao>. You may also contact the Public Advisor's Office as follows:

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

Email: public.advisor@cpuc.ca.gov

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074
1-866-836-7825 (toll-free) or TTY 1-415-703-5282

Please reference the "SoCalGas Pipeline Safety Enhancement Plan Application No. 17-03-021" in any communications you have 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 for the assigned Judge, the Commissioners, and appropriate CPUC staff.