

After considering all evidence presented during the proceeding process, the ALJ will propose a decision. The CPUC Commissioners, at one of their public voting meetings, will consider the ALJ's proposed decision and decide whether to adopt all or part of SoCalGas' request, modify it or deny it. If you would like to follow the progress of this request, you may use the CPUC's free Subscription Service which is available on the CPUC website at www.cpuc.ca.gov. If you would like to learn how you can participate in the proceeding, or if you have comments or questions about the request, or questions about the CPUC process, you may contact the CPUC's Public Advisor's Office (PAO) as follows:

CPUC
Public Advisor's Office
505 Van Ness Ave.
San Francisco, CA 94102
Email: public.advisor@cpuc.ca.gov
Phone: 866-849-8390

If you wish to provide public comment regarding this application filing, you can write to the CPUC's Public Advisor's Office (PAO), 505 Van Ness Ave., San Francisco, CA 94102, and/or by phone at 866-849-8390 or by email to public.advisor@cpuc.ca.gov. When writing to the PAO, please refer to A.13-06-013 in your correspondence. All public comments received by the Public Advisor's Office will be forwarded to the Commissioners and the assigned ALJ for review, and become part of the correspondence file for public comment.



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SOUTHERN CALIFORNIA GAS COMPANY

NOTICE OF FILING OF THE GAS COST INCENTIVE MECHANISM (GCIM) APPLICATION NO. A.13-06-013

On June 14, 2013, Southern California Gas Company (SoCalGas®) filed an application (A.13-06-013) with the California Public Utilities Commission (CPUC) to collect on an approved incentive known as the Gas Cost Incentive Mechanism (GCIM). CPUC Decision 94-03-075 authorized the GCIM ratemaking mechanism that SoCalGas uses to purchase natural gas on behalf of its core customers. SoCalGas has been operating under this program for 19 years.

Core customers are residential customers and qualified commercial and industrial customers as described in SoCalGas Tariff Rules 1 & 23. Under the GCIM program, the CPUC approves a "competitive benchmark" based on market price that SoCalGas strives to beat when purchasing natural gas on the open market for its customers. If SoCalGas purchases gas above the competitive benchmark beyond a certain tolerance band, then the utility is penalized. If SoCalGas purchases gas below the competitive benchmark in excess of a certain tolerance band, the utility is rewarded.

During GCIM year 19, SoCalGas was able to purchase natural gas at \$34.7 million below the competitive benchmark during the program year commencing April 1, 2012 to March 31, 2013. This effort helped mitigate price spikes, providing customers a net benefit of \$28.9 million in lower gas costs. In compliance with the Commission decision, SoCalGas has included a component in its core monthly price representing the GCIM reward that SoCalGas anticipates receiving during the current GCIM period.

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Using the CPUC’s formula to determine the incentive for purchasing gas below the competitive benchmark price, the June 14, 2013 filing requests that the CPUC approve SoCalGas’ collection of \$5.8 million from its customers for its shareholders.

EFFECT ON GAS RATES AND BILLS

If this request is approved, the impact on a residential customer’s monthly summer bill for 26 therms of gas will increase by 4 cents/month, from \$27.92 to \$27.96/month. Based on a 12-month period, a residential customer’s average monthly bill will increase by 6 cents. The price is different because the volumes of gas are different, an average residential customer uses 26 therms/ month in the summer, but for a 12-month average residential customers average 38 therms/month. The impact on each customer and customer class will vary depending on individual usage and the final decision by the CPUC.

If the CPUC approves the proposed request by SoCalGas the proposed change in rates for each customer class is as follows:

Customer Class	Annual \$ (million)*	% increase
Residential	\$4.0	0.3%
Commercial/Industrial	\$1.6	0.5%
Other Core	\$0.2	2.1%
Total	\$5.8	0.3%

* Excluding Franchise Fees and uncollectibles

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Michael Franco, Southern California Gas Company, 555 W. Fifth St., GT14D6, Los Angeles, CA 90013-1011. The application and related exhibits are also available electronically on SoCalGas’ website at: socialgas.com/regulatory/cpuc.shtml. Copies of this bill insert will be available for viewing and printing on the SoCalGas website at: socialgas.com/regulatory. The application and related exhibits are also available to review at the CPUC’s Central Files Office at 505 Van Ness Avenue, San Francisco, CA 94102, daily between the hours of 8 a.m. to noon.

EVIDENTIARY HEARINGS

Evidentiary Hearings (EHs) **may** be held whereby parties of record will present their testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These EHs are open to the public, but only those who are parties of record can present evidence or cross-examine witnesses during the evidentiary hearings. After considering all evidence presented during the formal hearing process, the assigned ALJ will issue a proposed decision. Because the CPUC’s approvals may differ from SoCalGas’ proposals, the actual rates adopted by the CPUC may differ from what is described in this notice.

CPUC PROCESS

The CPUC’s Division of Ratepayer Advocates (DRA), which is an independent arm of the CPUC created to represent the interests of all utility customers and other parties will review the application. DRA, other parties and SoCalGas will present their positions on the request in a CPUC formal proceeding presided by a CPUC Administrative Law Judge (ALJ). The public is invited to attend any hearings that may be scheduled, but may comment only at the Public Participation Hearings.

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