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

Email: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

Phone: 866-849-8390



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## SOUTHERN CALIFORNIA GAS COMPANY NOTICE OF PROPOSED RATE INCREASES NORTH-SOUTH PROJECT APPLICATION APPLICATION NO. A.13-12-013

On December 20, 2013, Southern California Gas Company (SoCalGas®) filed an Application (A.13-12-013) with the California Public Utilities Commission (CPUC) requesting authority to recover costs of the North-South Project ("Project") in customer rates and approval of related cost allocation and rate design proposals.

**PURPOSE OF PROJECT:** The North-South Project is needed to provide reliable natural gas service to all natural gas customers. The project will improve natural gas supply on the Southern System of San Diego Gas and Electric's (SDG&E) and SoCalGas' integrated gas transmission system. The North-South Project consists of three major components: 1) Adelanto to Moreno pipeline; 2) Adelanto Compression Station, and 3) Moreno to Whitewater Pipeline.

**PROJECT DESCRIPTION AND LOCATION:** The North-South Project involves the design and construction of 60 miles of new pipeline from Adelanto to Moreno Valley, upgrades to the Adelanto Compressor Station and 31 miles of new pipeline from Moreno Valley to Whitewater. The project will cost \$629 million and take approximately 36 months to construct.

### ILLUSTRATIVE IMPACT ON GAS RATES AND BILLS

If the CPUC approves the application, and once the project is complete, a residential customer who uses the system wide average of 39 therms per month will see an increase of 45 cents, from the current \$37.97 per month to \$38.42 per month. The impact on each customer and customer class will vary depending on individual usage and the final decision.

*(Continued inside)*

If approved, the proposed costs would be allocated to the Backbone Transmission Service (BTS) rate (1), which would increase by \$0.011 per therm per day, from \$0.014 per therm per day to \$0.025 per therm per day. This increase would result in approximate bundled rate impacts as follows (2):

Customer Class	Current Class Average Transportation Rates	Current Bundled Rate including Gas Costs	Proposed North-South Project BTS Rate Impact	% Impact on Bundled Rates
<b>Core</b>				
Residential	\$0.587	\$0.997	\$0.011	1.2%
Commercial/ Industrial	\$0.307	\$0.716	\$0.011	1.6%
NGV*	\$0.077	\$0.486	\$0.011	2.4%
<b>Noncore</b>				
C&I* - Distribution	\$0.075	\$0.485	\$0.011	2.4%
C&I* - TLS*	\$0.026	\$0.435	\$0.011	2.6%
Electric Generation - Distribution	\$0.039	\$0.449	\$0.011	2.6%
Electric Generation - TLS*	\$0.025	\$0.434	\$0.011	2.6%

\* Natural Gas Vehicle, Commercial & Industrial, Transmission Level Service

- (1) BTS are rights that customers may purchase to transport gas over the backbone system to the SoCalGas Citygate. All customers are charged BTS. Core customers who purchase gas supplies from SoCalGas will have BTS included in the gas commodity rate. Customers that do not purchase gas supplies from SoCalGas may purchase BTS directly from SoCalGas.
- (2) The table reflects a direct impact to end-use customers based on the proposed increase in the BTS rate, and is for discussion purposes only. The bundled rates include a proxy gas commodity price of \$0.409 per therm. Since the BTS rate and the gas commodity price are market based rates, each customer's impact will be unique to his situation.

***The impact on each customer and each customer class could vary depending on individual usage and the Commission's final decision.***

## FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Gregory Healy, Regulatory Case Manager, Southern California Gas Company, 555 West Fifth St., GT14D6, Los Angeles, CA 90013-1011. SoCalGas' application and attachments may be inspected at the CPUC's Central Files Office, 505 Van Ness Ave., San Francisco, CA 94102.

The application is available electronically on SoCalGas website at [www.socalgas.com/regulatory/cpuc.shtml](http://www.socalgas.com/regulatory/cpuc.shtml)

Copies of this insert will be available for viewing and printing on SoCalGas' website at [www.socalgas.com/my-account/regulatory.shtml](http://www.socalgas.com/my-account/regulatory.shtml)

## CPUC PROCESS

This Application will be assigned to an Administrative Law Judge (ALJ) 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 all evidence presented during the formal hearing process, the assigned ALJ will issue a proposed decision determining whether to adopt all or part of SoCalGas' request, modify it or deny it. The CPUC Commissioners may sponsor an alternate decision and the issue will be decided at a scheduled Commission Voting Meeting.

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