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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/](http://www.cpuc.ca.gov/pao/). You may also contact the PAO as follows:

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

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

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 SoCalGas' TCAP Application, 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.



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### SOUTHERN CALIFORNIA GAS COMPANY'S REQUEST TO CHANGE RATES FOR GAS TRANSPORTATION (TRIENNIAL COST ALLOCATION PROCEEDING) APPLICATION NO. A.18-07-024

On July 31, 2018, Southern California Gas Company (SoCalGas<sup>®</sup>) filed its Triennial Cost Allocation Proceeding (TCAP) Application (A.18-07-024) with the California Public Utilities Commission (CPUC) to revise its rates for natural gas transportation. If approved, the proposed changes in rates will begin on January 1, 2020 and conclude on December 31, 2022.

The TCAP is a regulatory proceeding in which SoCalGas 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, underground storage, 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. SoCalGas 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. SoCalGas also proposes in this proceeding to increase its fixed charge for residential customers from approximately \$5 per month to approximately \$10 per month.

### EFFECT ON GAS RATES AND BILLS

If approved, SoCalGas' transportation revenues would decrease by \$3.3 million, or -0.1%, in 2020. This overall decrease 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.

**SOUTHERN CALIFORNIA GAS COMPANY  
ILLUSTRATIVE CHANGE IN CLASS AVERAGE RATES DUE  
TO PROPOSED TCAP EFFECTIVE  
JANUARY 1, 2020**

<b>Customer Class</b>	<b>Present Rates (¢/therm)</b>	<b>Proposed Rates (¢/therm)</b>	<b>¢/therm Change (¢/therm)</b>	<b>% Change</b>
Residential (Core) <sup>1</sup>	74.8	74.3	(0.5)	-0.7%
Commercial/Industrial (Core) <sup>1</sup>	32.5	38.0	5.5	17.1%
Commercial/Industrial-Distribution Level (Noncore) <sup>2</sup>	7.7	8.4	0.8	10.1%
Electric Generation-Distribution Level Tier 1 (Noncore) <sup>2</sup>	12.7	12.9	0.2	1.9%
Electric Generation-Distribution Level Tier 2 (Noncore) <sup>2</sup>	5.6	7.4	1.8	31.5%
Transmission Level Service <sup>3</sup>	2.1	2.9	0.8	37.6%
Backbone Transportation Service <sup>4</sup> (¢/decatherm/day)	26.4	26.2	(0.1)	-0.4%
<b>System Total</b>	<b>28.0</b>	<b>28.8</b>	<b>0.8</b>	<b>2.9%</b>

<sup>1</sup> Core customers generally use smaller quantities of gas and the utility purchases their gas.

<sup>2</sup> Noncore customers are generally large gas users who purchase their own natural gas supplies for SoCalGas to transport.

<sup>3</sup> Transmission Level Service is for noncore service on the Local Transmission System from the SoCal Citygate.

<sup>4</sup> 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 SoCalGas have this charge included in the gas commodity rate.

A typical monthly bill for a residential customer using 34 therms per month will decrease 4.2% from \$37.60 at present rates to \$36.04 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, Southern California Gas Company, 555 W. Fifth St., GT14D6, Los Angeles, CA 90013-1011.

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

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

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 consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance,

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