



CPUC Fact Sheet – SoCalGas General Rate Case

PUBLIC PARTICIPATION HEARING

Southern California Gas Company (SoCalGas)

Application (A.) 22-05-015

(Updated as of 12/27/22)

What is this SoCalGas Rate Application About?

The California Public Utilities Commission (CPUC) requires Southern California Gas Company (SoCalGas) to file an application, referred to as the General Rate Case (GRC) to present its forecasted costs, services and projects, and request approval of the utility's revenue requirements. The CPUC does an in-depth review of such an application to decide on the rates SoCalGas is authorized to charge its customers and whether any changes are needed in SoCalGas' future operations.

In its current application¹, SoCalGas is requesting that the CPUC approve rate increases for its customers for the calendar years 2024 through 2027. The CPUC expects to issue a proposed decision in the 1st quarter of 2024 addressing SoCalGas' GRC application.

What Will SoCalGas' Requested Rate Increase Mean to You?

SoCalGas is requesting that the CPUC authorize SoCalGas to recover \$4.398 billion in 2024 from its customers. This results in an overall rate increase of 11.6% for all customers compared to estimated 2023 rates. The below table shows the approximate monthly SoCalGas bill impact for a typical residential customer not enrolled in the California Alternate Rates for Energy (CARE) program.²

Proposed 2024 Monthly SoCalGas Residential Bill Impact				
Customer and Typical Monthly Usage ³	Estimated Forecasted 2023 Bill	Proposed Increase	Estimated Proposed 2024 Bill	% Increase
Residential Customer 36 therms per month	\$62.91	\$8.28	\$71.19	13.2%

For 2025-2027, SoCalGas is requesting additional revenue increases, so the monthly bill for a typical residential customer would increase by additional amounts in those years. The additional revenues that SoCalGas is requesting for those years are \$295 million in 2025, \$261 million in 2026, and \$379 million in 2027, an additional cumulative 22% increase in revenue requirement.

What Type of Costs Does SoCalGas Request to Recover?

SoCalGas' operating expense request (including depreciation and taxes) amounts to \$3.426 billion. GRC applications allow the utilities to request recovery of costs such as operation and maintenance (O&M) expenses,

¹ This application does not include the cost to purchase gas for the utility's customers or determine how revenues are assigned to customer groups. Those are evaluated and authorized in separate proceedings.

² Under the CARE program, low-income participants receive a 20% discount on their gas bills.

³ Residential customers are billed by SoCalGas based primarily on their gas usage, measured in therms. A monthly fixed amount is also charged.

administrative and general (A&G) expenses, depreciation expense, taxes, return, and capital spending amounts. Some of the main operating expense request amounts are listed below.⁴

- Gas pipeline, storage, system, engineering operation and maintenance: \$603.5 million.
- Customer services expense: \$394.4 million
- Information technology and cybersecurity: \$61.2 million
- Administrative and General and Support Services: \$952.2 million
- Less reassignments of expense to capital: (\$251.1 million)⁵
- Depreciation expense: \$970.4 million
- Taxes: \$419.7 million

SoCalGas is requesting new capital spending authorization. SoCalGas' capital spending request amounts to \$6.5 billion over the years 2022 to 2024. SoCalGas' request will result in a 29% increase in its gross fixed capital assets in 2024 compared to 2021.

SoCalGas' revenue requirement request results in a return amount of \$972.8 million in 2024.⁶

How Can My Voice Be Heard?

The CPUC's Public Advisor's Office (<https://www.cpuc.ca.gov/pao/>) provides information to help the public participate in proceedings. Specifically:

- Customers can remotely attend and speak from their homes by phone or computer at any of the upcoming remote Public Participation Hearings (PPHs) the CPUC will hold in 2023. These hearings will be transcribed by a court reporter and placed into the formal record for this proceeding. During the hearing, you can make comments and raise concerns to the CPUC's Administrative Law Judge overseeing this application. A list of dates, times, and how to participate is at: <https://www.cpuc.ca.gov/pph/>.

- Customers can submit electronic public comments specific to this proceeding and review all other public comments submitted by using the "Add Public Comment" button on the Public Comment tab of the docket card for A.22-05-015 at: <https://apps.cpuc.ca.gov/c/A2205015>.

- To view SoCalGas' application and all formal filings, including the proposed decision when issued, go to <https://apps.cpuc.ca.gov/p/A2205015> and select the "Documents" tab at the top of the page.

- Customers can send a letter to the CPUC's Public Advisor and include this proceeding number, A.22-05-015, at: public.advisor@cpuc.ca.gov or CPUC, Public Advisor, 505 Van Ness Ave., San Francisco, CA 94102.

- The Public Advisor's Office may be reached by phone at 866-849-8390.

- Customers can access the CPUC's home page for further information on consumer programs and services and to explore information on key issues and topics of interest to the public at <https://www.cpuc.ca.gov/>.

⁴ Expenses shown for gas pipeline, storage, system engineering O&M; customer services; information technology and cybersecurity; and A&G and Support Services are in 2021 dollars.

⁵ "Reassignments" refer to expense amounts that are reassigned to capital construction efforts.

⁶ SoCalGas' "return" recovers its cost of capital, i.e. its costs of debt and its return to shareholders. SoCalGas asserts that its proposed revenue requirement results in a rate of return of 7.3%. This rate of return was approved by the CPUC in Decision 19-12-056. In April 2022, SoCalGas submitted Application 22-04-011 in which it requests approval of a rate of return of 7.6%. On December 15, 2022, the CPUC issued Decision 22-12-031 that adopts a rate of return for SoCalGas of 7.10%.