**GAS RATE INCREASE ALERT EFFECTIVE OCTOBER 1, 2020**

**Sempra** **(SoCalGas and SDG&E) –** The CPUC recently adopted Decision (D.)20-08-034 granting the Sempra Utilities $934.6 million – $806 million to SoCalGas and $128.6 million to SDG&E – in revenue recovery for costs they incurred executing 44 pipeline projects and 39 valve projects. This work was performed as part of the Sempra Utilities’ continued efforts to cost-effectively test or replace all the natural gas transmission pipelines in their system that have not been pressure-tested. The valves that were replaced control the flow of natural gas through the pipelines. This work was performed pursuant to the Pipeline Safety Enhancement Plan (PSEP) which California’s investor owned natural gas utilities must implement to address pipeline safety issues resulting from the 2010 San Bruno natural gas pipeline explosion and subsequent investigation. The bill impacts of D.20-08-034 have been offset by the revenue requirement decrease associated with Greenhouse gas emission compliance cost, per SDG&E’s *AL 2673-G-C* (a $16.9 million annualized reduction) and SoCalGas *AL 5426-G* (a $107.0 million annualized reduction).

**Estimated consolidated residential bill impacts from D.20-08-034 (PSEP) implementation, Res. G-3566 (TIMP) implementation and removal of fully amortized 2018 GHG compliance costs effective October 1, 2020:**

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| --- | --- | --- |
| Estimated Bill Impact – Cost Allocation D.20-02-045 | SDG&E October 1, 2020 | SoCalGas October 1, 2020 |
| * Average monthly residential non-CARE gas bill
 | $41.76[[1]](#footnote-1) | $46.81[[2]](#footnote-2) |
| * Average monthly residential non-CARE gas bill increase
 | $0.94 or 2.3% | $0.66 or 1.4% |
| * Average monthly residential CARE gas bill
 | $27.00[[3]](#footnote-3) | $28.47[[4]](#footnote-4) |
| * Average monthly residential CARE gas bill increase
 | $0.64 or 2.4% | $0.41 or 1.5% |

In compliance with Ordering Paragraph (OP) 8 of D.20-08-034, the Sempra Utilities have submitted Advice Letters which authorize them to: 1) recover the revenue requirements, including adjustments, of the on-going capital-related costs for PSEP capital projects approved and 2) recover of interest that has been incurred on regulatory account balances.

The Advice Letters that SoCalGas and SDG&E filed also consolidate revenue requirement changes resulting from the removal of amortization costs related to Greenhouse Gas Compliance. SDG&E’s Advice Letter also complies with Resolution G-3566 which approved recovery of a $1.7 million balance in the Transmission Integrity Management Program Balancing Account that accrued during January 1, 2016 to December 31, 2018.

**Summary**

**SoCalGas PSEP Advice Letter 5698-G**

* D.20-08-034 authorizes an update of the revenue requirements for adjustments of the on-going capital-related costs for Pipeline Safety Enhancement Plan (PSEP) capital projects approved and regulatory account interest.
* Consolidates the Commission-authorized changes in its revenue requirements effective October 1, 2020, resulting from the removal of amortization costs associated with Greenhouse Gas Compliance per D.15- 10-032 and D.18-03-017. This Cap-and-Trade Cost Exemption is applicable to customers who are identified by the California Air Resources Board (CARB) as being Covered Entities for their Greenhouse Gas (GHG) emissions as part of the Cap-and-Trade program.

**SDG&E PSEP Advice Letter 2909-G**

* D.20-08-034 authorizes an update of the revenue requirements for adjustments of the on-going capital-related costs for Pipeline Safety Enhancement Plan (PSEP) capital projects approved and regulatory account interest.
* Consolidates the Commission-authorized changes in its revenue requirements effective October 1, 2020, resulting from the removal of amortization costs associated with Greenhouse Gas Compliance per D.15- 10-032 and D.18-03-017. This Cap-and-Trade Cost Exemption is applicable to customers who are identified by the California Air Resources Board (CARB) as being Covered Entities for their Greenhouse Gas (GHG) emissions as part of the Cap-and-Trade program.
* Includes cost recovery associated with the approximately $1.7 million balance contained in the Transmission Integrity Management Program Balancing Account (TIMPBA) for the January 1, 2016 to December 31, 2018 timeframe.

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1. Bill impacts based on 23 therms in a month. [↑](#footnote-ref-1)
2. Bill impacts based on 33 therms in a month. [↑](#footnote-ref-2)
3. Bill impacts based on 19 therms in a month. [↑](#footnote-ref-3)
4. Bill impacts based on 25 therms in a month. [↑](#footnote-ref-4)