



**FOR IMMEDIATE RELEASE**

Media Contact: Terrie Prosper, 415.703.1366, [news@cpuc.ca.gov](mailto:news@cpuc.ca.gov)

**PRESS RELEASE**

Docket #: A.14-11-003;  
A.14-11-004

**CPUC ISSUES PROPOSAL ADOPTING SETTLEMENTS IN  
SDG&E AND SOCALGAS RATE CASES**

SAN FRANCISCO, May 19, 2016 - The California Public Utilities Commission (CPUC) today issued a Proposed Decision that would set the amount that San Diego Gas & Electric (SDG&E) and Southern California Gas Company (SoCalGas) are authorized to recover from customers in their 2016-2018 rates.

The Proposed Decision adopts a settlement agreement that was entered into with the Office of Ratepayer Advocates and other parties. It authorizes a 2016 revenue requirement of \$1.790 billion for SDG&E's combined operations (\$1.482 billion for its electric operations, and \$307 million for its gas operations). This is \$106 million lower than what SDG&E had requested.

The Proposed Decision adopts a 2016 revenue requirement of \$2.199 billion for SoCalGas, which is \$132 million lower than what SoCalGas had requested.

Average residential customer bills for both utilities will rise slightly; 1.2 percent for SDG&E electric customers, 0.2 percent for SDG&E gas customers, and 3.2 percent for SoCalGas customers.

In authorizing a revenue requirement, the CPUC closely scrutinizes the activities of each company to ensure the long-term safety of infrastructure. The Proposed Decision provides the necessary funds for SDG&E and SoCalGas to perform pipeline inspection, testing, and maintenance work on their gas transmission and distribution pipelines that they are required to do by state and federal law, and allows the companies to maintain and replace their aging electric and gas infrastructure at reasonable cost.

This proceeding was initially filed with the CPUC in November 2014, nearly a year before the leak at Aliso Canyon began. The Proposed Decision requires SoCalGas to separate Aliso Canyon costs to ensure that no such costs are reflected the next time it files a rate case, in 2017.

The other issues resolved in the Proposed Decision include the following:

- \$38 million is authorized for operations and maintenance and \$236 million for capital improvements for SoCalGas' underground storage facilities. The budget will be spent by SoCalGas to implement an early detection and repair system.
- Both companies are to provide two types of accountability reports: one on whether expenditures align with what is approved, and the second measuring the safety impact of the expenditures.
- SDG&E is prohibited from compensating its employees, managers, and executives on the basis of SDG&E's recovery of monies from consumers for wildfire-related costs that are being litigated before the CPUC.
- SoCalGas is prevented from awarding compensation to its non-union employees and executives for activities related to its underground gas storage facilities, including Aliso Canyon, unless the company has taken into consideration the detrimental effects of the Aliso Canyon leak as a full or partial offset to such an award, and has followed the requirements of Public Utilities Code Section 706, which governs the levels of compensation to utility executives in the years following a violation of state or federal safety regulations.
- To lessen the danger of wildfires, provides the necessary funds to allow SDG&E to trim vegetation near overhead electric lines, and to replace many of its wooden poles with steel poles.

The first opportunity for the CPUC's Commissioners to vote on the Proposed Decision is at the CPUC's June 23, 2016, Voting Meeting.

The Proposed Decision is available at

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M162/K005/162005534.PDF>.

For more information about the CPUC, please visit [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

###