California Public Utilities Commission
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CPUC Cuts Amount Requested by Sempra in Rate Case

Decision Establishes Revenue Amount SDG&E and SoCalGas Can Collect Through 2027 to Operate Systems Safely and Reliably

SAN FRANCISCO, Dec. 19, 2024 – The California Public Utilities Commission (CPUC) today resolved Sempra's General Rate Case (GRC), which authorizes funding for Southern California Gas Company (SoCalGas) and San Diego Gas & Electric (SDG&E) to maintain the safety, reliability, and efficiency of their natural gas transmission, distribution, and storage systems and electric distribution and generation systems through 2027.

SoCalGas

Today's decision adopts a 2024 revenue requirement (the total amount of money the utility collects from its customers through rates) of $3.806 billion for SoCalGas, which is $628.7 million lower than the $4.434 billion that SoCalGas had requested. The adopted revenue requirement represents an increase of $323.6 million, or a 9.3 percent increase, over the 2023 current revenue requirement of $3.482 billion. A typical residential natural gas customer can expect an average monthly increase of $2.48 or 3.5 percent. A typical residential customer enrolled in the California Alternate Rates for Energy (CARE) program can expect an average monthly increase of $1.40 or 3.5 percent.

SDG&E

Today's decision adopts a 2024 revenue requirement of $2.699 billion for SDG&E's combined operations ($2.193 billion for electric and $506 million for natural gas operations), which is $308 million lower than the $3.007 billion that SDG&E had requested. The adopted combined operations' revenue requirement represents an increase of $188.6 million, or a 7.5 percent increase, over the 2023 current combined revenue requirement of $2.510 billion. A typical residential electric customer can expect an average monthly increase of $4.38 or 2.6 percent, and an average residential monthly natural gas customer can expect an increase of $1.02 or 1.8 percent. CARE electric customers can expect an increase of $2.85 or 2.7 percent, and CARE natural gas customers can expect an increase of $0.71 or 1.8 percent.

The revenue requirements approved in this decision will go into effect in January for natural gas ratepayers and February for electric ratepayers along with revenue requirements approved in other proceedings and administrative filings taking effect at the beginning of 2025.

“Our mandate as regulators is to ensure that rates are just and reasonable for customers while also ensuring a fair return to the utilities so they can safely and reliably provide electric and natural gas service,” said Commissioner Darcie L. Houck. “This decision provides an adequate balance of both, considering affordability and limiting rate increases for customers while also providing Sempra with sufficient funds to operate their system.”

“Because of the laser-focused scrutiny of the parties to the case, as well as the Administrative Law Judges and staff, this decision will ensure that customers receive better services and investments, with far lower increases than the utilities requested. The result will be safer natural gas pipes and a stronger electric grid, at a more affordable cost to ratepayers,” said Commissioner John Reynolds.

Today’s decision approves investments in the safety and reliability of Sempra’s energy services. Aging infrastructure and an investment in undergrounding electric lines ranked among the top priorities in Sempra’s request. Over the past two years there has been extensive public input, as members of the public attended Public Forums and submitted comments, and numerous parties reviewed Sempra’s GRC request and provided input on each cost category and related proposed expenditures.

Among the key initiatives covered in the decision:

- **Wildfire System Enhancement and Undergrounding**
    - Approves 35 miles of electric line undergrounding, as well as 100 miles of covered conductor, totaling 135 hardened miles. This authorized annual budget of

$154.5 million provides a significant opportunity for Sempra to invest in safer, dependable improvements that significantly reduce wildfire risks.

- **Clean Energy Measures**
  - Approves clean energy initiatives that Sempra demonstrated would benefit ratepayers while retaining cost-effectiveness. Clean energy innovations include the use of clean fuels, not other innovations, such as hydrogen utilization, that have not been demonstrated to be directly related to providing safe and reliable natural gas service.
- **Affordability**
  - Directs Sempra to optimally utilize non-ratepayer sources of funding, including federal grants and tax credits from the Inflation Reduction Act and Bipartisan Infrastructure Law. This follows a CPUC decision from May 2024 that implements a flat rate that lowers overall electricity bills on average for lower income households and those most impacted by extreme heat events.

More Information

- Fact Sheet
- Proposal Approved
- Docket Card (SoCalGas)
- Docket Card (SDG&E)
- Information on GRCs

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About the California Public Utilities Commission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians access to safe and reliable utility infrastructure and services. Visit www.cpuc.ca.gov for more information.