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**SAN DIEGO GAS & ELECTRIC COMPANY**

**NOTICE OF PROPOSED RATE INCREASES**

**NORTH-SOUTH PROJECT APPLICATION**

**APPLICATION NO. A.13-12-013**

On December 20, 2013, San Diego Gas & Electric Company (SDG&E®) filed an Application (A.13-12-013) with the California Public Utilities Commission (CPUC) requesting authority to recover costs of the North-South Project (Project) in customer rates and for approval of related cost allocation and rate design proposals.

**PURPOSE OF PROJECT:** The North-South Project is needed to provide reliable natural gas service to all natural gas customers. The project will improve natural gas supply on the Southern System of SDG&E and Southern California Gas Company's (SoCalGas®) integrated gas transmission system. The North-South Project consists of three major components: 1) Adelanto to Moreno Pipeline; 2) Adelanto Compression Station, and 3) Moreno to Whitewater Pipeline.

**PROJECT DESCRIPTION AND LOCATION:** The North-South Project involves the design and construction of 60 miles of new pipeline from Adelanto to Moreno Valley, upgrades to the Adelanto Compressor Station, and 31 miles of new pipeline from Moreno Valley to Whitewater. The project will cost \$629 million and take approximately 36 months to construct.

**ILLUSTRATIVE IMPACT ON GAS RATES AND BILLS**

If the CPUC approves the application, and once the project is complete, a residential customer who uses the system-wide average of 28 therms per month will see an increase of 32 cents, from the current \$31.98 per month to \$32.30 per month. The impact on each customer and customer class will vary depending on individual usage and the final decision.

*(Continued inside)*

If approved, the proposed costs would be allocated to the Backbone Transmission Service (BTS) rate (1), which would increase by \$0.011/per therm/per day, from \$0.014/per therm/per day to \$0.025/per therm/per day. This increase would result in approximate bundled rate impacts as follows (2):

Customer Class	Current Class Average Transportation Rates	Current Bundled Rate (including Gas Cost)	Proposed North- South Project BTS Rate Impact	% Impact on Bundled Rates/Bills
<b>Core</b>				
Residential	\$0.779	\$1.189	\$0.011	1.0%
Commercial/ Industrial	\$0.276	\$0.686	\$0.011	1.7%
Natural Gas Vehicles	\$0.075	\$0.485	\$0.011	2.4%
<b>Noncore</b>				
C&I* - Distribution	\$0.155	\$0.564	\$0.011	2.0%
C&I - TLS**	\$0.026	\$0.436	\$0.011	2.6%
Electric Generation - Distribution	\$0.038	\$0.448	\$0.011	2.6%
Electric Generation - TLS	\$0.023	\$0.433	\$0.011	2.7%

\*C&I stands for Commercial & Industrial  
\*\*TLS stands for Transmission Level Service

- (1) BTS are rights that customers may purchase to transport gas over the backbone system to the SoCalGas Citygate. All customers are charged BTS. Core customers who purchase gas supplies from SDG&E will have BTS included in the gas commodity rate. Customers that do not purchase gas supplies from SDG&E may purchase BTS directly from SoCalGas.
- (2) The table reflects a direct impact to end-use customers based on the proposed increase in the BTS rate, and is for discussion purposes only. The bundled rates include a proxy gas commodity price of \$0.410/per therm. Since the BTS rate and the Gas Commodity price are market-based rates, each customer's impact will be unique to their situation.

The impact on each customer and each customer class could vary depending on individual usage and the Commission's final decision.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Gregory Healy, Regulatory Case Manager, San Diego Gas & Electric Company, 555 West Fifth St., GT14D6, Los Angeles, CA 90013-1011. SDG&E will provide a copy of this application including the public testimony, upon request. SDG&E's application and attachments may be inspected at the CPUC's Central Files Office, 505 Van Ness Ave., San Francisco, CA 94102. A copy of this application may be inspected at the following SDG&E business offices:

436 H St. Chula Vista, CA 91910	104 N. Johnson Ave. El Cajon, CA 92020	644 W. Mission Ave. Escondido, CA 92025
2405 E. Plaza Blvd. National City, CA 91950	336 Euclid Ave. San Diego, CA 92114	2604 S. El Camino Real Carlsbad, CA 92008
440 Beech St. San Diego, CA 92101		

The application is available electronically on SDG&E's website at [www.sdge.com/regulatory/cpuc.shtml](http://www.sdge.com/regulatory/cpuc.shtml).

Copies of this insert will be available for viewing and printing on SDG&E's website at [www.sdge.com/billinserts/regulatory.shtml](http://www.sdge.com/billinserts/regulatory.shtml).

CPUC PROCESS

This Application will be assigned to an Administrative Law Judge (ALJ) 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 all evidence presented during the formal hearing process, the assigned

ALJ will issue a proposed decision determining whether to adopt all or part of SDG&E's request, modify it, or deny it. The CPUC Commissioners may sponsor an alternate decision and the issue will be decided at a scheduled Commission Voting Meeting.

## **STAY INFORMED**

The CPUC offers a free Subscription Service which is available on the CPUC website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov) which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC process, you may contact the CPUC's Public Advisor's Office (PAO) at the address noted below. When writing, please reference proceeding A.13-12-013. All written correspondence and emails are provided to the Commissioners and the assigned ALJ for this proceeding to review.

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

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

Phone: 866-849-8390

