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**SAN DIEGO GAS & ELECTRIC COMPANY
NOTICE OF PUBLIC PARTICIPATION HEARING
REGARDING PROPOSED RATE CHANGES
FOR GAS TRANSPORTATION
TRIENNIAL COST ALLOCATION PROCEEDING
APPLICATION NO. A. 15-07-014**

The California Public Utilities Commission (CPUC) would like to hear your comments about San Diego Gas & Electric Company's (SDG&E®) request to change your rates beginning January 1, 2017. To do so, the CPUC invites you to attend a CPUC Public Participation Hearing (PPH) where you may comment or simply listen to what others in your community are saying. A CPUC Administrative Law Judge (Judge) will preside over the hearing. One or more Commissioners may attend, but no decisions will be reached at these hearings. All public comments from these PPHs will be included in the formal record and become public record. The CPUC has also asked SDG&E to provide customer service staff to assist customers that have questions about their bills.

The hearing location is wheelchair accessible. If you need language interpretation or listening assistance devices, please contact the CPUC Public Advisor's Office at least ten working days before the hearing you are attending. The Public Advisor's Office contact information is noted at the end of this notice. The date, time and location of the PPH follows:

February 10, 2016 **SAN DIEGO**
6:00 pm Scottish Rite Event Center
 Square & Compass Room
 1895 Camino Del Rio South
 San Diego, CA 92108

SDG&E'S RATE CHANGE

On July 8, 2015, SDG&E filed its Phase 2 Triennial Cost Allocation Proceeding (TCAP) Application (A.15-07-014) (Application) with the CPUC to revise its rates for natural gas transportation

(Continued inside)

service effective January 1, 2017. The request was revised on November 19, 2015, to update costs associated with gas transmission. The revised request represents a decrease in 2017 of 25.1 percent over 2015 system average rates which would decrease an average residential monthly bill with usage of 26 therms a month by \$3.94. The decrease would remain the same for the 2017-2019 period, though rates may be impacted by other regulatory proceedings, such as the General Rate Case. Although this will result in an overall decrease for 2017-2019, SDG&E is proposing to establish a residential customer charge. This charge recovers the fixed costs of utility service. If approved, the fixed charge will be \$0.32876 per meter per day (approximately \$10 per month).

TCAP's are regulatory proceedings in which SDG&E updates how it divides the costs of providing gas service to customer classes and determines the transportation rates it charges customers. SDG&E also forecasts how much gas its customers may use (demand), its balancing accounts (which ensure only authorized costs are collected), and the gas prices used to calculate various rate components. All of these forecasts have an impact on customers' rates. This TCAP is being addressed in two phases. Phase 1 was filed on December 18, 2014, (A.14-12-017) and addressed the issue of updating how to divide the costs related to the underground storage of natural gas for the period 2016 through 2019.¹ Phase 2 addresses updating how to divide all other costs related to gas transportation service, as well as the demand, balancing account, and gas price forecasts, for the three-year period of 2017-2019. The CPUC will consider whether these particular proposals are just and reasonable when it establishes new rates for SDG&E.

INFORMATION REGARDING SDG&E'S TCAP APPLICATION

For more information about SDG&E's Phase 2 TCAP application filing, you may write to Joseph Mock, Regulatory Case Manager, SDG&E, 555 W. Fifth St., GT14D6, Los Angeles, CA

¹ Due to the expiration of a provision in the currently authorized TCAP, Phase 1 included an additional year, for a total of four years. The two Phases should then be aligned in subsequent TCAPs.

90013-1011. You may also view a copy of the Application on SDG&E's website:

<http://www.sdge.com/regulatory-filing/15026/socalgas-and-sdge-triennial-cost-allocation-proceeding-phase-2>.

Copies of this insert will be available for viewing and printing on the SDG&E website: <http://www.sdge.com/regulatory-notice>.

A copy of SDG&E's filing and exhibits are also available for review at the CPUC's Central Files Office by appointment only. For more information, contact aljcentralfilesid@cpuc.ca.gov or 415-703-2045.

CPUC PROCESS

This Application will be assigned to a Judge 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 Judge 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.

As a party of record, the Office of Ratepayer Advocates (ORA) has reviewed this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov or visit ORA's website at www.ora.ca.gov.

STAY INFORMED

The CPUC offers a free subscription service which is available on the CPUC website at <http://subscribecpuc.cpuc.ca.gov> and 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. Please reference the SDG&E TCAP Phase 2 proceeding A.15-07-014 in any communications you have with the CPUC regarding this application. All written correspondence and emails are provided to the Commissioners, the assigned Judge for this proceeding, and appropriate CPUC staff to review.

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

Email: public.advisor@cpuc.ca.gov

Phone: 866-849-8390.

