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NOTICE OF EVIDENTIARY HEARINGS

**REGARDING SAN DIEGO GAS & ELECTRIC COMPANY’s REQUEST TO INCREASE RATES FOR**

**THE**

**PIPELINE SAFETY ENHANCEMENT PLAN**

**APPLICATION A.16-09-005**

**DATE: December 4 – December 8, 2017, TIME: 9:30 a.m.**

**LOCATION: California Public Utilities Commission**

**Commission Hearing Room**

**505 Van Ness Avenue, San Francisco, CA 94102**

The California Public Utilities Commission (CPUC) is currently reviewing San Diego Gas & Electric Company’s (SDG&E®) and Southern California Gas Company’s (SoCalGas®) application requesting to increase rates for the implementation of the Pipeline Safety Enhancement Plan (PSEP). The CPUC will hold evidentiary hearings on SDG&E’s and SoCalGas’ application at the time and place noted above. The assigned Administrative Law Judge (Judge) for this proceeding will facilitate these hearings. A Commissioner may be present during the designated times. The hearings are scheduled to continue on a daily basis (Monday–Friday) from December 4 through December 8, 2017, although the Judge may modify the schedule at a later date. The hearings will be held in a hearing room at the CPUC, 505 Van Ness Avenue, San Francisco, CA 94102. At the evidentiary hearing, formal parties of record will participate and present their own testimony and legal arguments addressing SoCalGas’ and SDG&E’s application.

### SDG&E’S REQUEST

On September 2, 2016, SDG&E and SoCalGas jointly filed with the CPUC, their application requesting the CPUC approve a rate increase for the implementation of the PSEP. The application covers the reasonableness in implementing the PSEP, and recovery of related costs recorded in the Pipeline Safety and Reliability Memorandum Account (PSRMA), Safety Enhancement Expense Balancing Account (SEEBA) and Safety Enhancement Capital Cost Balancing Account (SECCBA). To recover these costs, SDG&E is requesting an increase of $2.6 million starting in 2018.. If approved, the increase would be charged to customers over a 12-month period, or until the costs are recovered.

The CPUC opened Rulemaking R.11-02-019 to adopt new safety and reliability regulations for natural gas transmission and distribution pipelines, and to orderly and cost effectively replace or pressure test all natural gas transmission pipelines, for which reliable records were not available. SDG&E and SoCalGas initiated their PSEP work and began recording costs in their PSRMAs, as directed by the CPUC in Decision D.12-04-021 and the SEEBAs and SECCBAs, as directed by the CPUC in D.14-06-007. The CPUC determined in D.14-06-007 what costs should not be charged to customers and those costs have been excluded from this application. That same decision ordered SDG&E SoCalGas to file an application to justify charging customers for the expenses by demonstrating the reasonableness of costs incurred. This application complies with that direction.

The SDG&E revenue increase requested in the application applies to gas distribution and transmission service, using a methodology which was previously approved by the CPUC. This application requests recovery of Phase 1 safety plan costs, which include the testing and replacing of natural gas pipelines; valve and technology enhancements; and other project management costs supporting SDG&E’s safety enhancement plan. Recovery of costs incurred for additional safety related work will be requested in future applications.

**FOR FURTHER INFORMATION**

You may request additional information or obtain a copy of this proposal from SDG&E and SoCalGas by writing to Brian Hoff, Regulatory Case Manager, Southern California Gas Company, 555 West Fifth Street, Los Angeles, CA 90013.

You may also view a copy of the application and related documents on SDG&E’s website:

<https://www.sdge.com/regulatory-filing/17936/application-sdge-and-socalgas-recover-costs-recorded-psrma-seeba-seccba>

A copy of the Pipeline Safety Enhancement Plan application may also be reviewed at the CPUC’s Central Files Office by appointment. For more information, please contact them at [aljcentralfilesid@cpuc.ca.gov](mailto:aljcentralfilesid@cpuc.ca.gov) or (415) 703-2045.

### CPUC PROCESS

At these evidentiary hearings, the assigned Judge will receive the testimony of SDG&E and SoCalGas, consumer advocacy groups, and all other parties to this proceeding. These hearings are open to the public but only those who are parties to the proceeding may present evidence, testimony, and be subject to cross-examination. The hearings and documents submitted during this proceeding will become part of the formal record that the Judge relies upon in writing a proposed decision to present to the Commissioners for their consideration.

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt SDG&E’s and SoCalGas’ proposal, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC 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 http://ora.ca.gov/default.aspx.

**STAY INFORMED**

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC’s free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC processes, you may access the CPUC’s Public Advisor’s Office webpage at <http://consumers.cpuc.ca.gov/pao>. You may also contact the Public Advisor’s Office as follows:

Write: CPUC Public Advisor’s Office

505 Van Ness Avenue

San Francisco, CA 94102

Email: public.advisor@cpuc.ca.gov

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074

1-866-836-7825 (toll-free) or TTY 1-415-703-5282

Please reference the “SDG&E Pipeline Safety Enhancement Plan Application No. 16-09-005 in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.