



High Gas Bills & Sempra 2023 Gas Rates Increase

What factors contributed to the increase in gas bills?

1. Natural Gas Commodity Price Increase

- Natural gas procurement rate in January 2023 increased by over 300% compared to January 2022.
 - Comparing January 2022 to January 2023, the procurement rate for natural gas increased from 84 cents per therm to approximately \$3.45 per therm, due to extraordinary increases in the commodity price of natural gas.
 - The utility passes on this cost to customers without a markup.
 - The CPUC has a financial incentive program to ensure the natural gas supplies were purchased at or below market prices.
- International, national, and regional events caused the commodity price to increase
 - Natural gas exports increased sharply due to disruption from Russia’s invasion of Ukraine.
 - The CPUC requires gas utilities to fill gas storage fields to certain levels and buy firm gas contracts ahead of the winter to have reliable gas supplies.
 - Consistently cold temperatures across the West beginning in November led to high customer demand for natural gas.
 - Continuous high demand led to sustained draw down of California’s gas storage fields, so natural gas utilities had to purchase extra gas commodity at expensive market prices going into January.
 - There were multiple outages on the El Paso interstate pipeline system that supplies gas to California, so there was less gas available to purchase from the southwest.

In summary, global demand increased, gas storage shrunk, and interstate pipeline outages contributed to these historic commodity prices in the “core procurement rate” line of the bill.

Table compares total bill impacts based on January 2023 and January 2022 rates.

Estimated Residential Monthly Bill Impacts effective January 1, 2022 v 2023

January 2023 Rate Increase Impact	Jan 1, 2022	Jan 1, 2023
<i>Non-CARE</i>		
SoCalGas (based on 64 therms per month)	\$123.52	\$299.77
SDG&E (based on 44 therms per month)	\$103.81	\$225.13
<i>CARE</i>		
SoCalGas (based on 46 therms per month)	\$66.40	\$167.20
SDG&E (based on 32 therms per month)	\$59.40	\$131.37





Visit our webpage for more information on winter 2023 natural gas prices and our actions on this matter: <https://www.cpuc.ca.gov/winter2023naturalgas>

2. Sempra Gas Rates Increase

The main reason for the January SoCalGas and SDG&E bill increase is the increase in the natural gas commodity price. Another contributor is the January 2023 transportation rate increase resulting from Sempra's 2019 and 2021 General Rate Case (GRC) decisions and follow up Advice Letters that went into effect. Those decisions authorized rates to increase in 2023 for operational expenses and updates to account balances like the Green House Gas program costs. SoCalGas will see an overall increase in revenues of \$500 million and San Diego Gas and Electric (SDG&E), a revenue increase of \$83 million.

What's in the \$500 million gas transportation and delivery increase for SoCalGas?

- Annual Regulatory Account Balance Update: revenue increase of \$258 million.
- Implementation of revenue requirement adjustments for 2023 of a previous GRC decision and cost of capital adjustment: \$109 million increase
- Revenue requirement adjustment pursuant to IRS Private Letter Ruling: \$57 million increase.
- Storage integrity management program, on-bill financing: \$40 million increase.
- Other adjustment (update embedded costs studies for transmission, SoCalGas/SDG&E systemwide rate adjustment): \$36 million increase.

What's in the \$83 million gas transportation and delivery increase for SDG&E?

- Annual Regulatory Accounts Balance Update: revenue increase of \$32.4 million
- Implementation of revenue requirement adjustments for 2023 of a previous GRC decision with cost of capital adjustment: \$18 million increase:
- Revenue requirement adjustment pursuant to IRS Private Letter Ruling: \$4.5 million increase.
- Transition, Stabilization, and Organizational Change Management (OCM) Balancing Account (TSOBA) costs: \$10.8 million increase.
- Other Adjustments (updated embedded costs studies for transmission, SoCalGas/SDG&E systemwide rate adjustments): \$11 million decrease.

How can I ease my bill?

1. Enroll in a bill management option, such as leveling your gas bill across the year, with your utility.
2. State and federal assistance programs are available for utility debt relief. Eligible customers are exempted from disconnections.



For example, the California legislature approved the California Arrearage Payment Program (CAPP) in the 2021-2022 State Budget. Utility customers do not need to apply to receive assistance under the CAPP program. The 2022 CAPP program dedicates \$1.2 billion to address California's energy debts by offering financial assistance for California energy utility customers to help reduce past due energy bill balances accrued during the COVID-19 pandemic relief period covering March 4, 2020 through December 31, 2021. California Department of Community Services and Development (CSD) released CAPP funding for 2022 to energy utilities by January 31, 2023.

3. Apply for all relevant assistance programs on your local natural gas utility's website:

PG&E (https://www.pge.com/en_US/about-pge/company-information/protective-protocols/financial-support-awareness.page)

SoCalGas (<https://www.socalgas.com/save-money-and-energy/assistance-programs>)

SDG&E (<https://www.sdge.com/residential/pay-bill/get-payment-bill-assistance>)

Southwest Gas (<https://swgassistance.com/>)

Alpine Natural Gas (<https://alpinenaturalgas.com/programs/>)

West Coast Gas (CARE only) (<https://www.westcoastgas.com/programs/c-a-r-e/>)

[SCE Catalina Island Gas Service](https://www.sce.com/residential/assistance) (<https://www.sce.com/residential/assistance>)

4. A SoCalGas/SDG&E General Rate Case Proceeding is underway at the CPUC. It addresses the costs that result in transportation rate changes though not the commodity gas costs. SoCalGas and SDG&E request approval for significant increases in gas rates in that proceeding, [A.22-05-015/016](#). The Public Participation Hearings are scheduled to occur in March 2023. Check here for when and how to participate: <https://www.cpuc.ca.gov/pph>
5. Consumers are encouraged to try and conserve as much as they safely can going forward. The company bills for used volumes, so less gas used, the more likely it'll be at the lower, baseline rate.