



Fact Sheet

PUBLIC PARTICIPATION HEARING

San Diego Gas and Electric General Rate Case (A.17-10-007)

June 2018

The California Public Utilities Commission (CPUC) is evaluating San Diego Gas and Electric's (SDG&E) rate change request. The following information is gathered directly from the utility's application filing and testimony.

Under SDG&E's proposal, the electric bill for an average inland residential customer using 500kWh per month would increase by \$6.66 per month, or 4.6 percent when compared to a 2018 bill. The natural gas bill for an average inland residential gas customer using 25 therms per month would increase by \$7.33 per month, or 22.6 percent when compared to a 2018 bill. The combined electric and gas bill for an average inland residential customer would increase \$13.99, or 7.9 percent when compared to a 2018 bill.

What Goes into SDG&E's Rates:

Residential and small commercial electric and natural gas rates are made of three main components:

- **Commodity Costs:** The Commodity costs are "pass through" costs where the customer pays the same costs as the utility. These costs are not addressed in this General Rate Case
- **Expenses, Infrastructure Investment, and Capital-Related Costs:** These costs are to own and operate the facilities that generate and distribute electricity to SDG&E's customers, distribute gas, and to fulfill SDG&E's customer service function. These costs are being evaluated and reviewed in this General Rate Case proceeding.
- **Public Purpose Programs:** Funds programs such as California Alternate Rates for Energy (CARE), Energy Savings Assistance (ESA) and low income energy efficiency. These costs are not addressed in this General Rate Case.

What is Being Considered in This General Rate Case:

SDG&E is requesting a total of \$2.2 billion (\$435 million gas and \$1.764 billion electric) for costs in 2019, which if approved, would be an increase of \$217 million over the 2018 costs that consumers are paying (an 11 percent increase).

SDG&E's request includes Operation & Maintenance costs and the carrying costs for new capital investments electric facilities, gas pipelines, and other infrastructure. The capital carrying costs include depreciation, income taxes, property taxes and a return on investment.

In addition to the cost increase for 2019, SDG&E's General Rate Case application seeks a rate increase for 2020, 2021, 2022.

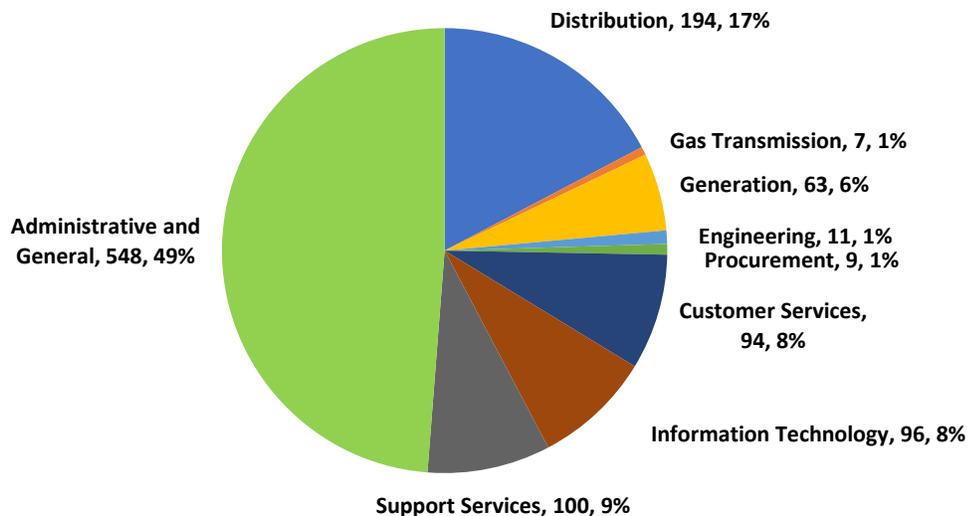
(\$ in millions)	2019		2020		2021		2022	
Requested Cost Increases	11%	\$217	6.9%	\$151	5.1%	\$120	4.9%	\$122

Individual Components of SDG&E's Request:

For Operation & Maintenance costs, SDG&E's largest requests are:

- Administrative and General costs totaling \$548 million to include items such as employee compensation, pensions, insurance, accounting/finance, and health benefits;
- Electric and Gas Distribution costs totaling \$194 million to operate and maintain the electric and gas distribution facilities
- Support Services totaling \$100 million to include items such as electric and fuel procurement, management of materials and services, fleet services, real estate, land services, facility operations, and environmental services;
- Information Technology costs totaling \$96 million
- Customer Services costs totaling \$94 million to include items such as advanced metering, field and meter reading, call centers, and cybersecurity

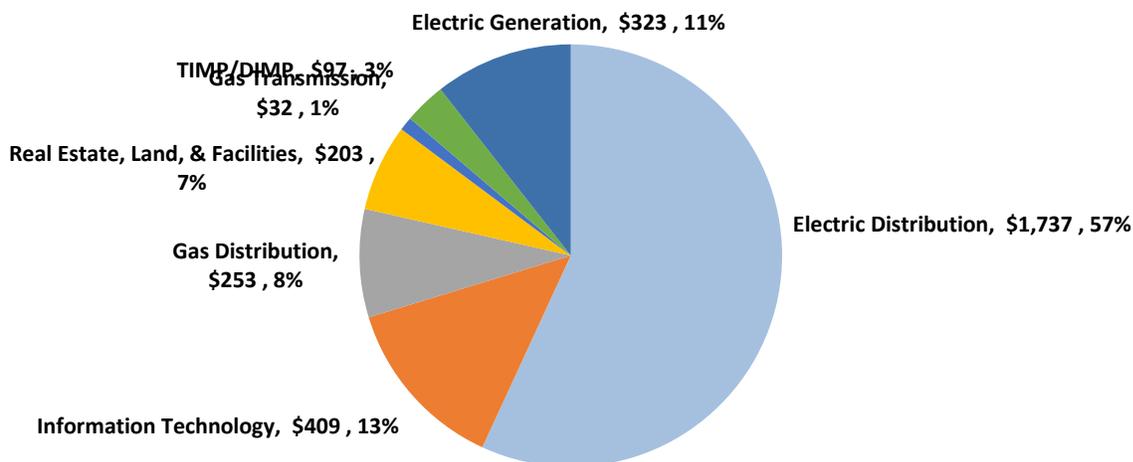
2019 SDG&E Requested O&M Expenses (2016\$)



For Capital Projects, SDG&E’s application includes costs to fund large capital projects for replacement, installation, and modernization of equipment such as gas pipelines, electric circuits, monitoring systems, and interconnect facilities. The following are the largest proposed capital projects:

- Otay Mesa Energy Center (Electric Generation) totaling \$280 million;
- Distribution Circuit Reliability (Electric Distribution) totaling \$173 million
- Gas Distribution and Transmission Integrity Management Programs (TIMP/DIMP) totaling \$94 million;
- Pole Loading, Replacement, and Reinforcement (Electric Distribution) totaling \$87 million; and,
- Transformers (Electric Distribution) totaling \$64 million.

2019 SDG&E Requested Capital Expenditures (2016\$)



Further Information on the Proceeding:

- To review SDG&E’s proposal and testimony in detail, visit: www.sdge.com/regulatory-filing/22261/sdge-2019-general-rate-case.
- To review the CPUC’s Office of Ratepayer Advocates’ testimony, visit: http://ora.cpuc.ca.gov/ORA_Testimony_SDGE_SCG_2019.aspx.