**GAS RATE INCREASE EFFECTIVE JANUARY 1, 2022**

**Sempra** **(SoCalGas and SDG&E) –** SoCalGas and SDG&E filed their Annual Consolidated Rate Update Advice Letters 5915-G and 3046-G in December 2021 consolidating all CPUC-authorized changes to the revenue the two utilities need to operate and the corresponding changes to gas transportation rates customers pay, effective January 1, 2022. The Consolidated advice letters will reflect an increase in revenues of $288 million for SoCalGas and $37.5 million for SDG&E for gas transportation and delivery costs (not including commodity costs). The increase is mainly due to 2022 General Rate Case (GRC) adjustments and the annual regulatory account balance update including Green House Gas (GHG) program costs. The GHG program costs will be partially offset when SoCalGas and SDG&E residential non-CARE and CARE customers receive the GHG climate credit in April 2022.

The percentage increases in the table below are total bill impact based on estimated commodity prices, with commodity prices held constant in order to calculate the isolated impact of these transportation and delivery rate increases. Gas commodity prices this winter will be much more expensive than last winter, potentially close to 100% more on a per therm basis which will lead to more increases in customer bills over the winter months.[[1]](#footnote-1)

**Estimated residential bill impacts effective January 1, 2022:**

|  |  |  |
| --- | --- | --- |
| Estimated Bill Impact[[2]](#footnote-2) – Consolidated Rate Update | SDG&E  Jan 1, 2022 | SoCalGas  Jan 1, 2022 |
| * Average monthly residential non-CARE gas bill | $46.76 [[3]](#footnote-3) | $58.75 [[4]](#footnote-4) |
| * Average monthly residential non-CARE gas bill increase | $5.25 or 12.6% | $7.38 or 14.4% |
| * Average monthly residential CARE gas bill | $30.50 [[5]](#footnote-5) | $34.48 [[6]](#footnote-6) |
| * Average monthly residential CARE gas bill increase | $3.58 or 13.3% | $4.29 or 14.2% |

SoCalGas and SDG&E’s Advice Letters will consolidate several previously approved advice letters and decisions that reflect authorized gas revenue and rate changes, and are estimated as follows:

1. **SoCalGas****:**

* Annual Regulatory Account Balance Update: revenue increase of $98 million by Advice Letter 5884[[7]](#footnote-7)
* 2022 GRC Adjustment: $142 million increase - D.19-09-051, AL 5892
* Implementation of revenue requirement adjustments: $5.8 million decrease - GRC D. 21-05-003, AL 5842
* Reversal of 2018 Tax Cuts and Jobs Act(TCJA) related Tax Savings Amount: increase of $37.6 million – AL 5541
* Natural Gas Leak Abatement: $4.5 million increase per Resolution G-3576
* Balance Transfer of the COVID-19 Pandemic Protections Memorandum Account (CPPMA) into the Residential Uncollectible Balancing Account (RUBA): $9.1 million increase – AL 5817

1. **SDG&E:**

* Annual Regulatory Accounts Update: revenue increase of $17.4 million by Advice Letter 3024-G[[8]](#footnote-8)
* 2022 GRC Adjustment: $13 million increase - D.19-09-051 and AL 3034-G
* Implementation of revenue requirement adjustments: $1.35 million decrease - GRC D. 21-05-003, AL 2997
* Removal 2018 income tax expenses resulting from the Tax Cuts and Jobs Act (TCJA): $5.97 million decrease - D.19-09-051 and AL 2816-G
* Natural Gas Leak Abatement: a decrease of $0.8 million per Resolution G-3577

1. General volatility in the natural gas market resulting in seasonal high prices is caused by expanding global demand with supply being unable to keep up with the demand. [↑](#footnote-ref-1)
2. The bill impacts include updated Public Purpose Program (PPP) surcharge rates: SoCalGas AL 5892-G, SDG&E AL 3027-G [↑](#footnote-ref-2)
3. Bill estimate assumes an average monthly consumption of 23 therms in a month for Non-CARE, and an average annual

   procurement rate of $0.49511/therm for Jan-22. [↑](#footnote-ref-3)
4. Bill estimate assumes an average monthly consumption of 33 therms in a month for Non-CARE , and an average annual

   procurement rate of $0.49511/therm for Jan-22. [↑](#footnote-ref-4)
5. Bill impacts based on an average monthly consumption of 19 therms in a month for CARE. [↑](#footnote-ref-5)
6. Bill impacts base on an average monthly consumption of 27 therms in a month for CARE. [↑](#footnote-ref-6)
7. General Rate Case Memorandum Account 2019 (GRCMA2019), Advanced Meter Infrastructure Balancing Account (AMIBA), Greenhouse Gas Balancing Account (GHGBA), Dairy Biomethane Program Balancing Account (DBPBA), and Noncore Fixed Cost Account (NFCA). [↑](#footnote-ref-7)
8. GRCMA2019, Core Fixed Cost Account (CFCA), GHGBA, Master Meter Balancing Account (MMBA), and Safety Enhancement Capital Cost Balancing Account (SECCBA). [↑](#footnote-ref-8)