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Cc:
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Subject: DRA Recommends Rate Decrease for SDG&E Customers

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DRA Recommends Rate Decrease for SDG&E Customers

SAN FRANCISCO, September 2, 2011 – The Division of Ratepayer Advocates (DRA), an independent consumer advocacy division of the California Public Utilities Commission (CPUC), on Thursday issued a report that recommends the CPUC direct San Diego Gas and Electric Company (SDG&E) to decrease revenues by 3 percent in 2012, resulting in no cumulative revenue increase between 2012 and 2015.

In December 2010, SDG&E requested authorization from the CPUC to raise revenues by a cumulative total of almost \$1.5 billion over the four-year period. The utility, which provides natural gas and electric service in San Diego County and parts of Orange County, has also requested permission to increase its customer's bills starting on January 1, 2012.

DRA staff spent 10 months analyzing SDG&E's proposal and found it to be flawed in several ways. DRA forecasts that SDG&E will have lower expenses than what SDG&E has projected and recommends that the CPUC reject the utility's 2012 revenue increase request and instead order a 3 percent revenue decrease in 2012. DRA's findings also recommend more modest increases than SDG&E requested for subsequent years through 2015.

Requested Revenue Increases for SDG&E

	2012	2013	2014	2015	Cumulative Total Revenue*
	millions	millions	millions	millions	
SoCalGas Request	\$277	\$49	\$64	\$81	\$1.5 Billion
DRA Proposal	(\$45.6)	\$29	\$31	\$31	\$0

* Additive of the base revenues of each preceding year

“SDG&E has asked ratepayers to overpay for service, including funding long-term stock options and incentive programs in excess of what is reasonable,” said Joe Como, DRA’s acting director. “DRA believes that the utility is capable of providing reliable service at a price tag far less than what SDG&E has proposed.”

Evidentiary hearings are scheduled to begin at the CPUC’s headquarters in San Francisco on November 30, 2011 and continue until December 23, 2011. DRA’s report, including a more detailed executive summary, is available at DRA’s [SDG&E 2012 Rate Case page](#).

For more information on DRA, please visit www.dra.ca.gov.

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