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Cc:
Bcc:
Subject: DRA Recommends Rate Decrease for SoCalGas Customers

FOR IMMEDIATE RELEASE

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DRA Recommends Rate Decrease for SoCalGas 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 Southern California Gas Company (SoCalGas) to decrease revenues by 3.7 percent in 2012, resulting in a cumulative revenue decrease of \$50 million between 2012 and 2015.

In December 2010, SoCalGas requested authorization from the CPUC to increase its revenues by a cumulative total of about \$1.6 billion over the next four years. The utility, which provides natural gas service in Southern California, requests to increase 2012 revenues by 7.4 percent - effective on customer bills starting on January 1, 2012.

DRA staff spent 10 months analyzing SoCalGas' proposal and found it to be flawed in several ways. DRA forecasts that SoCalGas will have lower levels of expenses than what SoCalGas has projected and recommends that the CPUC reject the utility's 2012 revenue increase request proposal. The CPUC should instead order a 3.7 percent revenue reduction in 2012. DRA's findings also recommend more modest increases than SoCalGas requested for subsequent years through 2015.

Requested Revenue Increases for Social Gas

	2012 millions	2013 millions	2014 millions	2015 millions	Cumulative Total Revenue*
SoCalGas Request	\$308	\$55	\$62	\$51	\$1.6 Billion
DRA Proposal	(\$62.8)	\$32	\$34	\$34	(\$50 Million)

* Additive of the base revenues of each preceding year

“SoCalGas has not provided a realistic plan to control costs, such as failing to allow customers to take full advantage of the Tax Relief Act,” said Joe Como, DRA’s acting director.
 “SoCalGas can provide the same level of service without the unwarranted revenue increases.”

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 [SoCalGas 2012 Rate Case page](#).

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

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