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**NOTICE OF APPLICATION
SOUTHERN CALIFORNIA GAS COMPANY REQUEST
TO INCREASE RATES AND REVENUES FOR THE
COST OF CAPITAL PROCEEDING
APPLICATION FILING A.25-03-011**

WHY AM I RECEIVING THIS NOTICE?

On March 20, 2025, Southern California Gas Company (SoCalGas®) filed its Cost of Capital Application with the California Public Utilities Commission (CPUC) requesting a new rate of return for 2026-2028.

If the CPUC approves this request, the overall authorized rate of return will increase from 7.49% to 8.15%, which will result in an estimated \$117.12 million revenue increase and SoCalGas will recover the cost in gas rates beginning January 1, 2026. This will impact your monthly bill.

WHY IS SOCALGAS REQUESTING THIS RATE INCREASE?

SoCalGas is required to file its Cost of Capital Application every three years. In this proceeding, SoCalGas requests that the CPUC determine the appropriate rate of return necessary to attract capital at reasonable rates and compensate the utility for business, regulatory, and financial risks. Rate of return is the weighted average cost of debt, preferred stock, and common equity.

HOW COULD THIS AFFECT MY MONTHLY GAS RATES?

If SoCalGas's request is approved by the CPUC, SoCalGas's rates for gas service will increase. The average residential gas monthly bill using 36 therms per month would increase by approximately \$1.37 or 1.8% per month in 2026.

(Continued inside)

The estimate above does not necessarily reflect the changes that you may see on your bill. Changes in individual bills will also depend on how much = gas each customer uses. A summary of gas rate changes that would result from this application are provided below.

SUMMARY OF ILLUSTRATIVE GAS CLASS AVERAGE RATES

Customer Class	Present 2/1/2025 Rates (¢/therm)	Proposed Total Rates for 2026 (¢/therm)	Increase (¢/therm)	Increase %
Residential (Core)	147.901	151.649	3.748	2.5%
Average Residential Bill \$/month	74.52	75.89	1.37	1.8%
Commercial/Industrial (Core)	97.142	99.352	2.210	2.3%
Commercial/Industrial (Noncore Distribution Level Service)	28.251	28.766	0.515	1.8%
Electric Generation (Noncore Distribution Level Service)	26.959	27.458	0.499	1.9%
Large Industrial Transmission Level Service	9.107	9.283	0.175	1.9%
Backbone Transmission Service ¢/dth/day	73.303	73.440	0.137	0.2%
System Total	66.195	67.609	1.414	2.1%

HOW DOES THE REST OF THIS PROCESS WORK?

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt SoCalGas's application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

CONTACT CPUC

Parties to the proceeding may review SoCalGas's application, including the Public Advocates Office. The Public Advocates Office is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information, please call 1-415-703-1584, email PublicAdvocatesOffice@cpuc.ca.gov, or visit PublicAdvocates.cpuc.ca.gov.

Please visit apps.cpuc.ca.gov/c/A2503011 to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding. Your participation by providing your thoughts on SoCalGas's request can help the CPUC make an informed decision.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Email: Public.Advisor@cpuc.ca.gov

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074

Mail: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Please reference **Application A.25-03-011** in any communications you have with the CPUC regarding this matter.

WHERE CAN I GET MORE INFORMATION?

If you have questions about SoCalGas' request you may contact them using the methods below.

CONTACT SOCIALGAS

Email: wfuller@sdge.com

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074

Mail: Will Fuller
8330 Century Park Court, CP31E
San Diego, CA 92123

A copy of the Application and any related documents may also be reviewed at <https://www.socalgas.com/regulatory/cpuc>



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