

# **Southern California Gas Company Proposed L.A. City Franchise**

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Office of the City Administrative Officer  
Office of Petroleum and Natural Gas Administration and Safety

# WHY ARE WE HERE?

Existing franchise set to expire in December

1992 agreement:

20 years, but currently on 10th extension

Current franchise a bad deal for the City

# **CURRENT FRANCHISE A BAD DEAL FOR THE CITY**

Low franchise fee (2%)

No low-income surcharge protection

Weak “Most-Favored Nation” clause

No compliance with Street Damage Restoration Fee (SDRF)

No pollution prevention insurance

No air quality monitoring

Nothing on climate

# **PROPOSED NEW FRANCHISE**

Franchise payment @ 5.5% (\$24m annual increase)

Surcharge protection for low-income customers

Street Damage Restoration Fee compliance

Most Favored Nation clause

Pollution prevention insurance

Air quality monitoring

Infrastructure disclosure / EOC coordination

Indemnification / enhanced insurance requirements

Climate impact mitigation: commitments and fund

Term that respects 2035 100% clean energy goal

# **STREET DAMAGE RESTORATION FEE**

**SoCalGas shall comply with SDRF - no exemption**

**Coordination with City on scheduling work to reduce  
costs / harmful cuts**

# LOW-INCOME CUSTOMER PROTECTION

Incremental increase in the franchise fee from 2% to 5.5%  
will NOT apply to low-income customers.

34% of residential customers: NO IMPACT to their bill

*412,245 CARE enrollees / approx. 1.2M total residential customers*

# **AIR MONITORING**

**SoCalGas shall install air quality monitors at its major facilities, which include PLAYA DEL REY storage facility and SYLMAR Compressor Station**

**All data to be real-time and publicly available**

# **CLIMATE IMPACT MITIGATION**

## **\$21m Climate Equity Fund**

Funds intended for areas impacted by SoCalGas emissions or areas with CalEnviroScreen scores of 95 or higher.

## **Decarbonization**

SoCalGas to report annually on progress towards its decarbonization goals to achieve net zero greenhouse gas emissions in their operations and delivery of energy by 2045.



# **FRANCHISE TERM**

**Thirteen years, plus one eight-year extension**

**By 2034, Petroleum Administrator (PA) and CAO to recommend continuation or termination of the franchise**

The report shall present a City customer analysis (number, types and forecast of future energy needs), the effects of any newly implemented policies, SoCalGas progress towards its decarbonization goals, City progress toward 2035 climate goals, the biannual franchise compliance reports, and any franchise compliance or other relevant issues

**Council may cancel franchise upon consideration of PA and CAO recommendation**

# TYPICAL BILL IMPACT

*for non-CARE (low-income) customers*

Multi-family residential:	\$1.39
Single-family residential:	\$1.78
Small commercial/industrial:	\$14.00
Large commercial/industrial:	\$478.00

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