

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Own Motion to Conduct a
Comprehensive Examination of Investor Owned
Electric Utilities' Residential Rate Structures,
the Transition to Time Varying and Dynamic
Rates, and Other Statutory Obligations.

Rulemaking 12-06-013
(Filed June 21, 2012)

**COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U902M) IN
RESPONSE TO ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW
JUDGES' JOINT RULING INVITING COMMENTS AND SCHEDULING
PREHEARING CONFERENCE**

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Dated: October 5, 2012

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Regarding Policies,
Procedures and Rules for the California Solar
Initiative, the Self-Generation Incentive Program
and Other Distributed Generation Issues.

Rulemaking 12-06-013
(Filed June 21, 2012)

**COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U902M) In
RESPONSE TO ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW
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I. INTRODUCTION

San Diego Gas & Electric Company (“SDG&E”) submits the following comments in response to the Assigned Commissioner and Administrative Law Judges’ Joint Ruling Inviting Comments and Scheduling Prehearing Conference (“Joint Ruling”).

II. DISCUSSION

A. Coordination Questions

SDG&E believes that the proposed questions adequately address the issue of coordinating this proceeding with legislation, policies, and other proceedings.

B. Rate Design Evaluation Questions

1. Goals

The Joint Ruling sets forth appropriate and well thought-out proposed rate design goals. Implementation of these goals would better inform customers, allow for long-term growth in new distributed technologies, and promote fairness and continuing technology innovation and development. Rather than being duplicative, the goals are complimentary to

each other in that they would: promote accurate unbundled price signals in a way that protects low income and medical baseline customers; promote price signals that would lead to environmental benefits related to both electricity generation and transmission and distribution infrastructure construction; and ensure that transparent incentives can be used, rather than faulty price signals, if deemed necessary to promote state policy goals.

Because the goals are based on principles grounded in promotion of accurate price signals and price transparency, metrics to assess the extent to which a rate design proposal complies with many of these goals could be adopted on the basis of the cost of service associated with the services utilities provide to customers, including customers that use new technologies such as rooftop solar.

2. Rate Design Proposals

SDG&E believes that the proposed questions are adequate to ensure that party proposals contain the information needed for the Commission to consider and adopt a specific proposal.

III. CONCLUSION

SDG&E appreciates the opportunity to submit these comments on the Joint Ruling. The Joint Ruling sets forth a well considered list of questions that will allow the Commission to fully consider and adopt proposals for residential rate reform that will benefit customers, as well as support California's progressive environmental policies, long into the future. By supporting the Joint Ruling, however, SDG&E does not intend to waive its rights to propose

additional questions or issues that may arise during the pendency of this proceeding or as a result of future legislation.

DATED at San Diego, California, on this 5th day of October, 2012.

Respectfully submitted,

By: /s/ John A. Pacheco

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