

**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)

**RESPONSE OF SAN DIEGO GAS & ELECTRIC COMPANY (U902M) TO
ADMINISTRATIVE LAW JUDGE'S RULING ORDERING PARTIES TO SUBMIT
ADDITIONAL INFORMATION FOR RATE DESIGN PROPOSALS, CONFIRMING
WORKSHOP DATE, AND SETTING FORTH FORMAT FOR COMMENTS**

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Dated: June 21, 2013

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Pursuant to Administrative Law Judge ("ALJ") McKinney's *Ruling Ordering Parties to Submit Additional Information for Rate Design Proposals, Confirming Workshop Date, and Setting Forth Format for Comments* ("Ruling"), issued on June 13 and confirmed on June 18, 2013, San Diego Gas & Electric Company ("SDG&E") respectfully submits this Response to ALJ Ruling Ordering Parties to Submit Additional Information. An ALJ Order of June 20, 2013 extended the deadline for submittal of some of the requested information, but ordered parties to submit their Rate Design Proposal Summary Forms by June 21, 2013. In accordance with these Rulings, SDG&E hereby provides its Proposal Summary Form as Attachment "A" to this Response.

The information included in Attachment A summarizes SDG&E's Residential Rate Design Proposal, which presented a long-term Optimal Rate Design framework that would achieve all of the California Public Utilities Commission's ("Commission") ten Rate Design Principles while spurring innovation, empowering customers with accurate information and new

choices, increasing economic efficiency, reducing costs, reducing emissions and ensuring the continued ability of the Commission to pursue state policy objectives in the long-term.

DATED at San Diego, California, on this 21st day of June, 2013.

Respectfully submitted,

By: /s/ Thomas R. Brill

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ATTACHMENT A

Party	Proposed Non-CARE End-State Rate	Baseline Allowance	Fixed Charge / Min. Bill	Demand Charge	TOU Period and Seasons	Proposed CARE End-State Rate	Amount of CARE Subsidy	Proposed Non-CARE Transitional Rate	Proposed CARE Transitional Rate	Proposed Opt-out and Optional Rate(s)	PU Code Change Required?
SDG&E	(1)Utilities charge for the services they provide; (2)Rates are designed to recover costs on the same basis as they are incurred; and, (3)Incentives or subsidies that have been deemed necessary to further public policy objectives are separately and transparently identified.	The policy of equal access represented by baseline would be addressed through a baseline line item credit on the customer's bill consistent with (3) identified in response to (A).	Fixed charge for the recovery of fixed costs.	Demand price signal for the recovery of demand related costs. SDG&E identified two different types of demand related costs: (1) peak capacity needs and (2) local distribution demand. SDG&E identified different options of rate design that would provide the peak demand signal including: (1) peak demand charge, (2) Time-of-Use energy rate, (3) Dynamic Pricing options. SDG&E identified different rate designs that would provide a local distribution price signal: (1) non coincident demand charge and (2) demand differentiated basic service fee.	TOU periods should be defined to appropriately reflect system capacity needs.	(1)Utilities charge for the services they provide; (2)Rates are designed to recover costs on the same basis as they are incurred; and, (3)Incentives or subsidies that have been deemed necessary to further public policy objectives are separately and transparently identified. SDG&E's Optimal Rate Design proposes that current protections for low-income customers be removed from the rates and be provided in a clear and transparent manner, such as through a line item bill credit or an income supplement.	Levels as determined by Legislation and CPUC.	Transition path to be determined in individual IOU rate design proceedings where priorities for transition can be appropriately evaluated.	Transition path to be determined in individual IOU rate design proceedings where priorities for transition can be appropriately evaluated.	SDG&E identified as part of its Optimal Rate Design a portfolio of commodity options including: (1) TOU, (2) Dynamic Pricing, and (3) flat rate with a premium.	Yes. PU Code Sections 739.1 and 739.9, enacted by SB 695, and PU Code Section 2827 (h) and (g) hinder the ultimate long term implementation of SDG&E's Optimal Rate Design Proposal.