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)

PROOF OF RULE 3.2 COMPLIANCE OF SUPPLEMENTAL FILING OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) FOR PHASE 2 INTERIM RATE CHANGES

Thomas R. Brill Attorney for: SAN DIEGO GAS AND ELECTRIC COMPANY 8330 Century Park Ct. San Diego, CA 92123-1530 Telephone: (858) 654-1601

Facsimile: (858) 654-1586

E-mail: TBrill@semprautilities.com

January 7, 2014

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)

PROOF OF RULE 3.2 COMPLIANCE OF SUPPLEMENTAL FILING OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) FOR PHASE 2 INTERIM RATE CHANGES

Pursuant to Rule 3.2 of the Commission's Rules of Practices and Procedures, San Diego Gas & Electric Company (SDG&E) hereby submits evidence of its compliance with Rule 3.2, as follows:

- 1. Attachment A, which contains SDG&E's proof of service of the *Notice of Availability of Supplemental Filing of San Diego Gas & Electric Company*(U 902 M) for Phase 2 Interim Rate Changes, Rulemaking 12-06-013, on the applicable state, county and municipal government agencies in accordance with Rule 3.2(b);
- 2. Attachment B, which contains SDG&E's proof of posting of the *Notice of Availability of Supplemental Filing of San Diego Gas & Electric Company*(U 902 M) for Phase 2 Interim Rate Changes, Rulemaking 12-06-013 for public viewing at SDG&E's business offices;
- 3. **Attachment C**, which contains SDG&E's proof of newspaper publications of the Notice of Availability of Supplemental Filing of San Diego Gas & Electric

Company (U 902 M) for Phase 2 Interim Rate Changes, Rulemaking 12-06-013 in accordance with Rule 3.2(c); and

4. **Attachment D**, which contains SDG&E's *Notification of Supplemental Filing of San Diego Gas & Electric Company (U 902 M) for Phase 2 Interim Rate Changes, Rulemaking 12-06-013*, in accordance with Rule 3.2(d), as well as a Declaration demonstrating SDG&E's timely compliance with Rule 3.2(d).

Respectfully submitted this 7th day of January 2014.

Respectfully submitted,

By: _____/s/ Thomas R. Brill
Thomas R. Brill
Attorney for:

SAN DIEGO GAS & ELECTRIC COMPANY 8330 Century Park Ct.

San Diego, CA 92123-1530 Telephone: (858) 654-1601 Facsimile: (858) 654-1586

E-mail: TBrill@semprautilities.com

ATTACHMENT A

Proof of Service on Applicable State, County and Municipal Government Agencies

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)

NOTICE OF AVAILABILITY Supplemental Filing of San Diego Gas & Electric Company (U 902 E) for Phase 2 Interim Rate Changes

Pursuant to PUC Code §454, the Commission's Rules of Practice and Procedure Rule 2.1-2.3 and 3.2, the Assigned Commissioner's Ruling ("ACR") issued in Rulemaking 12-06-013 on October 25, 2013, and Assembly Bill 327 ("AB 327"), San Diego Gas & Electric Company (U 902-E) ("SDG&E") submits this *Supplemental Filing for**Phase 2 Interim Rate Changes.* This Supplemental Filing is designed to comply with the guidance provided in the ACR, the November 14, 2013 e-mail ruling of Administrative Law Judge ("ALJ") Jeanne M. McKinney, as well as AB 327. This Supplemental Filing and supporting testimony is available to all interested parties and to the public. Any recipient of this Notice of Availability may request a copy of the filing. In addition, SDG&E has the following web sites to view this application, testimony and notice. They are the following: http://sdge.com/proceedings.

http://sdge.com/regulatory-notices.

This Supplemental Filing presents SDG&E's Interim Rate Change proposals. SDG&E proposes the following:

- Increases to lower tier rates (increase Tier 1 rate to Tier 2 levels) to provide relief to upper tier rates;
- To consolidate Tiers 3 & 4 in this proceeding, in the event SDG&E does not receive approval for the consolidation of Tiers 3 & 4 in its pending Test Year 2012 General Rate Case Phase 2 Application 11-10-002, originally filed October 3, 2011;
- To move California Alternate Rates for Energy ("CARE") subsidies from rates to a line item on the bill for residential and non-residential CARE customers;
- A transition path to bring the effective CARE discount within 30-35% for residential and nonresidential CARE customers; and
- A four year transition for rates applicable to non-CARE medical baseline customers resulting from SDG&E's proposals related to CARE and non-CARE tiered rates.

The proposals SDG&E is making herein have been carefully designed to comply with the requirements of AB 327 as well as all of the guidance provided in the ACR including the expectation that, "Rate design changes proposed for 2014 should be modest, easy to evaluate, and consistent with AB 327."

A copy of the documents described above will be provided immediately upon the written request of the party receiving this notice. All requests should be directed to:

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Jamie York Regulatory Case Administrator San Diego Gas & Electric Company 8330 Century Park Court, CP32D San Diego, CA 92123 Phone: 858-654-1739

E-Mail: JYork@semprautilities.com

Thomas R. Brill
Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY
8330 Century Park Court, CP32E
San Diego, CA 92123
858-654-1601(Telephone)
TBrill@semprautilities.com

November 25, 2013

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

CERTIFICATE OF SERVICE

I hereby certify that a copy of the NOTICE OF AVAILABILITY OF THE SUPPLEMENTAL FILING OF SAN DIEGO GAS AND ELECTRIC COMPANY (U902M) FOR PHASE 2 INTERIM RATE CHANGES has been served.

Dated at San Diego, California this 25th day of November 2013.

Billie Overturf

State of California
Attorney General's Office
P.O. Box 944255

Sacramento, CA 94244-2550

Naval Facilities Engineering Command Navy Rate Intervention 1314 Harwood Street SE Washing Navy Yard, DC 20374

City of Carlsbad Attn. City Attorney 1200 Carlsbad Village Drive Carlsbad, CA 92008-19589

City of Chula Vista Attn. City Attorney 276 Fourth Ave Chula Vista, Ca 91910-2631

City of Dana Point Attn. City Attorney 33282 Golden Lantern Dana Point, CA 92629

City of Del Mar Attn. City Clerk 1050 Camino Del Mar Del Mar, CA 92014

City of Encinitas Attn. City Attorney 505 S. Vulcan Ave. Encinitas, CA 92024

City of Escondido Attn. City Attorney 201 N. Broadway Escondido, CA 92025

City of Imperial Beach Attn. City Clerk 825 Imperial Beach Blvd Imperial Beach, CA 92032

City of Laguna Beach Attn. City Clerk 505 Forest Ave Laguna Beach, CA 92651 State of California
Attn. Director Dept of General Services
PO Box 989052
West Sacramento, CA 95798-9052

Alpine County Attn. County Clerk 99 Water Street, P.O. Box 158 Markleeville, CA 96120

City of Carlsbad Attn. Office of the County Clerk 1200 Carlsbad Village Drive Carlsbad, CA 92008-19589

City of Coronado Attn. Office of the City Clerk 1825 Strand Way Coronado, CA 92118

City of Dana Point Attn. City Clerk 33282 Golden Lantern Dana Point, CA 92629

City of El Cajon Attn. City Clerk 200 Civic Way El Cajon, CA 92020

City of Encinitas Attn. City Clerk 505 S. Vulcan Ave. Encinitas, CA 92024

City of Fallbrook Attn. City Clerk 233 E. Mission Road Fallbrook, CA 92028

City of Imperial Beach Attn. City Attorney 825 Imperial Beach Blvd Imperial Beach, CA 92032

City of Laguna Beach Attn. City Attorney 505 Forest Ave Laguna Beach, CA 92651 United States Government General Services Administration 300 N. Los Angeles Los Angeles, CA 90012

Borrego Springs Chamber of Commerce Attn. City Clerk 786 Palm Canyon Dr PO Box 420 Borrego Springs CA 92004-0420

City of Chula Vista Attn: Office of the City Clerk 276 Fourth Avenue Chula Vista, California 91910-2631

City of Coronado Attn. City Attorney 1825 Strand Way Coronado, CA 92118

City of Del Mar Attn. City Attorney 1050 Camino Del Mar Del Mar, CA 92014

City of El Cajon Attn. City Attorney 200 Civic Way El Cajon, CA 92020

City of Escondido Attn. City Clerk 201 N. Broadway Escondido, CA 92025

City of Fallbrook Attn. City Attorney 233 E. Mission Road Fallbrook, CA 92028

Julian Chamber of Commerce P.O. Box 1866 2129 Main Street Julian, CA

City of Laguna Niguel Attn. City Attorney 30111 Crown Valley Parkway Laguna Niguel, California 92677 City of Laguna Niguel Attn. City Clerk 30111 Crown Valley Parkway Laguna Niguel, California 92677

City of La Mesa Attn. City Clerk 8130 Allison Avenue La Mesa. CA 91941

City of Mission Viejo Attn: City Clerk 200 Civic Center Mission Viejo, CA 92691

City of National City Attn. City Attorney 1243 National City Blvd National City, CA 92050

County of Orange Attn. County Counsel P.O. Box 1379 Santa Ana, CA 92702

City of Poway Attn. City Attorney P.O. Box 789 Poway, CA 92064

City of Rancho San Diego - Jamul Attn. City Clerk 3855 Avocado Blvd. Suite 230 La Mesa, CA 91941

City of San Diego Attn. Mayor 202 C Street, 11th Floor San Diego, CA 92101

County of San Diego Attn. County Counsel 1600 Pacific Hwy San Diego, CA 92101

City of San Marcos Attn. City Attorney 1 Civic Center Dr. San Marcos, CA 92069 City of Lakeside Attn. City Clerk 9924 Vine Street Lakeside CA 92040

City of Lemon Grove Attn. City Clerk 3232 Main St. Lemon Grove, CA 92045

City of Mission Viejo Attn: City Attorney 200 Civic Center Mission Viejo, CA 92691

City of Oceanside Attn. City Clerk 300 N. Coast Highway Oceanside, CA 92054-2885

County of Orange Attn. County Clerk 12 Civic Center Plaza, Room 101 Santa Ana, CA 92701

City of Ramona Attn. City Clerk 960 Main Street Ramona, CA 92065

City of San Clemente Attn. City Clerk 100 Avenida Presidio San Clemente, CA 92672

County of San Diego Attn. County Clerk P.O. Box 121750 San Diego, CA 92101

City of San Diego Attn. City Clerk 202 C Street, 2nd Floor San Diego, CA 92101

City of Santee Attn. City Clerk 10601 Magnolia Avenue Santee, CA 92071 City of La Mesa Attn. City Attorney 8130 Allison Avenue La Mesa, CA 91941

City of Lemon Grove Attn. City Attorney 3232 Main St. Lemon Grove, CA 92045

City of National City Attn. City Clerk 1243 National City Blvd National City, CA 92050

City of Oceanside Attn. City Attorney 300 N. Coast Highway Oceanside, CA 92054-2885

City of Poway Attn. City Clerk P.O. Box 789 Poway, CA 92064

City of Ramona Attn. City Attorney 960 Main Street Ramona, CA 92065

City of San Clemente Attn. City Attorney 100 Avenida Presidio San Clemente, CA 92672

City of San Diego Attn. City Attorney 1200 Third Ave. Suite 1620 San Diego, CA 92101

City of San Marcos Attn. City Clerk 1 Civic Center Dr. San Marcos, CA 92069

City of Santee Attn. City Attorney 10601 Magnolia Avenue Santee, CA 92071 City of Solana Beach Attn. City Attorney 635 S. Highway 101 Solana Beach, CA 92075

City of Vista Attn. City Attorney 200 Civic Center Drive, Bldg. K Vista, CA 92084 Spring Valley Chamber of Commerce Attn. City Clerk 3322 Sweetwater Springs Blvd, Ste. 202 Spring Valley, CA 91977-3142

City of Vista Attn. City Clerk 200 Civic Center Drive Vista, CA 92084 Valley Center Chamber of Commerce Attn. City Clerk P.O. Box 8 Valley Center, CA 92082

City of Aliso Viejo 12 Journey Aliso Viejo, CA 92656

ATTACHMENT B

Proof of Posting in Applicable Business Offices



Mary Lou Rodriguez (SD 1225)

Date: November 25, 2013

From:

Billie Overturf

R.12-06-013

PUBLIC INSPECTION OF SUPPLEMENTAL FILING

Enclosed are copies of San Diego Gas & Electric Company's Supplemental Filing in R.12-06-013; California Public Utilities Commission Rulemaking, 12-06-013 for Phase 2 Interim Rate Changes. California Public Utilities Commission regulations require that this filing be available for public inspection at each of these offices until further notice. Please see that this filing continues to be made available upon request to members of the public. Please feel free to contact me if you have any questions.

436 H St.

✓ Chula Vista, CA 91910

440 Beech St.

104 N Johnson Ave.

El Cajon, CA 92020

2405 E. Plaza Blvd.

National City, CA 91950

336 Euclid Ave. 2

San Diego, CA 92102

San Diego, CA 92101

2604 S El Camino Real

Carlsbad, CA 92008

644 W Mission Ave Escondido CA 92025

To indicate that you have received and made available the filing, please sign below and return this memorandum to Billie Overturf, CP31-E. Thank you for your assistance.

Date

MARYLOU RODRIGUEZ

Print Name



Mary Lou Rodriguez (SD 1225)

Date: November 25, 2013

From:

Billie Overturf

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MROCRIGUEZ 11/27/13
Signature Date

MARYLOU RODRIGUEZ

Print Name



Mary Lou Rodriguez (SD 1225)

Date: November 25, 2013

From:

Billie Overturf

R.12-06-013

PUBLIC INSPECTION OF SUPPLEMENTAL FILING

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MRodriguez 11/27/13
Signature Date

MARYZOU ROPRINEZ



Mary Lou Rodriguez (SD 1225)

Date: November 25, 2013

From:

Billie Overturf

R.12-06-013

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MROdriguez 11/27/13
Signature Date

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Mary Lou Rodriguez (SD 1225)

Date: November 25, 2013

From:

Billie Overturf

R.12-06-013

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San Diego, CA 92102

→ 2604 S El Camino Real Carlsbad, CA 92008

644 W Mission Ave Escondido CA 92025

To indicate that you have received and made available the filing, please sign below and return this memorandum to *Billie Overturf*, *CP31-E*. Thank you for your assistance.

Signature

Signature

Date

Print Name

ATTACHMENT C

Proof of Newspaper Publications

AFFIDAVIT OF PUBLICATION

STATE OF CALIFORNIA,)) ss. County of Orange

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of The Orange County Register, a newspaper of general circulation, published in the city of Santa Ana, County of Orange, and which newspaper has been adjudged to be a newspaper of general circulation by the Superior Court of the County of Orange, State of California, under the date of November 19, 1905, Case No. A-21046, that the notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

December 1, 2013

"I certify (or declare) under the penalty of perjury under the laws of the State of California that the foregoing is true and correct":

Executed at Santa Ana, Orange County, California, on

Ingel Baten

Date: December 1, 2013

Signature

The Orange County Register 625 N. Grand Ave. Santa Ana, CA 92701 (714) 796-2209



PROOF OF PUBLICATION

Para mas detailes liame al 1-800-311-7343 SAN DIEGO GAS & ELECTRIC COMPANY

NOTIFICATION OF FILING FOR INTERIM RESIDENTIAL RATE CHANGES AND POTENTIAL IMPACT ON ELECTRIC RATES PHASE 2 OF RULEMAKING 12-06-013

On November 22, 2013, San Diego Gas & Electric Company (SDG&E*) filled a request to implement interim rate changes with the California Public Utilities Commission (CPUC) pursuant to Assembly Bill (AB) 327 and the Assigned Commissioner Michael R. Peevey, dated October 25, 2013. SDG&E* filling is part of the CPUC's efforts to explore improved residential rate design attructures, currently being examined in the context of the CPUC's Order instituting Rulemaking (R.) 12-06-013.

The changes proposed in SDG&E's filing are limited to:

- Changes in residential tiered rates SDG&E proposes to move from a four-tier rate design to a two-tiered rate design. Changes to the California Alternate Rates for Energy (CARE) discounts for income-qualified households SDG&E proposes to implement the CARE discount through a line item on customer bills, and a transition path to reach the legislated 30-35% average effective discount.

Tiered Rate Proposal

Currently, residential customers pay tiered rates for electric service based on something called their baseline usage. Beseline is a state law which currently provides residential customers a certain amount of energy at the lowest rate, in general, the amount of energy is about 50 to 60 percent of the system-wide average residential customer. SDG&E's current standard residential rates have a four-tiered rate structure as follows:

- Tier 1: usage up to Baseline; Tier 2: 101%-130% of Baseline; Tier 3: 131%-200% of Baseline; and Tier 4: Above 200% of Baseline.

Lower tief rates are now well below cost and upper tier rates are now well above cost as a result of legislation that was adopted following the Galifornia energy crisis in 2001. AB 327 lifted these legislative limitations and authorized the CPUC to correct many of the flaws that exist under this ratig design. Therefore, SDG&E proposes in this filling to move to a two-flawed rate structure with up to 130% of baseline usage being billed at the current Tier 2 rate of \$0.17 per kWh and above 131% of baseline usage being billed at \$0.29 per kWh.

The table below illustrates SDG&E's proposal regarding revisions to the tiered

Usage	Current Rate (¢/kWh)	Proposed (d/kWh)	Change (¢/kWh)	% Change
Tier 1: Up to 100% of Baseline	14,764	.17.077	2.313	15.7%
Tier 2: 101%-130% of Baseline	17,077	17.077	0.000	0.0%
Tier 3: 131%-200% of Baseline	34,590	29.131	(5.459)	-15.8%
Tier 4: Above 200% of Baseline	36.590	29,131	(7.459)	-20.4%

Note: Summer rates presented.

CARE Proposal

The CARE program provides a monthly discount on energy bills for incomequalified households. Today, because CARE customers receive a 20% line item discount on their bill plus are exempt from paying certain rate components, the current effective CARE discount is approximately 39% for realdential CARE, 48% for small commercial CARE, and 49% for Medium and Large Commercial and Industrial (C&I) CARE. AB 327 allows for the discount to be removed from the rates to a line item discount to create greater price transparency and to efficiently manage the CARE discount percentage going forward. AB 327 also sets the CARE discount to be between 30% and 35%. SIG&E proposes a transition path to reach the 30-35% effective discount range with annual reductions by 2.5% a year.

in addition, SDG&E's proposed changes to non-CARE and CARE rates will have impacts to medical baseline rates. SDG&E proposes a 4-year transition for medical baseline rates from their current Tier 1 rates to the proposed Tier 1 rates to mitigate the impacts to these customers.

ILLUSTRATIVE IMPACT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical non-CARE residential customer living in the inland climate zone and using 500 kilowatt-hours per month could see a monthly summer bill increase of 4.9%, or \$4.33, from a current monthly bill of \$88.92 to \$93.25.

As seen in the table below, a typical CARE residential customer fiving in the inland climate zone and using 500 kilowatt-hours per month could see a monthly summer bill increase of 1.1%, or \$0.61, from a current monthly bill of \$56.46 to \$57.07.

Class	Current Total Rate (¢/kWh)	Proposed Total Rate (¢/kWh)	Total Rate Change (¢/kWh)	Total Rate Change (%)
Residential	20.599	20,165	(0,433)	-2.10%
Smail Commercial	19,648	19.910	0.262	1.33%
Madium and Large C&I*	16,413	15.675	0.282	1.70%
Agriculture	19.087	19,350	0.282	1.37%
Lighting	16.199	16.199	0.000	0.00%
Svetem Total	17,770	17.770	0.000	0.00%

*C&! stands for Commercial & Industrial

and vanings coming ambient 625 N. Grand Ave. Santa Ana, CA 92701 (714) 796-2209



monthly summer bill increase of 1.1%, or \$0.61, from a current monthly bill of \$56.46 to \$57.07.

Class	Current Total Rate (¢/kWh)	Proposed Total Rate (¢/kWh)	Total Rate Change (¢/kWh)	Total Rate Change (%)
Residential	20.599	20.165	(0.433)	-2.10%
Small Commercial	19,648	19,910	0.282	1.33%
Medium and Large C&I*	15,413	15.675	0.282	1.70%
Aariculture	19.087	19.350	0.262	1,37%
Lighting :	16,199	16.199	0,000	0.00%
System Total	17,770	17,770	0.000	0.00%

*C&I stands for Commercial & Industrial

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the filing and related exhibits by writing to: Jemie York, San Diego Gas & Electric Company, 8350 Century Park Court, CP32D, San Diego, CA 92123. SDG&E's filing and related exhibits may also be inspected at the CPUC office located at 505 Van Ness. Ave., San Francisco, CA 94102. Additionally, a copy of the filing and related exhibits may be inspected at the following SDG&E business offices:

436 H St. 104 N. Johnson Ave. Chula Vista, CA 91910 El Cajon, CA 92020

644 W. Mission Ave

Escondido, CA 92025

440 Beech 8t.

2405 E, Pieza Bivd. 336 Euclid Ave. National City, CA 91950 San Diego, CA 92114

2604 S. El Camino Real Carisbad, CA 92008

San Diego, CA 92101

The filing and related exhibits are also available electronically on SDG&E's website at www.sdge.com/regulatory/cpuc.shtml.

Copies of this bill insert will be available for viewing and printing on the SDG&E website at www.adge.com/billinserts/regulatory.shtml.

CPUC PROCESS

CPUC PROCESS
This filing will be easigned to an Administrative Law Judge (ALJ) who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate. After considering all proposels and all evidence presented during the formal hearing process, the assigned ALJ will issue a proposed decision determining whether to adopt all or part of SDG&E's request, modify it, or deny it. The CPUC Commissioners may sponsor an alternate decision and the issue will be decided at a scheduled Commission Voting Meeting.

STAY INFORMED
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Write:

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

Email: public.advisor@cpuc.ca.gov Phone: 868-849-8390

Consolidation Tiers 3 and 4 was requested in SDG&E's General Rate Case Phase 2 Application (A.) 11-10-002. At the time of this filing, A.11-10-002 is still pending before the CPUC. Should a timely decision not be reached in that proceeding, SDG&E will seek consolidation of Tiers 3 and 4 in this proceeding.

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DECLARATION

I am a resident of San Diego County, over the age of eighteen years and not a party to any or interested in the matter noticed.

The notice, of which the annexed is a printed copy appeared in the:

UT-SAN DIEGO On the following dates: November 29, 2013

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at San Diego, California, this

3 day of DECEMBER 2013

YOLANDA CORDOVA

"The only Public Notice which is justifiable from the standpoint of true economy and the public interest, is that which reaches those who are affected by it"

Rev. 05/04 Daily Journal Corporation, 915 East First Street, Los Angeles, CA 90012

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NOTIFICATION OF FILING FOR INTERIM RESIDENTIAL RATE CHANGES AND POTENTIAL IMPACT ON ELECTRIC RATES PHASE 2 OF RULEMAKING 12-06-013

On November 22, 2013, San Diego Gas & Electric Company (SDG&E*) filed a request to implement interim rate changes with the California Public Utilities Commission (CPUC) pursuant to Assembly Bill (AB) 327 and the Assigned Commissioner Rolling of Commissioner Rolling Rolling of Commissioner Rolling Roll

The changes proposed in SDG&E's filing are limited to:

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1. Changes in residential fixed rates - SDG&E proposes to move from a four-filer rate design to a two-fiered rate design.

2. Changes to the California Alternate Rates for Energy (CARE) discounts for incomequalified households - SDG&E proposes to implement the CARE discount through a line liem on customer bills, and a transition path to reach the tegislated 30-35% average effective discount.

Tiered Rate Proposal

Currently, residential customers pay tiered rates for electric service based on something called their baseline usage. Baseline is a state law which currently provides residential customers a certain amount of energy is about 50 to 60 percent of the system-wide average residential customers. SDG&E's current standard residential customer. SDG&E's current standard residential rates have a four-flered rate structure as follows:

Lower tier rates are now well below cost and upper lier rates are now well above cost as a result of legislation that was adopted following the California energy crisis in 2001. 'AB 327 littled these legislative limitations and authorized the CPUC to correct many of the flaws that exist under this rate design. Therefore, SDG&E proposes in this filing to move to a two-tiered rate structure with up to 130% of baseline usage being billed at the current Tier 2 rate of \$0.17 per kWh and above 131% of baseline usage being billed at \$0.29 per kWh.

The table below illustrates SDG&E's proposal regarding revisions to the fiered structure.

Usage	Current Rate (&/kWh)	Proposed (#/kWh)	Change (¢/kWh)	% Change
Tier 1: Up to 100% of Baseline	14.764	17,077	2,313	15.7%
Tier 2: 101%-130% of Baseline	17.077	17.077	0.000	0.0%
Tier 3: 131%-200% of Baseline	34,590	29.131	(5,459)	-15.8%
Tier 4: Above 200% of Baseline	36.590	29.131	(7.459)	-20.4%

Note: Summer rates presented.

CARE Proposal

CARE Proposal

The CARE program provides a monthly discount on energy bills for income-qualified households. Today, because CARE customers receive a 20% line flam discount on their bill plus are exempt from paying certain rate components, the current effective CARE discount is approximately 39% for residential CARE, 48% for small commercial CARE, and 46% for Medium and Large Commercial and Industrial (CAI) CARE. AB 327 allows for the discount to be removed from the rates to a line item discount to create greater price transparency and to efficiently manage the CARE discount percentage going forward. AB 327 also sets the CARE discount to be between 30% and 35%. SIGSE proposes a transition path to reach the 30–35% effective discount range with annual reductions by 2.5% a year.

In addition, SDG&E's proposed changes to non-CARE and CARE rates will have impacts to medical baseline rates. SDG&E proposes a 4-year transition for medical baseline rates from their current Ter 1 rates to the proposed Ter 1 rates to mitigate the impacts to these customers.

ILLUSTRATIVE IMPACT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical non-CARE residential customer living in the inland climate zone and using 500 kitowatt-hours per month could see a monthly summer bill increase of 4.9%, or \$4.33, from a current monthly till of \$88.92 to \$93.25.

As seen in the table below, a typical CARE residential customer living in the Inland climate zone and using 500 kilowatt-hours per month could see a monthly summer bill increase of 1.1%, or 30.61, from a current monthly bill of 356.46 to \$57.07.

	Current	Proposed	Total Rate	Total Rate
Class	Total Rate	Total Rate	Change	Change
	(¢/kV/h)	(¢/kWh)	(¢/kVVh)	(%)
Residential	20,599	20.165	(0.433)	-2.10%
Small Commercial	19.648	19.910	0.262	1.33%
Medium and Large C&I*	15,413	15,675	0.262	1.70%
Agriculture	19.087	19,350	0.262	1.37%
Lighting	16,199	16.199	0.000	0.00%
System Total	17,770	17,770	0.000	0.00%

*C&I stands for Commercial & Industrial

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the filing and related exhibits by writing for Jamie York, San Diego Gas & Electric Company, 8330 Century Park Court, CP32D, San Diego, CA 92123. SIOG&E's filing and related exhibits may also be inspected at the CPUC office located at 505 Van Ness Ave., San Francisco, CA 94102. Additionally, a copy of the filing and related exhibits may be inspected at the following SOG&E business offices:

436 H St. 104 N. Johnson Ave. Chula Vista, CA 91916 El Cajon, CA 92020 644 W. Mission Ave. Escondido, CA 92025 2604 S. El Camino Real Cansbad, CA 92008 2405 E. Piaza Bivd. National City, CA 91950

The filing and related exhibits are also available electronically on SDG&E's website at www.adec.com/regulatory/cpuc.sh/mil.

Copies of this bill insert will be available for viewing and printing on the SDG&E website at www.adoe.com/billinserts/regulatory.shrml.

CPUC PROCES

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

Email: oublic advisor@couc.ca.gov. Phone: 866-849-8390

Consolidation Tiers 3 and 4 was requested in SDG&E's General Rate Case Phase 2 Application (A.) 11-10-002. At the time of this filing, A.11-10-002 is still pending before the CPUC. Should a timely decision not be reached in that proceeding, SDG&E will seek consolidation of Tiers 3 and 4 in this proceeding.

PROOF OF PUBLICATION (2010 & 2011 C.C.P.)

STATE OF CALIFORNIA County of San Diego

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of

UT - North County

Formerly known as the North County Times and which newspaper has been adjudicated as a newspaper of general circulation by the Superior Court of the County of San Diego, State of California, for the City of Oceanside and the City of Escondido, Court Decree numbers 171349 & 172171, for the County of San Diego, that the notice of which the annexed is a printed copy (set in type not smaller than nonpariel), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on. the following dates, to-wit:

November 30th, 2013

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

> Dated at Oceanside, California On This 02nd day December 2013

> > Jane Allshouse **NORTH COUNTY TIMES** Legal Advertising

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NOTIFICATION OF FILING FOR INTERIM RESIDENTIAL RATE CHANGES AND POTENTIAL IMPACT ON ELECTRIC RATES PHASE 2 OF RULEMAKING 12-06-013

On November 22, 2013, San Diego Gas & Electric Company (SDG&E*) filed a request to implement interim rate changes with the California Public Utilities Commission (CPUC) pursuant to Assembly Bill (AB) 327 and the Assigned Commissioner Ruing of Commissioner Michael R. Peevey, dated October 25, 2013. SDG&E's fling is part of the CPUC's afforts to explore improved residential rate design structures, currently being examined in the context of the CPUC's Order Instituting Rulemaking (R.) 12-06-013.

The changes proposed in SOG&E's filing are limited to:

- the charges proposed in 30-cats a limited rates SDG&E proposes to move from a four-fier rate design to a two-fiered rate design.

 Charges to the California Milemate Rates of Energy (CARE) discounts for income-qualified households SDG&E proposes to implement the CARE discount through a line item on customer bits, and a transition path to reach the segistized 30-35% average effective discount.

Tiered Rate Proposal

Currently, residential customers pay fiered rates for electric service based on something called their baseline usage. Baseline is a state taw which currently provides residential customers a contain amount of energy at the overest rate. In general, the amount of energy is about 50 to 60 percent of the system-wide average residential customers. SDG&E's current standard residential rates have a four-fixed rate structure as follows:

- Tier 1; usage up to Baseline; Tier 2: 101%-130% of Baseline; Tier 3: 131%-200% of Baseline; and Tier 4: Above 200% of Baseline.

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The table below illustrates SDG&E's proposal regarding revisions to the liered structure:

Usage	Current Rate (¢/kWh)	Proposed (¢/kWh)	Change (¢/kWh)	% Change
Tier 1: Up to 100% of Baseline	14.764	17.077	2.313	15.7%
Tier 2: 101%-130% of Baseline	17.077	17,077	0.000	0.0%
Tier 3: 131%-200% of Baseline	34.590	29.131	(5.459)	-15.8%
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CARE Proposal

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In addition, SDG8E's proposed changes to non-CARE and CARE rates will have impacts to medical baseline rates. SDG8E proposes a 4-year transition for medical baseline rates from their current Ter 1 rates to the proposed Ter 1 rates to mitigate the impacts to these customers.

ILLUSTRATIVE IMPACT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's request, a typical non-CARE residential customer living in the inland climate zone and using 500 kilowatt-hours per month could see a monthly summer bill increase of 4.9%, or \$4.33, from a current monthly bill of \$58.22 to \$93.25.

As seen in the table below, a typical CARE residential customer fiving in the inland climate zone and using 500 kilowatt-hours per month could see a monthly summer bit lacrease of 1.1%, or \$0.51, from a current monthly bit of \$55.67 is \$57.07.

Class	Current Total Rate (¢/kWh)	Proposed Total Rate (¢/kWh)	Total Rate Change (¢/kWh)	Total Rate Change (%)
Residential	20.599	20.165	(0.433)	-2.10%
Small Commercial	19.648	19,910	0.262	1.33%
Medium and Large C&I*	15,413	15.675	0.262	1.70%
Agriculture	19.087	19,350	0.262	1.37%
Lighting .	16,199	16.199	0.000	0.00%
System Total	17,770	17,770	0.000	0.00%

*C&t stands for Commercial & Industrial

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Carlsbad, CA 92008

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SDG&E website at <u>www.sogs.com/billinearis/requestor/santun-</u>
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ATTACHMENT D

Notification of Supplemental Filing for Phase 2 Interim Rate Changes and Notice of Potential Impact on Electric Rates

SB_GT&S_0332221

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SAN DIEGO GAS & ELECTRIC COMPANY NOTIFICATION OF FILING FOR INTERIM RESIDENTIAL RATE CHANGES AND POTENTIAL IMPACT ON ELECTRIC RATES PHASE 2 OF RULEMAKING 12-06-013

On November 22, 2013, San Diego Gas & Electric Company (SDG&E®) filed a request to implement interim rate changes with the California Public Utilities Commission (CPUC) pursuant to Assembly Bill (AB) 327 and the Assigned Commissioner Ruling of Commissioner Michael R. Peevey, dated October 25, 2013. SDG&E's filing is part of the CPUC's efforts to explore improved residential rate design structures, currently being examined in the context of the CPUC's Order Instituting Rulemaking (R.) 12-06-013.

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- Changes in residential tiered rates SDG&E proposes to move from a four-tier rate design to a two-tiered rate design.
- 2. Changes to the California Alternate Rates for Energy (CARE) discounts for income-qualified households SDG&E proposes to implement the CARE discount through a line item on customer bills, and a transition path to reach the legislated 30-35% average effective discount.

TIERED RATE PROPOSAL

Currently, residential customers pay tiered rates for electric service based on something called their baseline usage. Baseline is a state law which currently provides residential customers a certain amount of energy at the lowest rate. In general, the amount of energy is about 50 to 60 percent of the system-wide average residential customer. SDG&E's current standard residential rates have a four-tiered rate structure as follows:

- Tier 1: usage up to Baseline;
- Tier 2: 101%-130% of Baseline:
- Tier 3: 131%-200% of Baseline: and
- . Tier 4: Above 200% of Baseline.

Lower tier rates are now well below cost and upper tier rates are now well above cost as a result of legislation that was adopted following the California energy crisis in 2001. AB 327 lifted these legislative limitations and authorized the CPUC to correct many of the flaws that exist under this rate design. Therefore, SDG&E proposes in this filling to move to a two-tiered rate structure with up to 130% of baseline usage being billed at the current Tier 2 rate of \$0.17 per kWh and above 131% of baseline usage being billed at \$0.29 per kWh.¹

The table below illustrates SDG&E's proposal regarding revisions to the tiered structure:

Usage	Current Rate (¢/kWh)	Proposed (¢/kWh)	Change (¢/kWh)	% Change
Tier 1: Up to 100% of Baseline	14.764	17.077	2.313	15.7%
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Note: Summer rates	presented.			

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Small Commercial	19.648	19.910	0.262	1.33%
Medium and Large C&I*	15.413	15.675	0.262	1.70%
Agriculture	19.087	19.350	0.262	1.37%
Lighting	16.199	16.199	0.000	0.00%
System Total	17.770	17.770	0.000	0.00%

^{*}C&I stands for Commercial & Industrial

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National City, CA 91950	San Diego, CA 92114	Carlsbad, CA 92008
440 Beech St. San Diego, CA 92101		

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DECLARATION

I, Mary Ann Tilos Schwartz, am a citizen of the United States residing in San Diego County, California, and am over the age of 18.

I am now, and at all times referred to below, have been employed by the San Diego Gas & Electric Company as Creative Services & Branding Advisor in San Diego, California.

With regard to San Diego Gas & Electric Company's Rulemaking 12-06-013 before the California Public Utilities Commission, I was instructed to, and did supervise, the insertion and mailing of the Notices, attached hereto, to all known customers of the San Diego Gas & Electric Company other than "My Account Paperless" customers and other "Consolidated Accounts."

The insertion and mailing of the Notice to Customers of Proposed Changes commenced on Tuesday, December 3, 2013 with December Billing Cycle No. 1 and was completed on Thursday, January 2, 2014, with January Billing Cycle No. 21.

I declare under penalty of perjury that the foregoing is true and correct.

Mary Ann Γilos Schwartz