

**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-notice>.

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 non-residential 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

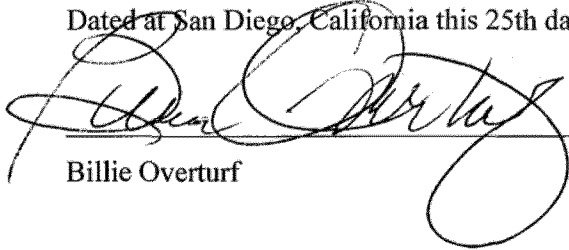
November 25, 2013

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

State of California
Attn. Director Dept of General Services
PO Box 989052
West Sacramento, CA 95798-9052

United States Government
General Services Administration
300 N. Los Angeles
Los Angeles, CA 90012

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Laguna Beach
Attn. City Clerk
505 Forest Ave
Laguna Beach, CA 92651

City of Laguna Beach
Attn. City Attorney
505 Forest Ave
Laguna Beach, CA 92651

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 Lakeside
Attn. City Clerk
9924 Vine Street
Lakeside CA 92040

City of La Mesa
Attn. City Attorney
8130 Allison Avenue
La Mesa, CA 91941

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

City of Santee
Attn. City Clerk
10601 Magnolia Avenue
Santee, CA 92071

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

Spring Valley Chamber of Commerce
Attn. City Clerk
3322 Sweetwater Springs Blvd,
Ste. 202
Spring Valley, CA 91977-3142

Valley Center Chamber of Commerce
Attn. City Clerk
P.O. Box 8
Valley Center, CA 92082

City of Vista
Attn. City Attorney
200 Civic Center Drive, Bldg. K
Vista, CA 92084

City of Vista
Attn. City Clerk
200 Civic Center Drive
Vista, CA 92084

City of Aliso Viejo
12 Journey
Aliso Viejo, CA 92656

ATTACHMENT B

Proof of Posting in Applicable
Business Offices



A  Sempra Energy utility

To: 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.
San Diego, CA 92101

104 N Johnson Ave.
El Cajon, CA 92020

2405 E. Plaza Blvd.
National City, CA 91950

336 Euclid Ave. 2
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.

M. Rodriguez 11/27/13
Signature Date

MARYLOU RODRIGUEZ
Print Name



A  Sempra Energy utility

To: 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.
San Diego, CA 92101

104 N Johnson Ave.
El Cajon, CA 92020

2405 E. Plaza Blvd.
National City, CA 91950

336 Euclid Ave. 2
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.

M Rodriguez 11/27/13
Signature Date

MARYLOU RODRIGUEZ
Print Name



A  Sempra Energy utility

To: 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.
San Diego, CA 92101

104 N Johnson Ave.
El Cajon, CA 92020

2405 E. Plaza Blvd.
National City, CA 91950

336 Euclid Ave. 2
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.

M Rodriguez *11/27/13*
Signature Date

MARYLOU RODRIGUEZ
Print Name



A Sempra Energy utility

To: 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.
San Diego, CA 92101

104 N Johnson Ave.
El Cajon, CA 92020

2405 E. Plaza Blvd.
National City, CA 91950

336 Euclid Ave. 2
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.

M Rodriguez 11/25/13
Signature Date

MARYLOU RODRIGUEZ
Print Name



To: 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.
San Diego, CA 92101

104 N Johnson Ave.
El Cajon, CA 92020

2405 E. Plaza Blvd.
National City, CA 91950

336 Euclid Ave. 2
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.

M Rodriguez 11/27/13
Signature Date

MARYLOU RODRIGUEZ
Print Name



A  Sempra Energy utility

To: 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.
San Diego, CA 92101

104 N Johnson Ave.
El Cajon, CA 92020

2405 E. Plaza Blvd.
National City, CA 91950

336 Euclid Ave. 2
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.

M Rodriguez 11/27/13
Signature Date

MARYLOU RODRIGUEZ
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

Date: **December 1, 2013**

Angel Baten

Signature

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



PROOF OF PUBLICATION

Para mas detalles llame 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) 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.

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

1. 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 60 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 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 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%
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 income-qualified 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 residential 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%. SDG&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 living 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%
Small Commercial	19.648	19.910	0.262	1.33%
Medium and Large C&I*	16.413	16.675	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

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



* A 0 0 0 0 0 3 2 8 1 5 0 7 *

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	20.185	(0.433)	-2.10%
Small Commercial	19.648	19.910	0.262	1.33%
Medium and Large C&I ¹	16.419	16.675	0.252	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%

¹C&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: Jamie York, San Diego Gas & Electric Company, 6330 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. Chula Vista, CA 91910
- 104 N. Johnson Ave. El Cajon, CA 92020
- 644 W. Mission Ave. Escondido, CA 92025
- 2405 E. Plaza Blvd. National City, CA 91950
- 338 Euclid Ave. San Diego, CA 92114
- 2804 S. El Camino Real Carlsbad, CA 92008
- 440 Beech St. 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.sdge.com/billinserts/regulatory.shtml.

CPUC PROCESS

This filing will be assigned 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 proposals 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

The CPUC offers a free Subscription Service which is available on the CPUC website at www.cpuc.ca.gov which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC process, you may contact the CPUC's Public Advisor's Office (PAO) at the address noted below. When writing, please reference proceeding Phase 2 of R.12-08-013. All written correspondence and emails are provided to the Commissioners and the assigned ALJ for this proceeding to review.

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

Email: public.advisor@cpuc.ca.gov Phone: 866-849-8390

¹ 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.

CNS#2683090

California Newspaper Service Bureau®

Public Notice Advertising Since 1934
Tel 1-800-788-7840 ▪ Fax 1-800-540-1089

Local Offices and Representatives in:
Los Angeles, Santa Ana, San Diego, Riverside/San Bernardino, Palmdale, Ventura,
San Francisco, Oakland, San Jose, Santa Rosa, Sacramento
Special Services Available in Phoenix, Las Vegas and Denver

DECLARATION

I am a resident of San Diego County, over the age of eighteen years and not a party 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

Cns#2563085

Para mas detalles llame 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) 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.

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

1. 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 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 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%
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	38.590	29.131	(9.459)	-24.4%

Note: Summer rates presented.

CARE Proposal

The CARE program provides a monthly discount on energy bills for income-qualified 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 35% for residential CARE, 46% for small commercial CARE, and 48% 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%. SDG&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 living 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	20.559	20.155	(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%
Liquoring	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: Jamie York, San Diego Gas & Electric Company, 8330 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. Chula Vista, CA 91910
- 104 N. Johnson Ave. El Cajon, CA 92020
- 844 W. Mission Ave. Escondido, CA 92025
- 2405 E. Plaza Blvd. National City, CA 91950
- 336 Euclid Ave. San Diego, CA 92114
- 2604 S. El Camino Real Carlsbad, CA 92008

440 Beech St. 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.sdge.com/billinserts/regulatory.shtml.

CPUC PROCESS

This filing will be assigned 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 proposals 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

The CPUC offers a free Subscription Service which is available on the CPUC website at www.cpuc.ca.gov which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC process, you may contact the CPUC's Public Advisor's Office (PAO) at the address noted below. When writing, please reference proceeding Phase 2 of R.12-06-013. All written correspondence and emails are provided to the Commissioners and the assigned ALJ for this proceeding to review.

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

Email: public_advisor@cpuc.ca.gov Phone: 866-849-8390

1 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.

CNS#2563085

**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

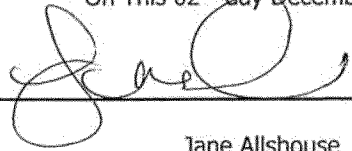
UT - North County

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

Para mas detalles llame 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)¹ 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.

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

1. 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 filing to move to a two-tiered rate structure with up to 100% 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 structure:

Usage	Current Rate (\$/kWh)	Proposed Rate (\$/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 income-qualified 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 residential 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%. SDG&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 \$86.92 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 \$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	20.590	20.165	(0.425)	-2.06%
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	19.250	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: Jamie York, San Diego Gas & Electric Company, 8330 Century Park Court, CP320, 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:

- 438 H St. 104 N. Johnson Ave. 644 W. Mission Ave.
- Chula Vista, CA 91910 El Cajon, CA 92020 Escondido, CA 92025
- 2405 E. Plaza Blvd. 336 Euclid Ave. 2604 S. El Camino
- National City, CA 91950 San Diego, CA 92114 Real Carlsbad, CA 92008
- 440 Beech St. 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.sdge.com/billinserts/regulatory.shtml.

CPUC PROCESS

This filing will be assigned 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 proposals 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

The CPUC offers a free Subscription Service which is available on the CPUC website at www.cpuc.ca.gov which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC process, you may contact the CPUC's Public Advisor's Office (PAO) at the address noted below. When writing, please reference proceeding Phase 2 of R.12-06-013. All written correspondence and emails are provided to the Commissioners and the assigned ALJ for this proceeding to review.

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

Email: public.advisor@cpuc.ca.gov Phone: 866-849-8390

¹ 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.

CNS#2363088

ATTACHMENT D

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

STAY INFORMED

The CPUC offers a free Subscription Service which is available on the CPUC website at www.cpuc.ca.gov which allows you to follow this proceeding. If you would like to learn how you can participate in the proceeding, or if you have informal comments or questions about the CPUC process, you may contact the CPUC's Public Advisor's Office (PAO) at the address noted below. When writing, please reference proceeding Phase 2 of R.12-06-013. All written correspondence and emails are provided to the Commissioners and the assigned ALJ for this proceeding to review.

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

Email: public.advisor@cpuc.ca.gov
Phone: 866-849-8390

Para mas detalles llame 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®) 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.

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

1. 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 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.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%
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 income-qualified 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 residential 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.

¹ 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.

AB 327 also sets the CARE discount to be between 30% and 35%. SDG&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 living 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%
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 to: Jamie York, San Diego Gas & Electric Company, 8330 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. Chula Vista, CA 91910	104 N. Johnson Ave. El Cajon, CA 92020	644 W. Mission Ave. Escondido, CA 92025
2405 E. Plaza Blvd. National City, CA 91950	336 Euclid Ave. San Diego, CA 92114	2604 S. El Camino Real Carlsbad, CA 92008
440 Beech St. 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.sdge.com/billinserts/regulatory.shtml.

CPUC PROCESS

This filing will be assigned 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 proposals 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.

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.

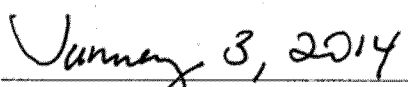
With regard to San Diego Gas & Electric Company's Rulemaking 12-06-013 before the California Public Utilities Commission, I was instructed to, and did supervise, the insertion and mailing of the Notices, attached hereto, to all known customers of the San Diego Gas & Electric Company other than "My Account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



(Date)