

**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)

**PHASE 1 PREHEARING CONFERENCE STATEMENT OF
SAN DIEGO GAS & ELECTRIC COMPANY (U902E)**

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

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**PHASE 1 PREHEARING CONFERENCE STATEMENT OF
SAN DIEGO GAS & ELECTRIC COMPANY (U902E)**

San Diego Gas & Electric Company ("SDG&E") hereby submits its Prehearing Conference Statement pursuant to the Assigned Commissioner's Ruling Requiring Utilities to Submit Phase 1 Rate Change Proposals in Rulemaking ("R.") 12-06-013, issued on February 13, 2014 ("ACR"). Pursuant to direction provided in the ACR, SDG&E addresses the following subjects in this Prehearing Conference Statement:

- The specific factual and legal issues that the Commission needs to decide in Phase 1 of this proceeding;
- The possibility and/or status of settlement discussions;
- The need for discovery/data requests and the anticipated date that discovery will be completed;
- The need for evidentiary hearings, including the estimated number of days required and type of testimony to be addressed at the hearings; and
- Comments on the preliminary procedural schedule above.¹

¹ ACR, at p. 9.

I. FACTUAL AND LEGAL ISSUES THAT NEED TO BE DECIDED IN PHASE 1

SDG&E agrees with the scope of Phase 1 of this proceeding as described in the ACR:

The scope of this proceeding, as set forth in the November 26, 2012 Scoping Memo and Ruling of Assigned Commissioner (Original Scoping Memo), is to answer the following questions: “Do existing rate design structures and statutory requirements support the ability of the Commission and electric utilities to enact electricity policies; would implementing time varying rates instead of or in combination with the existing tier structure allow for the creation of a more equitable rate structure and better meet the Commission’s rate objectives; and are changes to existing statutes needed to implement a preferable rate structure?”²

In phase 1 of this proceeding, the Commission will need to decide whether SDG&E’s post-2014 rate proposals, including its proposed roadmap for rate design changes through 2018, are consistent with applicable statutory requirements as well as the rate design principles that have been adopted in this proceeding.

II. THE POSSIBILITY AND/OR STATUS OF SETTLEMENT DISCUSSIONS

SDG&E believes a settlement in this proceeding is feasible and is interested in pursuing discussions with other parties to ascertain whether a settlement can be reached herein. Settlement discussions on Phase 1 issues have yet to be initiated.

III. THE NEED FOR DISCOVERY/DATA REQUESTS AND THE ANTICIPATED DATE THAT DISCOVERY WILL BE COMPLETED

SDG&E does not anticipate the need to conduct extensive discovery in this proceeding and intends to respond to discovery requests propounded on it in a timely manner.

² ACR, at p. 2 which cites the Original Scoping Memo at p. 4 quoting Order Instituting Rulemaking (“OIR”) at p. 22.

IV. THE NEED FOR EVIDENTIARY HEARINGS, INCLUDING THE ESTIMATED NUMBER OF DAYS REQUIRED AND TYPE OF TESTIMONY TO BE ADDRESSED AT THE HEARINGS

SDG&E anticipates that hearings should be narrowly tailored to address any factual issues that must be resolved in this proceeding. Policy and legal issues can be argued through written briefs and addressed by the Commission without the need for hearings.

V. COMMENTS ON THE PRELIMINARY PROCEDURAL SCHEDULE

SDG&E supports the preliminary schedule as set forth in the ACR and emphasizes the need to ensure that the procedural schedule allows for January 1, 2015 implementation of the rate proposals set forth herein, but supports PG&E's request for an additional week to prepare rebuttal testimony.

VI. CONCLUSION

SDG&E appreciates this opportunity to submit a Prehearing Conference Statement in this proceeding.

DATED at San Diego, California, on this 10th day of March, 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