

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

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

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

**COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U902E) ON RATE
ELEMENT INVENTORY FOR BOTH PHASE 1 AND PHASE 2**

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**COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U902E) ON RATE
ELEMENT INVENTORY FOR BOTH PHASE 1 AND PHASE 2**

San Diego Gas & Electric Company ("SDG&E") hereby submits these Comments pursuant to the Joint Administrative Law Judge's Ruling Inviting Comments on Rate Element Inventory for Both Phase 1 and Phase 2, issued on March 10, 2014 ("Ruling"). SDG&E appreciates the opportunity to provide input on this Rate Element Inventory and offers comments specific to two issues, the separate later phase of this proceeding dedicated specifically to rates for low-income programs, such as the California Alternate Rates for Energy ("CARE") program, and SDG&E's baseline allowance reduction request.

On February 13, 2014, an Assigned Commissioner's Ruling ("ACR") was issued requiring the utilities to submit Phase 1 rate change proposals. In providing the utilities guidance on their Phase 1 rate change proposals, the ACR submits that "CARE rate restructuring will not be included in the scope of Phase 1. Rather, we anticipate addressing it in a separate later phase of this proceeding or a new proceeding that is dedicated specifically to rates for the CARE Program."¹ SDG&E seeks clarification in regard to this "separate later phase of this proceeding." When the Commission anticipates it will review and potentially redesign the

¹ ACR, issued on February 13, 2014 in Rulemaking ("R.") 12-06-013, at p. 6.

CARE program, SDG&E recommends also including the Medical Baseline and Family Electric Rate Assistance (“FERA”) programs. These programs are integral to ensure that “low-income and medical baseline customers should have access to enough electricity to ensure basic needs (such as health and comfort) are met at an affordable cost,” consistent with the Commission’s Rate Design Principle 1.² SDG&E agrees that “any restructuring of CARE rates will require careful evaluation”³ and suggests that this care evaluation also be extended to the Medical Baseline and FERA programs in the separate later phase of this proceeding.

SDG&E’s proposed baseline allowance reduction request is currently being considered in its pending Rate Design Window proceeding, Application (“A.”) 14-02-027 (“RDW”). Moving the baseline allowance to the legislative minimum of 50% was requested in the RDW because SDG&E wanted the ability to propose a utility-specific transition plan on how to effect this change. Although SDG&E recognizes that both Pacific Gas and Electric Company (“PG&E”) and Southern California Edison Company (“SCE”) have made this same request, due to utility-specific differences such as status of current baseline levels, SDG&E continues to prefer this issue be considered in its RDW. However, if the Commission decides that this issue is best suited to be considered in Phase 1 of this proceeding, SDG&E would not oppose so long as this request is still being actively considered in one of these two venues.

² Administrative Law Judge’s Ruling Requesting Residential Rate Design Proposals, issued on March 19, 2013, Attachment A Principles of Rate Design.

³ ACR, at p. 6.

SDG&E appreciates the opportunity to submit these Comments for the Commission's consideration.

DATED at San Diego, California, on this 13th day of March, 2014.

Respectfully submitted,

By: /s/ Thomas R. Brill

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