

**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 902E) FOR PHASE 1 RATE CHANGE  
PROPOSALS**

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

April 10, 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 902E) FOR PHASE 1 RATE CHANGE PROPOSALS**

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 for Supplemental Filing of San Diego Gas & Electric Company (U 902E) for Phase 1 Rate Change Proposals, 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 902E) for Phase 1 Rate Change Proposals, 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 902E)*

*for Phase 1 Rate Change Proposals, 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 902E) for Phase 1 Rate Change Proposals, 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 10th day of April 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](mailto: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 1 Rate Change  
Proposals**

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 1 Rate Change Proposals*. The Rate Change Proposals set forth herein are designed to comply with the guidance provided in the ACR as well as AB 327, consistent with the Rate Design Principles that were previously adopted in this proceeding SDG&E's proposals for post-2014 rates, including proposed rates for January 1, 2015 implementation as well as a roadmap for rate design changes through 2018, are set forth in this supplemental filing. Consistent with the ACR, SDG&E also presents responses to the questions posed in the ACR as attachments to the testimony that is being submitted with this supplemental filing. SDG&E proposes the following:

- To transition from its current 4-tiered structure to a 2-tiered structure beginning in 2015;
- Rate design changes that would gradually move the two tiers closer together from 2015-2018 until a 20% tier differential is reached;
- Default time-of-use (TOU) pricing for residential customers to be implemented in 2018 on an un-tiered basis with a baseline credit (under circumstances that provide customer education, and one year of bill protection during which the total amount paid by the residential customer for electric service will not exceed the amount that would have been paid by the residential customers under that customer's previous rate schedule), with the choice for customers to opt out of a tiered rate option presented as a flat rate with a baseline credit;
- A Monthly Service (MSF) that would be introduced beginning January 2015 to replace the minimum bill charge that currently exists that will gradually increase over time until it reaches \$10 per residential customer account per month for non-California Alternate Rates for Energy (CARE) customers, when it will be adjusted by no more than the annual increase in the Consumer Price Index (CPI);
- Adoption of a MSF for CARE customers, but at a discounted rate from the monthly service fee charged to non-CARE customers beginning in 2015 (the monthly service fee for CARE customers will be gradually phased in until it reaches \$5 per residential customer account per month and will be adjusted by the annual percentage increase in CPI thereafter);
- To increase the minimum bill charge for master metered customers beginning in 2015, with no changes for CARE customers with the exception of an annual CPI adjustment that will be implemented beginning in 2016 for both non-CARE and CARE master metered customers;

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

- To offer the CARE discount as a line item beginning in 2015 to gradually reduce the effective CARE discount percentage until the effective discount reaches 34% for residential CARE and 35% for both small commercial and medium and large Commercial and Industrial CARE customers;
- Optional TOU rates for residential customers beginning in 2015 with a demand differentiated monthly service fee that takes into account the size of a customer's non-coincident demand, or individual customer demand, rather than the flat monthly service fee described above;
- An experimental TOU pilot to study the impact of shorter on peak periods; and
- To provide assistance for medical baseline customers through a transparent subsidy separate from the rates to mitigate potential impacts on the medical baseline program.

Consistent with the ACR, SDG&E presents illustrative rates based on two scenarios; (a) no additional revenue requirement change, and (b) revenue requirements increased by 2.1% per year. The proposals SDG&E is making have been carefully designed to comply with the requirements of AB 327, guidance provided in the ACR, and the Rate Design Principles that were previously adopted in this proceeding. The filing and testimony can be found on the following sites:

<http://sdge.com/proceedings>.

<http://sdge.com/regulatory-notice>.

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:

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](mailto: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](mailto:TBrill@semprautilities.com)

February 28, 2014

**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 1 RATE CHANGE PROPOSALS** have been served on the city, counties and government offices as described in Rule 3.2 of the Commission's Rules of Practice and Procedure..

Dated at San Diego, California this 28th day of February 2014.



---

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, 11<sup>th</sup> 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, 2<sup>nd</sup> 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









To: Mary Lou Rodriguez (SD 1225)

Date: March 3, 2014

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 1 Rate Change Proposals.** 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 3/5/14  
Signature Date

Marylou Rodriguez  
Print Name



To: Mary Lou Rodriguez (SD 1225)

Date: March 3, 2014

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 1 Rate Change Proposals.** 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  
Signature

3/15/14  
Date

MARYLOU RODRIGUEZ  
Print Name







# ATTACHMENT C

## Proof of Newspaper Publications



**SAN DIEGO GAS & ELECTRIC COMPANY  
NOTIFICATION OF FILING FOR RESIDENTIAL RATE CHANGES AND POTENTIAL IMPACT ON  
ELECTRIC RATES  
PHASE 1 OF RULEMAKING 12-06-013**

On February 28, 2014, San Diego Gas & Electric Company (SDG&E®) filed a request with the California Public Utilities Commission (CPUC) for changes to residential rates starting January 1, 2015 and a roadmap for rates through December 31, 2018. SDG&E's request complies with a ruling from the CPUC inviting electric utilities to file proposals that will better align rates with the actual costs of providing electric service as indicated by Assembly Bill (AB) 327. As a result, some customers will see increases in their monthly bill and others will see decreases. This proposal will not change the amount of total revenues collected by SDG&E, which is determined in other proceedings.

SDG&E's filing proposes the following default rates for 2015-2018:

Rate Design Element	Current	2015	2016	2017	2018
Default Rate Structure	4-tiers	2-tiers	2-tiers	2-tiers	Non-tiered TOU with Baseline Credit (1)
Monthly Service Fee – Non-CARE	N/A	\$5.00	\$7.50	\$10.00	\$10.00 + CPI
Monthly Service Fee – CARE	N/A	\$2.50	\$3.75	\$5.00	\$5.00 + CPI
Residential CARE Discount (2)	39%	38%	36%	34%	34%

- (1) SDG&E proposes an optional tiered rate with a 20% difference between the upper and lower tier that customers can opt into as an alternative to the default TOU rate.
- (2) CARE discount is provided only to those customers who meet the required CARE program qualifications. This filing is not proposing amendments to the qualifications of the CARE program.

**Non-CARE Residential Rate Proposals**

SDG&E is proposing to transition from its current 4-tiered structure to a 2-tiered structure beginning in 2015. A 2-tiered system is simpler and better reflects costs. During the 2015 to 2018 period, SDG&E will be gradually bringing the rates for the 2-tiers closer together. In 2018, SDG&E is proposing to employ default time-of-use (TOU) pricing for residential customers, with the choice for customers to opt out to a 2-tiered rate. TOU is a rate that prices electricity based on the time of day and the season in which it is used. TOU rates charge lower rates during a utility's off-peak demand periods and higher rates during peak demand periods. Additionally, SDG&E is proposing optional non-tiered TOU offerings beginning in 2015.

Beginning in 2015, SDG&E will also be charging a monthly service fee to replace the minimum bill charge of \$0.17 per day that currently exists. The monthly service fee will gradually increase over time until it reaches \$10 per residential customer account per month. Once \$10 per month has been reached it will be adjusted by no more than the annual increase in the Consumer Price Index (CPI). The monthly service fee will recover costs that would otherwise have been collected through the charge per kWh which will be reducing the rate by an equivalent amount. Customers may not necessarily see their bills increase by the monthly service fee, but rather will see it as a separate line item on their bill. The monthly service fee will not increase the revenues collected by SDG&E; the utility still will recover only the approved amount of revenue. This changes how the revenue amount is collected.

**Low-income Programs Proposals**

The California Alternate Rates for Energy (CARE) program provides a monthly discount on energy bills for income-qualified households. AB 327 specifies that the CARE discount should be between 30% and 35%. SDG&E's current discount is above 35%. To comply with the new law SDG&E proposes to gradually reduce the CARE discount percentage by the schedule provided in the table above for residential CARE customers until the discount reaches 34%. SDG&E will show the CARE discount separately on customers' bills. SDG&E will also offer CARE customers a reduced monthly service fee further described below.

In addition to residential CARE, the CARE program provides a monthly discount on energy bills for qualified non-residential customers, such as non-profit group living facilities, migrant farm worker housing centers, and privately owned employee housing. Non-residential CARE is also referred to as Expanded CARE. SDG&E's discount for non-residential CARE is above 35%. To comply with the new law, and to reach a 35% discount level by 2018, SDG&E proposes to gradually reduce the CARE discount percentage as follows:

- 3% per year for small commercial CARE customers, and
- 4% per year for medium/large commercial and industrial CARE customers.

Similar to the non-CARE proposals, SDG&E will be charging a monthly service fee for residential CARE customers, but at a discounted rate. The service charge for CARE customers will be \$2.50 per month and increase in 2017 to \$5 per residential customer account per month as shown in the chart above. Thereafter, the monthly service fee will be adjusted by the annual percentage increase in CPI.

SDG&E's proposed changes to non-CARE and CARE rates will affect the medical baseline and Family Electric Rate Assistance (FERA) programs. These programs will be affected since they are tied to the current tiered structure. To lessen the impacts on medical baseline customers, SDG&E proposes a transition path for the reduction in rate subsidies for non-CARE medical baseline customers so they will pay equivalent non-CARE rates by 2018. Non-CARE medical baseline customers will continue to receive additional baseline.

**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 9.1%, or \$8.39, from a current monthly bill of \$91.93 to \$100.32.

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 7.3%, or \$4.21, from a current monthly bill of \$57.92 to \$62.13.

The table below illustrates SDG&E's current and 2015 proposed rates for non-CARE residential customers. As shown in the table, SDG&E is proposing in 2015 to move the Tier 1 rate up to Tier 2 levels (Tier 1 rate is the same as the Tier 2 rate) and to consolidate Tiers 3 and 4 (Tier 3 rate is the same as the Tier 4 rate).

Usage	Current Rate	Proposed	Change	% Change
Monthly Fee (\$/month)		\$5.00		
Tier 1 rate (¢/kWh): Up to 100% of baseline	15.396	17.778	2.382	15.5%
Tier 2 rate (¢/kWh): 101%-130% of Baseline	17.778	17.778	0.000	0.0%
Tier 3 rate (¢/kWh): 131%-200% of Baseline	34.881	27.550	(7.331)	-21.0%
Tier 4 rate (¢/kWh): Above 200% of Baseline	36.881	27.550	(9.001)	-24.4%

Note: Summer rates presented

**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 <http://www.sdge.com/proceedings>.

Copies of this bill insert will be available for viewing and printing on the SDG&E website at <http://www.sdge.com/regulatory-notice>.

**CPUC PROCESS**

This filing has been assigned to two Administrative Law Judges (judges) 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 judges 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](http://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 judge 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](mailto:public.advisor@cpuc.ca.gov)  
Phone: 866-849-8390 or 415-703-2074  
TTY: 866-836-7825 or 415-703-5282

CN 12585844

**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 to any or interested in the matter noticed.

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

**UT- SAN DIEGO**

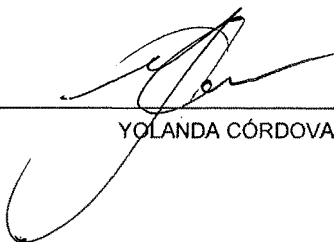
On the following dates:

**March 7, 2014**

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

Dated at San Diego, California, this

**11th** day of **March** 2014



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#2595841**

Para mas detalles llame al 1-800-311-7343

**SAN DIEGO GAS & ELECTRIC COMPANY  
NOTIFICATION OF FILING FOR RESIDENTIAL RATE CHANGES AND POTENTIAL  
IMPACT ON ELECTRIC RATES  
PHASE 1 OF RULEMAKING 12-06-013**

On February 28, 2014, San Diego Gas & Electric Company (SDG&E) filed a request with the California Public Utilities Commission (CPUC) for changes to residential rates starting January 1, 2015 and a roadmap for rates through December 31, 2018. SDG&E's request complies with a ruling from the CPUC inviting electric utilities to file proposals that will better align rates with the actual costs of providing electric service as indicated by Assembly Bill (AB) 327. As a result, some customers will see increases in their monthly bill and others will see decreases. This proposal will not change the amount of total revenues collected by SDG&E, which is determined in other proceedings.

SDG&E's filing proposes the following default rates for 2015-2018:

Rate Design Element	Current	2015	2016	2017	2018
Default Rate Structure	4-tiers	2-tiers	2-tiers	2-tiers	Non-tiered TOU with Baseline Credit (1)
Monthly Service Fee - Non-CARE	N/A	\$5.00	\$7.50	\$10.00	\$10.00 + CPI
Monthly Service Fee - CARE	N/A	\$2.50	\$3.75	\$5.00	\$5.00 + CPI
Residential CARE Discount (2)	35%	38%	36%	34%	34%

- (1) SDG&E proposes an optional tiered rate with a 20% difference between the upper and lower tier that customers can opt into as an alternative to the default TOU rate.
- (2) CARE discount is provided only to those customers who meet the required CARE program qualifications. This filing is not proposing amendments to the qualifications of the CARE program.

**Non-CARE Residential Rate Proposals**

SDG&E is proposing to transition from its current 4-tiered structure to a 2-tiered structure beginning in 2015. A tiered system is simpler and better reflects costs. During the 2015 to 2018 period, SDG&E will be gradually bringing the rates for the 2-tiers closer together. In 2018, SDG&E is proposing to employ default time-of-use (TOU) pricing for residential customers, with the choice for customers to opt out to a 2-tiered rate. TOU is a rate that prices electricity based on the time of day and the season in which it is used. TOU rates charge lower rates during a utility's off-peak demand periods and higher rates during peak demand periods. Additionally, SDG&E is proposing optional non-tiered TOU offerings beginning in 2015.

Beginning in 2015, SDG&E will also be charging a monthly service fee to replace the minimum bill charge of \$0.17 per day that currently exists. The monthly service fee will gradually increase over time until it reaches \$10 per residential customer account per month. Once \$10 per month has been reached it will be adjusted by no more than the annual increase in the Consumer Price Index (CPI). The monthly service fee will recover costs that would otherwise have been collected through the charge per kWh which will be reducing the rate by an equivalent amount. Customers may not necessarily see their bills increase by the monthly service fee, but rather will see it as a separate line item on their bill. The monthly service fee will not increase the revenues collected by SDG&E; the utility still will recover only the approved amount of revenue. This changes how the revenue amount is collected.

**Low-Income Programs Proposals**

The California Alternate Rates for Energy (CARE) program provides a monthly discount on energy bills for income-qualified households. AB 327 specifies that the CARE discount should be between 30% and 35%. SDG&E's current discount is above 35%. To comply with the new law SDG&E proposes to gradually reduce the CARE discount percentage by the schedule provided in the table above for residential CARE customers until the discount reaches 34%. SDG&E will show the CARE discount separately on customers' bills. SDG&E will also offer CARE customers a reduced monthly service fee further described below.

In addition to residential CARE, the CARE program provides a monthly discount on energy bills for qualified non-residential customers, such as non-profit group living facilities, migrant farm worker housing centers, and privately owned employee housing. Non-residential CARE is also referred to as Expanded CARE. SDG&E's discount for non-residential CARE is above 35%. To comply with the new law, and to reach a 35% discount level by 2018, SDG&E proposes to gradually reduce the CARE discount percentage as follows:

- 3% per year for small commercial CARE customers, and
- 4% per year for medium/large commercial and industrial CARE customers.

Similar to the non-CARE proposals, SDG&E will be charging a monthly service fee for residential CARE customers, but at a discounted rate. The service charge for CARE customers will be \$2.50 per month and increase in 2017 to \$5 per residential customer account per month as shown in the chart above. Thereafter, the monthly service fee will be adjusted by the annual percentage increase in CPI.

SDG&E's proposed changes to non-CARE and CARE rates will affect the medical baseline and Family Electric Rate Assistance (FERA) programs. These programs will be affected since they are tied to the current tiered structure. To lessen the impacts on medical baseline customers, SDG&E proposes a transition path for the reduction in rate subsidies for non-CARE medical baseline customers so they will pay equivalent non-CARE rates by 2018. Non-CARE medical baseline customers will continue to receive additional baseline.

**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 9.1%, or \$8.39, from a current monthly bill of \$91.93 to \$100.32.

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 7.3%, or \$4.21, from a current monthly bill of \$57.92 to \$62.13.

The table below illustrates SDG&E's current and 2015 proposed rates for non-CARE residential customers. As shown in the table, SDG&E is proposing in 2015 to move the Tier 1 rate up to Tier 2 levels (Tier 1 rate is the same as the Tier 2 rate) and to consolidate Tiers 3 and 4 (Tier 3 rate is the same as the Tier 4 rate).

Usage	Current Rate	Proposed (Change)	% Change
Monthly Fee (\$/month)	15.396	\$5.00	16.5%
Tier 1 rate (¢/kWh): Up to 100% of baseline	17.778	17.778	0.0%
Tier 2 rate (¢/kWh): 101%-130% of Baseline	34.881	27.550	(-21.0%)
Tier 3 rate (¢/kWh): 131%-200% of Baseline	36.881	27.550	(-24.4%)
Tier 4 rate (¢/kWh): Above 200% of Baseline	36.881	27.550	(-24.4%)

Note: Summer rates presented

**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 55 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 <http://www.sdge.com/proceedings>.

Copies of this bill insert will be available for viewing and printing on the SDG&E website at <http://www.sdge.com/regulatory-notices>.

**CPUC PROCESS**

This filing has been assigned to two Administrative Law Judges (judges) 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 judges 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](http://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 judge for this proceeding to review.

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

Email: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)  
Phone: 866-849-8390 or 415-703-2074  
TTY: 866-836-7825 or 415-703-5282

CNS#2595841

# 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 to any or interested in the matter noticed.

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

### UT- NORTH COUNTY

On the following dates:

**March 7, 2014**

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

Dated at San Diego, California, this

**11th** day of **March** **2014**



YOLANDA CÓRDOVA

*"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#2595842**

Para mas detalles llame al 1-800-311-7343

**SAN DIEGO GAS & ELECTRIC COMPANY**  
**NOTIFICATION OF FILING FOR RESIDENTIAL RATE CHANGES AND POTENTIAL IMPACT ON ELECTRIC RATES**  
**PHASE 1 OF RULEMAKING 12-06-013**

On February 28, 2014, San Diego Gas & Electric Company (SDG&E) filed a request with the California Public Utilities Commission (CPUC) for changes to residential rates starting January 1, 2015 and a roadmap for rates through December 31, 2018. SDG&E's request complies with a ruling from the CPUC, inviting electric utilities to file proposals that will better align rates with the actual costs of providing electric service as indicated by Assembly Bill (AB) 327. As a result, some customers will see increases in their monthly bill and others will see decreases. This proposal will not change the amount of total revenues collected by SDG&E, which is determined in other proceedings.

SDG&E's filing proposes the following default rates for 2015-2018:

Rate Design Element	Current	2015	2016	2017	2018
Default Rate Structure	4-tiers	2-tiers	2-tiers	2-tiers	Non-tiered TOU with Baseline Credit (1)
Monthly Service Fee - Non-CARE	N/A	\$5.00	\$7.50	\$10.00	\$10.00 + CPI
Monthly Service Fee - CARE	N/A	\$2.50	\$3.75	\$5.00	\$5.00 + CPI
Residential CARE Discount (2)	38%	38%	36%	34%	34%

(1) SDG&E proposes an optional tiered rate with a 20% difference between the upper and lower tier that customers can opt into as an alternative to the default TOU rate.  
(2) CARE discount is provided only to those customers who meet the required CARE program qualifications. This filing is not proposing amendments to the qualifications of the CARE program.

**Non-CARE Residential Rate Proposals**  
SDG&E is proposing to transition from its current 4-tiered structure to a 2-tiered structure beginning in 2015. A 2-tiered system is simpler and better reflects costs. During the 2015 to 2018 period, SDG&E will be gradually bringing the rates for the 2-tiers closer together. In 2018, SDG&E is proposing to employ default time-of-use (TOU) pricing for residential customers, with the choice for customers to opt out to a 2-tiered rate. TOU is a rate that prices electricity based on the time of day and the season in which it is used. TOU rates charge lower rates during a utility's off-peak demand periods and higher rates during peak demand periods. Additionally, SDG&E is proposing optional non-tiered TOU offerings beginning in 2015.

Beginning in 2015, SDG&E will also be charging a monthly service fee to replace the minimum bill charge of \$0.17 per day that currently exists. The monthly service fee will gradually increase over time until it reaches \$10 per residential customer account per month. Once \$10 per month has been reached it will be adjusted by no more than the annual increase in the Consumer Price Index (CPI). The monthly service fee will recover costs that would otherwise have been collected through the charge per kWh which will be reducing the rate by an equivalent amount. Customers may not necessarily see their bills increase by the monthly service fee, but rather will see it as a separate line item on their bill. The monthly service fee will not increase the revenues collected by SDG&E; the utility still will recover only the approved amount of revenue. This changes how the revenue amount is collected.

**Low-Income Programs Proposals**  
The California Alternate Rates for Energy (CARE) program provides a monthly discount on energy bills for income-qualified households. AB 327 specifies that the CARE discount should be between 30% and 35%. SDG&E's current discount is above 35%. To comply with the new law SDG&E proposes to gradually reduce the CARE discount percentage by the schedule provided in the table above for residential CARE customers until the discount reaches 34%. SDG&E will show the CARE discount separately on customers' bills. SDG&E will also offer CARE customers a reduced monthly service fee further described below.

In addition to residential CARE, the CARE program provides a monthly discount on energy bills for qualified non-residential customers, such as non-profit group living facilities, migrant farm worker housing centers, and privately owned employee housing. Non-residential CARE is also referred to as Expanded CARE. SDG&E's discount for non-residential CARE is above 35%. To comply with the new law, and to reach a 35% discount level by 2018, SDG&E proposes to gradually reduce the CARE discount percentage as follows:

- 3% per year for small commercial CARE customers, and
- 4% per year for medium/large commercial and industrial CARE customers.

Similar to the non-CARE proposals, SDG&E will be charging a monthly service fee for residential CARE customers, but at a discounted rate. The service charge for CARE customers will be \$2.50 per month and increase in 2017 to \$5 per residential customer account per month as shown in the chart above. Thereafter, the monthly service fee will be adjusted by the annual percentage increase in CPI.

SDG&E's proposed changes to non-CARE and CARE rates will affect the medical baseline and Family Electric Rate Assistance (FERA) programs. These programs will be affected since they are tied to the current tiered structure. To lessen the impacts on medical baseline customers, SDG&E proposes a transition path for the reduction in rate subsidies for non-CARE medical baseline customers so they will pay equivalent non-CARE rates by 2018. Non-CARE medical baseline customers will continue to receive additional baseline.

**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 9.1%, or \$8.39, from a current monthly bill of \$91.93 to \$100.32.

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 7.3%, or \$4.21, from a current monthly bill of \$57.92 to \$62.13.

The table below illustrates SDG&E's current and 2015 proposed rates for non-CARE residential customers. As shown in the table, SDG&E is proposing in 2015 to move the Tier 1 rate up to Tier 2 levels (Tier 1 rate is the same as the Tier 2 rate) and to consolidate Tiers 3 and 4 (Tier 3 rate is the same as the Tier 4 rate).

Usage	Current Rate	Proposed Rate	Change	% Change
Monthly Fee (\$/month)		\$5.00		
Tier 1 rate (¢/kWh): Up to 100% of baseline	15.396	17.778	2.382	15.5%
Tier 2 rate (¢/kWh): 101%-130% of Baseline	17.778	17.778	0.000	0.0%
Tier 3 rate (¢/kWh): 131%-200% of Baseline	34.881	27.550	(7.331)	-21.0%
Tier 4 rate (¢/kWh): Above 200% of Baseline	35.881	27.550	(8.001)	-22.4%

Note: Summer rates presented

**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 <http://www.sdge.com/proceedings>.

Copies of this bill insert will be available for viewing and printing on the SDG&E website at <http://www.sdge.com/regulatory-policies>.

**CPUC PROCESS**  
This filing has been assigned to two Administrative Law Judges (Judges) 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 judges 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](http://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 judge 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](mailto:public_advisor@cpuc.ca.gov)  
Phone: 866-849-8390 or 415-703-2074  
TTY: 866-836-7825 or 415-703-5282

CNS#2595842



## ATTACHMENT D

### Notification of Supplemental Filing for Phase 1 Rate Change Proposals and Notice of Potential Impact on Electric Rates

**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 <http://www.sdge.com/proceedings>.

Copies of this bill insert will be available for viewing and printing on the SDG&E website at <http://www.sdge.com/regulatory-notice>.

**CPUC PROCESS**

This filing has been assigned to two Administrative Law Judges (judges) 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 judges 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](http://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 judge 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](mailto:public.advisor@cpuc.ca.gov)  
Phone: 866-849-8390 or 415-703-2074  
TTY: 866-836-7825 or 415-703-5282

Para mas detalles llame al 1-800-311-7343

**SAN DIEGO GAS & ELECTRIC COMPANY**  
NOTIFICATION OF FILING FOR RESIDENTIAL RATE CHANGES  
AND POTENTIAL IMPACT ON ELECTRIC RATES  
PHASE 1 OF RULEMAKING 12-06-013

On February 28, 2014, San Diego Gas & Electric Company (SDG&E®) filed a request with the California Public Utilities Commission (CPUC) for changes to residential rates starting January 1, 2015 and a roadmap for rates through December 31, 2018. SDG&E's request complies with a ruling from the CPUC inviting electric utilities to file proposals that will better align rates with the actual costs of providing electric service as indicated by Assembly Bill (AB) 327. As a result, some customers will see increases in their monthly bill and others will see decreases. This proposal will not change the amount of total revenues collected by SDG&E, which is determined in other proceedings.

SDG&E's filing proposes the following default rates for 2015-2018:

Rate Design Element	Current	2015	2016	2017	2018
Default Rate Structure	4-tiers	2-tiers	2-tiers	2-tiers	Non-tiered TOU with Baseline Credit (1)
Monthly Service Fee – Non-CARE	N/A	\$5.00	\$7.50	\$10.00	\$10.00 + CPI
Monthly Service Fee – CARE	N/A	\$2.50	\$3.75	\$5.00	\$5.00 + CPI
Residential CARE Discount (2)	39%	38%	36%	34%	34%

(1) SDG&E proposes an optional tiered rate with a 20% difference between the upper and lower tier that customers can opt into as an alternative to the default TOU rate.

(2) CARE discount is provided only to those customers who meet the required CARE program qualifications. This filing is not proposing amendments to the qualifications of the CARE program.



**NON-CARE RESIDENTIAL RATE PROPOSALS**

SDG&E is proposing to transition from its current 4-tiered structure to a 2-tiered structure beginning in 2015. A 2-tiered system is simpler and better reflects costs. During the 2015 to 2018 period, SDG&E will be gradually bringing the rates for the 2-tiers closer together. In 2018, SDG&E is proposing to employ default time-of-use (TOU) pricing for residential customers, with the choice for customers to opt out to a 2-tiered rate. TOU is a rate that prices electricity based on the time of day and the season in which it is used. TOU rates charge lower rates during a utility's off-peak demand periods and higher rates during peak demand periods. Additionally, SDG&E is proposing optional non-tiered TOU offerings beginning in 2015.

Beginning in 2015, SDG&E will also be charging a monthly service fee to replace the minimum bill charge of \$0.17 per day that currently exists. The monthly service fee will gradually increase over time until it reaches \$10 per residential customer account per month. Once \$10 per month has been reached it will be adjusted by no more than the annual increase in the Consumer Price Index (CPI). The monthly service fee will recover costs that would otherwise have been collected through the charge per kWh which will be reducing the rate by an equivalent amount. Customers may not necessarily see their bills increase by the monthly service fee, but rather will see it as a separate line item on their bill. The monthly service fee will not increase the revenues collected by SDG&E; the utility still will recover only the approved amount of revenue. This changes how the revenue amount is collected.

**LOW-INCOME PROGRAMS PROPOSALS**

The California Alternate Rates for Energy (CARE) program provides a monthly discount on energy bills for income-qualified households. AB 327 specifies that the CARE discount should be between 30% and 35%. SDG&E's current discount is above 35%. To comply with the new law SDG&E proposes to gradually

reduce the CARE discount percentage by the schedule provided in the table above for residential CARE customers until the discount reaches 34%. SDG&E will show the CARE discount separately on customers' bills. SDG&E will also offer CARE customers a reduced monthly service fee further described below.

In addition to residential CARE, the CARE program provides a monthly discount on energy bills for qualified non-residential customers, such as non-profit group living facilities, migrant farm worker housing centers, and privately owned employee housing. Non-residential CARE is also referred to as Expanded CARE. SDG&E's discount for non-residential CARE is above 35%. To comply with the new law, and to reach a 35% discount level by 2018, SDG&E proposes to gradually reduce the CARE discount percentage as follows:

- 3% per year for small commercial CARE customers, and
- 4% per year for medium/large commercial and industrial CARE customers.

Similar to the non-CARE proposals, SDG&E will be charging a monthly service fee for residential CARE customers, but at a discounted rate. The service charge for CARE customers will be \$2.50 per month and increase in 2017 to \$5 per residential customer account per month as shown in the chart above. Thereafter, the monthly service fee will be adjusted by the annual percentage increase in CPI.

SDG&E's proposed changes to non-CARE and CARE rates will affect the medical baseline and Family Electric Rate Assistance (FERA) programs. These programs will be affected since they are tied to the current tiered structure. To lessen the impacts on medical baseline customers, SDG&E proposes a transition path for the reduction in rate subsidies for non-CARE medical baseline customers so they will pay equivalent non-CARE rates by 2018. Non-CARE medical baseline customers will continue to receive additional baseline.

**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 9.1%, or \$8.39, from a current monthly bill of \$91.93 to \$100.32.

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 7.3%, or \$4.21, from a current monthly bill of \$57.92 to \$62.13.

The table below illustrates SDG&E's current and 2015 proposed rates for non-CARE residential customers. As shown in the table, SDG&E is proposing in 2015 to move the Tier 1 rate up to Tier 2 levels (Tier 1 rate is the same as the Tier 2 rate) and to consolidate Tiers 3 and 4 (Tier 3 rate is the same as the Tier 4 rate).

Usage	Current Rate	Proposed	Change	% Change
Monthly Fee (\$/month)		\$5.00		
Tier 1 rate (¢/kWh): Up to 100% of Baseline	15.396	17.778	2.382	15.5%
Tier 2 rate (¢/kWh): 101%–130% of Baseline	17.778	17.778	0.000	0.0%
Tier 3 rate (¢/kWh): 131%–200% of Baseline	34.881	27.550	(7.331)	-21.0%
Tier 4 rate (¢/kWh): Above 200% of Baseline	36.881	27.550	(9.001)	-24.4%

Note: Summer rates presented

(Continued on back)

## DECLARATION

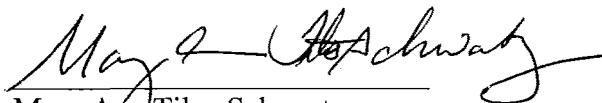
I, Mary Ann Tilos Schwartz, am a citizen of the United States residing in San Diego County, California, and am over the age of 18.

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 Friday, March 7, 2014 with March Billing Cycle No. 3 and was completed on Friday, April 4, 2014, with April Billing Cycle No. 2.

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

  
\_\_\_\_\_  
Mary Ann Tilos Schwartz

  
\_\_\_\_\_  
(Date)