

**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.
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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.

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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

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

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, 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



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

Mary Lou Rodriguez
Print Name



A Sempra Energy utility

To: Mary Lou Rodriguez (SD 1225)

Date: March 3, 2014

From: Billie Overturf

R.12-06-013

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Escondido CA 92025

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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

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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

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M Rodriguez 3/5/14
Signature Date

Marylou Rodriguez
Print Name



A  Sempra Energy utility

To: Mary Lou Rodriguez (SD 1225)

Date: March 3, 2014

From: Billie Overturf

R.12-06-013

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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



To: Mary Lou Rodriguez (SD 1225)

Date: March 3, 2014

From: Billie Overturf

R.12-06-013

PUBLIC INSPECTION OF SUPPLEMENTAL FILING

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M Rodriguez 3/5/14
Signature Date

MARYLOU RODRIGUEZ
Print Name



A  Sempra Energy utility

To: Mary Lou Rodriguez (SD 1225)

Date: March 3, 2014

From: *Billie Overturf*

R.12-06-013

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San Diego, CA 92102

2604 S El Camino Real
Carlsbad, CA 92008

644 W Mission Ave
Escondido CA 92025

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

M. Rodriguez *3/5/14*
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:

March 7, 2014

“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: March 7, 2014



Signature

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



PROOF OF PUBLICATION

**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-tier 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
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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%
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DECLARATION

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

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

UT- SAN DIEGO

On the following dates:

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

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

Cns#2595841

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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
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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.

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DECLARATION

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

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On the following dates:

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ATTACHMENT D

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

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(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

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DECLARATION

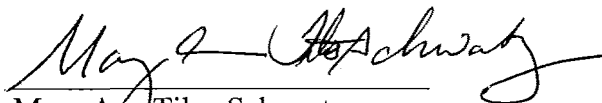
I, Mary Ann Tilos Schwartz, am a citizen of the United States residing in San Diego County, California, and am over the age of 18.

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

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

The insertion and mailing of the Notice to Customers of Proposed Changes commenced on 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)