

## ATTACHMENT 3

### Comparison of Party Positions Joint Settling Parties Opening Phase 2 Brief, p. 7-8 and p. 11

<p><b>Non-CARE Tiered Rates</b></p>	<ul style="list-style-type: none"> <li>• Tier 1 and 2 rates with should increase with SAR increases.</li> <li>• Tier 1 should increase by an additional 1 cents/kWh.</li> <li>• Tier 3/Tier 4 differential should be reduced from 2 cents/kWh to 1 cent/kWh.</li> </ul>	<ul style="list-style-type: none"> <li>• Tier 1 should be set at residential class average (“RAR”) + 5% and capped at a 15% increase.</li> <li>• Tier 2 should be set at RAR + 8% and capped at an 18% increase.</li> <li>• Tiers 3 should be solved residually and Tier 4 should be set 4 cents above Tier 3.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports ORA’s rate proposal.</li> </ul>	<ul style="list-style-type: none"> <li>• There should be a wider gap between Tiers 1 and 3 and between Tiers 3 and 4.</li> <li>• Tier 4 rate should not be capped at 40 cents.</li> <li>• Tier 2 as well as Tier 1 should be allocated revenues to mitigate bill impacts.</li> </ul>	<ul style="list-style-type: none"> <li>• Rate changes should focus upon Tiers 2 and 3, with Tier 3 getting closer to Tier 4 and increasing the delta between Tiers 1 and 2.</li> <li>• Tier 1 rate should be increased by no more than the system average rate increase.</li> </ul>
<p><b>CARE Tiered Rates</b></p>	<ul style="list-style-type: none"> <li>• Change CARE rates with SAR levels.</li> </ul>	<ul style="list-style-type: none"> <li>• All CARE rates should be set at RAR + 5% and capped at a 15% increase.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports ORA’s recommended rate proposal.</li> </ul>	<ul style="list-style-type: none"> <li>• Nothing proposed for CARE.</li> </ul>	<ul style="list-style-type: none"> <li>• Nothing proposed for CARE.</li> </ul>
<p><b>Overarching Concerns</b></p>	<ul style="list-style-type: none"> <li>• Significant revenue requirements will result in upper tier rates over 40 cents/kWh.</li> </ul>	<ul style="list-style-type: none"> <li>• Significant revenue requirement increases are unfortunate because it causes unreasonable bill impacts for low usage customers.</li> </ul>	<ul style="list-style-type: none"> <li>• SDG&amp;E’s proposal much more significantly increases the Tier 1 rate while reducing the Tier 2/Tier 1 and the Tier 3/Tier 1 ratios.</li> </ul>	<ul style="list-style-type: none"> <li>• More revenues should be allocated to Tier 2 to take away some of the burden from Tier 1 customers.</li> <li>• Tier 4 rate should not be capped at 40 cents.</li> </ul>	<ul style="list-style-type: none"> <li>• Rate shock for Tier 1 customers.</li> <li>• Impacts upon conservation.</li> </ul>

**Table 1: Illustrative Settlement Rates under Full Revenue<sup>1</sup> and 50% Revenue<sup>2</sup> Scenarios**

	Current (2/1/2014)	Illustrative Settlement Rates (Full Revenue Change)	% Change from Current	Illustrative Settlement Rates (50% Revenue Change)	% Change from Current
<b>RAR</b>	21.1	23.3	11%	21.7	3%
<b>Non-CARE</b>					
Tier 1	15.4	17.3	13%	16.5	7%
Tier 2	17.8	20.4	15%	18.9	6%
Tier 3	34.9	37.7	8%	34.6	-1%
Tier 4	36.9	39.7	8%	36.6	-1%
<b>CARE</b>					
Tier 1	10.3	11.6	13%	10.8	5%
Tier 2	12.0	13.5	13%	12.6	5%
Tier 3	17.6	20.3	16%	19.0	8%

<sup>1</sup> Full Revenue reflects incremental impacts of (1) 2014 Energy Resource Recovery Account (“ERRA”) Forecast (A.13-09-017), (2) ERRA Trigger Application (A.13-04-017) assuming year-end 2013 balance of \$213.3 million, and (3) incremental balance of \$80 million anticipated for 2014. Also includes impacts of 2012 GRC P2 implementation of (1) change in revenue allocation, (2) change in allocation of CARE rate design subsidy, and (3) change in class definition for Schedule PA-T-1.

<sup>2</sup> 50% revenue reflects incremental impacts of (1) 50% of the incremental impact of 2014 ERRA Forecast (A.13-09-017), (2) 50% of incremental impact of ERRA Trigger Application (A.13-04-017) assuming year-end 2013 balance of \$213.3 million, and (3) 50% of the incremental balance of \$80 million anticipated for 2014. Also includes impacts of 2012 GRC P2 implementation of (1) Change in revenue allocation, (2) change in allocation of CARE rate design subsidy, and (3) change in class definition for Schedule PA-T-1.