

Advocates (DRA) is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state to obtain the lowest possible rates for service consistent with reliable and safe service levels. DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. After considering all proposals and evidence presented during the formal hearing process, the assigned ALJ will issue a proposed draft decision. When the CPUC issues a final decision on the application, it may adopt, amend or modify all or part of the ALJ's proposed decision as written. The CPUC's decision may be different than SDG&E's formal request.

If you would like additional information or would like to attend these hearings, you can contact the Public Advisor's Office. You may also send your comments to the Public Advisors' address, 320 West 4th St., Ste. 500, Los Angeles, CA 90013 or send an e-mail to: [public.advisor.la@cpuc.ca.gov](mailto:public.advisor.la@cpuc.ca.gov). Any correspondence received will become part of the formal file in this application. Please reference Application No. A.10-08-002 in any correspondence.



## **SAN DIEGO GAS & ELECTRIC COMPANY**

### **NOTICE OF PROPOSED CHANGE IN GAS AND ELECTRIC RATES**

#### **STATE MANDATED AB 32 ADMINISTRATIVE FEES**

#### **APPLICATION NO. A.10-08-002**

On August 2, 2010, San Diego Gas & Electric Company (SDG&E®), Southern California Gas Company, Pacific Gas and Electric Company and Southern California Edison Company (the Utilities) jointly filed an application (A.10-08-002) with the California Public Utilities Commission (CPUC) for authority to recover administrative fees paid to the California Air Resources Board (CARB) as a result of the passage of Assembly Bill 32 (AB 32), the Global Warming Solutions Act of 2006. SDG&E will record these paid administrative fees in a regulatory account for cost recovery in gas and electric rates.

AB 32 legislation requires a reduction of greenhouse gas (GHG) emissions to 1990 levels by 2020. CARB is the state agency that implements the AB 32 program. Additionally, AB 32 authorizes CARB to adopt a schedule of fees to be paid by sources of GHG emissions to support the administrative costs of implementation. In September 2009, CARB adopted an administrative fee schedule. The Utilities anticipate invoicing of the Administrative Fee by CARB in the third quarter of 2010 with payment due in the fourth quarter of 2010. SDG&E estimates its 2010 CARB fees at \$857,000. SDG&E is seeking recovery of the Administrative Fees paid to CARB in gas and electric rates.

#### **EFFECT 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 impact of 0.00%. A typical monthly electric bill could remain unchanged at \$78.07. The percentages shown do not necessarily reflect the changes

that you may see on your bill. Changes in individual bills will also depend on how much electricity each customer uses.

If approved, the proposed change in rates for each customer class is as follows:

|                  | 5/01/10<br>Class<br>Average<br>Rates<br>(¢/kWh) | Class Average<br>Rates Reflecting<br>Proposed<br>Revenue<br>Changes<br>(¢/kWh) | Total<br>Rate<br>Change<br>(¢/kWh) | Percentage<br>Rate<br>Change<br>% |
|------------------|---|--|------------------------------------|-----------------------------------|
| Residential      | 17.689  | 17.691   | 0.002                              | 0.01%                             |
| Small Commercial | 17.665  | 17.667   | 0.002                              | 0.01%                             |
| Med. & Large C&I | 14.223  | 14.224   | 0.001                              | 0.01%                             |
| Agricultural     | 17.174  | 17.175   | 0.001                              | 0.01%                             |
| Lighting         | 15.529  | 15.531   | 0.002                              | 0.01%                             |
| System Total     | 15.852  | 15.854   | 0.002                              | 0.01%                             |

EFFECT ON GAS RATES AND BILLS

If this request is approved, the impact on a residential customer’s monthly summer bill for 16 therms of gas will increase by 1.0 cents/month, from \$19.84 to \$19.85/month. Based on a 12-month period, a residential customer’s average monthly bill will increase by 2.0 cents/month. The impact on each customer and customer class will vary depending on individual usage and the final decision.

If approved, the proposed change in costs for each customer class is as follows:

| Customer Class              | Annual<br>\$ (million) | % increase |
|-----------------------------|------------------------|------------|
| Residential                 | \$0.21                 | 0.1%       |
| Small Commercial/Industrial | \$0.10                 | 0.2%       |
| Natural Gas Vehicle         | \$0.01                 | 1.0%       |
| Large Industrial            | \$0.025                | 0.6%       |
| Electric Generators         | \$0.21                 | 1.2%       |
| Other                       | \$0.0                  | 0.0%       |
| Total                       | \$0.56                 | 0.2%       |

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Jeffery Salazar, Case Manager, 555 W. Fifth St., GT14D6, Los Angeles, CA 90013-1011. SDG&E will provide a copy of the application, including the public testimony, upon request. SDG&E's application and attachments may be inspected at the CPUC's Central Files Office, 505 Van Ness Ave., San Francisco, CA 94102. A copy of the application and any amendments may be inspected at the SDG&E business offices listed below:

|  |  |
|--|--|
| 436 H St.<br>Chula Vista, CA 91910             | 336 Euclid Ave.<br>San Diego, CA 92114       |
| 104 N. Johnson Ave.<br>El Cajon, CA 92020      | 440 Beech St.<br>San Diego, CA 92101         |
| 644 W. Mission Ave.<br>Escondido, CA 92025     | 2604 S. El Camino Real<br>Carlsbad, CA 92008 |
| 2405 E. Plaza Blvd.<br>National City, CA 91950 |  |

Copies of this application are available on SDG&E’s website at: [sdge.com/regulatory/cpuc.shtml](http://sdge.com/regulatory/cpuc.shtml).

Copies of this insert will be available for viewing and printing on SDG&E’s website at [sdge.com/billinserts/regulatory.shtml](http://sdge.com/billinserts/regulatory.shtml).

CPUC PROCESS

The CPUC may hold Evidentiary Hearings (EHs) whereby parties of record provide testimony and are subject to cross-examination before a CPUC Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are formal parties of record can participate. The CPUC has its own court reporters who will record the comments of those formal parties of record participating in the EHs. The Division of Ratepayer

(Continued on back)