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**NOTICE OF
SAN DIEGO GAS & ELECTRIC COMPANY'S
REQUEST TO INCREASE RATES
FOR THE SAN DIEGO UNIFIED PORT DISTRICT
ENERGY MANAGEMENT PLAN
APPLICATION NO. A.17-09-005**

On September 13, 2017, San Diego Gas & Electric Company (SDG&E®) filed a request with the California Public Utilities Commission (CPUC) for approval to increase rates to support key components of the San Diego Unified Port District's (the District) Energy Management Plan (EMP). The EMP was developed by the District and SDG&E in accordance with the direction and requirements of Assembly Bill (AB) 628. AB 628 authorizes port and harbor districts to jointly prepare and implement EMPs with investor-owned electric or gas utilities.

The goal of the EMP is to reduce energy costs and air pollution emissions, and increase business development within their boundaries. The EMP will provide a comprehensive energy roadmap for the District to reach its goals of reducing greenhouse gas (GHG) emissions, providing societal benefits (i.e., cleaner air and improved public health), creating jobs through new energy projects, and facilitating the retention of current businesses.

Specifically, this request seeks to increase rates for the following two key components of the EMP:

- (1) specialized energy efficiency (EE) measures and incentives for customers located within the District tidelands; and
- (2) an Enhanced Partnership Proposal (EPP) between SDG&E and the District to provide adequate oversight and effectively manage the District's EMP.

This application also requests approval of a rate discount for the shore power account at the District's cruise ship terminal, in order to offset the impact of future rate increases. Providing shore-based power to docked cruise ships, rather than power generated from the ships' diesel engines, lowers GHG and other harmful emissions. This change is in accordance with California Air Resources Board regulations.

If approved, these proposals will be funded by all SDG&E customers. The total cost of the EE and EPP proposals is \$6.58 million. The total cost of the shore power rate discount will be dependent on the electricity usage at the District's shore power account. However, the projected discount over the 5-year term is \$10.8 million. This projection is an estimate based on historical usage from July 2016 to June 2017.

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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 (kWh) of electricity per month could see a monthly summer bill increase of \$0.04, or 0.03% in 2021. A typical current monthly summer bill could increase from \$128.95 to \$128.99. 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.

The charts shown below illustrate the changes in rates that would result from CPUC approval of this application, compared to current rate levels.

Customer Class	Class Average Rates Effective 9/1/2017 (¢/kWh)	2021 Class Average Rates Reflecting Proposed Revenue Increase Included in this Application (¢/kWh)	Total Rate Increase (¢/kWh)	Percentage Rate Increase (%)
Residential	24.990	24.999	0.009	0.04%
Small Commercial	23.928	23.942	0.014	0.06%
Medium and Large C&I*	19.850	19.860	0.010	0.05%
Agriculture	17.735	17.746	0.011	0.06%
Lighting	19.917	19.926	0.009	0.05%
System Total	22.122	22.131	0.009	0.04%

* C&I stands for Commercial and Industrial.

ILLUSTRATIVE INCREASE ON GAS RATES

SDG&E has estimated the impact of the requested \$0.20 million increase for 2019 in gas revenues under the proposed rates as shown in the table below. The actual distribution of the rate increase for each customer class depends on how the CPUC ultimately decides all issues in the application.

Customer Class	Proposed Rates (¢/Therm)	Percentage Rate Increase (%)
Residential	\$0.06674	0.2%
Natural Gas Vehicles	\$0.02427	0.0%
Core Commercial and Industrial	\$0.07303	0.9%
Non-core Commercial and Industrial	\$0.06810	1.0%
System Total	\$0.06743	0.5%

If the CPUC approves SDG&E's request for a gas rate increase and the proposed rate allocation method, the bill for a typical bundled residential customer using 26 therms per month would increase by \$0.01, or 0.01 percent, from \$47.62 to \$47.63. Individual customer bills may differ.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Will Fuller, Regulatory Case Manager, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of this application, including testimony, upon request. SDG&E's application and attachments may be reviewed at the CPUC's Central Files Office by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045. A copy of the application and any amendments also may be reviewed at the following SDG&E business offices:

436 H St. Chula Vista, CA 91910	440 Beech St. San Diego, CA 92101	336 Euclid Ave. San Diego, CA 92114
2405 E. Plaza Blvd. National City, CA 91950	104 N. Johnson Ave. El Cajon, CA 92020	644 W. Mission Ave. Escondido, CA 92025

The application and related exhibits are also available electronically on SDG&E's website at <http://www.sdge.com/regulatory/cpuc.shtml>.

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

CPUC PROCESS

This application will be assigned to an Administrative Law Judge (Judge) 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 may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are parties of record can participate.

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt SDG&E's proposal, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a

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legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call (415) 703-1584, email ora@cpuc.ca.gov or visit ORA's website at www.ora.ca.gov.

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If you would like to learn how you can participate in the proceeding, have informal comments about the application, or if you have questions about the CPUC processes, you may access the CPUC's Public Advisor's Office (PAO) webpage at <http://www.cpuc.ca.gov/pao/>. You may also contact the PAO as follows:

Email: public.advisor@cpuc.ca.gov

Mail: CPUC
Public Advisor's Office
505 Van Ness Ave.
San Francisco, CA 94102

Call: 1-866-849-8390 (toll-free) or 1-415-703-2074
TTY 1-866-836-7825 (toll-free) or 1-415-703-5282

Please reference **SDG&E Port Energy Management Plan Application No. A.17-09-005** in any communications you have with the Commission regarding this matter. All public comments will become part of the public correspondence file for this proceeding and be made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.

