

Copies of this Application are available on the SDG&E website at: [www.sdge.com/sdge-2016-GRC-Phase-2](http://www.sdge.com/sdge-2016-GRC-Phase-2).

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

Copies are also available to review at the CPUC's Central Files Office in San Francisco by appointment. For more information, please contact them at [aljcentralfilesid@cpuc.ca.gov](mailto:aljcentralfilesid@cpuc.ca.gov) or (415) 703-2045.

### CPUC PROCESS

This Application is 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.

As a party of record, the Office of Ratepayer Advocates (ORA) will review this application. ORA is the independent consumer advocate within the CPUC with a 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](mailto:ora@cpuc.ca.gov) or visit ORA's website at [www.ora.ca.gov](http://www.ora.ca.gov).

### STAY INFORMED

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov/>.

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

Email: [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov)

Mail: CPUC  
Public Advisor's Office  
505 Van Ness Avenue  
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 Application No.15-04-012 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 made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.



Para más detalles en Español llame al 1-800-311-7343

## NOTIFICATION OF SAN DIEGO GAS & ELECTRIC COMPANY'S REQUEST TO CHANGE RATES FOR THE SECOND AMENDED GENERAL RATE CASE PHASE 2 APPLICATION FILING A.15-04-012

On February 9, 2016, San Diego Gas & Electric Company (SDG&E®) filed a second amended General Rate Case (GRC) Phase 2 Application (Application) with the California Public Utilities Commission (CPUC). The second amended application makes limited changes to the amended application that was filed December 1, 2015. These changes were made to reflect the results of other CPUC proceedings. This second amended application will replace in its entirety SDG&E's April 13, 2015, Application. The second amended Application seeks approval to change electric rates. The changes requested in the second amended Application may lead to rate increases for certain electric customers and decreases for other electric customers. The second amended Application proposes no changes to total revenue or gas rates.

In this second amended Application, SDG&E proposes to update how various costs related to electric distribution (the process of distributing energy at the local level, including to your home), electric generation (the cost of electricity), and public purpose programs (such as low income and energy efficiency programs) are assigned to different customer classes. For electric distribution and generation costs, SDG&E is proposing to phase in these changes over a three-year period to minimize the impact to customers.

In addition, SDG&E proposes to (1) gradually move toward rates that better reflect the cost of providing service for non-residential customers; (2) provide new rate options for primarily business customers; (3) update its electric sales forecast; and (4) change the time periods for all Time-of-Use (TOU) rates.

TOU rates price electricity according to when (season and time of day) a customer uses electricity. The price of

electricity is higher when electric demand is higher. For TOU periods, the greatest demand on the electric grid is referred to as the on-peak period; lower rates are charged during the off-peak period. How and when SDG&E customers use electricity is changing. To more accurately reflect these changes, SDG&E is proposing to update its TOU periods to better reflect actual system conditions, as summarized in the table below:

CURRENT PERIODS*		
	Weekdays	Weekends/Holidays
Summer:		
On-Peak	11am to 6pm	N/A
Semi-Peak	6am to 11am and 6pm to 10pm	N/A
Off-Peak	10pm to 6am	All
Winter:		
On-Peak	5pm to 8pm	N/A
Semi-Peak	6am to 5pm and 8pm to 10pm	N/A
Off-Peak	10pm to 6am	All
PROPOSED PERIODS		
Year Round:		
On-Peak	4pm to 9pm	4pm to 9pm
Off-Peak	6am to 4pm and 9pm to 12am	2pm to 4pm and 9pm to 12am
Super Off-Peak	12am to 6am	12am to 2pm

\*Represents SDG&E’s current standard TOU time periods. Various optional rates have different TOU time periods than the standard.

SDG&E is also proposing a change to its Critical Peak Pricing (CPP) event hours which are currently from 11am to 6pm year round. If approved, the CPP would change to 2pm to 6pm year round. CPP is a rate in which prices can be adjusted on short notice so that SDG&E can respond to unusual system conditions. Higher rates are charged during event hours on a CPP event day. It provides participating customers an incentive to shift usage to non-event hours.

ESTIMATED IMPACT OF THIS REQUEST ON ELECTRIC RATES

If the CPUC approves SDG&E’s request, a typical residential customer living in the inland climate zone and using 500 kWh per month will see a monthly winter bill increase of \$7.64, or 7.1%, from current to Year 1, \$2.01, or 1.8% from Year 1 to Year 2, and \$1.24, or 1.1%, from Year 2 to Year 3. A typical monthly electric bill will increase from \$106.89 to \$114.53 from current to Year 1, and \$116.54 for Year 2, and \$117.78 for Year 3. The dollar amounts and percentages shown do not necessarily reflect the exact changes you may see in your bill. Changes in individual bills will depend on how much energy each customer uses. SDG&E is projecting that generally medium/large commercial and industrial customers as well as agricultural customers will see a decrease in their monthly electric bills as a result of this second amended Application. However, this projection is based on averages. Individual customers could see increases or decreases depending on electric usage. Table 1 below shows a comparison of current class average rates to proposed rates for Years 1, 2, and 3.

Table 1: SDG&E Proposal Compared to Current Effective Rates

Customer Class	Current Rates Effective 11/1/2015	Current Rates Adjusted for Year 1 Updated Sales	Proposed Rates Year 1	Current to Year 1 Change		Proposed Rates Year 2	Current to Year 2 Change		Proposed Rates Year 3	Current to Year 3 Change	
				\$	%		\$	%		\$	%
Residential	23.719	22.943	24.348	1.405	6.12%	25.000	2.057	8.97%	25.649	2.706	11.79%
Small Commercial	23.810	23.798	24.606	0.808	3.40%	25.149	1.351	5.68%	25.693	1.895	7.96%
Medium & Large Commercial & Industrial	20.126	19.977	20.571	0.594	2.97%	19.843	-0.134	-0.67%	19.116	-0.861	-4.31%
Agricultural	17.607	17.886	17.519	-0.367	-2.05%	17.336	-0.550	-3.08%	17.153	-0.733	-4.10%
Lighting	19.726	19.726	22.025	2.299	11.65%	22.223	2.497	12.66%	22.420	2.694	13.66%
System Total	21.767	21.443	22.347	0.904	4.22%	22.347	0.904	4.22%	22.346	0.903	4.21%

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the Application and related exhibits by writing to: Parina Parikh, Regulatory Case Manager for SDG&E, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of the Application, including testimony, upon request. A copy of the Application and any amendments may also be reviewed at the SDG&E business offices listed below:

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