## Para más detalles, llame al 1-800-311-7343 NOTIFICATION OF SAN DIEGO GAS & ELECTRIC COMPANY'S REQUEST TO INCREASE ELECTRIC RATES FOR ITS EXPEDITED ENERGY RESOURCE RECOVERY ACCOUNT TRIGGER MECHANISM APPLICATION NO. A.17-05-012

On May 17, 2017, San Diego Gas & Electric Company (SDG&E®) filed its Expedited Energy Resource Recovery Account (ERRA) Trigger Application with the California Public Utilities Commission (CPUC) for approval to increase electric rates. The ERRA was established by the CPUC to compare the utility's fuel and purchased power revenues against its costs.

Assembly Bill (AB) 57 requires utilities to stay within 5% of their prior year's generation revenues. Expedited ERRA triggers occur when the utility reaches an undercollection or overcollection of 4% and is projected to exceed the 5% trigger. SDG&E's balance exceeded the 5% trigger in March 2017 and SDG&E is not anticipating a self-correction within the prescribed 120-day period. Accordingly, SDG&E is required to file this Expedited ERRA Trigger Application, and is seeking approval to collect the latest projected ERRA balance through July 2017. Listed below is a rate impact chart reflecting the collection of the currently forecasted undercollected balance for July 2017, of \$120 million. These impacts assume the new rates will begin on November 1, 2017, to be collected over a 14-month period ending December 31, 2018.

#### 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 winter bill increase of \$3.00, or 2.5%. A typical monthly electric bill could increase from \$122.40 to \$125.40. Increases in individual bills will also depend on how much electricity each customer uses.

# SAN DIEGO GAS & ELECTRIC COMPANY'S ILLUSTRATIVE ELECTRIC RATE INCREASE (TOTAL RATES INCLUDE UDC<sup>1</sup> AND COMMODITY<sup>2</sup>)

| Customer<br><u>Class</u>             | Class<br>Average<br>Rates<br>Effective<br>03/01/17 <sup>3</sup><br>(¢/kWh) | Class<br>Average<br>Rates<br>Reflecting<br>\$104.106<br>Million <sup>4</sup><br>Increase<br>(¢/kWh) | Total<br>Rate<br>Increase<br>(¢/kWh) | Percentage<br>Rate<br>Increase<br>(%) |
|--------------------------------------|--|---|--------------------------------------|---------------------------------------|
| Residential                          | 24.990   | 25.635  | 0.645                                | 2.58%                                 |
| Small Commercial                     | 23.928   | 24.513  | 0.585                                | 2.44%                                 |
| Medium and Large<br>C&I <sup>5</sup> | 19.850   | 20.472  | 0.622                                | 3.13%                                 |
| Agricultural                         | 17.735   | 18.263  | 0.528                                | 2.98%                                 |
| Lighting                             | 19.917   | 20.343  | 0.426                                | 2.14%                                 |
| System Total                         | 22.122   | 22.747  | 0.625                                | 2.83%                                 |

<sup>1</sup> UDC rates include Department of Water Resources (DWR) Bond Charge.

<sup>2</sup> Commodity rates include DWR Power Charge credit.

<sup>3</sup> Rates effective 3/1/17 per Advice Letter (AL) 3034-E/3034-E-A.

<sup>4</sup> \$120 million plus Franchise Fees & Uncollectibles amortized over 14 months.

<sup>5</sup> C&I stands for Commercial and Industrial.

For more information on these proposals you may contact SDG&E's Customer Service line at 1-800-411-SDGE (7343).

### FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Kellen Gill, San Diego Gas & Electric Company, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of this application 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 this application may be reviewed at the following SDG&E business offices:

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

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

Copies of this bill insert will be available for viewing and printing on the SDG&E website at 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 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 multidisciplinary 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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- 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's 2017 Expedited ERRA Trigger Application No. A.17-05-012 in any communications you have with the CPUC 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.



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