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Write: CPUC Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Email: public.advisor@cpuc.ca.gov

Phone: 866-849-8390



Para mas detalles llame al 1-800-311-7343

SAN DIEGO GAS & ELECTRIC COMPANY

NOTIFICATION OF APPLICATION FOR ERRA FORECAST AND POTENTIAL IMPACT ON ELECTRIC RATES

APPLICATION NO. 13-09-017

On September 27, 2013, San Diego Gas & Electric Company (SDG&E®) filed an application with the California Public Utilities Commission (CPUC) for approval of its forecasted electric procurement revenue requirements of \$1,247,765,577 for 2014. This is referred to as SDG&E's 2014 Energy Resource Recovery Account (ERRA) Forecast Application and includes costs to purchase power under contracts with power suppliers including local generation resources, California Independent System Operator charges and collateral requirements associated with electric procurement, as well as the cost responsibility of Direct Access (DA) and Community Choice Aggregation customers for above-market power costs. Recovery of new generation costs associated with local generation power suppliers that are needed to meet the system or local reliability needs will be charged through the Local Generation Charge (LGC), a new charge applicable to bundled, Direct Access and Community Choice Aggregation customers.

SDG&E is required to file an ERRA application every year. The CPUC has not acted on SDG&E's 2013 ERRA application, and accordingly, rates currently in place have remained at the levels needed to cover its 2012 forecasts. If the 2013 forecast is approved, as proposed, SDG&E's 2014 revenue requirement will be an increase of \$190,206,647 compared to 2013. Alternatively, when compared to current effective 2012 levels, SDG&E's 2014 revenue requirement represents an increase of \$377,105,128. The charts shown inside illustrate SDG&E's 2014 request compared to actual current rates as well as compared to its pending 2013 ERRA Forecast.

The costs are broken down as \$1,228,034,871 for the ERRA, \$14,557,130 for the Competition Transition Charge (CTC) and \$5,173,578 for the Local Generation Balancing Account (LGBA)¹ revenue requirement forecasts.

It is important to note that this Application is simply a forecast and is likely to change prior to including these costs in next year's electric rates. SDG&E expects to file an update to this Application in November 2013.

¹ LGBA is a new account to capture the costs of local generation resources.

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 summer bill increase of 4.7%, or \$4.20, from a current monthly bill of \$88.92 to \$93.12.

For DA customers, the Utility Distribution Company (UDC) rate impacts on a class average basis are presented below.

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT ILLUSTRATIVE ELECTRIC BUNDLED RATE IMPACT (TOTAL RATES INCLUDE UDC AND COMMODITY)

Customer Class	Class Average Rates Effective 9/01/13 (¢/kWh)	Class Average Rates Reflecting Pending 2013 ERRR Request (¢/kWh)	Class Average Rates Reflecting Proposed Revenue Changes For 2014 ERRR (¢/kWh)	Change From 2013 ERRR to 2014 ERRR		Change From 09/01/13 to 2014 ERRR	
				(¢/kWh)	%	(¢/kWh)	%
				Residential	20.600	21.624	22.685
Small Commercial	19.647	20.741	21.849	1.108	5.34%	2.202	11.21%
Medium and Large C&I*	15.414	16.500	17.613	1.113	6.75%	2.199	14.27%
Agricultural	19.086	20.138	21.224	1.086	5.39%	2.138	11.20%
Lighting	16.199	16.980	17.853	0.873	5.14%	1.654	10.21%
System Total	17.770	18.826	19.914	1.088	5.78%	2.144	12.07%

SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT ILLUSTRATIVE ELECTRIC UDC RATE IMPACT

Customer Class	Class Average Rates Effective 9/01/13 (¢/kWh)	Class Average Rates Reflecting Pending 2013 ERRR Request (¢/kWh)	Class Average Rates Reflecting Proposed Revenue Changes For 2014 ERRR (¢/kWh)	Change From 2013 ERRR to 2014 ERRR		Change From 09/01/13 to 2014 ERRR	
				(¢/kWh)	%	(¢/kWh)	%
				Residential	12.680	12.649	12.557
Small Commercial	11.253	11.211	11.076	(0.135)	-1.20%	(0.177)	-1.57%
Medium and Large C&I*	7.021	6.985	6.872	(0.113)	-1.62%	(0.149)	-2.12%
Agricultural	11.067	11.034	10.932	(0.102)	-0.92%	(0.135)	-1.22%
Lighting	10.428	10.428	10.446	0.018	0.17%	0.018	0.17%
System Total	9.603	9.568	9.462	(0.106)	-1.11%	(0.141)	-1.47%

*C&I stands for Commercial & Industrial

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Shirley Amrany, San Diego Gas & Electric Company, 8330 Century Park Court, CP32D, San Diego, CA 92123. SDG&E's application and related exhibits may also be inspected at the CPUC office located at 505 Van Ness Ave., San Francisco, CA 94102. Additionally, a copy of the application and related exhibits may be inspected at the following SDG&E business offices:

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

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 (ALJ) 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 (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate. After considering all proposals and all evidence presented during the formal hearing process, the assigned ALJ will issue a proposed decision determining whether to adopt all or part of SDG&E's request, modify it, or deny it. The CPUC Commissioners may sponsor an alternate decision and the issue will be decided at a scheduled Commission Voting Meeting.