BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Electric Rate Design Effective on January 1, 2015	Application 14-01-____ (Filed January 31, 2014)

RATE DESIGN WINDOW APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)

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Pursuant to the Rate Case Plan adopted most recently by the California Public Utilities Commission ("Commission") in Decision ("D.") 07-07-004 and the Commission's Rules of Practice and Procedure, San Diego Gas & Electric Company ("SDG&E") hereby submits its Rate Design Window ("RDW") Application for authority to update its electric rate design, effective January 1, 2015.[1]

I. INTRODUCTION

California's law and policy makers have kept this state on the leading edge of new developments in the utility and energy industry, including in the areas of energy efficiency, renewable energy, greenhouse gas reduction, demand response, and the smart grid. This great success has led to many positive changes for utility customers and our environment. In order to maintain the pace of new development and to ensure California's future as a leader among states pushing the envelope toward a cleaner, more efficient and affordable electric system, some of the mechanics of how customers pay for electric service must change as well. This application is a

[1] According to the schedule attached to D.07-07-004, SDG&E's RDW applications are to be filed between November 20 and 25, before any attrition year. However, on November 4, 2013, pursuant to Rule 16.6, SDG&E sent a letter to the Commission's Executive Director, Paul Clanon, requesting an extension that would allow SDG&E to file this RDW Application on December 13, 2013. Mr. Clanon granted this request via letter dated November 20, 2013. Then, on December 5, 2013, SDG&E sent another letter to Mr. Clanon seeking a supplemental extension to January 31, 2014. Ultimately, on December 10, 2014, Mr. Clanon granted the supplemental extension to January 31, 2014. Accordingly, this RDW Application is timely filed.

reflection of this evolution because it seeks to update rate design in a way that builds upon the success of past policies. These policies are responsible for the dramatic rise of the renewable industry in California, and if this success is to continue over the long run, rate design must change so as to ensure that costs are transparent and customers are able to make informed decisions about how and when they use energy. Such a rate design will also support and advance the low carbon energy industry in California.

Each specific rate design change that is the subject of this RDW Application is described below and supported by the testimony of four SDG&E witnesses, whose testimony is also summarized below. The proposals include the following: (1) changing SDG&E's Time of Use ("TOU") periods and moving non-residential customers to a mandatory TOU rate; (2) adjusting SDG&E's residential baseline allowance to the minimum allowed by statute; (3) moving recovery of California Solar Initiative ("CSI") and Self-Generation Incentive Program ("SGIP") costs from distribution rates to the Public Participation Program ("PPP") rates; (4) reducing the Peak Time Rebate ("PTR") incentive; and (5) confirming compliance with Commission direction on residential Electric Vehicle ("EV") rates.

A. Summary Of Proposals

Rate design is the process of developing electricity prices for various customer classes to meet revenue requirements generally dictated by the utility's operating needs and costs of providing service to customers, which are approved by the Commission in various ratemaking proceedings. RDW Applications were intended to give utilities the opportunity to update their rate design between General Rate Cases ("GRCs"), especially when particular studies (e.g., updated cost studies or customer data studies) indicate the need for such change. The rate design proposals that are the subject of this RDW Application are generally driven by updated information justifying changes that should be implemented prior to SDG&E's next GRC. The proposals are also a reflection of changes in SDG&E's specific operational and customer characteristics, in contrast to the more broad-based, policy-oriented rate design proposals under consideration in the on-going Order Instituting Rulemaking on the Commission's Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations (R.12-06-013) ("Residential Rate OIR") involving the other investor-owned utilities ("IOUs"), namely Pacific Gas and Electric Company ("PG&E") and Southern California Edison Company ("SCE"). Accordingly, it is appropriate that these SDG&E-specific proposals be considered in this RDW Application.

Changing TOU Periods

SDG&E must maintain and operate its electric system to meet its customers' particular consumption and demand. Consumption is the amount of energy a customer uses per hour (measured in kilowatt hours or kWh). Demand is the amount of energy a customer may require in any given moment in time (measured in kilowatts or kW). For example, a customer who uses one 100-watt light bulb for 10 hours consumes 1,000 watt-hours or 1 kWh. The entire time it is on, the bulb demands 100 watts or 0.1 kW from the utility. That means the utility must have that 0.1 kW capacity ready whenever the customer turns the bulb on. Similarly, ten 100-watt light bulbs burning for 1 hour also consume 1,000 watt-hours or 1 kWh. In both examples, the consumption is 1 kWh. However, in the second situation the utility must be prepared to provide ten times as much capacity in response to the potential demand of the 10 light bulbs operating all at once. If both of these customers are billed for their consumption only, both will get the same bill for 1 kWh of energy. But the utility has to have ten times more generating capacity to meet the second customer's brief high demand for power compared to the first customer. TOU rates are rates that charge higher prices if usage occurs during the time of day when the utility is experiencing peak demand for capacity and when energy prices are at their highest. Peak capacity is the level of capacity that a utility must maintain to sufficiently meet the highest potential demand of its customers (e.g., during the hottest summer days and/or the coldest winter nights) and have some in reserve.

TOU rates are designed to send price signals to encourage customers to change their typical energy use behavior to reduce their energy costs and thereby reduce the need to build additional infrastructure required to meet growing peak demand. SDG&E first introduced the TOU concept to its customers in the 1970s, and its standard TOU period has not changed since 1984. Since that time, however, a number of developments have changed how SDG&E must operate its electric system. For example, in 2001, only 1% of SDG&E's energy came from renewables, but today that figure has risen to 23%, and SDG&E expects to procure at least 33% of its energy from renewables by 2020 or sooner. In addition, over the past few years, more than 30,000 SDG&E customers have installed rooftop solar on their homes or businesses.

These are positive changes that help the environment, but they create a new daily energy use peak and new times when electricity is expensive. That is, as more and more solar energy is generated during the middle of the day and wanes during the evening, SDG&E's net peak capacity demand[2] is moving to later in the day and electricity prices will be higher when customers return home from work to turn on their kitchen appliances, air conditioners and other household electronics. Accordingly, the changing peak should be viewed as a natural and expected consequence of the success of the renewable energy industry and its ability to grow to

[2] In this Application, the phrase "net peak capacity demand" refers to SDG&E's peak capacity demand, net of capacity supplied by renewable generation facilities.

the point of having a significant influence on the overall electric system. The moving peak is particularly acute for SDG&E whose total capacity requirement is driven more by residential demand. Industrial demand is more concentrated during the day when solar is producing.

In order to maintain accurate price signals (matching cost to price) that effectively inform customers of the higher costs that SDG&E incurs to meet demand during peak periods, SDG&E must be able to match its TOU periods to its likely periods of high net energy peak and high electricity prices. If SDG&E is allowed to shift its TOU on-peak periods, customers can respond to price signals that reflect the utility's higher costs. As a result, customers who shift their usage save money and at the same time also offset the need for procuring high-priced electricity and building new infrastructure in the future. The following tables specifically show the new proposed TOU periods.

Summer (May - October)		
	Weekdays	***Weekends/Holidays***
On-Peak	2pm to 9pm	N/A
Semi-Peak	6am to 2pm And 9pm to 12m	6am to 12m
Super Off-Peak	12m to 6am	12m to 6am

Winter (November -April)		
	Weekdays	***Weekends/Holidays***
On-Peak	5pm to 9pm	N/A
Semi-Peak	6am to 2pm And 9pm to 12m	6am to 12m
Super Off-Peak	12m to 6am	12m to 6am

As proposed, the TOU periods will be standardized for all customers on time-variant rates, making all such periods and rates easier to understand, remember and compare. In addition, SDG&E proposes mandatory TOU rates for all non-residential customers. The specific timing of implementation of TOU and dynamic pricing offerings is addressed further in the testimony.

Regarding bill impacts, residential customers are not immediately impacted by the time period changes because they are not on mandatory TOU rates. By January 2015, however, they will have the option to select a TOU pricing plan. The majority of business customers currently on TOU rates, on the other hand, are likely to see immediate benefits from the change in the on-peak TOU period. This is because today's peak period (11 a.m. to 6 p.m.) falls right in the middle of the typical "8-to-5" business day, whereas the new proposed peak period would shift to later in the day. In addition, a lower super off-peak rate will now be available to all customers. That said, SDG&E has identified some public schools that may be adversely affected by the change. In light of the special circumstances associated with public schools, such as their limited budget control and inability to change use patterns tied to periods during which they must serve the needs of children, SDG&E is preparing to offer such schools a bill credit or other solutions associated with the change in TOU periods.

Reduction of Residential Baseline Allowance

By statute, residential customers are charged the lowest rate for what is called a baseline quantity of electricity or the amount of electricity "which is necessary to supply a significant portion of the reasonable energy needs of the average residential customer."[3] The minimum baseline quantity allowed by statute is 50% of the average residential consumption for basic service customers and all-electric customers during the summer months and 60% for all-electric service customers during the winter season, with variations based on season and climate zone.[4] Currently, SDG&E's baseline allowances are on average 52-55% for basic service and 56-83% for all-electric service. As such, these percentages are above the minimum levels allowed by statute.

To reduce rate pressure on high usage customers for whom the majority of usage is above the baseline quantity and therefore subject to higher rates, SDG&E is proposing to reduce its

[3] California Public Utilities Code ("P.U. Code") § 739(b).
[4] P.U. Code § 739(a)(1).

baseline allowances to the minimum levels allowed by statute.[5] This will result in reductions to the baseline allowances ranging from 3 to 13% for the first year and 3 to 89% over the 5-year period, depending on service type (basic or all-electric), season, and climate zone.

Moving Recovery of CSI and SGIP Costs to PPP Rates

CSI is an incentive program overseen by the Commission which provides upfront and performance based incentives for installation of solar energy systems for existing homes, as well as existing and new commercial, industrial, government, non-profit, and agricultural properties within the service territories of SDG&E, SCE and PG&E. CSI has a total budget of $2,167 million over 10 years, and the goal is to reach 1,940 megawatts ("MW") of installed solar capacity by 2016. The California Center for Sustainable Energy ("CCSE") is the CSI program administrator for SDG&E's customers. SDG&E/CCSE's CSI revenue requirement for the remainder of the program (2014-2016) is $92.5 million.

SGIP is also an incentive program overseen by the Commission and provides financial awards for the installation of new qualifying distributed generation technologies (e.g., renewable and waste energy recovery technology, non-renewable conventional combined heat and power ("CHP") and renewable technologies such as advanced energy storage) that are installed to meet all or a portion of the electric energy needs of a facility. The purpose of SGIP is to contribute to Greenhouse Gas ("GHG") emission reductions, demand reductions, and reduced customer electricity purchases, as well as market transformation for distributed energy resource technologies. SGIP had a total 2013 budget of $83 million, allocated to each IOU. CCSE is the SGIP program administrator for SDG&E customers, with a 2013 budget of $11 million dollars.

[5] It should be noted that the Commission authorized SCE (in D.13-03-031 at Ordering Paragraph 2, approving settlement reflected in Attachment B; *see also* Attachment B at pp. 7-8 and Appendix C to Attachment B) and PG&E (in D.11-05-047at Ordering Paragraph 10; *see also* Discussion Section 4.4.2) to reduce their residential baseline allowances. Accordingly, SDG&E's proposal is consistent with what has been approved for the other IOUs.

SDG&E is proposing to move recovery of CSI and SGIP costs from distribution rates to the PPP rates. The purpose of this change is to ensure that distribution rates are limited to true distribution costs (e.g., poles, wires and meters), resulting in more accurate price signals for customers trying to reduce such costs. Because CSI and SGIP, like other PPP programs (e.g., CARE, Energy Efficiency and Demand Response), are policy-oriented and overseen by the Commission, they are more properly included in the PPP rate. SDG&E is not proposing to change the current cost responsibility or allocation treatment of the CSI and SGIP program costs, and thus, there will be no rate impact as a result of this change.

Reduction of PTR Incentives

Under the Commission-approved PTR program (D.08-02-034 for SDG&E), customers receive bill credits for reductions in energy consumption during PTR events (i.e., using less kWh during the event when compared to the customer's normal usage pattern). However, because the PTR program does not provide accurate energy price signals (i.e., customers are not charged higher prices for energy consumed during a PTR event), it is considered a transitional program intended to operate until dynamic pricing rates, such as Critical Peak Pricing ("CPP"), can be implemented for residential customers. With an optional CPP rate on the near horizon, it is reasonable to reduce the PTR credit so as to incentivize customers that can provide demand response to transition to the more accurate and efficient CPP rate. Accordingly, SDG&E is proposing to reduce the PTR incentive levels by $0.25 to $0.50 or $1.00 per kWh (depending on whether the customer is using enhanced technology). There is no rate impact associated with this proposal.

Compliance with Commission Direction on Residential EV Rates

Pursuant to D.11-07-029, SDG&E was required to file a plug-in hybrid and EV rate design in this RDW Application, including "an analysis of plug-in hybrid and Electric Vehicles charging load profiles, the costs and benefits of plug-in hybrid and electric vehicle integration and charging, and consumer responses to plug-in hybrid and Electric Vehicles time-of-use price differentials."[6] The Commission also directed that "[t]hese rate design proposals [ ] include an evaluation of the feasibility and benefits of plug-in hybrid and electric vehicle demand charges in the residential and commercial context."[7] Accordingly, in this RDW Application and supporting testimony, SDG&E details how it has complied with the Commission's requirement regarding EV rates.

B. Timing Of Proposals

SDG&E requests that the Commission approve the foregoing proposals for implementation on January 1, 2015. This timing, especially with regard to the TOU period and baseline adjustment proposal, is critical for a number of reasons, including the following.

First, the baseline adjustment will provide much needed rate relief to upper tier customers. Indeed, with few exceptions, revenue requirement increases allocated to the residential rate class are recovered solely by increasing the rates that apply to usage above 130% of baseline allowances (Tier 3 and Tier 4 rates), which account for only about 30% of total residential usage. Thus, while Tiers 1 and 2 rates have remained relatively flat since 2001, Tiers 3 and 4 rates have increased significantly, which has resulted in substantial bill increases for high usage customers. Among other things, this means that residential customers do not receive

[6] *See* Ordering Paragraph 3 of D.11-07-029: These rate design proposals shall also include an evaluation of the feasibility and benefits of plug-in hybrid and electric vehicle demand charges in the residential and commercial context.
[7] *Id*.

accurate price signals because two thirds of residential usage is priced at a discount resulting in the remaining one third to be priced at levels substantially above costs. Moreover, many high usage customers include large families and customers living in areas where the climate requires heavy dependence on high energy use appliances such as air conditioners during the summer or electric heaters during the winter.

Second, regarding TOU periods, there is strong evidence showing that SDG&E's net peak capacity load will continue to shift at a relatively rapid pace to later in the day. As noted above, this is due in large part to the adoption of renewable energy policies (e.g., the 33% RPS) and rapid customer adoption of behind the meter distributed renewable energy systems (e.g., rooftop solar) in San Diego's service territory. Changing the TOU periods to include more hours later in the day will ensure that they are better aligned with SDG&E's costs to operate its system. Changing the TOU periods beginning in January 2015 will also allow for a reasonable time period for residential customers to become fully educated about the time periods of high cost well in advance of when TOU rates may become mandatory for all residential customers.[8] Currently, the majority of SDG&E's medium and large commercial and industrial ("M/L C&I") customers are on TOU rates. Pursuant to D.12-12-004, TOU rates are scheduled to be the mandatory rate for small non-residential customers in November 2014 and SDG&E hopes to have such customers under the new TOU periods at that time so there is not an additional change a year or two later.[9] In addition, changing the TOU periods now also allows the Commission an opportunity to consider the impacts of the change as it moves to develop new rules for the NEM

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[8] *See* P.U. Code § 745(c) (allowing for the implementation of mandatory default residential TOU rates as soon as 2018).

[9] SDG&E intends to request a delay to the implementation of small non-residential customer default TOU ordered in D.12-12-004 to align with the new TOU periods proposed in this application.

program, consistent with Assembly Bill ("AB") 327, including grandfathering rules which are to be adopted in 2014.

Third, regarding the CSI/SGIP proposal, the sooner costs associated with these programs can be removed from distribution rates, the sooner customers will get more accurate and transparent price signals, consistent with Commission policy. With respect to the PTR proposal, as noted above, since the PTR program was designed to serve as a transition toward dynamic pricing, the time is ripe to alter the PTR incentive in a manner that makes for a smooth transition.

For all these reasons, and others set forth in the supporting testimony, this RDW Application should be processed in a manner that allows for all the proposals to be implemented by January 1, 2015.

II. BACKGROUND

a. Brief History Of Rate Design In California

California's electric rate design policies and rules have undergone a number of changes over the past several decades, depending on the needs of the day and legislation in place at the time. Many of California's current rate design rules and policies were driven by the desire to ensure affordability and were in reaction to the establishment of a wholesale electricity market in California and the 2000-2001 Energy Crisis. Today's tiered rate design structure, for example, finds its roots in the Warren-Miller Energy Lifeline Act of 1976, which required the Commission to establish a baseline quantity of electricity necessary to supply a large portion of the reasonable energy needs of the average residential customer (for things such as heating, cooking, lighting and refrigeration). Then, pursuant to AB 1890, retail rates for utility customers were frozen until the utilities could recover stranded costs associated with the required selling-off of their generation facilities. As a result, wholesale electricity prices began to dramatically spike at the same time utilities started to exit the rate freeze imposed by AB 1890 and pass through electricity costs from the wholesale market to customers. This led to what is known as the 2000-2001 Energy Crisis and the passage of AB 1X, which imposed a cap on electricity rates for residential usage up to 130% of baseline.

Ultimately, the Commission adopted a tiered, increasing block rate structure, with rates for Tiers 1 and 2 capped at 2001 levels and additional tiers for usage above 130% of baseline, which were not capped. Then, in 2009, Senate Bill ("SB") 695 was enacted to set new rules for adjustments to the baseline calculations imposed by AB 1X and move toward creating a more competitive power market for customers in California. In particular, SB 695 allowed the Commission to increase rates for Tiers 1 and 2 by the annual percentage change reflected in the Consumer Price Index from the prior year plus 1%, but not less than 3% and not more than 5% per year. For CARE customers, rate increases were tied to the annual increase in benefits under the California Work Opportunity and Responsibility to Kids ("CalWORKs") program, but not to exceed 3% and subject to the overall limitation that CARE rates cannot exceed 80% of the corresponding rates charged to non-CARE residential customers.

b. AB 327 And The Focus Of California's Current Rate Design Policy

Although policies designed to protect the stability of the wholesale electricity market and ensure affordability remain and should continue to inform how rate design is implemented, the Legislature and Commission have recognized that new challenges must be considered, including the rise in production and use of renewable energy, how that rise impacts when and how utilities procure energy and the need to more equitably share the rising cost of energy overall. Indeed, SB 695's direction regarding cap increases and time-variant pricing marked the beginning of this shift in focus from rate design policy geared toward addressing the Energy Crisis toward policies intended to better address conservation, efficiency and renewable energy, while maintaining an overall emphasis on affordability.

This policy shift was most recently reflected the Residential Rate OIR. This proceeding, initiated in June of 2012, was instituted to examine current residential electric rate design, including the tier structure in effect for residential customers, the state of time variant and dynamic pricing, potential pathways from tiers to time variant and dynamic pricing, and preferable residential rate design to be implemented when statutory restrictions are lifted. The Residential Rate OIR also reiterated the Commission's guiding principle that rates should be equitable and affordable and set forth the following ten principles for evaluating an optimal rate design:

1. Low-income and medical baseline customers should have access to enough electricity to ensure basic needs (such as health and comfort) are met at an affordable cost
2. Rates should be based on marginal cost;
3. Rates should be based on cost-causation principles;
4. Rates should encourage conservation and energy efficiency;
5. Rates should encourage reduction of both coincident and non-coincident peak demand;
6. Rates should be stable and understandable and provide customer choice;
7. Rates should generally avoid cross-subsidies, unless the cross-subsidies appropriately support explicit state policy goals;
8. Incentives should be explicit and transparent;
9. Rates should encourage economically efficient decision-making;

10. Transitions to the new rate structures should emphasize customer education and outreach that enhances customer understanding and acceptance of new rates, and minimizes and appropriately considers the bill impacts associated with such transitions.

Consistent with these principles, SDG&E and the other IOUs have transitioned M/L C&I customers onto default CPP rates,[10] with an opt-out to TOU available. As noted above, the Commission has also approved a PTR program for SDG&E, providing its customers with a rebate for reducing load during peak events. SDG&E is also in the process of introducing voluntary TOU and CPP rates for its small non-residential and residential customers.

Recognizing that the evolution toward further use of time variant rates required legislative action loosening the restrictions on what the Commission could do in the area of rate design, approximately 16 months after the initiation of the Residential Rate OIR, the Legislature passed AB 327, which went into effect on January 1, 2014. Among other things, AB 327 repealed the rate increase limits imposed by SB 695, including limitations applicable to CARE customers, and added provisions giving the Commission authority to increase electric rates so long as such changes are "reasonable and subject to a reasonable phase-in schedule relative to rates and charges in effect prior to January 1, 2014."[11] For CARE customers, AB 327 requires that the overall effective discount be no less than 30% and no more that 35% of the revenues that would have been produced for the same billed usage by a non-CARE customer. AB 327 also authorized the Commission to approve new, or expand existing, fixed charges for the purpose of collecting a reasonable portion of the fixed costs of providing service to residential customers. In addition, as noted above, AB 327 granted the Commission authority to require IOUs to

[10] The CPP program provides customers with an incentive to shift usage to non-peak hours, and charges higher rates during peak hours on a CPP event day, which are called 24 hours in advance.
[11] P.U. Code § 739.9(b).

employ default TOU pricing to residential customers, beginning January 1, 2018, subject to certain limitations and conditions. Finally, AB 327 allows the Commission to expand the current RPS requirement beyond the 33% by 2020 standard and extends the current NEM program by, for example, giving the Commission authority to set a grandfathering period for current NEM customers.

III. SDG&E'S RECENT RATE DESIGN EFFORTS

In an effort to stay on the forefront of California's evolving rate design policy and legislation, SDG&E has proposed new rate designs in various recent and pending Commission proceedings, including its most recent GRC Phase 2 and the Residential Rate OIR. As shown below, SDG&E has attempted to use these proceedings in a manner which presents new proposals in a coordinated and consistent fashion. Unforeseen regulatory delay and evolving legislation and policy have presented challenges. Regardless, this RDW Application presents proposals that continue to be consistent with SDG&E's GRC Phase 2 requests and those that SDG&E intends to make in the on-going Residential Rate OIR. More importantly, they are consistent with the Commission's and Legislature's current goals of ensuring that rate design produces rates that are affordable, cost-based, stable, understandable, transparent, and supportive of California's cutting edge conservation and energy efficiency policy.

a. 2012 GRC Phase 2

SDG&E's 2012 GRC Phase 2 updated SDG&E rates for updated marginal cost studies, revenue allocation and to reflect the following policy guidance:

- create clear and accurate price signals;
- promote fairness and equity;
- empower and inform customers; and
- mitigate customer impacts associated with rate proposals.

In an effort "to create a clear and smooth path forward for implementation of the state's low carbon policies,"[12] SDG&E also proposed a Pre-Pay option, a Basic Service Fee/Fixed Charge for residential customers, Tiers 3 and 4 consolidation for residential, elimination of the residential CARE Tier 3 rate cap, and a new distributed generation rate, among other things. Eventually, following discovery, hearings and negotiations with various interveners, most of the parties reached settlements on many of SDG&E's proposals, excluding residential rate design, allocation of CARE rate subsidies, and the pre-pay proposal. Ultimately, on January 16, 2014 (over two years after it was filed), the Commission approved SDG&E's GRC Phase 2. In its decision (D.14-01-002), the Commission, among other things: (1) approved the October 5, 2012 Settlement on revenue allocation and non-residential rate design, excluding the M/L C&I distribution demand charge ; (2) denied the October 12, 2012 Settlement on the M/L C&I distribution demand charge; (3) modified SDG&E allocation of CARE rate subsidies; (4) denied SDG&E's pre-pay proposal; (5) approved all uncontested issues; and (6) deferred some residential rate design issues, such as the basic service fee and tier-consolidation, noting that such proposals would be more appropriate for consideration in the Residential Rate OIR.

B. Residential Rate OIR

In the Residential Rate OIR, SDG&E took a higher level approach more appropriate for rulemaking proceedings (in contrast to the more specific approach it took in the GRC Phase 2

[12] SDG&E GRC Phase 2 (A.11-10-002), Testimony of Chris Yunker at CY-2.

ratesetting proceeding) and proposed the adoption of an optimal rate design that meets the following criteria:

- utilities charge for the services they provide;
- rates are designed to recover costs on the same basis as they are incurred; and
- incentives or subsidies that have been deemed necessary to further public policy objectives are separately and transparently identified and charged to customers in a fair manner.

To meet these criteria, SDG&E proposed the unbundling of utility rates so as to provide customers with a rate structure that more accurately reflects the services utilities provide. SDG&E believes a rate design that achieves the foregoing generic criteria would meet all of the Commission's ten Rate Design Principles, and do so in a manner that supports energy conservation and long-term growth in new emission-reducing distributed technologies, provides accurate information to customers, and empowers regulators with tools they can use to achieve public policy objectives.

As the Residential Rate OIR evolved and in response to the passage of AB 327 (lifting many restrictions on rate design so that rates are more aligned with costs), Assigned Commissioner President Peevey issued an Amended Scoping Memo and Ruling (filed January 6, 2014) stating that the Residential Rate OIR would proceed as a two-phased ratesetting proceeding. Phase 1 will cover the longer-term (post-2014) rate design proposals that could apply generally to each of the IOUs as they move toward default residential TOU rates beginning in 2018. Phase 2 will cover the shorter-term, interim rate design proposals that could be implemented by this summer and offer more immediate rate relief for upper tier customers.

This RDW Application is consistent with President Peevey's direction in the Residential Rate OIR because it concerns SDG&E-specific proposals that are more a function of SDG&E's

particular operational and customer needs. Such issues would not be appropriate in the new Phase 1 of the Residential Rate OIR because they are not generic in nature and would not apply to the other IOUs' rate design needs. For example, in the new Phase 1, SDG&E will be filing its proposal to implement TOU rates (e.g., un-tiered TOU rates) permissible under AB 327 effective 2015 and the roadmap to default SDG&E's residential customers to TOU rates in 2018. Contrary to these bigger picture, policy-oriented changes which are more or less equally applicable to all the IOUs, this RDW seeks changes that are driven more by SDG&E-specific operational and customer needs.

Regarding the TOU period issue in particular, Energy Division's Staff Proposal for Residential Rate Reform ("ED Proposal"), which was attached to President Peevey's Amended Scoping Memo and Ruling, recommended the following:

> **[S]taff believes that TOU time periods and rate design need to be carefully developed in the context of GRCs, or comparable rate setting proceedings**. Between now and the time of the default to TOU rates in 2018, the Commission should assess the appropriate TOU time periods and seasons that best reflect marginal costs and advance the OIR rate design principles. AB 327 directs the Commission to strive to adopt time periods for TOU rates that are appropriate for five years.[13]

Since this RDW Application is a "comparable rate setting proceeding," it is the appropriate proceeding within which to seek a change to SDG&E's specific TOU periods.

IV. SUMMARY OF PREPARED TESTIMONY

It is against the foregoing historical background and pending proceedings that SDG&E brings this RDW Application, which is supported by the testimony of the following four witnesses.

[13] ED Proposal at 62-63.

- **Christopher Yunker**

Mr. Yunker's testimony discusses how California's policy, as reflected in Commission decisions and statutory law, support the rate designs proposed in this RDW Application. In particular, Mr. Yunker discusses how SDG&E's rate design proposals will help build a foundation upon which new markets can be developed and technologies adopted to meet the changing service requirements of customers as they transition to a future where many are both suppliers and consumers of grid services. Mr. Yunker also explains the significance of the timing of this RDW Application and why waiting to act on these proposals will only serve to further delay the development of a low carbon future based on customers making informed decisions about the rate structure that best suits their particular needs and desire to be more energy efficient and cost conscious. Mr. Yunker also explains why action cannot be delayed due to the need to provide customers with a reasonable transition period toward the possibility of default TOU rates for residential customers as soon as 2018. Finally, Mr. Yunker discusses SDG&E's proposal to mitigate the rate impact of the TOU period changes on schools that have invested in rooftop solar projects.

- **Cynthia Fang**

Building on the policy testimony set forth by Mr. Yunker, Ms. Fang describes the specific rate design changes and proposed rates in more detail, including bill impacts. Specifically, Ms. Fang begins by confirming that the proposed changes do not impact revenue allocations among customer classes. Regarding SDG&E's GRC Phase 2 decision, Ms. Fang explains how it impacts the rate designs proposed in this RDW proceeding. Ms. Fang goes on to discuss the proposal to reduce the current residential baseline levels to the legislated minimum levels, showing the specific percentage changes according to season, service type (basic or all electric), and climate zone. To smooth this transition, Ms. Fang describes SDG&E's proposal to adjust the baseline for all-electric customers in increments over five years. Regarding the TOU proposal, Ms. Fang sets out the new periods according to SDG&E's current TOU rate offerings as well as the optional TOU offerings associated with its Dynamic Pricing Program (A.10-07-009, adopted in D.12-12-004) for residential and small non-residential customers. Additionally, Ms. Fang proposes mandatory TOU for all non-residential customers and addresses the coordination of the timing of implementation of new TOU periods with SDG&E's TOU and CPP offerings to non-residential customers. Ms. Fang also describes SDG&E's proposal to reduce the current PTR incentives to account for the anticipated implementation of an optional CPP rate. Ms. Fang then describes SDG&E's proposal to recover the costs associated with CSI and SGIP in PPP rates instead of distribution rates and how doing so will provide customers with a better price signal.

- **David Barker**

Mr. Barker's testimony includes the technical facts and studies supporting SDG&E's proposed TOU periods. Mr. Barker discusses marginal cost ratemaking (whose purpose is to send customers accurate price signals that encourage energy efficiency) and how SDG&E's TOU proposal will change the allocation of marginal costs to different hours, based on expected changes in customer loads resulting from increased installation of variable renewable generation. In particular, Mr. Barker discusses how renewable energy will have much higher penetration in the near future and will have significant impacts on the California and San Diego electricity markets due in part to their variable nature and "must take" qualities. Mr. Barker also describes studies showing the relationship between the penetration of renewable energy and the shift in energy price profiles.

- **Kenneth Schiermeyer**

Mr. Schiermeyer's testimony sets forth SDG&E's forecast of electric sales for 2015, including a description of the econometric and statistical techniques used to establish the forecast. This forecast is necessary because it is used as an input into the rate design process. As explained by Mr. Schiermeyer, the forecast is a product of SDG&E's 2013-2024 Demand Forecasts, submitted to the CEC on April 25, 2013, in support of the CEC's 2013 Integrated Energy Policy Report process.

V. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Rule 2.1 (a) – (c)

In accordance with Rule 2.1 (a) – (c) of the Commission's Rules of Practice and Procedure, SDG&E provides the following information.

1. Rule 2.1 (a) - Legal Name

SDG&E is a corporation organized and existing under the laws of the State of California. SDG&E is engaged in the business of providing electric service in a portion of Orange County and electric and gas service in San Diego County. SDG&E's principal place of business is 8330 Century Park Court, San Diego, California 92123. SDG&E's attorney in this matter is John A. Pacheco.

2. Rule 2.1 (b) - Correspondence

Correspondence or communications regarding this Application should be addressed to:

William Fuller
California Regulatory Affairs
San Diego Gas & Electric Company
8330 Century Park Court, CP32D
San Diego, California 92123
Telephone: 858-654-1885
Facsimile: (858) 654-1788
WFuller@semprautilities.com

with copies to:

John A. Pacheco
Attorney for:
San Diego Gas & Electric Company
101 Ash Street
San Diego, CA 92101-3017
Telephone: (619) 699-5130
Facsimile: (619) 699-5027
JPacheco@semprautilities.com

3. Rule 2.1 (c)

a. Proposed Category of Proceeding

In accordance with Rule 7.1 of the Commission's Rules of Practice and Procedure, SDG&E requests that this Application be categorized as ratesetting because the rate design changes that are the subject of this Application will impact the rates of certain customer groups.

b. Need for Hearings

SDG&E does not believe that approval of this Application will require hearings. SDG&E has provided ample supporting testimony, analysis and documentation that provide the Commission with a sufficient record upon which to grant the relief requested.

c. Issues to be Considered

The issues to be considered are described in this Application and the accompanying testimony and exhibits.

d. Proposed Schedule

SDG&E proposes the following schedule[14]:

ACTION	DATE
Application filed	January 31, 2014
Comments/Protests	March 3, 2014
Replies to Comments/Protests	March 17, 2014
ALJ Ruling on necessity to re-open the GRC for consideration of any or all electric rate design proposals	March 31, 2014
Hearings (if necessary)	April 14, 2014
Last Day of Hearings (if necessary)	April 18, 2014
Concurrent Briefs (if necessary)	April 25, 2014
ALJ Proposed Decision	May 19, 2014
Comments on Proposed Decision	June 9, 2014
Reply Comments	June 16, 2014
Commission Approval	July 10, 2014
Rates become effective	January 1, 2015

B. Rule 2.2 – Articles of Incorporation

A copy of SDG&E's Restated Articles of Incorporation as last amended, presently in effect and certified by the California Secretary of State, was filed with the Commission on August 31, 2009 in connection with SDG&E's Application No. 09-08-019, and is incorporated herein by reference.

[14] These dates are based on the schedule included in the Rate Case Plan adopted most recently by the California Commission in D.07-07-004 and which includes a specific schedule for RDW applications (see Appendix A at p. A-4).

C. Rule 3.2 – Rate Increase Notice

In accordance with Rule 3.2 (a) – (d) of the Commission's Rules of Practice and Procedure, SDG&E provides the following information.[15]

1. Rule 3.2 (a) (1) – balance sheet

SDG&E's financial statement, balance sheet and income statement for the nine-month period ending September 30, 2013 are included with this Application as Attachment A.

2. Rule 3.2 (a) (2) – statement of effective rates

A statement of all of SDG&E's presently effective electric rates can be viewed electronically by accessing: http://www.sdge.com/regulatory/currentEffectiveTariffs.shtml. Attachment B to this Application provides the current table of contents from SDG&E's electric tariffs on file with the Commission.

3. Rule 3.2 (a) (3) – statement of proposed rate change

A statement of proposed increases is attached as Attachment C.

4. Rule 3.2 (a) (4) – description of property and equipment

A general description of SDG&E's property and equipment was filed with the Commission on October 5, 2001, in connection with Application 01-10-005, and is incorporated herein by reference. A statement of Original Cost and Depreciation Reserve for the nine-month period ending September 30, 2013 is attached as Attachment D.

5. Rule 3.2 (a) (5) and (6) – summary of earnings

A summary of SDG&E's earnings (for the total utility operations for the company) for nine-month period ending September 30, 2013, is included as Attachment E to this Application.

[15] Note Rule 3.2(a) (9) is not applicable to SDG&E.

6. Rule 3.2 (a) (7) – statement re tax depreciation

For financial statement purposes, depreciation of utility plant has been computed on a straight-line remaining life basis, at rates based on the estimated useful lives of plan properties. For federal income tax accrual purposes, SDG&E generally computes depreciation using the straight-line method for tax property additions prior to 1954, and liberalized depreciation, which includes Class Life and Asset Depreciation Range Systems, on tax property additions after 1954 and prior to 1981. For financial reporting and rate-fixing purposes, "flow through accounting" has been adopted for such properties. For tax property additions in years 1981 through 1986, SDG&E has computed its tax depreciation using the Accelerated Cost Recovery System. For years after 1986, SDG&E has computed its tax depreciation using the Modified Accelerated Cost Recovery Systems and, since 1982, has normalized the effects of the depreciation differences in accordance with the Economic Recovery Tax Act of 1981 and the Tax Reform Act of 1986.

7. Rule 3.2 (a) (8) – proxy statement

A copy of SDG&E's most recent proxy statement, dated April 25, 2013, as sent to all shareholders of SDG&E's Parent Company, Sempra Energy, was mailed to the Commission on April 30, 2013 and is incorporated herein by reference.

8. Rule 3.2 (a) (10) – statement re pass through to customers

The rate increases reflected in this Application passes through to customers only costs to SDG&E for the services or commodities furnished by it.

9. Rule 3.2 (b) – notice to state, cities and counties

In compliance with Rule 3.2 (b) of the Commission's Rules of Practice and Procedure, SDG&E will, within 20 days after the filing this Application, mail a notice to the State of

California and to the cities and counties in its service territory and to all those persons listed in Attachment F to this Application.

10. Rule 3.2 (c) – newspaper publication

In compliance with Rule 3.2 (c) of the Commission's Rules of Practice and Procedure, SDG&E will, within 20 days after the filing of this Application, publish in newspapers of general circulation in each county in its service territory notice of this Application.

11. Rule 3.2 (d) – bill insert notice

In compliance with Rule 3.2 (d) of the Commission's Rules of Practice and Procedure, SDG&E will, within 45 days after the filing of this Application, provide notice of this Application to all of its customers along with the regular bills sent to those customers that will generally describe the proposed rate changes addressed in this Application.

VI. SERVICE

This is a new application. No service list has been established. Accordingly, SDG&E will serve this Application, testimony and related exhibits on parties to the service list for A.11-10-002 (SDG&E's most recent General Rate Case Phase 2 Rate Design proceeding). Hard copies will be sent by overnight mail to the Assigned Administrative Law Judges ("ALJs") in A.11-10-002, Amy C. Yip-Kikugawa and Stephen C. Roscow and Chief ALJ Karen V. Clopton.

VII. REQUESTED RELIEF

WHEREFORE, SAN DIEGO GAS & ELECTRIC COMPANY requests that the Commission:

i. approve SDG&E's proposal to change its TOU periods to include more evening hours and a super off-peak period in the early morning hours, and the related proposal to move non-residential customers to a mandatory TOU rate;

ii. approve SDG&E’s proposal to reduce its baseline allowances to the minimum allowed by P.U. Code § 739;

iii. approve SDG&E’s proposal to move recovery of CSI and SGIP costs from distribution rates to PPP rates;

iv. approve SDG&E’s proposal to reduce the PTR incentive levels by $0.25 to $0.50 or $1.00 (depending on whether the customer is using enhanced technology); and

v. approve SDG&E’s compliance with Commission direction (issued in D.11-07-029) on residential EV rates.

These requests are described in more detail in the supporting testimony of SDG&E's witnesses, which is being served in conjunction with the filing of this RDW Application.

Respectfully submitted,

By: /s/ JOHN A. PACHECO
John A. Pacheco

Attorney for:
SAN DIEGO GAS & ELECTRIC COMPANY
101 Ash Street
San Diego, CA 92101
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E-mail: jpacheco@semprautilities.com

SAN DIEGO GAS & ELECTRIC COMPANY

By: /s/ ROBERT SCHLAX
Robert Schlax
San Diego Gas & Electric Company
Vice President – Controller and CFO

DATED at San Diego, California, this 31st day of January 2014

OFFICER VERIFICATION

OFFICER VERIFICATION

Robert Schlax declares the following:

I am an officer of San Diego Gas & Electric Company and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing **RATE DESIGN WINDOW APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)** are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 31, 2014 at San Diego, California.

/s/ ROBERT SCHLAX
Robert Schlax
San Diego Gas & Electric Company
Vice President – Controller and CFO

Attachment A

SAN DIEGO GAS & ELECTRIC COMPANY
FINANCIAL STATEMENT
SEPTEMBER 30, 2013

(a) Amounts and Kinds of Stock Authorized:

Preferred Stock	1,375,000	shares	Par Value $27,500,000
Preferred Stock	10,000,000	shares	Without Par Value
Preferred Stock	Amount of shares not specified		$80,000,000
Common Stock	255,000,000	shares	Without Par Value

Amounts and Kinds of Stock Outstanding:

PREFERRED STOCK			
5.0%	375,000	shares	$7,500,000
4.50%	300,000	shares	6,000,000
4.40%	325,000	shares	6,500,000
4.60%	373,770	shares	7,475,400
$1.70	1,400,000	shares	35,000,000
$1.82	640,000	shares	16,000,000
COMMON STOCK	116,583,358	shares	291,458,395

(b) Terms of Preferred Stock:
Full information as to this item is given in connection with Application Nos. 93-09-069, 04-01-009, 06-05-015 and 10-10-023 to which references are hereby made.

(c) Brief Description of Mortgage:
Full information as to this item is given in Application Nos. 08-07-029,10-10-023 and 12-03-005 to which references are hereby made.

(d) Number and Amount of Bonds Authorized and Issued:

First Mortgage Bonds:	Nominal Date of Issue	Par Value Authorized and Issued	Outstanding	Interest Paid in 2012
6.80% Series KK, due 2015	12-01-91	14,400,000	14,400,000	979,200
Var% Series OO, due 2027	12-01-92	250,000,000	150,000,000	7,612,500
5.85% Series RR, due 2021	06-29-93	60,000,000	60,000,000	3,510,000
5.875% Series VV, due 2034	06-17-04	43,615,000	43,615,000	2,562,378
5.875% Series WW, due 2034	06-17-04	40,000,000	40,000,000	2,350,000
5.875% Series XX, due 2034	06-17-04	35,000,000	35,000,000	2,056,250
5.875% Series YY, due 2034	06-17-04	24,000,000	24,000,000	1,410,000
5.875% Series ZZ, due 2034	06-17-04	33,650,000	33,650,000	1,976,936
4.00% Series AAA, due 2039	06-17-04	75,000,000	75,000,000	172,498
5.35% Series BBB, due 2035	05-19-05	250,000,000	250,000,000	13,375,000
5.30% Series CCC, due 2015	11-17-05	250,000,000	250,000,000	13,250,000
6.00% Series DDD. due 2026	06-08-06	250,000,000	250,000,000	15,000,000
1.65% Series EEE, due 2018	09-21-06	161,240,000	161,240,000	349,305
6.125% Series FFF, due 2037	09-20-07	250,000,000	250,000,000	15,312,500
6.00% Series GGG, due 2039	05-14-09	300,000,000	300,000,000	18,000,000
5.35% Series HHH, due 2040	05-13-10	250,000,000	250,000,000	13,375,000
4.50% Series III, due 2040	08-15-10	500,000,000	500,000,000	22,500,000
3.00% Series JJJ, due 2021	08-18-11	350,000,000	350,000,000	10,412,500
3.95% Series LLL, due 2041	11-17-11	250,000,000	250,000,000	9,820,139
4.30% Series MMM, due 2042	03-22-12	250,000,000	250,000,000	5,643,750
Unsecured Bonds:				
5.90% CPCFA96A, due 2014	06-01-96	129,820,000	129,820,000	7,659,380
5.30% CV96A, due 2021	08-02-96	38,900,000	38,900,000	2,061,700
5.50% CV96B, due 2021	11-21-96	60,000,000	60,000,000	3,300,000
4.90% CV97A, due 2023	10-31-97	25,000,000	25,000,000	1,225,000

SAN DIEGO GAS & ELECTRIC COMPANY
FINANCIAL STATEMENT
SEPTEMBER 30, 2013

Other Indebtedness:	Date of Issue	Date of Maturity	Interest Rate	Outstanding	Interest Paid 2012
Commercial Paper & ST Bank Loans	Various	Various	Various	0	$71,644

Amounts and Rates of Dividends Declared:
The amounts and rates of dividends during the past five fiscal years are as follows:

Preferred Stock	Shares Outstanding 12-31-12	Dividends Declared 2008		2009	2010	2011	2012
5.0%	375,000	$375,000		$375,000	$375,000	$375,000	$375,000
4.50%	300,000	270,000		270,000	270,000	270,000	270,000
4.40%	325,000	286,000		286,000	286,000	286,000	286,000
4.60%	373,770	343,868		343,868	343,868	343,868	343,868
$ 1.7625	0	242,344		0	0	0	0
$ 1.70	1,400,000	2,380,000		2,380,000	2,380,000	2,380,000	2,380,000
$ 1.82	640,000	1,164,800		1,164,800	1,164,800	1,164,800	1,164,800
	3,413,770	$5,062,012	[1]	$4,819,668	$4,819,668	$4,819,668	$4,819,668

Common Stock	2008	2009		2010	2011	2012
Dividend to Parent	$0	$150,000,000	[2]	$0	$0	$0

A balance sheet and a statement of income and retained earnings of Applicant for the nine months ended September 30, 2013 are attached hereto.

[1] Includes $242,344 of interest expense related to redeemable preferred stock.
[2] San Diego Gas & Electric Company dividend to parent.

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
SEPTEMBER 30, 2013

	1. UTILITY PLANT	2013
101	UTILITY PLANT IN SERVICE	$12,482,421,645
102	UTILITY PLANT PURCHASED OR SOLD	-
104	UTILITY PLANT LEASED TO OTHERS	85,194,000
105	PLANT HELD FOR FUTURE USE	13,092,995
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	746,397,331
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(3,953,170,111)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(327,386,191)
114	ELEC PLANT ACQUISITION ADJ	3,750,722
115	ACCUM PROVISION FOR AMORT OF ELECTRIC PLANT ACQUIS ADJ	(437,584)
118	OTHER UTILITY PLANT	779,269,082
119	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF OTHER UTILITY PLANT	(223,465,621)
120	NUCLEAR FUEL - NET	0
	TOTAL NET UTILITY PLANT	9,605,666,268

	2. OTHER PROPERTY AND INVESTMENTS	
121	NONUTILITY PROPERTY	5,948,352
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(364,300)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
124	OTHER INVESTMENTS	-
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	981,444,173
	TOTAL OTHER PROPERTY AND INVESTMENTS	987,028,225

Data from SPL as of December 11, 2013

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
SEPTEMBER 30, 2013

3. CURRENT AND ACCRUED ASSETS

		2013
131	CASH	10,618,888
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	500
136	TEMPORARY CASH INVESTMENTS	137,900,000
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	262,889,801
143	OTHER ACCOUNTS RECEIVABLE	36,027,172
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(2,770,391)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	-
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	5,771,905
151	FUEL STOCK	4,322,163
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	71,264,347
156	OTHER MATERIALS AND SUPPLIES	-
163	STORES EXPENSE UNDISTRIBUTED	-
164	GAS STORED	346,520
165	PREPAYMENTS	73,501,714
171	INTEREST AND DIVIDENDS RECEIVABLE	8,036
173	ACCRUED UTILITY REVENUES	74,865,000
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	1,925,326
175	DERIVATIVE INSTRUMENT ASSETS	71,596,485
	TOTAL CURRENT AND ACCRUED ASSETS	748,267,466

4. DEFERRED DEBITS

181	UNAMORTIZED DEBT EXPENSE	35,935,632
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	3,526,594,367
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	6,702,522
184	CLEARING ACCOUNTS	(97,997)
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	36,269,368
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	15,021,995
190	ACCUMULATED DEFERRED INCOME TAXES	674,266,639
	TOTAL DEFERRED DEBITS	4,294,692,526
	TOTAL ASSETS AND OTHER DEBITS	15,635,654,485

Data from SPL as of December 11, 2013

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
SEPTEMBER 30, 2013

5. PROPRIETARY CAPITAL

		2013
201	COMMON STOCK ISSUED	($291,458,395)
204	PREFERRED STOCK ISSUED	$0
207	PREMIUM ON CAPITAL STOCK	($591,282,978)
210	GAIN ON RETIRED CAPITAL STOCK	-
211	MISCELLANEOUS PAID-IN CAPITAL	(479,665,368)
214	CAPITAL STOCK EXPENSE	24,605,640
216	UNAPPROPRIATED RETAINED EARNINGS	(3,181,473,876)
219	ACCUMULATED OTHER COMPREHENSIVE INCOME	9,409,978
	TOTAL PROPRIETARY CAPITAL	(4,509,864,999)

6. LONG-TERM DEBT

221	BONDS	(3,941,255,000)
223	ADVANCES FROM ASSOCIATED COMPANIES	-
224	OTHER LONG-TERM DEBT	(123,900,000)
225	UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226	UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	11,115,283
	TOTAL LONG-TERM DEBT	(4,054,039,717)

7. OTHER NONCURRENT LIABILITIES

227	OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(641,911,713)
228.2	ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(39,640,093)
228.3	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(332,580,517)
228.4	ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	0
230	ASSET RETIREMENT OBLIGATIONS	(951,767,167)
	TOTAL OTHER NONCURRENT LIABILITIES	(1,965,899,490)

Data from SPL as of December 11, 2013

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
SEPTEMBER 30, 2013

8. CURRENT AND ACCRUED LIABILITES

		2013
231	NOTES PAYABLE	-
232	ACCOUNTS PAYABLE	(354,386,949)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(18,190,303)
235	CUSTOMER DEPOSITS	(71,150,344)
236	TAXES ACCRUED	(82,309,217)
237	INTEREST ACCRUED	(56,209,259)
238	DIVIDENDS DECLARED	(1,204,917)
241	TAX COLLECTIONS PAYABLE	(5,531,563)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(361,356,009)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(36,211,069)
244	DERIVATIVE INSTRUMENT LIABILITIES	(171,044,181)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
	TOTAL CURRENT AND ACCRUED LIABILITIES	(1,157,593,811)

9. DEFERRED CREDITS

252	CUSTOMER ADVANCES FOR CONSTRUCTION	(35,251,061)
253	OTHER DEFERRED CREDITS	(346,875,925)
254	OTHER REGULATORY LIABILITIES	(1,112,320,594)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(24,492,338)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	(5,201,256)
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(1,922,847,185)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(501,268,109)
	TOTAL DEFERRED CREDITS	(3,948,256,468)
	TOTAL LIABILITIES AND OTHER CREDITS	($15,635,654,485)

Data from SPL as of December 11, 2013

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
NINE MONTHS ENDED SEPTEMBER 30, 2013

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		$3,717,316,232
401	OPERATING EXPENSES	$2,612,385,729	
402	MAINTENANCE EXPENSES	136,829,439	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	346,057,206	
408.1	TAXES OTHER THAN INCOME TAXES	77,811,402	
409.1	INCOME TAXES	47,917,723	
410.1	PROVISION FOR DEFERRED INCOME TAXES	259,859,873	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(78,732,775)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(999,150)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT	-	
	TOTAL OPERATING REVENUE DEDUCTIONS		3,401,129,447
	NET OPERATING INCOME		316,186,785

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	1,367	
418	NONOPERATING RENTAL INCOME	287,017	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	4,044,852	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	29,667,867	
421	MISCELLANEOUS NONOPERATING INCOME	(178,581)	
421.1	GAIN ON DISPOSITION OF PROPERTY	-	
	TOTAL OTHER INCOME	33,822,522	
421.2	LOSS ON DISPOSITION OF PROPERTY	-	
425	MISCELLANEOUS AMORTIZATION	187,536	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	2,558,146	
	TOTAL OTHER INCOME DEDUCTIONS	2,745,682	
408.2	TAXES OTHER THAN INCOME TAXES	383,626	
409.2	INCOME TAXES	(1,150,483)	
410.2	PROVISION FOR DEFERRED INCOME TAXES	16,175,440	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(96,521,141)	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	(81,112,558)	
	TOTAL OTHER INCOME AND DEDUCTIONS		112,189,398
	INCOME BEFORE INTEREST CHARGES		428,376,183
	NET INTEREST CHARGES*		136,795,691
	NET INCOME		$291,580,492

**NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, ($12,284,335)*

Data from SPL as of December 11, 2013

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
NINE MONTHS ENDED SEPTEMBER 30, 2013

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	$2,896,569,733
NET INCOME (FROM PRECEDING PAGE)	291,580,492
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	(3,614,751)
OTHER RETAINED EARNINGS ADJUSTMENTS	(3,061,598)
RETAINED EARNINGS AT END OF PERIOD	$3,181,473,876

Attachment B

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The following sheets contain all the effective rates and rules affecting rates, service and information relating thereto, in effect on the date indicated herein.

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SAMPLE FORMS

Attachment C

ATTACHMENT C

STATEMENT OF PROPOSED RATE CHANGE

This Rate Design Window ("RDW") Application is requesting changes to rate designs that SDG&E is proposing take effect on January 1, 2015. This will change how certain customers will be billed for electric services. Among other things, SDG&E proposes to:

1. Reduce the residential baseline allowance, which will result in less kWh usage being billed at lower tier rates. This proposal will also result in charging less for usage billed at upper tier rates. As a result, some customers may see a bill increase and others a bill decrease; and
2. Change the Time-of-Use ("TOU") periods for its time-variant rates (customers on time-variant rates may see an increase or decrease depending on their usage pattern) and includes the implementation of mandatory TOU rates for all non-residential customers.

In addition, on January 16, 2014, the Commission issued a decision (D. 14-01-002) in SDG&E's 2012 General Rate Case ("GRC") Phase II resolving pending issues related to marginal costs, revenue allocation, and rate design. The rate and bill impact comparison below includes the impact of the 2012 GRC Phase II decision on rates.

EFFECT ON ELECTRIC RATES AND BILLS

If the CPUC approves SDG&E's residential tiered rate design baseline proposal, a customer, who lives in the inland climate zone and uses 500 kWh per month will see a monthly summer electric bill increase of 4.2%, or $3.72, compared to the rates in effect on 1/1/2014. Customers who are billed usage in the highest tier (more than 200% of the baseline allowance) may see a reduction in their bills because the rate for that tier will be reduced.

The inland climate zone is being used in this illustration because a significant percentage of SDG&E's residential customers are in the inland climate zone. Your bill tells you which climate zone you are in. For more information about your climate zone you may access SDG&E's website or call your customer service office at the number printed on your bill. This is an illustration of the proposed change and may not necessarily reflect the changes that you may see in your bill.

If the CPUC approves SDG&E's TOU proposal, the typical customer on time variant rates may or may not see a monthly electric bill increase. Thus, changes in individual TOU bills will depend on how much energy each customer uses during the different periods of the day.

The following charts show the electric rate changes SDG&E is requesting in this RDW Application to take effect on January 1, 2015.

PROPOSED ELECTRIC RATE CHANGES

Residential Baseline Proposal

The residential baseline allowance is governed by state law and currently provides residential customers a certain amount of energy at the lowest rate. In general, the amount of energy is about 50 to 60 percent of an average customer's usage based on season, climate zone, and service type. SDG&E's standard residential rates currently have a four tiered rate structure with the lowest rate (Tier 1) being for baseline usage and the other tiers corresponding to a higher percentage of baseline usage (Tier 2: 101%-130% of baseline; Tier 3: 131%-200% of baseline; and Tier 4: above 200% of baseline).

SDG&E's current and proposed daily baseline allowances for all service types and climate zones are shown below:

SDG&E RESIDENTIAL STANDARD DAILY BASELINE ALLOWANCES

	Current Baseline Allowances		Proposed Baseline Allowances	
Basic Allowance	**Summer**	**Winter**	**Summer**	**Winter**
Coastal	9.6	10.1	9.0	9.2
Inland	11.2	10.8	10.4	9.6
Mountain	14.8	13.8	13.6	12.9
Desert	16.4	11.2	15.9	10.9
All Electric				
Coastal	9.8	16.6	9.0	15.0
Inland	11.0	18.3	10.6	17.1
Mountain	17.3	28.5	16.9	27.2
Desert	19.5	22.0	19.0	21.0

Note:

1) Residential Seasons:
   - Summer: May 1 to October 31.
   - Winter: November 1 to April 30.

2) All Electric allowances are available to customers who have permanently installed space heating or who have electric water heating and receive no energy from another source.

3) Proposed All Electric allowances reflect the allowances for the first year of a 5-year phase-in of baseline allowance changes for All-Electric.

SDG&E's baseline proposal will provide rate relief to upper tier residential customers by lowering upper tier rates. The table below shows SDG&E's current tiers and rates as well as the proposed tier and rate changes if this RDW Application is approved:

Schedule DR	Current Rates (1/1/2014)	Current Rates Adjusted for GRC Phase II	Cents/kWh Change	% Change	Rates Proposed for 2015	Cents/kWh Change	% Change
Summer							
Tier 1	15.0	15.0	0.0	0.0%	15.0	0.0	0.0%
Tier 2	17.3	17.3	0.0	0.0%	17.3	0.0	0.0%
Tier 3	35.8	32.2	-3.6	-10.0%	30.7	-1.6	-4.8%
Tier 4	37.8	34.2	-3.6	-9.5%	32.7	-1.6	-4.6%

Shown in the table below are the monthly bill impacts resulting from the change in baseline allowances and resulting decreases to upper tier rates.

Estimated Average Residential Bill Impacts*							
Monthly Usage	Based on Current Rates (1/1/2014)	Based on Current Rates Adjusted for GRC Phase II	$ Change	% Change	Based on Rates Proposed for 2015	$ Change	% Change
300 kWh	$45.02	$45.02	$0.00	0.0%	$45.02	$0.00	0.0%
500 kWh	$90.50	$88.25	-$2.25	-2.5%	$91.97	$3.72	4.2%
750 kWh	$181.68	$170.47	-$11.21	-6.2%	$171.26	$0.79	0.5%
1,000 kWh	$276.29	$256.14	-$20.15	-7.3%	$253.02	-$3.12	-1.2%
1,500 kWh	$465.53	$427.48	-$38.05	-8.2%	$416.57	-$10.91	-2.6%
3,000 kWh	$1,033.23	$941.48	-$91.75	-8.9%	$907.18	-$34.30	-3.6%

* Assumes summer inland basic service on standard residential Schedule DR.

<u>TOU Proposal</u>

SDG&E's RDW Application is also proposing to change and align TOU periods for all TOU rates. A typical TOU customer will see the following changes to the applicable TOU period:

Current*		
	Weekdays	***Weekends/Holidays***
On-Peak	11am to 6pm	N/A
Semi-Peak	6am to 11am and 6pm to 10pm	N/A
Off-Peak	10pm to 6am	All

Proposed		
	Weekdays	***Weekends/Holidays***
On-Peak	2pm to 9pm	N/A
Semi-Peak	6am to 2pm and 9pm to 12am	6am to 12pm
Super Off-Peak	12am to 6am	12am to 6am

* Assumes service on non-residential Schedule AL-TOU during summer.

Attachment D

SAN DIEGO GAS & ELECTRIC COMPANY

COST OF PROPERTY AND
DEPRECIATION RESERVE APPLICABLE THERETO
AS OF SEPTEMBER 30, 2013

No.	Account	Original Cost	Reserve for Depreciation and Amortization
	ELECTRIC DEPARTMENT		
302	Franchises and Consents	222,841	202,900
303	Misc. Intangible Plant	89,857,485	16,810,056
	TOTAL INTANGIBLE PLANT	90,080,327	17,012,956
310.1	Land	14,526,518	46,518
310.2	Land Rights	0	0
311	Structures and Improvements	90,803,111	31,304,996
312	Boiler Plant Equipment	165,004,622	53,776,227
314	Turbogenerator Units	113,918,488	35,311,304
315	Accessory Electric Equipment	79,944,358	25,355,847
316	Miscellaneous Power Plant Equipment	27,904,368	6,527,026
	Steam Production Decommissioning	0	0
	TOTAL STEAM PRODUCTION	492,101,465	152,321,918
320.1	Land	0	0
320.2	Land Rights	283,677	283,677
321	Structures and Improvements	277,050,022	271,035,015
322	Boiler Plant Equipment	591,489,875	414,490,986
323	Turbogenerator Units	144,858,355	137,460,463
324	Accessory Electric Equipment	173,383,401	168,082,214
325	Miscellaneous Power Plant Equipment	316,089,902	243,619,478
101	SONGS PLANT CLOSURE GROSS PLANT-COI	(345,140,930)	(76,957,531)
	TOTAL NUCLEAR PRODUCTION	1,158,014,303	1,158,014,303
340.1	Land	143,476	0
340.2	Land Rights	2,428	2,428
341	Structures and Improvements	20,159,204	4,088,406
342	Fuel Holders, Producers & Accessories	20,348,101	4,982,561
343	Prime Movers	83,912,588	22,196,134
344	Generators	332,810,374	91,812,619
345	Accessory Electric Equipment	31,796,219	8,215,640
346	Miscellaneous Power Plant Equipment	23,873,158	9,963,296
	TOTAL OTHER PRODUCTION	513,045,550	141,261,084
	TOTAL ELECTRIC PRODUCTION	2,163,161,318	1,451,597,305

No.	Account	Original Cost	Reserve for Depreciation and Amortization
350.1	Land	40,729,073	0
350.2	Land Rights	145,994,308	14,354,253
352	Structures and Improvements	259,772,310	43,624,604
353	Station Equipment	923,509,662	170,486,196
354	Towers and Fixtures	844,217,148	112,162,530
355	Poles and Fixtures	293,384,920	62,408,631
356	Overhead Conductors and Devices	488,132,068	188,175,879
357	Underground Conduit	236,260,020	31,286,370
358	Underground Conductors and Devices	265,070,353	32,682,823
359	Roads and Trails	260,950,321	12,949,010
	TOTAL TRANSMISSION	3,758,020,182	668,130,297
360.1	Land	16,176,228	0
360.2	Land Rights	76,653,013	34,725,229
361	Structures and Improvements	3,802,166	1,605,286
362	Station Equipment	417,746,861	103,246,495
363	Storage Battery Equipment	257,066	3,213
364	Poles, Towers and Fixtures	546,933,117	241,431,955
365	Overhead Conductors and Devices	426,512,639	167,500,220
366	Underground Conduit	1,008,982,263	392,000,377
367	Underground Conductors and Devices	1,322,728,925	778,148,983
368.1	Line Transformers	514,711,323	89,605,586
368.2	Protective Devices and Capacitors	20,020,763	(7,091,579)
369.1	Services Overhead	125,347,810	121,059,269
369.2	Services Underground	315,066,183	220,013,987
370.1	Meters	189,806,669	38,375,057
370.2	Meter Installations	54,595,027	9,116,471
371	Installations on Customers' Premises	6,655,581	11,118,190
373.1	St. Lighting & Signal Sys.-Transformers	0	0
373.2	Street Lighting & Signal Systems	25,784,468	18,905,178
	TOTAL DISTRIBUTION PLANT	5,071,780,103	2,219,763,919
389.1	Land	7,312,143	0
389.2	Land Rights	0	0
390	Structures and Improvements	32,031,451	20,580,025
392.1	Transportation Equipment - Autos	0	49,884
392.2	Transportation Equipment - Trailers	58,146	5,147
393	Stores Equipment	17,466	16,657
394.1	Portable Tools	21,325,939	6,481,598
394.2	Shop Equipment	341,136	206,973
395	Laboratory Equipment	277,000	40,041
396	Power Operated Equipment	92,162	149,134
397	Communication Equipment	188,930,118	73,326,297
398	Miscellaneous Equipment	1,360,761	292,538
	TOTAL GENERAL PLANT	251,746,320	101,148,296
101	TOTAL ELECTRIC PLANT	11,334,788,250	4,457,652,773

No.	Account	Original Cost	Reserve for Depreciation and Amortization
GAS PLANT			
302	Franchises and Consents	86,104	86,104
303	Miscellaneous Intangible Plant	0	0
	TOTAL INTANGIBLE PLANT	86,104	86,104
360.1	Land	0	0
361	Structures and Improvements	43,992	43,992
362.1	Gas Holders	0	0
362.2	Liquefied Natural Gas Holders	0	0
363	Purification Equipment	0	0
363.1	Liquefaction Equipment	0	0
363.2	Vaporizing Equipment	0	0
363.3	Compressor Equipment	0	0
363.4	Measuring and Regulating Equipment	0	0
363.5	Other Equipment	0	0
363.6	LNG Distribution Storage Equipment	2,052,614	790,289
	TOTAL STORAGE PLANT	2,096,606	834,281
365.1	Land	4,649,144	0
365.2	Land Rights	2,218,048	1,257,160
366	Structures and Improvements	11,541,403	9,576,330
367	Mains	158,008,838	60,574,683
368	Compressor Station Equipment	81,611,413	62,078,685
369	Measuring and Regulating Equipment	19,728,055	15,034,043
371	Other Equipment	0	0
	TOTAL TRANSMISSION PLANT	277,756,900	148,520,901
374.1	Land	102,187	0
374.2	Land Rights	8,145,662	6,236,040
375	Structures and Improvements	43,447	61,253
376	Mains	578,463,966	329,260,383
378	Measuring & Regulating Station Equipment	16,866,821	6,828,795
380	Distribution Services	245,837,183	284,203,544
381	Meters and Regulators	144,094,456	41,139,565
382	Meter and Regulator Installations	87,439,808	27,728,481
385	Ind. Measuring & Regulating Station Equipment	1,516,811	1,064,848
386	Other Property On Customers' Premises	0	0
387	Other Equipment	5,223,272	4,698,410
	TOTAL DISTRIBUTION PLANT	1,087,733,612	701,221,318

No.	Account	Original Cost	Reserve for Depreciation and Amortization
392.1	Transportation Equipment - Autos	0	25,503
392.2	Transportation Equipment - Trailers	74,501	74,501
394.1	Portable Tools	7,640,567	3,246,314
394.2	Shop Equipment	76,864	35,264
395	Laboratory Equipment	283,094	254,318
396	Power Operated Equipment	162,284	125,086
397	Communication Equipment	1,803,593	694,068
398	Miscellaneous Equipment	198,325	69,903
	TOTAL GENERAL PLANT	10,239,228	4,524,957
101	TOTAL GAS PLANT	1,377,912,451	855,187,561

COMMON PLANT

No.	Account	Original Cost	Reserve for Depreciation and Amortization
303	Miscellaneous Intangible Plant	216,287,790	130,584,683
350.1	Land	0	0
360.1	Land	0	0
389.1	Land	7,168,915	0
389.2	Land Rights	1,080,961	27,275
390	Structures and Improvements	278,609,603	113,604,477
391.1	Office Furniture and Equipment - Other	25,213,401	10,561,948
391.2	Office Furniture and Equipment - Computer Equip	75,967,986	45,788,192
392.1	Transportation Equipment - Autos	33,942	(338,930)
392.2	Transportation Equipment - Trailers	33,369	13,856
393	Stores Equipment	144,926	108,085
394.1	Portable Tools	1,232,027	189,068
394.2	Shop Equipment	234,076	136,761
394.3	Garage Equipment	1,056,076	(23,925)
395	Laboratory Equipment	2,182,676	906,724
396	Power Operated Equipment	0	(192,979)
397	Communication Equipment	120,123,622	50,920,652
398	Miscellaneous Equipment	2,474,623	1,147,490
118.1	TOTAL COMMON PLANT	731,843,995	353,433,377
	TOTAL ELECTRIC PLANT	11,334,788,250	4,457,652,773
	TOTAL GAS PLANT	1,377,912,451	855,187,561
	TOTAL COMMON PLANT	731,843,995	353,433,377
101 & 118.1	TOTAL	13,444,544,696	5,666,273,711
101	PLANT IN SERV-SONGS FULLY RECOVERED	(1,163,958,055)	(1,163,958,055)
101	PLANT IN SERV-ELECTRIC NON-RECON Electric	0	0

No.	Account	Original Cost	Reserve for Depreciation and Amortization
101	PLANT IN SERV-ASSETS HELD FOR SALE		
	Electric	(2,075,007)	(322,902)
	Common	0	0
		(2,075,007)	(322,902)
101	PLANT IN SERV-LEGACY METER RECLASS		
	Electic	0	0
101	PLANT IN SERV-SUNRISE FIRE MITIGATION		
	Electic	0	0
118	PLANT IN SERV-COMMON NON-RECON		
	Common - Transferred Asset Adjustment	(2,095,185)	(2,095,185)
101	Accrual for Retirements		
	Electric	(6,952,242)	(6,952,242)
	Gas	(110,414)	(110,414)
	TOTAL PLANT IN SERV-ACCRUAL FOR RETIR	(7,062,656)	(7,062,656)
102	Electric	0	0
	Gas	0	0
	TOTAL PLANT PURCHASED OR SOLD	0	0
104	Electric	85,194,000	4,104,319
	Gas	0	0
	TOTAL PLANT LEASED TO OTHERS	85,194,000	4,104,319
105	Plant Held for Future Use		
	Electric	13,092,995	0
	Gas	0	0
	TOTAL PLANT HELD FOR FUTURE USE	13,092,995	0
107	Construction Work in Progress		
	Electric	687,141,860	
	Gas	59,255,470	
	Common	46,336,822	
	TOTAL CONSTRUCTION WORK IN PROGRESS	792,734,153	0
108	Accum. Depr SONGS Mitigation/Spent Fuel Disallowance		
	Electric	0	0

No.	Account	Original Cost	Reserve for Depreciation and Amortization
108.5	Accumulated Nuclear Decommissioning Electric	0	882,288,462
	TOTAL ACCUMULATED NUCLEAR DECOMMISSIONING	0	882,288,462
101.1	ELECTRIC CAPITAL LEASES	778,390,265	104,661,683
118.1	COMMON CAPITAL LEASE	22,502,384	18,108,184
		800,892,649	122,769,867
120	NUCLEAR FUEL FABRICATION	62,963,775	40,861,208
120	SONGS PLANT CLOSURE-NUCLEAR FUEL-CC	(62,963,775)	(40,861,208)
143	FAS 143 ASSETS - Legal Obligation	323,413,782	(761,278,367)
	SONGS Plant Closure - FAS 143 contra	(266,617,323)	(61,166,058)
	FIN 47 ASSETS - Non-Legal Obligation	62,973,132	26,035,790
143	FAS 143 ASSETS - Legal Obligation	0	(1,254,384,970)
	TOTAL FAS 143	119,769,591	(2,050,793,606)
	UTILITY PLANT TOTAL	14,081,037,180	3,451,203,954

Attachment E

SAN DIEGO GAS & ELECTRIC COMPANY
SUMMARY OF EARNINGS
NINE MONTHS ENDED SEPTEMBER 30, 2013
(DOLLARS IN MILLIONS)

Line No.	Item	Amount
1	Operating Revenue	$3,717
2	Operating Expenses	3,401
3	Net Operating Income	$316
4	Weighted Average Rate Base	$6,774
5	Rate of Return*	7.79%

*Authorized Cost of Capital

Attachment F

State of California
Attorney General's Office
P.O. Box 944255
Sacramento, CA 94244-2550

State of California
Attn. Director Dept of General Services
PO Box 989052
West Sacramento, CA 95798-9052

United States Government
General Services Administration
300 N. Los Angeles
Los Angeles, CA 90012

Naval Facilities Engineering Command
Navy Rate Intervention
1314 Harwood Street SE
Washing Navy Yard, DC 20374

Alpine County
Attn. County Clerk
99 Water Street, P.O. Box 158
Markleeville, CA 96120

Borrego Springs Chamber of Commerce Attn. City Clerk
786 Palm Canyon Dr
PO Box 420
Borrego Springs CA 92004-0420

City of Carlsbad
Attn. City Attorney
1200 Carlsbad Village Drive
Carlsbad, CA 92008-19589

City of Carlsbad
Attn. Office of the County Clerk
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Carlsbad, CA 92008-19589

City of Chula Vista
Attn: Office of the City Clerk
276 Fourth Avenue
Chula Vista, California 91910-2631

City of Chula Vista
Attn. City Attorney
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Chula Vista, Ca 91910-2631

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Coronado, CA 92118

City of Coronado
Attn. City Attorney
1825 Strand Way
Coronado, CA 92118

City of Dana Point
Attn. City Attorney
33282 Golden Lantern
Dana Point, CA 92629

City of Dana Point
Attn. City Clerk
33282 Golden Lantern
Dana Point, CA 92629

City of Del Mar
Attn. City Attorney
1050 Camino Del Mar
Del Mar, CA 92014

City of Del Mar
Attn. City Clerk
1050 Camino Del Mar
Del Mar, CA 92014

City of El Cajon
Attn. City Clerk
200 Civic Way
El Cajon, CA 92020

City of El Cajon
Attn. City Attorney
200 Civic Way
El Cajon, CA 92020

City of Encinitas
Attn. City Attorney
505 S. Vulcan Ave.
Encinitas, CA 92024

City of Encinitas
Attn. City Clerk
505 S. Vulcan Ave.
Encinitas, CA 92024

City of Escondido
Attn. City Clerk
201 N. Broadway
Escondido, CA 92025

City of Escondido
Attn. City Attorney
201 N. Broadway
Escondido, CA 92025

City of Fallbrook
Chamber of Commerce
Attn. City Clerk
111 S. Main Avenue
Fallbrook, CA 92028

City of Fallbrook
Chamber of Commerce
Attn. City Attorney
111 S. Main Avenue
Fallbrook, CA 92028

City of Imperial Beach
Attn. City Clerk
825 Imperial Beach Blvd
Imperial Beach, CA 92032

City of Imperial Beach
Attn. City Attorney
825 Imperial Beach Blvd
Imperial Beach, CA 92032

Julian Chamber of Commerce
P.O. Box 1866
2129 Main Street
Julian, CA

City of Laguna Beach
Attn. City Clerk
505 Forest Ave
Laguna Beach, CA 92651

City of Laguna Beach
Attn. City Attorney
505 Forest Ave
Laguna Beach, CA 92651

City of Laguna Niguel
Attn. City Attorney
30111 Crown Valley Parkway
Laguna Niguel, California 92677

City of Laguna Niguel
Attn. City Clerk
30111 Crown Valley Parkway
Laguna Niguel, California 92677

City of Lakeside
Attn. City Clerk
9924 Vine Street
Lakeside CA 92040

City of La Mesa
Attn. City Attorney
8130 Allison Avenue
La Mesa, CA 91941

City of La Mesa
Attn. City Clerk
8130 Allison Avenue
La Mesa, CA 91941

City of Lemon Grove
Attn. City Clerk
3232 Main St.
Lemon Grove, CA 92045

City of Lemon Grove
Attn. City Attorney
3232 Main St.
Lemon Grove, CA 92045

City of Mission Viejo
Attn: City Clerk
200 Civic Center
Mission Viejo, CA 92691

City of Mission Viejo
Attn: City Attorney
200 Civic Center
Mission Viejo, CA 92691

City of National City
Attn. City Clerk
1243 National City Blvd
National City, CA 92050

City of National City
Attn. City Attorney
1243 National City Blvd
National City, CA 92050

City of Oceanside
Attn. City Clerk
300 N. Coast Highway
Oceanside, CA 92054-2885

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Aliso Viejo, CA 92656

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U 902 E) for Authority to Update Electric Rate Design Effective on January 1, 2015	Application 14-01-____ (Filed January 31, 2014)

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true and correct copy of the foregoing **RATE DESIGN WINDOW APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)** to each party named in the official service list for proceeding A.11-10-002 (SDG&E's most recent General Rate Case Phase 2 Rate Design proceeding) by electronic mail. Those parties without an email address were served by placing copies in properly addressed and sealed envelopes and depositing such envelopes in the United States Mail with first-class postage prepaid. Copies were also sent via Federal Express to Administrative Law Judges Amy C. Yip-Kikugawa and Stephen C. Roscow who are assigned to the A.11-10-002 proceeding, and to Chief Administrative Law Judge Karen Clopton.

Executed this 31st day of January 2014, at San Diego, California.

/s/ Lisa Fucci-Ortiz
Lisa Fucci-Ortiz