

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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.

Rulemaking 12-06-013
(Filed June 21, 2012)

**RESPONSE OF SAN DIEGO GAS & ELECTRIC (U902E) TO RULING REQUIRING
UTILITIES TO FILE SUPPLEMENTAL INFORMATION AND NOTICE OF
AVAILABILITY OF SUPPORTING EXHIBITS**

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April 1, 2015

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RESPONSE OF SAN DIEGO GAS & ELECTRIC (U902E) TO RULING REQUIRING UTILITIES TO FILE SUPPLEMENTAL INFORMATION AND NOTICE OF AVAILABILITY OF SUPPORTING EXHIBITS

San Diego Gas & Electric Company (SDG&E) hereby provides its initial response to the Administrative Law Judge Ruling Requiring Utilities to File Supplemental Information issued March 30, 2015. SDG&E also hereby provides notice of the availability of attachments referenced in and supporting this Response.

I. NOTICE OF AVAILABILITY OF SUPPORTING EXHIBITS

SDG&E is serving this Notice of Availability because the attachments exceed file size restrictions and are more than 50 pages in length. SDG&E is serving this Notice of Availability on all parties of record in R.12-06-013. SDG&E is also providing this information to the ALJs electronically on CD.

Pursuant to Rule 1.9(d) of the Commission's Rules of Practice and Procedure SDG&E's supplemental information has been made available on April 1, 2015, by 5:00 p.m. on SDG&E's website at:

<http://www.sdge.com/regulatory-filing/8296/residential-rate-reform>

II. RESPONSE TO RULING REQUIRING UTILITIES TO FILE SUPPLEMENTAL INFORMATION

A. 2015 PROJECTED RATES

To the extent possible, use the modified version of the Revenue Requirement Increase Template developed for Phase 2 which is attached to this Ruling.

- A. List projected revenue requirement increases through December 2015.

SDG&E Response:

SDG&E Projected incremental revenue requirements through December 2015:

| | Change (\$M) |
|--------------------------------------|--------------|
| 2015 GHG Revenues and Reconciliation | 28.0 |
| | |
| ERRA Trigger | 90.0 |

- Implementation of SDG&E's 2015 Greenhouse Gas Revenue and Reconciliation Application (2015 GHG) (A.14-04-018). The rates presented reflect the anticipated impacts of SDG&E's revised updated application as filed which assumed an implementation date of April 1, 2015 without amortization resulting in an incremental increase in revenue requirement of \$28 million. On March 26, 2015, CPUC approved SDG&E's 2015 GHG that includes a reduced amortization period from implementation to year-end. As a result, SDG&E anticipates a May 1 implementation, which would mean an 8 month amortization period. Therefore the actual rates reflecting SDG&E's implementation of its 2015 GHG will differ from the rates reflected in these scenarios.
- Potential ERRA Trigger filing. Currently SDG&E's ERRA Balancing Account is excess of the trigger threshold amount of \$82 million. Preliminary estimates of the year-end balance are \$90 million. This assumes that SDG&E does not receive funds from the Nuclear Decommissioning Trust Fund that would be used to offset the existing balances in this account as permitted under the SONGS Settlement Agreement approved by the Commission in D.14-11-040. In the event that SDG&E receives the funds from the Nuclear Decommissioning Trust Fund, based on preliminary estimates SDG&E anticipates the balance in the ERRA Balancing Account would then be reduced to below the trigger threshold at which time there would be no need to request recovery of the outstanding balance.

- B. Provide projected residential rates for 2015 broken out by California Alternate Rates for Energy (CARE), Non-CARE, and Climate Zone for each of the Tiered Rate Scenarios below (Scenarios 1A – 1H, 2A – 2D, 3A – 3H).

SDG&E Response:

Attachment A includes the Non-CARE (Schedule DR) and CARE (Schedule DR-LI) rates for:

- January 1, 2014
- August 1, 2014
- January 1, 2015
- February 1, 2015 (the currently effective rates)
- Projected rates reflecting the assumptions described above in 1A:
 - 2015 GHG

- 2015 GHG + ERRRA Trigger.

B. ADDITIONAL RATE IMPACT TABLES

For each Scenario below, use the following definitions and assumptions:

- Include projected revenue requirement increases through 2015.
- For fixed charge scenarios, use the glide path from your rate design proposal.
- Where no glide path was proposed, use a reasonable glide path and include a description.
- Exclude climate credit.
- Where applicable, use the bill impact table format developed for Phase 2. Please indicate any modifications to the Phase 2 format not specifically addressed in this ruling. A modified version of the spreadsheets developed in Phase 2 (and required for Phase 1) is attached.
- For energy burden tables, PG&E and SDG&E must provide energy burden ratio for (i) all-electric customers, and (ii) basic residential customers, broken out by climate zone. SCE must provide ratios for (i) all-electric customers broken out by climate zone and (ii) electricity burden ratio for basic residential customers, broken out by climate zone. This can be included as an additional column in the Main Bill Impact Table or as a separate table.
- In addition to the required output tables described below, a utility may submit aggregated tables if the utility believes it would be useful.

For each Scenario below, show following results by Climate Zone Group. The Climate Zone Groups are as follows:

| PG&E | SCE | SDG&E |
|-----------------------------|--------------------------|----------|
| Cool: Zones Q, V, T | Cool: Zones 6, 8, 16 | Coastal |
| Intermediate: Zones Y, X | Warm: Zones 5 and 9 | Inland |
| Inland: Zones W, R, P and S | Inland: Zones 10, 13, 14 | Mountain |
| | Very Hot: Zone 15 | Desert |

- Main Bill Impact Table by Year:** Use Bill Impact Presentation Templates to show year over year rate changes. Include tables for CARE and Non-CARE customers. Include separate tables for the each Climate Zone Group.
- Main Bill Impact Table Cumulative:** Use Bill Impact Presentation Templates to show the cumulative rate change between 2014 and 2018. Include tables for CARE and Non-CARE customers. Include separate tables for each Climate Zone Group.
- NEM Bill Impacts for Tiered Rates by Year and Cumulative:** Provide bill impact data for each of the Tiered Rate Scenarios for net energy metering (NEM) customers currently on tiered rates. Provide the same information for the cumulative change between 2014 and 2018.
- Energy Burden by Year and Cumulative:** By 50 kwh usage bin, provide absolute and relative rate changes year over year, separated by CARE and Non-CARE customers. Separated by Climate Zone Group. Provide the same information for the cumulative change between 2014 and 2018.

For each Scenario below, show following results only for Hot and Mild Climate Zones. The Hot and Mild Climate Zones are:

| PG&E | SCE | SDG&E |
|--|--|--|
| Mild: Zone T Hot: Zones W and R combined. | Mild: Zones 6 and 8 combined Hot: Zone 13 | Mild: Coastal Hot: Inland Hot: Mountain Hot: Desert |

- E. **Hot/Mild Climate Zone Bill Impacts by Year and Cumulative:** Using 50 kwh usage bins, broken out by summer and winter season, provide absolute and relative rate changes year over year for CARE and Non-CARE customers. Provide summary comparing Hot and Mild Climate Zones. Provide the same information for the cumulative change between 2014 and 2018.

SDG&E Assumptions:

The rate scenarios presented in response to Section II are based on the following assumptions and as a result final results may vary.

- The rates presented are revenue neutral based on projected year-end 2015 rates identified above. More specifically, the rates developed for the scenarios assume the revenue collections associated with the projected year-end 2015 rates applied to 2015 test-year sales determinants. The 2015 test year sales determinants are consistent with the 2015 test-year sales in SDG&E's 2015 Rate Design Window Application (A.14-01-027) pending before the CPUC.
- The rates in these scenarios reflect SDG&E's proposal in this proceeding to reduce residential baseline allowances to legislated minimum levels over a 5 year period, more specifically, Basic service would move to legislated minimum in year 1 and All-Electric would move to legislated minimum in 5-steps over a 5-year period^{1,2,3}. SDG&E's baseline proposal is presented in Attachment B.
- The rates in these scenarios reflect SDG&E's proposal in this proceeding for seasonally differentiated rates⁴.
- CARE rates reflect SDG&E's proposed transition path of 2015 - 38%, 2016 – 36%, 2017 34%, 2018 34%. In addition, the CARE rates reflect SDG&E's proposal to remove the subsidies from the rates (with the exclusion of legislated exemptions) to a single line item discount.

More detailed discussion of assumptions used for each of the scenarios is included below.

For each of the scenarios discussed below, the associated rates are included in Attachment C and the illustrative bill impacts are included in Attachment D. The illustrative bill impacts simply present the bill impacts of the various scenarios on different levels of usage for SDG&E's four climate zones (Coastal, Inland, Mountain, and Desert) for both basic and all-electric service. The rates and bill impacts presented in Attachments C and D reflect the following year-to-year comparisons:

- Projected Year-End 2015 to 2015 reflecting the scenario description
- 2015 to 2016 reflecting the scenario description
- 2016 to 2017 reflecting the scenario description
- 2017 to 2018 reflecting the scenario description
-

On April 8, 2015 SDG&E will provide complete bill impacts as prescribed in A-E above for all scenarios and the associated energy burden based on SDG&E's residential population.

¹ Third Amended Scoping Memo and Ruling of Assigned Commissioner, April 15, 2014, pp. 5 and 11.

² SDG&E's proposal to move current baseline amounts to the legislated minimum baseline amounts included a 5-year transition for All-Electric service.

³ California Public Utilities Code ("P.U. Code") § 739.

⁴ SDG&E's upper tier rates are seasonally differentiated. In Prepared Direct Testimony of Cynthia Fang, Chapter 2, in Phase 1 of RROIR, pp. CF-1, SDG&E proposes to reflect seasonal differentiation in commodity rates in both the lower and upper tier rates

1. Tiered Rates With Fixed Charge Scenarios

| Scenario | Time Period | Monthly Fixed Cost Charge | Tiers | Tier Differential | Tier Differential Calculation |
|----------|----------------|--|-------|-----------------------|--|
| 1a | 2015 + Roadmap | Fixed Charge (on glide path to \$10 + CPI for Non-CARE and \$5 + CPI for CARE) | 2 | Glide Path to 1:1.2 | Calculated WITH Composite tier differential |
| 1b | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:1.2 | Calculated WITHOUT Composite tier differential |
| 1c | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:1.6 | Calculated WITH Composite tier differential |
| 1d | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:1.6 | Calculated WITHOUT Composite tier differential |
| 1e | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:2 | Calculated WITH Composite tier differential |
| 1f | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:2 | Calculated WITHOUT Composite tier differential |
| 1g | 2015 + Roadmap | Same as above. | 3 | Glide Path to 1:1.4:2 | Calculated WITH composite tier differential |
| 1h | 2015 + Roadmap | Same as above. | 3 | Glide Path to 1:1.4:2 | Calculated WITHOUT Composite tier differential |

SDG&E Assumptions:

- Fixed Charge Transition Path:
 - 2015: \$5 Non-CARE/ \$2.50 CARE
 - 2016: \$7.50 Non-CARE/ \$3.75 CARE
 - 2017: \$10 Non-CARE/\$5 CARE
 - 2018: \$10+CPI Non-CARE/\$5+CPI CARE
- Treatment of Composite tier differential:
 - “Calculated WITHOUT Composite tier differential” (Scenarios b/d/f/h): tier differentials are based on total tiered energy rates
 - “Calculated WITH Composite tier differential” (Scenarios a/c/e/g): tier differentials are based on total tiered energy rates after an adjustment to Tier 1 rates that reflect the incremental rate impact associated with residential monthly service fees revenues.
- Glide path for tiered rates:
 - 2 Tiers with 1:1.2 differential (Scenario a/b): Consistent with SDG&E’s proposal which results in:
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates
 - 2016: Tier differential of 1:1.4 or 40%

- 2017: Tier differential of 1:1.3 or 30%
 - 2018: Tier differential of 1:1.2 or 20%
- 2 Tiers with 1:1.6 differential (Scenario c/d):
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates and set tier differential of 1:1.6 or 60%
 - 2016 Tier differential of 1:1.6 or 60%
 - 2017 Tier differential of 1:1.6 or 60%
 - 2018 Tier differential of 1:1.6 or 60%
- 2 Tiers with 1:2 differential (Scenario e/f)
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates and set tier differential of 1:2 or 100%
 - 2016 Tier differential of 1:2 or 100%
 - 2017 Tier differential of 1:2 or 100%
 - 2018 Tier differential of 1:2 or 100%
- 3 Tiers with 1:1.4:2 differentials (Scenario g/h)
 - 3 tiers assumes consolidation of T2 and T3 such that
 - T1 = up to 100% baseline
 - New T2 = up to 200% baseline
 - New T3 = 200% baseline and above
 - 2015: consolidate T2 and T3 to result in 3-tiered rates and set tier differential of 1:1.4:2
 - 2016 Tier differential of 1:1.4:2
 - 2017 Tier differential of 1:1.4:2
 - 2018 Tier differential of 1:1.4:2

2. Tiered Rates Without Fixed Charge Scenarios

| Scenario | Time Period | Monthly Fixed Cost Charge | Tiers | Tier Differential | Tier Differential Calculation |
|----------|----------------|---------------------------|-------|-----------------------|-------------------------------|
| 2a | 2015 + Roadmap | None | 2 | Glide Path to 1:1.2 | N/A |
| 2b | 2015 + Roadmap | None | 2 | Glide Path to 1:1.6 | N/A |
| 2c | 2015 + Roadmap | None | 2 | Glide Path to 1:2 | N/A |
| 2d | 2015 + Roadmap | None | 3 | Glide Path to 1:1.4:2 | N/A |

SDG&E Assumptions:

- Does not include Monthly Fixed Cost Charge (i.e., Monthly Service Fee or Minimum Bill)
- Glide path for tiered rates:
 - 2 Tiers with 1:1.2 differential (Scenario a): Consistent with SDG&E’s proposal which results in:
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates
 - 2016: Tier differential of 1:1.4 or 40%
 - 2017: Tier differential of 1:1.3 or 30%
 - 2018: Tier differential of 1:1.2 or 20%
 - 2 Tiers with 1:1.6 differential (Scenario b):

- 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates. The resulting differential is 1:1.66 or 66%
- 2016 Tier differential of 1:1.6 or 60%
- 2017 Tier differential of 1:1.6 or 60%
- 2018 Tier differential of 1:1.6 or 60%
- 2 Tiers with 1:2 differential (Scenario c)
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates and set tier differential of 1:2 or 100%
 - 2016 Tier differential of 1:2 or 100%
 - 2017 Tier differential of 1:2 or 100%
 - 2018 Tier differential of 1:2 or 100%
- 3 Tiers with 1:1.4:2 differentials (Scenario d)
 - 3 tiers assumes consolidation of T2 and T3 such that
 - T1 = up to 100% baseline
 - New T2 = up to 200% baseline
 - New T3 = 200% baseline and above
 - 2015: consolidate T2 and T3 to result in 3-tiered rates and set tier differential of 1:1.4:2
 - 2016 Tier differential of 1:1.4:2
 - 2017 Tier differential of 1:1.4:2
 - 2018 Tier differential of 1:1.4:2

3. Tiered Rates with Minimum Bill Scenarios

| Scenario | Time Period | Monthly Fixed Cost Charge | Tiers | Tier Differential | Revenue Applied to |
|----------|----------------|---|-------|-----------------------|--------------------|
| 3a | 2015 + Roadmap | Minimum Bill (CARE: Glide Path from current to \$5 +CPI; Non-CARE: Glide Path from current to \$10 + CPI) | 2 | Glide Path to 1:1.2 | Tier 1 |
| 3b | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:1.6 | Tier 1 |
| 3c | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:2 | Tier 1 |
| 3d | 2015 + Roadmap | Same as above. | 3 | Glide Path to 1:1.4:2 | Tier 1 |
| 3e | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:1.2 | All tiers |
| 3f | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:1.6 | All tiers |
| 3g | 2015 + Roadmap | Same as above. | 2 | Glide Path to 1:2 | All tiers |
| 3h | 2015 + Roadmap | Same as above. | 3 | Glide Path to 1:1.4:2 | All tiers |

SDG&E Assumptions:

- Minimum Bill Transition Path:
 - 2015: ~\$5 Non-CARE/ ~\$2.50 CARE based on \$/day assuming 365 days/12 months⁵.
Note: SDG&E's current model calculates minimum bill based on current minimum bill structure of \$/day.
 - 2016: \$7.50 Non-CARE/ \$3.75 CARE based on \$/day assuming 365 days/12 months
 - 2017: \$10 Non-CARE/\$5 CARE based on \$/day assuming 365 days/12 months
 - 2018: \$10+CPI Non-CARE/\$5+CPI CARE based on \$/day assuming 365 days/12 months
- Treatment of Minimum Bill Revenue Applied to Tier 1 :
 - "Minimum Bill Revenue Applied to all Tiers" (Scenarios e/f/g/h): tier differentials are based on total tiered energy rates
 - "Minimum Bill Revenue Applied to Tier 1" (Scenarios a/b/c/d): tier differentials are based on total tiered energy rates after an adjustment to Tier 1 rates that reflect the incremental rate impact associated with residential minimum bill revenues.
- Glide path for tiered rates:
 - 2 Tiers with 1:1.2 differential (Scenario a/e): Consistent with SDG&E's proposal which results in:
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates
 - 2016: Tier differential of 1:1.4 or 40%
 - 2017: Tier differential of 1:1.3 or 30%
 - 2018: Tier differential of 1:1.2 or 20%
 - 2 Tiers with 1:1.6 differential (Scenario b/f):
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates. The resulting differential is 1:1.66 or 66%
 - 2016 Tier differential of 1:1.6 or 60%
 - 2017 Tier differential of 1:1.6 or 60%
 - 2018 Tier differential of 1:1.6 or 60%
 - 2 Tiers with 1:2 differential (Scenario c/g)
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates and set tier differential of 1:2 or 100%
 - 2016 Tier differential of 1:2 or 100%
 - 2017 Tier differential of 1:2 or 100%
 - 2018 Tier differential of 1:2 or 100%
 - 3 Tiers with 1:1.4:2 differentials (Scenario d/h)
 - 3 tiers assumes consolidation of T2 and T3 such that
 - T1 = up to 100% baseline
 - New T2 = up to 200% baseline
 - New T3 = 200% baseline and above
 - 2015: consolidate T2 and T3 to result in 3-tiered rates and set tier differential of 1:1.4:2
 - 2016 Tier differential of 1:1.4:2
 - 2017 Tier differential of 1:1.4:2
 - 2018 Tier differential of 1:1.4:2

⁵ Determinants in the Consolidated Rates Model for minimum bill are static and do not change to reflect changes in the level of minimum bill.

4. Time of Use (TOU) With 2 TOU Periods with Baseline Credit with Fixed Charge Rate Scenarios

| Scenario | Time Period | Monthly Fixed Cost Charge | Peak/Off Peak Ratio | Peak Period (hours) | Baseline Credit |
|----------|----------------|--|---------------------|---------------------|-----------------|
| 4a | 2015 + Roadmap | Fixed Charge (on glide path to \$10 + CPI for Non-CARE and \$5 + CPI for CARE) | 1.2:1 | 6 (2 -8 pm) | Yes |
| 4b | 2015 + Roadmap | Same as above. | 1.6:1 | same | Yes |
| 4c | 2015 + Roadmap | Same as above. | 2:1 | Same | Yes |
| 4d | 2015 + Roadmap | Same as above. | 1.2:1 | 3 (4 -7 pm) | Yes |
| 4e | 2015 + Roadmap | Same as above. | 1.6:1 | Same | Yes |
| 4f | 2015 + Roadmap | Same as above. | 2:1 | same | Yes |

SDG&E Assumptions:

- Fixed Charge Transition Path:
 - 2015: \$5 Non-CARE/ \$2.50 CARE
 - 2016: \$7.50 Non-CARE/ \$3.75 CARE
 - 2017: \$10 Non-CARE/\$5 CARE
 - 2018: \$10+CPI Non-CARE/\$5+CPI CARE
- TOU period definition: SDG&E does not have billing determinants available for the TOU periods as defined in the tables above. SDG&E has billing determinants for rate design for its current TOU period and proposed TOU period pending in its 2015 RDW presented below.

| Current: Summer (May - October) | | |
|--|-----------------------------|--------------------------|
| | <i>Weekdays</i> | <i>Weekends/Holidays</i> |
| On-Peak | 11am To 6pm | N/A |
| Semi-Peak | 6am To 11am And 6pm To 10pm | N/A |
| Off-Peak | 10pm To 6am | All |

| Current: Winter (November- April) | | |
|--|----------------------------|--------------------------|
| | <i>Weekdays</i> | <i>Weekends/Holidays</i> |
| On-Peak | 5pm To 8pm | N/A |
| Semi-Peak | 6am To 5pm And 8pm to 10pm | N/A |
| Off-Peak | 10pm To 6am | All |

| Proposed: Summer (May - October) | | |
|---|---------------------------|--------------------------|
| | <i>Weekdays</i> | <i>Weekends/Holidays</i> |
| 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 |

| Proposed: Winter (November - April) | | |
|--|---------------------------|--------------------------|
| | <i>Weekdays</i> | <i>Weekends/Holidays</i> |
| On-Peak | 5pm To 9pm | N/A |
| Semi-Peak | 6am To 5pm And 9pm to 12m | 6am to 12m |
| Super Off-Peak | 12m To 6am | 12m to 6am |

As noted in the tables above, SDG&E’s TOU periods are 3-period TOU periods. SDG&E combines the 3 TOU periods in the following manner:

- On-peak period – unchanged
- Off-peak period = semi-peak + off-peak period.
- Glide path for TOU rates:
 - TOU differential are set in 2015 and continue through 2018
 - The same Peak/ Off Peak ratios are set for both Summer and Winter
 - TOU differential is set based on the commodity rate only. Presentation of Total Rates will reflect a different TOU Differential.
- Baseline credit reflects SDG&E proposed glide path as identified in Scenario 1b above.
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates which resulted in a tier differential of 1:1.54 or 54%.
 - 2016: Tier differential of 1:1.4 or 40%
 - 2017: Tier differential of 1:1.3 or 30%
 - 2018: Tier differential of 1:1.2 or 20%

5. TOU With 2 TOU Periods without Baseline Credit with Fixed Charge Rate Scenarios

| Scenario | Time Period | Fixed Cost Charge | Peak/Off Peak Ratio | Peak Period (hours) | Baseline Tier |
|----------|----------------|--|---------------------|---------------------|---------------|
| 5a | 2015 + Roadmap | Fixed Charge (on glide path to \$10 + CPI for Non-CARE and \$5 + CPI for CARE) | 1.2:1 | 6 (2 -8 pm) | No |
| 5b | 2015 + Roadmap | Same as above. | 1.6:1 | same | No |
| 5c | 2015 + Roadmap | Same as above. | 2:1 | same | No |
| 5d | 2015 + Roadmap | Same as above. | 1.2:1 | 3 (4 -7 pm) | No |
| 5e | 2015 + Roadmap | Same as above. | 1.6:1 | same | No |
| 5f | 2015 + Roadmap | Same as above. | 2:1 | same | No |

SDG&E Assumptions:

- Fixed Charge Transition Path:
 - 2015: \$5 Non-CARE/ \$2.50 CARE
 - 2016: \$7.50 Non-CARE/ \$3.75 CARE
 - 2017: \$10 Non-CARE/\$5 CARE
 - 2018: \$10+CPI Non-CARE/\$5+CPI CARE
- TOU period definition: SDG&E does not have billing determinants available for the TOU periods as defined in the tables above. SDG&E has billing determinants for rate design for the TOU periods identified above in Q4. As noted in the tables above, SDG&E's TOU periods are 3-period TOU periods. SDG&E combines the 3 TOU periods in the following manner:
 - On-peak period – unchanged
 - Off-peak period = semi-peak + off-peak period.
- Glide path for TOU rates:
 - TOU differential are set in 2015 and continue through 2018
 - Set the same Peak/ Off Peak ratios are set for both Summer and Winter
 - TOU differential is set on the based on the commodity rate only. Presentation of Total Rates will reflect a different TOU Differential.

6. TOU With 2 TOU Periods with Baseline Credit without Fixed Charge Rate Scenarios

| Scenario | Time Period | MSF | Peak/Off Peak Ratio | Peak Period (hours) | Baseline Credit |
|----------|----------------|------|---------------------|---------------------|-----------------|
| 6a | 2015 + Roadmap | None | 1.2:1 | 6 (2 -8 pm) | Yes (2 tiers) |
| 6b | 2015 + Roadmap | None | 1.6:1 | Same | Yes (2 tiers) |
| 6c | 2015 + Roadmap | None | 2:1 | Same | Yes (2 tiers) |
| 6d | 2015 + Roadmap | None | 1.2:1 | 3 (4 -7 pm) | Yes (2 tiers) |
| 6e | 2015 + Roadmap | None | 1.6:1 | Same | Yes (2 tiers) |
| 6f | 2015 + Roadmap | None | 2:1 | Same | Yes (2 tiers) |

SDG&E Assumptions:

- Does not include Monthly Fixed Cost Charge (i.e., Monthly Service Fee or Minimum Bill)
- TOU period definition: SDG&E does not have billing determinants available for the TOU periods as defined in the tables above. SDG&E has billing determinants for rate design for the TOU periods identified above in Q4. As noted in the tables above, SDG&E's TOU periods are 3-period TOU periods. SDG&E combines the 3 TOU periods in the following manner:
 - On-peak period – unchanged
 - Off-peak period = semi-peak + off-peak period.
- Glide path for TOU rates:
 - TOU differential is set in 2015 and continue through 2018
 - Set the same Peak/ Off Peak ratios are set for both Summer and Winter
 - TOU differential is set on the based on the commodity rate only. Presentation of Total Rates will reflect a different TOU Differential.
- Baseline credit reflects SDG&E proposed glide path as identified in Scenario 1b above.
 - 2015: increase T1 to T2, and consolidate T3 and T4 to result in 2-tiered rates which resulted in a tier differential of 1:1.66 or 66%
 - 2016: Tier differential of 1:1.4 or 40%
 - 2017: Tier differential of 1:1.3 or 30%
 - 2018: Tier differential of 1:1.2 or 20%

7. TOU With 2 TOU Periods without Baseline Credit without Fixed Charge Rate Scenarios

| Scenario | Time Period | MSF | Peak/Off Peak Ratio | Peak Period (hours) | Baseline Tier |
|----------|----------------|------|---------------------|---------------------|---------------|
| 7a | 2015 + Roadmap | None | 1.2:1 | 6 (2 -8 pm) | No |
| 7b | 2015 + Roadmap | None | 1.6:1 | Same | No |
| 7c | 2015 + Roadmap | None | 2:1 | Same | No |
| 7d | 2015 + Roadmap | None | 1.2:1 | 3 (4 -7 pm) | No |
| 7e | 2015 + Roadmap | None | 1.6:1 | Same | No |
| 7f | 2015 + Roadmap | None | 2:1 | Same | No |

SDG&E Assumptions:

- Does not include Monthly Fixed Cost Charge (i.e., Monthly Service Fee or Minimum Bill)
- TOU period definition: SDG&E does not have billing determinants available for the TOU periods as defined in the tables above. SDG&E has billing determinants for rate design for the TOU periods identified above in Q4. As noted in the tables above, SDG&E's TOU periods are 3-period TOU periods. SDG&E combines the 3 TOU periods in the following manner:
 - On-peak period – unchanged
 - Off-peak period = semi-peak + off-peak period.
- Glide path for TOU rates:
 - TOU differential is set in 2015 and continues through 2018
 - Set the same Peak/ Off Peak ratios for both Summer and Winter
 - TOU differential is set on the based on the commodity rate only. Presentation of Total Rates will reflect a different TOU Differential.

C. Please provide the most current available statistics on residential customers for the following:⁶

1. Total residential customers

SDG&E Response:

SDG&E currently has 1,260,718 Residential customers (as of March 27, 2015). Of these, 1,239,264 customers (~98%) have a full 12 months of data for the most recent 12 months defined as from March 2014 to February 2015 and are the basis for responses to Q4 through Q9 below.

2. Percentage of residential customers enrolled in CARE

SDG&E Response:

279,810 customers, or 22% of the 1,260,718 customers, are CARE customers.

3. Percentage of residential customers enrolled in Family Electric Rate Assistance (FERA)

SDG&E Response:

5,667 customers, or less than 0.5% of the 1,260,718 customers, are FERA customers.

4. Percentage of total customers who do not exceed Tier 2 more than 3 month per year

SDG&E Response:

Of the 1,239,264 customers with a full 12 months of data, 624,427 customers, just below 50%, exceeded Tier 2 usage no more than 3 months during the 12 month period. More specifically, these customers had either 9, 10, 11 or 12 months during which their usage did not exceed Tier 2 usage.

5. Percentage of total customers who exceed Tier 2 at least 6 times per year

SDG&E Response:

Of the 1,239,264 customers with a full 12 months of data, 507,094 customers, approximately 40%, exceeded Tier 2 usage at least 6 months during the 12 month period.

⁶ For Items 6 – 9, please use the designated Inland and Coastal zones for service territory.

6. Percentage of Coastal Climate Zone customers who do not exceed Tier 2 more than 3 times per year

SDG&E Response:

Of the 1,239,264 customers with a full 12 months, 701,187 were identified as Coastal customers, or ~57% of customers with 12 months of data. Of the 701,187 Coastal customers with a full 12 months of data, 373,311 Coastal customers, or 53% of the identified Coastal customers, exceeded Tier 2 no more than 3 months out of the year.

7. Percentage of Coastal Climate Zone residential customers who exceed Tier 2 at least 6 times per year

SDG&E Response:

Of the 701,187 Coastal customers with a full 12 months of data, 275,261 Coastal customers, or ~39% of the identified Coastal customers, exceeded Tier 2 at least 6 months out of the year.

8. Percentage of Inland Climate Zone residential customers who do not exceed Tier 2 more than 3 times per year

SDG&E Response:

Of 1,239,264 customers with a full 12 months, 521,012 were identified as Inland customers, or ~42% of customers with 12 months of data. Of the 521,012 Inland customers with a full 12 months of data, 241,874 Inland customers, or ~46% of the identified Inland customers, exceeded Tier 2 no more than 3 months out of the year.

9. Percentage of Inland Climate Zone residential customers who exceed Tier 2 at least 6 times per year

SDG&E Response:

Of the 521,012 Inland customers with a full 12 months of data, 226,062 Inland customers, or ~43% of the identified Inland customers, exceeded Tier 2 at least 6 months out of the year.

10. Percentage of residential customers on NEM

SDG&E Response:

Of the 1,260,718 Residential customers, 48,542 customers, or less than 4% of total residential, were identified as on NEM.

11. Percentage of residential NEM customers on TOU tariffs that are proposed to be closed

SDG&E Response:

Schedule DR-TOU was closed February 1, 2015 with the availability of SDG&E's Smart Pricing options available for residential customers. 181 customers, or less than 0.4% of identified residential NEM customers are on Schedule DR-TOU.

12. Percentage of residential customers on TOU tariffs

SDG&E Response:

SDG&E currently has 7,883 residential customers on TOU rates, or 0.6% of the 1,260,718 residential customers.

By residential TOU rate schedules:

- Schedule DR-SES: an un-tiered TOU rate for residential customers with solar energy systems - 1,496 customers
- Schedule DR-TOU: a tiered TOU rate, closed as of 2/1/2015 - 1,230 customers
- Schedule TOU-DR and TOU-DR-P: tiered TOU SPP options available to customers beginning 2/1/2015 – 4 customers
- Schedule EVTOU2: whole house option for residential customers with electric vehicle charging - 4,835 customers
- Schedule EVTOU: separately metered option for residential customers with electric vehicle charging [Note: these customers receive service for their household load on a separate schedule] - 318 customers

13. Percentage of residential customers on critical peak pricing (CPP)

SDG&E Response:

SDG&E's residential CPP option is Schedule TOU-DR-P which currently has 3 customers.

14. Percentage of residential customers NOT on smart meters (due to opt-out or other reason)

SDG&E Response:

Currently 2,536 residential customers, or ~0.2% are being billed on “non-smart” meters.

15. Percentage of residential customers who would be impacted by a minimum bill of \$5

SDG&E Response:

SDG&E defined customers that would be impacted by a \$5 minimum bill as customers that currently have a bill below \$5 in any month over the most recent 12 month period. SDG&E's current minimum bill is defined on a per day basis for a given billing cycle, \$0.17 per day. Assuming a 30 day month, the minimum bill would then be \$5.10. The number of days in a given

billing cycle can vary from 27 to 33, causing a customer's minimum bill amount to vary as well on a monthly basis. For a 27 day billing cycles the minimum bill would be \$4.59. For a 28 day billing cycle, the minimum bill would be \$4.76. For a 29 day billing cycle, the minimum bill would be \$4.93. Only with a 30 day month, does the current minimum bill exceed \$5.00.

SDG&E identified 82,330 customers that had monthly bills below \$5, excluding April and October due to the California Climate Credit. Of these, 8,717 customers had monthly bills below \$5, excluding April and October due to California Climate Credit, more than 3 months out of the most recent 12 months excluding April and October and 1,489 customers more than 6 months out of the most recent 12 months excluding April and October.

16. Percentage of residential customers who would be impacted by a minimum bill of \$10

SDG&E Response:

SDG&E identified 159,409 customers excluding April and October due to the California Climate Credit, 77,079 more than identified in response to Q15 above. Of these, 57,120 customers had monthly bills below \$10, excluding April and October due to California Climate Credit, more than 3 months out of the most recent 12 months excluding April and October and 33,299 customers more than 6 months out of the most recent 12 months excluding April and October.

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San Diego Gas & Electric Company

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