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**NOTIFICATION OF
SAN DIEGO GAS & ELECTRIC'S
REQUEST TO INCREASE RATES
FOR THE MOBILE HOME
PARK UTILITY UPGRADE PROGRAM
APPLICATION NO. A.17-05-008**

On May 5, 2017, San Diego Gas & Electric Company (SDG&E®) filed an application with the California Public Utilities Commission (CPUC) for approval to increase rates for the implementation of the Mobile Home Park Utility Upgrade Program (MHP Program). This application seeks approval to implement the MHP Program to convert mobile home parks to direct utility service for a period of six years (2018-2023). Converting mobile homes to direct utility service will increase safety and reliability of gas and electric service to MHP residents, facilitate customer enrollment in SDG&E's current customer assistance program offerings, and provide MHP customers with smart meters. In March 2014 the CPUC issued Decision (D.) 14-03-022 to adopt a three-year pilot program to convert at least 10% of master-metered and sub-metered mobile home parks to direct utility service. This decision gave utilities the option to seek continuation of the program after the three-year pilot program. SDG&E's Mobile Home Park Utility Upgrade Program is a continuation of the three-year CPUC approved program. SDG&E requests approval to convert an additional 20% of mobile home spaces within its service territory from 2018-2023.

As shown inside, SDG&E is requesting recovery of costs due to this program for the years 2018 through 2023. If approved, the request will increase the annual revenue requirements charged to customers over a 12-month period, or until the costs are recovered. The proposed annual rate increases are shown in the tables inside reflecting the revenue requirements described above.

ESTIMATED IMPACT OF THIS REQUEST ON GAS RATES

SDG&E has estimated the impact of the requested \$0.1 million in 2018, \$1.2 million in 2019, \$4.6 million in 2020, \$7.9 million in 2021, \$10.6 million in 2022 and \$13.3 million in 2023 increase in gas revenues under the proposed rates and has shown the year with the biggest request increase in the table inside¹. The actual increase to each customer class would depend on how the CPUC ultimately decides all issues in the proceeding.

(Continued inside)

Illustrative Proposed Class Average Rate Increase per Customer Class - 2023²

Customer Class	Current rates (¢/Therm)	Total Rate Increase (¢/Therm)	Proposed 2023 Rates (¢/Therm)	% Increase
Residential	96.2	3.5	99.7	3.7%
Commercial	37.2	0.8	38.0	2.1%
Natural Gas Vehicles	17.5	0.2	17.8	1.4%
Large Industrial (distribution level service)	9.2	0.4	9.6	4.3%
Large Industrial (transmission level service)	1.7	0.0	1.8	1.5%
System Total	32.1	1.1	33.1	3.3%

¹ If cost sharing occurs with a partnering utility, costs reflected may decrease.

² While there will be rate changes between 2018-2023, the table above provides information for the highest year of the increases (2023).

If the CPUC approves SDG&E's proposal, the bill for a typical bundled residential customer using 25 therms per month would increase **\$0.85**, or **0 - 2%**, from **\$38.57** to **\$39.42**. Individual customer bills may differ in 2023. SDG&E is requesting rates become effective in 2018.

ESTIMATED IMPACT OF THIS REQUEST ON ELECTRIC RATES

SDG&E estimates that costs associated with the MHP Program will result in revenue requirement increases of \$0.108 million in 2018, \$1.356 million in 2019, \$5.184 million in 2020, \$8.954 million in 2021, \$12.112 million in 2022, and \$15.181 million in 2023³. Please note that the total cost is based on forecasts and is likely to change prior to including the actual cost in electric rates. Also, the actual change in revenue requirements will depend on how the CPUC ultimately decides all issues in the proceeding.

The chart shown below illustrates the increases in class average rates for 2023 that would result from CPUC approval of this application, compared to current⁴ class average rate levels.

San Diego Gas & Electric Company's Illustrative Electric Total Rate Increase - 2023⁵

Customer Class	Current Class Average Rates 03/01/2017 ⁶ (¢/kWh)	Class Average Rates Reflecting Proposed		Total Rate Increase (¢ /kWh)	Percentage Rate Increase (%)
		Revenue Increase Per Application (2023) (¢/kWh)			
Residential	24.990	25.085		0.095	0.4%
Small Commercial	23.928	24.020		0.092	0.4%
Medium and Large C&I ⁷	19.850	19.904		0.054	0.3%
Agricultural	17.735	17.795		0.060	0.3%
Lighting	19.917	19.970		0.053	0.3%
System Total	22.122	22.194		0.072	0.3%

³ If cost sharing occurs with a partnering utility, costs reflected may decrease.

⁴ Current rates effective 3/1/2017 per Advice Letter (AL) 3034-E/E-A.

⁵ While there will be rate changes between 2018-2023, the chart above provides information for the highest year of the increases (2023).

⁶ Current rates effective 3/1/2017 per AL 3034-E/E-A.

⁷ C&I stands for Commercial and Industrial.

If the CPUC approves SDG&E's proposal, a typical non-CARE (CARE is a low-income assistance program) residential customer living in the inland climate zone and using 500 kilowatt-hours per month could see a monthly summer bill increase of **\$0.00**, or **0%**, from **\$125.36** to **\$125.36** in 2018 and a monthly summer bill increase of **\$0.42**, or **0.34** percent, from **\$125.36** to **\$125.78** in 2023. The percentages shown do not necessarily reflect the changes that you may see on your bill. Changes in individual bills will also depend on how much electricity each customer uses. SDG&E is requesting rates become effective in 2018.

FOR FURTHER INFORMATION

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

You may request additional information or obtain a copy of the application and related exhibits by writing to: Joseph Mock, San Diego Gas & Electric, 555 W. Fifth St., GT14D6, Los Angeles, CA 90013-1011. SDG&E's application and attachments may also be reviewed at the SDG&E business offices listed below:

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

Copies of this application are available on the SDG&E website at <http://www.sdge.com/proceedings>.

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

A copy of the application can also be viewed at the CPUC's Central Files in San Francisco by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045.

CPUC PROCESS

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related documents, necessary for the CPUC to establish a record upon which to base its decision. Evidentiary Hearings (EHs) may be held where parties of record will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are parties of record can participate.

(Continued on back)

After considering all proposals and evidence presented during the formal hearing process, the assigned Judge will issue a proposed decision which may adopt SDG&E's proposal, modify it or deny it. Any CPUC Commissioner may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting.

The Office of Ratepayer Advocates (ORA) may review this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about ORA, please call (415) 703-1584, email ora@cpuc.ca.gov or visit ORA's website at www.ora.ca.gov.

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

Email: public.advisor@cpuc.ca.gov

Mail: CPUC Public Advisor's Office
505 Van Ness Ave.
San Francisco, CA 94102

Call: 1-866-849-8390 (toll-free) or 1-415-703-2074
TTY 1-866-836-7825 (toll-free) or 1-415-703-5282

Please reference **SDG&E's Application No.A.17-05-008** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review to the assigned Judge, the Commissioners, and appropriate CPUC staff.

