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NOTICE OF SAN DIEGO GAS & ELECTRIC
COMPANY'S REQUEST TO CHANGE ELECTRIC
RATES FOR 2020 ENERGY RESOURCE
RECOVERY ACCOUNT FORECAST
APPLICATION NO. A.19-04-010

On April 15, 2019, San Diego Gas & Electric Company (SDG&E®) filed the Energy Resource Recovery Account (ERRA) forecast application with the California Public Utilities Commission (CPUC). The application seeks approval of forecasts related to the costs of purchasing electricity for use by customers in 2020. SDG&E also requests a revenue requirement of \$1,335,297,702 for 2020. If approved, SDG&E's 2020 revenue requirement will decrease by \$5,247,132 (-0.4%) compared to the current revenue requirement of \$1,340,544,834.

The total revenue requirement is comprised of six components:

- The ERRA primarily includes fuel costs needed to run generators to create electricity and contracts with third parties to purchase energy.
- The Competition Transition Charge (CTC) allows SDG&E to recover costs for power plants and long-term power contracts approved by state regulators that have become unprofitable by the shift of consumers to competitors.
- The Power Charge Indifference Adjustment (PCIA) component is intended to preserve bundled customer indifference to customers that migrate from bundled to Direct Access (DA) load by ensuring that departing load customers pay their share of the cost responsibility associated with the above-market-costs of the utilities' total procurement portfolio.
- The Local Generating (LG) revenue requirement is associated with SDG&E entering into new contracts with power producers. Through this charge, SDG&E recovers costs incurred when meeting the electric system or local reliability needs. The LG is a charge applicable to bundled, Direct Access (DA) and Community Choice Aggregation (CCA) customers.
- Revenue from the sale of Greenhouse Gas (GHG) allowances will be returned to some bundled and DA customers as credits on their bill. The GHG allowance revenue bill credits reduce the electric rate impacts of the GHG costs.

(Continued inside)

- SDG&E is also seeking to recover costs associated with storing nuclear fuel that is no longer useful (also known as spent fuel) from the San Onofre Nuclear Generating Station (SONGS) Unit 1.¹

The costs are broken down as follows: \$690,126,368 for the ERRA; \$514,844,889 for the PCIA/Portfolio Allocation Balancing Account (PABA); \$17,103,048 for the CTC; \$200,906,368 for the Local Generation Charge (includes Local Generating Balancing Account under-collection of \$14,420,433); \$1,110,120 for SONGS Unit 1 spent fuel storage; and (\$88,793,091) for GHG allowance revenues available, to be returned to customers.

This application is a forecast and is likely to change prior to including these costs in next year's electric rates. SDG&E expects to file an update to this application in November 2019.

ESTIMATED IMPACT ON ELECTRIC RATES AND BILLS

The charts shown below illustrate the changes in rates that would result from CPUC approval of this application, compared to current rate levels.

If the CPUC approves SDG&E's application, a typical non-CARE residential customer living in the inland climate zone and using 500 kilowatt-hours per month could see a monthly winter bill decrease of 0.2%, or \$0.31, from a typical current monthly bill of \$139.51 to \$139.20.

This application also addresses the cost responsibility of DA customers and Municipal Departing Load customers that purchase electricity from another provider but transport it through SDG&E's electrical system.

The first table below provides illustrative bill changes for bundled customers, while the second table presents illustrative bill changes for DA customers. For DA customers who do not pay commodity, the Utility Distribution Company (UDC) rate changes on a class average basis are presented below. 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.

SAN DIEGO GAS & ELECTRIC COMPANY'S ESTIMATED ELECTRIC RATE DECREASE FOR BUNDLED CUSTOMERS (TOTAL RATES INCLUDE UDC² AND COMMODITY³)

Customer Class	Average Rates Effective 03/01/2019 ⁴ (¢/kWh)	Proposed Average Rate Decrease (¢/kWh)	Average Total Rate Decrease (¢/kWh)	Average Percentage Rate Decrease (%)
Residential	26.251	26.209	(0.042)	-0.16%
Small Commercial	24.963	24.857	(0.106)	-0.42%
Medium and Large C&I ⁵	22.205	22.146	(0.059)	-0.27%
Agricultural	17.459	17.372	(0.087)	-0.50%
Lighting	21.850	21.825	(0.025)	-0.11%
System Total	23.738	23.675	(0.063)	-0.27%

² UDC rates include Department of Water Resources (DWR) Bond Charge.

³ Commodity rates include DWR Power Charge credit.

⁴ Rates effective 3/1/19 per Advice Letter (AL) 3346-E.

⁵ C&I stands for Commercial and Industrial.

SAN DIEGO GAS & ELECTRIC COMPANY'S ESTIMATED ELECTRIC UDC⁶ RATE INCREASE FOR DIRECT ACCESS CUSTOMERS

Customer Class	Average Rates Effective 03/01/2019 ⁷ (¢/kWh)	Proposed Average Rate Increase (¢/kWh)	Average Total Rate Increase (¢/kWh)	Average Percentage Rate Increase (%)
Residential	15.302	15.455	0.153	1.00%
Small Commercial	15.101	15.158	0.057	0.38%
Medium and Large C&I ⁸	10.894	10.993	0.099	0.91%
Agricultural	9.560	9.612	0.052	0.54%
Lighting	14.677	14.772	0.095	0.65%
System Total	12.891	13.001	0.110	0.85%

⁶ UDC rates include DWR Bond Charge.

⁷ Rates effective 3/1/19 per AL 3346-E.

⁸ C&I stands for Commercial and Industrial.

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

¹ This cost was incurred through SDG&E's 20% ownership of SONGS Unit 1.

FOR FURTHER INFORMATION

You may request additional information or obtain a copy of the application and related exhibits by writing to: Christa Lim, San Diego Gas & Electric Company, 8330 Century Park Court, San Diego, CA 92123. SDG&E will provide a copy of this application upon request. SDG&E's application and attachments may be reviewed at the CPUC's Central Files Office by appointment. For more information, please contact them at aljcentralfilesid@cpuc.ca.gov or (415) 703-2045. A copy of this application may be reviewed at the following SDG&E business offices:

436 H St. 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

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

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

CPUC PROCESS

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

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

As a party of record, the Public Advocates Office (CalPA) will review this application. The CalPA 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. The CalPA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. For more information about the CalPA, please call (415) 703-1584, email PublicAdvocatesOffice@cpuc.ca.gov or visit the PAO's website at <http://www.publicadvocates.cpuc.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 webpage at <http://www.cpuc.ca.gov/pao/>. You may also contact the Public Advisor's Office as follows:

Email: public.advisor@cpuc.ca.gov

Mail: CPUC
Public Advisor's Office
505 Van Ness Avenue
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 2020 ERRR Forecast Application No. A.19-04-010** 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.



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