

Application: 09-10-xxx

Exhibit No.: _____

Witness: Lisa C. Davidson

In the Matter of the Application of San Diego Gas & Electric Company (U 902 E) for Expedited Authorization to Change Residential Electric Rates Effective January 1, 2010, as Permitted by Newly Enacted Public Utilities Code Section 739.9.

DIRECT TESTIMONY OF
LISA C. DAVIDSON
SAN DIEGO GAS & ELECTRIC COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

October 15, 2009

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1 **Prepared Direct Testimony**

2 **Of**

3 **Lisa C. Davidson**

4
5 **I. Introduction**

6 The purpose of my testimony is to present San Diego Gas and Electric's (SDG&E's)
7 proposal to implement provisions of Public Utilities (PU) Code Section 739.1 and 739.9,
8 enacted by Senate Bill (SB) 695, pertaining to its residential electric rate schedules. SB 695 is
9 an urgency statute that took effect on October 11, 2009. Therefore, SDG&E proposes to
10 implement the rate changes described herein effective January 1, 2010. My testimony:

- 11 • Provides an overview of the provisions of SB 695 related to residential rate design;
- 12 • Describes the residential rate changes proposed in compliance with the formula
13 methodology set forth in SB 695;
- 14 • Presents SDG&E's proposal to streamline future annual rate adjustments through an
15 advice letter process.

16
17 **II. Background**

18 Assembly Bill (AB) 1X was enacted on February 1, 2001 in response to the energy crisis
19 of 2000-2001. The bill authorized the California Department of Water Resources (DWR) to
20 enter into contracts to procure energy on behalf of California's major electric utilities and their
21 customers, and to issue revenue bonds necessary to carry out its energy procurement
22 responsibilities. The bill also suspended direct access and capped residential rates for usage up
23 to 130% of the baseline quantities (also referred to as Tier 1 and Tier 2 rates) at the levels in
24 effect on February 1, 2001. The rate caps were to remain in place until DWR recovered the
25 costs it incurred to procure power on behalf of the state's electricity consumers. As a result of
26 the AB 1X restrictions, with one exception¹ revenue requirement increases allocated to the

¹ SB 1, which established the California Solar Initiative (CSI) program, specifically allowed costs to be allocated to non-CARE Residential customers' Tier 1 and Tier 2 usage. See PU Code Section 2851(d)(2).

1 residential rate class are recovered solely by increasing the rates that apply to usage above 130%
2 of baseline allowances (also referred to as Tier 3 and Tier 4 rates), which account for only about
3 30% of total residential usage. The AB 1X restrictions have resulted in Tiers 1 and 2 rates
4 remaining at February 1, 2001 levels while Tiers 3 and 4 rates have increased significantly,
5 which have resulted in substantial bill increases for high usage customers.

6 SB 695 modifies various sections of the PU Code and Water Code 80110 that had capped
7 rates for Tier 1 and 2 usage at 2001 levels and now permits these rates to increase in accordance
8 with specified formulas. For SDG&E's non-California Alternate Rates for Energy (non-CARE)
9 residential rate schedules, the Commission is authorized to increase Tier 1 and Tier 2 rates by
10 the annual percentage change in the Consumer Price Index (CPI) for the prior year, plus 1
11 percent, but not less than 3 percent and not more than 5 percent. For CARE rate schedules, the
12 code specifies that the Commission may increase rates by the annual percentage increase in
13 benefits provided under the CalWORKs program for the fiscal year in which the rate increase
14 would take effect, but not to exceed 3 percent per year.

16 **III. Proposed Residential Rate Changes**

17 SB 695 is an urgency statute. As a result, SDG&E proposes expedited Commission
18 review of its Application to implement the 2009 residential rate adjustments described in the
19 sections below and illustrated in Attachment 1. The formulas used to adjust the residential rates
20 are described with sufficient specificity in the legislation to enable quick verification that
21 SDG&E has complied with the provisions. If approved, SDG&E will incorporate these rate
22 adjustments, including the appropriate tariffs, in its annual consolidated advice letter filing to
23 implement electric rates effective January 1, 2010.

24 **A. Non-CARE Residential Rates**

25 PU Code Section 739.9(a) states that the annual increase in the rates charged to non-
26 CARE Residential customers for electricity usage up to 130% of the baseline quantities (Tiers 1
27 and 2) shall be the annual percentage change in the CPI from the prior year plus 1 percent, but
28 not less than 3 percent and not more than 5 percent per year. This section further states that the

1 CPI is to be calculated using the same formula that was used to determine the annual Social
2 Security cost of living adjustment (COLA) on January 1, 2008, and this same formula shall
3 continue until January 1, 2019, unless a later enacted statute deletes or extends the date.

4 The Social Security COLA in effect on January 1, 2008 was based on the Consumer
5 Price Index for Urban Wage Earners and Clerical Workers (CPI-W).² The COLA formula
6 reflects the change in the average CPI-W for the two previous third quarter periods, and tracks
7 the index on a lagged basis. For example, the COLA effective on January 1, 2008 reflected the
8 change in the average CPI-W from the third quarter of 2006 to the third quarter of 2007. This
9 formula is still being used by the Social Security Administration to determine the automatic
10 COLA effective on January 1st of each calendar year.³

11 SDG&E used the Social Security COLA effective on January 1, 2009 (2009 COLA) as
12 the base CPI measure for the 2009 annual rate adjustment. The 2009 COLA represents the
13 change in the CPI-W from the third quarter of 2007 to the third quarter of 2008, and thus
14 satisfies the requirement in PU Code Section 739.9(a) that annual non-CARE Tiers 1 and 2 rate
15 increases be based on the change in the CPI for the previous year. Since the 2009 COLA was
16 5.8 percent, SDG&E proposes to increase non-CARE Tier 1 and Tier 2 residential rates by 5.0
17 percent, the maximum adjustment permitted under PU Code Section 739.9(a). In addition,
18 SDG&E proposes to reduce non-CARE Tier 3 and Tier 4 rates by an amount that offsets the
19 revenue increases resulting from the Tier 1 and Tier 2 rate adjustments. This approach is
20 consistent with SDG&E's currently authorized rate design methodology, adopted in D.08-02-
21 034 (SDG&E's GRC Phase 2) and D.09-09-036 (SDG&E's Rate Design Window).

22 A summary of the illustrative proposed rate changes for SDG&E's Schedule DR is
23 provided in the table below, and corresponding bill impacts for specific kWh usage levels are
24 included in Attachment 2.⁴

² The CPI-W is published monthly by the US Department of Labor, Bureau of Labor Statistics for the U.S., four census regions, and selected metropolitan/local areas. The Social Security COLA formula is based on the national index (U.S. City Average). For more information on CPI-W please visit the Bureau of Labor Statistics website: <http://www.bls.gov/cpi/>.

³ The COLA is published in the Federal Register in late October and is effective January 1st of the following calendar year.

⁴ These rate levels and bill impacts are illustrative of the impacts that would occur based on rates effective October 1, 2009. Impacts will be slightly different when incorporating additional consolidated changes effective January 1, 2010.

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Domestic Rate Changes
(\$/kWh)

| | <u>Present Rate</u> | <u>Proposed Rate</u> | <u>\$ Change</u> | <u>% Change</u> |
|--------------------------|-------------------------|--------------------------|----------------------|---------------------|
| SCHEDULE DR | | | | |
| Summer | | | | |
| Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 131% to 200% of Baseline | 0.31055 | 0.29707 | (0.01348) | -4% |
| Above 200% of Baseline | 0.33055 | 0.31707 | (0.01348) | -4% |
| Winter | | | | |
| Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 131% to 200% of Baseline | 0.29431 | 0.28031 | (0.01400) | -5% |
| Above 200% of Baseline | 0.31431 | 0.30031 | (0.01400) | -4% |

These present and proposed rates do not include California Solar Initiative (CSI) charges. Based on previous Commission rulings regarding the treatment of CSI charges, SDG&E is currently not collecting CSI revenues in its rates. When SDG&E reinstates the collection of CSI revenues in 2010, all non-CARE residential rates will increase by an additional \$0.00159/kWh on January 1, 2010. This is reasonable because SDG&E only temporarily suspended CSI revenue recovery in 2009 and, absent this temporary suspension, the rate increase would have been applied to a rate which included the CSI revenue recovery from Tier 1 and Tier 2 rates. Normally, SDG&E would simply apply the Social Security COLA-based escalation to the total existing non-CARE Tier 1 and Tier 2 rates (which would typically include a CSI component). In years where CSI is suspended from non-CARE rates (such as in 2009), SDG&E will apply the COLA escalation to the existing non-CARE Tier 1 and Tier 2 rates without the CSI component and add back the CSI component when reinstated.

PU Code Section 739.9(b) requires that the rates charged to non-CARE residential customers for electricity usage up to the baseline quantity, including any customer charge revenues, not exceed 90 percent of the system average rate (SAR). To determine if SDG&E's proposed non-CARE Tier 1 rate of \$0.13510 / kWh meets this requirement, \$0.00033 / kWh was

1 added to reflect the effective value of residential minimum charge revenues.⁵ Including the
2 minimum charge factor in the proposed Tier 1 rate results in a combined rate of \$0.13543 / kWh,
3 which is less than 90 percent of the \$0.17209 / kWh system average rate for bundled service
4 customers on October 1, 2009. Thus, SDG&E's proposed Tier 1 rate complies with the
5 requirements of PUC Code section 739.9(b), as illustrated in Attachment 3. In subsequent years,
6 SDG&E will identify the allowable Tier 1 and Tier 2 rate increases provided for under PU Code
7 739.9 by January 1st of each year and ensure compliance with PU Code 739.9(b) as rate changes
8 are made throughout the year.

9 **B. CARE Residential Rates**

10 For CARE rate schedules, PU Code Section 739.1(b)(2) specifies that the Commission
11 may increase the rates for electricity usage up to 130% of baseline quantities by the annual
12 increase in benefits provided under the CalWORKs program for the fiscal year in which the rate
13 increase would take effect, but not to exceed 3 percent per year. The benefit amounts provided
14 under the CalWORKs program are subject to an annual cost of living adjustment, effective July
15 1st of each year, as provided under Section 11453 (a) of the Welfare and Institutions (W&I)
16 Code.⁶ However, the cost of living benefits adjustment for the CalWORKs program has been
17 suspended for the 2009-2010 fiscal year as a result of the state's financial problems (see Section
18 11453 (c)(5) of the W&I Code). Therefore, SDG&E is not proposing any increases to CARE
19 rates.

20 As required by PU Code Section 739.1(b)(4), Attachment 4 demonstrates that SDG&E's
21 residential CARE effective rates⁷ do not exceed 80 percent of the corresponding proposed non-
22 CARE rates excluding the DWR bond charge, the CARE surcharge, and any applicable
23 California Solar Initiative (CSI) charges. PU Code Section 739.1(b)(5) requires that rates
24 charged to CARE program participants shall not have more than three tiers. In compliance with

⁵ For the purposes of determining that the rate charged for electricity usage up to the baseline quantities does not exceed 90 percent of the system average rate, Section 739.9(b) calls for inclusion of any applicable customer charge revenue. Though SDG&E's standard rate schedule, Schedule DR, does not include a customer charge, it does include a minimum charge. SDG&E includes the Schedule DR minimum charge revenues when performing this test.

⁶ The COLA for CalWORKs benefits is based on changes in the California Necessities Index (CNI). The CNI measures changes in the cost of food, clothing, fuel/utilities, rent, and transportation, as measured by the appropriate components in the Consumer Price Index for All Urban Consumers (CPI-U).

⁷ CARE effective rates reflect the 20% discount on the bill and exemption from the CARE surcharge that are not reflected in tariff rates.

1 this provision, SDG&E proposes to present separate CARE rates for Schedule DR-TOU on
2 tariffs as shown in Attachment 1.

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4 **IV. Recommended Process for Subsequent Rate Adjustments**

5 SB 695 grants the authority to adjust residential rates with the Commission. However, if
6 the Commission determines that a residential rate adjustment is appropriate, SB 695 sets forth
7 specific formulas to determine how the rate adjustments for Tier 1 and Tier 2 rates should be
8 made. SDG&E recommends that the Commission authorize SDG&E to submit an annual advice
9 letter, filed no later than November 30 of each year, to implement future rate adjustments
10 authorized pursuant to SB 695. This approach will provide the Energy Division with adequate
11 time to validate the calculations used to generate the annual rate adjustments, while eliminating
12 the resource intensive application process.

13
14 **V. Conclusion**

15 SB 695 was enacted as an urgency measure, making the PU Code changes effective
16 October 11, 2009. As a result, SDG&E proposes that the Commission authorize the 2009
17 residential non-CARE rate adjustments proposed in this Application with an effective date of
18 January 1, 2010. SDG&E proposes that rate changes proposed for subsequent years pursuant to
19 SB 695 be submitted in an annual advice letter filing, with the next rate adjustment to be
20 implemented no sooner than January 1, 2011.

21 This concludes my prepared direct testimony.

Witness Qualifications

My name is Lisa Davidson. I am employed by San Diego Gas & Electric Company (SDG&E) as the Electric Rates, Forecasting and Tariffs Manager in the Rates, Revenues and Tariffs department. My business address is 8330 Century Park Court, San Diego, California, 92123. My current responsibilities include managing the electric rates, electric demand forecasting, electric load analysis and SDG&E tariff groups. I assumed my current position in January, 2009.

I received a Bachelor of Arts degree in Economics from Northwestern University in 1997. From 1998 to April 2001, I was employed by Accenture as an Analyst and Consultant. I have been employed by SDG&E and Sempra Energy since 2001, and have held positions of increasing responsibility in the Regulatory Affairs and Finance departments.

I have previously testified before this Commission.

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
ATTACHMENT 1**

PRESENT AND PROPOSED TOTAL RATE

| LINE NO. | DESCRIPTION (A) | Present 10/01/2009 (B) | Proposed 01/01/2010 (C) | \$ (D) | % (E) |
|----------|-----------------------------|------------------------|-------------------------|-----------|-------|
| 1 | SCHEDULE DR | | | | |
| 2 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 3 | Summer | | | | |
| 4 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 5 | 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 6 | 131% to 200% of Baseline | 0.31055 | 0.29707 | (0.01348) | -4% |
| 7 | Above 200% of Baseline | 0.33055 | 0.31707 | (0.01348) | -4% |
| 8 | Winter | | | | |
| 9 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 10 | 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 11 | 131% to 200% of Baseline | 0.29431 | 0.28031 | (0.01400) | -5% |
| 12 | Above 200% of Baseline | 0.31431 | 0.30031 | (0.01400) | -4% |
| 13 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |
| 14 | | | | | |
| 15 | SCHEDULE DR-LI | | | | |
| 16 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 17 | Summer | | | | |
| 18 | Baseline Energy | 0.12867 | 0.12867 | 0.00000 | 0% |
| 19 | 101% to 130% of Baseline | 0.14884 | 0.14884 | 0.00000 | 0% |
| 20 | 131% to 200% of Baseline | 0.24657 | 0.24657 | 0.00000 | 0% |
| 21 | Above 200% of Baseline | 0.24657 | 0.24657 | 0.00000 | 0% |
| 22 | Winter | | | | |
| 23 | Baseline Energy | 0.12867 | 0.12867 | 0.00000 | 0% |
| 24 | 101% to 130% of Baseline | 0.14884 | 0.14884 | 0.00000 | 0% |
| 25 | 131% to 200% of Baseline | 0.23189 | 0.23189 | 0.00000 | 0% |
| 26 | Above 200% of Baseline | 0.23189 | 0.23189 | 0.00000 | 0% |
| 27 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |
| 28 | | | | | |
| 29 | SCHEDULE DM (CLOSED) | | | | |
| 30 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 31 | Summer | | | | |
| 32 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 33 | 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 34 | 131% to 200% of Baseline | 0.31055 | 0.29707 | (0.01348) | -4% |
| 35 | Above 200% of Baseline | 0.33055 | 0.31707 | (0.01348) | -4% |
| 36 | Winter | | | | |
| 37 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 38 | 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 39 | 131% to 200% of Baseline | 0.29431 | 0.28031 | (0.01400) | -5% |
| 40 | Above 200% of Baseline | 0.31431 | 0.30031 | (0.01400) | -4% |
| 41 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 42 | Summer | | | | |
| 43 | Baseline Energy CARE | 0.12867 | 0.12867 | 0.00000 | 0% |
| 44 | 101% to 130% of BL - CARE | 0.14884 | 0.14884 | 0.00000 | 0% |
| 45 | 131% to 200% of BL - CARE | 0.24657 | 0.24657 | 0.00000 | 0% |
| 46 | Above 200% of Baseline | 0.24657 | 0.24657 | 0.00000 | 0% |
| 47 | Winter | | | | |
| 48 | Baseline Energy CARE | 0.12867 | 0.12867 | 0.00000 | 0% |
| 49 | 101% to 130% of BL - CARE | 0.14884 | 0.14884 | 0.00000 | 0% |
| 50 | 131% to 200% of BL - CARE | 0.23189 | 0.23189 | 0.00000 | 0% |
| 51 | Above 200% of Baseline | 0.23189 | 0.23189 | 0.00000 | 0% |
| 52 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
ATTACHMENT 1**

PRESENT AND PROPOSED TOTAL RATE

| LINE NO. | DESCRIPTION (A) | Present 10/01/2009 (B) | Proposed 01/01/2010 (C) | \$ (D) | % (E) |
|----------|-----------------------------|------------------------|-------------------------|-----------|-------|
| 1 | SCHEDULE DS (CLOSED) | | | | |
| 2 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 3 | Summer | | | | |
| 4 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 5 | 101% to 130% of BL | 0.14884 | 0.15628 | 0.00744 | 5% |
| 6 | 131% to 200% of Baseline | 0.31055 | 0.29707 | (0.01348) | -4% |
| 7 | Above 200% of Baseline | 0.33055 | 0.31707 | (0.01348) | -4% |
| 8 | Winter | | | | |
| 9 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 10 | 101% to 130% of BL | 0.14884 | 0.15628 | 0.00744 | 5% |
| 11 | 131% to 200% of Baseline | 0.29431 | 0.28031 | (0.01400) | -5% |
| 12 | Above 200% of Baseline | 0.31431 | 0.30031 | (0.01400) | -4% |
| 13 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 14 | Summer | | | | |
| 15 | Baseline Energy CARE | 0.12867 | 0.12867 | 0.00000 | 0% |
| 16 | 101% to 130% of BL - CARE | 0.14884 | 0.14884 | 0.00000 | 0% |
| 17 | 131% to 200% of BL - CARE | 0.24657 | 0.24657 | 0.00000 | 0% |
| 18 | Above 200% of Baseline | 0.24657 | 0.24657 | 0.00000 | 0% |
| 19 | Winter | | | | |
| 20 | Baseline Energy CARE | 0.12867 | 0.12867 | 0.00000 | 0% |
| 21 | 101% to 130% of BL - CARE | 0.14884 | 0.14884 | 0.00000 | 0% |
| 22 | 131% to 200% of BL - CARE | 0.23189 | 0.23189 | 0.00000 | 0% |
| 23 | Above 200% of Baseline | 0.23189 | 0.23189 | 0.00000 | 0% |
| 24 | Unit Discount | (0.130) | (0.130) | 0.000 | 0% |
| 25 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |
| 26 | | | | | |
| 37 | SCHEDULE DT (CLOSED) | | | | |
| 38 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 39 | Summer | | | | |
| 40 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 41 | 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 42 | 131% to 200% of Baseline | 0.31055 | 0.29707 | (0.01348) | -4% |
| 43 | Above 200% of Baseline | 0.33055 | 0.31707 | (0.01348) | -4% |
| 44 | Winter | | | | |
| 45 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 46 | 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 47 | 131% to 200% of Baseline | 0.29431 | 0.28031 | (0.01400) | -5% |
| 48 | Above 200% of Baseline | 0.31431 | 0.30031 | (0.01400) | -4% |
| 49 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 50 | Summer | | | | |
| 51 | Baseline Energy CARE | 0.12867 | 0.12867 | 0.00000 | 0% |
| 52 | 101% to 130% of BL - CARE | 0.14884 | 0.14884 | 0.00000 | 0% |
| 53 | 131% to 200% of BL - CARE | 0.24657 | 0.24657 | 0.00000 | 0% |
| 54 | Above 200% of Baseline | 0.24657 | 0.24657 | 0.00000 | 0% |
| 55 | Winter | | | | |
| 56 | Baseline Energy CARE | 0.12867 | 0.12867 | 0.00000 | 0% |
| 57 | 101% to 130% of BL - CARE | 0.14884 | 0.14884 | 0.00000 | 0% |
| 58 | 131% to 200% of BL - CARE | 0.23189 | 0.23189 | 0.00000 | 0% |
| 59 | Above 200% of Baseline | 0.23189 | 0.23189 | 0.00000 | 0% |
| 60 | Space Discount | (0.272) | (0.272) | 0.000 | 0% |
| 61 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
ATTACHMENT 1**

PRESENT AND PROPOSED TOTAL RATE

| LINE NO. | DESCRIPTION (A) | Present 10/01/2009 (B) | Proposed 01/01/2010 (C) | \$ (D) | % (E) |
|-------------|---------------------------|------------------------------|-------------------------------|-----------|----------|
| 1 | SCHEDULE DT-RV | | | | |
| 2 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 3 | Summer | | | | |
| 4 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 5 | 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 6 | 131% to 200% of Baseline | 0.31055 | 0.29707 | (0.01348) | -4% |
| 7 | Above 200% of Baseline | 0.33055 | 0.31707 | (0.01348) | -4% |
| 8 | Winter | | | | |
| 9 | Baseline Energy | 0.12867 | 0.13510 | 0.00643 | 5% |
| 10 | 101% to 130% of Baseline | 0.14884 | 0.15628 | 0.00744 | 5% |
| 11 | 131% to 200% of Baseline | 0.29431 | 0.28031 | (0.01400) | -5% |
| 12 | Above 200% of Baseline | 0.31431 | 0.30031 | (0.01400) | -4% |
| 13 | Basic Service Fee | 0.00 | 0.00 | 0.00 | 0% |
| 14 | Summer | | | | |
| 15 | Baseline Energy CARE | 0.12867 | 0.12867 | 0.00000 | 0% |
| 16 | 101% to 130% of BL - CARE | 0.14884 | 0.14884 | 0.00000 | 0% |
| 17 | 131% to 200% of BL - CARE | 0.24657 | 0.24657 | 0.00000 | 0% |
| 18 | Above 200% of Baseline | 0.24657 | 0.24657 | 0.00000 | 0% |
| 19 | Winter | | | | |
| 20 | Baseline Energy CARE | 0.12867 | 0.12867 | 0.00000 | 0% |
| 21 | 101% to 130% of BL - CARE | 0.14884 | 0.14884 | 0.00000 | 0% |
| 22 | 131% to 200% of BL - CARE | 0.23189 | 0.23189 | 0.00000 | 0% |
| 23 | Above 200% of Baseline | 0.23189 | 0.23189 | 0.00000 | 0% |
| 24 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
ATTACHMENT 1**

PRESENT AND PROPOSED TOTAL RATE

| LINE NO. | DESCRIPTION (A) | Present 10/01/2009 (B) | Proposed 01/01/2010 (C) | \$ (D) | % (E) |
|----------|---|------------------------|-------------------------|-----------|-------|
| 1 | SCHEDULE DR-TOU / DR-TOU-DER | | | | |
| 2 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |
| 3 | Metering Charge | 3.81 | 3.81 | 0.00 | 0% |
| 4 | Summer | | | | |
| 5 | On-Peak: Baseline Energy | 0.15253 | 0.15969 | 0.00716 | 5% |
| 6 | On-Peak: 101% to 130% of Baseline | 0.15376 | 0.16145 | 0.00769 | 5% |
| 7 | On-Peak: 131% to 200% of Baseline | 0.31363 | 0.29935 | (0.01428) | -5% |
| 8 | On-Peak: Above 200% of Baseline | 0.44236 | 0.42888 | (0.01348) | -3% |
| 9 | Off-Peak: Baseline Energy | 0.13553 | 0.14184 | 0.00631 | 5% |
| 10 | Off-Peak: 101% to 130% of Baseline | 0.13676 | 0.14360 | 0.00684 | 5% |
| 11 | Off-Peak: 131% to 200% of Baseline | 0.28215 | 0.26961 | (0.01254) | -4% |
| 12 | Off-Peak: Above 200% of Baseline | 0.30375 | 0.29027 | (0.01348) | -4% |
| 13 | Winter | | | | |
| 14 | On-Peak: Baseline Energy | 0.13752 | 0.14393 | 0.00641 | 5% |
| 15 | On-Peak: 101% to 130% of Baseline | 0.13875 | 0.14569 | 0.00694 | 5% |
| 16 | On-Peak: 131% to 200% of Baseline | 0.27118 | 0.25770 | (0.01348) | -5% |
| 17 | On-Peak: Above 200% of Baseline | 0.32236 | 0.30836 | (0.01400) | -4% |
| 18 | Off-Peak: Baseline Energy | 0.13553 | 0.14184 | 0.00631 | 5% |
| 19 | Off-Peak: 101% to 130% of Baseline | 0.13676 | 0.14360 | 0.00684 | 5% |
| 20 | Off-Peak: 131% to 200% of Baseline | 0.26763 | 0.25436 | (0.01327) | -5% |
| 21 | Off-Peak: Above 200% of Baseline | 0.31039 | 0.29639 | (0.01400) | -5% |
| 22 | Baseline Adjustment-Summer | (0.00928) | (0.00928) | 0.00000 | 0% |
| 23 | 101% to 130% of BL - Summer | 0.00000 | 0.00000 | 0.00000 | 0% |
| 24 | Baseline Adjustment-Winter | (0.00928) | (0.00928) | 0.00000 | 0% |
| 25 | 101% to 130% of BL - Winter | 0.00000 | 0.00000 | 0.00000 | 0% |
| 26 | Summer | | | | |
| 27 | On-Peak: Baseline Energy - CARE | 0.14762 | 0.14762 | 0.00000 | 0% |
| 28 | On-Peak: 101% to 130% of Baseline - CARE | 0.14885 | 0.14885 | 0.00000 | 0% |
| 29 | On-Peak: 131% to 200% of Baseline - CARE | 0.30872 | 0.29504 | (0.01368) | -4% |
| 30 | On-Peak: Above 200% of Baseline - CARE | 0.43745 | 0.29504 | (0.14241) | -33% |
| 31 | Off-Peak: Baseline Energy - CARE | 0.13062 | 0.13062 | 0.00000 | 0% |
| 32 | Off-Peak: 101% to 130% of Baseline - CARE | 0.13185 | 0.13185 | 0.00000 | 0% |
| 33 | Off-Peak: 131% to 200% of Baseline - CARE | 0.27724 | 0.26530 | (0.01194) | -4% |
| 34 | Off-Peak: Above 200% of Baseline - CARE | 0.29884 | 0.26530 | (0.03354) | -11% |
| 35 | Winter | | | | |
| 36 | On-Peak: Baseline Energy - CARE | 0.13261 | 0.13261 | 0.00000 | 0% |
| 37 | On-Peak: 101% to 130% of Baseline - CARE | 0.13384 | 0.13384 | 0.00000 | 0% |
| 38 | On-Peak: 131% to 200% of Baseline - CARE | 0.26627 | 0.25339 | (0.01288) | -5% |
| 39 | On-Peak: Above 200% of Baseline - CARE | 0.31745 | 0.25339 | (0.06406) | -20% |
| 40 | Off-Peak: Baseline Energy - CARE | 0.13062 | 0.13062 | (0.00001) | 0% |
| 41 | Off-Peak: 101% to 130% of Baseline - CARE | 0.13185 | 0.13185 | 0.00000 | 0% |
| 42 | Off-Peak: 131% to 200% of Baseline - CARE | 0.26272 | 0.25005 | (0.01267) | -5% |
| 43 | Off-Peak: Above 200% of Baseline - CARE | 0.30548 | 0.25005 | (0.05543) | -18% |
| 44 | Baseline Adjustment-Summer - CARE | (0.00928) | (0.00928) | 0.00000 | 0% |
| 45 | 101% to 130% of BL - Summer - CARE | 0.00000 | 0.00000 | 0.00000 | 0% |
| 46 | Baseline Adjustment-Winter - CARE | (0.00928) | (0.00928) | 0.00000 | 0% |
| 47 | 101% to 130% of BL - Winter - CARE | 0.00000 | 0.00000 | 0.00000 | 0% |

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
ATTACHMENT 1**

PRESENT AND PROPOSED TOTAL RATE

| LINE NO. | DESCRIPTION (A) | Present 10/01/2009 (B) | Proposed 01/01/2010 (C) | \$ (D) | % (E) |
|----------|----------------------------|------------------------|-------------------------|---------|-------|
| 1 | SCHEDULE DR-TOU-SES | | | | |
| 2 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |
| 3 | Metering Charge | 3.81 | 3.81 | 0.00 | 0% |
| 4 | On-Peak: Summer | 0.29748 | 0.29748 | 0.00000 | 0% |
| 5 | Semi-Peak: Summer | 0.19356 | 0.19356 | 0.00000 | 0% |
| 6 | Off-Peak: Summer | 0.17344 | 0.17344 | 0.00000 | 0% |
| 7 | Semi-Peak: Winter | 0.18628 | 0.18628 | 0.00000 | 0% |
| 8 | Off-Peak: Winter | 0.17560 | 0.17560 | 0.00000 | 0% |
| 9 | | | | | |
| 10 | SCHEDULE EV-TOU | | | | |
| 11 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |
| 12 | Metering Charge | 3.81 | 3.81 | 0.00 | 0% |
| 13 | On-Peak: Summer | 0.28717 | 0.28717 | 0.00000 | 0% |
| 14 | Off-Peak: Summer | 0.16546 | 0.16546 | 0.00000 | 0% |
| 15 | Super Off-Peak: Summer | 0.13569 | 0.13569 | 0.00000 | 0% |
| 16 | On-Peak: Winter | 0.17678 | 0.17678 | 0.00000 | 0% |
| 17 | Off-Peak: Winter | 0.16833 | 0.16833 | 0.00000 | 0% |
| 18 | Super Off-Peak: Winter | 0.13819 | 0.13819 | 0.00000 | 0% |
| 19 | | | | | |
| 20 | SCHEDULE EV-TOU-2 | | | | |
| 21 | Minimum Bill | 0.170 | 0.170 | 0.000 | 0% |
| 22 | Metering Charge | 3.81 | 3.81 | 0.00 | 0% |
| 23 | On-Peak: Summer | 0.28714 | 0.28714 | 0.00000 | 0% |
| 24 | Off-Peak: Summer | 0.16547 | 0.16547 | 0.00000 | 0% |
| 25 | Super Off-Peak: Summer | 0.13569 | 0.13569 | 0.00000 | 0% |
| 26 | On-Peak: Winter | 0.17675 | 0.17675 | 0.00000 | 0% |
| 27 | Off-Peak: Winter | 0.16834 | 0.16834 | 0.00000 | 0% |
| 28 | Super Off-Peak: Winter | 0.13819 | 0.13819 | 0.00000 | 0% |
| 29 | | | | | |
| 30 | SCHEDULE EV-TOU-3 | | | | |
| 31 | Minimum Bill | 0.164 | 0.164 | 0.000 | 0% |
| 32 | Metering Charge | 13.13 | 13.13 | 0.00 | 0% |
| 33 | On-Peak: Summer | 0.28714 | 0.28714 | 0.00000 | 0% |
| 34 | Off-Peak: Summer | 0.16542 | 0.16542 | 0.00000 | 0% |
| 35 | Super Off-Peak: Summer | 0.13563 | 0.13563 | 0.00000 | 0% |
| 36 | On-Peak: Winter | 0.17665 | 0.17665 | 0.00000 | 0% |
| 37 | Off-Peak: Winter | 0.16829 | 0.16829 | 0.00000 | 0% |
| 38 | Super Off-Peak: Winter | 0.13813 | 0.13813 | 0.00000 | 0% |

**ATTACHMENT 2
TYPICAL MONTHLY RESIDENTIAL ENERGY CHARGES AT PRESENT AND PROPOSED
(INLAND CUSTOMERS)
Schedule DR (Summer Billing Period)**

| LINE NO. | ENERGY (KWH) (A) | PRESENT BILL (\$) (B) | PROPOSED BILL (\$) (C) | CHANGE (\$) (D) | CHANGE (%) (E) | LINE NO. |
|----------|---------------------|--------------------------|---------------------------|--------------------|-------------------|----------|
| 1 | 500 | 72.75 | 75.41 | 2.66 | 3.7% | 1 |
| 2 | 1000 | 233.89 | 229.82 | (4.07) | -1.7% | 2 |
| 3 | 1500 | 399.40 | 388.58 | (10.82) | -2.7% | 3 |

Schedule DR (Winter Billing Period)

| LINE NO. | ENERGY (KWH) (A) | PRESENT BILL (\$) (B) | PROPOSED BILL (\$) (C) | CHANGE (\$) (D) | CHANGE (%) (E) | LINE NO. |
|----------|---------------------|--------------------------|---------------------------|--------------------|-------------------|----------|
| 14 | 500 | 74.30 | 76.68 | 2.38 | 3.2% | 14 |
| 15 | 1000 | 227.73 | 223.11 | (4.62) | -2.0% | 15 |
| 16 | 1500 | 385.11 | 373.49 | (11.62) | -3.0% | 16 |

**ATTACHMENT 2
TYPICAL MONTHLY RESIDENTIAL ENERGY CHARGES AT PRESENT AND PROPOSED
(COASTAL CUSTOMERS)
Schedule DR (Summer Billing Period)**

| <u>LINE NO.</u> | <u>ENERGY (KWH) (A)</u> | <u>PRESENT BILL (\$) (B)</u> | <u>PROPOSED BILL (\$) (C)</u> | <u>CHANGE (\$) (D)</u> | <u>CHANGE (%) (E)</u> | <u>LINE NO.</u> |
|-----------------|-------------------------|------------------------------|-------------------------------|------------------------|-----------------------|-----------------|
| 1 | 500 | 84.27 | 85.62 | 1.35 | 1.6% | 1 |
| 2 | 1000 | 247.41 | 242.03 | (5.38) | -2.2% | 2 |
| 3 | 1500 | 412.92 | 400.79 | (12.13) | -2.9% | 3 |

Schedule DR (Winter Billing Period)

| <u>LINE NO.</u> | <u>ENERGY (KWH) (A)</u> | <u>PRESENT BILL (\$) (B)</u> | <u>PROPOSED BILL (\$) (C)</u> | <u>CHANGE (\$) (D)</u> | <u>CHANGE (%) (E)</u> | <u>LINE NO.</u> |
|-----------------|-------------------------|------------------------------|-------------------------------|------------------------|-----------------------|-----------------|
| 10 | | | | | | 10 |
| 11 | | | | | | 11 |
| 12 | | | | | | 12 |
| 13 | | | | | | 13 |
| 14 | 500 | 78.49 | 80.33 | 1.84 | 2.3% | 14 |
| 15 | 1000 | 232.71 | 227.56 | (5.15) | -2.2% | 15 |
| 16 | 1500 | 390.10 | 377.94 | (12.16) | -3.1% | 16 |

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
ATTACHMENT 3**

PU Code Section 739.9(b) - "90% Test"

| | |
|--|--------------------|
| A) Bundled System Average Rate | \$0.17209 per kWh |
| B) 90% * Bundled System Average Rate | \$0.15488 per kWh |
| C) Proposed Tier 1 Rate | \$0.13510 per kWh |
| D) Proposed DR (Non-CARE) Tier 1 Revenue | \$494,493,509 |
| E) Minimum Charge Revenue | <u>\$1,887,271</u> |
| F) Baseline, including Minimum Charge Revenue | \$496,380,780 |
| G) Tier 1 Sales, including Minimum Charge Sales | 3,665,118,899 kWh |
| H) Proposed Average Rate Including Minimum Charge | \$0.13543 per kWh |
| I) Minimum Charge Adder | \$0.00033 per kWh |
| J) Is (H) <= (B)? | YES |

**SAN DIEGO GAS & ELECTRIC COMPANY - ELECTRIC DEPARTMENT
ATTACHMENT 4**

CARE Rate Validation - PU Code Section 739.1 (b) (4) - "80% Test"

| LINE NO. | DESCRIPTION (A) | Non-CARE Proposed 01/01/2010 (B) | Non-CARE Adjusted* 01/01/2010 (C) | CARE Proposed 01/01/2010 (D) | CARE Effective** 01/01/2010 (E) | CARE Validation % (F) |
|----------|--------------------------|--|---|------------------------------------|---------------------------------------|-----------------------------|
| 1 | | | | | | |
| 2 | Summer | | | | | |
| 3 | Baseline Energy | \$0.13510 | \$0.12778 | \$0.12867 | \$0.10053 | 79% |
| 4 | 101% to 130% of Baseline | \$0.15628 | \$0.14896 | \$0.14884 | \$0.11666 | 78% |
| 5 | 131% to 200% of Baseline | \$0.29707 | \$0.28975 | \$0.24657 | \$0.19485 | 67% |
| 6 | Above 200% of Baseline | \$0.31707 | \$0.30975 | \$0.24657 | \$0.19485 | 63% |
| 7 | Winter | | | | | |
| 8 | Baseline Energy | \$0.13510 | \$0.12778 | \$0.12867 | \$0.10053 | 79% |
| 9 | 101% to 130% of Baseline | \$0.15628 | \$0.14896 | \$0.14884 | \$0.11666 | 78% |
| 10 | 131% to 200% of Baseline | \$0.28031 | \$0.27299 | \$0.23189 | \$0.18310 | 67% |
| 11 | Above 200% of Baseline | \$0.30031 | \$0.29299 | \$0.23189 | \$0.18310 | 62% |

13 * Non-CARE rates for Schedule DR are adjusted to remove the DWR bond charge of \$.00491, CARE Surcharge of \$.00241 and California
14 Solar Initiative charge (currently \$0).

15 ** CARE effective rates for Schedule DR-LI reflect the 20% discount on the bill and removal of the CARE Surcharge.