

Company: San Diego Gas & Electric Company (U 902 M)
Proceeding: 2028 General Rate Case
Application: A.26-06-_____
Exhibit: SDGE-35

PREPARED DIRECT TESTIMONY OF RACHELLE R. BAEZ

(ELECTRIC RATES)

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



June 2026

TABLE OF CONTENTS

I. INTRODUCTION 1

II. SUMMARY OF PRESENT AND PROPOSED ELECTRIC RATES..... 1

 A. Cost Recovery Allocations & Rate Design..... 2

III. RESIDENTIAL CUSTOMER BILL IMPACTS 3

IV. CONCLUSION..... 4

V. WITNESS QUALIFICATIONS 5

APPENDICES

APPENDIX A - Glossary of Terms..... A-1

APPENDIX B - Illustrative Electric Bill Impacts – Coastal Territory, Non-CARE..... B-1

APPENDIX C - Illustrative Electric Bill Impacts – Inland Territory, Non-CARE C-1

APPENDIX D - Illustrative Electric Bill Impacts – Coastal Territory, CARE..... D-1

APPENDIX E - Illustrative Electric Bill Impacts – Inland Territory, CARE..... E-1

SUMMARY

- If all of San Diego Gas & Electric Company's (SDG&E) 2028 Test Year (TY) General Rate Case (GRC) Phase 1 proposals are adopted, proposed 2028 GRC bundled¹ system average electric rates will increase 4.9% over 2027 system average electric rates that reflect the estimated 2027 GRC-related revenue requirements.
- If all of SDG&E's 2028 TY GRC Phase 1 proposals are adopted, the typical inland residential bundled customer with basic service that uses 400 kWh per month would see an annual average increase of \$13.90 per month (7.1%), or \$9.04 per month (8.1%) if participating in the California Alternate Rates for Electric (CARE) program when compared to illustrative 2027 rates that reflect the estimated 2027 GRC-related revenue requirements. The typical coastal residential bundled customer with basic service that uses 400 kWh per month would see an annual average increase of \$14.16 per month (7.1%), or \$9.20 per month (8.1%) if participating in CARE when compared to illustrative 2027 rates that reflect the estimated 2027 GRC-related revenue requirements.

¹ A bundled customer is a customer who receives both their electric delivery and electric generation from SDG&E.

1 **PREPARED DIRECT TESTIMONY OF RACHELLE R. BAEZ**
2 **(ELECTRIC RATES)**

3 **I. INTRODUCTION**

4 The purpose of my testimony is to illustrate: (1) a summary of the electric revenue and
5 rate changes that would result from adoption of the TY 2028 GRC proposals of SDG&E,² and
6 (2) estimates of residential customer bill impacts.

7 It is important to note that the changes presented in my testimony are illustrative and
8 based on current, effective rates as of June 1, 2026,³ including the underlying rate design and
9 authorized 2026 sales forecast. Actual impacts will vary based on the rate model in effect upon
10 implementation.

11 **II. SUMMARY OF PRESENT AND PROPOSED ELECTRIC RATES**

12 SDG&E has six customer classes: residential, small commercial (generally defined as
13 non-residential customers with demand less than 20 kW), medium commercial (generally
14 defined as non-residential customers with demand between 20 kW and 200 kW) and large
15 commercial and industrial (C&I) (generally defined as non-residential customers with demand
16 200 kW and greater), agricultural, and streetlighting. SDG&E’s proposals in this proceeding
17 would result in changes to the distribution, commodity,⁴ and power charge indifference rate
18 adjustment (PCIA) rate components to reflect the requested change in revenue requirements.⁵

19 My testimony relies on the Summary of Earnings testimony (Exhibit SDGE-32) for TY
20 2028 proposed electric revenues. Table RB-1 presents the comparison of estimated 2027 rates
21 and SDG&E’s proposed 2028 GRC Phase 1 rates by customer class.⁶

² This GRC Application addresses Phase 1 cost-of-service proposals. SDG&E separately files a GRC Application for Phase 2, which addresses electric marginal costs, revenue allocation, and rate design.

³ Advice Letter (AL) 4843-E.

⁴ The terms “commodity” and “generation” are used interchangeably.

⁵ All customers pay PCIA charges. A bundled customer’s PCIA is embedded within the bundled commodity rate.

⁶ 2027 estimated revenue requirement based on revenue requirements effective June 1, 2026 per AL 4843-E adjusted for the revenue changes associated with SDG&E’s TY 2024 GRC authorized Post-TY revenue requirement for 2027 as well as TY 2024 GRC Track 2 and Track 3-related revenue requirements estimated to be implemented in 2027.

As proposed, SDG&E's GRC Phase 1 would result in an increase to total electric rate revenues of \$351 million, or 6.9%, with a bundled system average rate impact of 2.0 cents/kWh, or 4.9%, compared to estimated 2027.⁷

Table RB-1
SDG&E
Electric Department Summary of Electric Rate Impact by Customer Class

Line No.	Customer Class	Total Bundled Rates (Cents per kWh)				Line No.
		2027 Expected ¹	2028 GRC Phase 1 ²	Change ³		
		Present	Proposed	cents/kWh	%	
1	Residential	47.2	50.7	3.5	7.5%	1
2	Small Comm.	41.9	44.8	3.0	7.1%	2
3	Medium Comm.	39.6	40.7	1.1	2.8%	3
4	Large C&I	39.2	40.2	1.0	2.6%	4
5	Agriculture	27.1	28.5	1.3	4.9%	5
6	Lighting	27.5	28.2	0.7	2.4%	6
7	System	41.4	43.5	2.0	4.9%	7

¹ Includes revenues effective 6/1/2026 per AL 4843-E adjusted for the revenue changes associated with SDG&E's TY 2024 GRC authorized Post-TY revenue requirement for 2027 as well as TY 2024 GRC Track 2 and Track 3-related revenue requirements estimated to be implemented in 2027.

² Includes Utility Distribution Company revenues plus bundled Commodity revenues based on current 2026 authorized sales.

³ Totals may not sum due to rounding.

A. Cost Recovery Allocations & Rate Design

The GRC Phase 1 electric revenue requirement consists of electric distribution and electric generation costs. The electric distribution revenue requirement is collected through the Distribution rate component. The electric generation revenue requirement is further split into (1) up-to-market costs, which are recovered through the Commodity rate component (applicable to bundled customers only) and (2) above-market costs, which are recovered through the PCIA rate

⁷ The revenues exclude franchise fees and uncollectibles (FF&U). All values presented in this testimony exclude the semi-annual California climate credit.

1 component (applicable to bundled and unbundled customers).⁸ This split is addressed annually
2 in SDG&E's Energy Resource Recovery Account (ERRA) Applications.

3 SDG&E is not proposing any cost recovery allocation or rate design changes in this
4 proceeding as those issues are addressed in other proceedings (*i.e.*, ERRA and GRC Phase 2
5 Applications).⁹ Consistent with currently authorized allocation methodologies, the GRC Phase 1
6 electric revenue requirements will be allocated as follows:

- 7 • Wildfire-mitigation-related electric distribution revenues will be allocated to
8 customer classes using the equal percent of total revenues (EPTR) allocation
9 methodology adopted in SDG&E's TY 2024 GRC Phase 2, D.25-09-006;¹⁰
- 10 • Non-wildfire-mitigation-related electric distribution revenues will be allocated to
11 customer classes using the system average percent change (SAPC) allocation
12 methodology adopted in SDG&E's TY 2024 GRC Phase 2, D.25-09-006;
- 13 • Bundled electric generation revenues (including bundled PCIA) will be allocated
14 to customer classes using the SAPC allocation methodology adopted in SDG&E's
15 TY 2024 GRC Phase 2, D.25-09-006; and
- 16 • Unbundled PCIA revenues will be allocated to customer classes consistent with
17 the factors used to allocate bundled generation revenues pursuant to D.18-10-019.

18 **III. RESIDENTIAL CUSTOMER BILL IMPACTS**

19 Illustrative bill impacts to residential customers of SDG&E's proposals in this proceeding
20 are presented in Appendices B-E of this testimony. The tables reflect average monthly electric
21 bill impacts by season, variable climate zone,¹¹ usage level and for both CARE and non-CARE
22 customers.

23 When comparing the estimated 2027 rates that reflect the estimated 2027 GRC-related
24 revenue requirement to the 2028 GRC proposed rates, the typical inland residential bundled
25 customer with basic service that uses 400 kWh per month would see an annual average increase

⁸ An unbundled customer is a customer who receives their electric generation from another provider that is not SDG&E, such as a Community Choice Aggregator (CCA) or Direct Access (DA) provider.

⁹ SDG&E's most recent ERRA Decision is D.25-12-008. SDG&E's most recent GRC Phase 2 Decision is D.25-09-006.

¹⁰ This includes wildfire mitigation, vegetation management, and wildfire insurance costs currently proposed in the 2028 GRC Application.

¹¹ SDG&E has four climate zones: Coastal, Inland, Mountain and Desert. Coastal and Inland climate zones make up ~99% of Residential customers.

1 of \$13.90 per month (7.1%), or \$9.04 per month (8.1%) if participating in the CARE program.
2 The typical coastal residential bundled customer with basic service that uses 400 kWh per month
3 would see an annual average increase of \$14.16 per month (7.1%), or \$9.20 per month (8.1%) if
4 participating in CARE.

5 When comparing the estimated 2027 rates that reflect the estimated 2027 GRC-related
6 revenue requirement to the 2028 GRC proposed rates, the typical residential bundled customer¹²
7 with basic service that uses 400 kWh per month would see an annual average increase of \$14.03
8 per month (7.1%), or \$9.12 per month (8.1%) if participating in the CARE program.

9 **IV. CONCLUSION**

10 This concludes my prepared direct testimony.

¹² Inland/Coastal average.

1 **V. WITNESS QUALIFICATIONS**

2 My name is Rachelle R. Baez and I am the Manager, Electric Rates Implementation in
3 the Customer Pricing department of SDG&E. My business address is 8330 Century Park Court,
4 San Diego, California 92123. I have worked for SDG&E since June 2010 and have held various
5 positions in Accounting Operations, Strategic & Financial Planning, and Electric Rates with
6 increasing levels of responsibility. My current responsibilities include overseeing the
7 implementation of SDG&E's electric rates and ensuring compliance with state and federal
8 regulatory and legislative requirements. I received a Bachelor of Science degree in Business
9 Administration with an emphasis in Finance from San Diego State University in 2011.

10 I have previously testified before the California Public Utilities Commission. I have
11 previously submitted testimony before the Federal Energy Regulatory Commission.

APPENDIX A
GLOSSARY OF TERMS

APPENDIX A - Glossary of Terms

ACRONYM	DEFINITION
C&I	Commercial & Industrial
CARE	California Alternate Rates for Energy
CCA	Community Choice Aggregator
DA	Direct Access
EPTR	Equal Percent of Total Revenues
ERRA	Energy Resource Recovery Account
FF&U	Franchise Fees & Uncollectibles
GRC	General Rate Case
PCIA	Power Charge Indifference Rate
SAPC	System Average Percent Change
SDG&E	San Diego Gas & Electric
TY	Test Year

APPENDIX B

ILLUSTRATIVE ELECTRIC BILL IMPACTS

COASTAL TERRITORY, NON-CARE

**APPENDIX B - ILLUSTRATIVE ELECTRIC BILL IMPACTS – COASTAL
TERRITORY, NON-CARE**

Schedule TOU-DR-1 (Summer Billing Period)						
LINE NO.	ENERGY (KWH) (A)	1/1/2027	1/1/2028	CHANGE	CHANGE	LINE NO.
		MONTHLY BILL (\$) (B)	MONTHLY BILL (\$) (C)	(\$) (D)	(%) (E)	
1	25	34.48	35.35	0.87	2.5%	1
2	50	44.81	46.53	1.72	3.8%	2
3	75	55.13	57.72	2.59	4.7%	3
4	100	65.46	68.90	3.44	5.3%	4
5	150	86.12	91.28	5.16	6.0%	5
6	200	106.76	113.66	6.90	6.5%	6
7	250	129.09	137.84	8.75	6.8%	7
8	300	155.28	166.20	10.92	7.0%	8
9	350	181.49	194.58	13.09	7.2%	9
10	400	207.69	222.94	15.25	7.3%	10
11	450	233.89	251.32	17.43	7.5%	11
12	500	260.09	279.68	19.59	7.5%	12
13	600	312.49	336.42	23.93	7.7%	13
14	700	364.90	393.16	28.26	7.7%	14
15	800	417.30	449.90	32.60	7.8%	15

Schedule TOU-DR-1 (Winter Billing Period)						
LINE NO.	ENERGY (KWH) (A)	1/1/2027	1/1/2028	CHANGE	CHANGE	LINE NO.
		MONTHLY BILL (\$) (B)	MONTHLY BILL (\$) (C)	(\$) (D)	(%) (E)	
1	25	34.95	35.81	0.86	2.5%	1
2	50	45.74	47.46	1.72	3.8%	2
3	75	56.53	59.11	2.58	4.6%	3
4	100	67.32	70.75	3.43	5.1%	4
5	150	88.90	94.06	5.16	5.8%	5
6	200	110.48	117.36	6.88	6.2%	6
7	250	132.07	140.67	8.60	6.5%	7

8	300	153.65	163.96	10.31	6.7%	8
9	350	176.01	188.11	12.10	6.9%	9
10	400	203.13	217.40	14.27	7.0%	10
11	450	230.27	246.70	16.43	7.1%	11
12	500	257.40	275.99	18.59	7.2%	12
13	600	311.66	334.58	22.92	7.4%	13
14	700	365.92	393.17	27.25	7.4%	14
15	800	420.18	451.76	31.58	7.5%	15

APPENDIX C

**ILLUSTRATIVE ELECTRIC BILL IMPACTS
INLAND TERRITORY, NON-CARE**

**APPENDIX C - ILLUSTRATIVE ELECTRIC BILL IMPACTS – INLAND
TERRITORY, NON-CARE**

Schedule TOU-DR-1 (Summer Billing Period)						
LINE NO.	ENERGY (KWH) (A)	1/1/2027	1/1/2028	CHANGE (\$) (D)	CHANGE (%) (E)	LINE NO.
		MONTHLY BILL (\$) (B)	MONTHLY BILL (\$) (C)			
1	25	34.48	35.35	0.87	2.5%	1
2	50	44.81	46.53	1.72	3.8%	2
3	75	55.13	57.72	2.59	4.7%	3
4	100	65.46	68.90	3.44	5.3%	4
5	150	86.12	91.28	5.16	6.0%	5
6	200	106.76	113.66	6.90	6.5%	6
7	250	127.42	136.04	8.62	6.8%	7
8	300	148.07	158.41	10.34	7.0%	8
9	350	169.73	181.87	12.14	7.2%	9
10	400	195.92	210.23	14.31	7.3%	10
11	450	222.13	238.61	16.48	7.4%	11
12	500	248.33	266.97	18.64	7.5%	12
13	600	300.73	323.71	22.98	7.6%	13
14	700	353.13	380.45	27.32	7.7%	14
15	800	405.54	437.19	31.65	7.8%	15

Schedule TOU-DR-1 (Winter Billing Period)						
LINE NO.	ENERGY (KWH) (A)	1/1/2027	1/1/2028	CHANGE (\$) (D)	CHANGE (%) (E)	LINE NO.
		MONTHLY BILL (\$) (B)	MONTHLY BILL (\$) (C)			
1	25	34.95	35.81	0.86	2.5%	1
2	50	45.74	47.46	1.72	3.8%	2
3	75	56.53	59.11	2.58	4.6%	3
4	100	67.32	70.75	3.43	5.1%	4
5	150	88.90	94.06	5.16	5.8%	5
6	200	110.48	117.36	6.88	6.2%	6
7	250	132.07	140.67	8.60	6.5%	7

8	300	153.65	163.96	10.31	6.7%	8
9	350	175.23	187.27	12.04	6.9%	9
10	400	196.81	210.57	13.76	7.0%	10
11	450	218.40	233.87	15.47	7.1%	11
12	500	242.75	260.17	17.42	7.2%	12
13	600	297.01	318.76	21.75	7.3%	13
14	700	351.27	377.35	26.08	7.4%	14
15	800	405.53	435.94	30.41	7.5%	15

APPENDIX D

**ILLUSTRATIVE ELECTRIC BILL IMPACTS
COASTAL TERRITORY, CARE**

**APPENDIX D - ILLUSTRATIVE ELECTRIC BILL IMPACTS – COASTAL
TERRITORY, CARE**

Schedule TOU-DR-1 (Summer Billing Period)						
LINE NO.	ENERGY (KWH) (A)	1/1/2027	1/1/2028	CHANGE	CHANGE	LINE NO.
		MONTHLY BILL (\$) (B)	MONTHLY BILL (\$) (C)	(\$) (D)	(%) (E)	
1	25	12.36	12.92	0.56	4.5%	1
2	50	18.72	19.84	1.12	6.0%	2
3	75	25.07	26.75	1.68	6.7%	3
4	100	31.43	33.67	2.24	7.1%	4
5	150	44.15	47.51	3.36	7.6%	5
6	200	56.86	61.34	4.48	7.9%	6
7	250	70.66	76.35	5.69	8.1%	7
8	300	86.97	94.07	7.10	8.2%	8
9	350	103.30	111.81	8.51	8.2%	9
10	400	119.61	129.53	9.92	8.3%	10
11	450	135.94	147.27	11.33	8.3%	11
12	500	152.25	164.99	12.74	8.4%	12
13	600	184.89	200.45	15.56	8.4%	13
14	700	217.53	235.92	18.39	8.5%	14
15	800	250.17	271.38	21.21	8.5%	15
Schedule TOU-DR-1 (Winter Billing Period)						
LINE NO.	ENERGY (KWH) (A)	1/1/2027	1/1/2028	CHANGE	CHANGE	LINE NO.
		MONTHLY BILL (\$) (B)	MONTHLY BILL (\$) (C)	(\$) (D)	(%) (E)	
1	25	12.72	13.28	0.56	4.4%	1
2	50	19.43	20.55	1.12	5.8%	2
3	75	26.14	27.82	1.68	6.4%	3
4	100	32.86	35.09	2.23	6.8%	4
5	150	46.29	49.64	3.35	7.2%	5
6	200	59.71	64.18	4.47	7.5%	6

7	250	73.14	78.73	5.59	7.6%	7
8	300	86.57	93.27	6.70	7.7%	8
9	350	100.50	108.37	7.87	7.8%	9
10	400	117.53	126.80	9.27	7.9%	10
11	450	134.57	145.25	10.68	7.9%	11
12	500	151.60	163.68	12.08	8.0%	12
13	600	185.66	200.57	14.91	8.0%	13
14	700	219.73	237.45	17.72	8.1%	14
15	800	253.80	274.33	20.53	8.1%	15

APPENDIX E

**ILLUSTRATIVE ELECTRIC BILL IMPACTS
INLAND TERRITORY, CARE**

**APPENDIX E - ILLUSTRATIVE ELECTRIC BILL IMPACTS – INLAND
TERRITORY, CARE**

Schedule TOU-DR-1 (Summer Billing Period)						
LINE NO.	ENERGY (KWH) (A)	1/1/2027	1/1/2028	CHANGE (\$) (D)	CHANGE (%) (E)	LINE NO.
		MONTHLY BILL (\$) (B)	MONTHLY BILL (\$) (C)			
1	25	12.36	12.92	0.56	4.5%	1
2	50	18.72	19.84	1.12	6.0%	2
3	75	25.07	26.75	1.68	6.7%	3
4	100	31.43	33.67	2.24	7.1%	4
5	150	44.15	47.51	3.36	7.6%	5
6	200	56.86	61.34	4.48	7.9%	6
7	250	69.58	75.18	5.60	8.0%	7
8	300	82.28	89.01	6.73	8.2%	8
9	350	95.65	103.55	7.90	8.3%	9
10	400	111.97	121.27	9.30	8.3%	10
11	450	128.29	139.01	10.72	8.4%	11
12	500	144.61	156.73	12.12	8.4%	12
13	600	177.25	192.20	14.95	8.4%	13
14	700	209.89	227.66	17.77	8.5%	14
15	800	242.53	263.12	20.59	8.5%	15

Schedule TOU-DR-1 (Winter Billing Period)						
LINE NO.	ENERGY (KWH) (A)	1/1/2027	1/1/2028	CHANGE (\$) (D)	CHANGE (%) (E)	LINE NO.
		MONTHLY BILL (\$) (B)	MONTHLY BILL (\$) (C)			
1	25	12.72	13.28	0.56	4.4%	1
2	50	19.43	20.55	1.12	5.8%	2
3	75	26.14	27.82	1.68	6.4%	3
4	100	32.86	35.09	2.23	6.8%	4
5	150	46.29	49.64	3.35	7.2%	5
6	200	59.71	64.18	4.47	7.5%	6
7	250	73.14	78.73	5.59	7.6%	7

8	300	86.57	93.27	6.70	7.7%	8
9	350	100.00	107.82	7.82	7.8%	9
10	400	113.42	122.36	8.94	7.9%	10
11	450	126.85	136.91	10.06	7.9%	11
12	500	142.08	153.40	11.32	8.0%	12
13	600	176.15	190.28	14.13	8.0%	13
14	700	210.21	227.16	16.95	8.1%	14
15	800	244.28	264.04	19.76	8.1%	15